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VIA FACSIMILE

Professor Albert Jan van den Berg
Davis R. Robinson, Esq.
Professor Armand de Mestral
all care of
Ms. Claudia Frutos-Peterson, Counsel
International Centre for Settlement of Investment Disputes
1818 H Street, N.W.
Washington, DC, 20433

Dear Sirs and Madam:

Re: *Canfor Corporation v. United States of America; Terminal Forest Products Ltd. v. United States of America; Tembec et al v. United States of America; Tembec Inc. et al v. United States of America*

In response to the letter from Ms. Frutos-Peterson dated July 5, 2005, we provide the following brief observations.

1. We have, on behalf of both Canfor Corporation ("Canfor") and Terminal Forest Products Ltd. ("Terminal"), articulated the concerns relating to the appointment of Mr. Robinson in the circumstances of this particular dispute, which concerns have not been abated by the determination by Mr. Danino concerning the challenge to his appointment initiated by Tembec. The unilateral nature of the appointment to a consolidation panel, including of individuals pre-approved by the United States, but not by Canfor or Terminal, which can effectively usurp the jurisdiction of a consensually appointed panel, heightens these concerns.
2. Canfor and Terminal have repeatedly observed that the United States ought not to be entitled to request consolidation, given that it was its unilateral determination to prosecute a jurisdictional objection, even after all three claims had been submitted to arbitration. If the United States intended this course of action, Canfor never ought to have been put to

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the expense of defending such an application. From Canfor and Terminal's perspective, if this Tribunal accedes to Tembec's Motion to Dismiss, that will alleviate the need of all parties to bear the expense of responding to an application which has no merit.

Yours truly,

DAVIS & COMPANY LLP

Per:

P. John Landry

PJL/sas

cc: Mr. Mark A. Clodfelter/Ms. Andrea Menaker

cc: Mr. Elliott Feldman

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