



## COALITION FOR FAIR LUMBER IMPORTS

**For Immediate Release**  
**March 23, 2001**

**Contact: Scott Shotwell (202) 862-4505**

**INDUSTRY ACTION ALERT:**  
**Support Needed for H. Con. Res. 54 and S. Con. Res. 8**  
**Regarding the Expiration of the Softwood Lumber Agreement**

**Background:**

Three previous Administrations have found that Canadian governments heavily subsidize the Canadian lumber industry. Canadian provinces sell their timber to their lumber mills at administratively set prices that are half to a quarter of the timber's market value. The provinces' timber licenses mandate production regardless of market conditions and artificially distort the competitive lumber market in the United States.

**Current Situation:**

The 1996 Softwood Lumber Agreement, which attempted to offset the adverse effects of Canadian timber subsidies and tenure requirements, is set to expire on March 31, 2001, and negotiations to replace the Agreement have not begun. **An extension of the current agreement is not an option. An extension would prohibit the Coalition from taking legal action and should be seen as merely a delay.** Canada is either unable or unwilling to begin negotiations to resolve the dispute. Even under the little protection afforded by the Agreement, subsidized lumber imports are at record levels, and lumber prices have fallen by over 33 percent in the last 12 months to record low levels. While Canadian sawmills keep pumping out lumber with government money, U.S. mills are suffering from unfair imports and shutting down in droves.

**Action Needed:**

The U.S. lumber industry and affected parties need to urge government officials to support true free trade—open and competitive markets for lumber and timber.

Resolutions that urge the Administration to immediately address the problem of subsidized Canadian softwood lumber imports in both the House of Representatives and in the Senate have been introduced. They both call for the following:

1. The U.S. government should seek a solution that ends or offsets Canadian timber subsidies and tenure requirements that distort market conditions;
2. If Canada does not agree to end the subsidies, the U.S. government should enforce vigorously, promptly, and fully U.S. trade laws; and,
3. All options to stop unfairly traded imports should be explored to limit injury to U.S. industry and their employees.

**Immediate Contacts Necessary:**

Please contact your Senators and, if they have not already done so, urge them to co-sponsor Senator Snowe's (R-ME) legislation S. Con. Res. 8, introduced on February 7, 2001. Please contact your Representative and urge them to co-sponsor H. Con. Res. 54 introduced by Saxby Chambliss (R-GA). Both Resolutions express a sense of Congress regarding the importation of unfairly traded lumber. Attached are copies of both Senate and House measures. It is critical that we get a large group of co-signers on both Resolutions in order to counter the information being pumped out by consumer groups.



# COALITION FOR FAIR LUMBER IMPORTS

Enclosures: H. Con. Res. 54 and Myths and Facts about Canadian Lumber Subsidies