



COALITION FOR FAIR LUMBER IMPORTS

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NAFTA RULES THAT CANADA DUMPS LUMBER ON U. S. MARKET

WASHINGTON, D.C.— A NAFTA Dispute Panel issued a ruling today that supports the U.S. Department of Commerce determination that the Canadian lumber industry dumps lumber into the U.S. market. Dumping is the practice of selling a product at prices below its production costs. The NAFTA finding confirms that the U.S. can impose antidumping duties to offset Canada's unfair lumber trade practices. The U.S. lumber industry welcomed the determination, its second legal victory from an international body in the past year.

“The NAFTA ruling confirms that Canadian producers dump lumber into the U.S. market,” said Rusty Wood, Chairman of the Coalition for Fair Lumber Imports. “The practice of dumping is encouraged by provincial policies that require Canadian companies to continue harvesting trees and producing lumber irrespective of market conditions. The result of the unfair trade is greater job losses in the U.S. than in a free and fair market.”

By pricing exported lumber below their subsidized production costs, Canadian companies distort the lumber market and threaten the livelihood of many U.S. lumber mills, their employees, and timberland owners. Last year, 51 U.S. Senators sent a letter to the International Trade Commission testifying to irreparable damage to the U.S. lumber industry due to Canadian lumber subsidies and dumping practices. “Everyday, in our respective States, hundreds of thousands of workers must fight against unfair trade practices. The mill closures, lost jobs, and flood of Canadian lumber we have seen throughout this country testify to the enormous impact of unfairly traded Canadian lumber,” wrote the Senators.

In May, reports of a World Trade Organization confidential ruling confirmed that the Canadian provincial governments subsidize the Canadian softwood lumber industry and that countervailing duties against Canadian softwood lumber are permitted under international rules. The WTO also called for a new methodology in calculating the amount of the lumber subsidy that is consistent with the United States' WTO commitments.

“The Coalition For Fair Lumber Imports today calls again on the Canadian government to halt its subsidies to the Canadian lumber industry and to seek open and competitive timber and lumber markets through a negotiated settlement,” added Wood. “Canada is America's good friend and trading partner. However, in order to solve an internal unemployment problem they have created an international one. We strongly desire free trade and fair competition.”

The Coalition for Fair Lumber Imports represents hundreds of large and small lumber producers from across the United States, accounting for 75 percent of US lumber production, and forest landowners. For more information on the Coalition for Fair Lumber Imports, visit our website at www.fairlumbercoalition.org.



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