



## COALITION FOR FAIR LUMBER IMPORTS

FOR IMMEDIATE RELEASE  
July 31, 2003

CONTACT: Scott Shotwell  
202.862.4505  
[fairlumber@cs.com](mailto:fairlumber@cs.com)

### **Canadian Lumber Proposal Warrants Further Discussion**

Washington, DC — The proposed framework put forth by the U.S. and Canadian government officials to settle the softwood lumber dispute addresses the major issues that need to be resolved. The U.S. industry believes that with some relatively minor modifications and adequate implementation measures, the proposal could form the basis for a satisfactory settlement.

"The goal of any settlement must be to reduce the volume of unfair trade to a reasonable level pending the long-term reform of Canadian timber pricing practices. This proposal brings Canada and the United States closer to an interim and long-term resolution than we have been in previous discussions," said Rusty Wood, chairman of the Coalition for Fair Lumber Imports. "The U.S. industry believes that a satisfactory resolution can be reached promptly if governments and industry on both sides of the border stay engaged to ensure that the proposed framework agreement achieves the intended objective."

Both the U.S. and Canadian industry officials and Canadian provincial officials have expressed some concerns about elements of the latest proposal and a desire to fine-tune the proposed framework. The two governments have agreed to continue discussions on long-term reforms and will be discussing issues relating to the dispute.

"The proposed framework contemplates a quota on softwood lumber imports which would effectively hold the Canadian market share at current levels (about 32.5 percent). Without adequate implementation measures, that share could rise even higher. Our suggestion is a slight modification to the combined effect of the quota and tariff rates that we believe would produce a more reasonable market for both U.S. and Canadian producers. We believe the proposals are close enough that continued negotiations could produce a final settlement in short order."

Wood added, "Absent an agreed settlement, we are confident that the trade cases will result in a full offset of the unfair trade practices." The WTO in May 2003 found that the Canadian lumber industry received a financial contribution from its provincial governments, and this month, a NAFTA panel found Canadian companies to be dumping unfairly trade lumber into the U.S. market. The international bodies have declared that the United States can continue to collect both countervailing and antidumping duties. The U.S. industry is confident that the duty rates will offset unfair trade. A negotiated settlement would provide the lumber market with stability, which is desired by both industries.

Wood concluded, "The U.S. industry believes the proposed framework can be strengthened to create a win-win settlement of this long-standing dispute and urges the Canadian industry and government to return to the negotiating table."