



COALITION FOR FAIR LUMBER IMPORTS

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Preliminary Countervailing Duty Determination on U.S.-Canada Softwood Lumber Petitions Set for August 9, 2001

Washington, DC -- The Department of Commerce is expected on August 9, 2001 to announce its preliminary determination on the countervailing duty petition filed this spring by the U.S. lumber industry. U.S. sawmill owners and workers are asking the Bush Administration to offset the subsidies given to the Canadian lumber companies by the provincial governments. The Reagan, Bush and Clinton Administrations each found that Canada's lumber industry was heavily subsidized and took action.

In 1986, the Commerce Department reached a preliminary finding that Canada's industry received major subsidies to the order of 15 percent. Heavy subsidies were found again in 1992 (11.5% on remand). In fact, no tribunal, U.S. or international, has ever denied the fundamental fact in this long-running dispute: Canada's provincial governments supply their sawmills with government timber at prices far below fair market value (considering quality, species, silviculture and other costs). Former President Carter, writing recently in *The New York Times*, noted:

“[Canadian] Provincial governments grant an annual allowable cut to sawmill owners at whatever low price is necessary to maintain full employment in the timber industry. These sawmills usually pay a fraction of the price that American sawmill owners pay, creating a great disparity that is beginning to wreck havoc with the timber industry in the United States, from the farm family that owns some woodland to the small or large sawmill owners who cannot compete on the retail market with the heavily subsidized lumber being imported from Canada.” (*Jimmy Carter, The New York Times, 3/24/01*)

Despite claims by the Canadian lumber industry and provincial governments that subsidies do not exist, the U.S. industry remains confident that the Department of Commerce will find significant subsidies once again. “As long as Canada continues to sell their stumpage below its actual value, it is impossible to trade fairly and that means a huge burden on the US economy and forest industry,” said Rusty Wood, chairman of the US Coalition for Fair Lumber Imports. “We will continue to fight against Canadian subsidies until Canada agrees to move to a market-based pricing system and remove other government policies that distort the market and provide our competitors with an artificial advantage.”

For more information, contact the Coalition for Fair Lumber Imports at (202) 862-3686 or the Southeastern Lumber Manufacturers Association at 404-361-1445.

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