



COALITION FOR FAIR LUMBER IMPORTS

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U.S. LUMBER COALITION COMMENTS ON THE WTO RULING

The following statement by Rusty Wood, Chairman of the U.S. Coalition for Fair Lumber Imports and President of Tolleson Lumber Company of Perry, GA, comments on the decision last week by a World Trade Organization panel which rejected a case brought by the government of Canada alleging that its log export ban is not a subsidy. The WTO case was brought in August 2000 as a "preemptive strike" against the U.S. industry's April 2001 countervailing duty and antidumping petitions regarding Canadian softwood lumber.

The Coalition for Fair Lumber Imports welcomes the release, on June 29, 2001, of the WTO Panel Report dismissing in its entirety Canada's claim that the United States' treatment of export restraints under its countervailing duty law violates WTO rules. The WTO Panel found that no change in U.S. law or practice is required to conform with the WTO agreements concerning subsidies and countervailing measures.

In the absence of substantive facts, the Panelists proceeded to provide additional non-binding views in which they noted that not all government measures deemed to be export restraints are countervailable—a principle with which all parties to the dispute agreed. The Panelists' extraneous discussion of the countervailability of certain types of export restraints reflects the abstract nature of the claim brought by Canada and, even on its face, is not relevant to the measures at issue in the softwood lumber dispute. The Panel expressed no views as to the potential countervailability of the Canadian log export restrictions, except to confirm that U.S. law is consistent with WTO rules.

The WTO Panel Report affirms the failure of Canada's attempt to limit the United States' ability to determine that the Canadian log export restrictions constitute countervailable subsidies to Canadian softwood lumber producers.

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