



COALITION FOR FAIR LUMBER IMPORTS

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Department of Commerce Excludes Canadian Maritime Provinces from Softwood Lumber Countervailing Duty Investigation

WASHINGTON, DC -- On Friday, July 27, the U.S. Department of Commerce announced an amendment to the original notice of initiation of a countervailing duty investigation of Canada's softwood lumber exports to exclude all products produced in the Provinces of New Brunswick, Nova Scotia, Prince Edwards Island, and Newfoundland (the Maritime Provinces).

The Coalition for Fair Lumber Imports countervailing petition filed on April 2, 2001 did not allege subsidies against lumber production in the Maritime provinces, which harvest nearly 75 percent of their timber from private land holdings, unlike the other provinces covered by the U.S. industry's petition. The Maritime provinces were also excluded from the Softwood Lumber Agreement and the 1992 countervailing duty case.

Both the Coalition for Fair Lumber Imports and the Atlantic provincial governments and industry requested that the U.S. Department of Commerce amend the initiation of the investigation to exclude the provinces from the scope of the investigation. The Canadian federal government had requested in pre-initiation discussions with Commerce that the Maritime provinces be exempted based upon their unique circumstances. Excluding the provinces from the investigation, rather than exempting them at a later point, prevents a low Maritimes subsidy rate from diluting an averaged, countrywide subsidy rate. Also, the Maritimes have committed to ensuring that there is no transshipment of subsidized or dumped lumber from the other Canadian provinces through the Maritimes. Maritimes lumber is still subject to the antidumping duty investigation.

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