



COALITION FOR FAIR LUMBER IMPORTS

FOR IMMEDIATE RELEASE

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Coalition for Fair Lumber Imports Concerned that \$1.15 Billion in New Canadian Tax Payers Funded Aid for Forestry Undermines U.S. Jobs and the Softwood Lumber Agreement

WASHINGTON (Jan. 26, 2009) – The Coalition for Fair Lumber Imports today expressed deep concern that the Canadian Government's plan to provide C\$1.15 billion in new aid to Canada's forest industry will likely result in further U.S. job losses and could represent the latest violation of the U.S.-Canada Softwood Lumber Trade Agreement.

The Coalition vows to closely examine the details of tomorrow's (Jan. 27, 2009) Federal Canadian Budget and promptly work with the Obama Administration and the Congress to ensure that any trade agreement violations stemming from this, or previous, SLA-inconsistent aid program will be addressed aggressively.

The Coalition's members are concerned about a seemingly endless array of initiatives to reduce costs illegally for their Canadian competitors. Hopes that the 2006 Softwood Lumber Agreement would help to level the playing field against subsidized Canadian lumber are being dashed by Canada's systemic disregard of its commitments under the agreement.

Oregon Lumberman Steve Swanson, Chairman of the Coalition and CEO of the family-owned Swanson Group, said that "it is time to closely examine whether this agreement has delivered the intended benefits to U.S. lumber communities, and take meaningful enforcement steps in instances where Canada has willfully undermined this trade agreement and U.S. jobs."

The agreement specifically includes a ban on new government subsidies to Canadian lumber production, no matter how they are crafted. Canada's subsidies are extremely disruptive in the market place and have accelerated the closures of hundreds of competitive U.S. lumber mills and losses of U.S. jobs in communities that can least afford this economic harm.

"Since the agreement came into force, the Canadian federal and provincial governments have repeatedly violated the agreement through illegal subsidies, including large reductions in provincial timber royalties. The new subsidies have maintained timber production in the face of sharply declining demand while further suppressing market prices," said Steve Swanson.

“What is the point of having a softwood lumber trade agreement if Canada continues to violate it? It is time to enforce this agreement and make it work for U.S. companies, hundreds of thousands of U.S. workers, and millions of private family forest landowners and their communities,” Swanson said.

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About the Coalition for Fair Lumber Imports

The U.S. Coalition for Fair Lumber Imports is an alliance of large and small lumber producers from around the country, joined by hundreds of thousands of their employees, and tens of thousands of woodland owners. The Coalition is united in opposition to Canada's unfair lumber-trade practices, including its gross under-pricing of timber. For more information including Swanson's full text and other issues, please visit the Coalition's website at www.fairlumbercoalition.org.