



COALITION FOR FAIR LUMBER IMPORTS

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Coalition for Fair Lumber Imports Says New Brunswick Government Subsidies to Reopen Lumber Mill Undermine U.S.-Canada Softwood Lumber Trade Agreement

WASHINGTON (February 12, 2010) - The U.S. Coalition for Fair Lumber Imports said today that the latest announcement of New Brunswick government support programs provided explicitly to re-open the Miramichi Lumber Products lumber mill are in direct contravention of the U.S.-Canada Softwood Lumber Trade Agreement (SLA).

The New Brunswick government indicated this week it will provide a C\$1.5 million loan and another C\$1.5-million loan guarantee, as well as an increase in Crown Timber Allocation to 150,000 cubic meters (up from 83,000 meters) to ensure the now-closed mill can resume production of lumber.

"This latest New Brunswick government action is yet another example of the efforts of Canada's lumber producing provinces to find ways to subsidize its industry. It runs afoul of the SLA," said Steve Swanson, chairman of the Coalition and president of the family-run Swanson Group in Oregon.

The SLA specifically forbids these types of Canadian provincial government subsidies because they circumvent the SLA's disciplines designed to promote fair trade in lumber. By using subsidies to open production facilities that otherwise could not obtain financing on the market, New Brunswick's actions will prolong the severe depression in the North American lumber market, at the expense of American lumber producers who operate in an open-market and fair timber pricing system.

"The entire purpose of the SLA was to prevent new and unfair Canadian and provincial government subsidies for their industries that are harmful to U.S. companies, workers, and our communities," said Swanson. "Instead, as the SLA goes into its fourth year, it appears the provincial governments are stepping up their efforts to unfairly support their industries."

An arbitration decision is expected later this year on U.S. claims that similar support programs by the Ontario and Quebec governments violate the SLA.

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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 underpricing of timber. For more information, please visit the Coalition's website at www.uslumbercoalition.org.