



## COALITION FOR FAIR LUMBER IMPORTS

Coalition for Fair Lumber Imports Reiterates Concerns Regarding Changes to British Columbia's Interior Stumpage Pricing System

### **FOR IMMEDIATE RELEASE**

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WASHINGTON (June 4, 2010) – The Province of British Columbia has begun to implement changes to its pricing system for public timber which are likely to permanently lock in recent timber pricing abuses that are in direct violation of the U.S.-Canada softwood lumber trade agreement. The Coalition for Fair Lumber Imports maintains that correcting and remedying B.C. stumpage pricing abuses that were, and continue to be, in violation of the SLA is essential to preserving the integrity of the trade agreement.

“British Columbia’s abusive stumpage pricing practices have been harmful to the entire North American lumber industry outside Interior B.C.” said Steve Swanson, chairman of the Coalition and president of the family-run Swanson Group in Oregon. “But these abuses have been a lifeline thrown to the B.C. industry by the provincial government, so it is not surprising that the B.C. industry spokesperson, Mr. John Allan, believes all is well under the SLA. However, all is not well when B.C. has been violating the SLA for the last three years. The Coalition will continue to press for full retroactive compliance with the SLA,” stated Mr. Swanson.

Effective June 1, the price of many B.C. Interior timber stands sold without competition will be based solely on the volume and quality of timber estimated by a “cruise” of the standing timber before harvest. Until now, the B.C. government has required harvesters to “scale” or measure and grade timber after harvest in order to determine the payment due. More changes are scheduled to take effect on July 1.

“Despite the praises of the B.C. industry spokesperson, the latest change to the government-run stumpage pricing system amounts to nothing less than a taxpayer resource give-away that violates the Softwood Lumber Agreement. The only beneficiaries appear to be a handful of B.C. lumber producers at the expense of everyone else,” stated Mr. Swanson.

According to B.C. government statistics, over the last two years more than 40 percent of the BC Interior timber harvest has been graded “lumber reject” and therefore is eligible for the minimum stumpage rate of C\$0.25/m<sup>3</sup>. However, most of this timber is in fact used to make lumber – meaning that B.C. is failing to properly implement the timber pricing system grandfathered in the SLA. As a result, B.C. lumber producers have the lowest cost timber in North America, giving them a significant unfair advantage over competitors in the United States and other parts of Canada during the catastrophic conditions for lumber producers over the last two years. The SLA prohibits this type of abuse.

The latest change means that, on the very timber stands that have been generating most of the misgraded, low-priced timber sales, B.C. will no longer require lumber producers to measure and grade the timber. Instead, B.C. will accept payment based on the volume and quality of the timber estimated before harvest. If, as the Coalition maintains, B.C. Interior timber has been misgraded in violation of the SLA for the past three years, the new system will – at best – simply lock in these SLA-inconsistent practices. If the changes open the doors to more abuses, the SLA violations will only deepen.

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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 the gross underpricing of timber on government-owned lands. For more information, please visit the Coalition's website at [www.uslumbercoalition.org](http://www.uslumbercoalition.org).