



COALITION FOR FAIR LUMBER IMPORTS

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NAFTA PANEL AGAIN FAILS TO IDENTIFY OBVIOUS LUMBER SUBSIDY

Today, a NAFTA binational dispute panel failed again to uphold the U.S. government's finding that imports of Canadian softwood lumber are subsidized, even though the government decision fully complied with U.S. law and NAFTA obligations.

According to Coalition for Fair Lumber Imports Chairman Steve Swanson, "The U.S. Department of Commerce and the WTO have consistently found that the Canadian provinces operate their timber sales systems as subsidized employment programs. The Canadian Government's ongoing massive subsidization of its lumber industry has been further confirmed by numerous independent experts. Nevertheless, this NAFTA panel is determined to rule contrary to both the facts and U.S. law and thereby allow Canadian producers to continue to sell heavily subsidized lumber into the U.S. market to the detriment of the U.S. lumber industry."

Despite the overwhelming evidence of Canadian timber subsidies, this NAFTA panel continues to stray beyond its proper standard of review authority under the NAFTA and to ignore U.S. law. Instead, it has produced a series of decisions relying on contrived analysis and reasoning designed to excuse Canadian subsidization of its lumber industry.

"The World Trade Organization has agreed with the United States that it does not need to use distorted Canadian prices to measure market values in Canada. Nevertheless, the NAFTA panel consistently develops and imposes upon the U.S. government contrived and fundamentally inaccurate formulae that prevent the United States from properly enforcing the U.S. trade laws," Swanson said. The Coalition will work with the U.S. Government to maintain countervailing duties to offset Canadian lumber subsidies.

The Coalition for Fair Lumber Imports called for reforms to the NAFTA system that would make it a more honest judge of trade law cases. "NAFTA panels routinely act beyond their authority under U.S. law," Swanson said. The Coalition for Fair Lumber Imports is now pursuing a case in U.S. court charging that the NAFTA binational system violates the U.S. constitution.