



COALITION FOR FAIR LUMBER IMPORTS

FOR IMMEDIATE RELEASE

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Coalition for Fair Lumber Imports Criticizes BC Log Export Tax Increases: Another Softwood Lumber Agreement Violation

Washington, DC, November 6, 2007 – The U.S. Coalition for Fair Lumber Imports today criticized the intensified log export restraints announced by the British Columbia (BC) government on Monday as the latest breach of the Softwood Lumber Agreement (SLA). The cumulative effect of the numerous Canadian SLA violations is causing more layoffs and sawmill shutdowns than would otherwise have occurred in the current difficult market environment.

Coalition Chairman Steve Swanson stated that “the new log export restraints will reduce BC lumber producers’ manufacturing costs to offset SLA lumber export taxes. As with the multitude of other new subsidies announced by Canadian governments, the new BC measures circumvent the Softwood Lumber Agreement. The terms and spirit of the Agreement expressly forbids Canada from implementing measures that circumvent the agreed-upon border measures put in place under this pact. The U.S. industry cannot tolerate Canada’s unrelenting attempts to circumvent the Agreement. Especially not as we curtail production and lay off workers.”

The purpose and effect of BC log export restrictions have long been to reduce BC lumber producers’ log and timber costs by artificially restricting demand for logs. The U.S. Commerce Department has confirmed that this is a subsidy. BC has announced that it will increase taxes on logs “to strengthen the [BC] Coastal forest sector.”

British Columbia is brazenly instituting a log export tax that will be higher when SLA lumber export tax levels are higher. This means that it is reducing lumber producers’ log and timber costs precisely when they need more money to pay SLA export taxes. Lower log prices will result in lower government timber fees because timber fee rates are tied to log prices.

Mr. Swanson concluded by stating that “the United States entered into the Agreement last year because Canada committed to implement border measures that would help offset Canada’s unfair softwood lumber trade practices. Canada is increasing subsidies to nullify those border measures -- just what it agreed not to do. Apart from violating the Agreement, Canada is artificially promoting production and exports that exacerbate and prolong the current difficult market conditions. We will not stand for it.”

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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. The Coalition is united in opposition to Canada's unfair lumber-trade practices, including its gross under-pricing of timber. For more information, please visit the Coalition's website at www.fairlumbercoalition.org.