



COALITION FOR FAIR LUMBER IMPORTS

FOR IMMEDIATE RELEASE

CONTACT

Barry Cullen 202-862-4505

Harry Clark 202-429-2359

Coalition for Fair Lumber Imports Disappointed By Repeal of The Continued Dumping and Subsidies Offset Act

Washington, D.C., December 21, 2005 -- The U.S. lumber industry expressed disappointment today after the U.S. Senate passed the Deficit Reduction Omnibus Reconciliation Act of 2005, which includes a provision to repeal the Continued Dumping and Subsidies Offset Act (“CDSOA” or “Byrd Amendment”). The CDSOA currently provides for crucial distributions of duties paid by those engaged in unfair trade which are collected on imports. The funds are disbursed to partially reimburse domestic industries injured by unfair trade. The policy is a good one, as evidenced by the fact that the Bush Administration has put this issue on the agenda in the WTO negotiations to obtain international approval for this type of compensation for injury related to unfair trade.

While the final vote is disappointing, the lumber industry appreciates the efforts of Senator Larry Craig (R-ID) and other Senators to ensure that duties collected on imports that enter the U.S. market before October 1, 2007 will continue to be distributed pursuant to CDSOA. The industry would also like to recognize and extend its appreciation to Senator Byrd (D-WV) and the more than 70 Senators who have repeatedly voiced their support for a continuation of the CDSOA.

Coalition for Fair Lumber Imports Chairman Steve Swanson commented that “this development is disappointing, but underscores how important the next few years are in the lumber industry’s fight to level the playing field with Canadian producers. While this action may eventually end CDSOA, it makes clear that duties assessed on subsidized Canadian lumber that is imported before October 1, 2007 are to be paid to the U.S. lumber industry.”

The fact remains that Canada’s lumber industry receives billions of dollars in annual subsidies derived from Canadian taxpayer-owned forest resources. This fact has been, and continues to be, confirmed by the U.S. Commerce Department as well as the World Trade Organization. Canada continues to flaunt its subsidy programs, including its most recent announcement of an additional US\$1.3 billion dollars worth of taxpayer-funded subsidies just last month.

These Canadian lumber subsidies continue to injure U.S. lumber producers and the more than 10 million landowners and families that invest in timberlands throughout the U.S. The strong

enforcement of our fair trade laws is a vital response to those Canadian subsidies. The Administration has pledged to work to offset the harm caused by unfair lumber imports and the American lumber industry will continue to work with the Administration to reach an outcome that is fair and equitable to all parties.

“All that the U.S. industry has ever requested is an end to Canadian lumber subsidies and dumping through open and competitive timber and log markets,” said Coalition for Fair Lumber Imports Chairman Steve Swanson. “As has always been the case, the U.S. industry vigorously supports the U.S. government’s pursuit of a settlement based on reasonable Canadian commitments designed to lead to requisite timber policy reform in Canada. Until then, we will enforce our rights to relief under the U.S. trade laws.”

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, please visit the Coalition’s website at www.fairlumbercoalition.org.