



Committee On Finance

Max Baucus, Ranking Member

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BAUCUS CRITICIZES NAFTA RULING ON LUMBER

*Senator Urges President Bush, Prime Minister Harper
to Negotiate a Durable Solution to Longstanding Dispute*

Washington, DC - U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee, expressed disappointment over today's decision by a NAFTA panel regarding duties imposed by the United States on imports of illegally subsidized Canadian softwood lumber.

"This decision follows in a long line of flawed rulings by this NAFTA panel," said Baucus. **"It is deeply troubling that the panel has seen fit to undermine the legitimate and WTO-consistent response by the United States to imports of subsidized Canadian lumber. I urge the Administration to appeal this erroneous ruling."**

Today's NAFTA decision would cause the U.S. Commerce Department to reduce its subsidy estimate to below one percent, potentially leading to the premature elimination of essential anti-subsidy duties on imports of subsidized Canadian softwood lumber. By contrast, in various decisions, the World Trade Organization has confirmed the existence of Canadian subsidies, confirmed that Canadian lumber is dumped into the U.S. market, and confirmed that these subsidies and dumping practices threaten to injure the U.S. lumber industry.

"Continued litigation is in nobody's interest," said Baucus. **"The time has come for the U.S. and Canadian governments to negotiate a durable end to this dispute. President Bush and Prime Minister Harper have a unique opportunity to get this process rolling at their summit in Cancun at the end of this month. Both leaders should instruct their trade negotiators to settle this dispute within the next three months."**

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