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BAUCUS APPLAUDS FINDING THAT CANADA VIOLATED LUMBER AGREEMENT

Finance Chairman calls decision good for U.S. lumber producers and for fair competition

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today welcomed the announcement that the London Court of International Arbitration found subsidies provided by Quebec and Ontario to their lumber industries violated the U.S.-Canada Softwood Lumber Agreement. Baucus said today that the decision, which would require the collection of nearly \$60 million in additional export duties on Canadian lumber shipments, is a positive development for lumber workers and producers in Montana and across the country.

“Today’s decision is the second time an arbitration panel has found that Canadian provinces violated the Softwood Lumber Agreement, and these decisions send a message to Canada that we will fight to ensure our lumber workers can compete on a level playing field,” said Baucus. **“The lumber industry counts on fair competition to keep its workers on the job and that’s why today’s decision to end these unfair Canadian assistance programs is so important. This decision is good news for lumber producers and workers in Montana and across the country.”**

In 2006, the United States and Canada signed the Softwood Lumber Agreement, requiring Canada to end unfair practices that supported its domestic lumber industry and ending all existing softwood lumber litigation between the two countries. The Softwood Lumber Agreement gives the United States the right to resolve such complaints through binding arbitration under the London Court of International Arbitration.

The case decided today involved provincial assistance programs for the lumber industry in the Canadian provinces of Ontario and Quebec, and was initiated in January of 2008. Today’s decision would set a requirement that Canada collect nearly \$60 million in additional export duties on lumber shipments to the United States.

In 2009, another arbitration tribunal ruled in favor of the United States in finding that the Canadian provinces of Quebec, Ontario, Manitoba, and Saskatchewan had violated the Softwood Lumber Agreement by exceeding quota requirements and required the collection of over 68 million Canadian dollars in export duties on Canadian lumber exports.

The Finance Committee has sole jurisdiction over international trade.

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