



For Immediate Release
January 18, 2011

Contact: Scott Mulhauser/Erin Shields
(202) 224-4515

BAUCUS APPLAUDS U.S. REQUEST FOR ARBITRATION WITH CANADA

Finance Chairman calls case crucial for lumber workers and producers

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded the announcement by United States Trade Representative (USTR) Ron Kirk that the United States is requesting arbitration to end unfair Canadian practices that are harming the U.S. lumber industry. Baucus has urged USTR Kirk to seek arbitration as the next step in a case that was launched on October 10, 2010, following the failure of consultations between the United States and Canada to resolve the issue.

“Lumber workers and producers in Montana and across the country deserve the opportunity to compete on a level playing field with Canadian lumber producers, and today's decision to pursue arbitration is an important step towards that end,” said Baucus. **“Lumber jobs in Montana and across America are dependent on strong, fair enforcement of the rules of the Softwood Lumber Agreement with Canada, and it is my hope that will be the outcome of this arbitration.”**

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. However, U.S. producers have complained that the Government of British Columbia has circumvented the agreement by inappropriately selling government-owned timber used for softwood lumber production at salvage prices. The Softwood Lumber Agreement gives the United States the right to resolve such complaints through binding arbitration, under the rules of the London Court of International Arbitration. The next substantive step in the arbitration process is for the arbiters to be chosen, after which there will be an arbitration period of 180 days.

The Finance Committee has sole jurisdiction over international trade.

###