

FACT SHEET

Preliminary Results of the 3rd Administrative Reviews: Antidumping and Countervailing Duty Orders on Softwood Lumber from Canada

On June 1, the Department of Commerce (the Department) announced its preliminary results of the above-referenced reviews for entries of softwood lumber from Canada during the period May 1, 2004 through April 30, 2005, for the antidumping duty review and April 1, 2004 through March 31, 2005, for the countervailing duty review. We preliminarily found that Canadian provincial stumpage and other programs confer a benefit to producers of softwood lumber and that Canadian producers/exporters of softwood lumber have sold their product in the United States below normal value. The Department will carefully consider interested parties' comments on its preliminary results as well as all record evidence before issuing the final results in these reviews, scheduled for December 2006. Although the United States and Canada have agreed to a term sheet containing a framework for resolving the softwood lumber dispute, the Department must continue to meet its statutory deadlines until a final agreement is signed.

Petitioners: The petitioner in this case is the Executive Committee of the Coalition for Fair Lumber Imports, an *ad hoc* coalition of softwood lumber producers.

Product Description: The products covered by this order are softwood lumber, flooring and siding (softwood lumber products). Softwood lumber products include all products currently classifiable under headings 4407.1000, 4409.1010, 4409.1090, and 4409.1020, respectively, of the Harmonized Tariff Schedule of the United States (HTSUS), and any softwood lumber, flooring and siding as described in our Notices of Preliminary Results of Review, published in the *Federal Register*.

Preliminary Results of Review of the Countervailing Duty Order:

In the administrative review of the countervailing duty order, the Department evaluated the provincial stumpage programs of British Columbia, Alberta, Manitoba., Saskatchewan, Ontario and Quebec. We did not evaluate stumpage programs in the Yukon Territory and the Northwest Territories. Certain softwood lumber products from the Maritime Provinces are exempt from the countervailing duty order.

The preliminary net countervailable subsidy rate calculated by the Department is 11.23 percent *ad valorem* on all imports of subject merchandise. However, as these are preliminary results, we will not change the rate at which U.S. importers are required to deposit cash with U.S. Customs and Border Protection until we issue our final results.

Preliminary Results of Review of the Antidumping Duty Order:

The Department received more than 450 individual requests for review from Canadian producers/exporters of softwood lumber. As permitted by the statute, the Department used a sampling methodology to chose eight mandatory respondents: Blanchette & Blanchette Inc. (Blanchette); International Forest Products Ltd. (Interfor); Rene Bernard Inc. (Rene Bernard); Tembec Inc. (Tembec); Tolko Industries Ltd. (Tolko); West Fraser Mills Ltd. (West Fraser); Western Forest Products Inc. (WFP); and Weyerhaeuser Company (Weyerhaeuser).

Preliminary dumping margins for the individually reviewed respondents for entries during the period of review range from 0.90 to 8.62 percent. The preliminary dumping margins for the producers/exporters for which a review was requested and initiated, but which were not reviewed individually is 3.47 percent. This rate is different from the “All Others” rate of 11.54 percent, which applies only to those Canadian producers/exporters that have never participated in an administrative review. Certain companies failed to respond to the Department’s initial questionnaire seeking information on the companies’ shipments and numerous attempts by the Department to obtain additional information. These companies are receiving an adverse dumping margin of 37.64 percent.

Preliminary Subsidy Rate:

	Preliminary Net Subsidy Rate
All Imports (excluding companies and certain products from the Maritimes)	11.23%

Preliminary Dumping Margins:

Company	Preliminary Dumping Margin
Blanchette	1.25%
Interfor	6.46%
Rene Bernard	8.62%
Tembec	1.85%
Tolko	0.90%
West Fraser	1.47%
WFP	7.33%
Weyerhaeuser	2.38%
Chasyn Wood Technologies; Cowichan Lumber Ltd.; Forwood Forest Products Inc.; Hyak Specialty Wood Products Ltd.; Jasco Forest Products; Noble Custom Cut Ltd.; North American Hardwoods Ltd.; North of 50; Scierie A&M St- Pierre Inc.; South-East Forest Products Ltd.; Spruce Products; Triad Forest Products, Ltd.; Westmark Products Ltd.; Woodko Enterprises Ltd.; Woodtone Industries Inc.	37.64%
Review-Specific Average	3.47%

Import Statistics:

	2004	2005
Volume	58,997,842	59,090,246
Value (\$US)	\$6,761,535,914	\$6,680,523,732

(Source: ITC Dataweb for imports under HTS classifications 4407.1000, 4409.1010, 4409.1020, 4409.1090)

Copies of the Antidumping Duty and Countervailing Duty Preliminary Results of Reviews:

The preliminary results of these reviews can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. Hard copies of the preliminary results and all corresponding memoranda are available in our Central Records Unit, Room B-099, in the main Commerce building, 14th Street and Constitution Avenue, NW, Washington, DC 20230.