

Martin Béland
Senior Trader

Les Bois d'Oeuvre Beaudoin & Gauthier Inc.
1253 McGill college, Suite 248
Montreal, Québec H3B 3Y5

Hand Delivery

The Honorable Grant D. Aldonas
Under Secretary for International Trade
Central Records Unit, Room 1870
US Department of Commerce
14th Street & Pennsylvania Avenue, NW
Washington, DC 20230

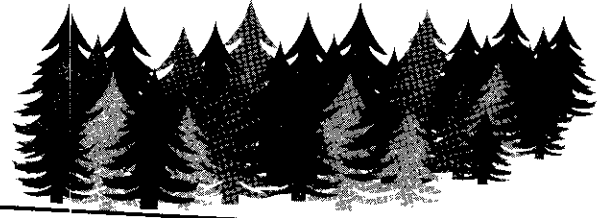
Attention: Softwood Lumber Policy Bulletin

Re: Response to request for comments on Softwood Lumber Policy Bulletin,
in the matter of *Countervailing Duty Order on Softwood Lumber From
Canada (C 122 839): Rebuttal Comments*

Dear Under Secretary Aldonas:

Les Bois d'Oeuvre Beaudoin & Gauthier Inc. (B&G)¹ hereby acknowledges your invitation for comments and rebuttal comments on the latest Softwood Lumber Policy Bulletin, which we consider to be an important step in the pursuit of a fair and durable solution to an open and competitive North American forest industry. B&G's two rebuttal comments are attached hereto and address the following comments submitted to the Department on August 8, 2003:

¹ Les Bois d'Oeuvre Beaudoin & Gauthier Inc. is an independent Canadian lumber remanufacturer currently awaiting a pass-through analysis from DOC in the ongoing Expedited Reviews.



- Rebuttal Comment 1: Reference Prices/Transparency (item I.B.1/I.B.2), and
- Rebuttal Comment 2: Purpose of the Policy Bulletin (introductory item).

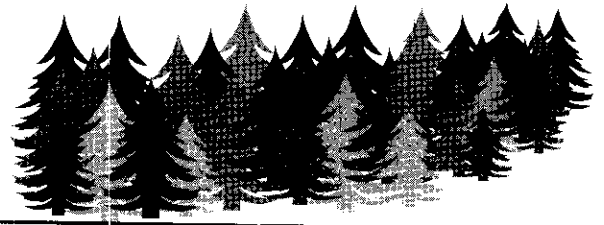
Should the Department have any questions regarding this submission, please contact the undersigned.

Respectfully submitted,

Martin Beland

Senior Trader

Les Bois d'Oeuvre Beaudoin & Gauthier Inc.



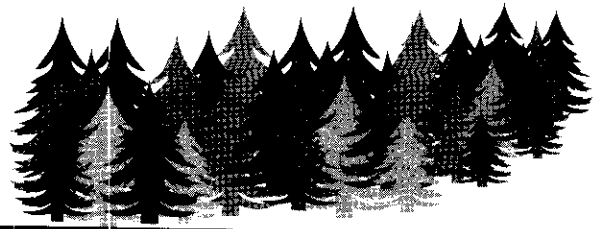
Rebuttal Comment 1: I.B.1/I.B.2 (Reference Prices/Transparency)

Summary of the Comment

Comments were submitted on access to market information, particularly on the availability of price information, to ensure a fair, open and competitive market. This information already exists in the marketplace, and B&G uses such information to guide its operations in Canada and the United States.

Comment

In its comments, the Coalition for Fair Lumber Imports discusses the importance of transparency and the need for market-generated data. See Comments I.B.1 and I.B.2. This echoes the Department's statement that "full and transparent" information must be available to all participants in the reference market. See *Draft Policy Bulletin*, 68 Fed. Reg. 37,456, 37,459. As an independent lumber remanufacturer with business activities on both sides of the border, B&G relies heavily on lumber trade publications such as *Random Lengths* to ensure that both revenues and input costs are in line with the market. Such publications help assure adequate remuneration through the workings of market forces for both buyers and sellers. Furthermore, species, grade and various dimensions all have their reference prices providing an in-depth knowledge of the overall market. It is our belief that this type of information ensures a fair, open and competitive lumber market in North America.



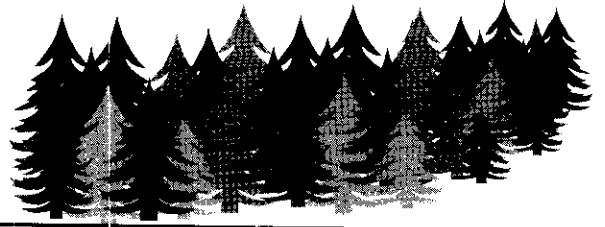
Rebuttal Comment 2: Purpose of the Policy Bulletin

Summary of the Comment

The proposed policy bulletin and comments submitted to the Department unfortunately fail to acknowledge the open and competitive lumber markets operating in Canada, especially with regard to independent lumber remanufacturers. The Policy Bulletin thereby risk perpetuating the injustice visited repeatedly upon these parties in the lumber dispute between Canada and the United States.

Comment

Les Bois d'Oeuvre Beaudoin & Gauthier Inc. welcomes the proposed policy bulletin and shares its hope of resolving, once and for all, the decades of dispute between Canada and the United States on the issue of softwood lumber. Since its creation in 1992, B&G has unjustly suffered the harsh consequences of three lumber disputes between the United States and Canada even though it and other independent lumber remanufacturers never benefited from any of the alleged countervailable subsidies targeted by the Department. B&G currently finds itself in a no man's land comprised of incomplete expedited reviews, the failure of the Policy Bulletin to address its and other independent remanufacturers' unique circumstances, and stalled negotiations towards an interim agreement.



Although identifying and isolating certain aspects of the provinces' systems of timber sales as the alleged obstacle to an open and undistorted North American lumber market, the Policy Bulletin and certain comments unfortunately fail to address the unique circumstances of independent Canadian lumber remanufacturers. See Letter from Dewey Ballentine LLP to the Honorable Grant D. Aldonas, Comments ("Introduction") at 1-4. This is all the more egregious in light of the most recent WTO Dispute Settlement Panel ruling on the softwood lumber dispute between Canada and the United States. The WTO panel report stated that the Department erred in presuming that products manufactured by independent lumber remanufacturers benefited from the alleged subsidies, and should have performed a pass-through analysis. Our situation under the current administration's commitment to resolving the root cause of the dispute can be dealt with either through the Policy Bulletin, the completion of the Expedited Reviews (including the pass-through analysis) with the retention of individual rates, or through an interim agreement. Failure to do so, given all the evidence on record, would be both seriously questionable and challengeable.
