

Eagle Stud Mill, Inc.

P.O. BOX 7157
MISSOULA, MONTANA 59807
PHONE: (406) 549-6148 FAX: (406) 549-6140

October 6, 2003

RECEIVED
OCT 15 2003
DEPT. OF COMMERCE
ITA
IMPORT ADMINISTRATION

The Honorable James J. Jochum
Assistant Secretary for Import Administration
U.S. Department of Commerce, Central Records Unit, Room 1870
Pennsylvania Ave. and 14th St. NW
Washington, D.C. 20230

Attn.: Section 201 Duties

Dear Assistant Secretary Jochum:

I am writing to express my concerns regarding countervailing duties (CVDs) in determining the amount of dumping of wood products imported to the United States from Canada.

I am a co-owner of Eagle Stud Mill, Inc. (Eagle) located at Hall, Montana. Eagle has been in business since 1962 and produces primarily stud lumber. Eagle currently has 26 employees and is the third largest private employer in Granite County, Montana.

Eagle has been and continues to be severely injured by subsidized and dumped Canadian lumber. From 1999 to 2002 Eagle has experienced a 42.8% decline in sales revenue and as a result has been forced to decrease its labor force by approximately 34%. Eagle had previously been a successful and profitable company, but has reported losses from its lumber sales for each of the past three years and will likely do so in 2003 as well.

The owners and management of Eagle feel strongly that the financial setbacks and continuing struggle to be profitable stems in large part to the dumping of Canadian lumber into the U.S. market. Lumber imported to the United States from Canada does not face the same cost burdens as does lumber produced domestically. We feel that the primary reason for this is that Canadian producers receive their raw materials (timber) at subsidized rates that do not reflect market forces and are unfairly low. Commerce imposed duties to offset the subsidies, but the Canadian prices still do not reflect a fair

Eagle Stud Mill, Inc.

price as the Canadian mills have decided to simply “eat” those losses and buy market share—this is dumping!

We are aware of the Commerce Department’s notice requesting comments on the advisability of deducting CVDs in antidumping calculations. This appeared in the Federal Register on September 9, 2003. We favor this method of calculations, and feel that this is a very important issue to Eagle Stud Mill, Inc. and to the wood products industry in the United States. Using CVDs in antidumping calculations is the only way to place Canadian mills on a level playing field.

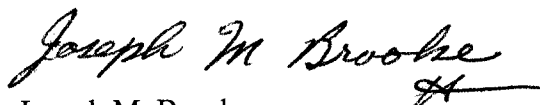
We are also aware that major trading partners of the United States, including Canada and the European Community, treat duties as a cost in calculating dumping. It certainly seems fair and just to use CVDs to combat unfair trade practices and to protect American jobs and our economy.

We are of the view that the enormous problem of unfair Canadian lumber trade will only be solved when the Canadian governments and mills understand very clearly that they must stop their unfair practices or the U.S. government will fully offset the unfair trade (and return the funds to injured U.S. producers).

Failure to fix this problem simply encourages continued unfair trade.

It is critical that this problem be corrected as soon as possible. Any further delay allows Canadian mills to continue to benefit from unfair trade and to avoid serious negotiations. Prolonged pressure to lumber dumped from Canadian mills will certainly force closure of U.S. mills accompanied by substantial loss of jobs and manufacturing capacity.

Respectfully yours,



Joseph M. Brooke
Secretary/treasurer
Eagle Stud Mill, Inc.