



# J. W. JONES LUMBER COMPANY, Inc.

KILN DRIED PINE - BAND SAWN HARDWOODS

October 2, 2003

**RECEIVED**  
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IMPORT ADMINISTRATION

The Honorable James J. Jochum  
Assistant Secretary for Import Administration  
U. S. Department of Commerce  
Centrals Records Unit, Room 1870  
Pennsylvania Avenue & 14<sup>th</sup> Street, NW  
Washington, DC 20230

Attn: Section 201 Duties

Dear Assistant Secretary Jochum:

This letter is in response to your request for comments on the appropriateness of deducting Section 201 Duties and Countervailing Duties from prices in the calculation of anti-dumping duties. Your request is as published in the September 9, 2003 Federal Register. I strongly believe it is imperative that the Department amend its policy immediately to fully address the magnitude of the dumping by counting subsidy duties as a cost.

My company is family owned and has been in operation since 1939. Subsidized and dumped imports of lumber from Canada have seriously impacted the selling price of Southern Yellow Pine. Those selling prices have been driven down to a point that there is no margin for profitability. For two consecutive years in 2001 and 2002 my company lost money for the first time in its history. The year 2003 continues to be a challenge for profitability for small lumber manufacturers.

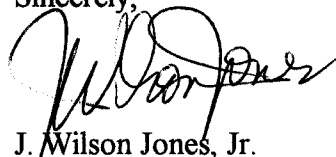
I must pay market prices for standing timber, timber harvesting, transportation, and all other expense required to obtain logs for the production of lumber. All of these costs must be reflected in a fair price if my company is going to be able to stay in business. Unfortunately, this is not true in Canada. Canadian producers can buy timber at government-subsidized rates that are not reflective of market forces and are unfairly low. The Department of Commerce has imposed duties to offset those subsidies, but the Canadian prices still do not reflect a fair price since the Canadian mills have decided to simply absorb losses and buy market share through dumping. Dumping duties are currently being imposed on the Canadian shippers, and justifiably so.

The Department's current policy to not include countervailing duties as a cost when calculating dumping rates presents a problem since it does not accurately access the entire scope of dumping. The subsidy duty is imposed in the effort to level the playing field between the importers and the domestic producers of lumber through offsetting the value of the subsidy to make the Canadian costs what they should be in a competitive market. Costs that must be recouped in their sales prices if they are not to be considered dumping on the U.S. market.

I strongly favor changing the department's policy to align it with current policy in both Canada and in the European countries. This is the only way to place the Canadian mills on a level playing field with U. S. mills. I strongly believe that the problem of unfair Canadian lumber trade will not be solved until the Canadian government and Canadian Mills understand clearly that they must stop their unfair practices or the U. S. government will fully offset the unfair trade.

Thank you for your time and consideration of my comments. I sincerely hope that the Department of Commerce will carefully consider amending its policy to allow the inclusion of subsidy duties as a cost as is practiced and already in place in both Canada and the European countries.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wilson Jones, Jr.", written over a white background.

J. Wilson Jones, Jr.  
President