

**Pontotoc County Forestry
Association
P.O. Box 119
Pontotoc, Miss. 38863**

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IMPORT ADMINISTRATION

**The Honorable James J. Jochum
Assistant Secretary for Import Administration
U.S. Department of Commerce, Central Record Unit, Rm 1870
Pennsylvania Ave. & 14th St. NW
Washington, DC 20230**

Re: Section 201 Duties

Dear Assistant Secretary Jochum;

In response to your request in the Sept. 9 Federal Register for comments on the appropriateness of deducting section 201 duties and countervailing duties from prices in order to calculate antidumping duties, we believe it is essential that the Department amend its policy immediately to fully address the magnitude of dumping by counting subsidy duties as a cost.

The Pontotoc County, Mississippi, Forestry Association represents 144 landowners who live and own 34,000 ac. of land in Pontotoc Co. The dumping of Canadian lumber on the U.S. markets has reduced the price of standing timber prices.

As U.S. forest landowners, we sell standing timber at a competitive market price and by the buyer are responsible for harvesting cost, transportation, and all the other expenses of obtaining logs to be used to produce lumber. All of these costs must be recovered in a fair price for the finished product if our industry is to remain profitable and robust.

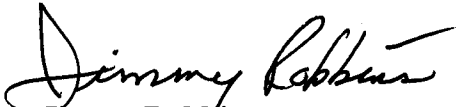
Canada is giving its timber away. Canadian producers buy timber at greatly government-subsidized rates that do not reflect market forces and are unfairly low. The duties imposed by your Dept. do not reflect a fair price as the Canadian mills have decided to simply "eat" losses and buy market share – this is dumping. Dumping duties are currently being imposed on Canadian shippers.

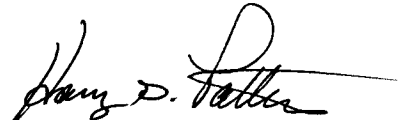
Your Department's current policy of not including countervailing duties as a cost when calculating dumping rates is very problematic as it does not accurately assess the full scope of the dumping. The subsidy duty is imposed in an effort to level the playing field between importers and the domestic industry by offsetting the value of the subsidy – it reflects what their true costs should be in a competitive market. Costs that must be recouped in their sales prices, if they are not to be considered dumping in to the U.S. market.

We strongly favor changing the Department's policy to align it with current policy in both Canada and the European Community. This is the only way to place Canadian mills on a level playing field and to stop their predatory trade practices from diminishing the value of U.S. forest lands.

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

Sincerely,


Jimmy Robbins
President


Harry D. Patterson
Secretary