



F. H. STOLTZE LAND & LUMBER CO

Lumber Manufacturers

Box 1429 • Columbia Falls, Montana 59912

Phone (406) 892-7000 • FAX (406) 892-1612

E mail info@stoltzelumber.com

www.stoltzelumber.com

Established in 1912

Affiliations:

October 6, 2003

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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 Avenue and 14th Street, NW
Washington, DC 20230



Charter Member

Dear Assistant Secretary Jochum:

My name is Jeff Clausen and I am the plant accountant for F. H. Stoltze Land & Lumber Co. (Stoltze). Stoltze is a family owned sawmill and timber operation located in the Flathead Valley in Northwest Montana just sixty miles south of the Canadian border. Stoltze has been a productive member of the Flathead business community since the early 1900's and remains so to this day. Stoltze employs approximately 120 workers directly and sub contractors employ approximately another 150 workers.

At this juncture of the debate, there is no question that timber purchased by Canadian producers from crown land is subsidized. Further, it has been our ongoing experience that Canadian producers will sell \$20-30 USD below the current trading levels recorded in the WWPA lumber price index. This is usually more noticeable at the end of the month or quarter. We did notice a tremendous influx of Canadian wood shortly after the imposition of the countervailing duty (CVD). This influx has slowed do to the recent run up of the Canadian dollar against the US dollar. We do still see below market-price offerings from the Canadians especially at month end.

In regards to the issue at hand concerning the deduction of CVD's as an expense in the antidumping calculations we offer the following. Generally accepted accounting principles would categorize the CVD's as a cost of sales and as such the CVD's are a viable expense of doing business in the US for Canadian firms. The whole point of the CVD's and anti-dumping is to level the

Flathead Valley



Co-founder

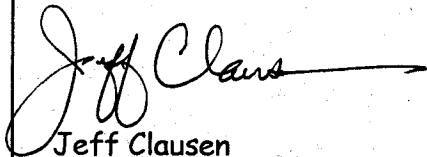


Member Since 1960

playing field between Canadian and US producers. Exclusion of the CVD's as a cost of sales to Canadian producers would be nonsensical.

The sooner we affirm the question as to whether the Canadian producers are dumping lumber on the US market, the sooner we can send the message to the Canadian government that the US will not tolerate unfair foreign government intervention in the marketplace.

Sincerely,

A handwritten signature in black ink that reads "Jeff Clausen". The signature is written in a cursive style with a long horizontal stroke extending to the right from the end of the name.

Jeff Clausen

F. H. Stoltze Land & Lumber Co.