

# STIMPSON FOREST PRODUCTS, L.L.C.

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October 2, 2003

The Honorable James J. Jochum  
Assistant Secretary for Import Administration  
U.S. Department of Commerce, Central Records Unit, Room 1870  
Pennsylvania Ave & 14<sup>th</sup> Street, NW  
Washington, DC 20230  
Attention: Section 201 Duties

Dear Assistant Secretary Jochum:

As a U.S. lumber producer, I must pay the market price for standing timber, harvesting costs, transportation, and all the other expenses of obtaining logs to be used to produce lumber. All of these costs must be reflected in a fair price if we are to stay in business.

That is not the case in Canada -- Canadian producers buy timber at government-subsidized rates that do not reflect market forces and are unfairly low. The Department of Commerce imposed duties to offset the subsidies, but the Canadian prices still 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.

The 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 into 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.

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.

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This is a critical issue for our company and that is why we are responding to your request for comments on the policy in the Sept. 9 Federal Register.

I hope the Department of Commerce will amend its policy and begin treating duties as a cost immediately and begin fully offsetting the aggressive dumping practices of some Canadian lumber importers.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred T. Stimpson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Fred T. Stimpson

President