

October 7, 2003

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
Attention Section 201 Duties.

Dear Assistant Secretary Jochum:

I am responding to your request for comments on the appropriateness of deducting section 201 duties and countervailing duties from prices in order to calculate anti-dumping duties.

My name is David Johnson, I am the president of Silver Butte Timber Co. in Riddle, Oregon. Silver Butte Timber Co. is a family owned and managed timberland business in Southwest Oregon. My grandfather and father began acquiring and managing timberlands in the 1940's and we currently own approximately 44,000 acres.

Silver Butte Timber grows and harvests fir, cedar, pine and other tree species for sale to forest products companies in Southwestern Oregon. Last year we logged over 7 MMBF of timber and expect to harvest approximately the same amount this year. We provide employment to logging, trucking, road building, reforestation and other forestry related contractors. Indirectly the logs we supply provide family wage manufacturing jobs.

As forest landowners, we sell logs at a competitive market price to forest product producers who then must recover their costs in the price of the finished product. We have seen the price of logs decrease and manufacturing facilities close down in the last several years. Unfair competition from Canadian lumber has been the major factor in the industry's decline.

In Canada, producers buy timber at government-subsidized rates that are artificially low. The Commerce Department imposed duties to recognize the subsidies, but the Canadian mills have chosen to operate at a loss and buy market share. This is dumping.

We believe that our business has been very seriously impacted and injured by subsidized and dumped Canadian lumber. We strongly support changing the Departments policy of not including countervailing duties as a cost when calculating dumping rates. In order to have fair trade the countervailing duties must be deducted from the calculations.

We greatly appreciate the opportunity to provide input on this critical issue. It is imperative that this problem be resolved as soon as possible and create a level playing field for the U.S. forest products industry.

Sincerely,

David Johnson