

Sierra Pacific Industries
19794 Riverside Avenue, Anderson, CA 96007, (530) 378-8000

October 8, 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: CVD and Section 201 Duties

Dear Assistant Secretary Jochum:

I am asking for your endorsement in changing the way that Department of Commerce calculates Anti-Dumping duties on Canadian lumber imported into the United States.

Sierra Pacific Industries is a family owned lumber company with sawmills located in California and Washington. We currently employ about 4,000 people at our 14 sawmills. Our sawmills are located in rural towns where our mills are often the largest employer.

The cost of logs placed into production in Canada are being subsidized by the Canadian Government. This results in artificially low raw material costs to Canadian sawmills. Canadian subsidized lumber gives Canadian sawmills a significant advantage at the expense of U.S. manufacturers who cannot compete with this subsidized lumber.

The Department of Commerce currently does not adjust for the cost of countervailing duties on imports of Canadian lumber into the U.S. By not treating these duties as a cost in computing anti-dumping duties, the cost of Canadian lumber is grossly understated, and continues to give Canadian mills an unfair trade advantage.

The current method the Department of Commerce uses in calculating anti-dumping duties is also not consistent with the way our major trading partners make the calculation. Both Canada and the EU treat countervailing duties as a cost in computing anti-dumping duties.

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Again, I strongly encourage you treat countervailing duties as a cost in calculating anti-dumping duties imposed on Canadian lumber imported into the U.S. This will increase the anti-dumping duty and help level the playing field so that we can stop Canada from exporting their unemployment to the United States.

Sincerely,

A. A. "Red" Emmerson
President