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October 9, 2003

The Honorable James J. Jochum
Assistant Secretary for Import Administration
U.S. Department of Commerce, Central Records Unit, Room 1870
Pennsylvania Avenue & 14th Street, NW
Washington, DC 20230

Attention: Section 201 Duties

Dear Assistant Secretary Jochum:

In response to your request in the September 9, 2003, Federal Register for comments on the appropriateness of deducting Section 201 duties and countervailing duties from prices in order to calculate antidumping duties, Starfire Lumber Company believes it is essential that the Department amend its policy immediately to fully address the magnitude of dumping by counting subsidy duties as a cost.

Starfire Lumber Company is a small company employing 70 people on a full-time basis. We do not have extensive private holdings, so our company is very dependent on purchase timber and logs.

As a U.S. forest products company, we acquire standing timber at a competitive market price and our company is responsible for harvesting costs, transportation, and all other expenses necessary in obtaining logs to be used to produce lumber. If our industry is to remain profitable and robust, all of these costs must be recovered in a fair price for the finished product.

This 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 Canadian prices still do not reflect a fair price. This is because the Canadian mills have used dumping tactics by eating losses and buying market share. Dumping duties are currently being imposed on Canadian shippers.

The Department's current policy of excluding countervailing duties as a cost when calculating dumping rates is very problematic as it does not accurately assess the full scope of the dumping.



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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. The duty is supposed to reflect what their true costs would be in a competitive market: The costs that must be recouped in their sales prices, if they are not 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 and stop their predatory trade practices from diminishing the value of U.S. forest lands.

Starfire Lumber Company is 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 trade practices, or the U.S. government will fully offset the value of the unfair trade.

Very Truly Yours,

A handwritten signature in black ink that reads 'Robbie' in a cursive, slightly stylized font.

Foster Robinson
President & CEO