

**Cameron Krauss**  
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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 Avenue and 14<sup>th</sup> Street, NW  
Washington, D.C. 20230

Attention: Section 201 Duties

**Re: Computation of Anti-Dumping Duties**

Dear Assistant Secretary Jochum:

Please consider this letter as my statement in support of fully accounting for the payment of subsidy duties as a cost of doing business when deciding whether a company is dumping product in the United States in violation of our trade laws.

My name is Cameron Krauss. I am 24 years old. My family has been in the lumber business for over 60 years. Most recently, my father ran our family mill. Unfortunately, because of the flood of illegally subsidized and dumped Canadian lumber into our country, my family recently decided to get out of the lumber business.

As I understand it, current Department of Commerce policy allows Canadians to avoid a dumping duty of 18.8% (the amount of the countervailing (subsidy) duty assessed for illegal crowned timber subsidization). To illustrate:

*Assume that equally efficient producers in two countries export the same product to the United States. Canada has costs of \$500, but receives a \$100 subsidy, so its net costs are \$400. Chile is equally efficient and has \$500 in costs. Assume that the United States imposes a \$100 countervailing duty on Canadian imports. Later, it is discovered that products are being sold into the United States for \$400 by Canada and Chile. Under current Department practice, Chile would be assessed dumping a duty of \$100 ( $\$500 - \$400 = \$100$ ). On the other hand, the Department would not recognize that Canada is also dumping ( $\$400 - \$400 = \$0$ ). The Department would recognize Canadian costs of only \$400; failing to recognize that Canadian importers pay \$100 in countervailing duties as a cost of their products entering the United States.*

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This illustration makes no sense. The country that is illegally subsidizing its product (Canada) is treated better than the country that does not (Chile). These countries should be in the same position vis-à-vis a possible dumping action.

Our key trading partners, including Canada (interestingly enough), the European Union and Mexico, treat countervailing duties as a cost. We are the only country I am aware of that does not.

It may be too late for my immediate family. However, for the sake of other families who remain in the lumber business, please place Canada and United States producers on the same level playing field. It makes no sense to give foreign producers an advantage over American citizens.

Thank you.

Sincerely,

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

Cameron Krauss