

October 8, 2003

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

Dear Assistant Secretary Jochum:

Roseburg Forest Products has been in the forest products business for 68 years. We manufacture and sell lumber, plywood, particleboard and engineered wood products and employ approximately 3,500 people. We are the largest employer in Douglas County Oregon and the source of some of the highest paying jobs in the community. We have many cases of multiple generations of families employed in our mills.

In 1988 Roseburg Forest Products operated 6 lumber mills and produced almost 600MMBF of lumber, employing 1,200 people in our lumber division alone. Over the past 15 years the continued dumping of Canadian wood in our markets has held prices to artificially low levels while our costs have continued to increase, resulting in significant operating losses and the loss of 1,000 jobs. Today Roseburg Forest Products operates one sawmill, manufactures 200MMBF of lumber and employees approximately 200 people in our lumber division. The imposition of duties in May 2002 did not have the desired impact on the volume of Canadian lumber being dumped into our markets. In fact, volumes actually increased, putting further downward pressure on prices and profits.

In an open market, if we are not able to price our products at a level that yields a profit while covering our costs of logs, manufacturing and distribution, we will ultimately go out of business, as demonstrated above. However, in Canada, producers receive their logs at subsidized rates allowing them to sell at prices that are artificially low. Also the duties, which were designed to level the playing field, have not been reflected in their pricing. The combination of subsidized raw material costs and the willingness to sell at prices that do not cover all costs, including the duty, results in dumping by Canadian producers.

We at Roseburg Forest Products feel very strongly that the Commerce Department, when making antidumping calculations should deduct countervailing duties as a cost, thus

putting the Canadian mills on a level playing field with U.S. producers. It is our understanding that this practice would be consistent with that followed by Canada and the European Community today in other antidumping matters.

This is a problem that demands resolution today if we are to avoid the further closure of mills and loss of jobs.

Very truly yours,

Allyn C. Ford  
President and CEO

Cc: Dale A. Riddle  
Monica Welt