



Shuqualak Lumber

Sawmill Division

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DEPT. OF COMMERCE
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IMPORT ADMINISTRATION

September 26, 2003

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

Attn: Section 201 Duties

Dear Assistant Secretary Jochum:

Anti-Dumping Duties are calculated by adding all costs. If cost exceeds the selling price in the U. S. – dumping occurs.

Commerce has already made the decision that Canada is dumping lumber into the U. S. by imposing Anti-Dumping Duties.

It is no question that countervailing duties are a part of the calculation of all costs as demonstrated by the fact that the EU and Canada treat countervailing duties as a cost when calculating anti-dumping duty rates.

I request that the Department of Commerce deduct countervailing duties, as well as duties imposed under Section 201 of the Trade Act of 1974 (Section 201 duties) from the export price (EP) and constructed export price (CEP) in calculation of dumping margins pursuant to Sections 772 (C) (2) (A) and 772 (D) of the Tariff Act of 1930, as amended (The Act).

Section 772 (C) (2) (A) of The Act requires that the department deduct from EP and CEP any United States import duties included in the price. This statutory deduction existed prior to the passage of the Uruguay Round Agreements Act (URAA), and the URAA did not modify it in any respect. In addition, Section 772 (d) of the Act requires the Department to deduct U. S. selling expenses from the CEP. Once again, there was a

similar statutory deduction from U. S. selling expenses under the pre - URAA anti-dumping law.

The Department of Commerce has in the past and is in the present not following the requirements of the Acts. In order to be in compliance with the Acts, the Department of Commerce should immediately instigate deduction of the countervailing duties as a cost against Canadian lumber manufacturers.

You know - this really is a no-brainer!

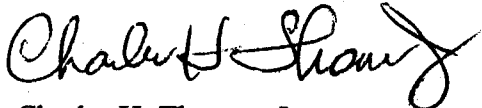
My name is Charles H. Thomas, Jr. I am Vice President of Shuqualak Lumber Company, Inc, Shuqualak, Mississippi. Our company has been in operation since 1948 and has endured hard times in the past, but never to the extent of the past 2 to 2 ½ years. Canadian lumber mills have dumped lumber into the U. S. market at unbelievably low prices. The Anti-Dumping rate of 8.4% imposed by the Department does not even approach the rate of dumping that actually occurs. Shuqualak Lumber Company has incurred the worst two years financially in our long history!

Our Company employs 180 people directly and over 800 people indirectly.

The Canadian Government must be forced to cease all subsidization of Canadian lumber manufacturers or there will be no U. S. lumber manufacturers left in existence.

It is time to send a message to the Canadian Government that this is the way it has to be for them to participate in the United States Lumber Market.

Shuqualak Lumber Company, Inc.

A handwritten signature in cursive script, appearing to read "Charles H. Thomas, Jr.", written in dark ink.

Charles H. Thomas, Jr.
Vice President

CHT/bk