



# Wood Truss Council of America

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*Serving the Component Manufacturing Industry Since 1983*

December 2, 2004

Mr. James J. Jochum,  
Assistant Secretary for Import Administration  
U.S. Department of Commerce  
International Trade Association, Room 3099B  
1400 Pennsylvania Avenue, NW  
Washington, DC 20004

Dear Assistant Secretary Jochum:

The Wood Truss Council of America (WTCA) acknowledges the hard work and numerous actions your office has taken in attempting to resolve the now three-year-old debate regarding softwood lumber imports from Canada. We believe the current U.S.-imposed trade tariff on Canadian softwood lumber is detrimental to the over 39,000 jobs in the structural building components industry and want to underscore the continued urgency of finding an enduring solution.

This tariff has a direct impact on the value-added wood products sector because the products manufactured by Canadian industries use lumber not subject to any tariffs. As such, they have a competitive raw material purchasing advantage in both a high demand and low demand marketplace. This disparity in production costs puts U.S. structural building component manufacturers, particularly those in states close to the border, at a significant competitive disadvantage.

While negotiations between stakeholders in the U.S. and Canada appear to have stalled, there has been a disturbing action taken in the Senate. Senator Max Baucus, the Ranking Member of the Senate Finance Committee, recently introduced S. 2992, the *Softwood Lumber Duties Liquidation Act*. This measure threatens to liquidate over \$3 billion in cash deposits collected on softwood lumber imports from Canada and distribute the money to the Coalition of Fair Lumber Imports (CFLI) who represent roughly half of the U.S. lumber industry. Doing this provides those inside CFLI with a dual benefit — trade protection through the CVD and AD orders, and a Byrd cash subsidy that provides a competitive advantage using money taken from direct competitors. This is patently unfair. This bill also sends a negative signal around the globe about the U.S. commitment to a rules-based international trading system.

We believe the only long-term solution that protects our industry and its employees is a negotiated settlement between Canada and the U.S. built upon the implementation of agreed upon market reforms as published in the DOC's spring 2003 "Policy Bulletin." Without an economically sound and enduring resolution, unintended consequences are certain, and Canadian

structural building component companies gain the benefit of a continuing competitive advantage over their US counterparts.

Please let us know how we can assist you in convincing the interested parties in this dispute to resume their places at the negotiation table.

Sincerely,



Kendall Hoyd  
President



Allen Erickson  
Legislative Committee Chair

CC:

WTCA Executive Committee Members  
Senator Max Baucus, D-MT  
Senator Chuck Grassley, R-IA