



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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Contact: Carol Guthrie
(202) 224-4515

BAUCUS APPLAUDS SIGNING OF U.S.-CANADA LUMBER DEAL

*Senator Will Carefully Monitor Implementation to Ensure Agreement Benefits Montana
and U.S. Lumber Industries*

Washington, DC – U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee, welcomed today's signing of the U.S.-Canada Softwood Lumber Agreement by USTR Ambassador Susan Schwab and Canada's Trade Minister David Emerson. The agreement settles litigation involving duties that the United States imposed on imports of Canadian lumber. The United States has claimed that Canadian lumber has benefited from subsidies that injure the U.S. lumber industry. Under the agreement, the United States and Canada will end all litigation over trade in softwood lumber. The two sides have also agreed to establish a border mechanism to regulate trade in softwood lumber when lumber prices fall below a specified threshold. The two countries concluded the terms of the agreement on April 27 and initialed the agreement on July 1.

"It's been a long time coming, but this agreement will finally let Montana and U.S. lumber mills look forward to stable and predictable lumber trade between our two countries," said Baucus, who also praised Ambassador Schwab, Minister Emerson, and their teams for their work to end the dispute.

The agreement also distributes the roughly \$5 billion in collected anti-dumping and anti-subsidy duties among the U.S. and Canadian industries as well as to lumber-related projects. Roughly \$450 million of this money will go to private non-profit organizations to fund "meritorious initiatives to assist the U.S. lumber industry, specifically related to educational and charitable causes in timber-reliant communities, low-income housing and disaster relief, and projects addressing forest management and sustainability."

"Imports of subsidized Canadian softwood have long damaged Montana and other American lumber communities," said Baucus. **"I expect this money to help to bolster the competitiveness of the U.S. lumber industry, without any taint of political interference. I intend to monitor distribution of these funds closely to ensure that it helps communities in Montana and elsewhere adjust to the competitive pressures of today's lumber market."**

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