



FOR IMMEDIATE RELEASE
April 15, 2009

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BAUCUS APPLAUDS STEPS TO ENFORCE SOFTWOOD LUMBER AGREEMENT

Letter to President Obama Commends Duties on Canadian Lumber Imports

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded the President’s decision to strongly enforce the 2006 U.S.-Canada Softwood Lumber Agreement (SLA). In March 2009, an international panel ordered Canada to provide the United States CDN \$68.26 million (approximately U.S. \$54.8 million) in compensation for breaching its SLA obligations. Despite the panel’s decision, Canada failed to properly compensate the United States. In his letter to the President, Baucus commended the President’s decision to take swift action on enforcement, and apply duties to softwood lumber imports from Canada.

“I strongly support the President’s quick action to enforce the Softwood Lumber Agreement,” said Baucus. **“It’s unfortunate that Canada failed to step up to the plate and comply with the LCIA’s decision. But the President’s decision to impose duties on Canadian softwood lumber imports shows that vigorous enforcement can make our international trade agreements work.”**

The full text of the Chairman’s letter follows here:

April 15, 2009

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

In March 2008, the LCIA (formerly the London Court of International Arbitration) found that Canada breached its obligations under the 2006 Softwood Lumber Agreement (SLA or Agreement) by failing to properly adjust export volume caps on shipments of softwood lumber from Canada’s Eastern provinces. In February 2009, the LCIA awarded the United States CDN \$68.26 million (approximately U.S. \$54.8 million) and directed Canada to impose 10 percent *ad valorem* duties on softwood lumber exports from Canada’s Eastern provinces to remedy this

breach. Consistent with the terms of the SLA, the LCIA gave Canada 30 days to comply with the ruling. Unfortunately, Canada failed to do so.

Canada's failure to remedy its breach forced the United States to act. Today, U.S. Customs and Border Protection will begin imposing 10 percent *ad valorem* duties on softwood lumber imports from Canada's Eastern provinces. I strongly support your Administration's decision to impose these duties, and am pleased that you are doing so consistent with our international obligations. In fact, the SLA specifically allows the United States to impose customs duties on Canadian softwood lumber imports when the United States determines that Canada has failed to cure a breach.

In these difficult economic times, it is crucial that the United States actively enforce the SLA, as well as our other international trade agreements. Again, I applaud your Administration's steps to vigorously enforce the SLA, and encourage you to continue these efforts.

Respectfully yours,

Max Baucus

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