COMMITTEE ON FINANCE NEWS RELEASE



Max Baucus (D-Mont.)

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## BAUCUS CALLS U.S.-CANADA SOFTWOOD LUMBER AGREEMENT EXTENSION AN IMPORTANT STEP FOR U.S. LUMBER PRODUCERS AND WORKERS

Finance Chair Pushes for Aggressive Enforcement of SLA on Behalf of Lumber Producers to Defend U.S.

<u>Jobs</u>

*Washington, DC* – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded the two-year extension of the U.S.-Canada Softwood Lumber Agreement (SLA) through October 12, 2015 as an important step for American lumber producers and workers. The SLA protects American lumber producers against unfair trade practices by Canada and provides for binding arbitration to resolve disputes.

"Extending the Softwood Lumber Agreement will maintain a more level playing field for lumber producers in Montana and across the country," said Baucus. "As our economy recovers and folks look for jobs, we need to do all we can to protect our lumber producers. Strong enforcement of the softwood lumber agreement is the best way to continue getting strong results that benefit our lumber producers and protect jobs."

Chairman Baucus has pushed for the U.S. Trade Representative to pursue cases against Canada under the SLA in three instances. In two of those cases, the tribunal set up by the SLA agreed with the United States. In the first case, decided in 2009, an arbitration tribunal ruled in favor of the United States in finding that the Canadian provinces of Quebec, Ontario, Manitoba and Saskatchewan had violated the Softwood Lumber Agreement by exceeding quota requirements. The ruling required the collection of over 68 million in Canadian dollars in export duties on Canadian lumber exports. The second case, decided last year, involved provincial assistance programs for the lumber industry in the Canadian provinces of Ontario and Quebec. That decision set a requirement that Canada collect nearly 60 million in U.S. dollars in additional export duties on lumber shipments to the United States. The third case began last year and is currently under consideration.

The SLA originally went into force in October 2006 and was set to remain in force for seven years from that date. The extension announced today will continue the agreement for two additional years.

Softwood lumber is an important part of the construction, furniture manufacturing and paper milling industries.