



For Immediate Release
January 28, 2008

Contact: Dan Virkstis
(202) 224-4515

BAUCUS, CHAMBLISS SEEK FULL ENFORCEMENT OF SOFTWOOD LUMBER AGREEMENT WITH CANADA

Letter to President Requests Immediate Action on Ending Unfair Imports

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Republican Member of the Senate Agriculture Committee, Senator Saxby Chambliss, (R-Ga.) led 13 colleagues today in calling on the President to make additional efforts to fully enforce the 2006 Softwood Lumber Agreement. In their letter to the President, the Senators said that current arbitration efforts are not ensuring Canada’s compliance with the agreement, and urged the President to do even more to protect hard-working Americans in the lumber industry. The 2006 Softwood Lumber Agreement was struck by the United States and Canada to protect America’s lumber industry against unfair imports of subsidized Canadian lumber.

“We worked hard to get a Softwood Lumber Agreement, but it’s clear that the administration must fight tooth and nail to get Canada to live up to its end of the bargain. This agreement is supposed to protect U.S. lumber producers from unfair Canadian imports, including producers in my home state of Montana,” said Baucus. **“But the administration’s efforts to enforce the agreement through arbitration are not working, and arbitration alone will not ensure that Canada keeps its promises.”**

“The United States worked tirelessly with Canada to reach an agreement resolving the dispute regarding softwood lumber, however nearly two years later there are serious problems in its implementation and Canada seems to be skirting its commitments,” said Chambliss. **“I join with Sen. Baucus in strongly urging the President and his Administration to make certain Canada honors the agreement.”**

The full text of the Senators’ letter follows here:

January 28, 2008

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

Dear Mr. President:

In 2006, your administration, through the efforts of the U.S. Trade Representative (“USTR”) and the Secretary of Commerce, achieved the landmark Softwood Lumber Agreement (“Agreement”) with Canada. The Agreement was the result of years of painstaking negotiations, and was

intended to settle a decades-old dispute involving Canadian subsidies to softwood lumber production.

The Agreement represents an important step forward and demonstrates the commitment of the United States to providing American producers with a fair and open market for softwood lumber. The Agreement will be effective, however, only if it is fully enforced.

We appreciate USTR's recent efforts to enforce the Agreement. The arbitration sought by the United States is a necessary first step to ensuring that Canada abides by its commitments. And Congress will continue to closely monitor both the progress and results of these proceedings. But this arbitration alone is not enough. It does not address all of the new provincial-level subsidies applied in violation of Canada's obligations under the Agreement. Nor will arbitration alone effectively ensure Canada's compliance with its commitments.

We urge you to use all additional measures at your disposal to enforce the Agreement. It is essential that Canada abides by all of its obligations, and that we preserve a vital U.S. industry in the face of unfair imports.

Respectfully yours,

Senator Max Baucus
Senator Larry Craig
Senator Amy Klobuchar
Senator Thad Cochran
Senator Mike Crapo
Senator Olympia Snowe
Senator Norm Coleman
Senator Gordon Smith

Senator Saxby Chambliss
Senator Blanche Lincoln
Senator Susan Collins
Senator Lindsey Graham
Senator Patty Murray
Senator Roger Wicker
Senator Johnny Isakson

###