

STATEMENT

Ministry of Forests and Range

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B.C. RESPONDS TO SOFTWOOD LUMBER ARBITRATION

VICTORIA – Forests and Range Minister Pat Bell issued the following statement today in response to the U.S. government's request for consultations with Canada under the 2006 Softwood Lumber Agreement with regard to British Columbia's timber pricing policies.

"British Columbia has always honoured and continues to honour its commitments under the 2006 Softwood Lumber Agreement. I am disappointed that the U.S. is initiating arbitration.

"The U.S. complaint is based on the large volumes of mountain pine beetle-attacked timber that have been harvested. British Columbia's auction-based pricing system ensures that the full value of timber is captured by the government.

"B.C. lumber producers have suffered during the recent downturn just as much as U.S. producers. From 2005 to 2009, the U.S. lumber producers have increased their share of the U.S. market from 62 to 72 per cent, while during the same timeframe B.C.'s share declined from 20 to 16 per cent.

"It would be far more productive for the U.S. lumber industry to work cooperatively with us to boost demand for wood products across North America, such as we are doing with our Wood First initiative.

"The continuing protectionism from U.S. lumber producers reveals the importance of developing new markets for B.C. wood products, such as we are doing in China."

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