
STATEMENT

For Immediate Release
2017PREM0133-002030
Dec. 7, 2017

Office of the Premier

Softwood lumber duties confirmed

VICTORIA – Premier John Horgan issued the following statement today in response to the U.S. International Trade Commission’s finding of “material injury” on Canadian softwood lumber exports to the United States.

The ruling means that all duties applied by the U.S. Department of Commerce on Canadian softwood lumber products since its preliminary countervailing duty determination on April 28, 2017 continue to apply. However, the U.S. International Trade Commission did not find critical circumstances in the anti-dumping case, therefore retroactive anti-dumping duties do not apply.

“Today’s ruling, though not unexpected, means that B.C. and Canadian forest companies must continue to pay unfair and unwarranted duties, to make U.S. lumber companies and land owners even richer at the expense of Canadian exporters and American consumers and builders.

“We’re working closely with the federal government, other provinces and B.C. companies to seek a fair hearing of the issues through all the channels that are available to us. Canada has already filed appeals to the World Trade Organization, and notices to appeal under NAFTA. We believe an independent tribunal will find that the current U.S. allegations against Canada are as unfounded as the ones they brought in the past.

“We will continue to defend B.C.’s interests in the softwood lumber dispute and the 60,000 people who rely on B.C.’s forest sector for their jobs and livelihoods.

“We will continue to pursue growth in markets for B.C. wood products both at home and abroad by promoting innovation and expanding trade relationships with Asian markets.”

Quick Facts

- About half of Canada’s softwood lumber exports to the U.S. originate from British Columbia and the U.S. is British Columbia’s largest market for softwood lumber products.
- B.C.’s forest sector is an integral part of a sustainable economy. In 2016, the B.C. forest sector supported 60,000 direct jobs and one in four manufacturing jobs. The B.C. government is committed to working with communities and industry to create more B.C. jobs from every tree harvested in B.C.

Learn more:

Softwood lumber trade: www.gov.bc.ca/softwoodlumber

A backgrounder follows.

Contact:

Jen Holmwood
Deputy Communications Director
Office of the Premier
250 818-4881

Connect with the Province of B.C. at: news.gov.bc.ca/connect

BACKGROUND

For Immediate Release
2017PREM0133-002030
Dec. 7, 2017

Office of the Premier

Softwood Lumber: International Trade Commission vote

FREQUENTLY ASKED QUESTIONS

What is material injury and what are the implications?

- On Dec. 7, 2017, the U.S. International Trade Commission ruled that softwood lumber imports from Canada have materially injured the U.S. domestic lumber industry. As a result, the U.S. Department of Commerce will issue countervailing duty and anti-dumping orders, requiring payment of countervailing and anti-dumping duties on a go forward basis on all shipments of softwood lumber from Canada. All duties paid to date remain held in trust by the U.S. pending the First Administrative Review and the conclusion of all appeals.
- The U.S. International Trade Commission final determination is expected to be published after Dec. 22, 2017. Countervailing duty and anti-dumping orders issued by U.S. Department of Commerce will follow shortly in December 2017 or January 2018, concluding the investigation phase of the case.

What was the ruling on critical circumstances?

- The U.S. International Trade Commission made a negative finding concerning critical circumstances in the anti-dumping investigation. This means no retroactive payment of duties is required.

When are companies required to pay cash deposits?

- Companies paid countervailing duties from April 28 to Aug. 25, 2017, at the preliminary rates published in the U.S. Department of Commerce's preliminary determination.
- Companies have not been required to pay countervailing duties since Aug. 26, 2017. Payment of these duties will resume at the final duty rates following the publication of the U.S. International Trade Commission's final injury determination which is expected sometime after Dec. 22, 2017.
- Since June 30, Canadian companies have been paying anti-dumping duties based on the preliminary rates determined in the U.S. Department of Commerce's preliminary determination.
- Following the publication in the Federal Register of the U.S. Department of Commerce's final anti-dumping determination on Nov. 8, companies started paying anti-dumping duties based on the final rates.
- The final anti-dumping duties will continue to be payable until Dec. 27. If the ruling from the U.S. International Trade Commission is published later than Dec. 27, there could be a short gap period where anti-dumping duties are not payable between Dec. 27 and the

publication date of the U.S. International Trade Commission final determination. The final duties will then resume on the date of publication.

- All duties in the form of cash deposits will be held in trust by the U.S. until all appeals of U.S. decisions are finalized.

What are the avenues of appeal?

- Appeals have been made under the World Trade Organization (WTO) and the North American Free Trade Agreement (NAFTA).
- On Nov. 14, 2017, Canada filed a notice of intent to appeal under Chapter 19 with the NAFTA Secretariat regarding the countervailing duty investigation.
- On Nov. 28, 2017, Canada filed a consultation request for the CVD and AD cases with the World Trade Organization.
- On Dec. 5, 2017, Canada filed a notice of intent to appeal under Chapter 19 with the NAFTA Secretariat regarding the anti-dumping duty investigation.

Contact:

Jen Holmwood
Deputy Communications Director
Office of the Premier
250 818-4881

Connect with the Province of B.C. at: news.gov.bc.ca/connect