

Forest companies line up on both sides of dispute

Derrick Penner, with files from Gordon Hamilton

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Enough British Columbia forest firms remain opposed to the tentative truce reached in the Canada-United States softwood lumber dispute to sink the deal, a senior industry representative claimed Wednesday.

Opponents are hoping they have enough clout to pressure federal negotiators to go back and resolve outstanding concerns B.C. has with the tentative treaty federal Minister of International Trade David Emerson and U.S. Trade Representative Susan Schwab initialed last Saturday in Switzerland.

Prime Minister Stephen Harper on Wednesday said the tentative agreement is a done deal, despite complaints from B.C.

However, in order to be implemented, the deal requires the support of forest companies representing 95 per cent of the \$5 billion US in lumber duties on deposit with the U.S. Department of Commerce.

Companies must also give up any litigation launched against the U.S. related to the dispute.

Canada's biggest lumber producer, Canfor Corp., supports the deal, as do U.S.-based giant Weyerhaeuser Corp. and Pope & Talbot Inc.

However, heavyweights such as West Fraser Timber Co. Ltd. -- Canada's second-largest lumber producer -- Tolko Industries Ltd. and Western Forest Products Inc. do not.

Rick Jeffery, president of the Coast Forest Lumber Association that represents coastal lumber producers, noted that the B.C. industry has paid more than 50 per cent of the duties being held on deposit, and opposition is "well beyond the five-per-cent threshold."

"What's next is that the [U.S. Coalition for Fair Lumber Imports] has to understand they are being entirely unreasonable on this deal," Jeffery said in an interview on Wednesday.

"And if they want a deal, and don't want to be back in litigation, they'd better look pretty closely at accommodating the issues B.C. has put forward."

Jeffery said industry and provincial government representatives met Wednesday in Vancouver and renewed their position that the softwood lumber agreement has to deal

with four main concerns before B.C. will support an agreement.

Those issues are: Revising the agreement's termination clause; create commercially viable rules for applying taxes; an agreement on free trade in lumber for logs off private land; and revising the definitions for remanufactured products.

However, Canfor CEO Jim Shepherd said his firm still "[wants] to be sure this deal is going to happen."

Shepherd added that Canfor isn't prepared to abandon its own litigation against the U.S. over the dispute, but he is in favour of the settlement.

"Our best assessment is that it's something we can work with," he added. "Let's put it this way: I am supportive and have always been supportive of trying to find a negotiated settlement."

"The elements of this industry are so diverse that to get everybody on-side and happy is almost an impossible task."

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FOR

Canfor Corp.

Weyerhaeuser Inc.

Pope & Talbot Inc.

AGAINST

West Fraser Timber Co. Ltd.

Interfor Ltd.

Tolko Industries Inc.

Western Forest Products Inc.

Mill & Timber Products Ltd.

Terminal Forest Products Ltd.