



# **RANDOM LENGTHS SPECIAL REPORT**

**IMPORTANT** – This report is covered by U.S. copyright laws, international copyright agreements, and the Subscriber Agreement you agreed to at the time you paid for your subscription. Retransmission by fax, e-mail, or other means to any other location within or outside of your company is unlawful, except with written permission from the publisher. **Copyright © 2006, Random Lengths Publications, Inc.**

Random Lengths, 5:30 pm Pacific Time, April 27, 2006

## **U.S., Canada tentatively agree to lumber deal**

Trade officials from the U.S. and Canada announced today that a tentative seven-year agreement has been reached that would revoke the lumber duties and end the current round of litigation. However, officials estimated it would take two to three months to finalize the deal, and duties will continue to be collected during that period.

Under terms of the agreement, no border measures would be imposed on Canadian lumber shipments when the Random Lengths Framing Lumber Composite Price is higher than \$355. Currently, the Composite Price is \$377. If the Composite Price dips below \$355, a tiered export tax would kick in. Provinces would also have the option of reducing their shipments to the U.S. to avoid paying the export tax. If Canadian exports to the U.S. surged, additional export charges could apply.

Trade officials estimated that approximately \$US5 billion has been collected in lumber duties since May 2002. The majority of that, an estimated \$4 billion, would be returned to Canada. About \$1 billion would be kept by the U.S. Half of that would be distributed to members of the Coalition for Fair Lumber Imports, and the remainder would go to “meritorious initiatives in the United States.”

Because the deal has yet to be finalized, the U.S. proceeded with its plan to request an Extraordinary Challenge Committee in the countervailing duty case. That request will be suspended once an agreement is finalized. All lumber litigation between the U.S. and Canada also would be terminated upon completion of the deal.

**To authenticate this report, go to [www.randomlengths.com](http://www.randomlengths.com) and click on “IN DEPTH,” then “Special Reports.” Look in the box at the top of the page for a list of the latest Random Lengths Special Reports.**