



CLAUDE HOWARD LUMBER COMPANY, Inc.
L U M B E R M A N U F A C T U R E R S

600 PARK AVENUE • POST OFFICE BOX 1669 • STATESBORO, GA 30459

PHONE: 912/764-5407 • FAX: 912-764-8279

October 7, 2003

The Honorable James J. Jochum
Assistant Secretary for Import Administration
U.S. Department of Commerce, Central Records Unit, Room 1870
Pennsylvania Avenue & 14th Street, NW
Washington, DC 20230
Attention: Section 201 Duties

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DEPT. OF COMMERCE
ITA
IMPORT ADMINISTRATION

Sir,

As a U.S. lumber manufacturer I compete in the open market for raw material and then process that timber into lumber to once again compete in an extremely competitive market for sales opportunities. If I'm not successful in competing on the front end, I either don't have logs for my mill, or I pay so much that I can't make money on the lumber. There are of course a lot of variables in play, but the bottom line is I must account for all my costs when I evaluate whether or not my sales figures yield a profit or a loss.

The way the Department of Commerce currently calculates anti-dumping duties fails to account for all the costs that a foreign producer might bare because countervailing duties are not included in the calculation. The current situation with softwood lumber from Canada is one that is difficult to deal with due to the high Canadian Government subsidies. The offset to the government subsidy, the countervailing duty, accounts for what the Canadian producer should legitimately be paying for lumber. As such including it in the formula for calculating anti-dumping rates is essential.

Both Canada and the European Union follow the policy of counting duty as a cost in calculating dumping and the U.S. should as well – it just makes sense.

This is a critical issue for our company and that is why we are responding to your request for comments on the policy in the September 9 Federal Register. Claude Howard Lumber Company, Inc. employs eighty-five people directly and many more indirectly as suppliers. We have been in business since 1946 and would like to continue to be a good employer for many years to come.

I hope the Department of Commerce will amend its policy and begin treating duties as a cost.

Regards,

A handwritten signature in black ink, appearing to read "Bill C. Howard", written over a horizontal line.

Bill C. Howard
CEO and Owner