



## IDAHO TIMBER CORPORATION

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Ted Ellis  
President/CEO

Mr. James Terpstra  
Import Administration  
US Department of Commerce  
Room 7043  
14<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 200230

Re: Softwood Subsidies Bi-Annual Report: Request for Comment

Dear Mr. Terpstra:

In response to the Federal Register Notice dated November 5, 2010, please accept the following comments on behalf of Idaho Timber. It is our hope that they will provide additional insights regarding the ongoing inquiry into Canadian imports of softwood lumber.

As you may know, Idaho Timber is one of the ten largest producers of lumber in the United States with an estimated annual production of between 500 to 900 million board feet. We operate a primary Southern Yellow Pine sawmill in Arkansas and we also have a split rail mill in Troy, Idaho, which competes directly with similar Canadian mills. Additionally, we are the largest secondary manufacturer of lumber in the United States with approximately 400 employees working at our plants and mills in the following states: Idaho, Florida, Texas, New Mexico, North Carolina and Arkansas. Generally, at our seven secondary (remanufacturing) facilities, we sort, grade, defect trim, and defect split low-grade lumber/boards and make as much high-grade lumber/boards as possible from the low-grade inputs. We are not able to obtain sufficient types and grades of lumber from domestic producers, so we also rely on Canadian producers for a significant percentage of our supply. As a result of our remanufacturing operations, we are very sensitive to Canadian lumber pricing and export activity.

Based on our experience, it appears that since the grade 4 log volume reportedly began to escalate in 2007, British Columbia's export volumes to the United States have actually decreased at about the same rate or greater than Canadian exports excluding



British Columbia (see attached Exhibit A). From our research, it appears that an increasing percentage of lumber manufactured in British Columbia is actually being exported to China or other non-US markets. Therefore, it does not appear that Canadian government practices associated with the grade 4 log situation is causing an increased volume of lumber from British Columbia to affect the domestic market.

Additionally, the data we have been able to obtain does not support the claim that Canadian government practices are affecting the pricing level of lumber manufactured in British Columbia (see Exhibit B). Based on the attached chart, it appears that the average export price charged for lumber manufactured in British Columbia has not deviated from the historic norm and the prices of Canadian lumber in general. In summary, there is no objective evidence that grade 4 log imports have adversely affected the domestic lumber market.

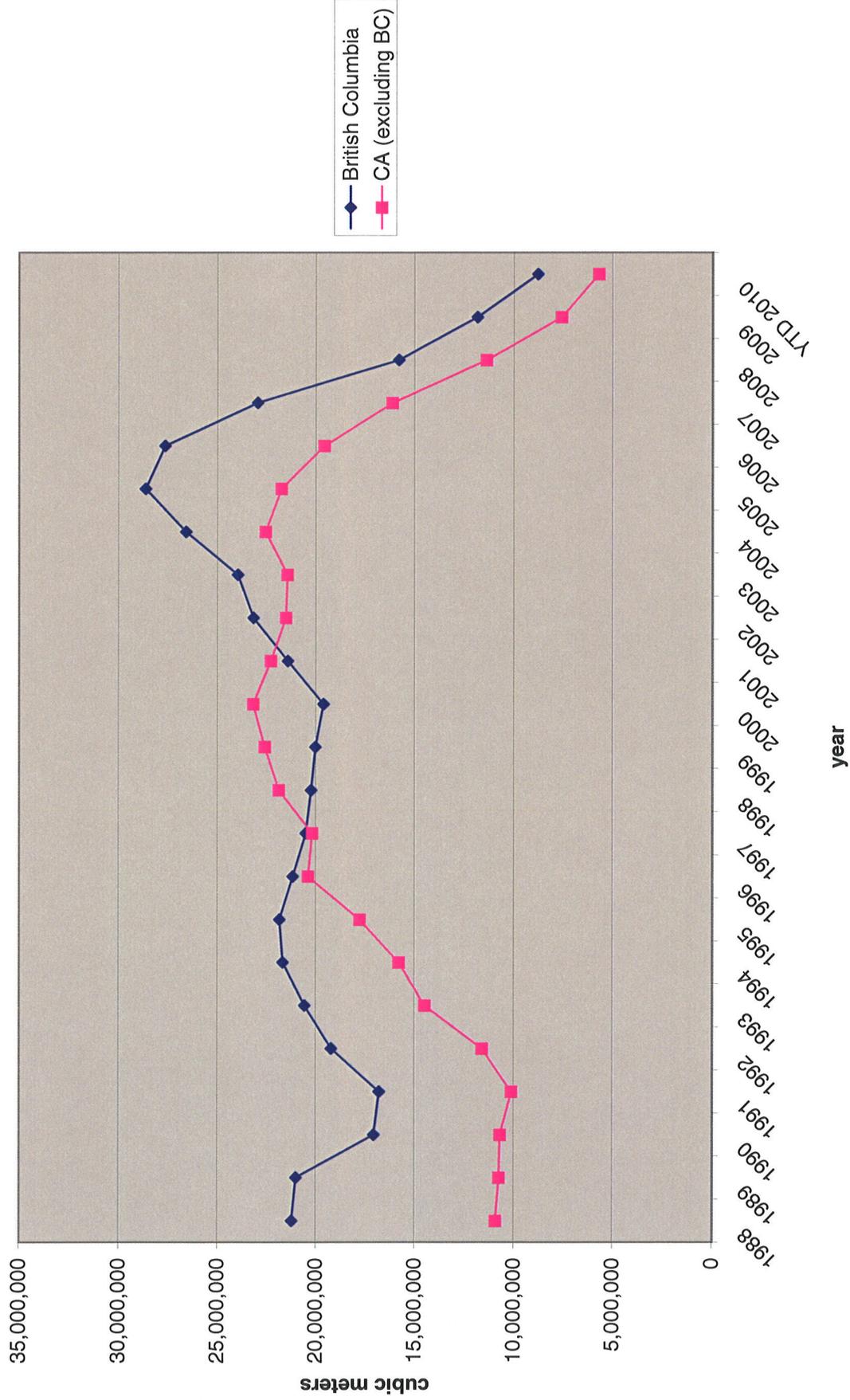
Thank you for your time and consideration in this very important matter

Sincerely,

Ted Ellis  
President & CEO  
Idaho Timber

# **EXHIBIT A**

# Canadian exports to US by BC and all other provinces



# **EXHIBIT B**

# Average Export Price of Lumber from Canadian States

