

CRANE MILLS

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DEPT. OF COMMERCE
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IMPORT ADMINISTRATION

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

ATTN: Section 201 Duties

Dear Assistant Secretary Jochum:

Regarding our request in the Federal Register for comments on the appropriateness of deducting section 201 duties and countervailing duties from prices in order to calculate antidumping duties, I believe it is appropriate the duties be deducted as a cost.

Crane Mills is a family held California corporation that has been in the timber business continuously for over 60 years. We currently own 80,000 thousand acres of timberland and sell 15 to 20 million board feet of logs annually as delivered logs.

If I cannot cover all of my cost of bringing logs to market I cannot stay in business. Regulatory costs are substantial, especially in California, and I assure they are all real costs. The sawmills I sell logs to must recover the cost of buying logs from me in addition to all the other costs they have associated with converting my logs to finished product. If they don't they can't remain in business. When the buyers of my logs realize less for their product due to unfair competition with Canadian firms the price they can pay me for my logs is less. We are in an unprecedented time of high demand and low lumber prices. Imports of subsidized lumber from Canada are certainly part of the problem.

Canadian producers buy timber from the government of Canada at non-competitive, subsidized stumpage rates. The section 201 and CVD duties currently imposed represent costs they should be paying for raw material therefore it is only appropriate they be included as a cost when calculating dumping rates.

The subsidy is supposed to level the playing field between importers and the domestic industry by offsetting the subsidy. The subsidy represents a cost Canadian produces would be paying if they weren't subsidized and so it should be considered a cost that must be recovered in their sales price if they are to prove they aren't dumping.

Department policy should be changed to align it with current policy in Canada and Europe. This will level the playing field and stop the unfair trade practices that are diminishing the value of U. S. timberland.

Sincerely

A handwritten signature in black ink, appearing to read "Robert Crane". The signature is written in a cursive style with a large initial "R" and a long, sweeping tail.

Robert Crane
President