

## **Testimony of Senator Roger F. Wicker in Support of the U.S. Softwood Lumber Industry at ITC Hearing**

Mdm. Chairman, as you know, the U.S. lumber industry is highly competitive. It is also among the most efficient lumber industries in the world. I am confident that a level playing field would allow the industry to grow to meet demand.

The U.S. lumber industry has vast untapped potential that could provide good manufacturing jobs for Americans, investment returns, and economic growth for our country. I greatly appreciate the opportunity to offer my support for the U.S. lumber industry today, and I would like to highlight several important issues of concern as you weigh your final determination.

### Subsidized Canadian timber gives Canadian producers an unfair cost advantage.

1. The Canadian industry's only real advantage over the United States is its access to subsidized Canadian timber lands. This dramatically—but artificially—lowers Canadian costs of production. There are lower costs for logs and greater Canadian lumber production levels. Without the enforcement of existing trade laws against subsidized lumber imports, differences between mostly-private American timber sales systems and mostly-public Canadian sales produces an unfair cost advantage and severely distorts the market.
2. Government aid allows Canadian producers to have lower costs and higher profits during normal market environments – increasing their ability to make capital investments and build cash reserves.
3. In addition to these massive government subsidies, Canadian producers were found by the Department of Commerce in its preliminary determination earlier this year to be dumping their lumber production in the U.S. market, further injuring U.S. lumber producers.

### Several thousand U.S. jobs are at risk.

The American softwood lumber industry is an important part of the U.S. manufacturing base, creating needed jobs in hardworking communities. In many communities, a lumber producer is the single largest—and sometimes only—source of employment. In my home state, forestry-related businesses employ over 43,000 Mississippians with payrolls totaling over \$1.6 billion. There are more than 350,000 direct and indirect jobs that the U.S. sawmill and wood preservation industry generates across America. These jobs should not be put at risk.

It is incumbent upon us to work toward an environment in which the timber industry can invest in itself and grow to its potential. The United States has the natural resources necessary to grow its sawmilling capacity to supply its own market more fully, and it is the duty of the U.S. Government to ensure that the industry is given that opportunity. These are real people out there, and there are real jobs at stake for Americans.