

In numerous determinations and policy statements, Commerce has repeatedly refused to use imputed or opportunity costs in determining such costs of production. It has, in fact, maintained that the only proper measure of cost is the actual cost to the producer.

In its 1983 determination, Commerce specifically found that the value of stumpage does not derive "from any intrinsic value of the standing timber".

The analysis is also internally inconsistent. While surrogate values were used to determine imputed indirect costs, these were specifically rejected elsewhere in this determination as appropriate benchmarks for calculating preferentiality. Moreover, the use of private sale prices in New Brunswick as a surrogate for the intrinsic value of trees in Quebec and Ontario - whose forests in many cases are over a thousand miles away from New Brunswick - is inappropriate having regard to the significant differences in the nature of the forests and conditions of access to the resource and to markets.

Finally, there has been little attempt in the determination to explain these various inconsistencies and departures from precedent.

In view of these considerations, the Canadian authorities urge that the preliminary determination be revoked and the investigation be terminated.