

AGREEMENT WITH THE UNITED STATES PROVIDES THAT IF THE CANADIAN PROVINCIAL GOVERNMENTS TAKE MEASURES WHICH EFFECTIVELY INCREASE THE AMOUNT OF STUMPAGE PAID, THE TWO FEDERAL GOVERNMENTS HAVE TO AGREE ON HOW TO VALUE THOSE CHANGES IN RELATION TO THE EXPORT CHARGE.

NOW THAT THE TWO LARGEST PROVINCES, BRITISH COLUMBIA AND QUEBEC, HAVE INTRODUCED MAJOR CHANGES TO THEIR STUMPAGE AND FOREST MANAGEMENT SYSTEMS, IT IS IMPORTANT THAT WE MOVE AS QUICKLY AS POSSIBLE TO REACH AGREEMENT WITH THE UNITED STATES ON THE VALUE OF THESE CHANGES, WITH A VIEW TO REDUCING OR ELIMINATING THE EXPORT CHARGE. IN THE EVENT ALL THE CONCERNED PROVINCES ARE UNABLE TO AGREE ON A COMMON APPROACH, THE FEDERAL GOVERNMENT AND THE UNITED STATES ADMINISTRATION ARE READY TO MOVE TO A SYSTEM OF DIFFERENTIAL PROVINCIAL RATES.

WE BELIEVE THAT THE CHANGES INTRODUCED BY BRITISH COLUMBIA SOME TWO MONTHS AGO JUSTIFY THE ELIMINATION OF THE EXPORT CHARGE FOR LUMBER PRODUCED FROM BRITISH COLUMBIA TIMBER. THIS IS THE POSITION WE WILL BE TAKING IN MEETINGS WITH THE UNITED STATES BEGINNING NEXT WEEK.