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TO 'B' OR NOT TO 'B'

AN ANALYSIS OF ALBERTA UNDER THE SOFTWOOD LUMBER AGREEMENT

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Executive Summary

On October 16th 2006 the Canada-United States Softwood Lumber Agreement (the SLA) came into effect. The agreement required member regions to select either Option A or Option B. Alberta selected Option A, a provision that has no export volume, restraint instead of Option B which has a volume restraint but faces much lower taxes than that of Option A. Every three years, the regions under the Softwood Lumber Agreement can change their selected option. As Alberta approaches the third anniversary, this study asks "Should Alberta remain as an Option A region, or switch to Option B?"

In the first section, this study describes characteristics that distinguish Option A from Option B. The most prevalent, as mentioned above, is that Option A has comparatively high taxes (15% in the current tier of pricing) and no volume restraints. Additionally, Option A regions are allocated a certain share of Expected United States Consumption in a given month (Alberta's share is 2.49%). Should the region's export volume exceed the regional share by 11%, additional export taxes equal to 50% of the export tax are retroactively applied to lumber shipments from the region for that month. In contrast, Option B regions have a volume constraint but low taxes (5% in the current tier of pricing).

There is a large difference in the applicable tax rates and the potential export volume. Thus, there is some merit in evaluating how Alberta has fared under the Agreement and Option A, and how it would have fared under Option B. This discussion could be used as a guideline for policy decisions in the future.

The study uses four proxies to evaluate Alberta's performance under the softwood lumber agreement:, the prevailing monthly price; pricing reflective of Alberta's basket; Government of Alberta price estimates; and, finally, an average price sufficient to change the applicable taxes by changing pricing tiers. This study finds that, in all cases, the net export value of lumber shipments has been greater for Alberta under Option A.

There are several considerations that must be weighed before selecting Option A as opposed to Option B. First, one must consider the impact that the reduced production would have on Alberta industry as a whole under Option B. As shown in this study, there is a significant difference between the Options when comparing the export volume and the net export value. Second, one must consider the impact that the reduced production would have on forest communities, employment levels, and forest management priorities. Third, the analysis does not consider how the export taxes collected from Alberta's producers may be used, and how these funds could be used to benefit the province generally.

Introduction

On October 16th 2006 the Canada-United States Softwood Lumber Agreement (SLA) came into effect. The SLA followed years of trade disputes and litigation initiated by U.S. lumber producers. The SLA ended litigation and dispute procedures by implementing an agreed Canadian export restriction and export tax regime. However, even with a formal agreement in place, points of contention remain on either side.

The intent of this study is to evaluate Alberta's performance under the SLA since its inception in 2006 and the implications for the future. To that end, there are several important characteristics of the SLA that are important to define. The SLA uses a system of export taxes and volume targets to attempt to restrict the total volume of softwood lumber exports from Canada to the U.S. First, under the SLA the total volume Canada can export is determined by the Expected U.S. Consumption (EUSC), that is, what the U.S. expects its domestic demand to be in a given month. A portion of the EUSC is allocated monthly to each region[1]. A region's allocation is based on the terms of the Softwood Lumber Agreement.[2] Second, monthly pricing is determined by using a composite (a weighted average) of weekly prices in the past four weeks as recorded by *Random Lengths*,[3] a publication that, among other things, tracks daily pricing of various softwood lumber products. This price is then used to determine the export volume restrictions for the upcoming month. Third, there are export taxes or charges set on a variable basis. The level of the export charges varies according to established export volume restrictions (as decided by each region) and price levels. There are several tiers of pricing and in each tier there are charges that are applied. The relationship of the export charges and price are related inversely. Simply put, when prices rise, export charges decrease and vice-versa. When the agreement was signed, the provincial governments had to choose between two different options, either Option 'A' or Option 'B.' The Options are described below.

Section 1 describes in detail the two different options available to the provinces and why the option selected is crucial to evaluating the experience of softwood lumber exports from Alberta. Section 2 evaluates how Alberta softwood lumber producers have fared relative to those in the rest of Canada. Section 3 is an in-depth analysis of what has happened in Alberta as an Option A region and what would have happened if Alberta was an Option B region. The report concludes with a summary of the major points from this study and then makes policy recommendation as to whether Alberta should switch from an Option A to an Option B region.

[1] A region is typically defined by provincial boundaries, while BC is the exception with two regions defined as the BC Coast and BC Interior. Atlantic Provinces and the Territories are excluded from agreement.

[2] For example, Alberta is allowed to export 2.49% of EUSC under the terms it selected when signing the SLA.

[3] For more information on what products are included see *Annex 7A* of the *Softwood Lumber Agreement*, available at http://www.international.gc.ca/eicb/softwood/SLA-main-en.asp

1. The Softwood Lumber Agreement Options

The SLA determines the magnitude of the export charges that each region faces as well as restrictions or rules surrounding the export volume of the regions. Two options (described below) are available under the terms of the SLA.

1.1 Option A

Option A regions use an export tax tied to market price levels associated with a regional share system where each region is allocated a share of U.S. consumption. The export tax is paid based on the price and volume shipped. Option A regions have a surge trigger that allows the region to exceed the regional share by 10% with no additional charges or penalties. Should a region export a volume greater than 10% but less than or equal to 11% of the regional share, the export volume for the following month is reduced by that amount and no additional charges are applied. If the export volume exceeds the regional share by more than 11%, an additional export charge equal to 50% of the base export charge will be applied retroactively to softwood lumber exports for the region in that month. There is no hard cap on the export of softwood lumber if a province chooses Option A, but a region will face export taxes that begin at 15% of total export value and decrease as price increases. The formula for calculating Option A regional trigger volumes is:

$$RTV = EUSC \; x \; RS \; x \; 1.1 \qquad (1)$$

Where: RTV = Region's monthly trigger volume (BFM[4])
EUSC = Expected U.S. Consumption for the month (BFM)[5]
RS = Region's Share of U.S. consumption

As an example, if the EUSC is 1,000,000 BFM in a particular month and Alberta's regional share is 2.49%, the regional trigger volume for that month is 27,390 BFM. If the Alberta's exports exceed the regional trigger volume by 1%, Alberta lumber exports for that month are taxed retroactively as described above.

[4] Board Foot Measure is a measurement of the volume of lumber production. 1 BFM is equivalent to a piece of lumber measuring 12" x 12" x 1".

[5] Note: EUSC can go through several adjustments depending on the volume of exports. The adjusted EUSC does not equal to the EUSC reports provided by Department of Foreign Affairs and International Trade (DFAIT). To calculate the adjusted EUSC, take one of the Option B regions, substitute its share and its quota volume for that month, then solve for EUSC (this is now the adjusted EUSC).

1.2 Option B

Option B is a quota system. Each firm in the region is allocated a certain percentage of U.S. consumption, and firms can not export more than their allotted amount. Option B regions generally have prescribed volumes that are smaller than the surge trigger, however Option B regions face much lower export taxes than Option A. The equation for calculating each region's quota volume is:

$$RQV = EUSC \; x \; RS \; x \; PAF \qquad (2)$$

Where: RQV = Region's monthly quota volume (BFM)
EUSC = Expected U.S. Consumption for the month (BFM)
RS = Region's Share of U.S. consumption[6]
PAF = Price Adjustment Factor[7]

Figure 1 below shows the difference in export charges between Option A and Option B regions. The Price Adjustment Factor (PAF) only applies to Option B regions, and serves to reduce the volume of exports when the price is low. It should be noted as well that British Columbia is sub divided into two regions, the BC Coast and the BC Interior. This is in part due to a seasonal adjustment that occurs for the BC Coast.

Figure 1: Export Charges and Price Adjustment Factors

	Option A	Option B	
Price	Export Charges	Export Charges	PAF
$US 315 or Under	15%	5% Export Charge	30/34
$US 316-335	10%	3% Export Charge	32/34
$US 336-355	5%	2.5% Export Charge	34/34
Over $US 355	No Export Charge	No Export Charge or Volume Constraint	None

[6] SLA Annex 7B

[7] Price Adjustment Factor is a volume adjustment based on the prevailing monthly price. The higher the price, the more Canada is allowed to ship.

Figure 2, below, shows the regional share for each region, and the current option selected for each region:

Figure 2: Options and Share of EUSC for each Region

Region	Option	Share of EUSC
BC Coast	A	1.86%
BC Interior	A	17.43%
Alberta	A	2.49%
Saskatchewan	B	0.46%
Manitoba	B	0.31%
Ontario	B	3.34%
Quebec	B	4.86%

The provisions of the agreement stipulate that every three years each provincial government must select under which of the two options it will operate during the next three year period. As the third anniversary of the SLA approaches in 2009, Alberta must ask, "Should we remain as an Option A region, or switch to Option B?" The present hardships facing the Albertan forestry industry make this question all the more important. The industry is facing increasing transportation and labour costs, weakening demand, lower prices, and high export taxes.[8] This study, in addition to addressing that question, evaluates how Alberta would have fared under Option B in the past two years.

[8] Luchkow, R. Proceedings of the CN Trade Relations Forum on Forest Product Markets, April 16, 2008. Available from the Western Centre for Economic Research website: www.bus.ualberta.ca/wcer

2. Alberta Softwood Lumber Exports

Between October 2006 and November 2008, Option A and Option B regions shipped more than 31 BFM to the U.S. Of this amount, Alberta exported over 2.9 billion BFM or approximately 9.3% of softwood lumber exports from the regions. During the same time period, Alberta lumber producers paid approximately $103 Million in export charges while the gross export value was exceeded $628 Million. But how did Alberta softwood lumber exports fare relative to the rest of the country? Are the exports of softwood lumber more or less volatile? This section is divided into three subsections: methodology and data sources, Alberta's production in the context of Canada, and the results.

2.1 Methodology and Data Sources

Export volumes of softwood lumber are tracked by the Department of Foreign Affairs and International Trade (DFAIT). The volume-to date publications for each month's exports are updated daily.[9] This study focuses on monthly data from October, 2006 to November, 2008. Choosing this timeframe allows this study to evaluate two full years under the SLA.[10]

Coefficients of Variation were calculated for each region's exports (Appendix A). Coefficients of Variation are used to measure the volatility of exports among regions with different average volume exports. For example, comparing the volatility of lumber exports for the BC Interior to Saskatchewan using variances or standard deviations on their own is difficult since the Saskatchewan region produces much less than the BC Interior region. The formula for the Coefficient of Variation[11] is:

$$C_v = {}^{\sigma}/_{\mu} \tag{3}$$

Where: C_v= Coefficient of Variation
σ = Standard Deviation of the data set
μ = Mean of the data set

There are two additional benefits to calculating a coefficient of variations aside from being able to compare the volatility of datasets that are if a different size. First, it is simple to calculate, requiring only two components that are easily taken from a data set. Second, it is useful to check for errors in the dataset for each Option A region, primarily because of the relationship of the Regional Share and the Surge Trigger. If the Coefficients of Variation are the same for both the Regional Share and Surge Trigger, then the numbers in that data set are correct since the Regional Share is multiplied by a constant and would not introduce any additional deviations. In Option B provinces, quotas from the different regions should still have the same

[9] Reports are available from DFAIT's: http://www.international.gc.ca/trade/eicb/softwood/reports-en.asp
[10] Upon consideration, it was decided that the first month of implementation of the SLA would have been an uncertain time for firms and does not accurately reflect the industry so an additional month was used.
[11] The averages and standard deviation for each province is calculated from Appendix A of this report.

coefficients of variation. If they differ from the other provinces, one knows that the quotas in the data set must have been recorded erroneously. Typically, a coefficient of variation is between 0 and 1, 0 representing no volatility and 1 representing a high amount of volatility.

2.2 Results

For fourteen out of the twenty-five months that the SLA has been in effect, Alberta softwood lumber producers shipped more than their prescribed regional share, far more than other the other Option B regions. In three of these months, Alberta exceeded the regional share by more than 11% resulting in additional export charge being applied retroactively to Alberta softwood lumber exports for those months. The analysis in this section will focus on the surge trigger because Option A regions have no penalty for exceeding the regional share, aside from a diminished surge trigger the following month. Therefore, analysis using the regional share seems to have less meaning than the surge trigger. In terms of total utilization, Alberta averaged ninety-three percent of the surge trigger, the highest utilization of the Option A regions. Figure 3, below, plots Alberta's exports relative to the Surge Trigger:

Figure 3: Alberta's Exports Relative to the Surge Trigger

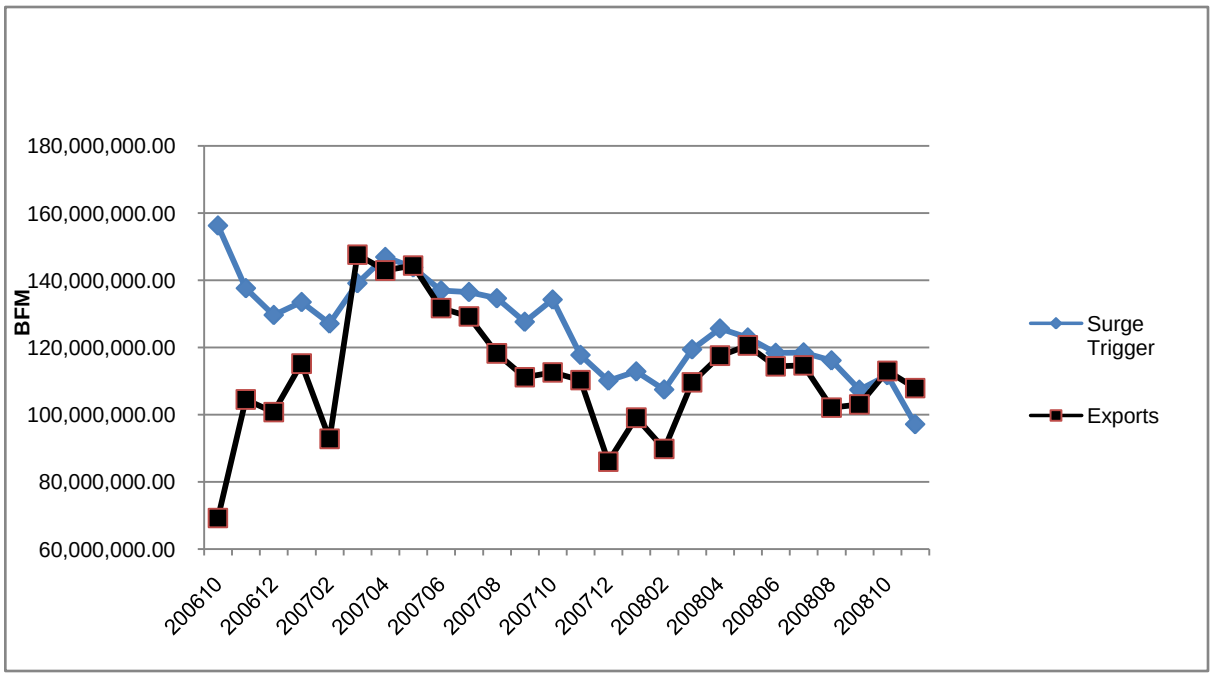


Figure 3 shows that Alberta, especially in the later months of the study, has been exceeding or nearly exceeding the surge trigger. Alberta has frequently been in the high-80% to mid-90% range. Saskatchewan utilizes on average only thirty-eight percent of its quota volume and has the lowest utilization rate in all of Canada. Figure 4, below, ranks the regions average utilization of the surge trigger or quota.

Figure 4: Utilization Rates (Average October 2006- November 2008)

Region	Option	Utilization
Alberta	A	89.5%
Quebec	B	82.1%
Ontario	B	80.6%
BC Interior	A	73.2%
Manitoba	B	72.6%
BC Coast	A	57.9%
Saskatchewan	B	37.9%

Alberta has the smallest coefficient of variation (0.160) for softwood lumber exports in Canada and shows the least volatility. Ontario softwood lumber exports are the most volatile (0.348). Figure 5 shows in ascending order the volatility for each region.

F igure 5: Coefficients of Variation (Option A & B Regions)

Region	Option	Monthly Mean Exports*	Standard Deviation*	Coefficient of Variation
Alberta	A	111.9	17.9	0.160
BC Interior	A	648.7	145.0	0.224
Quebec	B	147.4	34.4	0.233
Saskatchewan	B	6.4	1.8	0.279
Manitoba	B	8.8	2.7	0.311
BC Coast	A	53.8	17.1	0.317
Ontario	B	102.1	35.6	0.348
*million BFM				

Summing the exports for Option A and Option B regions and recalculating the coefficients of variation shows that the exports from Option A regions have been less volatile than Option B.[12]

This analysis is crucial to understanding the industry in Alberta. From October 2006 to November 2008, Alberta had the highest utilization and the least variation in softwood lumber exports for all of Canada. As demand from the United States declined, softwood lumber exports from Alberta have remained more constant than from the rest of the nation. Alberta produced relatively the same volume of softwood lumber exports each month and sufficiently exceeded the surge trigger several times, paying significantly higher export charges every time for doing so.

[12] Coefficients of Variation for Option A and Option B regions are available in the Appendix.

3. Alberta Under Option B

If the taxes are a stumbling block to the forestry industry, finding a way to decrease them would be beneficial. To illustrate why a potential switch to Option B is an important issue, it is appropriate to consider the impact that export taxes have on production. For one month, assume that the monthly price is $300 per thousand BFM. At that price level the export tax rate is 15% under Option A and 5% under Option B. The net price (monthly price minus taxes) is $255 and $285 respectively[13]. Option A regions also face the risk of exporting more than their surge trigger allows and incurs the additional export tax equal to 50% of the export tax. Since Option B provinces face much smaller export taxes than Option A, an analysis needs to be done to show how switching from Option A to Option B can change export volume and net export value.

In evaluating Alberta's exports had it selected Option B, there are some key assumptions that one needs to understand before viewing the results. There are, of course, problems estimating what industry behaviour would be if different export volume rules and lower export charges are applied to softwood lumber exports under the SLA. In this section four proxies are used to calculate an estimated value of Alberta shipments to the United States from October 2006 to November 2008.

To properly analyze how Alberta would have fared under Option B, a calculation is made to determine the estimated export volume. First, the estimated regional quota volume is calculated using the formula for Option B in Section 1. Substituting the appropriate regional share and price adjustment factor, the formula is shown below:

$$RQV = EUSC\ x\ 0.0263\ x\ (30/34) \qquad (4)$$

Where: RQV = Region's monthly quota volume
EUSC = Expected U.S. Consumption for the month
30/34 = Price Adjustment Factor

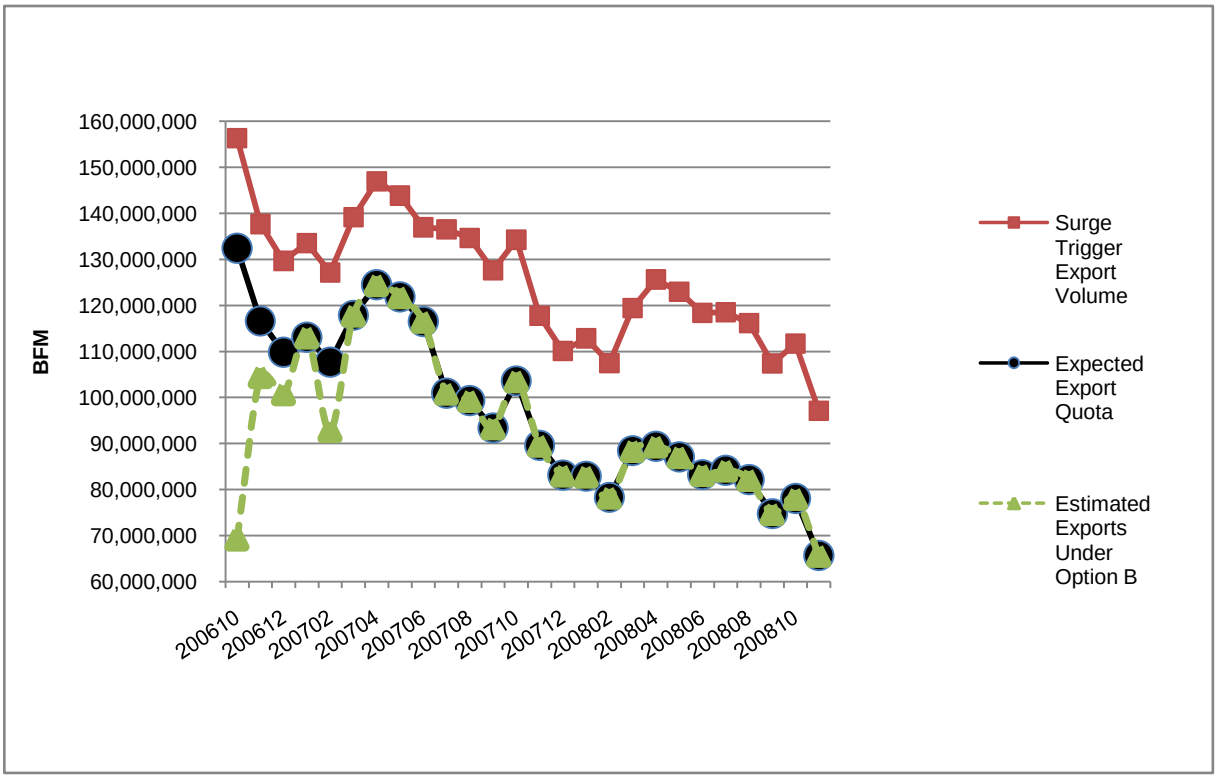
Alberta is allocated 2.63% of EUSC under Option B. Since the prevailing monthly price never rose above $US 315, the price adjustment factor remains constant.

Estimates on export volume represent a best-case scenario, that is, if Alberta is using Option B, and shipped more than the quota allowed in a given month under Option A, the quota is used as the estimated volume. If Alberta as an Option A region exported less than what the estimated regional quota volume would allow in that month, the volume will be estimated as the actual exports for that month. The assumption that industry (and not individual firms) utilizes the allotted amount is crucial in this analysis. This represents the best case scenario and is a useful starting point for an analysis. If the results of this analysis prove that Alberta would not have benefited more under Option B in the best case, then further analysis would not be needed.

[13] For the purposes of this study it is assumed that the firm absorbs the full value of the export taxes.

Figure 6, below, summarizes the estimated export volume for Alberta as an Option B region. As long as the actual export volume for that month is greater than the regional quota volume, the estimate for the exports in that month under Option B is equal to the regional quota volume. The monthly estimates for export volumes are located in Appendix B. When comparing the export volumes between Alberta under Option A and Alberta under Option B, the data shows that even under the best case scenario, where firms utilize their entire quota, Option B would have exported 16.6% less total volume than the current Option A.

Figure 6. Alberta Exports Under Option B



This says nothing for value however. Option A has significantly higher export charges than Option B. To compare, Option B regions face export charges equal to 5%, while Option A regions opted to pay 15% export charges with the possibility of paying 22.5% if the surge trigger was exceeded. As has been mentioned above, Alberta exceeded the surge trigger three times and incurred additional charges of 7.5% in those months. These additional charges significantly affect the revenues of the industry in Alberta.

In the analysis of export value, the use of four proxies of export values will be analyzed here. The first proxy for value is the prevailing monthly price, a weighted average of several key export products from Canada, as calculated by *Random Lengths*. This is available on the monthly softwood lumber reports from the DFAIT. This proxy is heavily slanted to production from the Interior of British Columbia however and does not give a good representation of the value of softwood lumber exports from Alberta.

The second proxy is the price for Western SPF 2x4 which is a much closer approximation of Alberta lumber production. Prices are available from R*andom Lengths* weekly. Since exports are only available monthly, this study treated the weekly prices as having equal weights and averaged them to determine a monthly price. This is useful as an estimate, but in actual practice it is doubtful to expect that the weights of each week are equal.

The third proxy is based on the Government of Alberta calculations of total export value from the export taxes that have been collected during the SLA. The total value of taxes paid the Canada Revenue Agency is known for a particular month. Based on the taxes paid, the total value of exports can be calculated (because the tax rate is known). Since the export volume is also known one can calculate the actual average monthly price. The price is then multiplied by the estimated volume for Option B.

The fourth proxy for value was in the next tier of pricing (Figure 1). For this, the average price is set to $326 per thousand BFM. This allows comparison of the Options as the price increases and moves into a new pricing tier. As the export charges change significantly between tiers and Option B regions have a price adjustment factor allowing Option B regions to increase their quota, there is some merit in seeing how changing the price affects net export value. The average price in this scenario is $US 326 per thousand BFM (directly in the middle of the next tier of pricing from Figure 1).

From Equation 1 (p. 3), the regional trigger volumes for Option A regions are only impacted by a change in EUSC, and not at all by the price of softwood lumber. Option B regions have a price adjustment factor that increases the quota as price increases. Therefore, this study assumes that the same volume would have been shipped with proxy four as was shipped with proxy one under Option A. In truth, this represents a best-case argument for selecting Option B instead of Option A since the volume of exports under Option B increases while exports under Option A remains constant. Economic theory suggests that firms would have an incentive to increase their production if the costs of production, in this case the taxes, have decreased. This study does not account for these price effects, resulting in a bias towards selecting Option B. If Option A is more projectable in this analysis than Option B, then one can conclude that even with a significant bias towards Option B, Alberta selecting Option A still provides a larger net export value. The estimated net value received by firms is the gross export value reduced by and amount equal to the export charges applied that month and that all export charges are absorbed by the producer.

In the first calculation of net export value (gross export value minus export taxes equals the net export value), the method is fairly simple. Using the first proxy, the prevailing monthly price, Alberta shipped a sum of approximately $672 million under Option A and would have shipped approximately $636 million under Option B from October 2006 to November 2008. Under Option A, Alberta exported a volume of 16.6% greater than the estimate for Option B. In terms of value, the estimate of export value under Option B is only 5.4% less than value under Option A, a much smaller difference between Option A and Option B. This implies is that Alberta would be earning less under Option B than it would under the current Option A

arrangement while shipping 16.6% less volume. Such a large disparity should be an important consideration for firms facing high costs for labour and transportation.

Using the second export value proxy, the monthly average of weekly Western SPF 2x4, the value of Albertan exports would be 5.5% lower under Option B than Option A (in this case, the volume of exports remains constant). The net export value under Option A would be $587 million compared to $554 million under Option B.

The third proxy shows the net export value of Option B is 5.3% less than Option A, while the export volume under Option B is 15.7% less than under Option A. This figure corresponds more closely to the actual export value and volume than the first two proxies.

The difference in export volume for the fourth proxy between Option A and Option B is 12.2% (2.9 billion BFM for Option A and 2.6 billion BFM for Option B). The difference in value is 4.6% less for Option B than Option A. Figure 7 compares the results of the four scenarios for choosing Option A or Option B.

Figure 7: Summary Table for Alberta under Option B

Price Proxy	Export Volume (Option B < Option A)	Export Value (Option B < Option A)
1. Prevailing Monthly Price	-16.59%	-5.44%
2. Western SPF 2x4	-16.59%	-5.46%
3. Government of Alberta Estimate*	-15.70%	-5.33%
4. Average Price ($US 326)	-12.15%	-4.66%
*Estimate does not include data from November 2008		

To reiterate, the results in this report are for the industry as a whole, and should not be used to make assumptions about firms specifically. However, these proxies show that in all four cases, the total value is higher for Option A than what it would have been under Option B. For specific firms and policy makers, it is important to recognize that the difference in volumes is substantial. Depending on the size of an individual firm and its efficiency and its cost per unit of production, its own evaluation of Option A or Option B may differ. The unknown element is the size of the export quota an individual firm may obtain and this may further influence the preference on an individual firm basis. There are several factors to consider in addition to those raised above. For example, depending on the Option chosen, there could an impact on Alberta forestry communities. These factors are beyond the scope of this study but additional research could provide insight.

4. Conclusion and Policy Implications

The terms of the SLA state that regions can change the option under which they operate every three years. The two Options are subject to different export charges and export volume constraints. This report has found that Alberta has been utilizing the largest amount of its allocation amongst all the member regions of the SLA and faces high export charges. Since Alberta faces such high export charges under Option A, there is some merit in seeing how Alberta would fare under Option B where the taxes are much lower.

This report found that despite the significantly lower tax rate of Option B regions, Alberta exported a greater net export value by choosing Option A. Analysis shows that even in the best case, where the quota of Alberta under Option B is fully utilized, the export value under Option B still falls behind regardless of the price level. However, these results must be accepted with caution; they are for the industry as a whole and say nothing about how individual firms would have fared under Option B or how reducing the amount of taxes that firms would have to pay (by reducing volume) would affect firms of varying sizes, depending on the level of export quota they expect to receive.

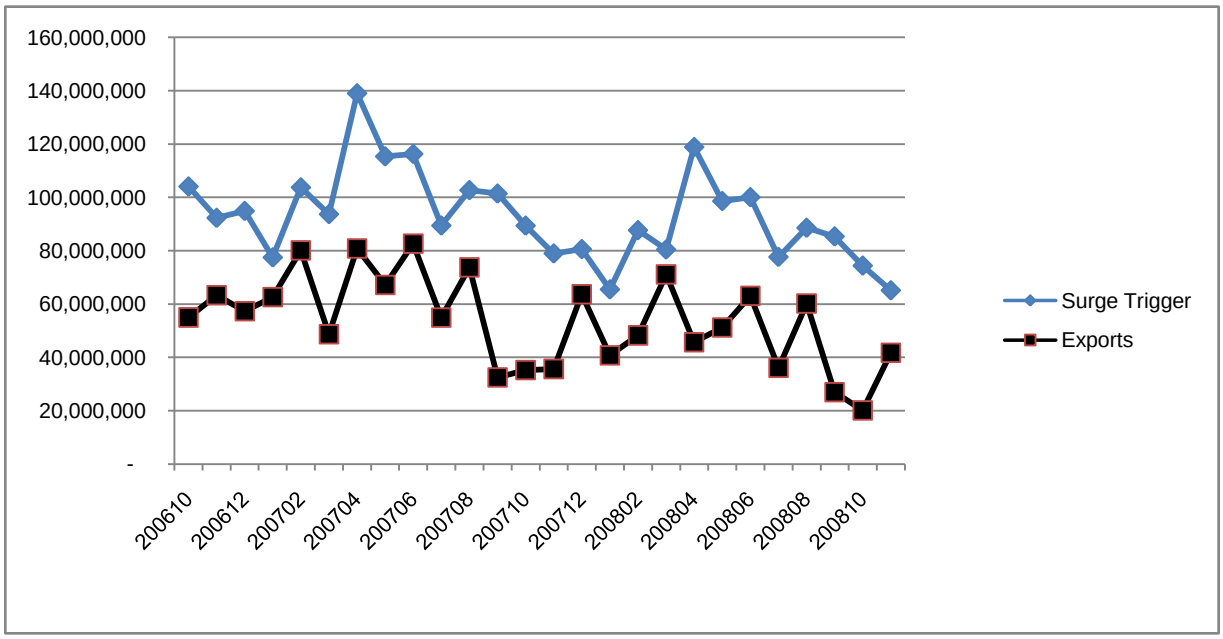
Several considerations must be weighed before suggesting that Option A is the best choice for Alberta. First, one must consider the impact that the reduced production would have on Alberta industry as a whole under Option B. As shown in this study, there is a significant difference between the Options when comparing the export volume and the net export value. Second, one must consider the impact that the reduced production would have on forest communities, employment levels, and forest management priorities. Third, the analysis does not consider how the export taxes collected from Albertan producers may be used, and how these funds could be used to benefit the province generally.

Appendix

BC Coast (Option A)

Month	Regional Share	Surge Trigger (BFM)	Exports (BFM)	Exports/ Regional Share	Exports / Surge Trigger
200610	94,583,062	104,041,368	55,013,813	58.2%	52.88%
200611	83,882,582	92,270,840	63,366,670	75.5%	68.70%
200612	86,238,106	94,861,917	57,389,326	66.5%	60.50%
200701	70,407,849	77,448,634	62,629,722	89.0%	80.90%
200702	94,265,746	103,692,321	80,122,344	85.0%	77.30%
200703	85,156,201	93,671,821	48,729,810	57.2%	52.00%
200704	126,350,936	138,986,030	80,842,599	64.0%	58.20%
200705	104,840,622	115,324,684	67,228,841	64.1%	58.30%
200706	105,672,243	116,239,468	82,653,275	78.2%	71.10%
200707	81,277,808	89,405,589	54,941,739	67.6%	61.50%
200708	93,335,838	102,669,442	73,777,151	79.0%	71.90%
200709	92,171,082	101,388,191	32,491,493	35.3%	32.00%
200710	81,241,663	89,365,829	35,265,097	43.4%	39.50%
200711	71,749,148	78,924,063	35,700,290	49.8%	45.20%
200712	73,231,345	80,554,480	63,709,259	87.0%	79.10%
200801	59,503,659	65,454,025	40,760,334	68.5%	62.30%
200802	79,682,078	87,650,285	48,315,673	60.6%	55.10%
200803	73,086,818	80,395,500	71,119,750	97.3%	88.50%
200804	108,028,284	118,831,112	45,740,688	42.3%	38.50%
200805	89,609,587	98,570,546	51,245,884	57.2%	52.00%
200806	90,942,938	100,037,232	63,138,184	69.4%	63.10%
200807	70,563,619	77,619,981	36,135,247	51.2%	46.60%
200808	80,501,211	88,551,332	60,261,234	74.9%	68.10%
200809	77,554,242	85,309,677	26,994,347	34.8%	31.60%
200810	67,601,947	74,362,141	20,183,584	29.9%	27.10%
200811	59,181,782	65,099,960	41,724,726	70.5%	64.09%
Regional Share		*Surge Trigger*		*Exports*	
Mean	84,640,784	Mean	93,104,864	Mean	53,826,195
Std. Deviation	15,549,194	Std. Deviation	17,104,114	Std. Deviation	17,061,411
Co Eff. Of Variation	0.184	Co Eff. Of Variation	0.184	Co Eff. Of Variation	0.317

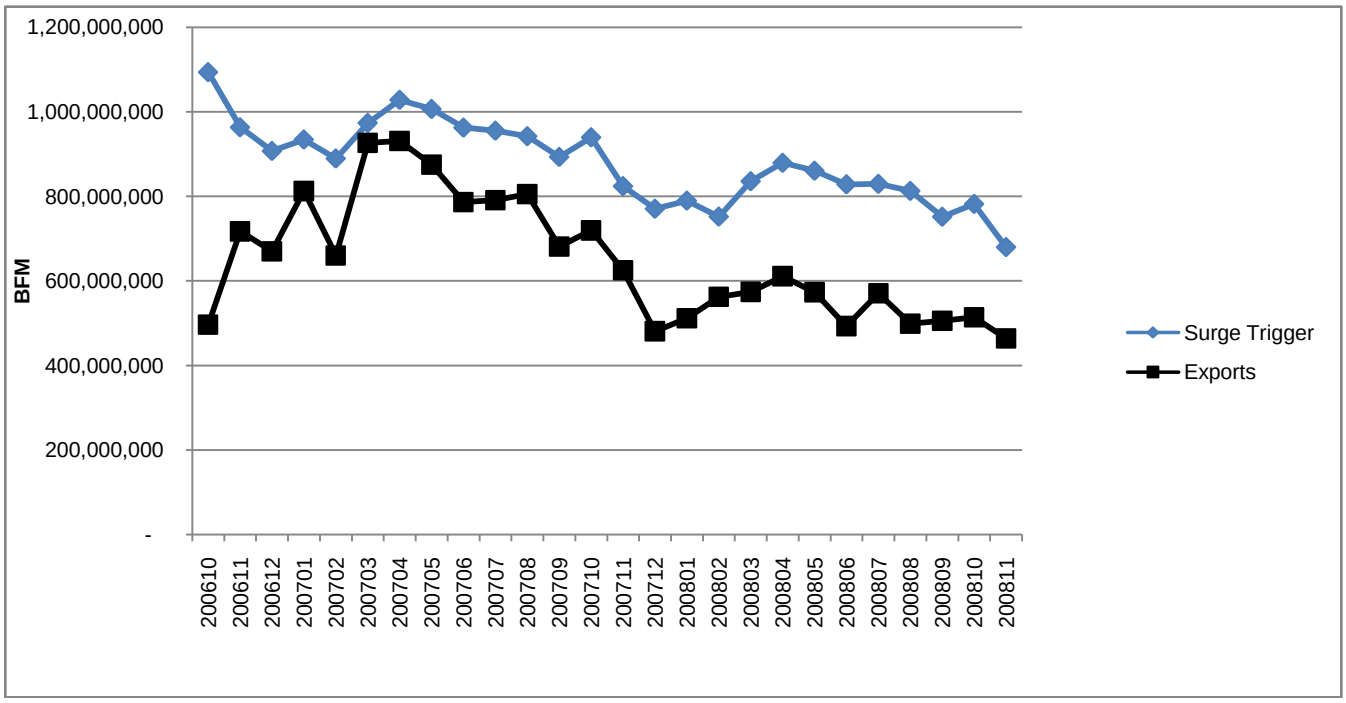
BC Coast (Option A)



BC Interior (Option A)

	Regional Share	Surge Trigger	Exports	Exports/ Regional Share	Exports / Surge Trigger
200610	994,730,100	1,094,203,110	496,791,577	49.9%	70.37%
200611	876,031,800	963,634,980	717,589,093	81.9%	74.50%
200612	825,136,200	907,649,820	670,453,493	81.3%	73.90%
200701	849,712,500	934,683,750	812,821,604	95.7%	87.00%
200702	808,926,300	889,818,930	660,304,974	81.6%	73.00%
200703	885,444,000	973,988,400	926,494,215	104.6%	95.10%
200704	935,119,500	1,028,631,450	931,125,700	99.6%	90.50%
200705	915,423,600	1,006,965,960	875,191,045	95.6%	86.90%
200706	875,334,600	962,868,060	786,763,620	89.9%	81.70%
200707	868,711,200	955,582,320	791,486,224	91.1%	82.80%
200708	856,858,800	942,544,680	805,879,334	94.1%	85.50%
200709	812,238,000	893,461,800	681,642,561	83.9%	76.30%
200710	854,418,600	939,860,460	719,846,522	84.2%	76.60%
200711	749,315,700	824,247,270	625,677,833	83.5%	75.90%
200712	700,686,000	770,754,600	481,377,102	68.7%	62.50%
200801	718,116,000	789,927,600	511,864,633	71.3%	64.80%
200802	683,778,900	752,156,790	562,608,766	82.3%	74.80%
200803	759,948,000	835,942,800	574,529,163	75.6%	68.70%
200804	799,514,100	879,465,510	611,489,088	76.5%	69.50%
200805	773,833,244	860,675,970	573,833,244	74.2%	66.70%
200806	753,324,600	828,657,060	493,523,688	65.5%	59.60%
200807	754,195,100	829,615,710	571,346,859	75.8%	68.90%
200808	739,032,000	812,935,200	499,081,811	67.5%	61.40%
200809	683,430,300	751,773,330	505,823,061	74.0%	67.30%
200810	710,969,700	782,066,670	514,605,631	72.4%	65.80%
200811	618,067,800	679,874,580	464,573,118	75.2%	68.33%
Regional Share		*Surge Trigger*		*Exports*	
Mean	800,088,332	Mean	880,461,031	Mean	648,720,152
Std. Deviation	89,453,015	Std. Deviation	98,304,681	Std. Deviation	145,024,111
Co Eff. Of Variation	0.112	Co Eff. Of Variation	0.112	Co Eff. Of Variation	0.224

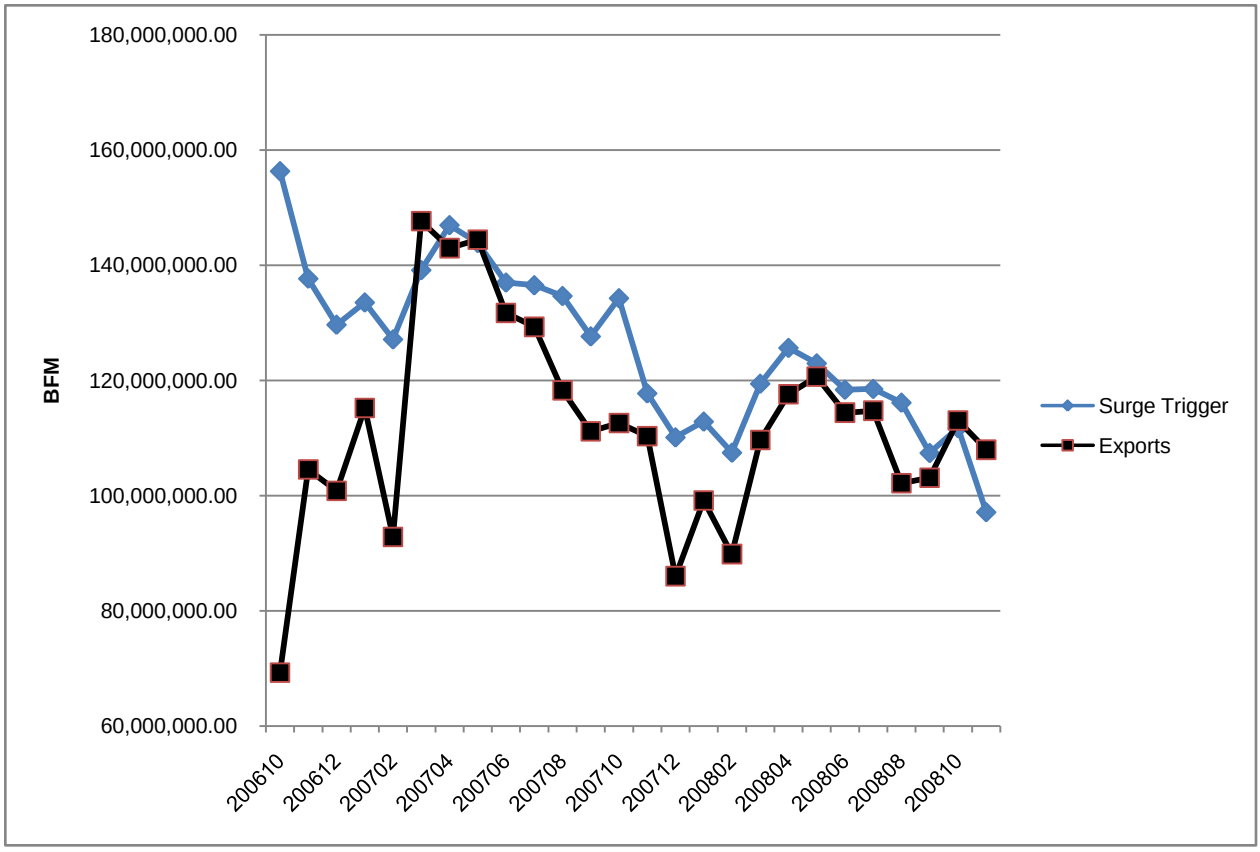
BC Interior (Option A)



Alberta (Option A)

	Regional Share	Surge Trigger	Exports	Exports/ Regional Share	Exports / Surge Trigger
200610	142,104,300	156,314,730.00	69,272,574	71.0%	44.3%
200611	125,147,400	137,662,140.00	104,536,778	83.5%	75.9%
200612	117,876,600	129,664,260.00	100,807,771	85.5%	77.7%
200701	121,387,500	133,526,250.00	115,212,771	94.9%	86.3%
200702	115,560,900	127,116,990.00	92,814,204	80.3%	73.0%
200703	126,492,000	139,141,200.00	147,622,209	116.7%	106.1%
200704	133,588,500	146,947,350.00	142,932,095	107.0%	97.3%
200705	130,774,800	143,852,280.00	144,423,533	110.4%	100.4%
200706	125,047,800	136,981,327.00	131,708,189	105.3%	96.2%
200707	124,101,600	136,511,760.00	129,278,528	104.2%	94.7%
200708	122,408,400	134,649,240.00	118,245,238	96.6%	87.8%
200709	116,034,000	127,637,400.00	111,148,520	95.8%	87.1%
200710	122,059,800	134,265,780.00	112,580,541	92.2%	83.8%
200711	107,045,100	117,749,610.00	110,295,200	103.0%	93.7%
200712	100,098,000	110,107,800.00	86,008,845	85.9%	78.1%
200801	102,588,000	112,846,800.00	99,128,612	96.6%	87.8%
200802	97,682,700	107,450,970.00	89,834,129	92.0%	83.6%
200803	108,564,000	119,420,400.00	109,632,336	101.0%	91.8%
200804	114,216,300	125,637,930.00	117,577,976	102.9%	93.6%
200805	111,776,100	122,953,710.00	120,630,768	107.9%	98.1%
200806	107,617,800	118,379,580.00	114,382,823	106.3%	96.6%
200807	107,742,300	118,516,530.00	114,714,128	106.5%	96.8%
200808	105,576,000	116,133,600.00	102,144,758	96.7%	88.0%
200809	97,632,900	107,396,190.00	103,092,221	105.6%	96.0%
200810	101,567,100	111,723,810.00	113,018,654	111.3%	101.2%
200811	88,295,400	97,124,940.00	107,947,882	122.3%	111.1%
Regional Share		*Surge Trigger*		*Exports*	
Mean	114,345,588	Mean	125,758,176	Mean	111,884,280
Std. Deviation	12,766,842	Std. Deviation	14,024,805	Std. Deviation	17,935,824
Co Eff. Of Variation	0.112	Co Eff. Of Variation	0.112	Co Eff. Of Variation	0.160

Alberta (Option A)

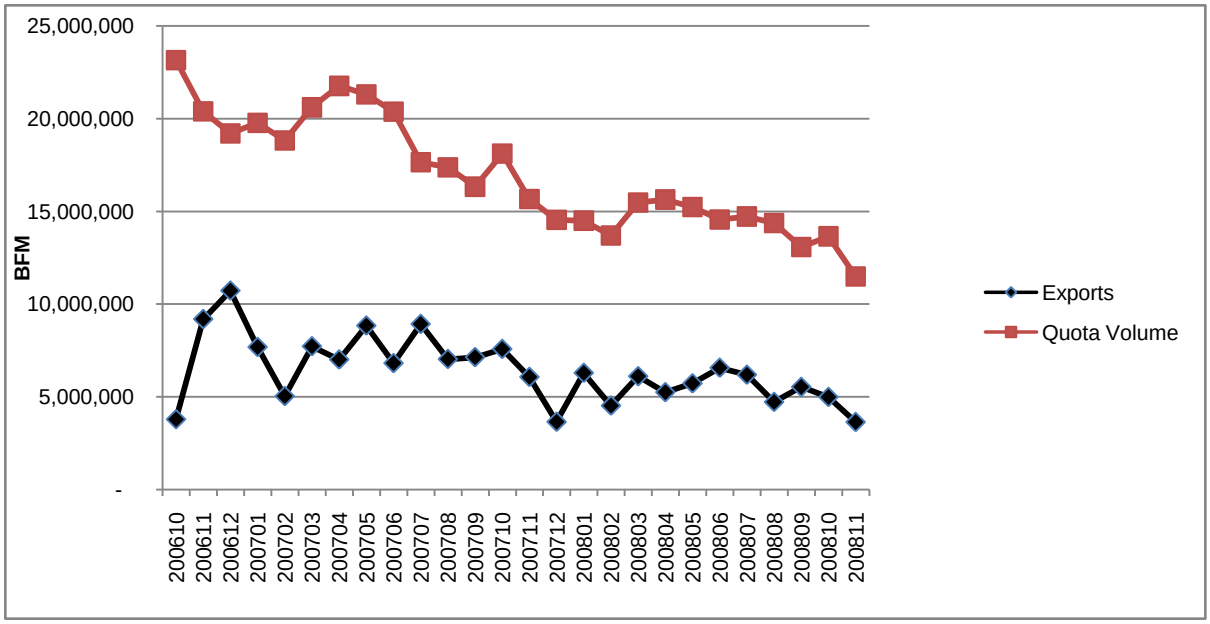


Saskatchewan (Option B)

	Quota Volume	Exports	Exports / Quota
200610	23,163,706	3,790,862	16.4%
200611	20,399,647	9,191,713	45.1%
200612	19,214,471	10,722,153	55.8%
200701	19,786,765	7,683,481	38.8%
200702	18,837,000	5,039,974	26.8%
200703	20,618,824	7,724,354	37.5%
200704	21,775,588	7,010,189	32.2%
200705	21,316,941	8,838,523	41.5%
200706	20,383,412	6,816,020	33.4%
200707	17,655,882	8,925,981	50.6%
200708	17,379,882	7,035,235	40.5%
200709	16,340,824	7,137,067	43.7%
200710	18,126,706	7,579,031	41.8%
200711	15,679,235	6,069,891	38.7%
200712	14,546,824	3,653,319	25.1%
200801	14,506,235	6,291,244	43.4%
200802	13,706,647	4,526,962	33.0%
200803	15,480,353	6,109,290	39.5%
200804	15,646,765	5,250,797	33.6%
200805	15,244,941	5,725,766	37.6%
200806	14,567,118	6,567,613	45.1%
200807	14,733,529	6,191,182	42.0%
200808	14,380,412	4,724,525	32.9%
200809	13,085,647	5,534,359	42.3%
200810	13,662,000	4,991,154	36.5%
200811	11,498,647	3,643,364	31.7%

Quota Volume		*Exports*		*Exports / Quota*	
Mean	16,989,923	Mean	6,414,387	Mean	0.38
Std. Deviation	3,101,938	Std. Deviation	1,788,657	Std. Deviation	0.08
Co Eff. Of Variation	0.183	Co Eff. Of Variation	0.279	Co Eff. Of Variation	0.213

Saskatchewan (Option B)

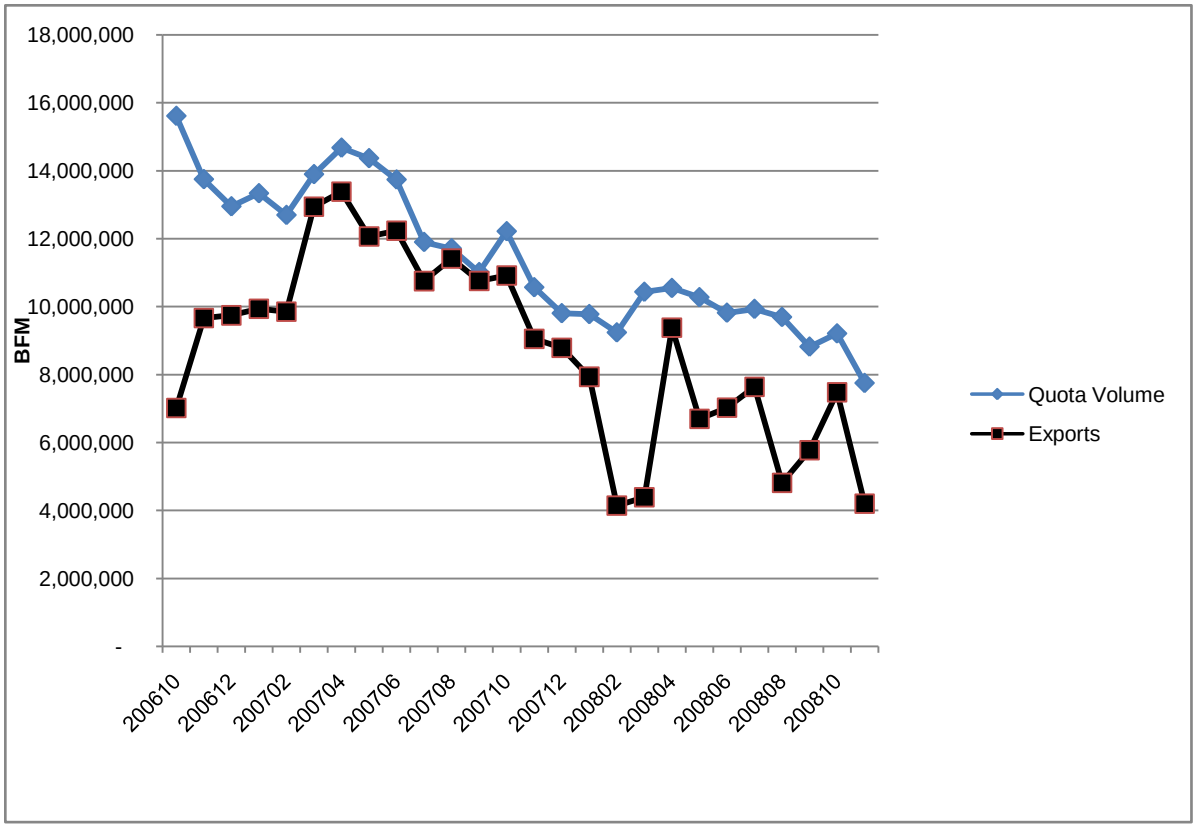


Manitoba (Option B)

	Quota Volume	Exports	% Quota Volume	
200610	15,610,324	7,015,154	44.9%	
200611	13,747,588	9,660,368	45.1%	
200612	12,948,882	9,741,144	75.2%	
200701	13,334,559	9,933,118	74.5%	
200702	12,694,500	9,846,346	77.6%	
200703	13,895,294	12,942,259	93.1%	
200704	14,674,853	13,383,381	91.2%	
200705	14,365,765	12,064,403	84.0%	
200706	13,736,647	12,237,672	89.1%	
200707	11,898,529	10,749,717	90.3%	
200708	11,712,529	11,411,955	97.4%	
200709	11,012,294	10,753,796	97.7%	
200710	12,215,824	10,912,646	89.3%	
200711	10,566,441	9,049,010	85.6%	
200712	9,803,294	8,786,672	89.6%	
200801	9,775,941	7,931,100	81.1%	
200802	9,237,088	4,137,865	66.3%	
200803	10,432,412	4,381,377	42.0%	
200804	10,544,559	9,380,872	89.0%	
200805	10,273,765	6,689,445	65.1%	
200806	9,816,971	7,019,443	71.5%	
200807	9,929,118	7,636,315	42.0%	
200808	9,691,147	4,804,167	49.6%	
200809	8,818,588	5,770,374	65.4%	
200810	9,207,000	7,475,246	36.5%	
200811	7,749,088	4,190,038	54.1%	

Quota Volume		*Exports*		*% Quota Volume*	
Mean	11,449,731	Mean	8,765,534	Mean	0.73
Std. Deviation	2,090,436	Std. Deviation	2,729,460	Std. Deviation	0.20
Co Eff. Of Variation	0.183	Co Eff. Of Variation	0.311	Co Eff. Of Variation	0.269

Manitoba (Option B)

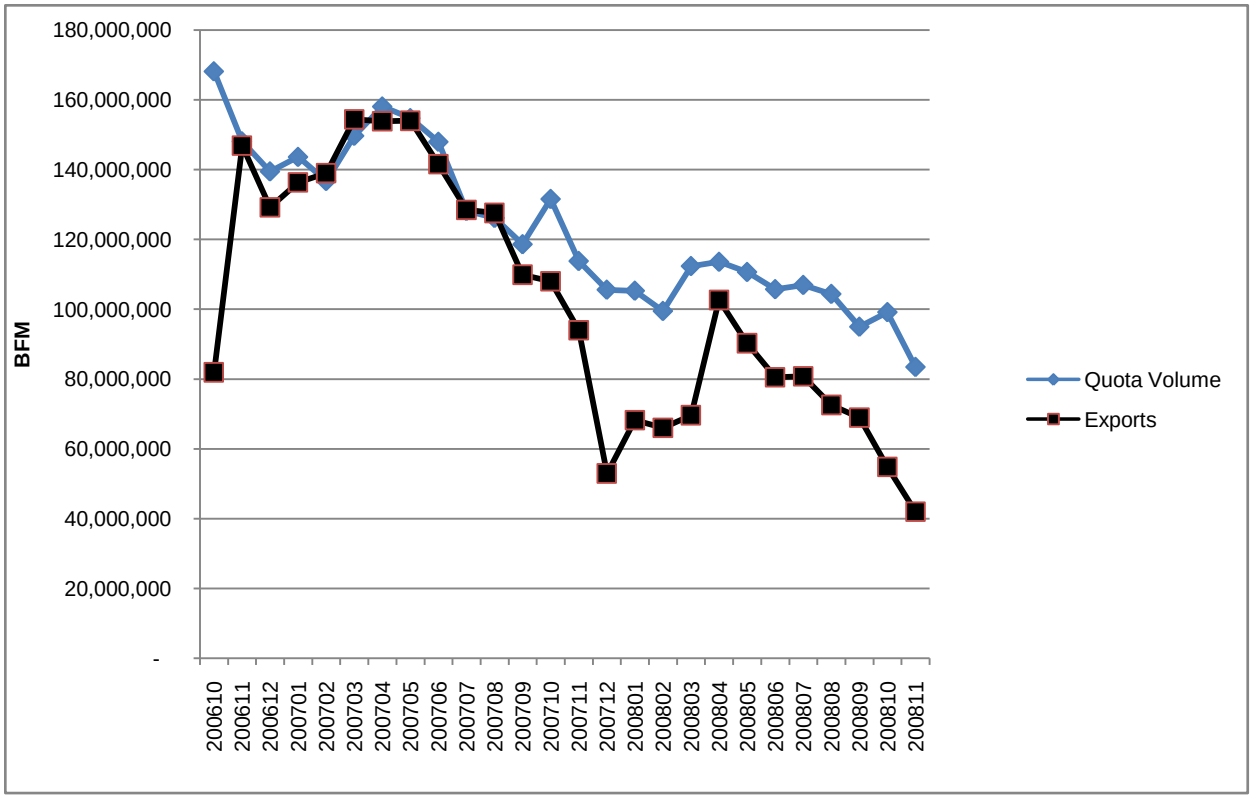


Ontario (Option B)

	Quota Volume	Exports	% Quota Volume
200610	168,188,647	81,949,323	48.7%
200611	148,119,176	146,922,659	99.2%
200612	139,513,765	129,225,940	92.6%
200701	143,669,118	136,382,644	94.9%
200702	136,773,000	139,013,796	101.6%
200703	149,710,588	154,425,083	103.1%
200704	158,109,706	153,876,189	97.3%
200705	154,779,529	154,032,761	99.5%
200706	148,001,294	141,590,819	95.7%
200707	128,197,059	128,472,276	90.3%
200708	126,193,059	127,619,693	101.1%
200709	118,648,588	109,904,504	92.6%
200710	131,615,647	108,016,884	82.1%
200711	113,844,882	94,028,447	82.6%
200712	105,622,588	52,976,936	50.2%
200801	105,327,882	68,230,961	64.8%
200802	99,522,176	66,030,853	66.3%
200803	112,400,824	69,658,535	62.0%
200804	113,609,118	102,676,165	90.4%
200805	110,691,529	90,293,000	81.6%
200806	105,769,941	80,500,977	76.1%
200807	106,978,235	80,812,434	75.5%
200808	104,414,294	72,587,258	69.5%
200809	95,013,176	68,949,588	72.6%
200810	99,198,000	54,842,218	55.3%
200811	83,490,176	42,024,122	50.3%

Quota Volume		*Exports*		*% Quota Volume*	
Mean	123,361,615	Mean	102,117,079	Mean	0.81
Std. Deviation	22,522,766	Std. Deviation	35,584,996	Std. Deviation	0.18
Co Eff. Of Variation	0.183	Co Eff. Of Variation	0.348	Co Eff. Of Variation	0.219

Ontario (Option B)

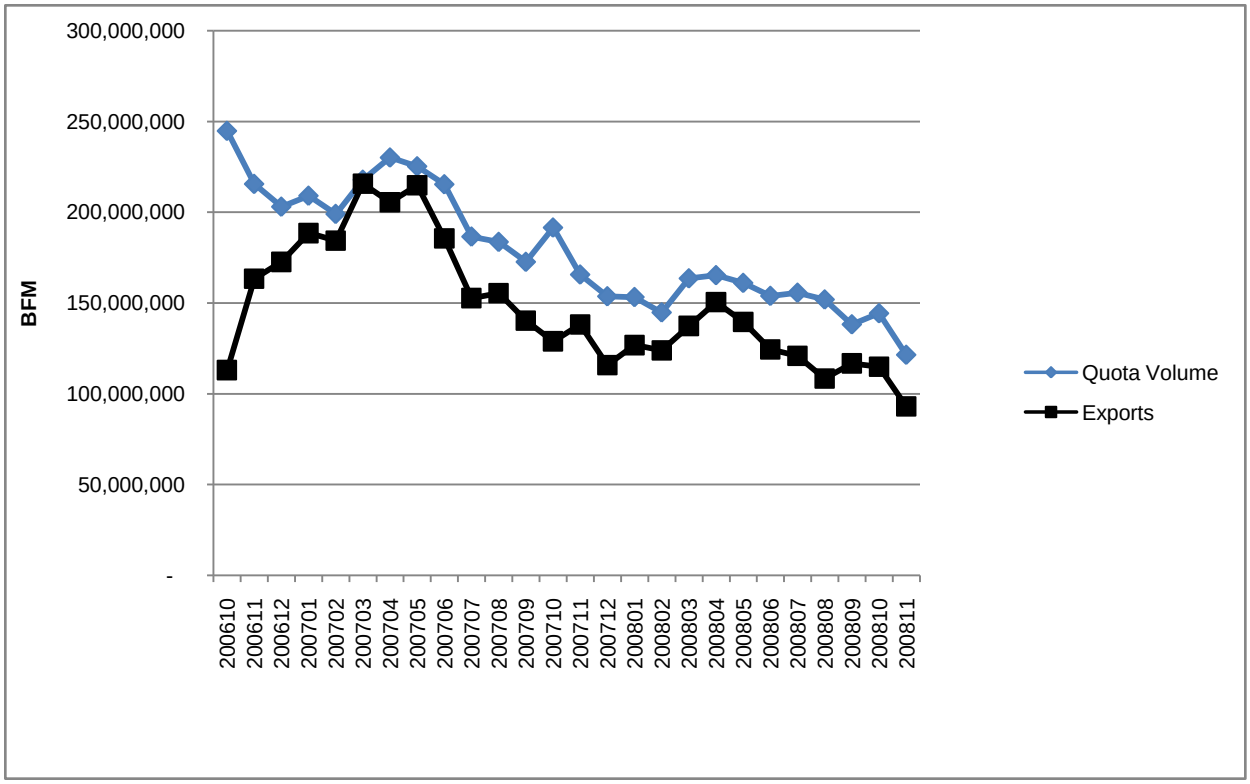


Quebec (Option B)

	Quota Volume	Exports	% Quota Volume
200610	244,729,588	113,089,797	46.2%
200611	215,526,706	163,387,449	75.8%
200612	203,005,059	172,695,607	85.1%
200701	209,051,471	188,564,160	90.2%
200702	199,017,000	184,384,190	92.6%
200703	217,842,353	215,768,533	99.0%
200704	230,063,824	205,618,553	89.4%
200705	225,218,118	214,889,181	95.4%
200706	215,344,000	185,692,855	86.2%
200707	186,538,235	152,748,131	81.9%
200708	183,622,235	155,490,675	84.7%
200709	172,644,353	140,312,739	81.3%
200710	191,512,588	128,941,978	67.3%
200711	165,654,529	138,198,740	83.4%
200712	153,690,353	115,752,637	75.3%
200801	153,261,529	126,845,539	82.8%
200802	144,813,706	123,977,793	85.6%
200803	163,553,294	137,405,516	84.0%
200804	165,311,471	150,509,561	91.0%
200805	161,066,118	139,641,573	86.7%
200806	153,904,765	124,466,843	80.9%
200807	155,662,941	120,955,063	77.7%
200808	151,932,176	108,451,625	71.4%
200809	138,252,706	116,788,834	84.5%
200810	144,342,000	114,939,191	79.6%
200811	121,485,706	93,090,962	76.6%

Quota Volume		Exports		% Quota Volume	
Mean	179,501,801	Mean	147,407,989	Mean	0.82
Std. Deviation	32,772,159	Std. Deviation	34,417,593	Std. Deviation	0.10
Co Eff. Of Variation	0.183	Co Eff. Of Variation	0.233	Co Eff. Of Variation	0.125

Quebec (Option B)

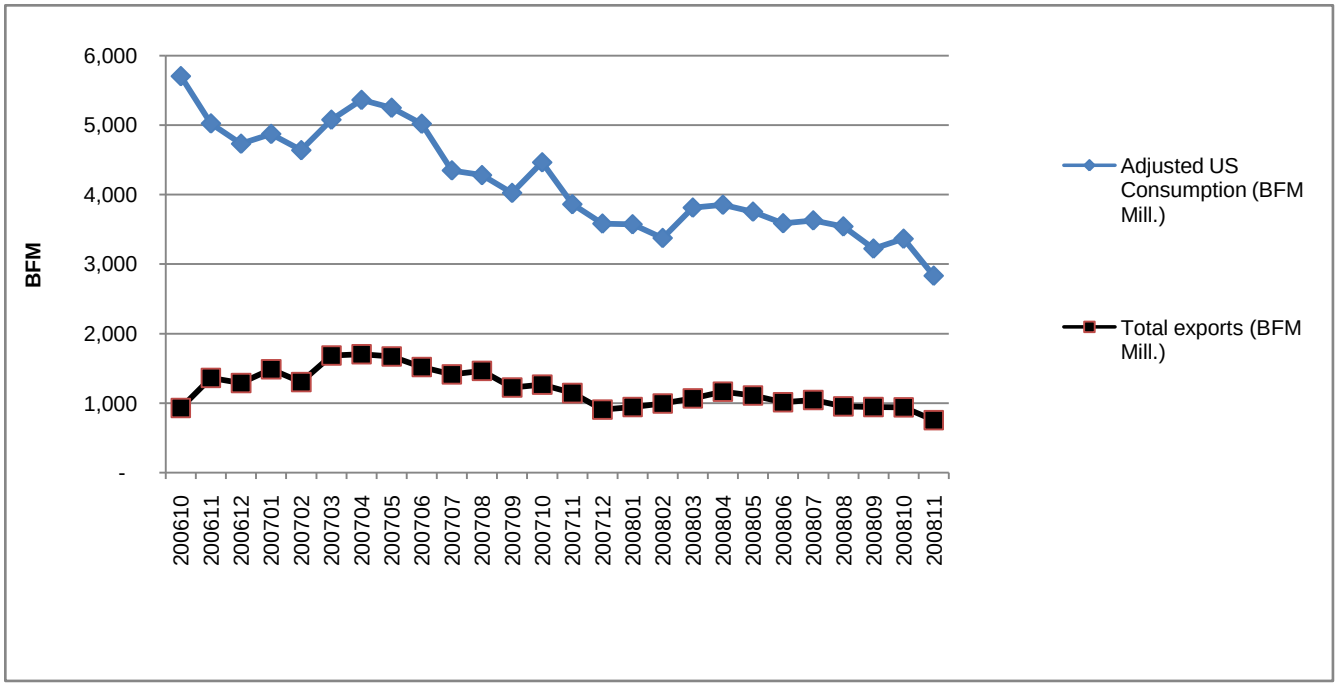


Expected U.S. Consumption

	Ex. U.S. Con. (BFM Mill.)	Adjusted U.S. Consumption (BFM Mill.)	Total exports (BFM Mill.)	Prevailing Monthly Price ($USD)
200610	5,707	5,707	932	299
200611	5,026	5,026	1,364	283
200612	4,734	4,734	1,291	277
200701	4,875	4,875	1,487	278
200702	4,641	4,641	1,303	293
200703	5,080	5,080	1,686	291
200704	5,365	5,365	1,705	289
200705	5,252	5,252	1,673	279
200706	5,022	5,022	1,520	286
200707	4,984	4,350	1,414	292
200708	4,916	4,282	1,465	309
200709	4,660	4,026	1,226	292
200710	4,902	4,466	1,268	288
200711	4,299	3,863	1,145	273
200712	4,020	3,584	906	257
200801	4,120	3,574	946	268
200802	3,923	3,377	996	262
200803	4,360	3,814	1,069	243
200804	4,587	3,855	1,166	244
200805	4,489	3,756	1,112	238
200806	4,322	3,589	1,012	266
200807	4,327	3,630	1,045	281
200808	4,240	3,543	954	263
200809	3,921	3,224	944	272
200810	4,079	3,366	940	284
200811	3,546	2,833	756	255

Ex. U.S. Con. (BFM Mill.)		*Adjusted U.S. Con. (BFM Mill.)*		*Total exports (BFM Mill.)*	
Mean	4592	Mean	4185	Mean	1204
Std. Deviation	512	Std. Deviation	764	Std. Deviation	269
Co Eff. Of Variation	0.112	Co Eff. Of Variation	0.183	Co Eff. Of Variation	0.223

Expected U.S. Consumption



Option A Provinces (Sum)

	Surge (BFM Millions)	Exports (BFM Millions)	Exports/ Surge	Ex. U.S. Con. (BFM Mill.)	Surge Trigger/ Ex. U.S. Con.
200610	874	621	71.1%	5,707	15%
200611	1,194	885	74.2%	5,026	24%
200612	1,132	829	73.2%	4,734	24%
200701	1,146	991	86.5%	4,875	24%
200702	1,121	833	74.4%	4,641	24%
200703	1,207	1,123	93.0%	5,080	24%
200704	1,315	1,155	87.9%	5,365	25%
200705	1,266	1,087	85.8%	5,252	24%
200706	1,216	1,001	82.3%	5,022	24%
200707	1,181	976	82.6%	4,984	24%
200708	1,180	998	84.6%	4,916	24%
200709	1,122	825	73.5%	4,660	24%
200710	1,163	868	74.6%	4,902	24%
200711	1,021	772	75.6%	4,299	24%
200712	961	631	65.6%	4,020	24%
200801	968	652	67.3%	4,120	24%
200802	947	701	74.0%	3,923	24%
200803	1,036	755	72.9%	4,360	24%
200804	1,124	1,075	95.6%	4,587	25%
200805	1,082	746	68.9%	4,489	24%
200806	1,047	671	64.1%	4,322	24%
200807	1,026	722	70.4%	4,327	24%
200808	1,018	661	65.0%	4,240	24%
200809	944	636	67.3%	3,921	24%
200810	968	646	66.7%	4,079	24%
200811	842	614	72.9%	3,546	24%
Surge (BFM Millions)		*Exports (BFM Millions)*		*Exports/ Surge*	
Mean	1,081	Mean	826	Mean	0.76
Std. Deviation	121	Std. Deviation	174	Std. Deviation	0.09
Co Eff. Of Variation	0.112	Co Eff. Of Variation	0.211	Co Eff. Of Variation	0.116

Option B Provinces (Sum)

	Quota (BFM Millions)	Exports (BFM Millions)	Exports/ Quota	Ex. U.S. Con. (BFM Mill.)	Quota/ Ex. U.S. Con.
200610	452	206	45.6%	5,707	8%
200611	398	329	82.7%	5,026	8%
200612	375	322	86.0%	4,734	8%
200701	386	343	88.8%	4,875	8%
200702	367	338	92.1%	4,641	8%
200703	402	391	97.2%	5,080	8%
200704	425	380	89.5%	5,365	8%
200705	416	390	93.8%	5,252	8%
200706	397	346	87.1%	5,022	8%
200707	344	301	87.4%	4,984	7%
200708	339	302	89.0%	4,916	7%
200709	319	268	84.1%	4,660	7%
200710	353	255	72.3%	4,902	7%
200711	306	247	80.9%	4,299	7%
200712	284	181	63.9%	4,020	7%
200801	283	209	74.0%	4,120	7%
200802	267	199	74.3%	3,923	7%
200803	302	218	72.1%	4,360	7%
200804	305	268	87.8%	4,587	7%
200805	297	242	81.5%	4,489	7%
200806	284	219	76.9%	4,322	7%
200807	287	216	75.0%	4,327	7%
200808	280	191	68.0%	4,240	7%
200809	255	197	77.2%	3,921	7%
200810	266	182	68.4%	4,079	7%
200811	224	142	63.8%	3,546	6%

Quota (BFM Millions)		*Exports (BFM Millions)*		*Exports/ Quota*	
Mean	331	Mean	265	Mean	0.79
Std. Deviation	61	Std. Deviation	72	Std. Deviation	0.12
Co Eff. Of Variation	0.183	Co Eff. Of Variation	0.273	Co Eff. Of Variation	0.145

Alberta Under Option B (Volume)

	Expected U.S. Con (BFM Million)	Adjusted U.S. Consumption (BFM)	Export Quota (Option B)	Estimated Exports (Option B)	Actual Exports Under Option A	Excess if Quota Volume Allowed (Actual A- Estimated B)
200610	5,707	5,706,999,995	132,435,970	69,272,574	69,272,574	-
200611	5,026	5,026,000,003	116,632,765	104,536,778	104,536,778	-
200612	4,734	4,734,000,004	109,856,647	100,807,771	100,807,771	-
200701	4,875	4,875,000,010	113,128,677	113,128,676	115,212,771	2,084,095
200702	4,641	4,641,000,000	107,698,500	92,814,204	92,814,204	-
200703	5,080	5,080,000,001	117,885,882	117,885,882	147,622,209	29,736,327
200704	5,365	5,365,000,011	124,499,559	124,499,559	142,932,095	18,432,536
200705	5,252	5,252,000,008	121,877,294	121,877,294	144,423,533	22,546,239
200706	5,022	5,021,739,369	116,533,893	116,539,941	131,708,189	15,168,248
200707	4,984	4,349,999,993	100,945,588	100,945,588	129,278,528	28,332,940
200708	4,916	4,281,999,993	99,367,588	99,367,588	118,245,238	18,877,650
200709	4,660	4,026,000,001	93,426,882	93,426,882	111,148,520	17,721,638
200710	4,902	4,465,999,995	103,637,470	103,637,470	112,580,541	8,943,071
200711	4,299	3,862,999,990	89,644,323	89,644,323	110,295,200	20,650,877
200712	4,020	3,584,000,001	83,169,882	83,169,882	86,008,845	2,838,963
200801	4,120	3,573,999,990	82,937,823	82,937,823	99,128,612	16,190,789
200802	3,923	3,377,000,003	78,366,265	78,366,265	89,834,129	11,467,864
200803	4,360	3,813,999,997	88,507,235	88,507,235	109,632,336	21,125,101
200804	4,587	3,855,000,010	89,458,677	89,458,677	117,577,976	28,119,299
200805	4,489	3,756,000,008	87,161,294	87,161,294	120,630,768	33,469,474
200806	4,322	3,589,000,007	83,285,912	83,285,912	114,382,823	31,096,911
200807	4,327	3,629,999,996	84,237,353	84,237,353	114,714,128	30,476,775
200808	4,240	3,542,999,989	82,218,441	82,218,441	102,144,758	19,926,317
200809	3,921	3,224,000,003	74,815,765	74,815,765	103,092,221	28,276,456
200810	4,079	3,366,000,000	78,111,000	78,111,000	113,018,654	34,907,654
200811	3,546	2,833,000,003	65,742,265	65,742,265	107,947,882	42,205,617
	Sum of Actual Exports (Option A)		2,908,991,283			
	Sum of Estimated Exports (Option B)		2,426,396,444	-16.6%		
	Total Volume Forgone (Option A vs Option B)			482,594,839		

Alberta Under Option B (Export Value)

	Prevailing Monthly Price Minus Export Charges (Option B)*	Prevailing Monthly Price Minus Export Charges (Option A)*	Estimated Exports (Option B)	Actual Exports Under Option A	Estimated Export Value (Option B)	Export Value (Option A)
200610	284.1	254.2	69,272,574	69,272,574	19,676,875	17,605,625
200611	268.9	240.6	104,536,778	104,536,778	28,104,713	25,146,322
200612	263.2	235.5	100,807,771	100,807,771	26,527,565	23,735,190
200701	264.1	236.3	113,128,676	115,212,771	29,877,283	27,224,778
200702	278.4	249.1	92,814,204	92,814,204	25,834,834	23,115,378
200703	276.5	225.5	117,885,882	147,622,209	32,589,552	33,292,499
200704	274.6	245.7	124,499,559	142,932,095	34,181,354	35,111,269
200705	265.1	237.2	121,877,294	144,423,533	32,303,577	34,250,041
200706	271.7	243.1	116,539,941	131,708,189	31,663,902	32,018,261
200707	277.4	248.2	100,945,588	129,278,528	28,002,306	32,086,931
200708	293.6	262.7	99,367,588	118,245,238	29,169,355	31,057,112
200709	277.4	248.2	93,426,882	111,148,520	25,916,617	27,587,063
200710	273.6	244.8	103,637,470	112,580,541	28,355,212	27,559,716
200711	259.4	232.1	89,644,323	110,295,200	23,249,255	25,594,001
200712	244.2	218.5	83,169,882	86,008,845	20,305,927	18,788,632
200801	254.6	227.8	82,937,823	99,128,612	21,115,970	22,581,498
200802	248.9	222.7	78,366,265	89,834,129	19,505,363	20,006,061
200803	230.9	206.6	88,507,235	109,632,336	20,431,895	22,644,559
200804	231.8	207.4	89,458,677	117,577,976	20,736,521	24,385,672
200805	226.1	202.3	87,161,294	120,630,768	19,707,169	24,403,604
200806	252.7	226.1	83,285,912	114,382,823	21,046,350	25,861,956
200807	267.0	238.9	84,237,353	114,714,128	22,487,161	27,399,469
200808	249.9	223.6	82,218,441	102,144,758	20,542,277	22,834,461
200809	258.4	231.2	74,815,765	103,092,221	19,332,394	23,834,921
200810	269.8	220.1	78,111,000	113,018,654	20,185,293	22,690,598
200811	242.3	197.6	65,742,265	107,947,882	15,926,064	21,333,200
	Sum of Export Values					
		Option A	672,148,816			
		Option B	636,774,785	-5.3%		
	*This assumes that the producer has to absorb the export tax.					

Alberta Under Option B (Assuming the Prevailing Monthly Price is on Average $326)

	Prevailing Monthly Price Minus Export Charges (Option B)*	Prevailing Monthly Price Minus Export Charges (Option A)*	Estimated Exports (Option B)	Actual Exports (Option A)	Estimated Export Value (Option B)	Export Value (Option A)
200610	316.2	293.4	69,272,574	69,272,574	21,905,373	20,324,573
200611	316.2	293.4	104,536,778	104,536,778	33,056,620	30,671,091
200612	316.2	293.4	100,807,771	100,807,771	31,877,433	29,577,000
200701	316.2	293.4	115,212,771	115,212,771	36,432,582	33,803,427
200702	316.2	293.4	92,814,204	92,814,204	29,349,708	27,231,687
200703	316.2	277.1	125,744,941	147,622,209	39,763,065	40,906,114
200704	316.2	293.4	132,799,530	142,932,095	41,993,867	41,936,277
200705	316.2	293.4	130,002,447	144,423,533	41,109,374	42,373,865
200706	316.2	293.4	124,302,819	131,708,189	39,307,037	38,643,183
200707	316.2	293.4	107,675,294	129,278,528	34,049,081	37,930,320
200708	316.2	293.4	105,992,094	118,245,238	33,516,820	34,693,153
200709	316.2	293.4	99,655,341	111,148,520	31,513,012	32,610,976
200710	316.2	293.4	110,546,635	112,580,541	34,957,057	33,031,131
200711	316.2	293.4	95,620,612	110,295,200	30,237,150	32,360,612
200712	316.2	293.4	86,008,845	86,008,845	27,197,717	25,234,995
200801	316.2	293.4	88,467,012	99,128,612	27,975,038	29,084,335
200802	316.2	293.4	83,590,682	89,834,129	26,433,046	26,357,333
200803	316.2	293.4	94,407,718	109,632,336	29,853,608	32,166,127
200804	316.2	293.4	95,422,588	117,577,976	30,174,531	34,497,378
200805	316.2	293.4	92,972,047	120,630,768	29,399,621	35,393,067
200806	316.2	293.4	88,838,306	114,382,823	28,092,449	33,559,920
200807	316.2	293.4	89,853,176	114,714,128	28,413,371	33,657,125
200808	316.2	293.4	87,699,670	102,144,758	27,732,390	29,969,272
200809	316.2	293.4	79,803,482	103,092,221	25,235,457	30,247,258
200810	316.2	277.1	83,318,400	113,018,654	26,346,944	29,912,358
200811	316.2	277.1	70,125,082	107,947,882	22,174,954	34,135,279
			Estimated Value Under Opt. A	850,307,856		
			Estimated Value Under Opt. B	808,097,307	-4.96%	
			Estimated Volume Under Opt. A	2,908,991,283		
			Estimated Volume Under Opt. B	2,555,490,821	-12.15%	
			*This assumes that the producer has to absorb the export tax.			

Alberta Under Option B (Western SPF 2x4 Pricing)

	Price of Western SPF #2 2x4 Random	Price of Western SPF Minus Export Charges (Option B)*	Price of Western SPF Minus Export Charges (Option A)*	Estimated Exports Under Quota	Estimated Export Value (Option B)	Export Value (Option A)
200610	238	226	202	69,272,574	15,662,529	14,013,842
200611	243	231	206	104,536,778	24,107,488	21,569,857
200612	253	240	215	100,807,771	24,190,841	21,644,437
200701	263	250	224	113,128,676	28,292,068	25,780,298
200702	255	242	217	92,814,204	22,484,241	20,117,479
200703	243	231	188	117,885,882	27,236,354	27,823,834
200704	242	230	206	124,499,559	28,622,449	29,401,132
200705	244	232	207	121,877,294	28,222,211	29,922,751
200706	282	268	240	116,539,941	31,221,050	31,570,453
200707	274	260	232	100,945,588	26,228,187	30,054,026
200708	266	252	226	99,367,588	25,072,430	26,695,045
200709	239	227	203	93,426,882	21,212,574	22,579,822
200710	224	213	190	103,637,470	22,029,440	21,411,412
200711	238	226	202	89,644,323	20,285,614	22,331,469
200712	227	215	193	83,169,882	17,896,079	16,558,853
200801	207	196	176	82,937,823	16,270,327	17,399,550
200802	203	193	173	78,366,265	15,112,934	15,500,879
200803	201	190	170	88,507,235	16,858,416	18,684,091
200804	214	204	182	89,458,677	18,208,195	21,412,419
200805	238	226	202	87,161,294	19,723,729	24,424,112
200806	244	232	207	83,285,912	19,305,674	23,722,997
200807	260	247	221	84,237,353	20,766,613	25,303,069
200808	278	264	236	82,218,441	21,682,647	24,102,077
200809	244	232	208	74,815,765	17,360,063	21,403,234
200810	198	188	154	78,111,000	14,722,361	17,377,748
200811	189	179	146	65,742,265	11,788,410	15,790,751

Estimated Value Under Opt. A	586,595,634	
Estimated Value Under Opt. B	554,562,926	-5.46%
Estimated Volume Under Opt. A	2,908,991,283	
Estimated Volume Under Opt. B	2,426,396,444	-16.59%

*This assumes that the producer has to absorb the export tax.