



SECTION A COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office:

Name: **Jason Meneghin, CGA**
Position in the company: **Senior Accountant**
Address: **17897 Triggs Road, Surrey, British Columbia, V4N 4M8**
Telephone: **604-587-8721**
Facsimile number: **604-581-4104**
E-mail address of contact person: **jmeneghin@tealjones.com**

Factory: As above

Address:
Telephone:
Facsimile number:
E-mail address of contact person:

A-2 Representative of the company for the purpose of investigation

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name: **Robert J. McDonell**
Address: **25th Floor – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3, Canada**
Telephone: **604-684-9151**
Facsimile/Telex number: **604-661-9349**
E-mail address of contact person: **rmcdonell@farris.com**

Note that in nominating a representative, Customs and Border Protection will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

A-3 Company information

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

**J.S. Jones Timber is a division within:
Teal-Cedar Products Ltd., Columbia River Shake and Shingle Ltd
DBA The Teal-Jones Group
A registered partnership in the Province of B.C.**

Other divisions within the Teal-Jones Group exporting to various markets include:

- Stag Timber
- Inland Cedar
- J.S. Jones Sales

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

Principal Shareholders of the Partnership:

**Tom Jones – 50%
Dick Jones – 50%**

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

N/A.

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

N/A.

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.



[Redacted: Corporate Structure Chart]

6. Are any management fees/corporate allocations charged to your company by your parent or related company?

N/A.

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

The Teal Jones Group is a privately owned, integrated softwood forest products Company headquartered in Surrey, British Columbia. The Company is owned by Tom and Dick Jones. The Company manufactures lumber, shake and shingles and other value added wood products in its 3 major mills. The Teal-Jones Group owns harvest rights on high quality Crown-owned coastal timberlands. The Company's goal is to operate efficient, low cost converting facilities and to produce and sell high-value softwood lumber and shake and shingle products in demand in global markets.

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

N/A.

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.



[Redacted: Internal Organizational Chart]

10. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

Please visit our website at www.tealjones.com for a detailed look at our business.

A-4 General accounting/administration information

1. Indicate your accounting period.

2010 – January 3, 2010 to January 1, 2011

2011 – January 2, 2011 to December 31, 2011

2. Indicate the address where the company's financial records are held.

17897 Triggs Rd, Surrey, B.C.

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration, and
- the company.

As the company is a private company, it does not share its financial records in this type of situation. The Teal-Jones Group would be happy to provide all of the information requested upon the site visit of our company for verification

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

As the company is a private company, it does not share its financial records in this type of situation. The Teal-Jones Group would be happy to provide all of the information requested upon the site visit of our company for verification.

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

No.

6. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out -LIFO, first in first out- FIFO, weighted average);
- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;
- valuation and revaluation methods for fixed assets;
- average useful life for each class of production equipment and depreciation method and rate used for each;
- treatment of foreign exchange gains and losses arising from transactions;
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
- inclusion of general expenses and/or interest;
- provisions for bad or doubtful debts;
- expenses for idle equipment and/or plant shut-downs;
- costs of plant closure;
- restructuring costs;
- by-products and scrap materials resulting from your company's production process; and
- effects of inflation on financial statement information.

Differential reporting

The group, with the unanimous consent of its shareholders, has elected to prepare its combined financial statements in accordance with Canadian generally accepted accounting principles, using the differential reporting options available to non-publicly accountable enterprises described below:

Financial instruments

The group has elected to apply the differential reporting recognition and measurement option allowed for preferred shares issued in a tax planning arrangement, and accordingly, to present those shares as equity at their par value and any related dividends paid thereon as a charge to retained earnings.

Use of estimates

The combined financial statements have been prepared in accordance with Canadian generally accepted accounting principles. In conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that could affect the reported amounts of assets

and liabilities and disclosure of contingent assets and liabilities at the date of these combined financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those reported.

Revenue recognition

The group's revenues are derived from sales of logs, chips, softwood lumber, hardwood flooring and shakes and shingles. Sales are generally recognized at the point of shipment to customers when the significant risks and rewards of ownership are transferred.

Cash, cash equivalents and bank indebtedness

Cash balances for which the group has the ability and intent to offset are used to reduce reported bank indebtedness. Cash equivalents are highly liquid investments with a maturity of less than 90 days.

Inventories

Lumber, chips, logs, shakes and shingles, hardwood flooring, and boomsticks and boomgear inventories are recorded at the lower of average cost and net realizable value. Supplies inventory is recorded at the lower of cost, net of a provision for obsolescence, and replacement cost.

Investments

Investments are recorded at cost.

Property, plant, equipment and tenures

Property, plant and equipment are recorded at cost. Amortization is provided on property, plant and equipment on the straight-line basis, which are based on the estimated useful lives of the assets.

Land improvements █%
Buildings █%
Leasehold improvements █%
Mill equipment █%
Logging equipment █%
Office equipment █%
Automotive equipment █%
Leased buildings █%
Leased equipment █%

[Redacted: Amortization Rates]

Costs for roads and bridges with an estimated useful life of less than one year are expensed as incurred. Costs for roads and bridges with an estimated useful life of one year or longer are capitalized and then amortized based on cubic metres of timber logged, except for portable steel bridges, which are amortized at █% using the straight-line method. [Redacted: Amortization Rates]

Property and equipment held for sale is recorded at the lower of net book value and fair value less costs to sell. No amortization is recorded on assets held for sale.

Property and equipment under construction and those not yet commissioned into use are recorded at cost. No amortization is recorded on assets under construction.

Forest tenures are recorded at cost. In the opinion of management, the licenses have an indefinite life and, accordingly, no amortization is charged. An annual test for impairment is performed and should circumstances indicate a change, a charge to the period will be made.

Capital leases

Leases which transfer substantially all the benefits and inherent risk related to the ownership of the property leased to the group are capitalized by recording as assets and liabilities the present value of the minimum payments required under the leases.

Forestry obligation

The British Columbia Forest Act Range and Practices requires the group to assume the cost of reforestation on its timber harvest licences. Accordingly, the group records the estimated cost of reforestation as the timber is removed. Any differences between the amounts accrued and actual expenditures are recorded in the period the costs are incurred. The portion of the obligation that represents expenditures projected to take place within the next fiscal year is classified as a current obligation with the remaining amount classified as long-term.

Income taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences between the tax basis of an asset or liability, its carrying amount on the balance sheet and unutilized losses carried forward are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The carrying value of future income tax assets is limited to the amount that is more likely than not to be realized. Adjustments to these balances are recognized in earnings as they occur.

Foreign currency translation

Items denominated in US funds have been translated into Canadian dollars using average rates for items in the statement of earnings, year-end rates for monetary assets and liabilities, and historical rates for other items. Gains and losses on translation are reflected in earnings for the period.

Financial instruments

The group has, where appropriate, estimated the fair value of financial instruments. These fair values may be significantly affected by the assumptions used, including the discount rate and estimates of cash flows. Accordingly, the estimates presented are not necessarily indicative of the amounts that could be realized in a current exchange market. Where the estimate approximates carrying value, no separate disclosure of fair value is shown.

Derivative financial instruments

Foreign exchange exposure for receipts and related receivables, primarily U.S. currency, is managed through the use of foreign exchange forward contracts.

The group has chosen to not designate its derivative forward foreign exchange contracts as hedges. Consequently, derivatives for which hedge accounting is not applied are carried on the balance sheet at fair value, with changes in fair value being recorded in earnings for the period.

Impairment of long-lived assets

Property, plant and equipment and intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amounts of an asset with its expected future net undiscounted cash flows from use, together with its residual value. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value.

Changes in accounting policies***Accounting changes***

Effective January 1, 2010, the group adopted amendments to CICA Handbook Section 1506 *Accounting Changes*. The section was amended to exclude from its scope changes in accounting policies upon the complete replacement of an entity's primary bases of accounting. The adoption of these amendments did not result in any transitional adjustments.

Changes in accounting estimates***Useful lives of property, plant and equipment***

During the year, management revised the estimated useful lives of certain of the group's property, plant and equipment. In the opinion of management, the revised estimated useful lives more accurately reflect the economically effective useful lives of the property, plant and equipment. The change has been applied on a prospective basis.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

N/A.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration ('goods under consideration' (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (specify)		Investigation period	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				

Financial expenses (13)				
SG&A expenses (14)=(11+12*13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses - enter losses as negative (18)				
Abnormal gains and losses - enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spreadsheet named "Income statement".

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

Please see Attachment A-5 entitled "Income Statement".

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				

Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "TURNOVER".

This information will be used to verify the cost allocations to the goods under consideration in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

Please see Attachment A-6 entitled "Turnover".

SECTION B SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at the ex factory level.

*You should report prices of **all** Goods Under Consideration (the goods) **shipped** to Australia during the investigation period.*

The invoice date will normally be taken to be the date of sale. If you consider:

the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;

an alternative date should be used when comparing export and domestic prices

*you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

name;
address;
contact name and phone/fax number where known; and
trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

The Teal-Jones Group sales and marketing information relating directly to its customers and the product details sold to these customers are sensitive and need to be protected so as to maintain the confidentiality between customers and competitors. The Teal-Jones Group would be happy to provide all of the information requested upon the site visit of our company for verification

B-2 For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.
- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.
- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).
- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.
- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).
- (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

The Company's sales team is contacted by Australian customers and at that time, the customer's requirements are detailed - quantities and product specifications. Prices for the products are negotiated and upon acceptance by both parties, an order is formalized.

The product is manufactured and shipped C&F to the port of choice. The Teal-Jones Group will produce a cut-off of all of the volume shipped and invoice the customer on this volume based on the prices negotiated at the outset. Ownership is retained by The Teal-Jones Group until such time the goods are delivered dockside in Australia and payment is transferred to the bank. Once the funds are received, the bank will provide to the customer the bills of lading and ownership is transferred. The Teal-Jones Group does not have any agency or distributor arrangements, pay any commissions, offer any rebates or provide any subsidies.

B-3 Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

No.

B-4 Prepare a spreadsheet named "Australian sales" listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider

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	that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. Cif, C&F, FOB, DDP (in accordance with incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes</i>
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.
Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.

Please see Attachment B-4 entitled "Australian POR Sales".

- B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

N/A.

- B-6** For each type of discount, rebate, allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

N/A.

- B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

The following credit notes were issued to Australian customers in Jan/10: [REDACTED]

[Redacted: Invoice numbers]

These credit notes relate to an internal accounting entry only due to a change in the timing of a vessel departure. Invoices were re-issued for the full amount to reflect the correct vessel dates

- B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

N/A.

- B-9** Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

The Teal-Jones Group sales and marketing information relating directly to its customers and the product details sold to these customers are sensitive and need to be protected so as to maintain the confidentiality between customers and competitors. The Teal-Jones Group would be happy to provide all of the information requested upon the site visit of our company for verification.

SECTION C
EXPORTED GOODS & LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

The products exported by The Teal-Jones Group – J.S. Jones Timber Division:

Douglas Fir F7 Grade 2x4, 2x6, 2x8, 2x10, 2x12 Green/Heat Treated (Various Lengths)

Douglas Fir F7 Grade 3x4 Green/Heat Treated (Various Lengths)

- C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet "Australian sales" – see section B of this questionnaire).

Douglas Fir F7 Grade 2x4, 2x6, 2x8, 2x10, 2x12 Green/Heat Treated (Various Lengths)

Douglas Fir F7 Grade 3x4 Green/Heat Treated (Various Lengths)

- C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

There are no goods sold domestically that are like goods exported to Australia.

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C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

N/A

SECTION D DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

*All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.*

Customs and Border Protection will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices – you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

If sales are in accordance with price lists, provide copies of the price lists.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

D-4 Prepare a spreadsheet named "**domestic sales**" listing **all** sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type of the goods
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate

Packing*	column for each type of quantity discount. packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs. commissions paid. If more than one type is paid insert additional columns of data.
Commissions*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.
Other factors*	

Costs marked with * are explained in section E-2.

Not applicable - there are no goods sold domestically that are like goods exported to Australia. Please see Attachment D-4 entitled "Domestic POR Sales" for a list of the sales of all goods during the period of review.

- D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see "other factors"). For example, certain other selling expenses incurred.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

- D-6** For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:
- provide a description; and
 - explain the terms and conditions that must be met by the customer to qualify for payment

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

- D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete

set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

Customs and Border Protection will select additional sales for verification at the time of our visit.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

SECTION E FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. Customs and Border Protection must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence Customs and Border Protection may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred. A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. Customs and Border Protection will not consider new claims made after the verification visit.

E-1 Company information

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

2. **Handling, loading and ancillary expenses**

List all charges that are included in the export price and explain how they have been quantified ("**Handling, loading & ancillary expenses**"). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

3. **Credit**

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

4. **Packing costs**

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**Packing**'.

5. **Commissions**

For any commissions paid in relation to the export sales to Australia

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "**Commissions**". Identify the general ledger account where the expense is located

6. **Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include

costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

7. **Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

8. **Currency conversions**

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, “domestic sales”)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

1. **Physical characteristics**

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

2. **Import charges and indirect taxes**

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: "*Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs*"

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts

to the level - isolated instances would not establish a pattern of availability.

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, Customs and Border Protection will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowings by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system¹, the average credit period may be determined as follows:

1. Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

2. Calculate the average credit period

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The following items are identified in the amounts quantified at question D-4:

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales ("**Inland transportation Costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified ("**Handling, loading and ancillary Expenses**"). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed "**Packing**".

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & Guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "**Other factors**". List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

SECTION F
EXPORT SALES TO COUNTRIES OTHER THAN
AUSTRALIA (THIRD COUNTRY SALES)

Your response to this part of the questionnaire may be used by Customs and Border Protection to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. Customs and Border Protection may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1. Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country"

Please see Attachment F-1 entitled "Third Country Sales".

F-2. Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

The product exported to Australia is a unique product that is not produced for any other markets. However, on the occasion that there is excess volume of sizes and lengths that exceed Australian customer's needs, these items are sold to a 3rd country rather than sold to Australia and below market prices.

This occurred once during the POR in January 2011 – [REDACTED] FBM
[Redacted: Quantity shipped to third country].

The differences in this sale as compared to Australia are:

- Goods were invoiced FOB Customer Warehouse in Canada vs C&F

SECTION G COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- testing the profitability of sales of like goods on the domestic market;
- determining a constructed normal value of the Goods Under Consideration (the goods) - ie of the goods exported to Australia; and
- making certain adjustments to the normal value.

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1. Production process and capacity

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

The production process for F7 grade lumber to Australia is as follows:

- primary breakdown of log to cant
- secondary breakdown to target sizes
- trim for defect and upgrade
- grading and sorting
- packaging for shipment to processing
- shipment to planer for heat treating and planning
- shipment to dock for final freight

Chips and sawdust are a by-product of the production process.

G-2. Provide information about your company's total production in the following table:

	PREVIOUS FINANCIAL YEAR (2009)	MOST RECENT FINANCIAL YEAR (2010)	Investigation Period
A – Production capacity (MMFBM)*			
B – Actual production in volume (MMFMB)			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high, and a typical production mix.

Provide this information on a spreadsheet named "Production".

Please see Attachment G-2 entitled "Production".

G-3. Cost accounting practices

- Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.
- Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.
- Provide details of any significant or unusual cost variances that occurred during the investigation period.
- Describe the profit/cost centres in your company's cost accounting system.
- For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.
- Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.
8. State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

The Teal-Jones Group major accounting policies are outlined in section A-4.

The explanation of our costing and the systems related to producing the product can be reviewed and reconciled upon the site visit.

G-4 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

* You should provide separate costs for at least untreated and treated structural timber. Costs should be provided for lower levels of product type if these are normally calculated by your company.

2. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type - from spreadsheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				

² Customs applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement - see Article 2.2.1.

Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "Domestic CTMS".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses that relate to the goods under consideration are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Not applicable - there are no goods sold domestically that are like goods exported to Australia.

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia - from spreadsheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				

Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Australian CTMS**".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses that relate to the goods are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

- 1 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.
- 2 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.
- 3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Please see Attachment G-5 entitled "Australian CTMS"

G-6 Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost.

For these major inputs:

- identify materials sourced in-house and from associated entities;

- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company Customs and Border Protection will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the Customs Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

The major raw material used for production of the F7 grade lumber is Douglas Fir Gang logs.


This item is sourced both in-house from The Teal-Jones Group logging divisions (■%), which is transferred to J.S. Jones Timber at market prices, as well as purchased from external suppliers (■%) through the Vancouver Log Market (VLM) [Redacted: percentage of logs obtained from logging division versus external suppliers].

**SECTION II
EXPORTER'S DECLARATION**

I hereby declare that The Teal Jones Group (company) did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

I hereby declare that(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name : Jason Meneghin

Signature : 

Position in Company : Senior Accountant

Date : October 31/11

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ATTACHMENT A.5

Teal Jones Group - JS Jones Division

INCOME STATEMENT

CDN\$ (000's)

	2010		July 1, 2010 - June 30, 2011	
	Most recent completed financial year		Investigation period	
	All products	The goods	All products	The goods
Gross Sales (1)				
Sales returns, rebates and other (2)				
Freight (3)				
Custom Cutting (4)				
By-Products (5)				
Not sales (6) = (1-2-3+4+5)				
Raw materials (7)				
Direct labour (8)				
Depreciation (9)				
Manufacturing overheads (10)				
Other operating expenses (11)				
Total cost to make (12) = (7+8+9+10+11)				
Operating income (13) = (6-12)				
Selling expenses (14)				
Administrative & general expenses (15)				
Financial expenses (16)				
SG&A expenses (17) = (14+15+16)				
Income from normal activities (18) = (13-17)				
Interest income (19)				
Interest expense (enter as negative) (20)				
Extraordinary gains/losses (enter losses as negative) (21)				
Abnormal gains/losses (enter losses as negative) (22)				
Profit before tax (23) = (18+19+20+21+22)				
Tax (24)				
Net profit (25) = (23-24)				

[Redacted: Revenue, Expense and Profit data]

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ATTACHMENT A.6

Teal Jones Group - JS Jones Division

SALES SUMMARY

	Most recent completed financial year		Investigation period	
	Volume	Value	Volume	Value
Total company turnover (all products)				
domestic market				
exports to Australia				
exports to other countries				
Turnover of the sector including the goods				
domestic market				
exports to Australia				
exports to other countries				
Turnover of the goods				
domestic market				
exports to Australia				
exports to other countries				

[Redacted: Turnover data]

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Exchange rate	[15]	Net invoice value	[16]	Other discounts	[17]	Ocean freight	[18]	Marine insurance	[19]	FOB export price	[20]	Packing	[21]	Inland transport	[22]	Handling & other	[23]	Warranty expenses	[24]	Technical support	[25]	Comm	[26]	Other costs	[27]
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NON-CONFIDENTIAL

Teal Jones Group - JS Jones Division
Australia POR
EXPORT SALES SUMMARY

Customer name	Level of trade	Model	Product code	Invoice number	Invoice date	Date of sale	Order number	Shipping terms	Payment terms	Quantity	Units	Gross invoice value
(1) Australia	(2)	(3) LUMBER	(4)			(5)	(6)	(7)	(8)	(9)		(10)
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										
Australia		LUMBER										

[REDACTED]

(Revised: Australian Period of Review table data)

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Discounts	Rebates	Other charges	Net invoice value	Other discounts	Packing	Inland transport	Handling & other	Warranty expenses	Technical support	Comm	Other costs
[11]	[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]

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Discounts Rabbits Other charges Net Invoice value Packing Inland transport Handling & other Warranty Technical support Comm Other costs

NON-CONFIDENTIAL

Discounts	Rebates	Other charges	Net invoice value	Other discounts	Packling	Inland transport	Handling & other	Warranty expenses	Technical support	Comm	Other costs
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NON-CONFIDENTIAL

Discounts Rebates Other charges Net invoice value Other discounts Packing Inland transport Handling & other expenses Warranty Technical support Comm Other costs

NON-CONFIDENTIAL

Discounts	Rebates	Other charges	Net invoice value	Other discounts	Packing	Inland transport	Handling & other	Warranty expenses	Technical support	Comm	Other costs
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NON-CONFIDENTIAL

Discounts Rebates Other charges Net Invoice value Other discounts Packing Inland transport Handling & other expenses Warranty Technical support Comm Other costs

NON-CONFIDENTIAL

Discounts	Rebates	Other charges	Net invoice value	Other discounts	Packing	Inland transport	Handling & other	Warranty expenses	Technical support	Comm	Other costs
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NON-CONFIDENTIAL

Discounts Rebates Other charges Net invoice value Other discounts Packing Inland transport Handling & other Warranty expenses Technical support Comm Other costs

NON-CONFIDENTIAL

Discounts Rebates Other charges Net invoice value Other discounts Packing Inland transport Handling & other expenses Warranty Technical support Comm Other costs

NON-CONFIDENTIAL

Discounts	Rabates	Other charges	Net invoice value	Other discounts	Packing	Inland transport	Handling & other	Warranty expenses	Technical support	Comm	Other costs
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NON-CONFIDENTIAL

Discounts Rebates Other charges Net invoice value Other discounts Packing Inland transport Handling & other expenses Warranty Technical support Comm Other costs

Discounts	Rebates	Other charges	Net invoice value	Other discounts	Packing	Inland transport	Handling & other	Warranty expenses	Technical support	Comm	Other costs
[11]	[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]

NON-CONFIDENTIAL

Discounts Rebates Other charges Net invoice value Other discounts Packing Inland transport Handling & other expenses Warranty Technical support Comm Other costs

NON-CONFIDENTIAL

ATTACHMENT D.4

Discounts Rebates Other charges Net invoice value Other discounts Picking Inland transport Handling & other Warranty expenses Technical support Comm Other costs

PUBLIC FILE

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NON-CONFIDENTIAL

ATTACHMENT 4

Discounts Rebates Other charges Net invoice value Other discounts Packing Inland transport Handling & other Warranty expenses Technical support Comm Other costs

PUBLIC FILE
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ATTACHMENT D.4

NON-CONFIDENTIAL

Discounts Rebates Other charges Net invoice value Other discounts Packing Inland transport Handling & other expenses Technical support Comm Other costs

NON-CONFIDENTIAL

ATTACHMENT G.2

Teal Jones Group - JS Jones Division

PRODUCTION

	Previous financial year	Most recent financial year	Investigation period:
	fbm	fbm	fbm
Production capacity* (eg. units, kg, tonnes) [A]			
Actual production in volume (eg. units, kg, tonnes) [B]			
Capacity utilisation (%) (B/A x 100)			

* Rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

[Redacted: Production capacity utilization data]

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ATTACHMENT G.4

Teal Jones Group - JS Jones Division

COST TO MAKE AND SELL - DOMESTIC SALES OF THE GOODS

	period XX (4)	period XX (4)	period XX (4)	period XX (4)	period XX (4)
Like domestic model/type					
Material costs [1]					
Direct labour					
Manufacturing overheads					
Other costs [2]					
Total cost to make					
Selling costs					
Administration costs					
Financial costs					
Delivery expenses [3]					
Other costs [3]					
Cost to make and sell					
Sales quantity					
Unit cost to make and sell					

Please note this section is not applicable as we do not sell domestically "like goods".
 Target cuts for the domestic market are a different specie than the goods sold into the Australian market.

- Notes
- [1] Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads
 - [2] Relating to costs of production only, identify each cost separately
 - [3] Identify each cost separately. Please ensure non-operating expenses that relate to the goods under investigation are included
 - [4] Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation
 - [5] Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs
 - [6] If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.
 - [7] Please specify unit of currency

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ATTACHMENT G.5

Teal Jones Group - JS Jones Division

COST TO MAKE AND SELL - THE GOODS EXPORTED TO AUSTRALIA
SCDN (000's)

Model/type exported to Australia	Jul-Sept 2010	Oct-Dec 2010	Jan-Mar 2011	April-June 2011	POR
Material costs [1]					
Direct labour					
Manufacturing overheads					
Other costs [2]					
Total cost to make					
Selling costs					
Administration costs					
Financial costs					
Delivery expenses [3]					
Other costs [3]					
Cost to make and sell					
Sales quantity from					
Unit cost to make and sell					

- Notes [1] Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.
- [2] Relating to costs of production only, identify each cost separately.
- [3] Identify each cost separately. Please ensure non-operating expenses that relate to the goods under investigation are included.
- [4] Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.
- [5] Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.
- [6] If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.
- [7] Please specify unit of currency.

[Redacted: Cost data]