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May 12, 2021

The Honorable Katherine Tai
Office of the U.S. Trade Representative
600 17th Street, NW
Washington D.C. 20508

The Honorable Gina Raimondo
Secretary
Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Ambassador Tai and Secretary Raimondo:

Thank you for your efforts to strongly enforce trade rules and curb unfair trade practices that harm American producers and consumers. We write to urge you to take action to resolve the longstanding trade dispute between the U.S. and Canada on softwood lumber and to remove the 9% tariff that is taxing America's working class.

As we have seen in many industries, the onset of the pandemic dramatically shifted supply and demand for countless products in unforeseen ways. Unexpectedly, over the past 14 months the U.S. has seen a boom in the construction of new homes. Nationwide construction for new homes is up 37% over last year. Rising demand for new home construction, as well as an upturn in do-it-yourself home projects, has rapidly driven up the cost of softwood lumber.

As a result, since last April overall lumber prices are up over 300% and framing lumber per 1000 board feet jumped from \$300 to \$1500. Lumber and wood products account for roughly 15% of the construction cost for a single-family home. These increases have resulted in a \$36,000 increase in the price of a typical single-family home and a \$13,000 increase in the market value of a multifamily unit. The harsh reality is that record-high lumber prices are putting the American dream of homeownership just out of reach for hundreds of thousands of potential homebuyers. At a time when residential home building is booming, it is essential that home builders and consumers have access to the materials they need at competitive prices.

Historically, Canada has been the largest foreign supplier of softwood lumber in the United States and currently makes up over 75% of all imports. Canadian imports represent 25% of the available softwood lumber supply in the U.S. These imports are vital to support the ongoing housing boom but have been declining over the past four years. In April of 2017, the

U.S. Department of Commerce announced countervailing duties averaging 20% on certain softwood lumber products from certain Canadian producers. In December of 2020, the average tariff was reduced to 9%. While a reduction in tariffs for some Canadian producers is a step in the right direction, the complete elimination of these tariffs is necessary to provide relief for rising lumber prices. American home buyers, not Canadian lumber producers, are the ones who end up paying the cost of these trade restrictions.

We look forward to working with you to get this resolved. It is important for the opportunity of home ownership be realized by Americans nationwide. There is no question that this issue is complex and will require a multi-faceted solution, however, resolving this longstanding trade dispute would be a demonstrable action to strengthen the economic ties between our two countries and help alleviate the harm high lumber costs are inflicting on both home builders and home buyers.

Sincerely,



Jeanne Shaheen
Chair
Subcommittee on Commerce,
Justice, Science and Related Agencies



Jerry Moran
Ranking Member
Subcommittee on Commerce,
Justice, Science and Related Agencies