

SEEING THE FOREST FOR THE TREES: SOFTWOOD LUMBER

*For over five years, the U.S. has imposed unjustified duties on Canadian softwood lumber. At a time of rising inflation and supply chain challenges, the duties act as a consumer tax that drives up the cost of housing and punishes U.S. homebuyers. **It's time to axe the tax.***

KEEPING U.S. HOUSING AFFORDABLE

The American Dream is built with Canadian lumber. That's because the U.S. lumber industry produces only 70% of what is needed every year to build American homes.¹ Canadian lumber makes up most of the shortfall.² Despite this, the U.S. has imposed significant duties on Canadian lumber imports. Additionally, rising lumber prices added over \$18,000 to the price of a single-family home in 2022.³ In turn, this means fewer homes get built or renovated at a time when more homes are needed. This suppresses job creation and prices many Americans out of the housing market.

CANADA'S FAIR AND GREEN MARKET

Canada does not subsidize its softwood lumber industry and it does not sell lumber below market value. Expert international panels have found repeatedly that Canada's long-standing approach to softwood lumber is fair. Canada's forest management legislation is one of the world's strictest and Canadian forests are among the world's most sustainable. Moreover, many forestry workers are unionized. At a time when other countries are harvesting their forests without regard for sustainability and fair labor practices, it makes sense to source lumber from a green and worker-friendly trading partner like Canada.



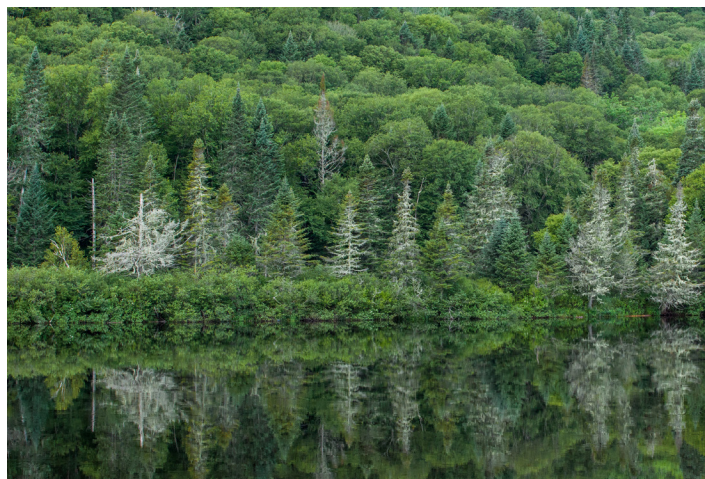
GETTING BACK TO STABILITY

Even during times of crisis, Canadian lumber can be counted on to support U.S. construction and homebuilding. And everyone benefits from a predictable and stable trade in softwood lumber. In the past, we had that. From 2006 to 2015, the U.S. and Canada had an agreement to stabilize trade in softwood lumber, this supported U.S. construction and homebuilding. Workers and homebuyers need that again.

IT'S TIME TO AXE THE TAX

We all agree that action is needed to make housing affordable and accessible. U.S. housing is less affordable than ever: in 2022, the median home sale price skyrocketed to over \$400,000.⁴ Removing duties on Canadian softwood lumber would be a good start.

- Around 100 members of congress from both parties agree that duties are hurting their constituents.⁵
- The National Association of Home Builders encourages eliminating duties on Canadian softwood lumber and negotiating a new agreement with Canada.⁶
- The White House agrees that the U.S. faces a growing housing gap and that action is needed to increase affordable housing supply.⁷



Citations: 1. InfoNews, 2021 • 2. Letter from Members of Congress to USTR, USDOC, May 2021 • 3. Various NAHB statistics, 2020–22 • 4. Pew Research, 2022

• 5. Letter dated December 2021 from Members of Congress to USTR • 6. NAHB advocacy page • 7. Housing Supply Action Plan, White House, May 2022

***Let's plant the seeds for a more secure future.
Canada is ready to work toward a negotiated
solution on softwood lumber.***