



U.S. LUMBER COALITION

U.S. Lumber Industry Petitions for Relief From Canadian Subsidies, Dumping

FOR IMMEDIATE RELEASE

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WASHINGTON, DC (November 25, 2016) – The Committee Overseeing Action for Lumber International Trade Investigations or Negotiations (COALITION) today petitioned the U.S. Department of Commerce and the U.S. International Trade Commission to restore the conditions of fair trade in softwood lumber between the United States and Canada.

The COALITION petition alleges that Canadian provincial governments, which own the vast bulk of Canada's timberlands, provide standing trees to Canadian producers for an administered fee that is far below the market value of the timber, as well as a number of other subsidies. In addition, the COALITION petition alleges that Canadian lumber is being sold for less than fair value in the United States.

The petition details the injury suffered by U.S. industry and workers by reason of unfairly-traded Canadian softwood lumber imports. In the immediate aftermath of the expiration of the 2006-2015 U.S.-Canada Softwood Lumber Trade Agreement, Canadian imports surged from 29.5 percent of U.S. total consumption in the third quarter of 2015 to 33.1 percent in the fourth quarter of the same year and to 34.1 percent so far in 2016. The volume of imports from Canada in the first 8 months of 2016 was more than 33 percent higher than in the same period of 2015. Canada's gain in market share came at the direct expense of U.S. producers.

The petition also illustrates the negative effects of Canadian imports on U.S. market prices, causing prices to fall from their levels in 2013 and 2014, even while U.S. demand was increasing. The domestic industry experienced a decline in several key trade and financial indicators as a result of the low-priced Canadian imports, including lost sales and revenues which resulted in U.S. mill closures and job losses.

The COALITION's legal action seeks for the United States to impose duties to offset the harm caused to U.S. mills, workers and communities by Canadian softwood lumber production subsidies and Canadian producers dumping the subsidized merchandise on the U.S. market.

The COALITION is an ad hoc association composed of the U.S. Lumber Coalition, a number of domestic softwood lumber manufacturers in their individual capacity, timberland owners, and the Carpenters Industrial Council of the United Brotherhood of Carpenters and Joiners of America. The petition was supported by producers accounting for nearly 70 percent of all softwood lumber produced in the United States (excluding companies that are related to Canadian producers).

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About the U.S. Lumber Coalition

The U.S. Lumber Coalition is an alliance of large and small lumber producers from around the country, joined by hundreds of thousands of their employees, and tens of thousands of woodland owners. The Coalition is united in opposition to Canada's unfair lumber-trade practices, including the gross underpricing of timber on government-owned lands. For more information, please visit the Coalition's website at www.uslumbercoalition.org.