

U.S. Lumber Coalition: Canada Announces New Subsidies for Its Softwood Lumber Industry While Claiming that Canada's Industry Is Not Subsidized

Washington, D.C., March 24, 2025 – Canada consistently claims that their softwood lumber producers are not subsidized and therefore should have unfettered access to the U.S. market. Yet every Administration since the Reagan Administration has investigated the softwood lumber trade issue with the same conclusion: import duties are warranted because Canadian lumber producers engage in unfair trade practices that harm U.S. companies and workers.

Canada's unfair trade in softwood lumber is a jobs issue, and Canada's egregious unfair trade practices are killing American jobs.

"Canada's continuous feigned outrage at U.S. anti-subsidy measures is remarkable theater," stated Andrew Miller, Owner/Chair of Stimson Lumber Company and Chairman of the U.S. Lumber Coalition. "Their industry absolutely benefits from substantial government subsidization. Just last week, Canada announced new subsidy programs for its softwood lumber producers."

On March 19, 2025, the Government of Canada announced over \$11.3 million in funding through the Investments in Forest Industry Transformation (IFIT) program for six projects that result in new or diversified revenue streams for British Columbia's Forest Sector. The IFIT capital investment projects stream provides grants "of up to \$10 million of a project's eligible costs." Since its creation in 2010, the program has funded over 60 capital investment projects.

Also on March 19, 2025, the Government of Canada announced over \$7 million in funding through the Indigenous Forestry Initiative (IFI) program for over 50 forest sector projects for Indigenous communities. According to the Government of Canada's press release, this funding is intended to maintain support for thousands of jobs across the country.

"The U.S. lumber industry are the ones who should be outraged," added Miller. "We are the ones who have to compete with unfairly traded softwood lumber imports from Canada, funded by their government."

The antidumping (AD) and countervailing duties (CVD) imposed during President Trump's first term in office in 2017 against unfairly traded Canadian softwood lumber have been an undeniable success. Billions of board feet of additional softwood lumber production, enough to build over two million new homes and counting, has solidified the domestic supply of lumber. This means that more U.S. softwood lumber is being produced by U.S. workers to build U.S. homes.

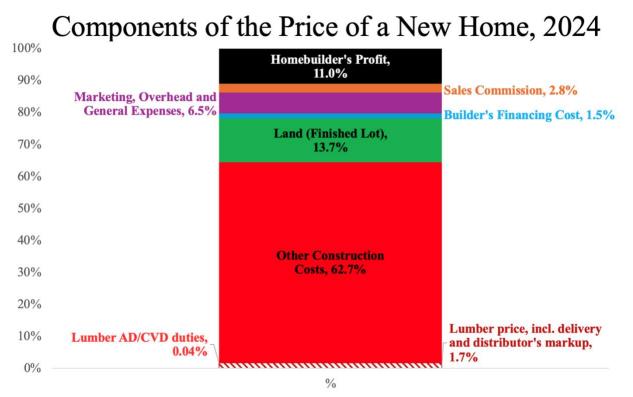
"Continued full enforcement of the trade laws will bolster achieved increases in domestic softwood lumber production to further strengthen domestic supply lines for the U.S. housing market," said Zoltan van Heyningen, Executive Director of the U.S. Lumber Coalition.

"The American lumber industry and forestry sector today has the capacity to supply nearly all U.S. lumber demand, and with continued strong trade law enforcement and additional tariff measures being contemplated by President Trump, the U.S. industry can, over time, supply 100 percent of the softwood

lumber need of the United States. The United States has the natural resources needed," concluded van Heyningen."

U.S. lumber community voices on competing with subsidized softwood lumber imports: <u>https://vimeo.com/1068971225?share=copy</u>

Enforcing the U.S. trade laws helps increase the U.S. supply of lumber to build American homes, all without impacting the cost of a new home. Data provided by the National Association of Home Builders (NAHB) and Fastmarkets Random Lengths confirm that cost of lumber is a very small component of the price of a new home. Lumber, including delivery and distributor's markup, makes up only 1.7% of the price of a new home. Duties on Canadian Lumber make up 0.04% of the price of a new home. It simply is not credible to state that lumber cost drives housing affordability.



Source: NAHB, Cost of Constructing a Home – 2024; Random Lengths. For lumber, assumes delivery costs of \$70/mbf and a distributor's markup of 18 percent over the delivered price.

About the U.S. Lumber Coalition

The U.S. Lumber Coalition is an alliance of large and small softwood lumber producers from around the country, joined by their employees and woodland owners, working to address Canada's unfair lumber trade practices. Our goal is to serve as the voice of the American lumber community and effectively address Canada's unfair softwood lumber trade practices. The Coalition supports the full enforcement of the U.S. trade laws to allow the U.S. industry to invest and grow to its natural size without being impaired by unfairly traded imports. Continued full enforcement of the U.S. trade laws will strengthen domestic supply lines by maximizing long-term domestic production and lumber availability produced by U.S. workers to build U.S. homes. For more information, please visit the Coalition's website at www.uslumbercoalition.org.