

United States Senate

WASHINGTON, DC 20510

July 18, 2022

The Honorable Gina Raimondo
Secretary
Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

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

Dear Secretary Raimondo and Ambassador Tai:

We appreciate the Department of Commerce's preliminary determination to reduce tariffs on softwood lumber shipments from Canada to the United States, and urge an expeditious final determination and implementation of the tariff reductions. We also encourage the administration to prioritize a new Softwood Lumber Agreement between the United States and Canada to provide greater market stability for the U.S. housing industry and ease the burden of housing costs for all Americans.

On January 31, 2022, the Department of Commerce issued a preliminary determination in its Third Administrative Review to reduce tariffs on Canadian softwood lumber into the United States from a rate of 17.9 percent to 11.64 percent. On May 16, President Biden released a Housing Supply Action Plan that referenced the reduction of tariffs on Canadian softwood lumber into the United States. While the preliminary determination and public announcements are welcome steps, we urge the Department of Commerce's swift implementation of tariff reductions, consistent with the Tariff Act of 1930, in order to make home construction and homeownership more affordable for communities across our country.

In addition to tariff relief, American home builders, home buyers, and renters stand to benefit from a new Softwood Lumber Agreement. The 2006 Lumber Agreement between the United States and Canada expired on October 12, 2015. Since the agreement's expiration through May 2022, the U.S. Bureau of Labor Statistics reports that softwood lumber prices rose a seasonally adjusted 135 percent. The sharp increase in softwood lumber prices, on top of high inflation and supply chain challenges, has only further added to residential construction costs. Addressing lumber trade inefficiencies would help reduce unnecessary financial pressures on the U.S. housing market, and we urge the U.S. Trade Representative to prioritize a new Softwood Lumber Agreement between America and Canada.

We commend your efforts, consistent with your respective remits, to provide greater stability and affordability for the U.S. housing community. An expeditious reduction of tariffs on Canadian softwood lumber into the United States and a new Softwood Lumber Agreement between the two countries would mark significant progress toward achieving these goals.

Sincerely,


John Thune
United States Senator


Robert Menendez
United States Senator