



March 29, 2021

The Honorable Gina M. Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Raimondo:

I am writing today on behalf of the lumber and building material (LBM) dealer industry to urgently express our concern with continued volatility in lumber prices and the effects it is having on the LBM industry, residential construction and the larger economy. NLBMDA with its state and regional association partners represent over 6,000 building material retail locations nationwide who operate single and multiple lumber yards and component plants serving homebuilders, subcontractors, general contractors, and consumers in the new construction, repair and remodeling of residential and light commercial structures.

Since April of 2020, the cost of lumber has nearly tripled and oriented strand board (OSB) prices are up more than 250%. According to estimates by the National Association of Home Builders, these increases have caused the cost of building an average new single-family home to rise by more than \$24,000. In addition, the cost of the average new multifamily unit has increased by \$9,000 over the same period due to the surge in lumber prices.

The LBM industry has been essential for navigating the COVID-19 pandemic, and will continue to be as the economy moves closer to a healthier state. That being said, it is critical that the ongoing volatility is quickly dealt with and we feel your Administration can contribute to mitigating these price concerns.

First, the Administration can play a vital role in boosting confidence for domestic producers who have been navigating the pandemic to the point of fluctuations in their labor pools. In addition, there's an opportunity to make sure the Administration is advising and coordinating with state officials during this time of economic uncertainty to ensure state and local action does not interfere with production.

Second, NLBMDA is urging the Administration to return to the negotiating table with Canada to enact a new Softwood Lumber Agreement (SLA). As you know, there is a tariff on most imported lumber from Canada, which historically has been a critical supplemental supply to meet demand. With the pandemic's effects on production and the ability to operate at capacity, the tariff is even more severely impacting prices for consumers. The Administration can help businesses and the economy by getting a new SLA in place with Canada.

Third, NLBMDA would like to formally request a meeting with you or your staff to discuss the impact that these prices are having on LBM dealers and examine solutions to mitigate the ongoing crisis.

While NLBMDA strongly supports a market solution to resolve this volatility, we feel it would be valuable for the Administration to hear the perspectives and insights of lumber dealers on this critical issue.

Thank you for your consideration of this important matter. Please contact NLBMDA's Director of Government Affairs Kevin McKenney at kevin@dealer.org with any questions and to coordinate a date and time for a meeting.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Paine". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Jonathan M. Paine, CAE
President & CEO