

DATE

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue N.W.  
Washington DC 20230

The Honorable Robert Lighthizer  
Ambassador  
United States Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington DC 20508

Dear Secretary Ross and Ambassador Lighthizer:

We write to you regarding the status of softwood lumber trade negotiations between the United States and Canada.

The United States and Canada have enjoyed a long and prosperous trade relationship that has benefited the economies of both nations. Of particular importance to this relationship has been trade in softwood lumber, or lumber commonly used for wood-frame residential construction and for interior and finishing purposes, such as window and door manufacturing.

While critical to the economies of both the United States and Canada, bilateral trade in softwood lumber has been historically contentious. Since the early 1980s, numerous disputes have disrupted trade patterns, leading to unnecessary cost increases for industries that rely on softwood lumber, and straining the relationship with one of our most important allies.

In 2006, the United States and Canada signed the Softwood Lumber Agreement (SLA), establishing a system of fees and quotas on Canadian imports to the United States that can be triggered in response to fluctuations in the market price of softwood lumber. This agreement brought about a period of relative stability in the trade of softwood lumber between the United States and Canada.

The 2006 Softwood Lumber Agreement expired on October 12, 2015. With no follow on agreement in place and new tariffs being imposed averaging just over 20 percent, lumber prices have skyrocketed, hitting an all-time high in June of this year. We urge that the United States return to the negotiating table with Canada in a renewed effort to reach a new softwood lumber agreement. As part of these negotiations, we understand that you are required to consider the perspective of domestic producers. It is our hope that in negotiating a new agreement with Canada, you will take into account not only the impact of price fluctuations on the domestic lumber industry, but also on those secondary industries and consumers that rely on softwood lumber for their economic well-being. This will ensure the entire United States economy is taken into consideration.

Thank you for your attention to this important matter, and we look forward to working on this with you moving forward.

Sincerely,

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James M. Inhofe  
United States Senator

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Jack Reed  
United States Senator