August 26, 2020

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC  20500

Dear Mr. President:

I am writing today on behalf of the lumber and building material (LBM) dealer industry to urgently express our concern with the recent dramatic increases 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, NLBMDA has witnessed an 80% increase in lumber prices. While this is mostly due to COVID-related factors affecting production, these prices and the rate of increase is not sustainable. The LBM industry has been essential for navigating the pandemic, and will continue to be essential as the economy moves closer to a healthier state. That being said, it is critical that these skyrocketing lumber prices are quickly dealt with. To that end, we feel that 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 working 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 to enact a new Softwood Lumber Agreement (SLA). As you know, there is a tariff on imported lumber from Canada, which historically has been a critical supplemental supply to meet demand. With the pandemic’s effects on lumber mills and their 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.

LBM dealers are an essential part of weathering this pandemic and helping the economy recover. Our members reach builders, contractors, home owners and others who fuel residential construction. These lumber prices, however, will continue to severely impact our businesses. As such, we urge you to take immediate action to lower prices and protect the health of American residential construction.

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.

Sincerely,

Jonathan M. Paine, CAE
President & CEO