Congress of the United States

Washington, DC 20515

September 28, 2016

The Honorable Michael Froman United States Trade Representative 600 17th Street, N.W. Washington, DC 20508

Dear Ambassador Froman:

We applaud your efforts to negotiate a new Softwood Lumber Agreement to offset unfair Canadian lumber trade practices. U.S. timber, whether from private or government land, is sold in a competitive free market system. Canadian timber is heavily subsidized and sold or contracted at pennies on the dollar compared to the free market, competitive pricing of U.S. timber of comparable quality. In addition to subsidized stumpage the Canadians have adopted various other measures to shield their industry from competitive forces. As a result, border measures against subsidized and unfairly traded lumber imports are critical for our domestic industry.

Without an effective agreement to counter this subsidy, Canadian trade practices would yield ever increasing market shares for Canadian product and producers, displacing and harming U.S. manufacturers, mill workers, loggers, and many local businesses and jobs in their communities. This effect can already be seen borne out in trade statistics. Therefore, it is essential that a key feature of any new agreement is for it to be designed to maintain Canadian exports at or below an agreed U.S. market share.

We continue to support negotiations between the United States and Canada aimed at a new, stable, and sustainable Softwood Lumber Agreement. No one should expect the U.S. industry to voluntarily give up its rights under current U.S. trade laws in return for an agreement that fails to meet this objective. Short of an effective agreement, U.S. industry will have no choice but to file petitions for relief to offset the inequitable advantages provided to its Canadian counterpart by government subsidies and log export restrictions.

A negotiated agreement is preferable to new trade cases, *provided* the agreement is an effective offset to the underlying trade distortion of Canadian public timber pricing systems and other subsidy practices. We commend the dedication and hard work you and your entire team have put into negotiating a trade agreement that works for the men and women of our forestry industry. We encourage you to continue to press for an agreement that allows the U.S. timber industry to compete on a level playing field. We produce some of the highest quality lumber in the world but our industry cannot continue to grow and survive when subsidized lumber floods our market.

Sincerely,

RYAN ZINKE

Member of Congress

Member of Congress

RALPH ABRAHAM, MD

Member of Congress

Member of Congress

Member of Congress

Member of Congress

LOUIE GOHMERT Member of Congress

Member of Congress

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