

Your Participation Is Needed For Import Duties On Canadian Lumber Imports To Remain In Place

The U.S. Government this year will start a review to determine whether the softwood lumber trade case against Canadian lumber is to remain in effect. The so-called Sunset Review is an on/off switch – either the Coalition wins and the import duties stay in place; or the Coalition loses and the import duties go away, resulting in an open border for Canadian lumber.

U.S. sawmill investment and capacity expansion has been robust since 2016 when the Coalition filed the trade cases against unfairly traded Canadian imports. The U.S. industry has produced an additional 15 billion board feet of lumber through 2021, averaging 3 billion a year of added output.

Your participation is needed to help secure a win at in the Sunset Review process so that the AD and CVD orders remain in place. All information provided through this process remains strictly confidential.

By law, sunset reviews must occur every five years after Antidumping (“AD”) and Countervailing Duty (“CVD”) orders are set in place. A sunset review means that the U.S. International Trade Commission (“ITC”) looks at whether “injury” to U.S. lumber producers will likely “reoccur” if the AD and CVD orders are taken away.

The ITC will examine whether improvements in the U.S. industry, such as increases in production, capital investments, and employment, are related to the AD and CVD orders. The ITC also will look at whether Canadian lumber continues to be a threat to the U.S. industry.

The ITC’s analysis requires U.S. producers to fill out questionnaires similar to the ones from 2017 which helped secure a win and get the AD and CVD orders in place. These questionnaires cover your company’s performance from 2017 through 2022.

If there is not enough participation from the industry, the ITC could determine that the overall industry response is not “adequate,” and the ITC will assume that U.S. producers are not interested in continuing the AD and CVD orders. That means:

- The orders go away and Canadian lumber imports will no longer be subject to duties at the border.
- The industry will have less leverage to negotiate an agreement with Canada.
- If injury reoccurs, a new case would have to be prepared and filed under a tougher legal standard.

Please make sure to join your fellow industry members in telling the ITC that the trade cases matter to our industry and need to remain in place. Call or Email Coalition Executive Director Zoltan van Heyningen for more information – zoltan@uslumbercoalition.org or 202-805-9133. Please contact Julia Altemus at the Montana Wood Products Association for the Sunset Review Adequacy Form which you will need to complete in order to support the process. julia@montanaforests.com or 406-241-7047.

About the Trade Cases and The Coalition

The trade cases were brought, and are being maintained and defended, by the U.S. Lumber Coalition. If the Coalition stops its work, then the trade cases, border measures, and restrictions on new and existing Canadian subsidies and unfair trade practices also stops. The trade case and Washington’s policy disposition towards Canadian lumber imports does not happen by accident. It happens because the Coalition and its membership work hard to make it happen.

Over 4.9 billion dollars have been collected on Canadian imports at the border so far as a result of the trade case brought by the Coalition in late 2016.

Canada's share of the U.S. market was 31.8% in 2016. Most recent data shows Canada's share at 24.4%.

Bottom Line – Would it matter to your business, and would you care if all border measures on Canadian lumber imports went away, along with any prospect for a trade agreement to replace them?

Please contact Coalition Executive Director Zoltan van Heyningen at 202-805-9133 or zoltan@uslumbercoalition.org to join your peers in the very important effort.