



BC LUMBER  
TRADE COUNCIL

Submission to the  
House of Commons Standing  
Committee on International Trade  
(CIIT)

**Canada and the Forthcoming CUSMA Review**

From the  
BC Lumber Trade Council (BCLTC)  
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## 1. Introduction

The British Columbia Lumber Trade Council (BCLTC) represents the majority of B.C. lumber producers on trade matters. In 2024, British Columbia accounted for close to 40 percent of Canada's softwood lumber exports to the United States. The B.C. Forest industry supports approximately 100,000 forestry-related jobs and contributes over CAD 6 billion annually to government revenues.<sup>1</sup>

For decades, BCLTC has worked alongside the Canadian government to vigorously defend the softwood lumber industry against trade actions initiated by the U.S. lumber industry. The most recent lumber action – *Lumber V* – has been ongoing since the U.S. lumber industry filed countervailing duty (CVD) and antidumping duty (AD) petitions against Canadian lumber imports into the United States in November 2016. In addition to this litigation, the U.S. government has also recently announced that it will impose an additional 10 percent tariff on softwood lumber imports under Section 232 of the Trade Expansion Act (Section 232 Tariffs) on the grounds that such imports threaten to impair U.S. national security.

BCLTC appreciates the opportunity to provide comments for Canada's preparations in the upcoming joint review of the Canada–United States–Mexico Agreement (CUSMA).

## 2. Importance of a Functioning Binational Panel System

The binational panel process under Chapter 10 of CUSMA remains Canada's most effective tool for challenging unjustified U.S. trade remedies and has been central to the Canadian parties' challenge to the imposition of AD/CVD measures by the U.S. Department of Commerce. Unlike WTO rulings, panel decisions have direct force of law in the United States, and these decisions should enable lumber producers to recover duties wrongly collected more quickly and with greater certainty.

Unfortunately, the binational panel process has been undermined by repeated and lengthy delays in panel constitution. For example, in one case, a review request filed in 2017 did not reach hearing until 2023 and is still not finalized. Similar delays persist across multiple

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<sup>1</sup> <https://cofi.org/wp-content/uploads/Economic-Impact-Report-2024-Exec-Summary-April-9.pdf>

administrative reviews. These systemic shortcomings weaken Canada's ability to defend its interests and impose substantial costs on producers and communities.

As such, BCLTC encourages Canada to defend and strengthen Chapter 10 of the CUSMA as essential to Canada's trade defense, including by considering the insertion of enforceable timelines for panel appointments.

### 3. The Impact of U.S. Duties and Securing Stable Trade between the United States and Canada

Since 2017, Canadian producers have paid more than CAD 10 billion in unjustified cash deposits. These duties directly harm Canadian companies, workers, and communities, while also driving up housing costs for U.S. consumers.

The dispute disproportionately burdens small and mid-sized producers, many of whom lack the capital to withstand prolonged litigation. At the same time, European imports — which have not been subject to duties — now supply a growing share of the U.S. market, displacing Canadian lumber and distorting competition. These adverse impacts will only be further exacerbated by the imposition of the Section 232 Tariffs, and any broader action taken by the U.S. government.

To address these issues, Canada must continue to press for a durable resolution to the *Lumber V* dispute, emphasizing the mutual benefits of stable trade in lumber between the United States and Canada. Fair trade of softwood lumber can help stabilize the housing affordability crisis in the United States, strengthen the integrated North American supply chain, and contribute to addressing broader concerns as part of a suite of critical issues. As Canada approaches the CUSMA joint review and sets out its trade policy priorities, softwood lumber should continue to be recognized as a strategic pillar of the North American partnership.

## 4. Summary of Recommendations and Conclusion

The 2026 CUSMA joint review creates an opportunity for Canada to evaluate the agreement's effectiveness and ensure that critical industries, including softwood lumber, are integrated into broader trade policy.

BCLTC urges the Government of Canada to:

1. Defend and strengthen Chapter 10 of the CUSMA as essential to Canada's trade defense, including by considering enforceable timelines for binational panel appointments.
2. Seek a durable settlement to *Lumber V* that reinforces softwood lumber as an essential component of the North American partnership, whether as part of or alongside the joint review.

The credibility of CUSMA as a trade agreement, and the livelihoods of tens of thousands of Canadian forestry workers, depend on ensuring that dispute settlement mechanisms function as intended and that the softwood lumber dispute is resolved. BCLTC urges the Government of Canada to make these priorities central to its strategy for the 2026 review.

**The BC Lumber Trade Council (BCLTC) represents the majority of British Columbian lumber producers on trade matters. British Columbia accounts for close to 40% of Canada's softwood lumber exports to the U.S..**

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