



BC LUMBER
TRADE COUNCIL

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

From the
BC Lumber Trade Council (BCLTC)
October 30, 2024

Submitted by
Kurt Niquidet, President, BCLTC
niquidet@cofi.org, 778-222-7375

#1220-595 Howe Street, Vancouver BC
Tel: 604-891-1205 | <https://bclumbertrade.com/>

The BC Lumber Trade Council (BCLTC) appreciates the opportunity to submit a brief to the House of Commons Standing Committee on International Trade (CIIT) regarding the detrimental effect that U.S. antidumping and countervailing duties have had on Canadian lumber producers since the expiration of the last Softwood Lumber Agreement (SLA) and on barriers to a new bilateral trade deal.

The forest products industry in Canada is vital to the economies of many forest-dependent communities across the country. Nationally, the sector generates approximately 382,000 direct and indirect jobs¹ and directly contributes about \$25 billion to Gross Domestic Product.² British Columbia is the largest Canadian softwood lumber-producing region, representing about 40 percent of the softwood lumber exports to the United States. The BC forest industry supports approximately 100,000 forestry-related jobs in the province and contributes over CAD 6 billion to government revenues.³

Companies belonging to the BCLTC produce a variety of high-quality, low-carbon products for use in wood construction. Softwood lumber is used primarily as a framing material in the construction and renovation of residential homes and other types of low-rise buildings. Some other softwood products, which sell for significantly higher prices, are used as appearance items in both interior and exterior applications.

Around 85 percent of the timber used to produce softwood lumber in Canada is sourced from publicly owned lands. In the United States, by contrast, most timber used to produce softwood lumber is sourced from privately owned lands. For decades, the U.S. industry has used that difference to argue, incorrectly, that Canadian provinces provide timber harvesting rights to Canadian softwood lumber producers for less than adequate remuneration because the levels at which the provinces set their stumpage charges (the charge that the licensee pays to harvest standing timber) are not "market-determined". The real reason for the duties is the U.S. lumber lobby wants to create artificial supply constraints on Canadian lumber to drive prices up for their benefit, at the expense of American consumers.

¹ [10 Key Facts on Canada's Natural Resources – 2023](#)

² Statistics Canada (Table: 36-10-0480-01)

³ Includes direct, indirect, and induced impacts ([The Economic Impact of British Columbia's Forest Sector, p.8](#))

At the instigation of the U.S. industry, the United States has brought these and other allegations against Canada in five different investigations spanning nearly 40 years (“Lumber I” to “Lumber V”). Both “Lumber III” and “Lumber IV” ended in negotiated agreements between Canada and the United States (in 1996 and 2006 respectively) following successful legal challenges by the Government of Canada and the Canadian parties before binational NAFTA panels. The countervailing and antidumping duty investigation and related proceedings which began in 2017, are referred to as “Lumber V”.

As compared to Lumber III and Lumber IV, the key difference in Lumber V is that the Canadian parties’ legal challenges before binational dispute settlement panels under the Canada-United States-Mexico Agreement (“CUSMA”) have been delayed for *years* because the United States failed to appoint panellists to hear the appeals. Decisions by these binational panels have direct force of law in the United States and therefore have historically been Canada’s most effective tool for challenging the unjustified duty orders against Canadian softwood lumber. Unfortunately, the United States has engaged in a strategy to delay the nomination and appointment of binational panellists to hear the Canadian parties’ appeals not only concerning the original investigation but also the subsequent *five* administrative review determinations that have since been issued. While these delays have persisted for years, the cash deposits paid by Canadian producers as a result of the unlawful duties continue to accumulate, and more than an estimated CAD 10 billion is currently being held by the U.S. Government.⁴

These unfair duties hurt not only B.C. businesses and workers but also U.S. consumers looking to repair, remodel and build new homes. The profound impact this dispute is having on regional economies and communities across Canada should not be underestimated. Many high-value and small-to-medium-sized companies in BC and Canada do not have the financial and borrowing capacity required to engage in prolonged litigation and bonding processes.

Equally important, the duties do not reflect the fundamental shifts in the North American lumber market that have occurred since the expiration of the last Softwood Lumber Agreement. Historically, the U.S. domestic industry has accounted for between 60

⁴ BCLTC analysis based on Statistics Canada trade data.

and 70 percent of U.S. consumption of softwood lumber, with Canada supplying the overwhelming majority of the rest.⁵ Today, the U.S. domestic industry remains unable to satisfy a significant share of demand in the United States. Instead, third-country (European) imports have increased, and now constitute approximately 7 percent of the U.S. market.⁶ Unlike Canadian imports, these European imports are not subject to duties.

The interests of Canadian and US producers alike would be much better served by both sides working together to resolve the long-running dispute and focussing on growing markets for softwood lumber both domestically and internationally. This would allow both countries to focus on more critical issues like climate change, cross-border wildfire protection, and housing affordability. It would provide greater certainty and stability for Canadian lumber producers while ensuring that customers in the US have access to high-quality, sustainable Canadian wood products.

To achieve an enduring outcome that would benefit both sides in this long-running dispute the Government of Canada's current priority should be focused on ensuring that the dispute resolution process provided for under CUSMA works in a timely fashion as intended and that the Canadian industry is supported as it faces escalating duties. This long-standing fight needs to end. The BC industry stands shoulder-to-shoulder in calling for an end to these duties and will continue to work with governments to reach a new agreement.

⁵ Western Wood Products Association Lumber Track [WWPA Statistical Reports](#)

⁶ Western Wood Products Association Lumber Track [WWPA Statistical Reports](#)

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..

OUR MEMBER COMPANIES

Canfor

Carrier Lumber Ltd.

Conifex

Dunkley Lumber Ltd.

Gorman Bros Lumber

Interfor

Sinclar Group Forest Products Ltd.

Tolko

West Fraser

Western Forest Products Inc.

#1220-595 Howe Street, Vancouver BC
Tel: 604-891-1205 | <https://bclumbertrade.com/>