

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

October 21, 2016

The Honorable Barack Obama
1600 Pennsylvania Ave N.W.
Washington, DC 20500

Dear President Obama:

We are writing with regard to ongoing negotiations to obtain a new softwood lumber trade agreement with Canada. We appreciate the efforts by you, Ambassador Froman and others in the Administration to insist on an agreement that will fully and effectively address the market effects of subsidized Canadian lumber exported to the United States. We also welcome the commitment made by you and Prime Minister Trudeau in June to seek a new agreement with “an appropriate structure, designed to maintain Canadian exports at or below an agreed U.S. market share to be negotiated, with the stability, consistency and flexibility necessary to achieve the confidence of both industries.” We are disappointed that Canada appears reluctant to follow through on this commitment which has significantly undermined USTR’s efforts to reach a final agreement. We urge you to encourage Canada to fulfill Prime Minister Trudeau’s commitment as contained in the Joint Statement and bring the negotiations process to successful conclusion with a new, stable, and sustainable agreement.

Under the terms of the now-expired 2006 Softwood Lumber Agreement (2006 SLA) the U.S. industry is precluded from filing new antidumping and countervailing duty cases until after October 12, 2016, one year after the expiration of that agreement. We had hoped that Canada would use this one-year period to negotiate a new agreement consistent with the commitment you made with Prime Minister Trudeau. Only this type of agreement will allow U.S. lumber mills the opportunity to compete fairly in our own market and to make the investments necessary to grow the domestic industry to its natural levels of production and employment.

We are concerned, however, that since you and Prime Minister Trudeau announced this shared goal the Canadian government has been unwilling to put forth or seriously consider proposals consistent with that statement. In contrast, we understand that the U.S. government has submitted detailed proposals to the Canadian government that would establish an agreement consistent with the terms of the Joint Statement. These proposals are designed to ensure that Canadian lumber imports would enter the U.S. market at or below an agreed U.S. market share and to provide appropriate flexibility for the Canadian government to administer such a program. Most importantly, the agreement would provide stability and certainty for the industries on both sides of the border. We appreciate these efforts by U.S. negotiators and urge the Administration remain firm in its resolve to obtain an agreement fully consistent with the goals established by you and Prime Minister Trudeau.

Further, if an agreement cannot be reached with the Canadian government that is fully consistent with these principles and the U.S. lumber industry exercises its rights to file new trade cases, the U.S. trade laws must be fully enforced to respond to subsidized and dumped Canadian lumber imports.

The U.S. – Canada softwood lumber trade issue is foremost a jobs and fairness issue. Hundreds of thousands of U.S. jobs and thousands of U.S. rural communities depend on fairness in trade in softwood lumber. That is why we will continue to urge you, and any future Administration, to seek a fair, effective, and sustainable agreement with Canada on softwood lumber trade, and in the absence of such an agreement, to fully enforce U.S. trade laws.

Sincerely,



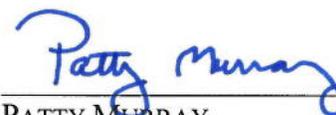
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United States Senator



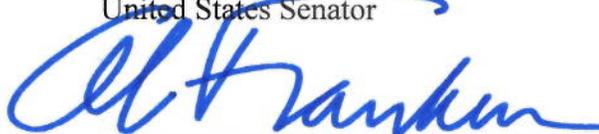
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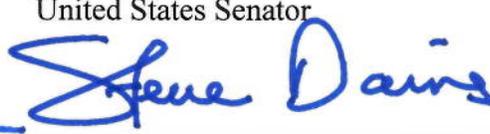
JAMES E. RISCH
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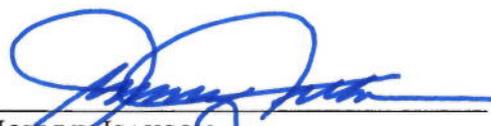
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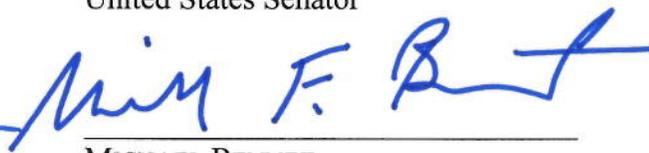
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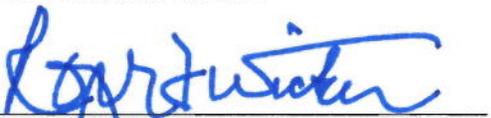
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