

Canadian Embassy



Ambassade du Canada

November 3, 2017

The Honorable Peter A. DeFazio
U.S. House of Representatives
2134 Rayburn House Office Building
Washington, DC 20515-3704

The Honorable Rick Larsen
U.S. House of Representatives
2113 Rayburn House Office Building
Washington, DC 20515-4702

The Honorable Jaime Herrera Beutler
U.S. House of Representatives
1107 Longworth House Office Building
Washington, DC 20515-4703

The Honorable Greg Walden
U.S. House of Representatives
2185 Rayburn House Office Building
Washington, DC 20515-3702

Dear Representatives,

I write to correct the record following your press release of November 2, 2017, on softwood lumber, which claimed that Canada repeatedly rejected reasonable proposals from the United States.

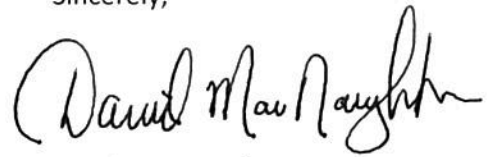
Negotiations on a new softwood lumber agreement have been ongoing for the past two years. Talks intensified under the leadership of Canada's Foreign Affairs Minister Chrystia Freeland and U.S. Commerce Secretary Wilbur Ross, with meaningful progress made in a number of areas. Despite these efforts, we have not been able to reach an agreement that would bring predictability and stability to the softwood lumber industry on both sides of the border.

Contrary to misinformation from the U.S. Lumber Coalition, Canada has shown flexibility and put forward several proposals that would cap Canadian imports to a percentage of the U.S. market. Importantly, however, the Coalition has not presented a coherent framework for an agreement. Despite a booming U.S. housing market and growing demand for high-quality softwood lumber, the Coalition has remained inflexible and protectionist.

This is unfortunate. Duties on Canadian softwood lumber imports will hurt the American middle-class – workers, consumers, communities – and they are the ones who will bear the brunt of these duties. The National Association of Home Builders (NAHB) estimates that duties of roughly 20 percent will lead to a loss of over 8,000 full-time U.S. jobs. Duties will also act as an effective tax on the U.S. consumer, making purchasing and renovating a home more expensive for Americans.

I echo Secretary Ross's disappointment that Canada and the U.S. could not reach an agreement before the final determination. This sets our two countries on a difficult path ahead. We continue to believe that a negotiated agreement is in everyone's best interest, and are prepared to consider reasonable offers from the United States. At the same time, we will forcefully defend our country's interests, including through legal action under NAFTA and the World Trade Organization.

Sincerely,

A handwritten signature in black ink that reads "David MacNaughton". The signature is written in a cursive, flowing style with a large initial "D" and a long, sweeping tail.

David MacNaughton
Ambassador