

Media ReleaseThursday, November 25th, 2021**OFIA Statement on the U.S. Department of Commerce Doubling Softwood Lumber Tariffs**

Toronto, Ontario - The Ontario Forest Industries Association (OFIA) President and CEO, Ian Dunn, issued the following statement in response to the United States Department of Commerce's final decision on new countervailing and anti-dumping duty rates. These new rates will more than double Canadian softwood lumber tariffs from 9% to 18%, effective immediately, with rates for some mills in Ontario and Quebec as high as 30%.

"The fact is, there is not enough domestic supply of lumber to meet demand in the United States. Imposing these punitive duties demonstrates that the Biden Administration has no interest in seriously addressing the housing affordability crisis or fair trade with its most important neighbour and ally. These tariffs ultimately are paid by American consumers. If President Biden is serious about combatting inflation, he should be reducing or removing, not raising, tariffs.

According to the National Association of Home Builders (NAHB), current lumber pricing and supply chain issues have added nearly \$36,000 to the price of a new home. Placing additional duties on Canadian softwood lumber will only accelerate America's housing affordability crisis. While Americans are suffering from rising housing costs, the Biden Administration has instead decided to listen to well-connected Washington lobbyists and act against the interests of America's middle and working classes.

The World Trade Organization (WTO) has concluded that virtually every reason historically advanced by the United States for imposing countervailing duties on softwood lumber imports from Canada is unfounded. As of October 2021, Ontario's exporters have an estimated \$505 million dollars tied up in these unjust duty deposits, money that could be used to stimulate local economies and get Canadians and Americans back to work during these unprecedented times. Ontario's forest industry is not subsidized, and we will continue to defend the sector against these unjust trade actions.

The trading relationship between Canada and the U.S. is the largest in the world. However, this ongoing dispute harms this relationship to the detriment of many, for the benefit of a few special interest groups in the U.S. lumber sector. We encourage the United States to live up to its international obligations. The Biden Administration should respect the rule of law and trade frameworks to do what is best for American households."

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For 78 years, the OFIA has represented forestry companies ranging from multinational corporations to family-owned businesses across Ontario. OFIA's member companies produce various renewable forest products, including dimensional lumber, pulp and paper, packaging, energy, and engineered wood products. OFIA members invest heavily in advanced research, development, and innovative technologies. Today, Ontario's forest industry generates over \$17.6 billion in revenue and supports nearly 147,000 direct and indirect jobs in communities across the province.

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