



John C. Fowke
2021 NAHB Chairman of the Board
JCFowke@homesbyjcf.com

October 6, 2021

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

On behalf of the 140,000 members of the National Association of Home Builders of the United States (NAHB), I am writing to once again alert you to the volatile lumber prices NAHB and its members have experienced over the course of this year. When compounded by severe disruptions in the supply chain impacting all building materials and components, the housing sector and the economy cannot help but be negatively affected.

We share your goals to meet the housing needs for all Americans. But given the battle that is being waged on Capitol Hill, the historic investment in housing proposed by House Democrats is being threatened by negotiations to shrink the Build Back Better plan. However, you can still make substantial progress on housing affordability by working to reduce the cost of lumber and other building materials.

When I wrote to you on January 28, 2021, the home building industry was in the grips of a historic escalation in lumber prices that negatively impacted housing affordability. Although NAHB's members believed that positive outcomes were achieved from our efforts in meeting with your Administration, Commerce Secretary Raimondo and Housing and Urban Development Secretary Fudge, recent events have eroded those favorable results. There are three key issues that continue to trouble our members, each extremely problematic but when combined, will severely hamper the ability to provide affordable housing and provide jobs to strengthen the economy.

First, while lumber prices have fallen precipitously from a few months ago, we are now watching cash prices climb to more than twenty-seven percent over the last month. Unfortunately, forecasting trends indicate these increases will continue into the near future, and news of mill curtailments are stoking fears of another massive price spike this fall and next spring.

Second, persistent supply chain issues for other building materials and supplies are causing significant delays and keeping home prices about twenty percent higher than they were one year ago. We applaud your decision to study the building supply chain issues affecting the U.S. and greatly appreciate the efforts to improve transportation and logistics by easing the hours for transportation workers involved in delivering goods. Despite these efforts, we continue to receive information from our builders relaying stories from their suppliers about the congestion at the ports as a leading cause—not

enough containers to move goods and not enough trucks to move the containers once off-loaded at the ports. Accordingly, we respectfully request that these efforts continue to ease continued backlogs throughout the supply chain.

Third, the impending November decision from the Commerce Department concluding its administrative review of tariffs on softwood lumber imports from Canada will do nothing but exacerbate these issues. Projections are that these tariffs could double again, which is extremely troubling given constraints experienced in the lumber supply chain coupled with the extremely high lumber prices we have experienced this year; prices which are once again on the rise. While we have been watching these developments carefully and appreciate Commerce Secretary Raimondo's attention to NAHB's concerns about supply and price volatility, home builders (representing the American housing consumer) are not an "interested party" and barred from the proceedings. Without a voice, we have little recourse but to reach out to you and urge once again that the U.S. work with Canada to implement a long-term solution to the U.S.-Canada softwood lumber dispute.

Housing demand remains strong and residential construction is projected to remain at its current pace through 2023. For these reasons, NAHB remains committed to doing its part to ensure housing remains a key component of American socio-economic opportunity, creating jobs and ensuring the U.S. economy continues to move forward. However, we cannot do this without your assistance on the continuing lumber and supply chain crises. In addition, we respectfully ask that you direct U.S. Trade Representative Katherine Tai to return to the negotiating table with Canada to develop a new softwood lumber agreement. Ending softwood lumber tariffs once and for all would be a significant step forward in addressing the longest trade dispute in U.S. history.

Thank you for your consideration of these urgent matters. NAHB and its senior leadership remain ready to work with you to strengthen America's continued economic recovery. Please contact Jim Tobin, NAHB Executive Vice President for Government Affairs, (202) 744-3520 or jtobin@nahb.org if we can provide additional information.

Sincerely,



John C. Fowke
Chairman of the Board
National Association of Home Builders
of the United States

CC: Secretary Gina M. Raimondo
Secretary Marcia Fudge
Secretary Thomas J. Vilsack
Secretary Peter Buttigieg
Ambassador Katherine Tai