



Office of the President
Gerald M. Howard
President & Chief Executive Officer
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July 27, 2020

The Honorable Wilbur Ross
Secretary
U.S. Department of Commerce
1401 Constitution Avenue N.W.
Washington, D.C. 20230

Dear Secretary Ross:

I am writing to follow up with you regarding the status of softwood lumber trade negotiations between the United States and Canada, and to request a meeting with you at your earliest convenience. In a conversation I had with you on March 13, 2018, and follow-up conversations in June 2018, you assured me that despite the lack of a new softwood lumber agreement, it was not the intention of the Administration to hurt the housing sector.

Unfortunately, with the current pandemic, supply chain disruptions and higher input costs are being felt across a number of industries including residential construction. Lumber prices have increased significantly since the beginning of the year, with the average composite price up to \$590 per thousand board feet, based on the Random Lengths Framing Lumber Index. This change represents a 9% increase from the previous week and is 73% higher than one year ago.

Single-family construction has been a bright spot for the U.S. economy with permits running 3.4% higher during the first half of 2020 compared to the first half of 2019. Construction has remained an essential service in most states, despite “stay-at-home” orders. However, when combined with better-than-expected housing demand and home building activity, along with projects being done by the DIY segment, builders are seeing shortages of lumber resulting in a 60% increase in lumber prices since mid-April. These increases are unsustainable, particularly in light of the housing affordability crisis.

Additionally, we recently learned that Commerce announced a sixty (60) day delay in its administrative reviews, which includes Certain Softwood Lumber Products from Canada. We had anticipated a final determination in September, which was expected to lower the duties from an average of 20% down to just over 8%, but with this new extension, that date has now been pushed out to November. NAHB and its members had hoped this would help ease some of the price constraints our members are currently facing, so we are extremely disappointed in this extensive delay.

Therefore, I would like to request your assistance in reaching out to domestic lumber producers urging them to increase lumber production to address these shortages. Also, we respectfully reiterate our request that you return to the negotiating table with Canada and redouble your efforts to reach a new softwood lumber agreement. A multi-pronged approach would help ease market concerns for builders and consumers alike.

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We know your availability is limited, but we hope to find a mutually agreeable time soon that we are able to meet either in-person or virtually. Thank you for your attention to this important matter, and we look forward to your prompt response.

Best regards,

A handwritten signature in black ink, appearing to read "Gerald M. Howard". The signature is fluid and cursive, with the first name "Gerald" being the most prominent.

Gerald M. Howard
Chief Executive Officer
National Association of Home Builders