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# Softwood Lumber Trade Dispute and Canada-United States Trade

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# Overview

- Softwood Lumber Trade Dispute
- Section 232 National Security Investigation
- Additional U.S. Trade Measures
- CUSMA / USMCA



# Softwood Lumber Dispute

- 2015: 2006 Softwood Lumber Agreement expired
- 2017: United States imposed CVD and AD on most Canadian softwood exports
  - Newfoundland and Labrador, Nova Scotia, and Prince Edward Island excluded



# Duty Rates: AR5 and AR6

LUMBER V									
	Fifth Administrative Review - IN EFFECT			Sixth Administrative Review - NOT IN EFFECT					
	Final Results			Preliminary Results			Final Results		
	POR: 2022 Effective: August 16, 2024 - present			POR: 2023			POR: 2023 Effective		
	CVD Rates	AD Rates	Combined CVD + AD Rates	CVD Rates	AD Rates	Combined CVD + AD Rates	CVD Rates	AD Rates	Combined CVD + AD Rates
Canfor Corporation	6.14%	10.44%	16.58%	11.87%	34.61%	46.48%			
West Fraser Mills Ltd.	6.85%	5.04%	11.89%	16.57%	9.48%	26.05%			
J.D. Irving Ltd.	3.88%	7.66% (All others)	11.54%	All others					
Tolko Marketing Sales Ltd.	9.61%	7.66% (All others)	17.27%	All others					
Non-selected respondents (All Others)	6.74%	7.66%	14.40%	14.38%	20.07%	34.45%			



# Canada's Response

- Legal Challenges
- Negotiated Resolution
- Advocacy



# Next Steps

- Litigation
  - Summer 2025 – AR1 AD and CVD initial panel decisions
- Duty Rates
  - by September 2, 2025 – AR6 AD final results
  - by October 6, 2025 – AR6 CVD final results



# Section 232 Investigation

- March 1 Executive Order:  
“The Secretary of Commerce shall initiate an investigation under section 232 of the Trade Expansion Act to determine the effects on the national security of imports of timber, lumber, and their derivative products.”
- Investigation launched March 10
- Timeline: Report to President due in 270 days (December 5)
- Scope: Undefined



# Section 232 Submissions

## National Association of Manufacturers

“(...) manufacturers in the U.S. are **heavily reliant on imports of timber and lumber**, as well as certain derivatives, in order to manufacture products in America. (...) Manufacturers that depend on timber and lumber imports and their derivatives would be directly impacted by potential tariff actions following this investigation.”

## U.S. Chamber of Commerce

“(...) Certain raw material inputs **must be sourced from Canada** due to specific fiber quality demands and transportation efficiencies. (...) Altering well-integrated supply chains such as these would take years, cost hundreds of millions of dollars, and may ultimately **burden the industry with a high-cost structure**, all of which would degrade global competitiveness and **raise consumer costs.**”



# U.S. Tariffs

## March 4

- 25% tariff on all imports from Canada (10% for energy) under IEEPA
- Canada responded with 25% tariff on \$30B of U.S. goods

## March 6

- Exemption from IEEPA tariffs for CUSMA-compliant goods

## March 12

- 25% tariff on global steel and aluminum imports under S.232
- Canada responded with 25% tariff on \$30B of U.S. steel and aluminum

## April 2

- Reciprocal tariffs on global imports except Canada and Mexico
- Subsequently paused for 90 days

## April 3

- 25% tariff on global auto imports under S.232
- Only applies to non-CUSMA content of imports from Canada and Mexico
- Canada responded with 25% tariff on non-CUSMA autos from U.S.



# CUMSA / USMCA

- Article 34 joint review – July 2026
- U.S. domestic procedures
  - Consultations – 270 days before review
  - Report to Congress – 180 days before review
- Canada's priorities





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# Thank you, Merci

