



OCT 26 2016

October 26, 2016

The Honorable Ron Wyden and Co-signatories  
United States Senate  
Washington, D.C. 20510-6200  
UNITED STATES OF AMERICA

Dear Senator and Co-signatories:

While it is not our practice to negotiate in public, we do feel it is important to correct certain impressions that the U.S. Lumber Coalition may have left with you that are reflected in the content of your letter of October 21, 2016, addressed to President Barack Obama on softwood lumber.

Since the joint statement on softwood lumber by President Obama and Prime Minister Justin Trudeau, Canada has met with members of the U.S. Lumber Coalition twice, met with representatives of the U.S. government seven times, facilitated and participated in three meetings between the U.S. government and Canadian industry, and has submitted four papers, three of which directly respond to the call from leaders to "explore approaches to ensure effective management of the agreed market share."

Most recently we made a formal, detailed proposal that would have had precisely the effect the two leaders stated they wanted to achieve. In order to facilitate a durable negotiated solution, our proposal is designed to maintain Canadian exports at or below an agreed U.S. market share.

Unfortunately, the unchanging position of the U.S. Lumber Coalition for the last five months has been to insist on an inflexible, protectionist measure that would see a reduction in Canada's share of the U.S. lumber market of more than 30 percent. Such an approach would cause widespread shortages of lumber in the United States and greatly increase prices for consumers. The National Association of Homebuilders estimates that even less stringent restrictions than those insisted upon by the U.S. Lumber Coalition would lead to well over a billion dollars a year in lost investment in housing and a loss of nearly 9,000 full-time jobs in the United States.

We have responded on many occasions, including in writing, to the most recent U.S. proposal and are ready to respond to any serious proposal. We remain determined to reach a fair and reasonable arrangement that is consistent with the principles articulated by the two leaders and will work tirelessly and very seriously to achieve this outcome.

Sincerely,

The Honourable Chrystia Freeland, P.C., M.P.  
Minister of International Trade

David MacNaughton  
Ambassador of Canada to the United States

Canada

c.c. The Honorable Barack Obama  
President of the United States  
The Honorable Kelly Ayotte, Senator  
The Honorable John A. Barrasso, Senator  
The Honorable Michael Bennet, Senator  
The Honorable John N. Boozman, Senator  
The Honorable Thad Cochran, Senator  
The Honorable Michael D. Crapo, Senator  
The Honorable Steve Daines, Senator  
The Honorable Michael B. Enzi, Senator  
The Honorable Al Franken, Senator  
The Honorable Johnny Isakson, Senator  
The Honorable Amy Klobuchar, Senator  
The Honorable Jeffrey Merkley, Senator  
The Honorable Patty Murray, Senator  
The Honorable Bill Nelson, Senator  
The Honorable David Perdue, Senator  
The Honorable James E. Risch, Senator  
The Honorable Mike Rounds, Senator  
The Honorable Marco Rubio, Senator  
The Honorable Tim Scott, Senator  
The Honorable Jeanne Shaheen, Senator  
The Honorable Debbie Stabenow, Senator  
The Honorable Jon Tester, Senator  
The Honorable Roger F. Wicker, Senator