



April 1, 2025

Eric Longnecker
Deputy Assistant Secretary
Office of Strategic Industries and Economic Security
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

RE: “Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Timber and Lumber,” Federal Register docket number [BIS-2025-0011](#) (X-RIN 0694-XC117).

Dear Deputy Assistant Secretary Longnecker:

The U.S. Chamber of Commerce appreciates the opportunity to respond to the U.S. Department of Commerce’s request for comments cited above. The administration has stated its intent to use these comments to “determine the effects on the national security of imports of wood products: timber, lumber, and their derivative products.” Officials’ comments indicate the Department is conducting this investigation with a view towards the possibility of imposing tariffs on such imports under Section 232 of the Trade Expansion Act of 1962.

The U.S. Chamber strongly opposes the establishment of tariffs or quantitative restrictions on imports of timber, lumber, and their derivative products such as paper, cardboard, and pulp. Imports of these goods do not represent a national security risk, as addressed below. Imposing tariffs on these goods would raise costs for U.S. businesses and home construction, undermine the export success enjoyed by the U.S. paper industry, and reduce incomes in many U.S. communities.

Additional Timber, Lumber Tariffs Would Harm the U.S. Economy

Tariffs recently threatened and imposed by the administration on approximately \$1.4 trillion of imported goods—including broad-based duties on goods from Canada, Mexico, and China as well as steel and aluminum from all sources—are already driving up costs of building materials for U.S. consumers.

To illustrate the broad harm of these duties on primary goods and basic industrial inputs on the U.S. economy, consider the Section 232 tariffs on steel and aluminum, which also extend to many derivative articles of these metals. In response to these new duties, U.S. steel benchmarks have risen to roughly twice world prices. The widely-tracked “Midwest Premium” benchmark for aluminum has doubled since November, reflecting the fact that more than half of U.S. demand is met by imports, chiefly from Canada. The scope of materials captured by this expansion of tariffs extends to various building materials such as screws, nails, wiring materials, and door and window frames used in residential and commercial construction. In the same way, increased prices for lumber and related items will raise costs in the construction sector and impede efforts to build more housing to address soaring rent and home prices.

Specifically, the National Association of Home Builders (NAHB) [notes](#) that it “has received anecdotal reports from members that they are planning for tariffs to increase material costs between \$7,500 and \$10,000 on the average new single-family home.” This comment was made in connection with the recent 25% tariffs imposed on goods from Canada and Mexico but paused until April 2, according to administration officials, for goods like lumber that comply with USMCA; however, the same dynamic would be in play for the sector in the case of the proposed Section 232 tariffs on lumber and timber-related items.

Similarly, the inclusion of lumber and timber derivatives in this investigation’s scope could have severe impacts for a broader ecosystem of U.S. consumer goods and other sectors that rely on covered raw materials for productions processes. According to the [American Forest & Paper Association](#), the multi-stage process of transforming wood chips into pulp and later into finished products such as paper, paperboard, and cardboard occurs at pulp and paper mills throughout the U.S. and Canada. Such a manufacturing process involves co-production among facilities in both countries. Additionally, certain raw material inputs must be sourced from Canada due to specific fiber quality demands and transportation efficiencies.

Take the example of Canadian Northern Bleached Softwood Kraft (NBSK) fiber mills, which use residual wood chips as a key raw material input. These materials represent a critical input for American manufacturers of tissue, toilet paper, and paper towels, among others. Lumber tariffs imposed on top of existing duties would drastically cut the availability of Canadian NBSK—leading to significant manufacturing downtime at U.S. plants and major supply chain disruptions for U.S. consumers and the associated labor force. For one major company, the NBSK component makes up almost half its formulation for paper products, and there are no commercially viable fiber substitutions or sourcing alternatives to fill the void. Sourcing NBSK domestically is not an option because few domestic mills exist.

Furthermore, the few U.S. mills currently capable of producing this specific input are already fully utilized and are not able to handle even a fraction of Canada's NBSK output that would be lost. Building new pulp mills with relevant capacity would require a multi-year timeline and significant capital expenditures.

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 higher cost structure, all of which would degrade its global competitiveness and raise consumer costs. These types of supply chain considerations should be assessed as the administration weighs the rationale for tariffs.

The new tariffs on steel and aluminum also underscore the certainty of foreign retaliation against U.S. companies and workers. Canada, the largest supplier of steel to the United States, has already imposed retaliatory duties on about \$20 billion of U.S. exports of "tools, computers and servers, display monitors, sports equipment, and cast-iron products," according to [reporting](#) by the AP. Additionally, it's worth revisiting the [6.2 million manufacturing jobs](#) in [downstream industries](#) that were impacted by these metals tariffs after they were first imposed in 2018 as compared to the estimated gains of fewer than 5,000 upstream steel jobs. A similar picture would likely extend to lumber-related tariffs. Retaliation against U.S. exports of forest products—especially from top U.S. export markets Canada and Mexico—would be particularly damaging for a range of industries, including pulp and paper.

Lumber, Timber Imports Do Not Threaten the National Security

It is unreasonable to suggest that imports of these goods represent a national security risk, in part because the chief source of imports in this sector is Canada, a NATO ally and North American Aerospace Defense Command (NORAD) partner. Indeed, Congress [recognized](#) Canada as an integral part of the U.S. defense industrial base under the Defense Production Act in 1993. Canada is also one of the [four countries](#) deemed to be a formal part of the U.S. national technology and defense industrial base (NTIB). It is not reasonable to claim that imports of these goods from a close ally somehow pose a threat to U.S. national security.

Nor are imports surging: According to the latest available [data](#) from the U.S. International Trade Commission (USITC), U.S. forest imports from Canada decreased by 24% from 2022 to 2023, and the increase in 2024 was minimal.

Further, while lumber, paper, cardboard, and related products play an important role in our economy, their nexus with national security concerns is tenuous at best. The impact tariffs on these imports would have on the U.S. economy—raising costs for businesses and home construction, undermining the export success enjoyed by

the U.S. paper industry, and reducing incomes in many U.S. communities—would harm the U.S. economy in ways that at the very least undermine any perceived national security benefit tariff proponents might claim.

In a world of proliferating geopolitical conflict, the United States should be assessing ways to boost cooperation with an ally such as Canada rather than imposing new strains on the relationship through the imposition of tariffs on the basis of dubious national security claims.

Domestic Industry is Already Protected by Trade Remedies

Prospective tariffs on Canadian lumber products would be stacked onto existing antidumping and countervailing duties, the latter of which are set at levels deemed equivalent to the amount of the subsidy afforded by the foreign government in question. The current 14.5% U.S. antidumping duties on Canadian lumber are expected to [increase](#) considerably in the coming months, with analysts expecting the rates to roughly double. Lumber and timber-related tariffs being considered under Section 232 of the Trade Expansion Act of 1962, or other statutes would be additive to trade remedies already in place and have unintended consequences for a range of industries using impacted materials.

U.S. timber and lumber producers have also been on the record as recently as [late February](#) vouching for the effectiveness of trade remedies on Canadian softwood lumber. As Zoltan van Heyningen, Executive Director of the U.S. Lumber Coalition noted “the trade cases have been highly effective.” He went on to add that “our view is that the function of the trade laws is to displace unfairly traded Canadian lumber out of the U.S. market and allow U.S. industry to grow. And that’s kind of what we’ve seen.” In any event, this industry perspective does not support the notion that further tariffs under Section 232 of the Trade Expansion Act of 1962 are required to ward off a threat to U.S. national security.

Sec. 232 Tariffs Would be on Legally Dubious Ground

As noted above, lumber, paper, cardboard, and related products play an important role in our economy, but their nexus with national security concerns is tenuous at best. As such, use of this statute to impose duties in this manner would be legally dubious.

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The Chamber appreciates the opportunity to share these comments and looks forward to further discussion to address these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "John Murphy". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Murphy
Senior Vice President and Head of International
U.S. Chamber of Commerce