



July 21, 2016

The Right Honourable Justin Trudeau, PC, MP  
Prime Minister of Canada  
Office of the Prime Minister  
Langevin Block, 80 Wellington Street  
Ottawa, ON K1A 0A2

Dear Prime Minister:

On behalf of Canada's Premiers, I am writing in response to the published letter of July 19, 2016 from 25 United States Senators to United States Trade Representative, Michael Froman.

In their letter, the Senators are calling for a reduced share of the US market to be allocated to Canadian producers in a new Softwood Lumber Agreement between our two countries. The Senators claim that Canadian lumber is subsidized and unfairly traded and is impacting American domestic lumber producers.

In the most recent softwood lumber dispute in 2006, panels struck by the World Trade Organization and under the North American Free Trade Agreement (NAFTA) both rejected American allegations of unfair subsidization. The NAFTA panel found that any subsidy that may exist is in fact *de minimis*, under one percent, and therefore ineligible for trade action under US law.

Unfair and inaccurate allegations of Canadian lumber subsidies by American interests must not go unchallenged by the federal government. We urge the Government of Canada to refute this erroneous allegation in the strongest possible manner.

Canadian communities and workers need you and your government to remain firm in your resolve to maximize Canadian access to the United States market as you continue to negotiate a new agreement.

Premiers remain committed to working collaboratively with the federal government to ensure a successful conclusion of these negotiations to support this important industry, its workers and the communities that depend on it. Thank you for your continued efforts to secure a new and long lasting managed trade agreement with the United States.

Sincerely,

Darrell Pasloski  
Chair, Council of the Federation  
Premier of Yukon

cc: The Honourable Chrystia Freeland  
Provincial and Territorial Ministers of Trade  
Provincial and Territorial Ministers of Forestry