

May 20, 2020

TO: Softwood Lumber Importers

FROM: Cees de Jager, President & CEO

SUBJECT: New Process for the Collection of Assessments on Imported Softwood Lumber Covered under the Softwood Lumber Checkoff

I am writing to you on behalf of the Softwood Lumber Board (SLB). The SLB administers an industry funded program (known as the Softwood Lumber Checkoff)¹ designed to promote the benefits and uses of softwood lumber products in both established and new market segments. Programs and initiatives supported by the SLB focus on increasing the demand for softwood lumber products in the United States. The Board of the SLB consists of 16 softwood lumber industry members representing the various regions that produce softwood lumber in the U.S. or from which softwood lumber is imported. The U.S. Department of Agriculture oversees the Checkoff.

Since its inception in 2011, the SLB has united the industry to promote the benefits and uses of softwood lumber in residential and non-residential markets to protect and increase demand for softwood lumber products in the U.S. The SLB's investments have created nearly 5 billion board feet of incremental demand for softwood lumber outside of the traditional single-family housing sector. For more information about the SLB's activities please see our <u>2019 Annual Report</u>.

How is the Checkoff Funded?

The Checkoff program is mandatory under U.S. law²; however, while the program benefits the industry as a whole, only companies that ship 15 million board feet or more of softwood lumber to the U.S., or within the U.S., annually must pay assessments to the SLB. The current assessment rate is \$0.35/thousand board feet.

What is Changing?

To-date, companies have been required to pay their assessments directly to the SLB. Beginning July 1, 2020, the U.S. Customs and Border Protection will collect assessments on imported softwood lumber covered under the program on behalf of the SLB. Customs will collect from **ALL** importers of record, *including* those that ship less than 15 mmbf annually to the U.S.

Refunds

If your company ships less than 15 mmbf annually to the U.S., you are eligible to receive a refund from the SLB on all their assessments collected by Customs. Refunds will be issued based on company names and addresses in Customs data. To ensure your company information is accurate, please contact the SLB at <u>exempt@softwoodlumberboard.org</u>.

¹ Softwood Lumber Research, Promotion, Consumer Education and Industry Information Order (7 CFR Part 1217).

² Commodity Promotion, Research and Information Act of 1996 (7 U.S.C. 7411-7425).

Who Can I Contact for Further Information?

For more information, please contact Maureen Pello with the Softwood Lumber Board at 971-339-4934, or via email at <u>exempt@softwoodlumberboard.org</u>. Updates on our program and information about its activities can be found on our website, <u>www.softwoodlumberboard.org</u>. You are also invited to receive our monthly electronic newsletter and other program communications. If that is of interest, please let us know via the email above.