



September 14th, 2026

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

RE: Impact of Section 338 Tariffs on U.S. Building Supply Industry

Dear Speaker Johnson, Leader Jeffries, Leader Thune, and Leader Schumer:

On behalf of the National Lumber and Building Material Dealers Association (NLBMDA), we write to express concern regarding the ongoing impact that recently implemented tariffs under Section 338 of the Tariff Act of 1930 are having on the supply and cost of essential building materials imported from Canada.

NLBMDA is a Washington, D.C.-based trade association that advances the federal legislative and regulatory interests of the lumber and building materials (LBM) industry. NLBMDA represents more than 700 independent and regional lumber and building material dealers, primarily small- and mid-sized businesses, that serve as critical suppliers to the nation's residential and commercial construction markets. LBM dealers supply builders, contractors and home renovators with the lumber, engineered wood products and other building materials needed to construct, maintain and renovate homes and businesses in communities across the country. Collectively, NLBMDA dealers are an integral part of the construction supply chain and support economic activity and employment in communities nationwide.

The Administration's recent action under Section 338 imposes a 50 percent duty on a wide range of Canadian imports, including certain plywood and laminated wood products, medium-density fiberboard (MDF), particleboard, wood doors and other building materials used throughout the U.S. construction supply chain.¹ As these duties also apply to covered products that would otherwise receive preferential treatment under the United States-Mexico-Canada Agreement (USMCA), they have introduced significant new cost and supply pressures for U.S. LBM dealers, builders, and their customers.

Since the Section 338 tariffs took effect, NLBMDA has heard directly from members facing significant challenges maintaining established supplies of a range of building materials sourced from Canadian

¹ U.S. Customs and Border Protection, "Guidance: Section 338 Additional Duties on Certain Goods of Canada," CSMS No. 69606660, Aug. 21, 2026; see also Presidential Proclamations 11046–11048, 91 Fed. Reg. 46639, 46653, 46663 (July 23, 2026).

manufacturers. These concerns reflect the highly integrated nature of the North American building materials supply chain and the difficulty of quickly replacing established suppliers. Laminated veneer lumber (LVL), an engineered wood product widely used in residential and commercial construction, is one example cited by members. For LVL and other affected products, shifting orders to domestic manufacturers is not always a practical or immediate alternative. LBM dealers often rely on long-standing supplier relationships shaped by geography, product specifications, distribution networks and available capacity, while U.S. producers may not have sufficient capacity to absorb additional demand without delays or other disruptions.

Even where domestic alternatives exist, sufficient capacity may not be immediately available to replace established Canadian supply. A sudden disruption therefore risks creating shortages rather than simply redirecting demand toward U.S. producers.

Uncertainty surrounding changes in tariff policy further compounds these challenges. LBM dealers, manufacturers, builders and their customers depend on the ability to forecast costs and secure products months in advance. Abrupt changes in tariff treatment can make it difficult for suppliers to provide long-term pricing, for dealers to manage inventories and for builders to accurately estimate project costs. Greater predictability and sufficient implementation lead time would allow businesses throughout the construction supply chain to adjust while limiting unnecessary market disruption.

NLBMDA respectfully encourages Congress to work with the Administration to consider targeted relief for essential building materials subject to Section 338 tariffs where domestic production is insufficient to meet U.S. demand. NLBMDA also supports greater stability and predictability in the U.S.-Canada trade relationship, particularly given the highly integrated nature of the North American building materials supply chain.

As policymakers continue efforts to address housing affordability and expand housing supply, serious consideration should be given to the impact of trade policy on the cost and availability of materials used in residential construction and renovation. Trade policy should provide businesses with greater certainty while avoiding unnecessary cost and supply pressures throughout the residential construction market. NLBMDA appreciates your consideration of these concerns and stands ready to provide additional information regarding the impact of Section 338 tariffs on lumber and building material dealers and their customers.

Sincerely,



Jonathan M. Paine, CAE
President & CEO
National Lumber and Building Material Dealers Association