



## National Lieutenant Governors Association

1     **Resolution Recognizing the Importance of Our Nation’s Home Building Industry**  
2     **and the Need for Fair Pricing of Building Materials**

3     **WHEREAS**, homeownership is the bedrock of the American Dream and the foundation on  
4     which strong communities, states and the nation are built, and

5     **WHEREAS**, housing generally accounts for about 15 to 18 percent of the nation’s economic output, and

6     **WHEREAS**, the construction of 100 typical new single-family homes creates more than 290 full-time  
7     jobs, and generates \$19 million in wages and salaries, and \$13 million in taxes and other government  
8     revenue, and

9     **WHEREAS**, construction of 100 average new rental apartments generates 125 jobs, \$8 million in wages  
10    and salaries, and \$5.6 million in taxes and other government revenue, and

11    **WHEREAS**, the increase in prices for softwood lumber products that occurred between April of 2020  
12    and July of 2021 was enough to increase the price of an average new single-family home nearly \$30,000,  
13    and the rent for an average new multifamily apartment by \$90 a month, and

14    **WHEREAS**, for every \$1,000 increase in the price of a home, 153,967 Americans are no longer able to  
15    afford a home, and

16    **WHEREAS**, tariffs on imports of Canadian softwood lumber imposed by the U.S. Department of  
17    Commerce are contributing to record high lumber prices, and

18    **WHEREAS**, during the week ending May 21, 2021, a key index for measuring the price of framing  
19    lumber hit its highest ever recorded level of \$1,514 per thousand board feet. This represents a 300%  
20    increase from the year prior, and

21    **WHEREAS**, other building materials are also experiencing higher prices and significant scarcity, such  
22    as Oriented Strand Board, for which prices are up more than 500% since April 2020, and

23    **WHEREAS**, timber harvests from the National Forest System averaged between 10 and 12 billion board  
24    feet for a 40-year period between the mid-1950s and then plunged precipitously to an average between  
25    1.5 billion and 3.3 billion board feet per year starting in the mid-1990s due to bureaucratic red tape and  
26    litigation, and

27    **WHEREAS**, increasingly significant forest fire seasons in recent years in the Pacific Northwest and  
28    British Columbia continue to present supply-side challenges for lumber production on both sides of the  
29    border, and



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30 **WHEREAS**, an increase in tariffs on lumber will increase jobs in the U.S. lumber production industry.  
31 However, for every job gained in the lumber industry, 9 jobs will be lost in the construction industry and  
32 U.S. economy as a whole, and

33 **WHEREAS**, the overall housing deficit has been growing over the past decade as home construction  
34 has not kept pace with demand, with the U.S. housing market now more than 1 million single-family  
35 homes short of what is needed to meet the country's demand.

36 **NOW, THEREFORE, BE IT RESOLVED** that the National Lieutenant Governors  
37 Association appreciates the role the home building industry plays in helping citizens achieve the  
38 American Dream and strengthening our country's economy.

39 **BE IT FURTHER RESOLVED** that the National Lieutenant Governors Association  
40 recommends that the Biden Administration return to negotiations with Canada and reach a new softwood  
41 lumber agreement.

42 **BE IT FURTHER RESOLVED** that the National Lieutenant Governors Association believes that in  
43 negotiating a new agreement with Canada, the Biden Administration should push for measures that take  
44 into account not only the impact of price fluctuations on the domestic lumber industry, but also on those  
45 secondary industries and consumers that rely on softwood lumber for their economic well-being.

ADOPTED, this day, the 27<sup>th</sup> of August, 2021.

Sponsors: Lt. Governor Garlin Gilchrist (D – Michigan), Lt. Governor Bethany Hall-Long (D – Delaware), Lt. Governor Mike Kehoe (R – Missouri), Lt. Governor Billy Nungesser (R – Louisiana), Lt. Governor Sheila Oliver (D – New Jersey), Lt. Governor Matt Pinnell (R – Oklahoma)