Thursday, June 11, 2026
Tariff Refund Edition
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THE LUMBER DAILY

MARKET PULSE | Lumber $612 | WTI $91 | Brent $92 | 10yr 4.53% | Dow -1.9%

TOP STORIES

Trade Court Presses Washington to Drop Its Tariff-Refund Appeal

At a U.S. Court of International Trade (CIT) hearing June 9, Senior Judge Richard Eaton urged government lawyers to withdraw the Justice Department's appeal of his order requiring refunds of roughly $166 billion in tariffs collected under the International Emergency Economic Powers Act (IEEPA), which the Supreme Court struck down in February. "My appeal to you is to withdraw your appeal," Eaton told the government, saying it wins nothing if the appeals court finds his order unlawful. U.S. Customs and Border Protection (CBP) has accepted close to $100 billion in potential and certified refund claims since opening its electronic refund portal in April, according to agency testimony, while an estimated $10 billion to $11.4 billion sits unpaid specifically because of the appeal filed June 2 at the Federal Circuit. Eaton stopped short of ordering faster processing but said the delay is creating a growing inequity between large importers working through customs brokers and small importers filing alone.

Signal Workers Strike CPKC's Canadian Network

About 300 members of the International Brotherhood of Electrical Workers (IBEW) walked off the job at Canadian Pacific Kansas City on June 7 after a 72-hour strike notice expired without a deal. The technicians install, maintain, test, and repair the signalling and communications systems that govern train movements across the railway's Canadian network from Vancouver to Montreal, one of the two main rail systems hauling Canadian lumber to U.S. and export markets. IBEW Systems Council No. 11 members voted 96 percent in favour of striking, citing wages, employee expenses, on-call obligations, and retention problems as signal technicians leave for better-paying jobs. CPKC says contingency plans are keeping trains moving across Canada, that its wage offer is consistent with agreements reached with other unions, and that the union should end the strike and accept binding arbitration.

Iran Declares Hormuz Closed to All Vessels; First Fibre-Sector Profit Warning Lands

Iran's Revolutionary Guard Corps (IRGC) declared the Strait of Hormuz closed to all oil tankers and commercial ships overnight June 10 and claimed strikes on two vessels attempting to transit, after U.S. forces hit seven coastal sites near Bandar Abbas, Qeshm Island, and Sirik. U.S. Central Command disputed the closure claim, saying commercial ships continue to move in and out of the strait. Recent port-tracking counts showed two daily transits against a pre-crisis baseline near 94 vessels, with crude shipping through the strait down about 95 percent and liquefied natural gas sailings down 99 percent since the waterway was first blocked February 28. Hours before the declaration, Helsinki-based Kemira, one of the world's largest suppliers of pulp and paper chemicals, cut its 2026 operative EBITDA guidance to 400-500 million euros from the 470-570 million euro range it reiterated in April, blaming war-driven raw material and logistics costs that price increases have only partly recovered. The company earned 524.6 million euros in 2025. Brent crude trades near $92 a barrel.

■ DEEP DIVE: THE TARIFF REFUND MAP

A $166 Billion Unwind, Processed by Spreadsheet

The Supreme Court ruled 6-3 on February 20 that the reciprocal tariffs imposed under IEEPA were unlawful, putting roughly $166 billion in collected duties in line for return to more than 330,000 importers of record. The CIT ordered CBP to build a mass refund mechanism, and in April the agency switched on the Consolidated Administration and Processing of Entries (CAPE) tool inside its existing electronic customs system. Importers upload claims in batches of up to 9,999 entry numbers; approved refunds pay out by automated clearing house (ACH) transfer within 60 to 90 days, consolidated by importer of record rather than entry by entry. Phase 1 covers about $127 billion. The $39 billion balance, including entries liquidated more than 80 days before launch, drawback-linked entries, and warehouse entries still under review, waits for later phases or separate litigation. By the June 9 hearing, CBP had accepted close to $100 billion in claims, and a second phase covering roughly $29 billion is expected to open in the third or fourth quarter of 2026.

What Wood Money Comes Back, and What Does Not

For wood importers the refund perimeter matters more than the headline number. Duties paid under the invalidated IEEPA reciprocal tariffs qualify. For engineered wood, that means non-Canadian oriented strand board (OSB) and cross-laminated timber (CLT) entries from October 14, 2025 through February 24, 2026, with European CLT the cleanest case: the U.S. imported 16,200 cubic meters of CLT in 2024, 29.2 percent of it from Austria. What stays in place is most of the wood tariff stack. The 10 percent global Section 232 lumber tariff in force since October 14, 2025, the 25 percent Section 232 derivative rate on kitchen cabinets and vanities, and the antidumping and countervailing duties on Canadian softwood were all untouched by the ruling because none of them rest on IEEPA. The 10 percent Section 122 surcharge that replaced IEEPA as the main tariff vehicle for non-USMCA (United States-Mexico-Canada Agreement) imports on February 24 also cannot be refunded through CAPE or any other mechanism. A buyer pricing imported panels against domestic supply is still carrying the full Section 232 and Section 122 load on solid softwood; only the IEEPA slice of landed cost from that four-month window comes back.

The Appeal That Froze Eleven Billion Dollars

The Justice Department appealed Eaton's order to the Federal Circuit on June 2, arguing federal courts lack the power to order universal refunds that reach importers who never sued, particularly for entries already finally liquidated, where more than 90 days have passed since liquidation. Between $10 billion and $11.4 billion in refunds is on hold while the question is litigated, and the dispute targets the third phase of the rollout rather than the claims already moving. The practical risks sit with smaller filers: claims filed outside the strict CAPE format, or for entries that miss the 80-day liquidation window, can fall out of the administrative process entirely and into the courts, and customs attorneys are warning that processing errors can become permanent loss of refund rights. The next fixed date on the calendar is July 24, when the Section 122 surcharge expires unless Congress extends it, which will determine whether the 10 percent general tariff pressure on non-USMCA wood imports rolls forward into the second half.

WHAT YOU MISSED YESTERDAY

Wednesday, June 10 — business, markets, and the broader economy.

- Equities sold off hard: the Dow fell 953.33 points (-1.9 percent) to 49,918.78, the S&P 500 lost 1.6 percent to 7,266.99, and the Nasdaq dropped 2.0 percent to 25,169.50, with eight of 11 S&P sectors lower and industrials, materials, and technology leading the declines.
- The selloff followed Wednesday morning's May consumer price index (CPI) print and renewed U.S.-Iran strikes; core CPI rose 0.2 percent for the month, below the 0.3 percent estimate, and 2.9 percent from a year ago.
- The 10-year Treasury yield closed at 4.53 percent, little changed, as the softer monthly core reading offset the hot 4.2 percent annual headline.
- WTI rose about 2 percent to near $91 and Brent to about $92 as U.S.-Iran strikes resumed; weekly government data showed U.S. crude inventories down 7.2 million barrels, a seventh straight weekly decline.
- May producer price index (PPI) data and weekly jobless claims land Thursday morning, and the Federal Reserve's June 17 decision arrives next week with updated economic projections.

INDUSTRY & COMPANY NEWS

- **House appropriators fund a quarter of the federal timber request.** The House Appropriations Committee approved $45 million for the Forest Service timber program for fiscal 2027, far below the $175 million the administration requested to support its executive order expanding national-forest logging, though $6 million above the current year. The committee passed the broader Interior-Environment bill 35-27 on June 3; subcommittee chair Mike Simpson of Idaho said the panel could not meet the request in full given competing priorities.
- **BC's forests minister presses export diversification on an Interior mill tour.** Ravi Parmar visited the Pacific Woodtech mill in Golden and Gorman Group's Downie Timber in Revelstoke June 9-10, telling local media the province must "structurally change" its sector away from supplying commodity dimension lumber to the U.S. Downie Timber employs 220, runs 200 logging-truck loads a week across cedar, hemlock, fir, spruce, and pine, and sends up to 60 percent of its production to the U.S., with spruce going to Japanese builders and clear lumber to the United Kingdom.
- **Fisher & Paykel's mass timber headquarters tops out in Auckland.** The appliance maker's NZ$220 million Penrose campus, one of New Zealand's largest CLT builds, is about a month from expected handover. The three-storey headquarters uses an engineered timber diagrid frame developed with a Rotorua-based mass timber fabricator and anchors a 22,779-square-meter masterplan carrying more than 11,000 square meters of timber floor area and 700 desks.
- **Queensland delivers a 25-year timber supply plan.** The state government released its Queensland Future Timber Plan, which targets 25,000 hectares of new plantation estate by 2050 to supply the wood for one million new homes by 2044. Softwood framing now goes into 80 percent of new Queensland houses, and the plan commits to issuing new sales permits in 2026 for state-owned native hardwood in forests outside the southeast corner.

■ TRADE & MARKETS SNAPSHOT

INDICATOR	VALUE	TREND
CME lumber (front month)	**~$612/MBF**	Eased from June 10 prints near $620; holds most of the spring supply rally
WTI crude	**~$91/bbl**	Up 2% Wednesday on renewed U.S.-Iran strikes; Brent near $92
10-year Treasury	**4.53%**	Little changed; soft monthly core offset the hot annual headline
S&P 500	**7,266.99**	Down 1.6% Wednesday; Dow off 953 points
U.S. crude inventories	**-7.2M bbl (week)**	Seventh straight weekly draw

■ THE BOTTOM LINE

Three things for your Thursday: First, the tariff refund is now the biggest cash event in the import trade, with close to $100 billion accepted for processing, and the appeal freezes only the last slice; importers holding IEEPA-era entries on the right products are better off filing early and cleanly than waiting out the litigation. Second, freight and input risk stacked up fast this week: a signals strike at one of Canada's two big railways, a declared full closure of Hormuz, and the first war-driven profit warning from a major fibre-chemicals supplier all landed inside 72 hours, and each feeds mill and delivery costs from a different direction. Third, the gap between stated and funded policy is widening on both sides of the border, with Washington endorsing a bigger federal harvest while approving a quarter of the money, and BC pressing mills toward export markets the province is still building.