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THE LUMBER DAILY

TOP STORIES

The Lumber Check-Off Gets Its Measuring Stick Fixed

The Agriculture Department published a final rule Tuesday settling how the softwood lumber assessment is measured, and adding a board seat for the US South. The rate stays at $0.41 per MBF for domestic manufacturers and importers alike. What changes is that the regulation now states that the assessment is calculated on nominal count. European mills measure lumber after planing, so a nominal two-by-four is reported at its actual inch and a half by three and a half inches, and importers reporting on that basis had been assessed on less volume than North American manufacturers reporting nominal. The rule prints the equivalence: $0.41 per MBF nominal is $0.62 per MBF measured net, a factor of 1.503. Customs data cited in the rule count 388 importers of softwood lumber from European countries between 2022 and 2024, of which 27 averaged above the 15 MMBF de minimis. The clarification will add more than $367,000 to the board's budget. The assessment table reaches mouldings under heading 4409.10 as well as sawn lumber under heading 4407. Industry seats go from 14 to 15, with the added seat assigned to the South on a three-year average of almost 22.1 billion board feet a year against more than 13.6 billion in the West. The domestic manufacturer split becomes six seats in the South, four in the West, and one across the Northeast and Lake States. The rule takes effect October 22. The agency received no comments on the March proposal.

Canada Puts a Tariff Loan Behind the Mackenzie Sawmill

Conifex Timber said Friday it has secured a repayable loan of up to C$30 million from the Government of Canada under the Large Enterprise Tariff Loan facility. The term is seven years at a market-based rate, secured by substantially all of the company's property, with portions of the facility ranking alongside or behind existing secured lenders. The company's existing lumber lender separately agreed to reimburse up to C$11 million for capital spending meant to improve operating performance and EBITDA at Mackenzie. Warrants go to the federal funding corporation on terms not yet set, and a second existing lender takes up to 1,584,000 additional warrants at C$0.50 expiring in January 2031, all subject to exchange approval. The company discussed restart planning but gave no date. The chief executive described the financing as an opportunity to focus on the initiatives necessary to reestablish normalized two-shift operations at the Mackenzie sawmill, and the president said it gives the company confidence to plan a restart. The finance ministry, announcing the loan the same day, put Conifex at 260 direct jobs in Mackenzie and said the facility itself has been loosened, with liquidity support stretched from 24 to 36 months of company need and the maximum term raised from 10 to 15 years.

A Hauler Loses the Contract That Was the Business

Excel Transportation, a third-generation Prince George trucking company founded in 1985, said it was not selected for Canfor's reduced hauling contract and expects to lose up to 90 percent of its Prince George workforce. The figure is the company's own estimate. It has worked almost exclusively for Canfor for the past five years. The volume left after the Northwood pulp mill wind-down was not enough to sustain three hauling contracts, and three companies bid for what remained. The company says it scored 99 percent on its most recent safety audit, completed two weeks before the decision, and that it is not shutting down permanently. Canfor announced the permanent closure of Northwood in July, saying roughly 300 employees in Prince George were directly affected and that the mill was expected to close late in the fourth quarter after an orderly wind-down.

WHAT YOU MISSED YESTERDAY

Monday, September 21 — business, markets, and the broader economy, with the latest scheduled releases where they are older.

- US equities closed higher. The S&P 500 finished at 7,764.70, up 114.20 points or 1.49 percent. The Nasdaq Composite closed at 27,122.09, up 599.55 or 2.26 percent. The Dow closed at 52,048.83, up 366.19 or 0.71 percent.
- Treasury par yields fell from three years out, while most shorter maturities rose one to four basis points. The two-year was unchanged at 4.76 percent, the 10-year fell five basis points to 4.96 percent and back below 5, and the 30-year fell five to 5.29 percent. The 20-year at 5.33 percent again printed above the 30-year.
- The September 21 diesel survey put the US on-highway average at $6.529 a gallon, up 24.4 cents on the week and 74.2 percent on the year. The West Coast average was $7.456 and California $8.246. Regular gasoline averaged $4.478, up 41.1 percent on the year. The week's move was concentrated in the Midwest, where diesel rose 43.0 cents.
- The Canadian dollar daily average was 1.4021 to the US dollar, from 1.4002 on Friday.
- Advanced Micro Devices gained 10 percent and briefly topped a $1 trillion market value. Intel rose 12.1 percent and Arm 17 percent, and the Philadelphia semiconductor index rose 4.3 percent.

INDUSTRY & COMPANY NEWS

- **Customs guidance issued September 11** added 122 tariff classifications to the Section 338 duty on Canadian goods, effective September 15, and none of them sit in chapter 44, the wood chapter. Thirty-six are in chapter 94, the largest single block: wooden kitchen furniture under 9403.40.40 and 9403.40.60, wooden office furniture under 9403.30.40, other wooden furniture under 9403.60.40, a run of wooden-frame seating lines under heading 9401, four mattress and bedding lines and six lighting lines. They fall under the heading carrying an additional 50 percent, on top of any other duty those goods already owe. Eleven of the 122 are paper. No chapter 44 line was added, but the wood lines already on the covered list are affected by a separate change in the same guidance: from September 15 the zero-rate offset that had reached wood products can be claimed only against one heading, and that heading covers none of them.
- **West Fraser Timber** entered into a $500 million three-year term loan maturing in September 2029, retiring a $300 million loan that had run to 2028. Its $1 billion syndicated facility is untouched and runs to May 2030. The company also declared a quarterly dividend of $0.32 a share in US dollars, payable October 19 to holders of record September 29.
- **A contract firefighting helicopter crashed** on the Dome Fire in Yosemite National Park on Sunday, killing both pilots, the only people aboard. The aircraft was working a water bucket with a helitack rappel crew, a wildland crew that descends from helicopters by rope into terrain it cannot otherwise reach, and went down southeast of Ostrander Lake. Federal aviation and transportation safety investigators are handling the inquiry. The fire started September 15 near Wawona and had roughly 580 people assigned as of Monday.
- **Huber Engineered Woods** named Joe Burgess president. He had held the job on an interim basis since May and was previously senior vice president of sales and marketing. The appointment was announced by the parent company's president and chief executive.

■ DEEP DIVE: STATE WOOD PREFERENCE LAWS

What New Hampshire Enacted in June

New Hampshire's Chapter 193 was signed June 19 and took effect August 18. It runs two sections, and the operative one inserts two new paragraphs after paragraph II of section 155-A:13 of the state's Revised Statutes Annotated, the building code chapter. The first says the material specification of any state-funded building in the state shall give preference to lumber harvested in the United States, unless design criteria necessitates utilizing imported sourcing. The second says construction drawings or design specifications using softwood framing lumber harvested in the United States shall reference United States-sourced spruce-pine-fir. That is the whole of it. There is no dollar threshold, no floor-area or occupancy limit and no rulemaking, and the enactment adds no separate penalty, no reporting duty and no origin-verification procedure of its own. The chapter names one species group and no grading agency, grade stamp, American Lumber Standard Committee reference or PS 20 reference. The preference in the first paragraph turns on harvest in the United States, which admits lumber from any state, not only New Hampshire. The fiscal note carries the state's own view of the cost: the public works division called the impact indeterminable, observing that framing lumber prices were falling on weak demand but that a demand recovery, combined with tariffs on Canadian lumber, would likely push domestic prices up.

Alaska Has Run One Since 1949

Alaska Statute 36.15.010 requires that on a project financed by state money in which wood is required, only timber, lumber and manufactured lumber products originating in the state from local forests shall be used wherever practicable. The statute's own history note carries it to a 1949 compilation of the territorial laws. Section 36.15.020 then requires that a clause containing the substance of that rule be inserted in all calls for bids and in all contracts awarded, which turns the preference into a contract term. Section 36.15.050, added in 1986 and amended effective January 2019, does the arithmetic. It defines agricultural products to include timber and lumber and products manufactured in the state from them, and applies a preference of not less than seven and not more than 15 percent to the price of products harvested in the state, for purchases by the state and by school districts receiving state money. It also supplies what the newer measures do not. A solicitation must carry written notice of the preference. If out-of-state product is bought, the purchasing officer shall certify in writing the reasons in-state product was not. A purchasing agency shall withhold payment from a non-compliant contractor, and the department disbursing money to a non-compliant school district shall withhold that money. An interested party may seek administrative or judicial review of an award made in violation of the section. Subsection (f) waives compliance where an exception is mandated for participation in a federal program. The statute cross-references a chapter of the state administrative code on Alaska product preference, and it bars a bidder from stacking this preference on top of the separate forest products preference in the procurement code.

The Washington Bill Without a Vote

House Bill 1726 in Washington reaches more kinds of public works than either enacted measure, and it has not moved. Nine bipartisan sponsors introduced it, led by Representative Waters. It would cover the state, school districts and municipalities contracting for construction, reconstruction, alteration, repair, improvement or maintenance of a public building or other public works project, on two conditions that must both hold: the project receives more than $500,000 of state funds in the state capital budget or through a financing contract, and the state funds over half the cost of the project. Municipality is defined broadly, taking in cities, counties, towns, port districts and other public agencies authorized to require public work. Where both conditions hold, the contract must require that lumber be procured from Washington, then Oregon, then the United States, in descending order of priority. The waiver drafting is the detailed part. The granter is the director of the Office of Financial Management for a state project, a superintendent for a school district, or the executive head of a municipality. The grounds are three: inconsistency with the public interest, lumber not available in the priority locations in sufficient or reasonably available quantities and of satisfactory quality, or a requirement that would raise the cost of milled wood products by 10 percent. Before a waiver takes effect the agency must post notice on its website, take at least 30 days of public comment, and publish a detailed justification addressing the comments. A federal-conflict clause makes any part inoperative to the extent it conflicts with a federal condition on federal funds to the state. The bill had a public hearing on February 13, 2025 and was carried over on January 12, 2026. No committee has voted on it in either session.

How a Bidder Proves Origin

None of the four instruments read here prescribes a documentary test for where a board was cut. They differ in where they put the duty. Alaska's carries the requirement into the calls for bids and into the contract itself, and puts a written-justification duty on the purchasing officer rather than on the bidder. New Hampshire's puts it on the material specification and the construction drawings. Washington's bill would put it on the contracting agency. Maryland's is an executive order rather than a statute, signed June 1, directing four agencies to promote in-state wood in publicly funded state construction, with in-state wood defined as wood grown and harvested in Maryland, and it sets that direction without a threshold, a percentage, a waiver procedure or a penalty scheme of its own. The federal backdrop has shifted under all of this. The competition rule in the federal grants guidance at 2 CFR 200.319 no longer bars state, local and tribal geographic preferences. The Office of Management and Budget removed that language in the April 2024 rewrite of the Uniform Guidance, and the section now permits written procedures that score bidders on commitments to US jobs, subject to open competition and the terms of the award. Program-specific bars in other federal statutes are a separate question. The constitutional question has been litigated on the Alaska statute itself. An attorney general opinion from April 1986, annotated under section 36.15.050, warned that home-state purchasing preferences are exposed where their downstream market effects are substantial. Six years later the Ninth Circuit upheld that same section against a dormant commerce clause challenge by an Alaska company distributing Washington-harvested milk, which had lost an Anchorage school contract to the seven percent preference, holding the state a market participant rather than a regulator and holding that federal money paying for the purchase did not change the answer. The Supreme Court decision that runs the other way came two years before the attorney general's opinion, in 1984, and struck down an Alaska condition on the sale of state timber requiring in-state processing before export. It was not a challenge to a state buying lumber for its own buildings.

■ TRADE, FUEL & RATES SNAPSHOT

INDICATOR	VALUE	TREND
Softwood lumber assessment	**$0.41 / MBF**	Rate unchanged; final rule sets it on nominal count, $0.62 net equivalent
Section 338 duty, Canadian wooden kitchen furniture	**50% additional**	Named classifications added to the covered list effective September 15
On-highway diesel, US average	**$6.529 / gal**	Up 24.4 cents on the week, 74.2% on the year
On-highway diesel, West Coast	**$7.456 / gal**	California $8.246; Midwest led the weekly move at +43.0 cents
10-year Treasury par yield	**4.96%**	Down 5 basis points, back below 5
Canadian dollars per US dollar	**1.4021**	Daily average, from 1.4002 Friday

■ THE BOTTOM LINE

The lumber check-off kept its rate Tuesday and fixed how the volume behind it is counted, which lands on the European importers who had been measuring after planing. The US South picks up a board seat on three-year volume. A seven-year federal tariff loan went to a British Columbia sawmill that has been down, and the operator described a restart as something it can now plan. Further down the same supply chain, a Prince George hauler lost the contract it had depended on for five years after a pulp mill wind-down shrank the volume. Canadian wooden kitchen furniture and wooden-frame seating joined the Section 338 list on September 15, and the same guidance closed the offset the wood lines already on that list had been using. New Hampshire's new preference states a rule without stating how anyone proves it, and neither do the three other state measures read alongside it.