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July 31, 2025

**SENT VIA EMAIL** 

The Honourable John Hogan Premier of Newfoundland and Labrador premier@gov.nl.ca

Premier Hogan,

# Re: Supporting Newfoundland and Labrador's Forestry Sector and Communities

I am writing to respectfully request action from the Newfoundland and Labrador government to support the province's forestry sector, forestry workers, and the numerous forestry-dependent rural communities across the province.

Unifor is Canada's largest private sector union, with more than 320,000 members across the country, working in every major sector of the Canadian economy. Unifor is also Canada's forestry union, with 24,000 members spread across 10 Canadian provinces.

Unifor's forestry sector members work in a variety of forestry, logging, and firefighting occupations as well as wood product, bioenergy and pulp and paper manufacturing facilities.

### The Poly-Crisis in Newfoundland and Labrador's Forestry Sector

Our members know first-hand that Newfoundland and Labrador's forestry sector continues to experience a perfect storm of repeated and intersecting crises, and a combination of economic, environmental, and global challenges continues to destabilize the broader sector.

The ongoing softwood lumber dispute and the threat of further tariffs have intensified a trade war that are causing disastrous repercussions across the forestry sector. On July 25, 2025, the U.S. Department of Commerce released its final determination for the Sixth Administrative Review (AR6) in the antidumping duty investigation of imports of certain softwood lumber products from Canada, raising the general antidumping duty to 20.56%. The final determination for countervailing duties under AR6 is expected on August 8, 2025, at which time the combined general softwood duties could be set at 34.94%.

Unifor has <u>called on the federal government</u> to negotiate a long-term agreement for softwood lumber exports to the United States that will avoid the rollercoaster of duties and threatened tariffs currently causing chaos in a sector that relies on long-term planning.

In March 2025, the White House announced a Section 232 investigation to determine the effects on national security of imports of timber, lumber and their derivative products. Depending on the findings of that investigation, we could see tariffs on these products starting in November. These potential tariffs would be *on top* of the already unacceptable 34.94% softwood duties, and would create an immediate financial crisis in the sector.

Every season, wildfires pose a serious threat to our forests, forestry operations, and communities that depend on forestry. Important conservation measures, including species and habitat protection efforts, continue to complicate long-term planning for the sector. Volatile prices are still making companies think twice about investments, and new EU regulations could negatively impact the ability of forest products to be sold in that market and around the world.

Given this range of diverse crises – and since there are both common, national-level challenges as well as regionally-specific ones – Unifor has been calling for a much more coordinated, strategic response developed by, and with the active participation of, all levels of government, forestry workers and their union, Indigenous communities, forestry employers and industry groups, forestry training and education institutions, and local communities.

#### An Expanded National Homebuilding Strategy

At the federal level Unifor has already proposed the creation of a National Homebuilding Strategy that better connects our forests and wood products with residential construction, with the goal of addressing Canada's housing crisis while supporting a sustainable, value-added forestry industry.

Our proposal would build off the federal government's *Canada's Housing Plan* but tie it further back up the supply chain to include the harvesting, milling, and fabrication of Canadian-sourced and manufactured wood and engineered wood products. The goal is to create more value-added economic activity here in Canada, including in Newfoundland and Labrador. Our proposal will provide good jobs for forestry workers, while also building a domestic market for innovative engineered wood products to be used in modular housing construction, which would ramp up housing supply and promote affordability.

### A Broader National Forestry Strategy

A broader national forestry strategy would engage all the major stakeholders identified above, to guide the creation and implementation of a powerful sector strategy to build a

sustainable future for Canada's forest industries, the well-paying union jobs that they support, and the forestry communities in which they operate.

As already noted, a comprehensive national forestry strategy must include regional flexibility, since issues like species and habitat conservation, wildfire risk and impact, fibre supply, access to overseas markets, energy costs, and the labour market can vary widely from province to province and region to region.

### **Supporting Forestry Workers and Employers**

All levels of government must work together to provide income supports to forestry workers who have been impacted by closures and curtailments driven by the softwood lumber dispute, the tariff threat, or other macro-economic shocks. In some cases, to "keep producers producing, and workers working," the federal and provincial governments must be prepared to provide liquidity supports to forestry employers who are facing short-term financial headwinds due to the ongoing poly-crisis in the sector.

## Much-Needed Investment at the Corner Brook Pulp and Paper Mill

As you know, on July 25, 2025, Kruger Inc. announced that it plans to invest up to \$700 million in its Corner Brook mill to modernize the facility. Unifor welcomes this much-needed investment by Kruger Inc., and we have long been pushing for forestry corporations to invest in facilities to adapt to changing markets, modernize older operations, and increase our capacity to deliver more made-in-Canada pulp and paper products. Unifor represents nearly 250 workers at Kruger Inc. in Corner Brook at Locals 64, 242, 96, 57N, 60N and Deer Lake Power Local 495.

#### Developing New Markets for Newfoundland and Labrador's Forest Products

Unifor's proposal for an enhanced National Homebuilding Strategy represents one effort to develop new domestic demand for forest products. But the provincial government must continue to support and expand other efforts to develop and improve domestic demand as well as new domestic and foreign (non-U.S.) markets.

### A Comprehensive and Coordinated Plan for the Future

Newfoundland and Labrador's forestry sector and forestry workers face an ongoing poly-crisis, and it is critical that governments and other stakeholders work together in coordination.

Provincial level supports, policies and other responses are a critical part of this coordinated response, but a patchwork or piecemeal approach won't work. All three levels of government must work with other stakeholders to develop a comprehensive and coordinated national-level plan that respects and addresses regionally specific issues.

I look forward to meeting with you soon to discuss these proposals in more detail. Newfoundland and Labrador's forestry sector, and especially its forestry workers and communities, cannot afford to wait much longer.

Sincerely,

Lana Payne National President Jennifer Murray Atlantic Regional Director

Jennifer Muray

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