



DECORATIVE
HARDWOODS
Association

DHA UPDATE FOR CHPVA SPRING 2024

KEITH CHRISTMAN—DHA PRESIDENT



OUTLINE



**DECORATIVE
HARDWOODS**
Association

- Imports and Trade Policy
- Promoting Decorative Hardwoods
- Advocacy
- Technical and Standards



HARDWOOD PLYWOOD TRADE CASE STATUS



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- **Orders**
 - AD & CVD orders instituted (Jan. '18)
- **Current Margins**
 - AD (0%-114.72%)
 - Individual respondents: 0%-14.95%
 - China-wide (most companies): 114.72%
 - CVD (22.98%-194.90%)
 - Individual respondents: 22.98%
 - Many Chinese companies: 194.90%
 - All others: 22.98%
 - With Section 301 duties, the vast majority of Chinese companies are paying at least 163% duties
 - Combined AD + CVD + 301 duties are at least 48% for all companies



HARDWOOD PLYWOOD TRADE CASE STATUS



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- **Reviews:**

- 2022 AD and CVD reviews: Preliminary determination due July 30
 - Review is focused on Vietnamese companies' eligibility to submit certifications
- 2023 AD and CVD reviews: Initial stages

- **Appeals:**

- Original Inv.: Appealed to the CAFC; briefing ongoing
- Circumvention (Vietnam Assembly): Commerce determination that plywood made with Chinese core materials and assembled in Vietnam is covered by the AD/CVD orders
 - 22 separate appeals consolidated; briefing will continue through 2025





U.S. Imports of Hardwood Plywood Goods (excluding hardwood flooring)

Imported Quantity (Square feet)

**DECORATIVE
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CORPORATION**

Item	Calendar Year			Year to Date - March		12 Month Period	Percent Share	YTD % Change
	2021	2022	2023	2023	2024			
Spain	115,858,432	92,456,960	640,559,104	3,912,704	64,514,048	701,160,448	25.96%	1548.84%
Indonesia	901,181,818	939,923,740	600,219,601	66,048,261	100,082,541	634,253,880	23.48%	51.53%
Vietnam	736,303,104	834,237,118	405,095,917	39,409,664	154,412,655	520,098,908	19.25%	291.81%
Canada	189,170,688	211,745,792	200,762,368	31,312,896	30,567,424	200,016,896	7.40%	-2.38%
Russia	567,058,432	376,743,936	184,814,592	20,410,368	11,042,816	175,447,040	6.49%	-45.90%
Ecuador	143,239,168	147,544,064	141,802,496	27,260,928	24,806,400	139,347,968	5.16%	-9.00%
Brazil	162,366,464	125,416,448	74,934,272	9,099,264	7,075,840	72,910,848	2.70%	-22.24%
Malaysia	150,688,768	186,672,128	49,107,968	4,337,664	16,237,568	61,007,872	2.26%	274.34%
Uruguay	42,644,480	48,371,712	35,382,272	5,125,120	1,405,952	31,663,104	1.17%	-72.57%
China	45,803,520	44,188,672	25,914,368	3,571,712	3,428,352	25,771,008	0.95%	-4.01%
Subtotal	3,054,314,874	3,007,300,570	2,358,592,957	210,488,581	413,573,596	2,561,677,972	94.83%	96.48%
All Others	186,911,830	213,276,704	129,935,113	16,375,561	26,134,214	139,693,766	5.17%	59.59%
Total	3,241,226,704	3,220,577,274	2,488,528,070	226,864,142	439,707,810	2,701,371,738		93.82%



MLWF TRADE CASE STATUS



- **Orders:**
 - AD & CVD orders instituted (Dec. '11)
 - Recent admin reviews – increased AD and CVD rates
- **Current Margins:**
 - AD (0% – 85.13%)
 - Most Chinese companies: 19.78%, 39.27%, or 85.13%
 - China-wide: 85.13%
 - CVD (1.50% – 30.85%)
 - Mandatory respondents: 5.39% or 30.85%
 - Most Chinese companies: 21.97%
 - With Section 301 duties, most Chinese companies paying duties of at least 67%

7 MLWF TRADE CASE STATUS

- **Reviews:**

- 2021-2022 AD review: Final results issued April 25
- 2021 CVD review: Final results issued May 7
- 2022-2023 AD and 2022 CVD reviews: Initial stages

- **Appeals:**

- 2016-2017, 2019-2020 AD reviews: Active Chinese respondent appeals
- 2017-2020 CVD reviews: Active Chinese respondent appeals

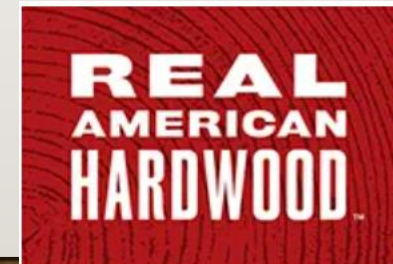
U.S. Imports of Multilayered Wood Flooring Goods

Imported Quantity (Square feet)

Item	Calendar Year			Year to Date - January - March		Month to Month - March		12 Month Period	Percent Share	YOY % Change
	2021	2022	2023	2023	2024	2023	2024			
Vietnam	163,985,228	209,198,064	159,151,542	37,983,251	42,000,027	7,278,796	13,788,317	163,168,318	28.18%	10.58%
Cambodia	161,467,918	154,870,351	117,570,397	26,230,329	31,680,454	7,647,777	10,766,461	123,020,522	21.25%	20.78%
China	173,654,766	138,154,391	72,034,173	18,474,533	16,477,800	2,948,146	4,898,275	70,037,441	12.10%	-10.81%
Malaysia	31,420,378	42,045,065	38,818,369	8,752,522	9,882,728	3,697,380	3,417,079	39,948,576	6.90%	12.91%
Canada	23,375,268	25,815,859	38,934,517	6,069,022	11,477,983	3,009,653	4,539,643	44,343,478	7.66%	89.12%
Thailand	32,279,371	47,399,974	35,305,253	7,988,323	9,611,091	2,811,946	3,482,412	36,928,021	6.38%	20.31%
Indonesia	28,531,576	37,511,280	22,191,585	5,642,908	5,627,743	1,597,781	2,039,074	22,176,420	3.83%	-0.27%
Italy	1,982,590	13,080,837	12,427,051	3,483,392	1,559,908	2,035,057	239,324	10,503,567	1.81%	-55.22%
Taiwan	9,800,916	8,798,050	9,689,887	3,161,367	2,313,288	728,064	769,024	8,841,807	1.53%	-26.83%
Brazil	8,820,366	16,827,471	8,251,318	3,160,597	1,193,418	732,053	463,269	6,284,139	1.09%	-62.24%
Subtotal	635,318,377	693,701,342	514,374,091	120,946,243	131,824,441	32,486,652	44,402,876	525,252,289	90.73%	8.99%
All Others	74,921,134	68,049,707	56,198,961	16,495,662	13,963,614	8,828,871	4,155,870	53,666,913	9.27%	-15.35%
Total	710,239,511	761,751,049	570,573,052	137,441,905	145,788,055	41,315,524	48,558,746	578,919,202		6.07%

OUTREACH AND MARKETING ACTIVITIES

- Truth in marketing—challenging misleading marketing by fake products
- Support Real American Hardwood Campaign
- Marketing our AIA, GBCI approved Continuing Education
- Enews to get our point of view out
- Where to Buy and Standards available for free
- *Surface and Panel Column*



DECORATIVE HARDWOODS ASSOCIATION (DHA)



DHA Two Prong Approach

- Prevent Misleading Marketing by Fake “Wood” Products
- Promote Our Products
 - Real American Hardwoods



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MAINTAINING THE INTEGRITY OF “WOOD” CLAIMS

- Revwood is laminate flooring—paper on High Density Fiberboard
- Express Claims
 - “Wood Without Compromise”
 - “Experience the beauty of wood without compromising performance”
 - “Authentic Imprint of Harwood [sic]”
 - “The Perfect Wood for Your Home”
 - “Mohawk RevWood is hardwood designed for durability and livability so you don’t have to compromise”



MAINTAINING THE INTEGRITY OF “WOOD” CLAIMS



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- DHA members raised concerns in 2021
- Discussed concerns with Mohawk
- Board approved challenge in mid 2022
- Filed National Advertising Division BBB Challenge in January 2023



[Home](#) > [Programs](#) > [All Programs](#) > [National Advertising Division](#)

National Advertising Division

The U.S. advertising industry founded the National Advertising Division (NAD) and the [National Advertising Review Board](#) in 1971 as a system of independent industry self-regulation to build consumer trust in advertising and support fair competition in the marketplace. NAD holds national advertising across all media types to high standards of truth and accuracy by reviewing truth-in-advertising challenges from businesses, trade associations, consumers, or on its own initiative. Through its work, thousands of misleading advertising claims have been removed from the marketplace and NAD's case decisions represent the single largest body of advertising law in the country.

[QUICK ACTIONS](#)



BBB NATIONAL ADVERTISING DIVISION (NAD) DECISION KEY FINDINGS



- “Wood Without Compromise”
 - NAD found that in the context of Mohawk’s advertising, consumers may take away the misleading message that RevWood is wood flooring from the slogan “Wood Without Compromise...For these reasons, NAD recommended that Mohawk discontinue using the slogan “Wood Without Compromise.”



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BBB NATIONAL ADVERTISING DIVISION DECISION KEY FINDINGS

- “The Perfect Wood for Your Home”
 - NAD determined that one message reasonably conveyed by Mohawk’s use of “The Perfect Wood for Your Home” claim in the challenged advertising is that RevWood is wood. Therefore, NAD recommended Mohawk discontinue the claim to avoid conveying the message that RevWood is wood.



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MOHAWK APPEALED

- Mohawk appealed NAD's decision regarding "Wood Without Compromise"
- National Advertising Review Board rejected the appeal and agreed with us
- Mohawk announced marketing refresh



National Advertising Review Board Recommends Mohawk Industries Discontinue “Wood Without Compromise” Slogan for RevWood Laminate Flooring



NEXT STEPS—ADDITIONAL USES OF “WOOD” AND SPECIES

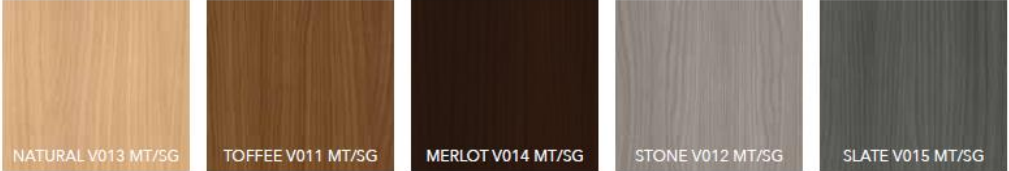


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THE NEW LEAF COLLECTION

All species and stains shown are available in both Matte (MT) and Semi-Gloss (SG) finishes.

BIRCH | QUARTER SAWN



BLACK WALNUT | PLAIN SAWN



CHERRY | PLAIN SAWN



MAHOGANY | QUARTER SAWN



**REAL
AMERICAN
HARDWOOD**

TM

Where does the money come from?

Allegheny Hardwood Utilization Group
American Walnut Manufacturers Association
Appalachian Hardwood Manufacturers, Inc.
Appalachian Lumbermen's Club
Decorative Hardwoods Association
Empire State Forest Products Association
Great Lakes Kiln Drying Association
Hardwood Distributors Association
Hardwood Manufacturers Association
Indiana Hardwood Lumbermen's Association
Kentucky Forest Industries Association
Keystone Wood Products Association
Lake States Lumber Association
Missouri Forest Products Association
National Hardwood Lumber Association
National Wood Flooring Association

New England Kiln Drying Association
North American Forest Foundation
North Carolina Forestry Association
Northern Tier Hardwood Association
Ohio Forestry Association
Ohio Valley Lumber Drying Association
Pacific Coast Wholesale Distributors Association
Penn-York Lumbermen's Club
Pennsylvania Forest Products Association
Pennsylvania Hardwoods Development Council
Southern Cypress Manufacturers Association
Southwestern Hardwood Manufacturers Club
West Virginia Forestry Association
Western Hardwood Association
Wood Components Manufacturers Association
Wood Products Manufacturers Association



**Association
contributions are
not enough!!
How to Support?**



★ Go to the website

www.RealAmericanHardwood.com/Industry

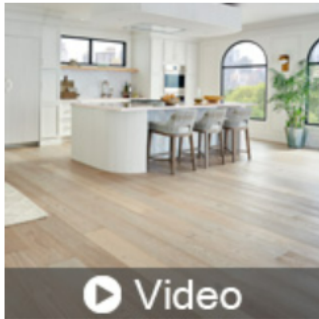
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Hardwood Plywood, Engineered Wood Floors and Hardwood Veneer: The Basics

The course covers includes sustainability considerations including forest sustainability and greenhouse gas emissions and sequestration.



- 1 AAA Structured Learning Hour
- 1 AIA HSW/LU CE Hour
- 1 AIBD CE Hour
- 1 BOMI CPD Hour
- 1 GBCI General Hour
- 1 OAA Structured Learning Hour
- 1 SAA Core Learning Hour

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FREE

Hardwood Plywood, Engineered Wood Floors and Hardwood Veneer: The Basics



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Natural. Crafted. Responsible.

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#1 SESSION THE BASICS

Common uses of decorative
hardwoods:

Cabinetry

Engineered wood floors

Furniture

Architectural panels





THE BASICS

Objectives:

- Hardwoods vs. Softwoods
- Hardwood Species
- Where Hardwoods Grow
- Annual Net Growth
- Certification Systems
- Legal Timber Lacey Act
- Who Owns Hardwoods
- Harvesting Methods
- Environmental Attributes
- Carbon Sequestration



THE SPECIFICS

Objectives:

- Utilization
- By-products
- Hardwood Plywood
- Components of HP
- Core Types
- Manufacturing Process
- Veneer
- Slicing Methods
- Manufacturing Process
- Introduction to Grades
- Matching Type & Arrangement
- Hardwood Plywood Uses

REDEVELOPING COURSE #2

- Existing Course #2 focus does not meet AIA Health, Safety, and Welfare
- Adding more climate information, sustainability and biophilia

OUTREACH AND MARKETING ACTIVITIES

- DHA Enews
 - ~6,000 subscribers
 - ~750 leaders and staff of DHA member companies
 - Members of Architectural Woodwork Institute and National Wood Flooring Association, Cabinet manufacturers, State foresters, Allied associations and nonprofits, Press and media
 - In the last nine months, more than 4,350 people opened Enews
 - Drives visitors to website, *Where to Buy* and Standards

OUTREACH AND MARKETING ACTIVITIES

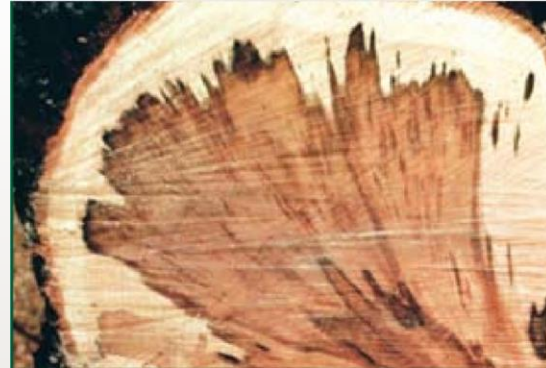
- Website statistics (May 2022-May 2023)
 - More than 44,000 sessions in the past 12 months
 - ***Where to Buy*** downloads: 5,000
 - 3,800 Free Resource downloads (standards etc)

GOAL 2: PUBLIC POLICY ADVOCACY FOCUSES ON:

- fair trade of our North American based industry's products,
- promotion of legal, sustainable, and safe products and worker safety,
- support for efficient and competitive manufacturing, adequate raw material supplies, carbon sequestration benefits of our products, and healthy forest management.

ADVOCACY--EUROPEAN MAPLE RESTRICTION

- Aug. 2023 Europe started enforcing regulation that hard maple origin be free of sap-streak disease
- Shutdown veneer exports to Europe
- DHA hosted discussion with USDA
- DHA provided technical information to USDA on veneer treatment-log and veneer heat treatment
- Allies in Europe advocated with the European Commission
- Commission agreed that veneer sheets were misregulated in late Sept.



ADVOCACY—NO TIMBER FROM TYRANTS

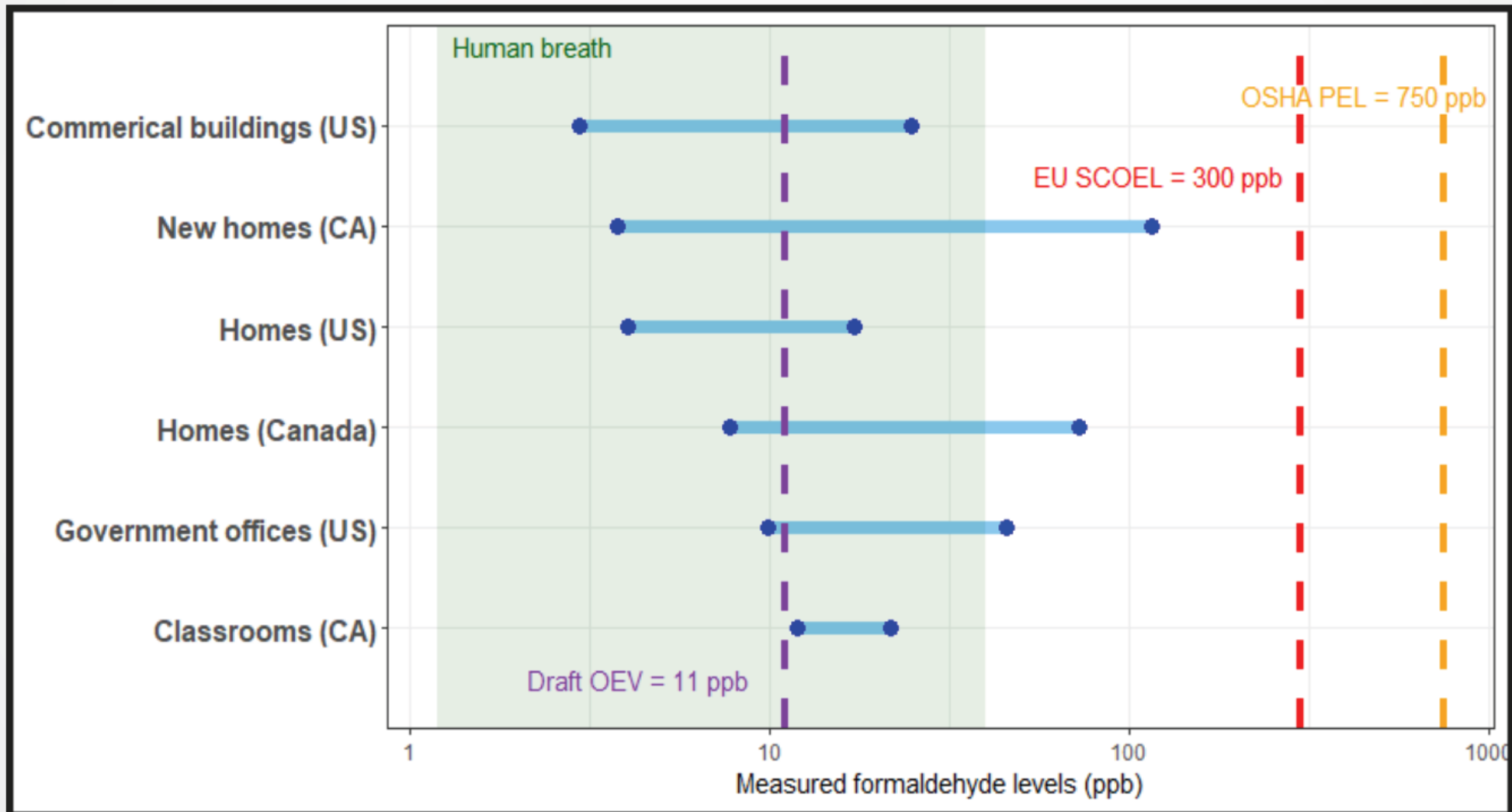
- No Timber from Tyrants Act—ban wood from Russia and Belarus
- Replace with increased domestic harvest
- Not moving--barrier is fiscal
- Administration has sanctioned some Oligarchs connected to Russian timber



ADVOCACY—FORMALDEHYDE

- Commented on EPA Risk Evaluation with Allies
- EPA preliminarily finds “that formaldehyde presents an unreasonable risk of injury to human health.”
- Supported conclusion that wood products do not contribute to unreasonable risk in homes, offices etc.
- Opposing occupational limits of 11 ppb

Workplace Limits Reality Check



ADVOCACY

- Farm bill
 - Working with Hardwood Federation and others
 - Support climate benefits of wood products and innovation grants
 - Hardwood Federation fly-in May 22-23

ADVOCACY—OTHER ACTIVITIES

- Opposed unreasonable EPA particulate restrictions
- Advocating delay in EU Deforestation Regulations
- Filed Comments on Climate Benefits of Wood Products
- Successfully supported funding for wood industry climate database
- Advocated listing decorative hardwoods as “Manufactured product” under Buy America
- Supported end of the death tax, continuation of TCJA provisions

DHA STANDARDS UPDATE



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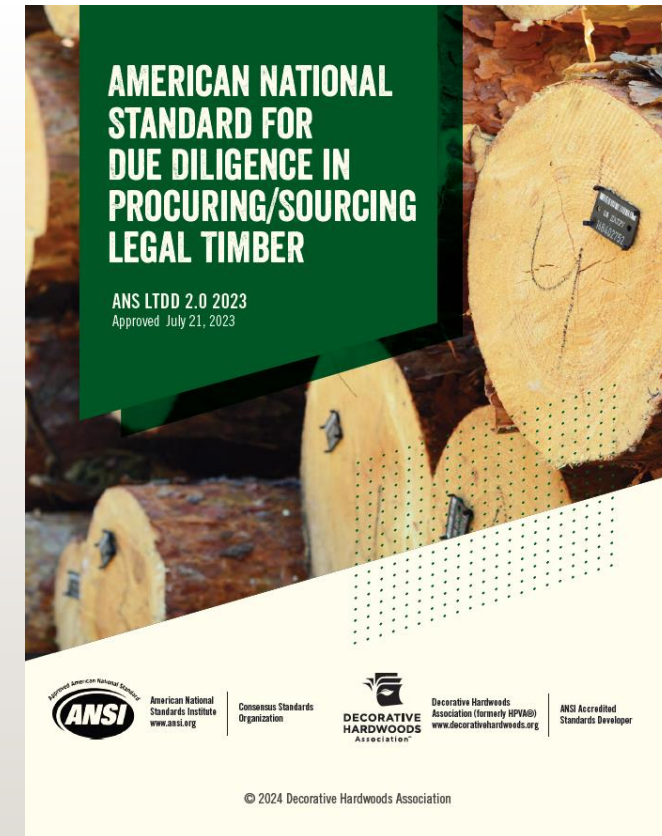
DHA STANDARDS UPDATE

Legal Timber Due Diligence (ANS LTDD 2.0 2023)

- Latest version published January 19, 2024
 - Clarified and added definitions
 - Added “misconduct awareness and reporting” section
 - Revamped Due Diligence Risk Evaluation figure for clarity
 - Revised Table I “Due Diligence Matrix” : “suggested” risk mitigation factors (not requirements)
 - Revised and added appendices. NEW:A.10 Legal Timber Verification Technologies
- “Redline” version available



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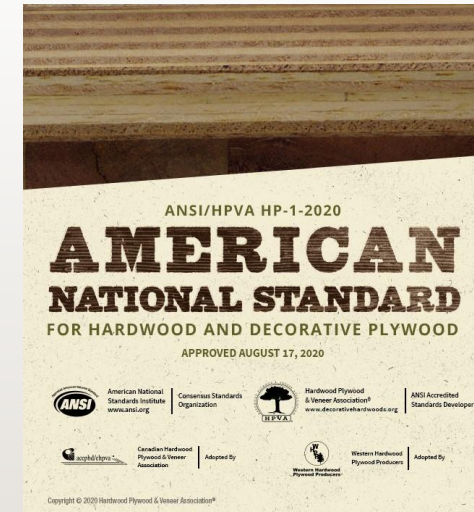
DHA STANDARDS UPDATE (CONT'D)



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Hardwood Plywood (HP-1)

- Underwent full revision in 2023-2024
- 1st Ballot Closed on May 11th, 2024; will require 2nd ballot
- Revision highlights:
 - Several revisions to grading tables
 - Red and White Oak
 - Increased allowed number of inconspicuous burls and pin knots for A and B grade
 - increased/clarified mineral streak allowance in A and B grade Red and White Oak
 - Pecan and Hickory
 - Removed D grade, changed E grade to “I (Back)”
 - Western Red Alder
 - Increased allowed number of repaired knot holes from 10 to 16
 - Softwoods
 - Revised Douglas-fir and Redwood A grade specifications
 - Back Grades
 - Increased number of allowable knotholes in “I Back” veneers from 0 to 6 (max 3.2mm diameter repaired)
 - New section: Reconstituted Veneer
 - Replaced Figure 2 with amended Appendix D (product constructions); added OSB core HWPW-CC
 - Much more; “Redline” version available



DHA STANDARDS UPDATE (CONT'D)

Engineered Wood Flooring (EF)

- Last revised in 2020
- Next revision due in 2025
- Include additional aesthetic/performance specifications (slip resistance, wear resistance, etc.) and substrate performance requirements (hardness, indentation resistance, dimensional stability, etc.)
 - Arrange call with EF members to discuss prior to establishing writing group



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QUESTIONS & COMMENTS

