



601 Thirteenth Street NW, Suite 1000 N
Washington, D.C. 20005
(202) 463-2705

December 11, 2024

Dear President-Elect Trump:

On behalf of the 1.8 million mostly rural jobs directly and indirectly supported by the U.S. hardwood industry, we, the members of the Hardwood Federation, write to congratulate you on becoming the 47th President of the United States. We look forward to working with you and your Administration to enact federal policy that supports this uniquely American, rurally based business sector which contributes significantly to the U.S. economy.

The U.S. hardwood sector is a fully integrated industry from logging to the manufacture of finished consumer goods including flooring, cabinets, furniture and moldings. The tissue and paper supplies made of residual chips and dust from our mills and the industrial mats, shipping pallets and railway ties made from hardwood lumber are crucial to the significant economic recovery we face following years of decreasing domestic demand resulting from a declining Chinese market, competition from alternative products masquerading as U.S. hardwood products, inflation and high interest rates that suppress the demand for housing.

The U.S. hardwood industry, along with the rest of the wood products sector, is proud of our contributions to sustaining rural economies and jobs as well as our environmentally friendly business model. Our raw materials come from managed forestlands including those owned by the federal government, states, companies and families. These working forests provide needed income for private landowners, provide vital employment opportunities for the rural workforce and contribute to the local tax base and national economy. When there is a steady demand for fiber and the resulting wood products, hardwood operations ensure that forests continue to provide landowner income, local jobs for loggers, truck drivers and the men and women who work in mills and lumber yards, and healthy forests that provide a multitude of recreational and hunting opportunities.

The U.S. hardwood industry appreciates your focus on strengthening the U.S. economy through increased manufacturing capacity, the tax code, strong job growth and lowering inflation. We look forward to working with you, your Administration, and Congress on issues such as enacting tax policies that support small and medium sized businesses, regulatory reform, and instilling forest management systems that support, not hinder industry supply chains.

However, the industry is also extremely concerned about the impact a resurgence of a trade war through the wide imposition of tariffs on products imported to the U.S. will have on the U.S. hardwood industry. We are in danger of losing critical mass in primary wood processing should our global markets, including China, Mexico, Canada, and the European Union, impose counter tariffs or other retaliatory actions on imports of U.S. hardwood.

The U.S. hardwood industry was devastated by the trade war with China between 2018 and 2020. Prior to the dispute, China purchased 50% of U.S. hardwood grade lumber exports – approximately \$2 billion worth of product. In response to tariffs being placed on Chinese goods by the first Trump Administration in September 2018, China imposed retaliatory tariffs of up to 25% on American hardwood products exported to China. The immediate impact of these tariffs was **over \$1.045 billion** in lost lumber sales to China during the trade war years and a lasting trade reduction valued at **over \$730 million every year** even after tariffs were removed.

Since tariffs were removed in 2020, the Chinese market for US hardwoods has remained at about half 2017 levels with decreased market share, demonstrating the lasting damage of trade disruption. Mills have shuttered, jobs have been lost and domestic production of hardwood lumber has declined by 50%. The U.S. hardwood industry cannot survive another trade battle. Should tariffs be imposed more broadly on U.S. trading partners and incur the same response from multiple governments, the U.S. hardwood industry would cease to exist as we know it unless relief is provided through subsidies or direct financial assistance.

Thank you for your attention and consideration. The U.S. hardwood industry, through our federal offices at the Hardwood Federation, stand ready and willing to work with you and your team to identify and develop programs and funding for the industry should a trade dispute once again disrupt our sector. Please feel free to contact any member of the Board or Hardwood Federation Executive Director Dana Lee Cole at (202) 463-2705.

Sincerely,

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