

Date: March 10, 2025

The Decorative Hardwoods Association (DHA)¹ appreciates the opportunity to provide public comment on the United States Trade Representative's (USTR) request for comments regarding unfair trade practices that are present throughout the world and are detrimental to United States wood product manufacturers. Unfortunately, DHA members have been the victims of unfair trade practices engaged in by countries throughout the world but particularly in Asia. These practices are ripe for review by USTR, the Department of Commerce, and President Trump's American Manufacturing and Trade team.

DHA members, particularly hardwood plywood manufacturers and engineered wood floor manufacturers, have in recent years successfully pursued antidumping and countervailing duty trade cases against Chinese manufacturers. While helpful, these cases are time-consuming and expensive and do not solve the problem. Too often, Chinese companies are quick to transship through other Asian countries like Vietnam, Indonesia, or Malaysia. Our Coalition for Fair Trade in Hardwood Plywood successfully pursued a circumvention case against Vietnamese shipments of hardwood plywood made with Chinese inputs with a ruling in 2023. This slowed high levels of imports from Vietnam for a bit over a year but imports are again surging, rising 52% in 2024 to nearly 615 million square feet. For comparison, U.S. manufacturers have reduced production to only 676 million square feet in 2023 after years of competing with unfair imports from Asia. U.S. capacity utilization has been reduced to around 50%, and many good jobs in rural communities have been lost when mills have been closed. U.S. trade laws have not been able to keep up, and should be updated to better reflect the reality of the import competition faced by domestic manufacturers. To help solve this problem, we would encourage support for the Leveling the Playing Field 2.0 Act.

A fundamental problem we see is that U.S. manufacturers of hardwood plywood, hardwood veneer, and engineered wood floors are forced to compete against imports with prices below the cost of production. This wood raw material represents a major portion of total cost in the U.S. Yet imports are often sold at prices that are at or below U.S. manufacturer raw material cost as result of using unsustainably and illegally harvested wood. Wood from Russia is an excellent example of the problem.

In 2024, the United States imported over \$62 million of birch plywood from Russia. However, these direct imports from Russia pale in comparison to the nearly \$200 million of birch plywood imported from Vietnam and the nearly \$160 million imported from Indonesia. Birch does not grow in Vietnam or Indonesia. These imports come in at low or no tariff rates despite-the-fact that they are made with Russian-origin birch. Russia is the source for nearly all the birch used in

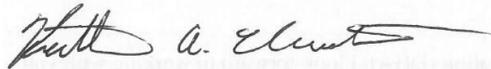
¹ The Decorative Hardwoods Association represents over 75 North American manufactures of hardwood plywood, hardwood veneer, engineered wood floors and their suppliers and distributors.

manufacturing birch plywood from China, Vietnam and Indonesia. For example, over 90% of hardwood plywood imported from Vietnam is birch. Vietnam both directly imports logs from Russia and imports birch veneers from China produced from Russian logs. These Russian logs are harvested from state owned forests in unsustainable methods and at dumped prices.² All plywood made with Russian-origin wood and wood inputs, whether imported directly from Russia or from a third country after further processing, harms U.S. manufacturers and supports the Russian war effort. Accordingly, DHA recommends that the administration consider banning Russian wood products and products from third countries made with Russian wood.

In addition to banning all wood products made from Russian wood, USTR should consider increasing the tariff on wood products made with birch that often comes in at no tariff. For example, birch plywood imports from any country to the U.S. are not subject to normal 8% duty applied to other wood species. This results in a loophole where, for example, an importer will claim a product is birch plywood when it has a birch back and a white oak face and it comes in duty free. Then it will be sold in the final market as much higher value white oak plywood that would normally face an 8% duty. This duty free tariff on birch further encourages the use of Russian fiber in products coming into the U.S. through third countries.

Thank you again for your strong support of U.S. manufacturing. The DHA looks forward to working with the Trump Administration on growing U.S. manufacturing of decorative hardwood products

Sincerely,



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² <https://www.earthsight.org.uk/news/US-sanctions-Russian-timber>