



Decorative Hardwoods Association®

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March 31, 2025

To: Stephen Astle, Director, Defense Industrial Base Division
Office of Strategic Industries and Economic Security
U.S. Department of Commerce
Bureau of Industry and Security

RE: U.S. Department Of Commerce Investigation To Determine The Effects On The National Security Of Imports Of Wood Products: Timber, Lumber, And Their Derivative Products.

Docket Number 250310-0030; X-RIN 0694-XC117

Dear Director Astle:

The Decorative Hardwoods Association (DHA)¹ appreciates the opportunity to provide public comment on the U.S. Department of Commerce Investigation To Determine The Effects On The National Security Of Imports Of Wood Products: Timber, Lumber, And Their Derivative Products. DHA represents North American manufacturers of hardwood plywood, hardwood veneer and engineered wood flooring. Unfortunately, DHA members have been the victims of unfair trade practices engaged in by countries throughout the world but particularly in Asia. We do believe these trade practices are a threat to U.S. national security and the health of our economy. These practices are ripe for review by the Department of Commerce. DHA strongly supports trade policies to reduce imports of hardwood plywood, hardwood veneer, engineered hardwood flooring and finished hardwood products including cabinets and furniture particularly from Asia. Below we specifically address different portions of the Department of Commerce's request in the bolded sections below.

(ii) the extent to which domestic production of timber and lumber can meet domestic demand;

The U.S. is well positioned to meet domestic and international demand for hardwood products. The U.S. hardwood forest is the largest source of temperate hardwoods and one of the most species-rich forests in the world according to the U.S. Forest Service Forest Inventory & Analysis Service (FIA). Between 1953 and 2017 the volume of U.S. hardwood growing stock increased from 5.2 billion m³ to 12.0 billion m³, a gain of over 130% (FIA) and volume continues to increase.

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

The rapid expansion of U.S. hardwood forest owes much to the fact that it is predominantly owned by a large number of private individuals and families whose primary motivation is usually not timber production or economics. According to the latest FIA data, 89% of hardwood sawlog harvest in the U.S. is on privately owned lands, 9% on state and local government lands, and only 2% from Federal lands. In the Eastern States, which account for 98% of all U.S. hardwood harvests, there are 9.75 million forest owners, each with an average of 15 hectares. Only 5% of private forest area is owned by corporations and the average size of corporate holdings is only 133 hectares.

(iv) the impact of foreign government subsidies and predatory trade practices on United States timber, lumber, and derivative product industry competitiveness;

Subsidies and unfair trade practices particularly from China and other Asian countries has been a major problem in recent years. DHA members, particularly hardwood plywood manufacturers and engineered wood floor manufacturers, have 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. These trade practices have resulted in large U.S. trade deficits in finished hardwood products for example wood furniture and cabinets with a deficit of nearly \$12 billion and plywood and flooring over \$2.6 billion in 2024.

A fundamental problem we see is that U.S. manufacturers of hardwood plywood, hardwood veneer, engineered wood floors, cabinets and furniture are forced to compete against imports with prices below the cost of production because of below cost wood harvest in other countries. 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. Wood from Russia represents a threat to U.S. national security.

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 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.

(v) the feasibility of increasing domestic timber and lumber capacity to reduce imports;

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Furthermore, the U.S. hardwood industry has a great ability to increase domestic production. After years of high imports many in our industry are operating significantly below capacity. For example, the U.S. hardwood plywood operating rate is currently around 50%. Additional shifts could be added providing more jobs in rural communities.

(vi) the impact of current trade policies on domestic timber, lumber, and derivative product production, and whether additional measures, including tariffs or quotas, are necessary to protect national security

Current U.S. trade laws have not been able to keep up with the flood of imports of hardwood products discussed above. U.S. trade laws 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.

In addition, DHA recommends that the U.S. ban Russian wood products and products from third countries made with Russian wood. Artificially low-priced Russian timber results in subsidized hardwood plywood, cabinetry and furniture from most of Asia and should be banned or otherwise restricted. In addition to banning all wood products made from Russian wood, the U.S. 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

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

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 for this opportunity to comment on Investigation To Determine The Effects On The National Security Of Imports Of Wood Products: Timber, Lumber, And Their Derivative Products. The DHA looks forward to working with the Administration on growing U.S. manufacturing of decorative hardwood products.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith A. Christman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Keith A. Christman
President
Decorative Hardwoods Association

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