

United States Senate

WASHINGTON, DC 20510

August 11, 2020

The Honorable Wilbur Ross
Secretary
United States Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

Dear Secretary Ross:

Thank you for your work to maintain a fair and competitive marketplace for American businesses. In 2017, the Department of Commerce and the International Trade Commission concluded that Chinese hardwood plywood importers were guilty of subsidizing and dumping goods, and have worked to restore competition between foreign and domestic manufacturers. Despite that determination, Chinese producers have continued to maintain an unfair advantage by evading trade remedies.

We write today to express our strong support for the American hardwood plywood industry and encourage the Department's continued attention to recent actions undertaken by Chinese producers to upset the level playing field for our domestic producers. Chinese companies in the wood products sector – including hardwood plywood manufacturers – are the world's largest consumers of illegally sourced wood material. It has been proven, as recently as 2017 that Chinese producers benefit from subsidies and from illegal logging, costing American jobs.

We understand that Chinese hardwood plywood producers have recently requested the ability to use their own log volume calculations as the starting point for calculating costs associated with existing tariffs. Shifting away from the current volume calculation of total veneer produced would have devastating impacts on the antidumping duties that were imposed years ago and remain in place today. Similarly, an effort to incorrectly measure the cost of production will directly harm other wood products, including flooring.

Further, a review of industry and import data have found that Chinese companies are developing new products using species of woods that were not specifically defined in the previous order, and utilizing transshipment of hardwood plywood components for assembly in other nations, such as Vietnam, in a clear effort to evade the duties. We are supportive of the Department's recent finding of transshipment through Cambodia by Chinese producers.

Just recently, the Department opened an investigation into the transshipment of plywood components for assembly in other nations, such as Vietnam, in a clear effort to evade duties. It is critical that we uphold and actively enforce our trade law to prevent this from occurring and protect vital American jobs. This evasion is not limited to one foreign nation, and we encourage the Department to seek out additional attempts to transship hardwood plywood products.

In many areas of the country, the local mills and the jobs they provide serve as the lifeblood of the community. When these facilities close due to unfair trade practices, the workers and the communities in which they reside are devastated. It is critical that we uphold and actively enforce our trade law to prevent this from occurring and protect vital American jobs.

We commend the Department of Commerce for your efforts to investigate and make affirmative determinations on illegal trade practices, and we encourage you to identify and take action to ensure that we can preserve the domestic plywood industry.

Sincerely,



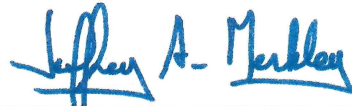
Shelley Moore Capito
United States Senator



Joe Manchin III
United States Senator



Susan M. Collins
United States Senator



Jeffrey A. Merkley
United States Senator