

PRESS RELEASE

Coalition for Fair Trade of Hardwood Plywood Files Petition to Combat Illegal Chinese Dumping and Subsidies

CHINA'S UNFAIR TRADE PRACTICES THREATEN THE U.S. HARDWOOD PLYWOOD INDUSTRY AND THOUSANDS OF AMERICAN JOBS

November 21, 2016

Washington, DC—On Friday, November 18, the Coalition for Fair Trade of Hardwood Plywood (CFTHP) formally filed a petition with the U.S. Department of Commerce and the U.S. International Trade Commission, asserting that imports of hardwood plywood products from China are being sold into the United States at “dumped prices” below cost to gain an unfair competitive advantage. In violation of international trade rules, Chinese producers of hardwood plywood receive illegal government subsidies, such as tax breaks and discounted land and raw materials. All these illegal actions cause material injury to the U.S. hardwood plywood industry.

The petition was covered by *Bloomberg News*, *Financial Times*, *Politico*, and *Law360*.

Illegal Chinese subsidies have enabled China to dump products into the U.S. market at prices that are well below fair market value. These tactics have enabled China to capture an ever-growing share of the U.S. hardwood plywood market.

The import data clearly demonstrates that Chinese hardwood plywood imports have increased significantly from 2013 to 2015, and that Chinese imports have taken market share directly from the U.S. hardwood plywood industry. China’s actions present a fundamental obstacle to U.S. manufacturers of hardwood plywood products, and if these unfair trade practices are not remedied, thousands of hard-

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working Americans will lose their jobs.

“The U.S. hardwood plywood industry and its workers have suffered for years due to dumped and subsidized imports from China,” said Timothy C. Brightbill, counsel to the petitioners and partner in the International Trade Practice at Wiley Rein LLP. “We urge the Commerce Department and the International Trade Commission to thoroughly investigate these unfair trade practices and to apply the trade remedy laws to dumped and subsidized Chinese products.”

The CFTHP advocates that it is time for the Administration to stand with American workers and confront China’s unfair trade practices, pointing out that U.S. manufacturing will continue to suffer so long as China remains unaccountable for its actions. China’s tactics not only threaten the hardwood plywood industry, but also thousands of indirect jobs in various sectors of the U.S. whose competitive viability is tied to the strength of domestic hardwood plywood producers.

“We cannot allow critical U.S. manufacturing industries—and the communities they support—to be damaged because of China’s illegal trade practices,” said Kip Howlett, president of the Hardwood Plywood & Veneer Association. “Now is the time for the U.S. government to take decisive action and stand up for thousands of American workers who are employed in the hardwood plywood industry.”

The U.S. hardwood plywood industry has strong evidence of dumping, subsidies, and material injury caused by Chinese imports. New data demonstrates that Chinese hardwood plywood imports have increased significantly from 2013 to 2015, and these dumped and subsidized Chinese imports have taken market share from the U.S. industry—resulting in the loss of thousands of American jobs. China is not playing by the rules, and documentary evidence lays out the case for why the Commerce Department and the International Trade Commission should apply the trade remedy laws to dumped and subsidized Chinese products.

The Coalition for Fair Trade of Hardwood Plywood is committed to standing up for American workers and supporting U.S. manufacturers. The Administration must take steps to preserve the U.S. production of hardwood plywood by combating the rising tide of unfairly traded imports into the U.S. from China. For more information on the petition, visit: <https://hardwoodplywoodfairtrade.com/>.