

Trump Announces Section 232 Investigation on Wood Products and Other Actions to Promote Domestic Timber Production

March 3, 2025

On March 1, 2025, President Trump issued a pair of Executive Orders aimed at promoting domestic production of wood products. First, he announced the initiation of an investigation under Section 232 of the Trade Expansion Act to determine the impact of wood product imports on national security. Second, he instructed various agencies to conduct a review of federal policies that are believed to have prevented the full utilization of domestic timber resources. As a result of these announcements, multiple agencies will undertake investigations and other actions that could significantly impact a number of rules, regulations, and policies affecting the wood products industry. Many of these processes will likely allow for public comment and/or other public participation over the next year, providing industry participants with an important opportunity to help shape any potential changes.

Pursuant to the Executive Order on "Addressing The Threat To National Security from Imports of Timber, Lumber," the Secretary of Commerce will initiate a Section 232 investigation, which will examine the effects on the national security of imports of timber, lumber, and their derivative products, such as plywood, flooring, furniture, cabinets, and wood moldings. The Executive Order recognizes the critical role that the wood products industry plays in national security, economic strength, and industrial resilience, as well as its impact on downstream industries. The order further highlights that the military spends over \$10 billion on construction and invests in innovating building material technology, making the procurement of building materials critical to both civilian and military needs.

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Practice Areas

International Trade
National Security
Trade Policy and Trade Negotiations

The Section 232 investigation requires Commerce, in consultation with the Secretary of Defense and others, to evaluate the national security risks stemming from the import of timber, lumber, and their derivative products. As part of its investigation, Commerce will consider, among other things:

- The current and projected demand for timber and lumber in the United States;
- The extent to which domestic production of timber and lumber can meet domestic demand;
- The role of foreign supply chains in meeting U.S. timber and lumber demand;
- The impact of foreign government subsidies and predatory trade practices on U.S. wood products industry competitiveness;
- The feasibility of increasing domestic timber and lumber capacity to reduce imports; and
- The impact of current trade policies on domestic wood products production and whether additional measures are necessary to protect national security.

The Secretary of Commerce is required to submit a report to the President no later than November 26, 2025, that (1) identifies whether imports of lumber, timber, and their derivative products threaten national security; (2) recommends actions to mitigate such threats, including tariffs, export controls, or incentives to increase domestic production; and (3) provides policy recommendations for strengthening the U.S. timber and lumber supply chain.

The Executive Order on the “Immediate Expansion of American Timber Production” likewise recognizes the critical impact of the wood products industry on the U.S. economy, as well as the role the industry plays in forest management and wildlife risk reduction. The order underscores a concern that federal policies have prevented full utilization of domestic timber resources and created a reliance on imports. As a result, the order directs relevant agencies to eliminate undue delays in permitting processes related to timber production and take steps to eliminate or revise agency actions that impose an undue burden on timber production. The order also identifies specific actions to review, revise, and/or eliminate policies, regulations, and other agency actions, including:

- By March 31, 2025, the Secretaries of the Interior and Agriculture must issue “new or updated guidance regarding tools to facilitate increased timber production and sound forest management, reduce time to deliver timber, and decrease timber supply uncertainty.”
- By April 30, 2025, the Secretaries of the Interior and Commerce must complete a strategy to improve the speed of approving forestry projects that undergo consultation pursuant to the Endangered Species Act (ESA).
- By May 30, 2025, the Secretaries of the Interior and Agriculture must submit to the President a plan identifying a target for the annual amount of timber per year to be offered for sale over the next four years from federal lands.
- By August 28, 2025, the Secretaries of the Interior and Agriculture must consider and, if appropriate, adopt categorical exclusions to comply with the National Environmental Policy Act and reduce the

length and associated costs related to administrative approvals for timber production, forest management, and wildfire risk reduction treatments.

- By December 6, 2025, the Secretary of the Interior must consider and, if appropriate, establish a new categorical exclusion for timber thinning and reestablish a categorical exclusion for timber salvage activities.
- The Endangered Species Committee must, “to the maximum extent permissible under applicable law,” use the ESA regulations on consultations in emergencies to facilitate timber production and submit a report to the President that identifies obstacles to domestic timber production infrastructure resulting from the ESA and recommends improvements.

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