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March 30th, 2025

Via Electronic Filing

The Honorable Howard William Lutnick,

Secretary of Commerce

U.S. Department of Commerce

ATTN: Bureau of Industry and Security

1401 Constitution Ave NW

Washington, DC 20230

Re: X-RIN 0694-XC117

Subject: Public Comments on Section 232 National Security Investigation of Imports of Timber and Lumber.

Dear Excellency Secretary Howard William Lutnick,

Forest Products Association of Binh Dinh ("FPA Binh Dinh") was established in 1999 in Binh Dinh Province in Vietnam's Central Region. Binh Dinh is now one of the four largest wood processing clusters in the country. Currently, FPA Binh Dinh has more 150 members who operate in wood processing area, with outdoor and indoor furniture are our major products. Most of our products are for export. The United State is our most important market. Our long-term buyers include Ashley Furniture, Masterbrand Cabinets, Forest Products Distributors, Focus Furniture International, Gigacloud, etc,

I would like to present the views of FPA Binh Dinh for the Public Comments on Section 232 National Security Investigation of Imports of Timber and Lumber.

If I get your approval, I will outline and provide some relevant information below:

1. The first factor, the current and projected demand for timber and lumber in the United States

We know that the United States is the world's largest economy with a Gross Domestic Product (GDP) of approximately $27.721 billion in 2023, accounting for 26.29% of the world economy (Source: World Bank) and an annual GDP growth rate of approximately 2.5% (Source: U.S. Bureau of Economic Analysis). The total population of the United States is estimated to be approximately 341.2 million in 2024 (Source: U.S. Census Bureau). The United States is also the world's largest consumer of wood. Prospects and statistics for forest and wood products in 2024 for consumption in United States below:

1. Sawn Softwood (Coniferous): 98,781,000 m3

2.	Sawn Hardwood (Deciduous):	17,655,000 m3
3.	Oriented Strand Board (OSB):	20,381,000 m3
4.	Coniferous Plywood (Softwood):	9,323,000 m3
5.	Hardboard:	514,000 m3
6.	Medium Density Fiberboard (MDF):	6,073,000 m3
7.	Particleboard:	7,191,000 m3
8.	Roundwood Pulpwood:	186,457,000 m3
	Total	**346,375,000 m3**

Source: USDA

The United States wood consumption demand will continue to expand in the coming years thanks to the rapid and stable growth of the economy.

2. The second factor, the extent to which domestic production of timber and lumber can meet domestic demand

The US forest products industry generates $288 billion annually, accounting for 4% of the total US manufacturing GDP, approximately 950,000 people are employed in the US forest products industry with wages of approximately $50 billion annually. (Source: https://research.fs.usda.gov/forestproducts).

2.1. Domestic Production versus Demand: The U.S. softwood industry currently supplies about 95% of domestic consumption (Source: White House). Softwood lumber production in the United States is expected to be 292.1 million cubic meters in 2023, making it the world's leading softwood producer, accounting for 19% of industrial wood production (Source: GeeksforGeeks). The United States is the world's leading consumer of wood, accounting for about 20% of global wood production (Source: Wikipedia)

2.2. Regional Supply Variations: The Southern United States has a surplus of timber, with an average growth-to-drain ratio of 1.4 for pine trees (meaning more are planted than are harvested.) (Source: FORISK). The Pacific Northwest and parts of the Midwest face more constraints due to harvest limits, environmental policies, and logistical challenges. Some areas, such as North Florida and South Georgia, have tighter timber markets, which impacts availability.

2.3. Sustainability of domestic supply: U.S. forests are capable of meeting all of their needs, but factors such as mill capacity, logging restrictions, and labor shortages prevent complete self-sufficiency. If demand continues to increase, especially due to housing and infrastructure projects, despite abundant timber supplies, the United States may need to import timber in the short term. Prospects and statistics for forest and wood products in 2024 for production in United States below:

1.	Sawn Softwood (Coniferous):	64,820,000 m3
2.	Sawn Hardwood (Deciduous):	19,780,000 m3
3.	Oriented Strand Board (OSB):	14,243,000 m3
4.	Coniferous Plywood (Softwood):	7,601,000 m3
5.	Hardboard:	509,000 m3
6.	Medium Density Fiberboard (MDF):	3,921,000 m3
7.	Particleboard:	6,164,000 m3
8.	Roundwood Pulpwood:	186,526,000 m3
	Total	**303,564,000 m3**

Source: USDA

Table 1. Top 10 Leading Wood Producing Countries in the World[1]

No	Country	Estimated Wood Production (2023)	Major Wood Types	Key Industries
1	United States	292.1 million m3	Softwood timber	Construction, furniture
2	China	225.7 million m3	Softwood and hardwoods (including bamboo)	Construction, furniture, paper production
3	Russia	186.7 million m3	Coniferous-Softwood Timber	Construction, Furniture Making, pulp and paper
4	Canada	166.2 million m3	Coniferous Softwood Lumber	The construction industry/pulp and paper/ furniture industry
5	Brazil	78.3 million m3	Hardwood (mainly eucalyptus and pine)	Pulp and paper, furniture, construction
6	Indonesia	73.0 million m3	Tropical hard woods	Pulp and paper, furniture, construction
7	Finland	73.1 million m3	Softwood Timber mainly Spruce & Pine	Timber exports; pulp and paper; furniture
8	Sweden	70.2 million m3	Softwood Timber (mainly spruce and pine)	Timber industry, pulp and paper, furniture
9	Malaysia	65.1 million m3	Tropical hardwoods and plantation wood (rubberwood, acacia)	Furniture, Plywood, construction, timber exports
10	Germany	47.5 million m3	Spruce, Pine, Beech	Sawn Timber, Furniture Manufacturing, Wood Processing

Source: Geeksforgeeks

3. The thirth factor, the role of foreign supply chains, particularly of major exporters, in meeting United States timber and lumber demand

We know that foreign supply chains play a significant role in supplementing U.S. timber and lumber demand.

3.1. Canada is the largest foreign supplier: Canada supplies approximately 80-90% of softwood lumber imported into the United States, making it the most important foreign supplier. Canadian lumber is favored because of its high-quality SFP softwood lumber (spruce, fir, pine) and nearshoring supply chain to the U.S. market.

3.2. Europe: Germany, Sweden, Austria and Finland have increased exports to the United States due to supply challenges in North America. European imports spiked after 2020, as North American mills struggled to meet demand. European wood is particularly important in construction and furniture production. Shipping costs and currency fluctuations affect the competitiveness of European wood in the U.S. market.

3.3. Other suppliers include Chile, Brazil, and New Zealand: Chile and Brazil export softwood and plywood to the United States, particularly for home construction and furniture. Brazilian eucalyptus and pine plantations provide a steady, fast-growing source of timber. New Zealand exports logs to the United States but faces competition from Chinese demand.

[1] https://www.geeksforgeeks.org/top-10-wood-producing-countries-in-the-world/

3.4. Impact of foreign supply on the U.S. market: When domestic production is challenged, foreign imports help prevent sharp price swings, helping to stabilize prices; U.S. factories sometimes operate below capacity due to labor shortages, environmental constraints, or natural disasters (such as wildfires), and foreign supplies fill the gap in domestic supply; Tariffs, quotas, and trade disputes can disrupt supply chains, leading to shortages or price increases; Port congestion, increased freight costs, and geopolitical issues (such as conflicts affecting global trade routes) can impact domestic lumber supplies. Prospects and statistics for forest and wood products in 2024 for importing in United States below:

1.	Sawn Softwood (Coniferous):	36,851,000 m3
2.	Sawn Hardwood (Deciduous):	525,000 m3
3.	Oriented Strand Board (OSB):	6,326,000 m3
4.	Coniferous Plywood (Softwood):	2,202,000 m3
5.	Hardboard:	258,000 m3
6.	Medium Density Fiberboard (MDF):	2,578,000 m3
7.	Particleboard:	1,487,000 m3
8.	Roundwood Pulpwood:	44,000 m3
	Total	**50,271,000 m3**

Source: USDA

Table 2. List of wood products imported by United States of America in period 2022-2024

Items	2022	2023	2024
Wood and articles of wood; wood charcoal (HS 44)	36,288,065	24,018,724	24,512,469
Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings (HS 94)	86,736,616	69,006,761	72,635,503
Total	**123,024,681**	**93,025,485**	**97,147,972**

All value are reported in thousand US Dollar.
Sources: ITC calculations based on US Census Bureau statistics.

3.5. Our Association's wood processing industry exports to the US market: Binh Dinh province's wood industry enterprises mainly produce garden and outdoor wood products. Wood materials used to produce wood products exported from Binh Dinh to the US market come from the following two wood sources:

▪ Legal, sustainably managed plantation timber with FSC/PEFC certification in Vietnam, mainly acacia (Acacia Hybrid, Acacia Mangium), rubber wood (Hevea Brasiliensis), Aleurites Moluccanus plywood, MDF board. This source of plantation acacia wood is very important to our people, especially helping to reduce poverty for people in mountainous and rural areas.

▪ Imported wood with FSC/PEFC certification such as eucalyptus (Eucalyptus Grandis from Brazil, Uruguay, Eucalyptus Myrtaceae from the United States), oak (Quercus Rubra from the United States), teak (Tectona Grandis from Brazil, Panama).

At the same time, our wood industry has a few businesses participating in the production of wooden furniture such as kitchen cabinets and vanities using acacia wood, rubber wood and some imported wood species such as Oak, Poplar, etc. Outdoor furniture and indoor wooden products of

our member businesses exported to the US market use plantation wood materials such as acacia and eucalyptus, which are suitable for rainy and snowy weather as well as hot weather with reasonable prices thanks to low labor costs and cheap raw material prices, while Vietnam has banned the harvesting of natural forest, not including natural forest wood in domestic and export wood supply chains. In addition, the use of imported wood species from the US, Canada, and Europe has high prices, leading to high product prices, making it difficult to compete in the international markets.

The wood processing industry of Binh Dinh province fully complies with the provisions of Vietnamese law (Forestry Law and related laws, decrees, circulars), the Lacey Act (the U.S.) and international regulations and standards on exporting wood products to the United States as well as all other markets such as the EU (FLEGT VPA, EUTR/EUDR), Japan, China, South Korea, Australia, Canada, etc

4. The forth factor, the impact of foreign government subsidies and predatory trade practices on United States timber, lumber, and derivative product industry competitiveness

4.1. Foreign government subsidies and unfair trade practices such as dumping significantly impact the competitiveness of the U.S. timber industry. Some countries own most of the forest land, setting logging fees below market prices can act as a subsidy to timber producers, allowing timber mills to sell their timber at lower prices. Some countries subsidize forest management, providing low-cost financing for the timber industry. Some countries sell timber and wood products at below market prices to gain market share. Some countries may devalue their currencies, making their exports cheaper.

However, we also find that most countries can compete in some areas of the wood industry with US producers and in the international wood market mainly because of lower labor costs, or an abundant human resource that is always ready to do the heavy, low-income jobs in the wood industry compared to many other advanced industries and services that always require large investment costs and high technology levels.

4.2. US policy response: The US has conducted investigations, imposed antidumping (AD) and countervailing duties (CVD) on foreign timber pricing activities; implemented incentives for domestic production (tax credits, factory modernization funds); strengthened enforcement of bilateral trade agreements to prevent unfair subsidies.

4.3. Vietnam's wood export industry: Most wood enterprises are private enterprises, operating independently, not dependent on the public sector or state ownership; enterprises do not receive financial support from the state, bank loans, interest rates from commercial banks from 5.0% - 5.5% for USD, and or 8% -12% for VND.

5. The fifth factor, the feasibility of increasing domestic timber and lumber capacity to reduce imports

It is feasible for the United States to expand domestic timber and lumber production to reduce imports, but significant challenges may arise. Although the United States has abundant lumber resources, issues such as sawmill capacity, labor shortages, environmental policies, and market volatility make large-scale expansion more complex and difficult.

5.1. The United States has a large forest reserve, abundant timber supply, and annual timber production ranks first in the world, especially in the South and Pacific Northwest. The growth-to-

drain ratio in the southern United States is 1.4, suggesting room for further growth. However, the United States has constraints on logging operations, such as federal and state regulations that limit logging on public lands, reducing available supplies, ESG sustainability policies, and opposition from conservation groups and forest communities that could slow logging expansion efforts.

5.2. The United States has the world's largest sawmill and processing capacity. However, the United States faces challenges with: Lack of investment in sawmills to increase sawmill capacity to keep up with consumer demand, leading to bottlenecks; Shortage of skilled labor (mill operators, loggers, truck drivers) is a major constraint; Construction of new sawmills requires millions of dollars in investment and long lead times.

5.3. Market & economic constraints present challenges such as: Lumber price volatility, if prices fall, sawmills may hesitate to expand due to uncertainty; Current tariffs on Canadian lumber increase domestic demand but also increase costs; U.S. lumber demand is closely tied to the housing construction cycle, fluctuations in the housing market make this demand difficult to predict.

5.4. Impact of policy changes:

- Policies that can promote domestic capacity: Incentives for U.S. wood producers through tax breaks, financing sawmill expansion; simplification of permitting and environmental regulations to reduce red tape; and workforce development to address labor shortages.

- Policies that can hinder the expansion of wood production include: Stricter environmental policies to limit logging; Continued imports due to the demand of the majority of ordinary consumers for cheaper imported wood products and business facilitation from trade agreements.

6. The sixth factor, 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 policies, particularly tariffs on imported timber and lumber, have had mixed effects on the domestic industry. While these measures are intended to protect national security by promoting domestic production, they also result in higher costs for consumers and industries that rely on these materials.

6.1. Impact of current trade policy:

- Rising production costs: Tariffs on imported lumber, particularly from Canada, have increased the cost of raw materials for U.S. home builders. This escalation has led to higher construction costs, contributing to a decline in home builder confidence. In March 2025, the National Association of Home Builders/Wells Fargo Housing Market Index fell to a seven-month low, reflecting concerns about rising costs and affordability challenges. (Source: Reuters)

- Industry uncertainty: The dynamic nature of trade policies under the current administration has created a significant level of uncertainty among U.S. companies. This uncertainty affects investment decisions and long-term planning, potentially hampering growth in the timber and lumber industries. (Source: MarketWatch)

6.2. Consideration of Additional Measures: In response to ongoing concerns, the U.S. government has initiated an investigation under Section 232 of the Trade Expansion Act of 1962 to assess the national security implications of imported timber and lumber. This investigation will assess whether further measures, such as additional tariffs or quotas, are necessary to protect the national interest. (Source: White House).

7. The seventh factor, the other relevant factors

In addition to trade policies, tariffs, and quotas, there are a number of other factors that impact the U.S. timber and lumber industry and its ability to meet domestic demand. These factors include environmental regulations, labor challenges, housing market fluctuations, technological advances, and global supply chain dynamics.

7.1. Forest management policy: The U.S. Federal government has strict environmental policies regarding forest management, especially on public lands, restricting logging to maintain biodiversity, protect watersheds, and combat climate change. Increasingly common wildfires due to climate change are also affecting timber supplies, destroying many commercial forests. This can lead to short-term supply shortages and long-term forest health issues.

7.2. Labor shortages and skills gap: The timber and forestry industry, especially in rural areas, faces a significant shortage of skilled workers, including sawmill operators, loggers, truck drivers, and forest managers. Many young workers are leaving the industry and opting for other fields, leaving the aging workforce behind. The complexity of modern sawmilling operations (e.g., automation, AI, precision cutting) requires skilled workers with specialized knowledge, which are also in short supply. This labor gap can limit the ability of mills to scale production and increase costs. This can reduce the competitiveness of U.S. timber compared to imports from countries with cheaper labor.

7.3. Housing market cycles: Lumber demand is highly dependent on the housing market and fluctuations in housing demand. During economic booms, such as 2020-2021, lumber demand spikes due to new construction and renovations. But during recessions or economic slowdowns, housing and lumber demand can fall sharply. At the same time, higher interest rates increase mortgage rates, reduce new home construction and housing starts, which directly impacts lumber demand, affecting sawmill investment and long-term production plans.

7.4 Technological advances in timber production: Technological advances, such as automated sawmills that use AI to optimize cutting and reduce waste, can improve efficiency and increase domestic production. Precision forestry applications such as drones and LiDAR are being used to monitor forest health and improve timber yields, making harvesting more efficient. While technology can help reduce dependence on imported timber and improve domestic production, the initial investment in the technology can be high and can take years to pay back.

7.5. Global supply chain dynamics: The COVID-19 pandemic and ongoing geopolitical tensions (e.g., Russia-Ukraine conflict, Israel-Hamas conflict, etc.) have caused supply chain disruptions, affecting the supply of timber and other forest products from international sources. Global transportation constraints, such as port congestion and higher freight costs, have made imported timber and lumber more expensive and less reliable. Vulnerabilities in the global supply chain create opportunities for domestic production to meet demand, but also expose U.S. timber production to fluctuations in input costs (e.g., machinery parts, fuel) and access to export markets.

7.6. Rising timber prices and investment in us forests: Over the past several years, rising timber prices in the United States have made domestic production more attractive to investors. However, higher prices can also create affordability issues for builders and consumers, limiting construction and driving demand for cheaper imports. At the same time, investment in private timberland has increased as investors focus on growing timber for long-term returns, which can encourage better forest management and productivity. Rising prices may spur investment in timberland and timber mills in the United States, but they could also pose challenges for industries that rely on cheap timber inputs.

7.7. Carbon neutrality policies: There is growing pressure on industries, including timber and lumber, to adopt carbon neutral or sustainable practices. Policies aimed at reducing carbon

emissions may result in tighter regulations on timber harvesting, restricting logging to protect forest carbon stocks. Carbon credits can be used to incentivize sustainable forestry practices, but they may also place restrictions on how timber can be harvested or encourage landowners to choose forest conservation over timber production. These policies may reduce the availability of timber for lumber production and may increase the cost of logging due to regulatory compliance.

Prospects and statistics for forest and wood products in 2024 for exporting in United States below:

1.	Sawn Softwood (Coniferous):	2,890,000 m3
2.	Sawn Hardwood (Deciduous):	2,650,000 m3
3.	Oriented Strand Board (OSB):	188,000 m3
4.	Coniferous Plywood (Softwood):	480,000 m3
5.	Hardboard:	253,000 m3
6.	Medium Density Fiberboard (MDF):	426,000 m3
7.	Particleboard:	459,000 m3
8.	Roundwood Pulpwood:	113,000 m3
	Total	**7,459,000 m3**

Source: USDA

Finally, the FPA Binh Dinh would prefer a bilateral approach, with the two governments working with each other in addressing the problems raised in the BIS-2025-0011. We are willing to collaborate with the US companies selling raw material and furniture to Vietnam and those importing timber products into U.S. for mutual understanding and collaboration between the two sides.

I would like to thank you for your consideration.

Respectfully submitted,

HỘI GỖ VÀ LÂM SẢN BÌNH ĐỊNH
BAN CHẤP HÀNH

NGUYEN SY HOE
Chairman of FPA Binh Dinh

Appendix

Apendix 1. Prospects and statistics for forest and wood products in 2024[a,b][2] in United States

Contents	Sawn Softwood (Coniferous)	Sawn Hardwood (Deciduous)	Oriented Strand Board (OSB)	Coniferous Plywood (Softwood)	Hardboard	Medium Density Fiberboard (MDF)	Particleboard	Roundwood Pulpwood
Production	64,820	19,780	14,243	7,601	509	3,921	6,164	186,526
Imports	36,851	525	6,326	2,202	258	2,578	1,487	44
Exports	2,890	2,650	188	480	253	426	459	113
Consumption	98,781	17,655	20,381	9,323	514	6,073	7,191	186,457

a All volumes are reported in thousand m3.

b USDA FS estimates.

Sources: AF&PA 2023; APA 2023; CPA 2023; HMR 2023; U.S. Department of Agriculture (USDA), Foreign Agricultural Service (USDA FAS) 2023, WWPA 2023.

[2] United States Forest Products Annual Market Review and Prospects: Country Market Report, 2021-2025. October 2023, https://unece.org/sites/default/files/2023-11/US_FPMAR_2023-2024_Nov3.pdf