



601 Thirteenth Street NW, Suite 1000 N  
Washington, D.C. 20005  
(202) 463-2705  
[www.Hardwoodfederation.com](http://www.Hardwoodfederation.com)

April 1, 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:

On behalf of the Hardwood Federation, we appreciate the opportunity to provide comments regarding the United States Department of Commerce's (DOC) investigation to determine the effects on the national security of imports of wood products: timber, lumber, and their derivative products. By way of background, the U.S. Hardwood sector is a fully integrated industry from logging to the manufacture of finished consumer goods which touch upon every aspect of American life including flooring, cabinets, furniture and moldings in our homes as well as industrial products like railway ties and construction mats. Residuals from our mill and manufacturing processes go into the production of paper, shipping cartons, wood fuel pellets, mulch, and animal bedding. The industry supply chain also includes private landowners, loggers, and transportation providers who provide, harvest and transport our raw materials. Most jobs supported by the sector are located in rural areas and are essential to the local, state, and national economies. Strengthening and expanding the domestic and international markets for American logs, lumber, and Hardwood products also promotes responsible stewardship of America's natural resources and is key to promoting overall forest health, which is essential to combatting deforestation in the U.S. and abroad.

Companies and employees engaged in the U.S. Hardwood economy firmly believe that the sustainable forestry practices used to grow our raw materials, and the manufacturing of products derived from harvest of Hardwood trees are an essential part of promoting high quality rural manufacturing jobs here in the U.S. Furthermore, these sustainable forestry practices provide the co-benefit of improving the quality of the environment, which should provide a competitive edge for U.S. exports. Strong export markets are essential to sustaining the U.S. Hardwood industry. However, domestic markets for U.S. made Hardwood products are in decline and need to be expanded.

It important to note that the U.S. Hardwood industry's domestic supply chain and role in global markets is a nuanced one and deserves much thought and study by U.S. government officials

before action impacting global markets is taken. The bottom line is that a one size fits all trade policy does not work for complexities and different needs of the U.S. Hardwood industry.

For purposes of these comments, we will focus on U.S. Hardwood markets as we do not have the experience to weigh in on softwood concerns. However, we will note basic differences between the two commodities.

Also for purposes of these comments, we understand that timber is being used to refer to logs that are harvested in the U.S. Logs are cut to produce the lumber (or “boards”) that are used to manufacture products or “derivatives.” U.S. logs and lumber supply both the domestic and global markets. Products or “derivatives”, like flooring, cabinets, veneers, and furniture are both domestically and internationally produced. While logs and lumber enjoy significant trade surpluses on the global market, many derivatives face deficits, thus demonstrating the complexity of the industry and the difficulties developing universal trade policies that support all aspects of our community.

**Hardwood and Softwood Are Different:** Before moving to the questions posed by the request for comments, it is important to note that while U.S. Hardwoods and U.S. softwoods are often used in similar ways, they are in fact, different species, are each suitable for different applications, and have very different import and export markets. Our comments are solely focused on U.S. Hardwoods.

**Hardwoods** derive from angiosperm trees; mostly deciduous, these have broad leaves that fall every autumn. U.S. Hardwood species are a versatile material, with applications ranging from flooring, veneers, furniture, musical instruments, railway ties, industrial pallets, and boatbuilding. Residuals from mills and manufacturing facilities are used for paper production, mulch and animal bedding and wood pellets, extending the supply chain, production, and employment opportunities well beyond initial processing. Because of their condensed and more complex structure, Hardwoods generally offer a superior level of strength and durability when compared to softwoods. Common species of U.S. Hardwoods include red and white oak, beech, maple, cherry, ash and walnut, but there are countless others. As Hardwoods grow at a much slower rate and require longer drying times, these factors drive up the cost of the wood. Hardwoods tend to be much more resilient than softwoods and are often reserved for projects that require maximum durability.

**Softwoods** come from gymnosperm trees, like conifers. These have needles that remain evergreen year-round. U.S. softwoods are used for structural applications like housing and building framing. Like Hardwoods they can also be used for flooring, furniture, interior building features. Residuals are used in the production of plywood and fiberboard.

**Current Demand:** The U.S. is well positioned to meet domestic *and* international demand for U.S. grown species of Hardwood logs and lumber well into the future without depleting current forest stock, public or private. 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 m<sup>3</sup> to 12.0 billion m<sup>3</sup>, a gain of over 130% (FIA); volume continues to increase.

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.

While U.S. log and lumber exports enjoy a healthy trade surplus, other industry segments like Hardwood plywood, wood flooring, and cabinets face competition from lower priced, often subsidized imported products, including those using U.S. grown lumber in the manufacturing process. While we need to maintain and grow our global markets for U.S. Hardwoods, we also need to ensure that domestic manufacturers face fair competition from imports. These challenges are compounded by decreasing domestic consumer purchases of solid and engineered Hardwood products overall, due in no small part to lower priced wood look-alike products, often imported, that have taken market share away from products made of real American Hardwood.

We support efforts to increase demand for American Hardwood products, both domestically and abroad, to encourage more active forest management, particularly in the private forest sector. More active management provides income for landowners, jobs for loggers and truckdrivers, as well as provides the raw materials for mills and manufacturers and job opportunities for rural workers. This integrated supply chain also enhances the health and security of the Hardwood forest resource while contributing to the wellbeing of U.S. rural communities overall.

**Trade Barriers:** While there are different trade related opportunities and challenges for various sectors of the Hardwood industry; one trade barrier the industry unites around is the European Union Deforestation Regulations (EUDR), currently paused, but expected to go into effect in December 2025.

U.S. Hardwood exporters to the European Union (EU) believe that the EU Deforestation Regulation (EUDR) will act as an insurmountable barrier to continuing market access for U.S. Hardwoods in the EU when enforcement begins on December 31, 2025. The barrier is created by EUDR's inclusion of a restrictive and inappropriate definition for the "plot(s) of land" for which geolocation data must be provided with every consignment – specifically that the plots should be "within a single real estate property". EC guidance is that the requirement to provide property-level geolocations is obligatory for all logs, lumber, and products placed on the EU market even if the risk of deforestation is known to be negligible. The EU's own data confirms that only 0.0045% of U.S. forest area is at risk of being converted to crops each year. This area is more than offset by the area of cropland that reverts back to forest.

Following three years of far-reaching technical work to assess options for compliance, experts at the American Hardwood Export Council have come to the firm conclusion that provision of geolocation data for all individual properties from which U.S. Hardwoods may be derived with each consignment at point of delivery to the EU is, to all intents and purposes, impossible. Because U.S. Hardwood forests are naturally diverse and ownership highly fragmented (around 10 million mainly family forest owners), a single harvest produces only a small volume of each Hardwood species, size, and grade. This means that an enormous amount of aggregating, mixing

and sorting of wood from numerous harvest locations and owners is required to build tightly specified export consignments. A typical export consignment will include wood potentially derived from several thousands, sometimes even tens of thousands, of individual properties.

EUDR also requires that the supplier of U.S. Hardwood into the EU provides an upfront assurance that there will be no subsequent conversion to agriculture on any single property identified as a potential source of supply. While the risk of such conversion is negligible at a regional level, US Hardwood suppliers cannot accept legal liability under the terms of EUDR for decisions taken by individual U.S. landowners to exercise their legitimate right to develop their properties however they see fit.

**Reducing Imports:** One area the U.S. Government could address is reviewing their own procurement practices and prioritizing the use of U.S. Hardwoods and Hardwood products for use in federal building and equipment projects. Domestically manufactured flooring, furniture, and cabinets used in federal buildings should also be prioritized for government procurement. U.S. red oak was recently approved for use in U.S. military truck beds as a replacement for imported apitong. Adoption of red oak use should be expedited and other products to follow suit should be identified. Not only would this help support the domestic industry, but it would also provide a steady, easily accessible, source of raw materials and finished products as well as send a message to the general U.S. consumer that U.S. Hardwoods are readily available, sustainable, and desirable products.

As noted above, strong export markets are essential to Hardwood log and lumber exporters who would be decimated should those markets close. China imposed retaliatory tariffs against import of U.S. lumber in 2018 and U.S. exporters immediately saw a 50% decline in the market; a market we have yet to recover. While this is true, it is also important to point out that some countries, even those that we depend on for necessary export markets of raw materials, can and do employ trade practices that are unfair and do negatively impact demand of domestically manufactured Hardwood products. As noted above, this includes flooring, plywood, and cabinets. But this does not mean we do not have positive trading partnerships with key allies that mutually benefit the industry in both countries. Our integrated relationship with Canada is of particular concern. This demonstrates the complexity of the industry as a whole and the need to move with caution and precision.

The U.S. Government should also continue to fund and enforce the Lacey Act which prevents the importation of illegally harvested logs, lumber, and wood products that are illegally extracted from protected forest lands or produced from illegally harvested wood. Strict enforcement of the Lacey Act prevents lower priced goods from competing unfairly with those produced domestically. Funding for projects which will support and facilitate enforcement, like the Wood I.D. project underway at the U.S. Forest Products Lab are also essential to stemming the flow of illegal products into the U.S.

**U.S. Government Policy and Industry Support:** Robust and growing international markets are essential to maintaining a healthy domestic Hardwood industry. If the Administration pursues

policies and action which triggers tariffs preventing exports of U.S. logs, lumber, and products we ask that support mechanisms be put in place that support those who lose international market share based on those policies.

To support the industry should pursuit of trade goals result in retaliatory tariffs directed at our products, we propose the following action.

- A \$450 million fund be identified and reserved for distribution to impacted members of the U.S. Hardwood industry.
- Eligible companies are those that export Hardwood goods or materials overseas. This includes exporting sawmills, lumber yards, and manufacturers.
- Companies must provide a USDA issued Phyto certificate (or other required export customs declaration) as verification of their export activity.
- Companies applying for relief will do so through the Department or Agency channels deemed appropriate by the Administration or Congress.
- Payments will be based on the following formula:

$$.80(\text{Quarterly Receipts of Base Year 2024} - \text{Quarterly Receipts of Impact Year}) = \text{Relief Payment (RP)}$$

Receipts = Sales Receipts of Products Sold

If the Average Price of the top 5 export Hardwood species declines by more than 9% (as determined by figures provided by the Hardwood Market Report), an additional payment will be made according to the following formula.

$$\% \text{ Decline (RP)} = \text{Additional Relief Payment (ARP)}$$

Total Payment: RP + ARP

Top 5 Export Species: Red Oak, White Oak, Cherry, Walnut, Poplar

### **Conclusion**

Members of the U.S. Hardwood industry appreciate the attention the Trump Administration has brought the U.S. wood products industry, a uniquely American manufacturing sector. The Hardwood Federation Board of Directors, Member Associations, and Staff stand ready to work with the Trump Administration to achieve a strong and vital U.S. manufacturing economy. We are happy to discuss next steps at your convenience.

However, before action is taken that will impact our companies' ability to expand global markets and maintain and grow domestic markets, much more thought and analysis needs to be done to understand the differences between Hardwood and softwood markets, the integration of our domestic and international manufacturing processes, and the past, and potentially future impacts on domestic manufacturing if trade actions result in retaliatory action targeting the U.S. Hardwood industry.

If you would like more information about the U.S. Hardwood industry, please contact me at [Dana.Cole@Hardwoodfederation.com](mailto:Dana.Cole@Hardwoodfederation.com) or at 202-341-0625. Thank you for the opportunity to submit these comments.

Sincerely,

A handwritten signature in black ink, reading "Dana Lee Cole". The signature is fluid and cursive, with the first name "Dana" being the most prominent.

Dana Lee Cole, Executive Director

#### **Hardwood Federation Member Associations**

Allegheny Hardwood Utilization Group, Inc.  
American Cooperage Industries of America  
American Hardwood Export Council  
Appalachian Hardwood Manufacturers  
Appalachian Lumbermen's Club  
Empire State Forest Products Association  
Great Lakes Timber Professionals Association  
Hardwood Manufacturers Association  
Indiana Hardwood Lumbermen's Association  
Kentucky Forest Industries Association  
Lake States Lumber Association  
Maple Flooring Manufacturers Association  
Missouri Forest Products Association  
National Hardwood Lumber Association  
National Wood Flooring Association  
National Woodland Owners Association

NC Forestry Association, Inc.  
New England Lumbermen's Association  
Northeast Loggers Association  
Ohio Forest Products Association  
Pacific Coast Hardwood Distributors Association  
Penn-York Lumbermen's Club  
Pennsylvania Forest Products Association  
Railway Tie Association  
Southern Cypress Manufacturers Association  
Southwestern Hardwood Manufacturers Club  
Tennessee Forestry Association  
Virginia Forest Products Association  
West Virginia Forestry Association  
Western Hardwood Association  
Wood Component Manufacturers Association