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### **Preliminary Countervailing Ruling Penalizes American Jobs**

Preliminary countervailing duties announced; places burden on industry

February 28, 2013 – Portland, Oregon - The American Alliance for Hardwood Plywood (AAHP) today reacted with frustration to the Department of Commerce’s Preliminary Determination in the Countervailing Duty (CVD) Investigation on hardwood plywood imported from China.

The three mandatory respondents investigated in detail by the Department of Commerce in the case all received 0.00% CVD preliminary duty margins – effectively refuting claims by the petitioners that Chinese hardwood plywood producers are unfairly subsidized. This finding clearly illustrates that American businesses importing unique products from China – like the hardwood plywood under the proposed scope of the investigation – are doing so under fair business practices, and are in full compliance with international trade laws.

Despite its affirmation that the three investigated exporters were clearly not subsidized, the Department of Commerce chose to severely penalize an exceptionally wide group of hardwood plywood exporters that fully complied with the investigation with a punitive 22.63% preliminary duty rate. Due to their methodology, the preliminary margin imposed on the majority of Chinese hardwood plywood exporters is oddly close to the 27.16% preliminary duty imposed on fifteen non-cooperative respondent producers - whose lack of response might indicate that they are not significant exporters of plywood to begin with.

The AAHP is extremely frustrated by this decision – one which clearly found a lack of subsidization in the mandatory respondents, yet simultaneously disadvantages mills that willingly participated in the case with an extremely high preliminary duty rate. AAHP looks forward to resolving this discrepancy in the case prior to the imposition of final duties.

The AAHP believes this preliminary duty will severely damage the American industries that depend on this unique hardwood plywood; not only the small, family owned importers, but also the large and small American manufacturers of a variety of products – from kitchen cabinets to recreational vehicles.

AAHP Co-Chair Greg Simon said “I am very disappointed in the Preliminary determination – from the beginning of this process we have had a genuine fear of the impact this could have on American jobs, across so many sectors. At a time when our economy is already struggling, it seems unfair to impose further costs on American businesses by restricting choice, and by potentially sending thousands of high quality downstream American manufacturing jobs overseas.”

Gregg Wilkinson, AAHP Co-Chair added that “We are obviously confounded by this result – as is our entire industry and related industries. But we are mindful that this is only the preliminary CVD determination, so we will be working hard to ensure that the final duties, if any, fairly and accurately

reflect the reality that Chinese hardwood plywood producers are not subsidized. American consumers need access to this unique and vital resource.”

Wilkinson continued “As to whether the Chinese government is systematically subsidizing its plywood industry – well, they were clearly found not guilty. But based on today’s preliminary determination, the American consumer is still being unfairly punished.”

AAHP strongly urges affected businesses to reach out to the American Alliance for Hardwood Plywood at [info-aahp@feaco.com](mailto:info-aahp@feaco.com) to join in industry efforts to fight these high preliminary rates.

*The AAHP is an organization of American importers, distributors, manufacturers and retailers of hardwood plywood, along with other US companies who provide tens of thousands of jobs that depend on the availability of global resources. Read more at [aa-hp.org](http://aa-hp.org).*