

*U.S. Congressman Peter Welch (VT)*  
*September 19, 2013*  
*United States International Trade Commission*  
*Subject: Hardwood Plywood from China*  
*Investigations Numbers: 701-TA-490 and 731-TA-1204 (Final)*

First, I would like to thank the Commission for allowing me to testify on this important issue today.

I am proud to speak on behalf of the Columbia Forest Products and numerous other companies in Vermont. With the leadership of Brad Thompson and Gary Gillespie, Columbia Forest Products is an important and respected business throughout the country. I also speak in support of the hundreds of families in the hardwood veneer and hardwood plywood industry across the U.S. who are trying to hang on in light of the onslaught of unfairly traded hardwood panels from China. In addition to my statement today, my colleagues and I will be sending a formal letter to the Commission in the coming days supporting the hardwood veneer and hardwood plywood industry.

I am concerned about the circumstances alleged in this case that have caused significant harm to the U.S. hardwood veneer and hardwood plywood industry from unfairly traded Chinese hardwood plywood. Exports that have the benefit of subsidies create an un-level playing field for U.S. companies following the rules and trying to compete in this difficult environment.

In Vermont, Columbia Forest Products has its largest of four hardwood veneer mills that supply veneers to its six hardwood plywood mills located throughout the country. The Northeast Kingdom is a rural area of my district that cannot afford to lose jobs to unfair competition and cheap Chinese imports. The wood industry is a significant contributor to the local economy and Columbia Forest Products is the area's second largest employer. Vermonters hope the company continues to be a staple in the area for years to come.

About 45- 50% of the real wood kitchen cabinets made in the U.S., showcase hardwood veneers made from Columbia veneer plants, like the one in Vermont. If this industry continues to be undercut by unfair Chinese products it will have a devastating impact on not only the hardwood plywood suppliers, but supportive industries across the country as well.

Chinese hardwood plywood that is traded unfairly erodes the market share the plant in Newport and others are struggling to maintain, and in turn costs Vermonters their jobs. To be more specific, between 2004 and last year a third of the workforce at the Vermont mill was laid off. This job base has been steadily declining each year from 2001 to 2012. So it's not just the economic downturn of 2008, but the steady increase in market share of Chinese hardwood plywood that cost numerous jobs. China has gained near parity to the U.S. production, which explains why the U.S. jobs have not returned even though the economy has been

improving. These were high paying jobs with generous benefits that are difficult to match elsewhere.

I believe the story of Columbia's wood workers in Newport, Vermont is not so different than the stories that can be told for the hundreds of families in small communities across the U.S. who rely directly or indirectly on a robust domestic hardwood veneer and plywood industry. Unfair trade is not victimless and it spreads a wide web of destruction.

I know that the people in the Northeast Kingdom are fighters, and given a level playing field, these hardworking Vermonters will compete and outperform anyone. They are counting on us to do our part in these proceedings to make sure competing hardwood panels from China are held to the proper levels of fair trade.

I commend the Commission for pursuing this investigation and thank you for the opportunity to come before the Commission.