American Alliance for Hardwood Plywood

U.S. International Trade Commission
Final-Phase Hearing

September 19, 2013

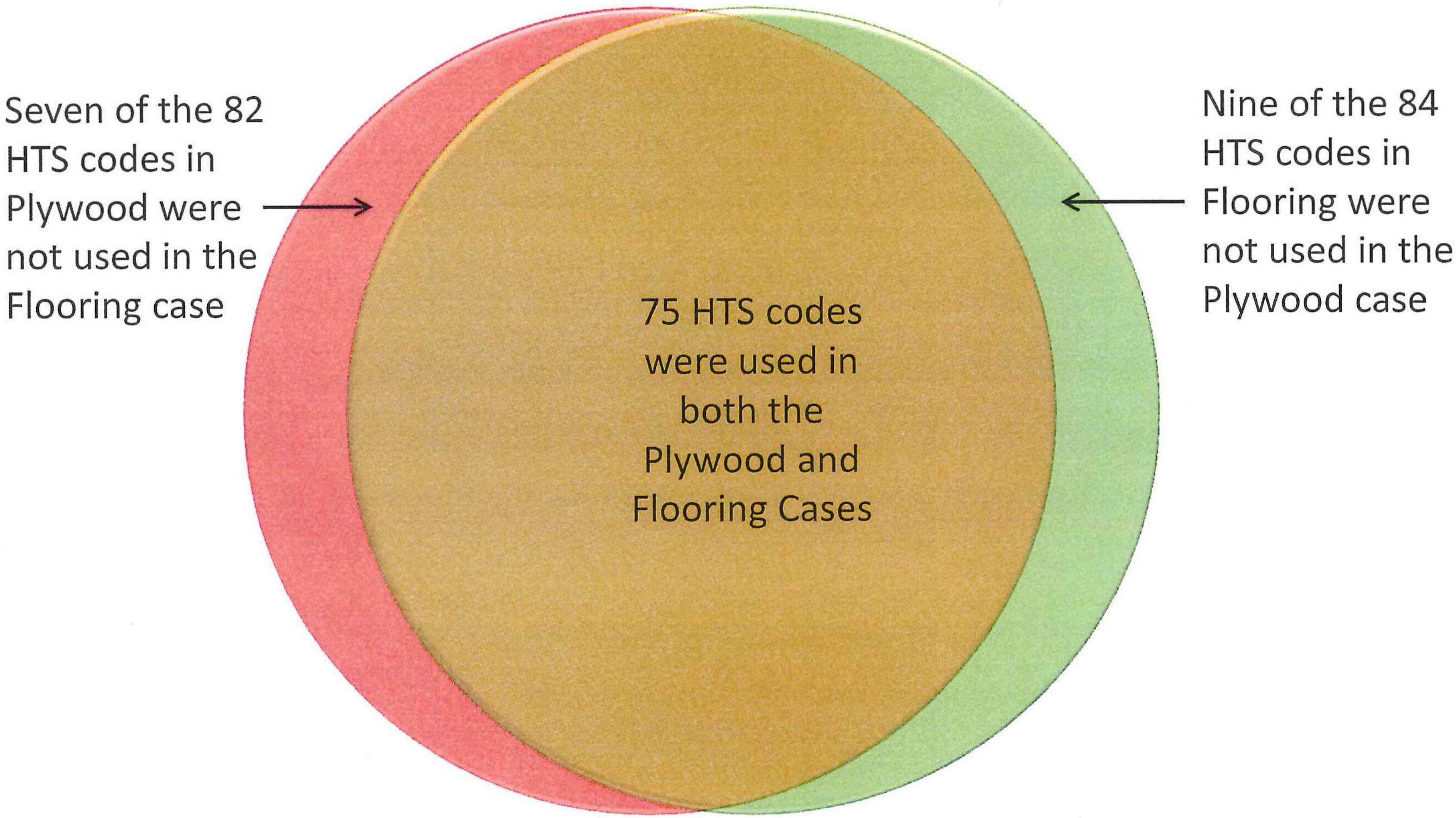
Domestic Industry Indicators: No Injury

U.S. Producers	2010-2012 Change	2012-2013 Change
Shipments - Quantity	13.6%	13.1%
Shipments - Value	14.3%	16.4%
Average Unit Value	0.7%	3.0%
Production	13.9%	13.4%
Capacity Utilization	6.7%	8.0%
Capital Expenditures	80.1%	228.6%
Production Workers	6.6%	6.3%
Hours Worked	8.8%	5.6%
Wages Paid	10.8%	9.6%

U.S. Producers	2010-2012 Weighted Average	2013 Jan-Jun Figures
Gross Margin	9.5%	11.2%
Operating Margin	1.7%	4.8%

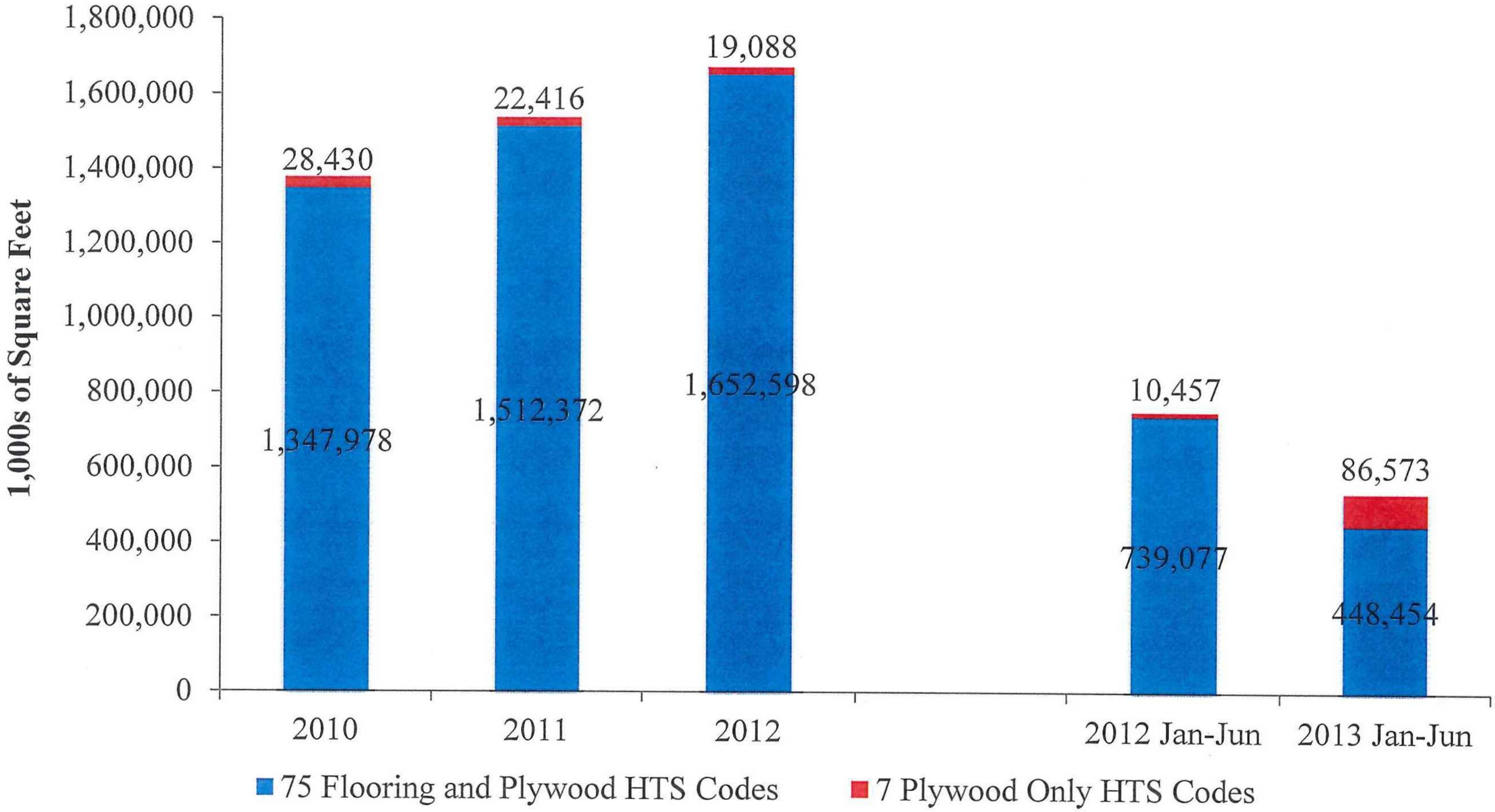
Source: Prehearing Report at Table C-2.

HTS Codes: Overlap between Plywood and Flooring Cases



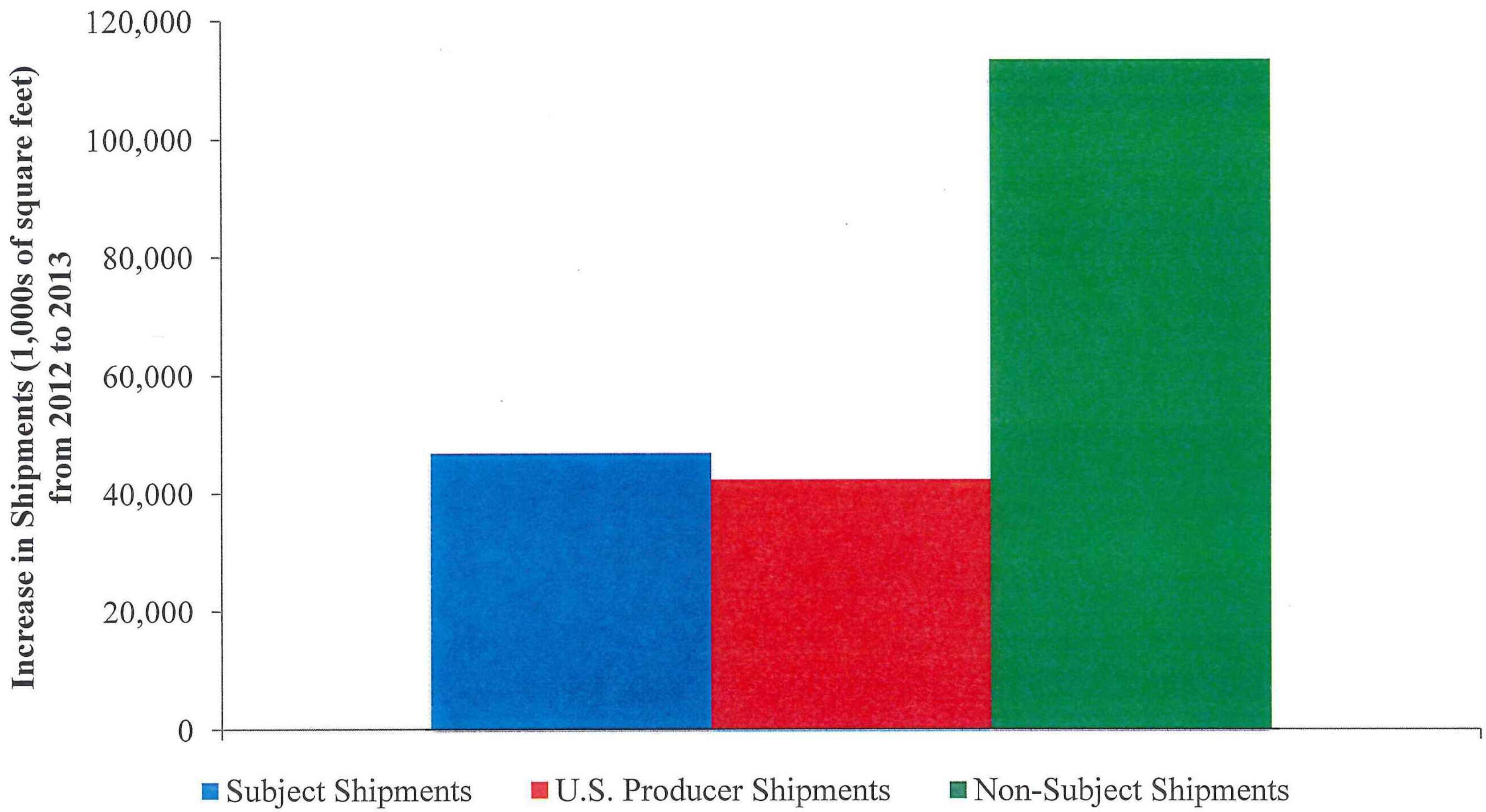
Source: Prehearing Report at Pages I-8 & I-9; *Multilayered Wood Flooring From China.* Publication 4278, at Page I-6.

HTS Codes: Overlap of Plywood & Flooring Imports, by Quantity



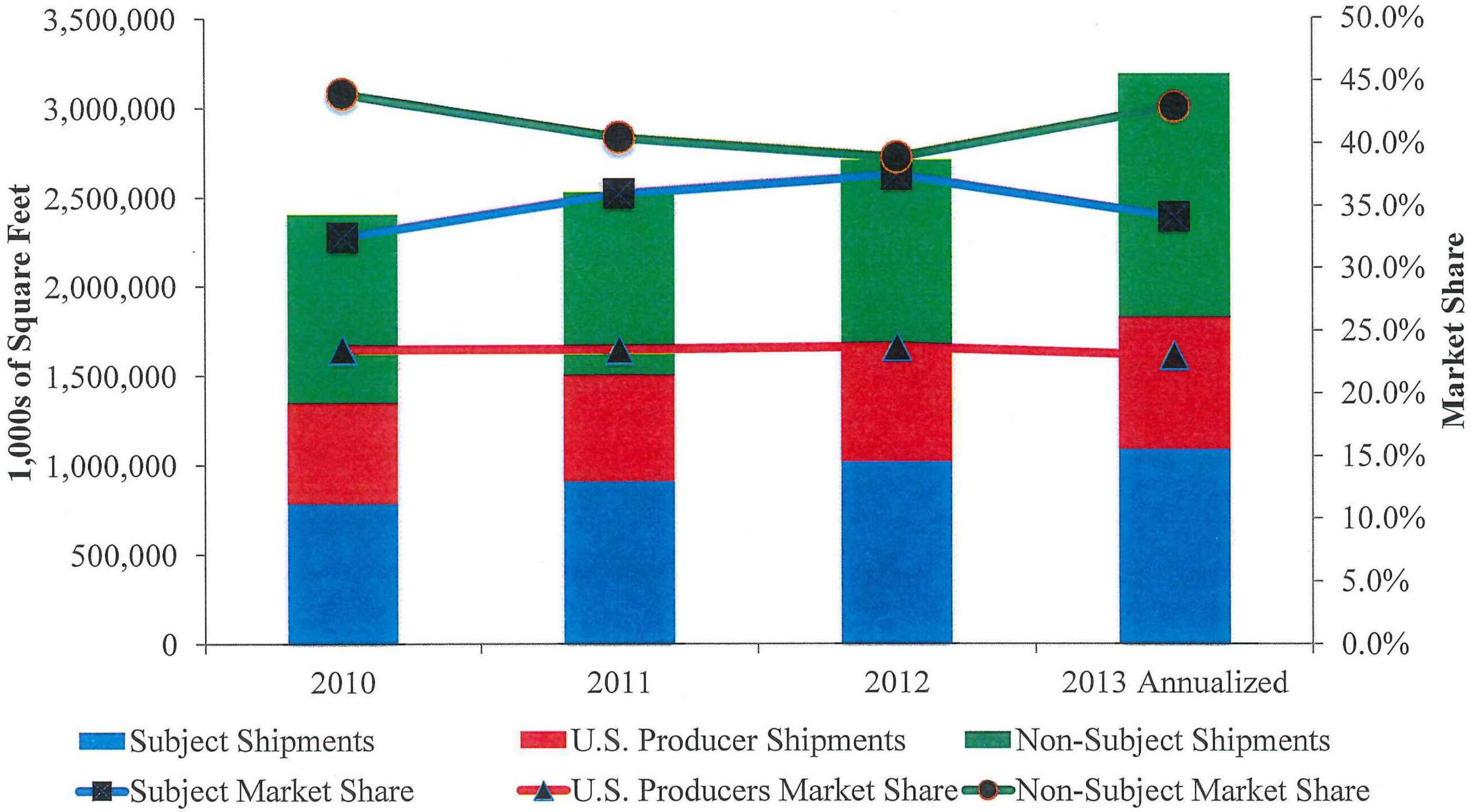
Source: Prehearing Report at Table C-1 and U.S. ITC Dataweb Statistics for HTS 4412.10.500, 4412.10.9000, 4412.31.4080, 4412.31.5175, 4412.32.0570, 4412.32.2530, & 4412.99.5115.

Industry Performance: Quantity of Shipments Increased across the board in 2013



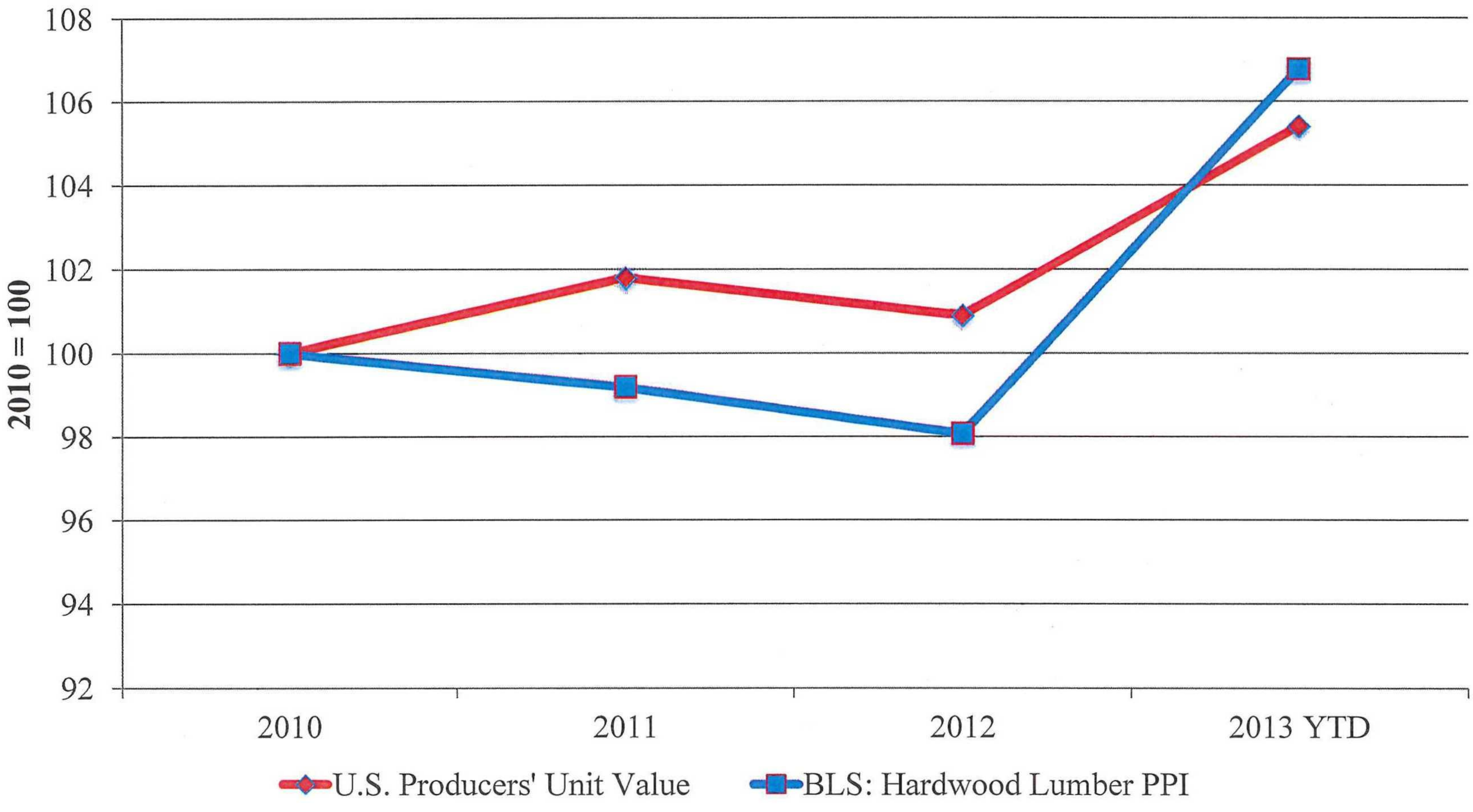
Source: Prehearing Report at Table C-2.

Industry Performance: Shipment Quantity & Market Share Trends



Source: Prehearing Report at Table C-2.

Debunking the Petition Effect: U.S. Producers' Price Trend is in line with wider Industry



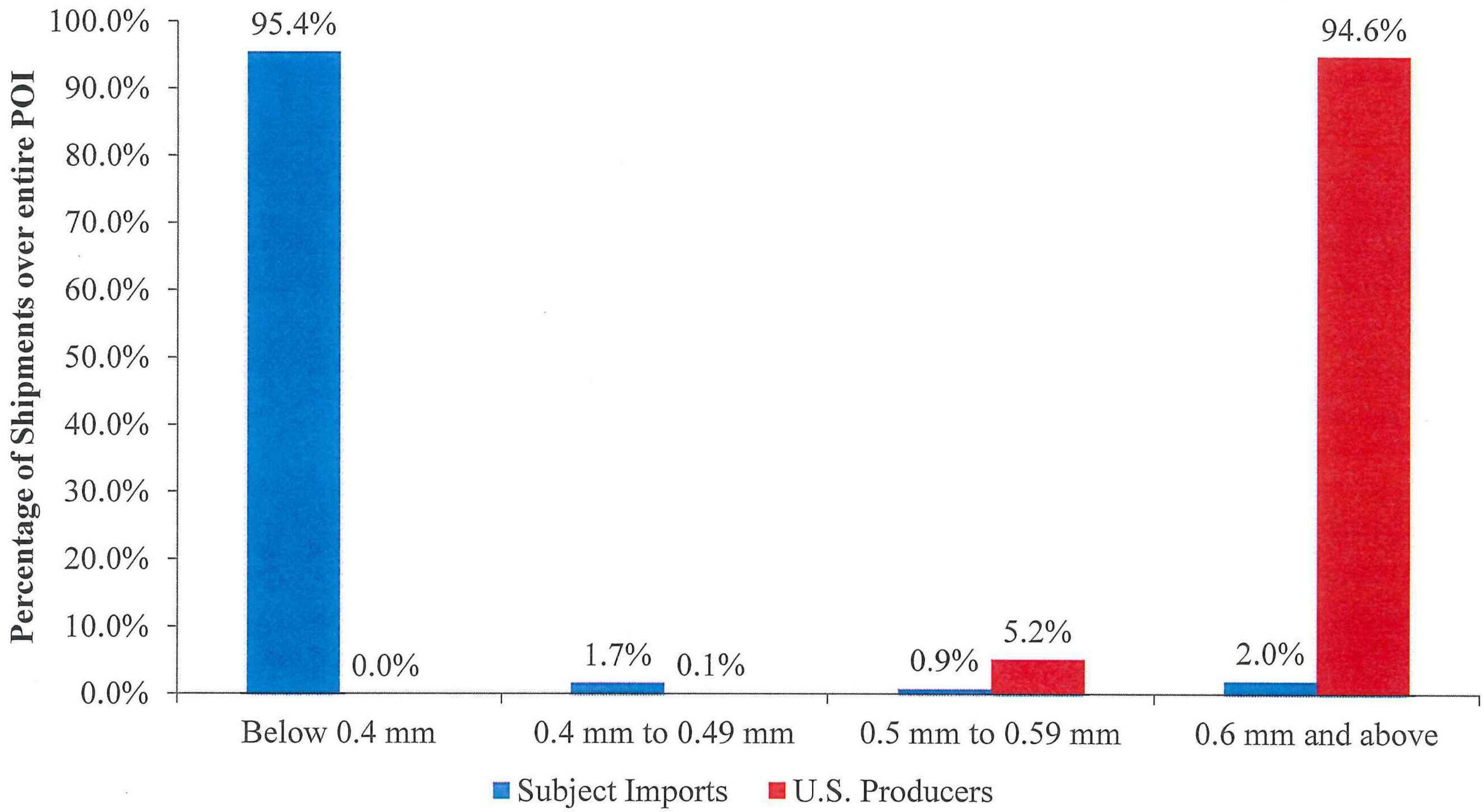
Source: Prehearing Report at Table C-2 and Bureau of Labor Statistics. Producer Price Index-Commodities: Hardwood Lumber, WPU08.

Debunking the Petition Effect: Strong Demand in Plywood End-Use Industries in 2013

- Cabinets: 18 Consecutive months of sales growth.
- RVs: Shipments projected to increase 7.5% increase over 2012.
- Furniture: U.S. Census reports 3.5% growth in furniture sales over 2012.
- Housing: U.S. Census reports 23.9% growth in 2013 YTD housing starts.
- Remodeling: LIRA projected to increase 17% from 2013 Q1 to 2014 Q2.

Source: AAHP Prehearing Brief at pages 47-48; Prehearing Report at page II-10; U.S. Census Data Bureau. (September 13, 2013). Advance Monthly Sales for Retail and Food Services August 2013. Retrieved from www.census.gov; and U.S. Census Data Bureau. (August 16 , 2013). New Residential Construction in July 2013. Retrieved from www.census.gov.

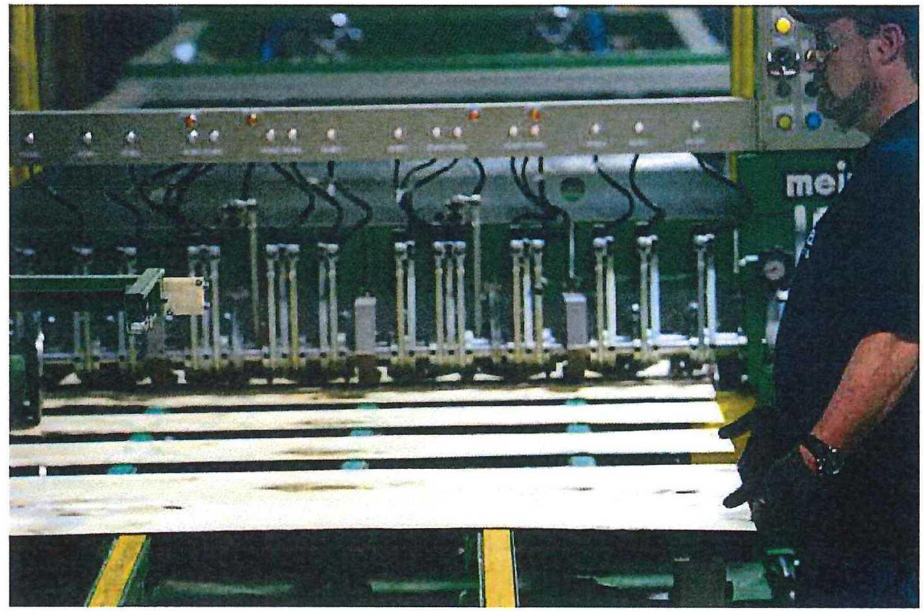
Attenuated Competition: Shipment breakdown by Face Veneer Thickness



Source: Prehearing Report at Table D-3 & Corrections from 516582-3-867601.

Production Process Differences

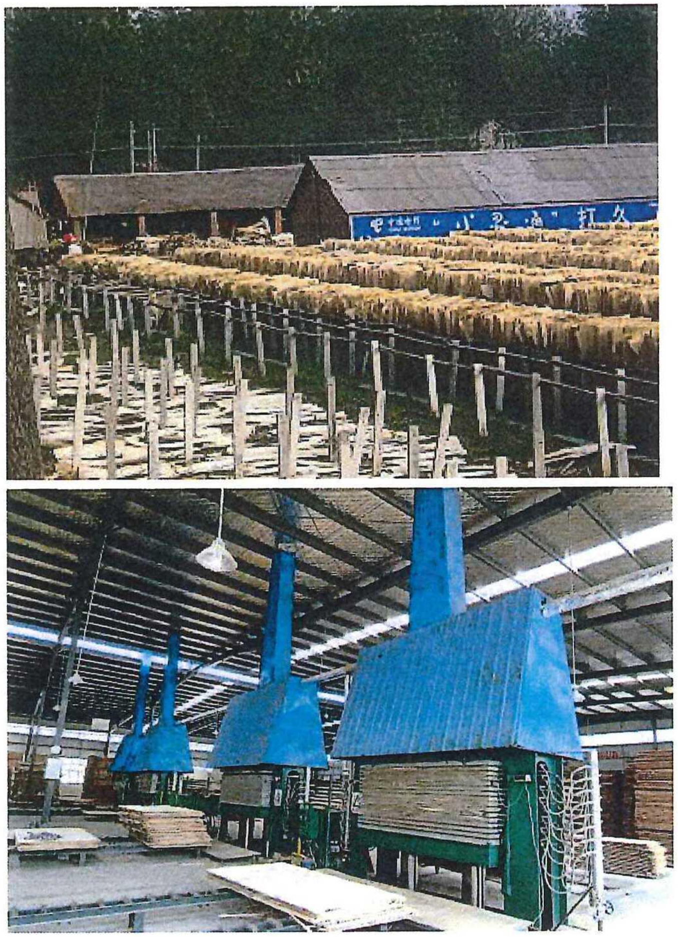
Core Composition



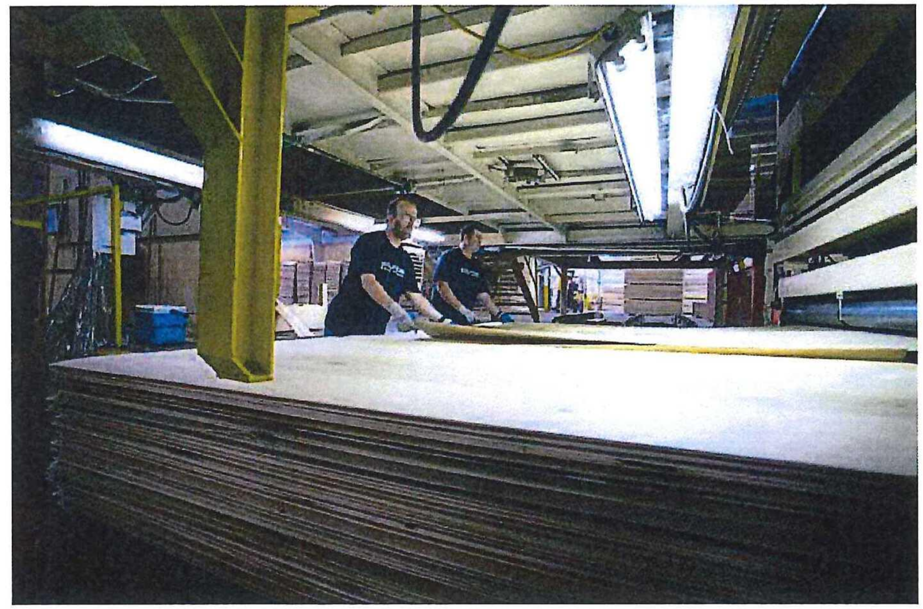
Chinese Production
Core veneers are joined together using manual labor at small factories.
(typically 11 ply hardwood for 18 mm)

Domestic Production
Core veneers are produced at large scale operations. Core veneers are joined with core composer
Source: Columbia Forest Products website
(typically 5 ply softwood for 18 mm)

Core Drying



Chinese Production
Core veneers produced and air dried. When shipped to the plywood factory, they are further dried by using a hot presser.



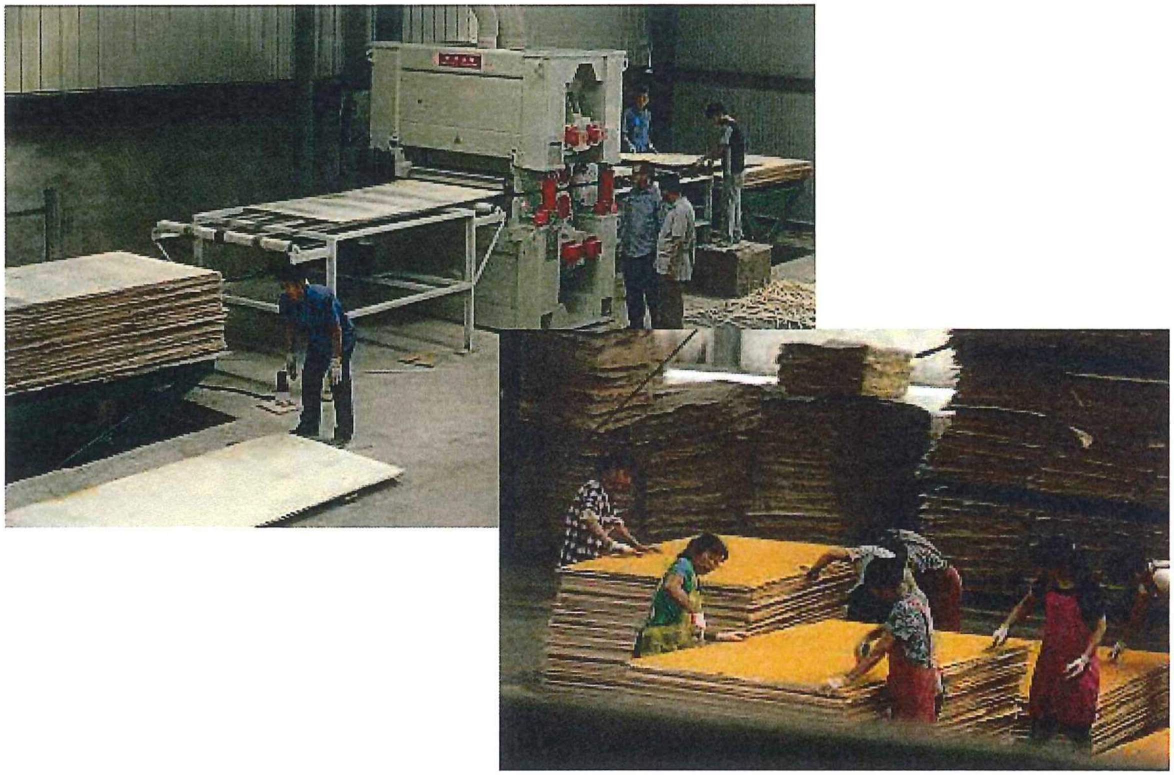
Domestic Production
Veneers are run through a "jet dryer". "Panels move quickly through dryer for about 6 minutes at 400 degrees Fahrenheit." Source: Columbia Forest Products website

Core Press

Chinese Production
Core veneers are glued, put through cold press, then a hot press. Step 1 of 2-step layup process.

Domestic Production
Domestic industry does not press the core separately; predominantly uses 1-step layup process.

Core Calibration



Chinese Production
Veneer core platforms are run through the calibrator, then a base coat is applied. The base coat is applied to the face because of the thin face veneer this is used.

Domestic Production
Does not require calibration.

Face Veneer Press

Chinese Production
The face and back veneers are glued to the platform by hand and put through a cold press then a hot press.
Step 2 of 2-step layup process.

Domestic Production
Face and core veneers are pressed simultaneously. Use of thicker face veneers allows core veneers to be joined at the same time. Veneers are put through cold press then a hot press. 1 step layup process.
Source: Columbia Forest Products website