

September 19, 2013

Testimony for the record submitted by The Honorable Ron Wyden, United States Senator
Re: Antidumping and countervailing duty investigations on Hardwood Plywood from China
Inv. Nos. 701-TA-490 and 731-TA-1204 (Final)

I want to thank Chairman Williamson, and the distinguished members of the commission for the opportunity to testify today. Today's hearing is incredibly important to American manufacturing and workers throughout my home state of Oregon.

As a Senior Member of the Senate Committee on Finance, and the chair of its subcommittee on Trade, it feels a little different to be on this side of the dais. Perhaps it's a little refreshing for members of the commission. Either way, I am very happy to be here with you because we all have an important role in standing up for rules-based trade by combating unfair trade practices. These efforts enable American manufacturers, innovators, and service-providers a chance to compete and succeed in the global marketplace.

Today I am here to applaud the commission's work in examining the impact of unfairly-traded imports of hardwood plywood from China on American businesses and the workers upon which they rely. This independent commission rightly determined, in its preliminary report, that U.S. manufacturing was suffering -- was injured -- as a result of imports of hardwood plywood from China, and which the Department of Commerce determined are illegally dumped and illegally subsidized.

This is not the first group of manufacturers and workers that are being harmed by China's unfair trade practices. This commission is well aware of them, whether it's related to steel or to solar panels. China is implementing an economic model that is at odds with its commitments to its world trading partners, to market economics, and to global economic growth. Frankly, China's model undermines its long-term economic potential and its standing in the global community.

The results of China's unfair trade policies must be confronted and remedied. Not just for the sake of American manufacturing, but to stand up for the global trade rules that propelled the Post-War global recovery and enabled the United States to be the world's biggest economy.

When Chinese suppliers dump unfairly traded hardwood plywood into the American market, it is a direct affront to American workers and to a market economy. Left unchecked, these illegal trade practices undermine economic growth, struggling Oregon communities, and encourage more of these unacceptable trade practices by China and others who seek to play by their own rules.

In so many cases, small communities like those across Oregon that rely on manufacturing are on the brink of economic collapse because of unfair trade.

The last few years have seen a rebounding of the U.S. economy -- which should have provided some relief to manufacturers struggling to keep the doors open.

Unfortunately, even though the U.S. hardwood plywood market has grown in recent years, American manufacturers are not seeing the benefits of that growth. U.S. manufacturers of hardwood plywood are operating at less than half of their production capacity. It appears to me that China's subsidies, and the dumping practices employed by Chinese suppliers, enable these suppliers to unfairly capture market share that would otherwise go to American producers. The growing tide of Chinese imports are sinking the boat of the American hardwood plywood industry.

The U.S. is greatest manufacturing engine in the world. This is a mantle that was earned through the best workforce and through fair competition and innovation.

Our nation cannot allow its capacity to manufacture goods domestically be eroded by unfair trade practices from China or elsewhere. If those of us that are elected and tasked to ensure that unfair trade is checked -- that it is remedied -- if we fail to act, it will come at the cost of American companies, American jobs and American communities.

I conclude my remarks by urging the commission to do what it always has so well, and that is to fairly look at the facts and circumstances in this case, and apply the nation's trade laws accordingly.

Thank you.