Testimony of Stephen Wellborn
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Wooden Cabinets and Vanities ITC Hearing
February 20, 2020

Good morning. My name is Stephen Wellborn, and I am the Director of Product and Research Development for Wellborn Cabinet.

My family has been in the cabinet business for nearly six decades. My father founded Wellborn in 1961 in Ashland, Alabama, and the company remains a family business. My family takes great pride in our company and in producing high quality cabinets here in the United States. We are very proud of the community we have created at Wellborn and of all the people that work with us, many for several decades.

Before the Great Recession, we employed over 2,000 people. We currently employ approximately 1,200 people. Since the recession, and especially in the past three to four years, demand has grown steadily, and we have been trying to grow our business with it, and return to our previous levels of employment. But the surge of unfairly priced Chinese imports since 2016 has prevented us from doing so. In fact, in 2019, we actually had to drop our headcount, as a result of the unfair competition we continued to face from Chinese imports.

Since my father founded Wellborn nearly 60 years ago, we have grown to a 2 million square foot facility that manufactures a wide range of cabinet and vanity

products. Our production is vertically integrated. As a result, we control the entire production process, which allows us to ensure the high level of quality and craftsmanship that we pride ourselves on and are known for.

However, we have not been able to realize the benefits of our high-quality products in recent years, as we have lost sales and revenues to imported cabinets and vanities from China. These imports are competing head-to-head with us throughout the U.S. market. For example, Chinese importers like Fabuwood and JSI – among others – have blurred the line between what were traditionally considered stock and semi-custom cabinets. At the Kitchen & Bath Industry Show last month, Fabuwood was back with their state-of-the-art display, advertising cabinets and vanities in various sizes and with very high-end features. Yet they still sell these products at drastically low prices. They ship RTAs but also offer assembly for their cabinets and vanities, competing directly with our fully assembled cabinets and vanities. With the variety of sizes and features they offer, I estimate that Chinese imports compete with at least 85 percent of the U.S. market – where U.S. producer shipments are also concentrated.

Because we are competing head-to-head, U.S. prices are being suppressed and depressed by these unfairly priced Chinese imports. To compete with the extremely high volumes of subject imports, we have had to lower our prices. Our customers constantly pressure us about pricing. They demand lower prices and more features,

and they look to dumped and subsidized Chinese products as a point of comparison. We have also had to change our product mix due to the surge of Chinese imports in the market. We have been forced to increasingly produce lower end and lower priced cabinets. These lower priced cabinets are less profitable, and when coupled with the price concessions, our profits have declined. In other words, even for the sales we do make, our margins are squeezed and our profitability is eroded.

The sales we lose outright to subject imports further impact the profitability of our company and our ability to hire more workers and increase wages. When we talk to our dealers, they often tell us the same story – they are selling more Chinese cabinets and fewer U.S. cabinets.

Were it not for the surge of unfairly traded Chinese imports, this would be a good market for the domestic cabinet and vanity industry, but Chinese imports are taking all the growth in the market. Simply put, we should be doing a lot better right now. We are not, and that is because of the increased presence of Chinese cabinets and vanities in the U.S. market.

As a final point, I would like to highlight again the community that Wellborn is a part of and the community that is at risk in this case. The unfairly traded imports from China do more than just lower profits for Wellborn. These imports have serious consequences for the community of Ashland, Alabama, as you heard from the mayor of our great city earlier this morning. Wellborn is one of the largest employers in

Ashland. We provide reliable and high paying middle-class jobs in a small community with few employment opportunities. Without trade relief, we will not be able to continue to increase wages or to maintain or increase the number of our employees. It is those workers and those jobs that are at stake in this case.

Thank you for your time.