

TESTIMONY OF DOUG BASSETT, VAUGHAN-BASSETT FURNITURE
U.S. International Trade Commission, Inv. No. 731-TA-1058 (Review)
Wooden Bedroom Furniture from China
November 10, 2016

Good morning. My name is Doug Bassett, and I am the President of Vaughan-Bassett Furniture Company in Galax, Virginia. I have worked on the executive management team at Vaughan-Bassett since 1999, and I have been President since 2012. I am so proud to be here testifying with my Dad, John Bassett, and my brother Wyatt. I also am proud to stand with my fellow domestic furniture producers this morning. Most of us on this panel have been part of the fight against dumped imports from China since this case was originally filed back in 2003. It has not been easy. We have faced pressure from customers who wanted access to unfairly traded imports. We have known the excitement of winning relief – only to realize that we have to keep battling efforts to circumvent the Order. But all of us agree on the importance of maintaining relief, because that is the only way that our companies and our workers will have a chance to compete on a level playing field.

As you can tell from the witness list, Vaughan-Bassett is a family business. My family has been in the furniture business since 1902 when my great-grandfather began making furniture in southern Virginia. But when I think of the Vaughan-Bassett Furniture family, I also think of the workers who have devoted themselves to our company, and who make some of the best wooden bedroom furniture on earth. I think of Galax, a proud town of just over 7,000 people near the Virginia/North Carolina border, with a long history of furniture making. We employ over 600 people in Galax, many of

them with decades of experience. One of the main reasons we are here – one of the main reasons we supported this case from the beginning – is that we want to give our workers, and our town, a fair chance to succeed.

Today we continue to believe that the Order is absolutely essential for the long-term health of the wooden bedroom furniture industry in the United States. The last eight years have been a time of severe challenges for domestic producers. The industry recognizes that demand for our product is determined primarily by the construction of new single-family homes, because demand for new bedroom furniture primarily comes from the creation of new bedrooms. During each of the last eight years, construction of such homes has fallen to levels not seen since the recession of the early 1980's. (See Slide). In fact, if you adjust the data to take the country's growing population into account, you'll see that there hasn't been a period of such depressed growth in single-family homes since at least 1959, when the government began keeping track of this statistic. (See slide). So while some parts of the economy have recovered from the economic crisis of the late 2000's, ours has not.

Furthermore, we continue to face difficult competition from imports. Later this morning, my brother Wyatt will talk to you about the desperate efforts by importers to bring dumped Chinese furniture into this market – even to the point of risking civil and criminal penalties to do so. But we also face tough competition from non-subject sources in China, and non-subject countries like Vietnam. Do not get me wrong – we know that this business, like any business, is competitive. We and our workers relish that

competition – so long as it's legal. But large import volumes represent another challenge for companies like Vaughan-Bassett.

These challenges have obviously harmed our profitability. But we remain committed to this business, we believe that market conditions are slowly improving, and we are preparing for the future. In fact, since 2003 (the year the petition was filed), we have spent more than \$45 million on capital expenditures to upgrade and improve our facilities. The wood for our furniture comes from local forests, and we developed a program with the Virginia Department of Forestry to ensure that we replace every tree used to make our furniture. This year, we launched a new line of solid wood furniture, known as Artisan & Post, and just announced additional entries to that line at the October Market in High Point, North Carolina. We are so encouraged by the potential of this line that we have begun making solid wood dining room furniture as well. I realize that dining room furniture is not covered in this proceeding, but I want you to understand that Vaughan-Bassett is committed to growing our business here, in America.

So we and our workers have survived dumped imports from China, a terrible downturn in demand, and competition from the rest of the world. We are still here, and we are hopeful about the future. But please understand that revoking this Order, and allowing a new surge of unfair trade to flood this market, would have devastating consequences. Even today – twelve years after the Order was imposed – we continue to fight efforts by subject producers to circumvent or otherwise undermine relief – so there is no question that revocation of the Order would lead to a rapid increase in dumped Chinese imports. Chinese producers are very sophisticated, and we would expect them to

compete throughout the U.S. market – including against our new Artisan & Post line.

Under these circumstances, it would be impossible to avoid material injury.

Therefore, on behalf of all the workers at Vaughan-Bassett – as well as their families and everyone else who relies on a healthy American furniture industry – I urge you to maintain this vital Order, and give us a fair chance for a better future. Thank you very much.