## Congress of the United States Washington, DC 20515

July 17, 2019

The Honorable Sonny Perdue Secretary of Agriculture United States Department of Agriculture 1400 Independence Avenue SW Washington, DC 20250

Dear Secretary Perdue,

We are writing to you regarding our nation's hardwood lumber producers and the Administration's trade mitigation assistance package announced on May 23, 2019. We ask that hardwood producers be included in any future assistance packages the Administration may undertake. China is by far the largest importer of American hardwood, and our trade dispute with the Chinese is ravaging this industry that supports jobs and communities across our country.

The impact of Chinese counter tariffs on hardwood, part of the escalating trade tensions between our nations, will be detrimental if a solution is not found. Prior to the levying of this tariff in September 2018, China purchased 50% of U.S. hardwood grade lumber exports – approximately \$2 billion worth of product. Once the tariffs were in place, demand slowed, and the value of hardwood exports fell by \$154 million per quarter as exports to China declined by 42 percent. These losses are certain to worsen exponentially as the tariffs increase.

This dramatic shift in economic conditions holds severe ramifications for the 685,000 jobs that are supported by the hardwood industry. This includes hardworking Americans from mill yard workers to transporters, craftsmen, loggers, and foresters. With an excessive supply of hardwood now clogging the global marketplace, the ability of hardwood mills to continue their operations is jeopardized. Their closure would inhibit domestic consumers accessing finished products, while potentially allowing China and other international interests to simply buy raw hardwood at lower prices. In addition to weakening the hardwood industry, this aspect of the trade dispute endangers family tree farm operations that harvest timber responsibly to ensure healthy trees, land, and soil.

We are pleased that \$100 million was made available in the recent mitigation assistance package for the international promotion of American goods. However, we feel strongly that the hardwood industry requires financial support akin to what other commodities impacted by current trade and tariff disputes are receiving. Its survival is critical to the health of our economy more broadly.

As we continue to encourage the Administration to seek a quick resolution to current tensions with China, we believe mitigation assistance is critical in the intermediary. We appreciate your attention to our request and look forward to your prompt consideration of this matter.

Sincerely,

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