



For Immediate Release: 5 January 2017

As part of the appeal process in a case investigated (and dismissed) in 2013, on November 18, 2016 various petitions were filed with the Department of Commerce (DOC) and International Trade Commission (ITC), relating to hardwood and decorative plywood products imported from the People's Republic of China (PRC.) The petitioner, the Coalition for Fair-Trade in Hardwood Plywood, is a group representing six U.S. domestic hardwood plywood manufacturers. These petitions include both anti-dumping (AD) and countervailing duty (CVD) components that allege Chinese manufacturers are “dumping” plywood at less than normal value or below their production costs as well as claiming that these manufacturers are benefiting from excessive subsidies and other government programs that reduce their costs or improve their access to labor and raw materials—and as a result the U.S. domestic hardwood plywood industry is suffering “material injury.” All hardwood and decorative plywood products imported from the PRC are subject to these filings, regardless of dimension, grade or finish.

These filings have brought a significant degree of uncertainty to U.S. markets for hardwood and decorative plywood products. Because of this uncertainty, most importers have chosen to either raise prices or back away from the market until the smoke clears. As a result Hood Distribution branches across the country are now replacing inventory at costs much higher than we paid prior to these filings. The extended timeline of the investigation as well as exposure to CVD and/or AD duties heightens the risks importers face as this investigation progresses. Adding to these risks is the potential that importers face **RETROACTIVE** application (back to the date of the initial filing) of any final duties that are determined by the ITC.

On December 30, 2016 the ITC voted unanimously (6-0) that the petitions contained evidence sufficient to warrant the continued investigation of the allegations. As a result, Hood Distribution expects continued uncertainty and upward pricing pressure on hardwood and decorative plywood markets. There are opinions on both sides of this case that believe that considering the political winds currently blowing in the United States, it is likely that some magnitude of duty will stick this time around. We encourage all market participants and end-users of these products to follow this investigation closely and protect their interests and inventory positions accordingly. We will continue to operate with a long-term focus and not get caught up in the panic buying that is often seen in times of uncertainty. Most importantly, Hood Distribution will not “sit this out” and we will continue to take positions to ensure we have inventory, at fair prices, to support our customers and markets. Hood has also re-energized our efforts to find alternative panel products, from high-quality and reputable manufacturers based in countries not subject to this current investigation. We encourage you to contact your local Hood branch for updated information as this investigation progresses. Included below is the current schedule of known deadlines in the investigation process. We will provide ongoing updates as additional decisions are made or as market conditions warrant.

Estimated Schedule of Investigations:

November 18, 2016: Petitions Filed

December 8, 2016: DOC initiates AD/CVD Investigations

December 30, 2017: ITC Votes Unanimously to Continue AD/CVD Investigations

February 13, 2017 (or before): Deadline for DOC preliminary CVD determination

April 27, 2017 (or before): Deadline for DOC preliminary AD determination