

The Hardwood Federation

Hardwood Manufacturers Association

September 24, 2019

What is the Hardwood Federation?

- Voice of the U.S. Hardwood Industry
- Established in 2004
- 28 Hardwood Businesses Organization Members

Our Members

- Allegheny Hardwood Utility Group
- American Hardwood Export Council
- Appalachian Hardwood Manufacturers
- Appalachian Lumbermen's Club
- Empire State Forest Products Assn.
- Hardwood Distributor's Assn.
- Hardwood Manufacturers Assn.
- Hardwood Plywood & Veneer Assn.
- Indiana Hardwood Lumber Assn.
- Kentucky Forest Products Assn.
- Kitchen Cabinet Manufacturers Assn.
- Lake States Lumber Assn.
- Maple Flooring Manufacturers Assn.
- Missouri Forest Products Assn.
- National Wood Flooring Assn.
- National Woodland Owners Assn.
- North Carolina Forestry Assn.
- Northeast Loggers Assn.
- Pennsylvania Forest Products Assn.
- Penn-York Lumbermen's Club
- Railway Tie Association
- Southern Cypress Manufacturers Assn.
- Southwestern Hardwood Manufacturers Club
- Tennessee Forestry Association
- Virginia Forestry Association
- Western Hardwood Association
- Westside Hardwood Club
- Wood Component Manufacturers Assn.

The Hardwood Federation Charge

- Educate Policy Makers
- Monitor Federal Policy
- Participate in the Process
- Network with Allies
- Support Our Champions - HFPAC

Why Does Advocacy Matter?

Why Does the Hardwood Industry Need A Washington Presence?

People in DC Don't Care About My Opinion.

Everything is a Mess. Nothing is Getting Done. So Why Bother?

If You Are Not at the Table...

You are on the Menu!

Constituents and Economics Matter

Voters and Jobs Get Attention

The Hardwood Economic Impact

2016 **Direct** Economic Impact U.S: \$135.6 B; 700,000 Jobs

2016 **Direct** Economic Impact PA: \$6.1 B; 32,000 Jobs

2016 **Total** Economic Impact U.S: \$348.1 B; 2 million Jobs

2016 **Total** Economic Impact PA: \$11.1 B; 62,974 Jobs

Politics is Slow

Change is Incremental
Usually

2018 Successes

Federal Forest Management Reform

Farm Bill Passage

Waters of the U.S.

2019 Focus

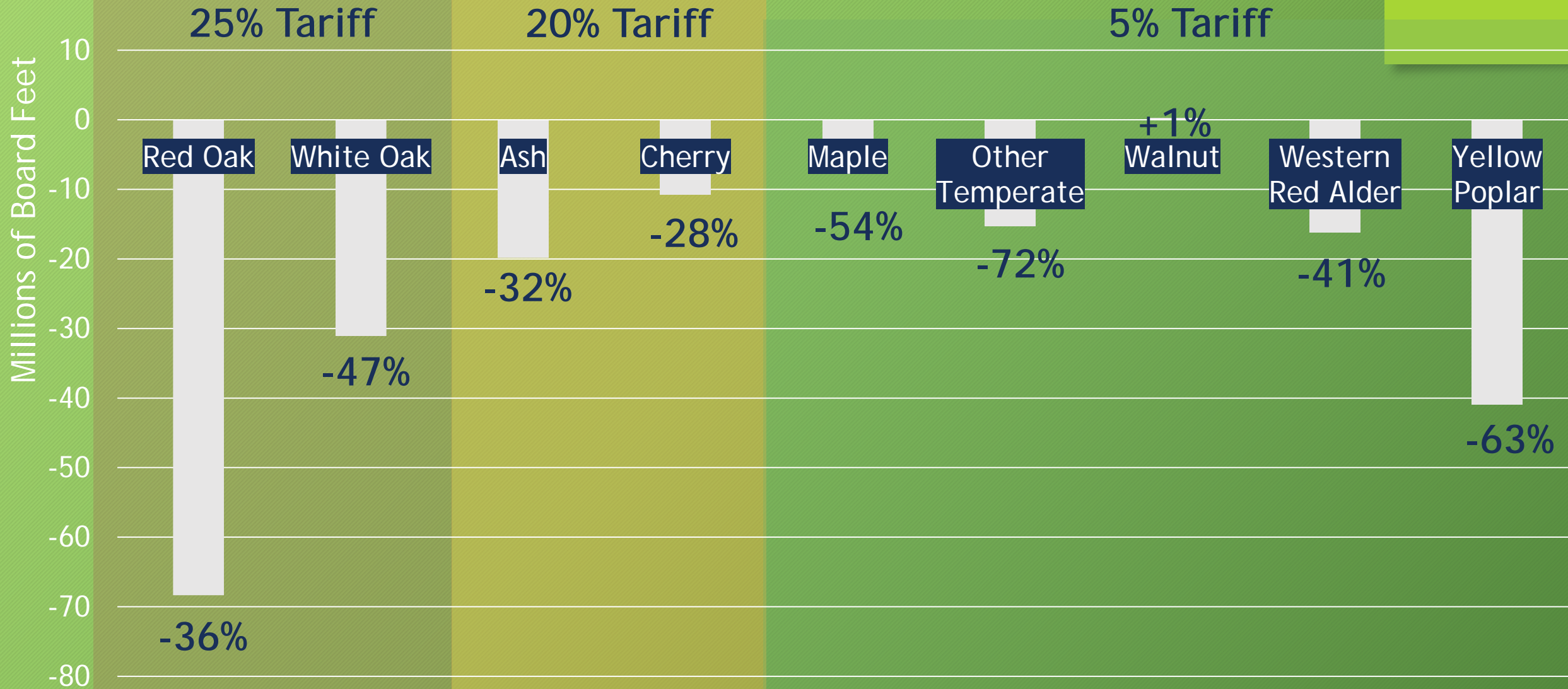
It's All About
Trade!



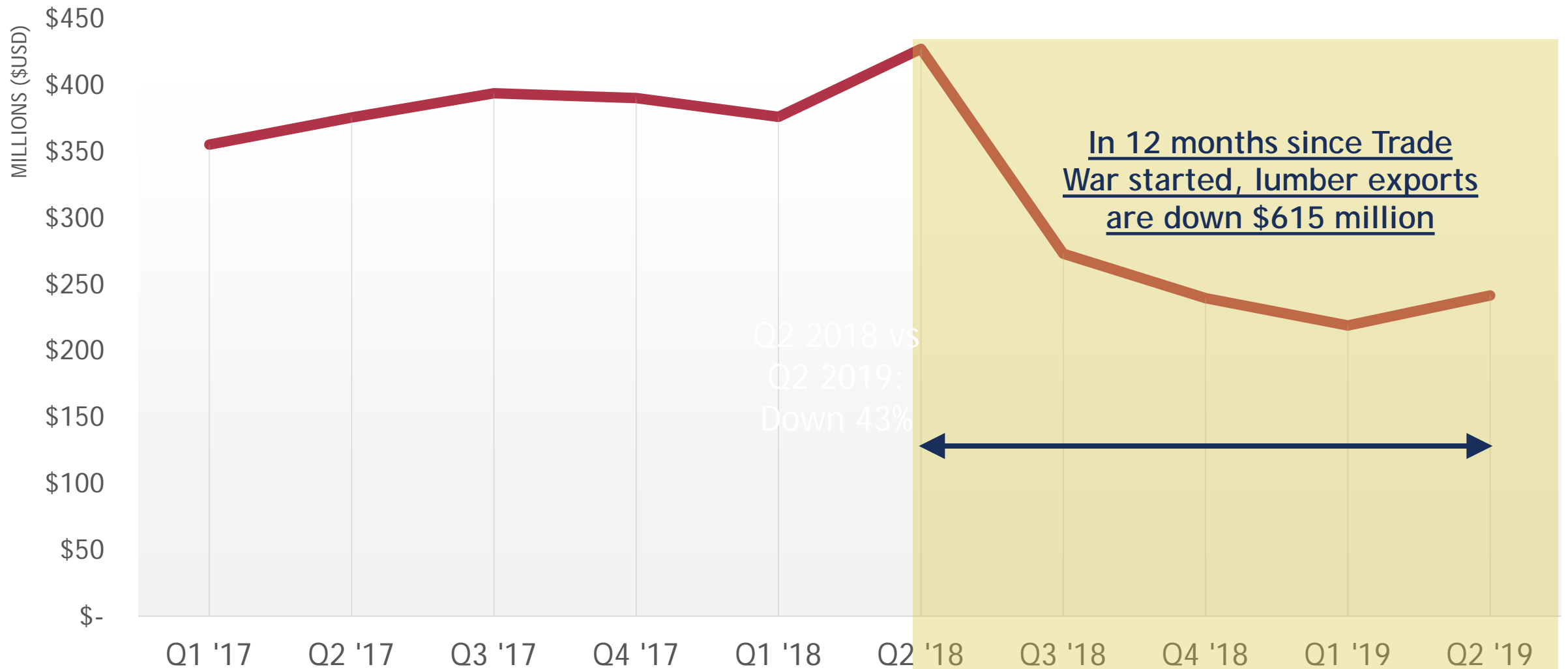
Where do we go from here?

Changes in China Jan – June 2019

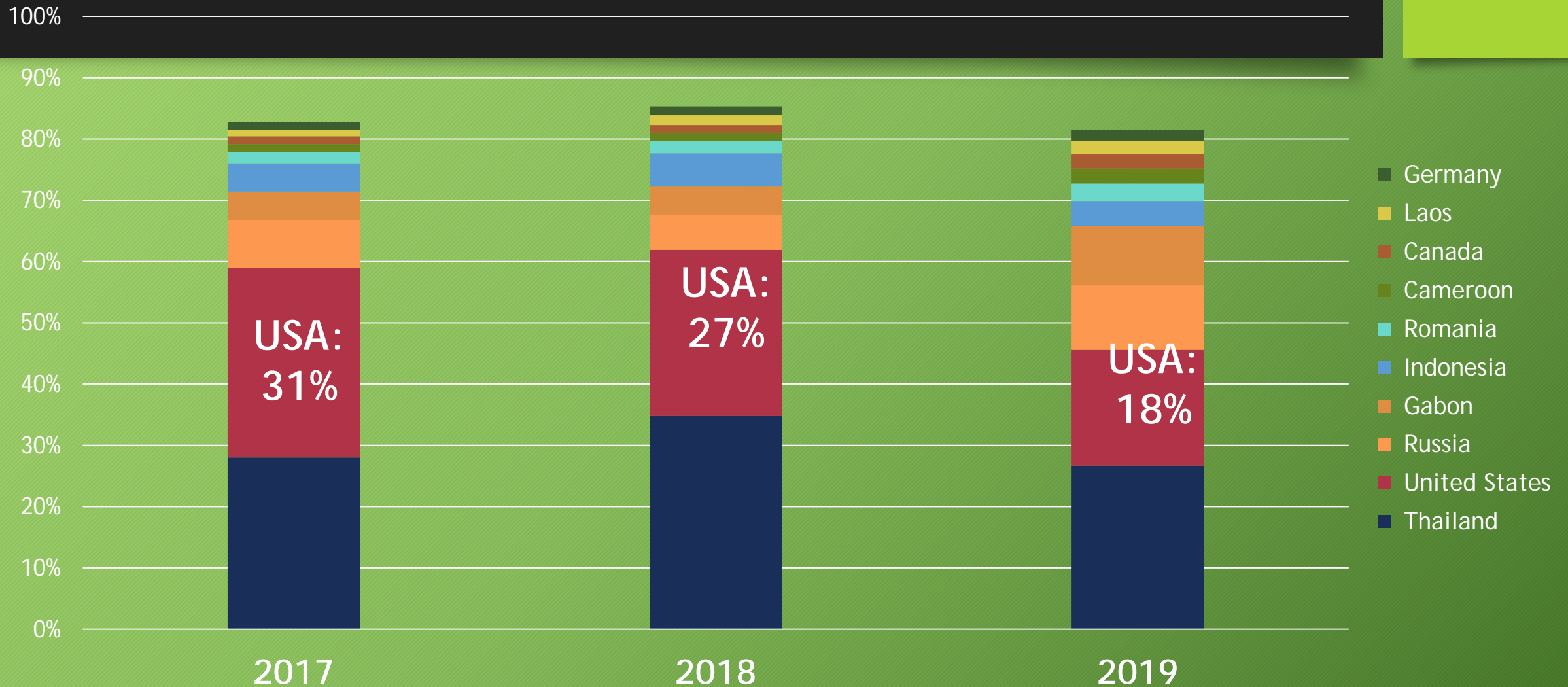
Source: AHEC



Quarterly US HDWD Lumber Exports to China



US Losing Hardwood Lumber Market Share in China



Source: Global Trade Atlas, data through June '19

How Did We Get Here?

Jan-March 2018:

U.S. Tariffs on solar panels,
washing machines, steel and
aluminum.

China retaliates with tariffs on \$3B
in U.S. goods

How Did We Get Here?

July 6, 2018: U.S. imposes 25% tariffs on \$34 B in Chinese goods.

China retaliates with 25% tariffs on \$34 B in U.S. goods.

Aug. 23, 2018: U.S. imposes 10% tariffs on \$16 B in Chinese goods.

China retaliates with 10% tariffs on \$16 B in U.S. goods.

How Did We Get Here?

Sept. 24, 2018: U.S. imposes 10% tariffs on \$200 B in Chinese goods.

China retaliates with 5-10% tariffs on \$60 B in U.S. goods.

Fall 2018: U.S. threatens to escalate 10% tariffs to 25%.

Dec. 1, 2018: U.S. and China agree to delay increases.

How Did We Get Here?

May 5, 2019: Negotiations break down. Electronics company Huawei placed on restricted export list to the US.

June 1, 2019: U.S. raises 10% tariffs on \$200 B in Chinese goods to 25%.

China retaliates with 5-25% tariffs on \$60 B in U.S. goods.

How Did We Get Here?

July 31, 2019: US-China talks end. Little progress.

Aug. 1, 2019: U.S. raises 10% tariffs on additional \$300 B in Chinese goods on Sept. 1.

Aug. 6, 2019: U.S. declares China a currency manipulator.

China suspends new U.S. Ag purchases.

How Did We Get Here?

Aug.13, 2019: US delays latest tariffs on certain products until Dec. 15. Some still set for Sept. 1.

Aug. 13, 2019: U.S. and China agree to talk again.

How Did We Get Here?

Aug. 23, 2019: China announces \$75 B in new tariffs on U.S. goods on Sept. 1 or Dec. 15.

Aug. 23, 2019: President tweets U.S. will increase tariffs on \$300 B in Chinese goods slated for Sept. 1.

25% tariffs on \$250 B in Chinese goods will increase to 30%.

How Did We Get Here?

Aug. 26, 2019: China calls for calm and continuation of negotiations.

Aug. 26, 2019: President Trump indicates agreement.

Tariff Totals

US Tariffs Applied on Chinese Goods:
\$550 Billion

Chinese Tariffs Applied on U.S. Goods:
\$185 Billion

Why is Trade Hard?

Decisions are made at the very highest levels of government.

Constant changes to the status quo.

Limited powers lie with Congress.

Many agree with the “get tough” position.

Federation Action

Congressional Outreach

Administration Contacts

Fly-Ins to D.C.

How to Be Engaged

Become Informed

Become Involved

Take Action!

Hardwood Federation

If you do not take an interest in the affairs of your government, then you are doomed to live under the rule of fools.

Plato



HARDWOOD

FEDERATION