

# U.S. Sen. Baldwin: Calls on Biden administration to protect Wisconsin businesses from Chinese companies cheating trade rules

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*WASHINGTON, D.C.* – U.S. Senator Tammy Baldwin (D-WI) is calling the Department of Commerce to protect Wisconsin hardwood plywood manufacturers from Chinese companies that are cheating trade rules and creating unfair competition. As the Department of Commerce looks to modify circumvention orders – rules that make sure foreign companies can't evade duties on their imported goods to the U.S. – Senator Baldwin is urging the administration to ensure that producers of Chinese hardwood plywood are not allowed to continue bringing in their merchandise that is assembled in Vietnam without the lawful payment of duties. Chinese companies' evasion of U.S. trade rules hurts Wisconsin manufacturers, leading to production cuts and job loss.

"I am writing on behalf of Wisconsin-based manufacturers of hardwood plywood that have faced unfair import competition from China in recent years," **wrote Senator Baldwin.**

**Senator Baldwin continued,** "These schemes have resulted in significant and devastating financial and employment losses for the domestic industry at a time when it should be benefitting from the orders."

In 2018 and in 2020, Senator Baldwin supported Wisconsin manufacturers' efforts to combat Chinese companies' schemes to skirt American trade rules. The proliferation of these circumvention schemes deprived the domestic hardwood plywood industry in Wisconsin of much-needed and hard-fought trade relief.

After hearing from Wisconsin-based manufacturers impacted by these circumvention schemes, Senator Baldwin introduced the bipartisan [Play By the Rules Act](#) to provide the Commerce Department additional flexibility to take stronger action against foreign companies that are cheating American businesses and workers.

“The Chinese government has subsidized plywood dumped by Chinese companies into American markets injuring American companies and their workers. When the U.S. government acted and assessed anti-dumping duties, American companies like ours were able to re-hire workers in Wisconsin. But China is circumventing these lawful duties through Vietnam and other countries, threatening to undo our progress. We fully support Senator Baldwin’s efforts and thank her for her work,” **said Columbia Forest Products CEO, Greg Pray.**

A full version of the letter is available [here](#) and below.

The Honorable Gina M. Raimondo

Secretary

U.S Department of Commerce

1401 Constitution Avenue, NW

Washington, D.C. 20230

Dear Secretary Raimondo,

I am writing on behalf of Wisconsin-based manufacturers of hardwood plywood that have faced unfair import competition from China in recent years. I was proud to stand with Wisconsin hardwood plywood manufacturers in their petition against Chinese dumping in 2018 and again in 2020 when those orders were being circumvented through exports from Vietnam. Today, as Commerce considers modifying the circumvention orders, I write to urge you to ensure that producers of Chinese hardwood plywood are not allowed to continue circumventing the orders by bringing in Chinese merchandise that is assembled in Vietnam without the lawful payment of duties.

In January 2018, antidumping and countervailing orders were issued on hardwood plywood from China. As a result of these orders, substantial duties were imposed on

all Chinese exporters of hardwood plywood. However, even while the antidumping and countervailing duty (AD/CVD) investigations were ongoing, Chinese producers began finding ways to circumvent the potential duties.

Unfortunately, since duties were imposed, these circumvention schemes have not only continued, but have intensified, depriving the domestic hardwood plywood industry in Wisconsin of much needed and hard-fought trade relief. These schemes have resulted in significant and devastating financial and employment losses for the domestic industry at a time when it should be benefitting from the orders.

In February 2020, the American manufacturers filed a circumvention request asking Commerce to find that hardwood plywood originating in China, with only minor assembly in Vietnam, is subject to the scope of the orders. Commerce reached an affirmative preliminary determination in this proceeding in July 2022, concluding that hardwood plywood assembled in Vietnam from Chinese veneers are circumventing the orders. This was a very significant win for the domestic producers, including Wisconsin manufacturers.

However, I understand Commerce is now considering modifying its preliminary determination to allow Vietnamese companies who did not cooperate with Commerce's investigation to avoid paying duties on their merchandise. If adopted, this would be inconsistent with the statute and Commerce's practice. It would invite more evasion and would severely undercut the impact of the affirmative determination. In effect, Commerce would be giving non-cooperative companies that already failed to cooperate another chance and let bad actors off the hook. Commerce's certification proposal would also allow Vietnamese companies to effectively self-certify retroactively, with no third-party oversight.

After hearing from Wisconsin-based manufactures impacted by these circumvention schemes, I introduced the bipartisan Play By the Rules Act with Senators Capito, Stabenow, and Cassidy. My legislation would provide the Commerce Department additional flexibility when reviewing anti-circumvention petitions filed against nonmarket economies like China and Vietnam. I plan to reintroduce the legislation this session of Congress to make it easier for Commerce to address circumvention cases like these.

In closing, I reiterate my request that Commerce carefully consider the evidence and ensure that producers and importers of Chinese hardwood plywood are not allowed to continue circumventing the orders by bringing in Chinese merchandise

assembled in Vietnam without the lawful payment of duties. If you have any questions about this matter, please do not hesitate to contact my office.

An online version of this release is available [here](#).