

January 12, 2007

Susan H. Kuhbach
Senior Office Director for Import Administration
U.S. Department of Commerce
Central Records Unit
Room 1870
Pennsylvania Avenue and 14th Street, NW
Washington, DC 20230

Comments Re: Application of the Countervailing Duty Law to Imports from the PRC

Dear Ms. Kuhbach:

Thank you for the opportunity to submit comments on the application of the countervailing duty law to imports from the People's Republic of China (PRC). I am the President of the Hardwood Plywood and Veneer Association (HPVA), a trade association based in Reston, VA that represents the interests of the hardwood plywood, veneer, and engineered flooring industries. HPVA counts more than 145 member companies as current members, including hardwood plywood and veneer manufacturers, distributors, and importers.

We fully support the application of the countervailing duty law to imports from the PRC and respectfully request that the U.S. Department of Commerce reverse its policy of not applying the CVD law to non-market economies such as the PRC.

HPVA's hardwood plywood manufacturing companies face strict competition from hardwood plywood imports from the PRC. Our domestic manufacturers welcome the challenge posed by foreign competition, but only if those foreign companies are competing on the same basis as our domestic manufacturers. Chinese hardwood plywood producers receive a number of competitive advantages,

ranging from artificial currency manipulation to lax environmental standards to unfair governmental subsidies, that allow them to produce hardwood plywood at up to 30% lower cost than our domestic manufacturers.

Although the U.S. Government has been actively engaged with China on these issues and has forced some movement towards fairer competition, HPVA feels that our industry's companies and our government should have the use of every possible tool at our disposal when negotiating with the Chinese. Therefore, we believe it is crucial that the U.S. Government have the *option* of applying countervailing duties, where appropriate, to Chinese imports. Without this tool, we are handicapping our ability to negotiate from a position of strength.

Our HPVA member companies are willing to work with the appropriate government agencies to help secure fair competition with Chinese imports. In fact, HPVA is already engaged with efforts undertaken by Senator Wyden, USTR, and the Department of Commerce to improve our competitive position with China. We welcome the opportunity to continue the dialogue on this subject with you and offer whatever support is needed.

Sincerely,

E.T. Altman
President
Hardwood Plywood and Veneer Association