



Wood Truss Council Of America

&

STRUCTURAL COMPONENTS EDUCATION



STRUCTURAL COMPONENT DISTRIBUTORS ASSOCIATION

October 4, 2003

Mr. James J. Jochum,
Assistant Secretary for Import Administration,
U.S. Department of Commerce,
Central Records Unit, Room 1870
Pennsylvania Avenue and 14th Street, NW.,
Washington, DC 20230;

Attention: Section 201 and Antidumping Duties.

Dear Assistant Secretary Jochum:

Manufacturers of structural building components are conducting business within all communities of the U.S., using the most efficient, economical resources for construction available. This industry includes the Wood Truss Council of America (WTCA) and the Structural Component Distributors Association (SCDA).

WTCA is a national trade organization representing the interests of wood structural component manufacturers across the U.S. SCDA represents the interests of companies that distribute structural components such as engineered wood products. There are more than 2,200 structural building component manufacturing locations in the U.S. According to the International Trade Commission our industry manufactures and distributes wood and steel products worth more than \$10 billion:

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Table 3-1
U.S. wood structural building components: Estimated production, 1997-2002

Items	1997	1998	1999	2000	2001	2002 ¹
	<i>Million dollars</i>					
Trusses and prefabricated panels	6,006	6,528	7,544	7,822	8,487	8,953
Engineered wood products	1,540	1,618	1,855	1,842	1,785	1,767
Total	7,546	8,146	9,399	9,664	10,272	10,720

¹ 2002 data estimated from 6 month YTD data.

Source: Compiled from data submitted in response to Commission producer questionnaires.

These products include trusses and wall panels that are engineered structural components assembled from wood members and metal connector plates, including all of the hardware required in the field for installation. Given this, we purchase more than 350 million dollars worth of light gauge, galvanized steel each year.

Amazingly, our industry has been faced with transacting business under two tariffs — a 27% duty on softwood lumber coming from Canada and a 30% general steel duty.

These two duties have a direct impact on our employees, where we employ more than 45,000 people as follows:

Table 3-3
U.S. wood structural building components: Employment, 1997-2001

Items	1997	1998	1999	2000	2001
	<i>Number of employees</i>				
Truss manufacturing:¹					
All employees	32,069	34,661	37,649	36,597	39,307
Production workers	24,266	26,401	28,856	29,276	29,634
Engineered wood products:²					
All employees	5,372	5,811	5,884	5,709	5,724
Production workers	4,469	4,869	5,049	4,844	4,932

¹ Employment data for truss manufacturing, NAICS code 321214.

² Employment data for engineered wood members, NAICS code 321213, which includes some products not in the scope of this investigation.

Source: U.S. Census Bureau Annual Survey of Manufactures, M019(AS)-1.

WTCA and SCDA support free trade and are opposed to artificial restrictions on lumber and steel imports. It is our understanding that several parties are now advocating that the Department deduct countervailing duties, as well as duties imposed under section 201 of the Trade Act of 1974 (section 201 duties), from export price (EP) and constructed export price (CEP) in calculations of dumping margins pursuant to sections 772(c)(2)(A) and 772(d) of the Tariff Act of 1930, as amended (the Act).

We oppose this proposal because:

- It is our understanding that the proposal to deduct countervailing duties and section 201 duties from United States price in a dumping margin calculation would cause a far greater portion of product sales to the U.S. to be considered to have been

“dumped”, and products already viewed as “dumped” will see a substantial increase in their dumping rate.

- The intent of a countervailing duty is to offset any subsidy provided by a foreign country -- essentially to equalize any advantage that has been created. To do what is proposed to calculate a new duty will result in a double penalty for imported products that we need to manufacture our combination wood and steel products for the US market.
- We should not artificially alter current U.S. policy and rules to protect a fairly small number U.S. softwood industry and steel industry producers.
- Finally, such a change can only harm the housing sector. Our industries are very dependant on the housing economy to maintain our revenues and employment base. Tariffs and quotas on steel and lumber imports serve only to drive up the cost of these products for our suppliers. In turn, the increase in cost ultimately is passed down to our industry, who must pass the increased cost to their customer and eventually to the ultimate buyer. This action threatens to undermine our current economic recovery.

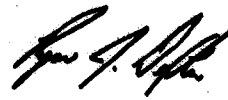
This proposal is fundamentally flawed trade policy. From our perspective, it is imperative that a resolution of both lumber and steel trade dispute be found as soon as possible.

It is essential to address and alleviate the unintended consequences of these tariffs, which results in another significant disadvantage for the U.S. structural building component industry, exacerbating the problem of U.S. component manufacturer competitiveness. We are the only industry that we are aware of, where both raw materials that are used to produce our products are subject to a tariff and this policy change would further damage our industry's economic structure.

Respectfully Submitted,



Scott Arquilla
WTCA President



Ryan J. Dexter
SCDA Executive Director