

**WRITTEN TESTIMONY OF KRISTEN SAWIN, VICE PRESIDENT GOVERNMENT AND CORPORATE AFFAIRS, WEYERHAEUSER ON BEHALF OF THE NATIONAL ALLIANCE OF FOREST OWNERS BEFORE THE HOUSE COMMITTEE ON AGRICULTURE JUNE 10, 2026**

Chairman Thompson, Ranking Member Craig, and distinguished Members of the Committee:

I am Kristen Sawin, Vice President of Government and Corporate Affairs at Weyerhaeuser and am pleased to appear today on behalf of the National Alliance of Forest Owners (NAFO), of which Weyerhaeuser is a member. I am currently the Chair of the Global Forestry Task Group at NAFO.

The National Alliance of Forest Owners represents private forest landowners who collectively own and manage over 44 million acres of working forests across the United States. These forests are not only a vital natural resource but also the economic backbone of countless rural communities, supporting approximately 3.9 million American jobs in forestry, wood products manufacturing, pulp and paper production, and related industries. Our members are committed to sustainable forest management practices that balance economic productivity with environmental stewardship and long-term forest health.

At Weyerhaeuser, we manage roughly 10.5 million acres of timberland across multiple regions of the United States, and we operate 35 wood products mills and building distribution centers that employ thousands of Americans in family-wage jobs. Our operations span from the Pacific Northwest, the U.S. Southeast and up to New England, making us deeply familiar with the diverse forest ecosystems and economic conditions across the nation. We harvest timber sustainably, regenerate forests for future generations, and produce essential wood products that Americans depend on daily. Weyerhaeuser has long standing export relationships to Japan, Vietnam, South Korea, and China. We are interested in more meaningful opportunities to India and the European Union.

We appreciate the opportunity to share why trade policy matters profoundly to the forest products sector and to NAFO members. International trade dynamics directly affect our ability to compete in global markets, maintain domestic production capacity, protect American jobs, and ensure fair treatment for our products abroad. When foreign competitors benefit from unfair subsidies, when trade barriers prevent our products from reaching overseas markets, or when retaliatory tariffs are imposed in response to U.S. trade actions, the impacts reverberate through our mills, our timberlands, and the rural communities that depend on them. The decisions made by Congress and the Administration on trade policy can mean the difference between growth and decline, between job creation and layoffs, between thriving rural economies and struggling ones.

In my testimony today, I will address how trade policy affects the domestic forest products sector, highlight specific challenges our industry faces in the international marketplace, and offer recommendations on how Congress can help ensure a level playing field for American forest landowners and manufacturers.

# A Supply Chain at Risk: Background on the U.S. Forest Products Sector

## State of America's Working Forests

America's private working forests are among the most productive and sustainably managed in the world, growing 53% more wood than is harvested annually. The supply exists—the problem is markets. Our domestic supply chain is under serious and accelerating stress.

Since 2014, the sector has experienced over 35 pulp mill closures, resulting in \$800 million in annual forest revenue losses and more than 50 million tons of lost wood-processing capacity. The availability of logging crews is a serious concern, as logging has contracted by 20% over the past decade as mills have closed. In addition, U.S. pulp exports to Mexico have declined by over 18% year-over-year. These are supply-chain collapses, not market corrections—when markets disappear, they do not return.

## Hardwood Lumber Sector Decline

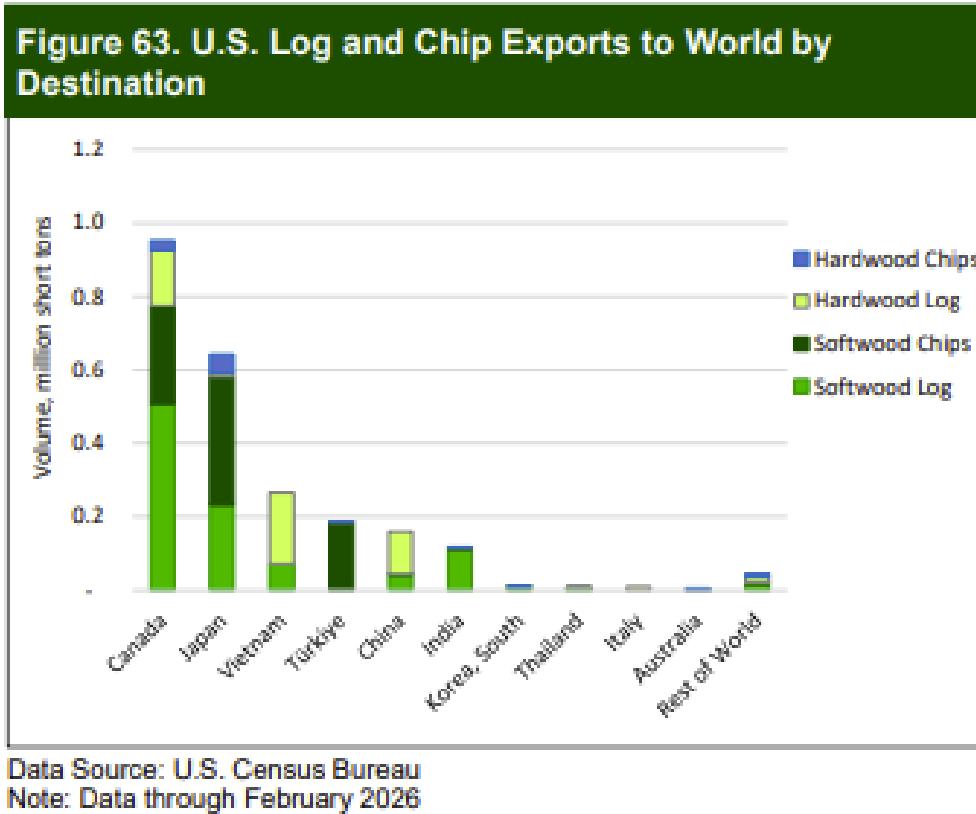
The hardwood lumber sector presents a contrasting picture of domestic oversupply amid declining production. Current consumption is 3 billion board feet (BBF) annually, while production reaches 4 BBF—a figure that represents a 46% decline from 2019 levels and a 67% decrease from 1999 peak production. Capacity stood at 7 BBF in 2023, though the sector has experienced a wave of mill closures since that measurement.

Trade patterns reflect the sector's export orientation: imports are minimal at 0.2 BBF, while exports reach 1.1 BBF. Export destinations are notably concentrated, with China receiving 28% and Mexico taking 12% of hardwood lumber shipments.

## Log and Wood Chip Export Markets

U.S. log and wood chip exports demonstrate high market concentration among three primary buyers. Canada, Japan, and Vietnam collectively import 78% of total U.S. log exports, with Canada alone accounting for 40%, Japan 27%, and Vietnam 11%. These same three countries also receive 77% of chip exports, with Canada taking 44% of log exports and 33% of chip exports. That concentration is a vulnerability: when any one of those markets tightens, American timberland owners feel it immediately and have few places to turn.

The price data tells that story plainly. Southern pine sawlog export prices are down 16.9% year-over-year, while Douglas-fir sawlog prices have fallen 15% below their five-year average. These are not minor fluctuations; rather they reflect a market in which U.S. producers are losing ground to competitors who benefit from preferential trade relationships and, in some cases, government support that American forest owners do not receive.



*Figure 1: Sawlog export prices have experienced significant downward pressure, with southern pine prices declining 16.9% year-over-year and Douglas-fir prices falling 15% below their five-year average. These trends reflect challenging conditions in international timber markets and reduced demand from key export partners.*

The situation with China illustrates how quickly that ground can disappear. In 2024, the U.S. was the third largest supplier of softwood logs to China, exporting 1.3M cubic meters of U.S. southern yellow pine logs and Douglas-fir logs. However, on March 4, 2025, China’s General Administration of Customs suspended the processing of all U.S. log imports, claiming a discovery of pests in U.S. shipments. The suspension was not an isolated technical action. For several years, China has responded to trade disputes by locking in long-term purchase agreements with other countries, systematically eroding U.S. market share. Meanwhile, Canada’s log exports to China have increased 35% during this period. Markets lost to competitors who have secured preferential access do not come back easily, and the window to defend U.S. position is closing.

### Wood Products Markets and the USMCA

The U.S. forest products sector represents a significant component of American trade, with annual exports totaling \$38.4 billion and imports of \$54.6 billion. Our primary trading relationships are concentrated with neighboring countries: Canada accounts for 39% of forest product imports and Mexico accounts for 24% of our export market.

The softwood lumber sector shows clear indicators of both domestic capacity and import dependence. U.S. consumption stands at 49.8 BBF, while domestic production reaches 37.1 BBF, with 61% originating from Southern operations and 34% from Western mills. Total U.S. mill capacity is 46 BBF, currently operating at 80% utilization. Recent Census Bureau data reveals that 58% of mills report operating below capacity due to insufficient orders rather than supply constraints. Imports total 13.9 BBF, representing roughly 25% of consumption, with 76% of these imports (10.5 BBF) sourcing from Canada. On the export side, the U.S. ships 1.2 BBF abroad, with Mexico receiving 37% and Canada taking 15%. Notably, current import levels are below the five-year average of 28% of consumption.

The U.S.-Canada softwood lumber dispute is enforced through trade remedy law (specifically, the antidumping and countervailing duty provisions of Title VII of the Tariff Act of 1930) and is legally distinct from USMCA and from the broader tariff debate. These are not tariff policy choices; they are determinations made under long-standing U.S. law in response to findings of unfair trade practices. There is currently no interest by U.S. lumber manufacturers to include softwood lumber as a unique provision within the USMCA. There is, however, interest in addressing the dispute resolution process outlined in Chapter 10.

## Three-Part Policy Solution

Smart policy in three key areas can reverse these trends and restore market stability:

**Energy Markets** — Fixing the definition of woody biomass in the Renewable Fuel Standard (RFS) to ensure low-value and residual wood qualify as a feedstock is the most important domestic policy step Congress can take, at no federal cost. This would create immediate demand for forest products and support rural forestry economies.

**Housing Affordability** — Housing starts drive lumber demand, the most important end-use market for forest products. NAFO supports the House-passed 21st Century Road to Housing Act (May 20, 2026), which would stimulate residential construction and, by extension, lumber consumption.

**Trade Policy** — Fair and enforceable trade rules, removal of unjustified foreign barriers, and targeted tariffs supporting domestic manufacturing are essential to leveling the playing field for American producers.

Trade is a critical component of a comprehensive strategy to support U.S. working forests and healthy forest products supply chain.

## Trade Opportunities, Market Access, and Enforcement

The United States should position itself as the 'wood basket to the world.' While maintaining the highest sustainability standards in the world, we have more timber than we can process domestically, and global fiber demand continues to grow. Yet the trend is moving in the wrong direction: U.S. forest product exports are down 5% year-over-year, lumber exports to Canada have declined 24%, and lumber exports to China—our primary hardwood export market—are

down 26%. We are losing ground in markets we should be winning. Reducing the agricultural trade deficit by promoting log and wood product exports, opening markets, and removing foreign barriers complements a strong domestic manufacturing agenda.

## Emerging Energy Export Opportunities

As demand for energy grows worldwide, there are both immediate and long-term opportunities to increase U.S. forest-derived energy exports, and American mills are not yet meeting that demand. U.S. pellet mills are currently operating 29% (~4M tons) below capacity despite a global market that is growing faster than supply can keep pace.

Our closest trading partners already depend on U.S. wood pellets to keep their power stations running. The U.S. is the primary pellet supplier to the EU, and under the U.S.-EU Framework Agreement the EU has committed to purchase \$750 billion in U.S. energy products; the Administration should ensure wood pellets are explicitly included. The United Kingdom, the world's largest pellet consumer, currently sources 76% of its imports from the U.S., representing 7 million tons and \$1.3 billion annually, though that market faces pressure when the UK's clean energy subsidy expires in 2027. In Asia, Japan's imports of U.S. pellets have grown 500% over the past decade and are projected to nearly double again, yet Vietnam currently supplies half of Japan's market while the U.S. supplies only 7%. Trade agreements with Japan, Vietnam, and South Korea could meaningfully shift that balance.

Beyond pellets, the opportunity in aviation and maritime fuels is significant and the window is open now. Forty-three airlines have pledged to use 4.1 billion gallons of sustainable aviation fuel annually by 2030, against current production of just 0.6 billion gallons. Maersk alone has committed to 400 million additional gallons of bio-based fuel annually by that same date. Woody biomass is positioned to fill a substantial portion of that gap. Fixing the Renewable Fuel Standard to recognize forest-derived feedstocks would strengthen the U.S. credibility and supply chain needed to compete for that market before others do.

## Market Access and Trade Barrier Removal Recommendations

**Brazilian Pulp Imports** — Place tariffs on imported Brazilian bleached eucalyptus kraft (BEK) pulp. A section 301 investigation is currently ongoing. Every ton of imported BEK displaces American-grown hardwood fiber, undermining domestic pulp producers and putting additional pressure on hardwood growers that have already been hit hardest by weak markets.

**China's Phytosanitary Restrictions** — Make the one-year pause on China's phytosanitary restrictions permanent and explicitly cover all softwood logs, including southern pine logs, not just Douglas-fir. This would reopen critical export channels for southern yellow pine producers.

**India's Discriminatory Tariffs** — India imposes a 25% tariff on U.S. logs while offering a 0% tariff for Australian logs and a rapidly phasing-out rate for New Zealand under its recently concluded Free Trade Agreement. India is the sixth-largest U.S. fiber importer, accounting for 8% of softwood log exports and 5% of total fiber exports. A bilateral agreement or most-

favored-nation (MFN) treatment could meaningfully expand U.S. market share before that window closes.

**EU Trade Barriers** — The EU Deforestation Regulation (EUDR) imposes onerous requirements on U.S. forest owners, manufacturers, and exporters, despite being designated as a low-risk country for deforestation. NAFO is calling on the USDA and USTR to press for removal of these disproportionate compliance requirements. Additionally, the EU uses sulfuryl fluoride as a fumigant for its own wood exports while blocking it for imported U.S. products—a clear double standard that must be eliminated.

## Trade Circumvention

Russian hardwood plywood circumvention presents a concrete example of trade enforcement challenges facing the U.S. domestic industry. The circumvention route operates as follows: Russia exports logs to China, where they are peeled into veneers, then shipped to Vietnam to be formed into plywood, and finally enter the U.S. market effectively tariff-free despite 50% tariffs imposed on direct Russian plywood imports. Beyond the harm to domestic manufacturing, this is especially troubling because Russian state and military interests are widely documented to own and/or control Russian forest resources.

The scale of this circumvention is substantial. In 2024, nearly \$360 million in birch plywood was imported from Vietnam and Indonesia, despite neither country having native birch forests. Vietnamese plywood imports surged 52% in a single year. Meanwhile, U.S. domestic hardwood plywood capacity utilization stands at approximately 50%, indicating significant underutilization driven partly by these circumvented imports.

The Commerce Department issued an affirmative circumvention determination in July 2023, recognizing the problem. However, enforcement has proven difficult to sustain, and imports have surged again following the initial determination.

NAFO supports a ban on forest products sourced from Russia to close the circumvention route at its source. We also encourage coordinated Lacey Act enforcement to trace Russian-origin logs through the China-Vietnam supply chain and ensure compliance with existing trade law.

Such enforcement is bipartisan and straightforward, requiring no broader stance on Russia policy. It focuses specifically on trade enforcement and protecting the domestic hardwood plywood industry from circumvention schemes that undermine legitimate U.S. manufacturing capacity.

## Trade Policy Recommendations & Conclusion

America's private working forests are ready to meet the moment. We have the supply, the workforce, and the infrastructure. What we need now are markets, investment certainty, and

a level playing field in global trade. The barriers are real and trends are moving in the wrong direction. Congressional action is needed now.

## Four Congressional Priorities

NAFO respectfully urges this Committee to advance four critical policy priorities:

### **1. Fix the definition of woody biomass in the Renewable Fuel Standard (RFS)**

The definition of woody biomass in the RFS currently excludes forest-derived biofuels from its feedstock pathways, despite it being a proven, carbon-beneficial, and domestically abundant renewable resource. Recognizing woody biomass as a qualifying feedstock would create significant market demand for low-grade pulpwood, forest residuals, and mill waste—materials that currently have limited economic value. This change would directly support forest management, reduce wildfire fuel loads, and provide rural forest communities with a stable revenue stream. It would also align the RFS with established lifecycle analysis methodologies that demonstrate the carbon advantages of sustainably managed forest biomass.

In addition to creating a valuable domestic market for low-value wood, increased production of forest-based biofuels could help meet growing global demand for bio-based and low-carbon fuels, creating new export opportunities and strengthening the U.S. as a global leader in sustainably produced, bio-based fuels. If we do not meet this growing global demand, China will.

### **2. Support Targeted Tariff Relief for Domestic Forest Products Manufacturing Equipment**

To meet the nation's housing needs, we need to produce more wood products domestically, which requires building more wood products manufacturing facilities in the U.S. Targeted tariff relief is needed to strengthen and expand domestic forest products manufacturing infrastructure.

U.S. manufacturers face significant cost disadvantages when acquiring specialized forestry and sawmill equipment that is not manufactured domestically. Tariffs on imported equipment—particularly automated sawmill systems, kiln dryers, wood chippers, and advanced manufacturing machinery—add 10-25% to capital investment costs without protecting domestic production (since much of this equipment is not made in the United States). Targeted tariff relief for forest products manufacturing equipment produced outside of the U.S. would enable technology modernization, improve the competitiveness of U.S. mills, and support job creation in rural communities. This is not about favoring imports; it is about ensuring American manufacturers can access the tools they need to compete globally.

### **3. Pursue Opportunities to Expand Exports and Press for Removal of Unjustified Foreign Trade Barriers**

Free trade agreements—both bilateral and regional, like the USMCA—are increasingly important tools to expand U.S. exports of forest products, from sawlogs to pellets to biofuels. The opportunities documented earlier in this testimony are real and time-sensitive: pellet markets in Europe and Asia are growing faster than U.S. mills can currently supply them, demand for sustainable aviation and maritime fuels will outpace production capacity within this decade, and India represents a significant log export opportunity that competitors are actively moving to lock up. What stands between American forest owners and those markets are specific, addressable barriers. Congress can help remove them.

In addition, U.S. forest products face discriminatory barriers in key export markets that are inconsistent with international trade obligations and scientific evidence. We urge this Committee to press the Administration and our trading partners to remove the following barriers:

- **China's Southern Yellow Pine Log Restrictions:** China's phytosanitary restrictions on U.S. southern yellow pine logs are not supported by scientific risk assessment and serve as a non-tariff barrier that locks U.S. producers out of the world's largest timber market. This species represents a significant portion of U.S. commercial timberland and a critical export opportunity.
- **India's Discriminatory Tariff Structure:** India imposes a 25% tariff on U.S. logs, compared to 5% for New Zealand and 0% for Australia, creating an arbitrary competitive disadvantage for U.S. producers. This structure is not based on objective policy criteria and should be harmonized.
- **Europe's Sulfuryl Fluoride Double Standard:** The EU's prohibition on imports of wood treated with sulfuryl fluoride—while simultaneously allowing domestic use of this same treatment—is a clear case of regulatory protectionism. U.S. producers are held to a standard that European producers are not, undermining fair competition.
- **EUDR Compliance Burden:** The European Union's Deforestation Regulation (EUDR) imposes geolocation and traceability requirements that are overly complex for U.S. exporters, and disproportionately harming small family and Tribal forest owners. This regulation is causing harm despite the U.S. being identified by the EU as a low-risk country for deforestation and having robust forest management and legal timber verification systems already in place. We support deforestation-free supply chains but urge recognition of equivalent regulatory systems to reduce duplicative compliance costs.

#### **4. Eliminate USMCA Chapter 10 Binational Panel Review**

Chapter 10 originated as a temporary stopgap in the 1988 U.S.-Canada Free Trade Agreement, pending negotiation of substantive antidumping and countervailing duty disciplines. Those disciplines were subsequently negotiated and adopted in the WTO agreements and implemented through the Uruguay Round Agreements Act, rendering

Chapter 10 review obsolete. U.S. courts ably and efficiently resolve appeals in nearly all other antidumping and countervailing duty cases. There is no justification for maintaining this constitutionally suspect and dysfunctional parallel system for Canada alone.

Chapter 10's binational panel review process presents serious constitutional and practical problems that directly harm U.S. forest products manufacturers:

- **Jurisdictional Concerns:** The binational panel review system strips U.S. courts of jurisdiction over final determinations by the Department of Commerce and the International Trade Commission in antidumping and countervailing duty cases. This is a unique carve-out that exists in no other U.S. trade agreement.
- **Constitutional Violations:** The system violates the Appointments Clause by allowing non-U.S. citizens—who are not appointed by the President or confirmed by the Senate—to adjudicate the meaning and application of U.S. law. Foreign nationals make binding decisions on U.S. statutes without meeting constitutional requirements for federal adjudicators.
- **Lack of Judicial Review:** U.S. parties are deprived of impartial Article III judicial review by independent federal judges. Instead, they face review by ad hoc panels of foreign nationals who lack the independence, qualifications, and accountability of Article III courts.
- **Flawed Decisions and Delays:** The system has yielded deeply flawed decisions and imposed years-long delays that tie up billions of dollars in liquidations, creating massive uncertainty for U.S. companies and forest landowners who depend on effective trade remedy enforcement.

Weyerhaeuser and domestic softwood lumber producers support eliminating Chapter 10's binational panel review and returning jurisdiction over U.S. trade remedy determinations to U.S. courts where it belongs.

## NAFO Stands Ready to Assist

The National Alliance of Forest Owners is a resource to this Committee and stands ready to assist as you work through these issues. Our members—representing millions of acres of working forests and thousands of jobs in rural communities across the country—are committed to sustainable management, economic vitality, and long-term stewardship. We believe that with the right policy support, America's private forests can be an even greater engine of rural prosperity, climate solutions, and national economic strength.

## Conclusion

In summary, the United States must continue to be the leading forest products-producing nation in the world. We have abundant forests, robust growing conditions, manufacturing capability, and a skilled workforce to supply both domestic and international needs for

generations to come. Strong domestic policy, coupled with a robust trade policy agenda, is needed to ensure the U.S. is global leader in forestry and forest products.

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