



Comments of Furniture for America on Section 232 National Security Investigation of Imports of Timber and Lumber

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Table of Contents

COMMENTS OF FURNITURE FOR AMERICA ON SECTION 232 NATIONAL SECURITY INVESTIGATION OF IMPORTS OF TIMBER AND LUMBER	2
EXECUTIVE SUMMARY	3
PART I: SECTION 232 EMPOWERS THE PRESIDENT TO TAKE ACTION ONLY AGAINST DEMONSTRABLE NATIONAL SECURITY RISKS. BECAUSE THERE IS NO NEXUS BETWEEN IMPORTS OF WOOD PRODUCTS AND U.S. NATIONAL SECURITY, PRESIDENTIAL ACTION UNDER SECTION 232 ON THESE PRODUCTS WOULD BE UNLAWFUL	4
A. Imposition Of Section 232 Duties on Imports of Timber, Lumber and Wood Products or Their Derivatives Such as Furniture Would Be Unconstitutional.....	4
B. Commerce’s Request for Comment Distorts the Statutory and Regulatory Factors and Presupposes an Impact of Imports on National Security	8
C. Commerce Must Request the Secretary of Defense to Provide an Assessment of The Defense Requirements of Wood Products	8
D. The Executive Order Fails to Justify Broad Tariff Measures to Eliminate a Threat to National Security	9
E. Any Imposition of Section 232 Duties as a Result of This Investigation Must Be In Compliance with The Administrative Procedures Act.....	10
PART II: SECTION 232 DUTIES ON TIMBER AND WOOD PRODUCTS WOULD NEGATIVELY IMPACT THE DOMESTIC FURNITURE MANUFACTURING INDUSTRY	12
A. The Domestic Furniture Industry Faces a Shortage in Skilled Labor and Materials .	12
B. The Domestic Furniture Labor Market Cannot Support Full-Scale Manufacturing ..	13
C. The Industry and Its Small Furniture Businesses Cannot Withstand the Impact of Additional Tariffs on Wood Products and Their Derivatives.....	15
PART III: SECTION 232 DUTIES ON DERIVATIVE PRODUCTS SUCH AS FURNITURE WOULD DIRECTLY HARM THE DOMESTIC FURNITURE MARKET AND THE MIDDLE CLASS	16
PART IV: IN THE EVENT SECTION 232 DUTIES GO INTO EFFECT, COMMERCE SHOULD IMPLEMENT A PROCESS TO REQUEST EXCLUSIONS FOR PRODUCTS NOT MADE IN THE UNITED STATES.....	18
CONCLUSION	19



Comments of Furniture for America on Section 232 National Security Investigation of Imports of Timber and Lumber

Dear Mr. Astle:

We, Furniture for America, hereby submit our written comments in response to the notice published by the Department of Commerce’s Bureau of Industry and Security on Mar. 13, 2025. See Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Timber and Lumber, 90 Fed. Reg. 11,941 (Mar. 13, 2025) (Reference No. X-RIN 0694-XC117). In its notice, the Department of Commerce (“Commerce”) solicits comments related to the Section 232 investigation to determine the effects on the national security of imports of wood products: timber, lumber and their derivative products (or the “232 Timber Investigation”). Should 232 duties be imposed on timber, lumber and their derivative products, the domestic furniture industry and the American public would suffer tremendously.

In these comments, Furniture for America responds to Commerce’s request for information related to the criteria listed in §705.4 of the regulations as they affect national security. Furniture for America provides its analysis relevant to the investigation, specifically addressing the potential impact to the U.S. furniture producing and importing industry. While Furniture for America supports Commerce’s efforts to investigate the national security risks associated with imports of certain products, Furniture for America maintains that neither wood products used to produce furniture, nor completed furniture as so-called derivative wood products, are in the least bit related to the national security of these great United States.

Commerce should take care to ensure that the appropriate steps are followed under the statute, regulations and the Administrative Procedures Act to ensure that any duties that may be applied fully comply not only with applicable law, but also with the fundamental fairness owed to American businesses. While we are confident that Commerce will come

to the same conclusion that we propose – that Section 232 tariffs are not warranted for wood products used in furniture production or for furniture – we do recommend that if this investigation continues and Section 232 duties are imposed, then Commerce should implement an exclusion process for products not available in the United States.

Executive Summary

The Furniture for America is a coalition of patriotic, loyal American companies – companies that produce residential furniture here in America and companies that import residential furniture to serve the needs of the American people. These companies have joined together to bring their considerable expertise and market knowledge to this discussion. Members of Furniture for America have a presence in all 50 states, they have more than ten thousand direct employees, and they support countless downstream jobs reliant on the furniture industry including long-haul truckers, sales associates, retail operations, design teams and more.

We care deeply about the national security of the United States, and we want to share our knowledge of furniture production and sales with key decision makers. Imports of timber, lumber, wood products and furniture do not threaten the national security. Tariffs and other restrictions on these product segments will impair a critical yet delicate segment of the U.S. economy – American consumers.

Our comments are organized into four parts.

First, as a strictly legal matter, there is no rational relationship between imports of wood products or furniture and the national security of the United States.

Second, no amount of tariffs will bring back American furniture manufacturing back to its prior levels. Tariffs will harm manufacturing still being done in the United States. In fact, additional tariffs will cause severe economic harm to many small furniture businesses here at home.

Third, tariffs or restrictions on imported downstream goods will directly harm the hardworking middle class of this country at a time when they are already struggling. The fate of the American furniture industry historically tracks the American housing market. When U.S. housing starts are increasing and existing home sales and remodels are strong, the American furniture industry flourishes. Because the housing market has been stalled in recent years, the American furniture industry has been suffering its own unique recession. Placing tariffs on imported timber and lumber will raise the price of new housing and existing home remodels, which will worsen the plight of homeowners and the vital American housing industry.

Finally, if Commerce still decides that new tariffs are warranted, we urge that it implement a transparent exclusion process where businesses can make their individual factual cases known to decision makers.

Part I: Section 232 Empowers The President To Take Action Only Against Demonstrable National Security Risks. Because There Is No Nexus Between Imports of Wood Products and U.S. National Security, Presidential Action Under Section 232 On These Products Would Be Unlawful

A. Imposition Of Section 232 Duties on Imports of Timber, Lumber and Wood Products or Their Derivatives Such as Furniture Would Be Unconstitutional

Furniture for America wholeheartedly supports the protection of the United States against national security risks, and we understand the Administration’s goal of protecting the wood products industry from harm.

The imposition of Section 232 duties on timber, lumber, wood products or their derivatives, however, would not be effective in this instance.

In fact, the imposition of Section 232 duties would be unconstitutional. Fundamentally, the power to impose duties lies with Congress. Presidential authority cannot be extended to powers that are specifically reserved for Congress. Congress has delegated that



authority to the President in the extremely rare case of threats to national security. Where presidential action leading to the imposition of Section 232 duties on imports of timber, lumber, wood products or their derivatives such as furniture departs from the limited authority granted by Congress, such duties would be unconstitutional.

Article I, Section 8 of the Constitution specifies the expressed powers of Congress, including the power to “collect taxes, duties, imposts and excises.” U.S. CONST. art. I, § 8, cl. 1. Article II of the Constitution provides the President with no power to collect duties. *See id.* at cl. 2. This separation of taxing power is a bedrock principle of the Constitution following war with England over the King’s taxation of the colonies without representation. The president’s power to impose duties comes only through a limited delegation of authority by Congress. Section 232 provides a limited delegation to take action “to adjust the imports...so that such imports will not threaten to impair the national security.” 19 U.S.C. § 1862(c)(1)(A)(ii). When referring to “the imports,” the President’s decision whether, and the extent to which, to take action is based on the Secretary of Commerce’s predicate findings that (1) there is an “effect” of the importation “of such article in such quantities” on the

national security and (2) that effect of “such quantities” is to threaten to impair the national security. 19 U.S.C. § 1862(b)(3)(A). The President’s power to collect duties or regulate imports therefore is limited only to “such quantities” that “impair the national security” and no more. Congress did not delegate authority to the President to adjust the imports beyond those that threaten to impair the national security. Thus, adjusting for imports that do not threaten to impair national security would be beyond the limited delegation in statute and therefore would be unconstitutional.

In fact, the courts have repeatedly discussed the requirement of a nexus between the threat to national security and the imposition of tariffs pursuant to Section 232. See e.g., Fed. Energy Admin. v. Algonquin SNG, Inc., 426 U.S. 548, 550 (1976); Transpacific Steel LLC v. United States, 415 F. Supp 3d 1267, 1274 (Ct. Int’l Trade 2019) (“Transpacific Steel I”); Transpacific Steel LLC v. United States, 466 F. Supp. 3d 1246 (Ct. Int’l Trade 2020) (“Transpacific Steel II”), rev’d, 4 F.4th 1306 (Fed. Cir. 2021); see also 19 U.S.C. § 1862(c)(1)(A), (c)(3)(A). “The President can act only to the extent he deems necessary . . . so that such imports will not threaten to impair the national security.” Algonquin, 426 U.S. at 559. Any action “plainly unrelated to national security would be . . . in excess of the President’s section 232 authority.” Am. Inst. for Int’l Steel, Inc. v. United States, 376 F. Supp. 3d 1335, 1344 (Ct. Int’l Trade 2019) (“AAIS”). The courts have also noted that presidential power is “limited” and “far from unbounded.” Algonquin, 426 U.S. at 559 & n.10. To assess whether there is any nexus between the effects of imports of the subject merchandise and national security, the Secretary of Commerce must consider whether the product is used by the Department of Defense (“DOD”) or in industries that are “critical” to the operations of

the U.S. economy and government. See U.S. DEP’T OF COMMERCE, THE EFFECT OF IMPORTS OF IRON ORE AND SEMI-FINISHED STEEL ON NATIONAL SECURITY at 14 (Oct. 2001),

Any action “plainly unrelated to national security would be . . . in excess of the President’s section 232 authority.”

Am. Inst. for Int’l Steel, Inc. v. United States

<https://www.bis.doc.gov/index.php/documents/section-232-investigations/81-iron-ore-and-semi-finished-steel-2001/file> (“Section 232 Investigation of Iron Ore and Semi-Finished Steel (2001)”).

The U.S. Court of International Trade and U.S. Court of Appeals for the Federal Circuit have considered whether Presidential action to regulate imports can cross the line to being unconstitutional where the nexus between the claimed national security threat and the actions implemented by the President is called into question. Although those cases ultimately found that the President did not exceed his constitutional authority, instead focusing on whether statutory and procedural guardrails were satisfied, numerous judges

voiced important constitutional concerns. For example, in Transpacific Steel III, Judge Reyna wrote:

In § 232, Congress has delegated to the Executive Branch certain narrow authority over trade—an area over which Congress has sole constitutional authority—for the purpose of safeguarding national security. The majority expands Congress's narrow delegation of authority, vitiating Congress's own express limits, and thereby effectively reassigns to the Executive Branch the constitutional power vested in Congress to manage and regulate the Tariff.

Transpacific Steel LLC v. United States, 4 F.4th 1306, 1336 (Fed. Cir. 2021) (“Transpacific Steel III”) (Reyna, J., dissenting). Judge Reyna further questioned the majority’s articulation of its reasoning for diverging from the plain language of the statute, stating that the majority “engages in statutory leapfrog, hopping here and there but ignoring what it has skipped.” Id. at 1336-37. Judge Reyna concluded with a strong dissent, further asserting that “the majority effectively accomplishes what not even Congress can legitimately do, reassign to the President its Constitutionally vested power over the Tariff.” Id. at 1342. U.S. Court of International Trade (“CIT”) Judge Katzman similarly concluded that Section 232 should not be construed to allow “virtually unbridled discretion to the president with respect to the power over trade that is reserved by the constitution to congress.” AIIS, 376 F. Supp. 3d at 1345.

With regard to the matter under consideration here, the President has instructed Commerce to initiate an investigation under Section 232 of the Trade Expansion Act of 1962 to determine whether the imports of wood products (such as timber, lumber and their derivative products) have an impact on national security. Executive Order No. 14223, 90 Fed. Reg. 11,359, 11,359 (Mar. 1, 2025) (“EO 14223”). As was the case with the steel Section 232 tariffs that concerned Judge Reyna in Transpacific Steel III, the President appears to be using a “general need to increase the tariffs,” without providing sufficient detail to explain how the imposition of duties on wood products – or more specifically, a derivative product such as furniture – would affect national security. To be clear, Furniture for America supports the Administration and its promise to protect the wood products industry against national security risks. Furniture for America, however, maintains that there is no relation between the importation of a broad category of wood products in general and direct threats to U.S. national security. The Presidential action of applying tariffs to wood products and their derivatives or downstream products would undermine the intended purpose of Section 232.

Further, the CIT has admonished that “section 232 regulation plainly unrelated to national security would be. . . reviewable as action in excess of the President’s section 232 authority.” Am. Inst. for Int’l Steel, Inc., 376 F. Supp. 3d 1335, 1344 (Ct. Int’l Trade 2019) (citing Indep. Gasoline Marketers Council, Inc. v. Duncan, 492 F. Supp. 614, 620 (D.D.C. 1980) (holding that the President’s imposition of a gasoline “conservation fee” pursuant to Action 232(b) was not authorized by the statute). Notably, at oral argument in American Institute for International Steel, the CIT probed the reviewability of Section 232 determinations where there is no nexus between imports and a threat to national security. Specifically, Judge Kelly questioned the parties on whether “the President wants to, you know, worry about jobs in the peanut butter industry and that somehow, he can make a national security connection and have some sort of embargo on peanut butter... That would be able to be challenged as a clear misconstruction of the statute, wouldn’t it?” Tr. of Oral Argument at 24, Am. Inst. for Int’l Steel, Inc., 376 F. Supp. 3d 1335 (Ct. Int’l Trade 2019) (ECF No. 46). Here, a similar concern exists because there is no relationship between the importation of a broad category of wood products in general and direct threats to U.S. national security.

WHAT ABOUT PEANUT BUTTER?

Judges have questioned the limits of the president’s use of “national security”

Moreover, investigations under this provision must be directly related to national security concerns, as opposed to “national interest” considerations. Algonquin, 426 U.S. at 569. Section 232 allows the President to take actions to adjust the imports of articles that threaten to impair national security. See 19 U.S.C. § 1862; see also 15 C.F.R. § 705. The courts, however, have held that Commerce must interpret the definition of “national security” to be narrower than a general “national interest,” limiting Commerce’s discretion to define the term under Section 232. Algonquin, 426 U.S. at 569. Commerce itself has recognized the fundamental difference between “national interest” and “national security” concerns in the past. See Section 232 Investigation of Iron Ore and Semi-Finished Steel at 5 (2001); see also U.S. DEP’T OF COMMERCE, THE EFFECTS ON THE NATIONAL SECURITY OF IMPORTS OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS at 14 (Nov. 1999), <https://www.bis.doc.gov/index.php/documents/section-232-investigations/87-the-effect-of-imports-of-crude-oil-on-national-security-1999/file> (providing DOD requirements when assessing concerns of “national security.”). As discussed above, Commerce should assess whether the products under investigation are used by the DOD and whether the domestic dependency on foreign imports of the subject merchandise threatens the United States ability to satisfy its national security requirements. See id. at 12-14.

With regard to the U.S. furniture industry, there is clearly no nexus between the imports of wood furniture or wood products and national security. DOD has not found wood products to be important to national security – and unlike other measures that may be taken to apply additional duties to products where there is some form of injury to a domestic

industry (i.e., AD/CVD, Section 201) – a Presidential action under Section 232 must show that such imports of furniture have an impact on national security.

B. Commerce’s Request for Comment Distorts the Statutory and Regulatory Factors and Presupposes an Impact of Imports on National Security

Commerce’s March 13, 2025 notice requests comments on seven questions that differ in their substance from the findings Commerce is required to make by statute and regulation and that suggest that Commerce is presupposing that imports threaten to impair the national security. For example, the statute requires Commerce and the President to consider “domestic production needed for projected national defense requirements {and} the capacity of domestic industries to meet such requirements.” 19 U.S.C. § 1862(d); see also 15 C.F.R. §705.4(1), §705.4(2) (emphasis added). Commerce’s notice, however, impermissibly broadens the inquiry, indicating that Commerce is improperly focusing on the “national interest” rather than the “national security.” Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Timber and Lumber, 90 Fed. Reg. at 11,941. Specifically, Commerce requests comment on “(i) the current and projected demand for timber and lumber in the United States; (ii) the extent to which domestic production of timber and lumber can meet domestic demand.” Id. Absent from Commerce’s inquiry is whether, and to what extent, there is any connection at all between imports and “national defense requirements” which is the required finding under the statute and regulation. Commerce’s third, fourth and fifth questions similarly omit any mention of national defense requirements. It is not until Commerce’s request for comment on “whether additional measures, including tariffs or quotas, are necessary to protect national security” does Commerce ask the right question. Id. Commerce’s modification of the statutory prerequisites in its questions leads to the impression that Commerce has predetermined that imports threaten to impair national security. In addition to ignoring the statutory requirements, this undercuts the utility of the comment process and the credibility of Commerce’s inquiry.

C. Commerce Must Request the Secretary of Defense to Provide an Assessment of The Defense Requirements of Wood Products

The statute provides a mechanism to ensure that any action taken to constrain or tax imports is limited to that which is needed “so that such imports will not threaten to impair the national security.” 19 U.S.C. § 1862(c)(1)(A)(ii). In order to limit import restrictions to the amount necessary to eliminate the threat to national security, the statute directs the Secretary of Commerce to obtain an assessment from the Secretary of Defense. Specifically, the statute states, “{u}pon the request of the Secretary, the Secretary of Defense shall provide the Secretary an assessment of the defense requirements of any article that is the subject of an investigation conducted under this section.” 19 U.S.C. § 1862(b)(2)(B).

It is vital that the Secretary of Commerce request such an assessment in this case so that, to the extent that imports of wood products or furniture have an impact on national security, any import restrictions are limited to only the amount required to solve the actual national security issue being addressed and does not result in broad tariff measures that go beyond Congress' limited constitutional delegation of taxing authority to the President. The need is especially acute where, as here, there is no obvious connection between imports of a broad swath of wood products and their derivatives and the national security. As discussed below, the military requirements cited in Executive Order 14223, namely, vague "construction" spending on non-specified expenses, and a specific reference to military investment in "cross-laminated timber," provide no support for the imposition of broad import restrictions affecting billions of dollars in global imports of wood products.

D. The Executive Order Fails to Justify Broad Tariff Measures to Eliminate a Threat to National Security

As discussed above, Congress' limited delegation of authority to the president under Section 232 only authorizes import restrictions needed to eliminate a threat to national security posed by "such imports," meaning the imports identified "in such quantities" by Commerce. 19 U.S.C. § 1862(c)(1)(A). The statute does not permit the President or the Secretary of Commerce to impose import duties or restrictions beyond the identified quantities that threaten to impair national security. To remain constitutionally valid, there must be a nexus between the identified impairment to national security and imports of the article. *See, e.g., Algonquin*, 426 U.S. at 550; *Transpacific Steel II*, 466 F. Supp. 3d at 1254-55, *rev'd* 4 F.4th 1306; *see also* 19 U.S.C. § 1862(c)(1)(A), (c)(3)(A). Executive Order 14223 provides little if any such nexus.

The Executive Order 14223 also states that the U.S. military spends over \$10 billion on construction. EO 14223, 90 Fed. Reg at 11,359. This figure is not limited to spending exclusively on timber or lumber expenses. In fact, when analyzing the breakdown of the military budget, it is apparent that the \$10 billion covers both the construction and management of military facilities. *See Budget Basics: National Defense*, PETER G. PETERSON FOUNDATION (May 2, 2024), <https://www.pgpf.org/article/budget-explainer-national-defense/>. Even focusing on the construction aspect of this number, construction inevitably requires more than just wood components. DOD construction contracts are typically broken up into two phases: design and build. 10 U.S.C. § 2862; FAR Subpart 36.3 (2025). These fixed-rate contracts require contractors to complete a design fulfilling the contract requirements as well as proceeding with building the project. *See* John R. Heisse, *et al.*, *Turning a Battleship: Design-Build on Federal Construction Projects*, PILLSBURY LAW (Winter 2011), <https://www.pillsburylaw.com/a/web/103626/103626.pdf>. The contractors are responsible for executing the contract and proposing a rate at which they will be able to complete the work. These rates include any costs "ordinary and necessary for the conduct of the contractor's business or the contract performance," which would include materials, equipment, labor, and any other costs involved in a typical construction contract. FAR

31.201-3; FAR 31.105; see generally FAR Subpart 31.2. Accordingly, the \$10 billion spent on construction and management of military facilities would consist of various other activities and costs unrelated to the timber or lumber industries.

Additionally, the Order refers to military investments in “innovative building material technology, including processes to create innovative wood products such as cross-laminated timber.” EO 14223, 90 Fed. Reg. at 11,359. The facts surrounding the U.S. military use of cross-laminated timber (“CLT”) do not support import restrictions on a broad array of billions of dollars in wood products or furniture. A simple internet search for the U.S. military’s use of CLT reveals that, to-date, there are only two pilot projects involving CLT built by the military. A press release only a few weeks ago from President Trump’s DOD confirms that CLT has been employed in one Navy child development center in Hampton Roads, Virginia, and one Army barracks in Mountain Home Air Force Base. See C. Todd Lopez, Mass Timber, 3D Printing May be Future of Military Construction for Army, Navy, U.S. DEPARTMENT OF DEFENSE (Mar. 11, 2025), <https://www.defense.gov/News/News-Stories/Article/Article/4116518/mass-timber-3d-printing-may-be-future-of-military-construction-for-army-navy/>. Additionally, a private construction firm supporting the Army has built five hotels, totaling 383,000 square feet. See Steven J. Morani, 2025 Report to Congress on Cross-Laminated Timber (Jan. 28, 2025), <https://www.acq.osd.mil/eie/imr/mc/Downloads/2025-Report-to-Congress-on-Cross-Laminated-Timber.pdf>. That report notes that CLT is an alternative to “steel and concrete,” see id., which begs the question of whether Section 232 duties based on military needs to foster use of CLT would act in direct opposition to existing Section 232 measures on steel which the President and Secretary of Commerce found were vital to impose due to threats to the national security caused by steel imports.

Moreover, the assertion that the U.S. military is pioneering CLT technology itself is incorrect. In discussing one of the private hotels built near an Army base with CLT technology, local press in Huntsville, Alabama, noted that “this wood construction technology originated in Austria and Germany in the 1990s and is just making its way to North America.” Skip Vaughn, Timber Hotel Under Construction at Redstone, REDSTONE ROCKET (Apr. 22, 2015), https://www.theredstonerocket.com/news/article_0a710de0-e8f9-11e4-b692-036d5c2a6577.html.

E. Any Imposition of Section 232 Duties as a Result of This Investigation Must Be In Compliance with The Administrative Procedures Act

In Executive Order 14223, the President directed the Secretary of Commerce to submit a report to the president no later than 270 days after the date of the order. EO 14223, 90 Fed. Reg. at 11,360. The President instructed the Secretary of Commerce to include findings on whether imports of relevant products and their derivatives threaten national security. The report should also include recommended actions to take in order to mitigate such threats and policy recommendations for strengthening the domestic supply chain for timber and lumber. Any Presidential action on the basis of such “assessments” or

“recommendations,” however, must comply with the Administrative Procedures Act (“APA”).

The APA provides parties with certain substantive protections from arbitrary agency action as well as additional procedural due process protections when an agency engages in rulemaking. See 5 U.S.C. §§ 553(b)-(c), 706(2)(A). The Secretary of Commerce, acting on behalf of the Department of Commerce, is considered a federal agency within the meaning of the APA. See id. § 701. Courts will “‘hold unlawful and set aside’ agency action that is ‘arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.’” Invenergy Renewables LLC v. United States, 422 F. Supp. 3d 1255, 1266 (Ct. Int’l Trade 2019) (citing to 5 U.S.C. § 706(2)(a)). In making its decision, the Secretary of Commerce must “explain the facts on which it relied or the reasoning behind its decision.” Id. at 1288 (noting that the U.S. Trade Representative (“USTR”) did not “show that there are good reasons for the new policy.”).

Section 232 requires the Secretary of Commerce to conduct a thorough investigation before issuing its report. See 19 U.S.C. § 1862(a)-(b). There must be “good reasons” for any imposition of Section 232 tariffs and the reasoning for such assessments must be thoroughly explained in the Secretary’s report. See Invenergy Renewables, 422 F. Supp. 3d at 1288; see generally 19 U.S.C. § 1862(a)-(b). The Secretary must consult with the Secretary of the DOD to determine the nexus between the imports of the subject merchandise and national security. 19 U.S.C. § 1862(b)(2)(A)(i)-(ii). The Secretary’s report must include a detailed explanation from the DOD of how derivative products impact national security. In this case, Commerce must follow the procedures delineated in the statute and regulations before issuing its assessments and before issuing its report to the President. In conducting its investigation, the Secretary’s analysis must be based on facts that are publicly available – and its decision must be thoroughly explained in the report.

As discussed above, Section 232 and the APA require the Secretary of Commerce to conduct a sober analysis, spending serious time investigating the facts at hand. The Secretary of Commerce must request this assessment from the DOD as any Section 232 action requires a direct linkage between furniture imports and national security. Any import restrictions must be limited to only the amount required to solve the actual national security issue being addressed and does not result in broad tariff measures. In this case, there is no obvious connection between imports of a broad swath of wood products and their derivatives and the national security. The Secretary of Commerce must supply “good reason” in his report, thoroughly explaining and providing publicly available facts to show how wood products and their derivatives are linked to national security. Absent thorough analysis, consultation with the DOD, and an in-depth investigation -- which would include strong consideration of the comments filed on this docket -- any imposition of Section 232 duties would be in complete violation of the APA.

Part II: Section 232 Duties On Timber And Wood Products Would Negatively Impact The Domestic Furniture Manufacturing Industry

A. The Domestic Furniture Industry Faces a Shortage in Skilled Labor and Materials

While Furniture for America supports the President’s mission to strengthen the wood products industry and bring industry jobs back to the United States, we are concerned that Section 232 duties would further harm our sector and that more jobs will be lost. In fact, if the President were to increase duties on wood products as a result of this investigation, the U.S. furniture industry would be forced to shrink its workforce once again.

U.S. furniture companies today are part of a complex global supply chain developed over the past 25 years. “The US furniture industry shifted its center of gravity several times... New England snatched the furniture-making crown from England, and then Michigan and New York State took it. For most of the 20th century, the southern US reigned as the world furniture capital. The center shifted again in the latter half of the century, as China emerged as the top provider of low-cost goods.” Summary: Factory Man, GET ABSTRACT (2014), <https://www.getabstract.com/en/summary/factory-man/22738> (citing to Beth Macy, Factory Man (2014)); see also Beth Macy, Factory Man: How One Furniture Maker Battled Offshoring, Stayed Local – and Helped Save an American Town at pp. 31, 314 (2014). Tariffs cannot unravel and reverse the global trends that shaped the home furnishings industry over those two and a half decades. Tariffs cannot reopen factories that no longer exist, bring back thousands of workers who retired or moved on to other industries, nor reverse the interests and inclinations of today’s younger workers, who are attracted to higher-paying trades and the burgeoning tech industry.

While members of Furniture for America and industry leaders respect President Trump’s efforts, the reality is there is a nationwide shortage in skilled labor as many Americans pivot away from manufacturing careers. See Michael Sasso, Lost Factory Jobs of North Carolina Are Gone for Good, But Few Seem to Mind, BLOOMBERG, (Aug. 4, 2019), <https://www.bloomberg.com/news/articles/2019-08-23/lost-jobs-of-north-carolina-are-gone-for-good-few-seem-to-mind>.

“Trump’s efforts to revive manufacturing overlooks the reality playing out along this stretch of rural America. While manufacturing jobs started their post-recession rebound in 2010, tariffs aren’t bringing back off-shored factory jobs.” Michael Sasso

Moreover, most manufacturing-focused industries in the United States face a similar plight – the inability to grow or to bring manufacturing back to America due to the shift to automation and the general advancement of technology. “More generally, the ‘job intensity’ of America’s manufacturing industries—and especially its best-paying advanced ones—is only going to decline. In 1980 it took 25 jobs to generate \$1 million in manufacturing output in the U.S. Today it takes five jobs.” Mark Muro, Manufacturing Jobs Aren’t Coming Back, MIT TECHNOLOGY REVIEW (Nov. 18, 2016), <https://www.technologyreview.com/2016/11/18/155264/manufacturing-jobs-arent-coming-back/>. Studies have shown that “Technological change and automation, international trade, and a broad shift toward service sector employment in the U.S. have all contributed to the secular decline of manufacturing employment.” August Benzow and Connor O’Brien, Manufacturing jobs have recovered, but not everywhere, ECONOMIC INNOVATION GROUP (Oct. 8, 2024), <https://eig.org/manufacturing-rebound/>. As time passes and technology advances, it is likely that there will be fewer manufacturing jobs available across the board within all manufacturing industries.

Finding workers to fill manufacturing jobs remains the single biggest challenge for the furniture factories that remain open in the United States. Ten years ago, unemployment in the Hickory-Lenoir-Morganton metropolitan area hit 15% after a wave of factory closings. Today it is 3.4%. See Economy at a Glance: Hickory-Lenoir-Morganton, NC, U.S. BUREAU OF LABOR STATISTICS,

“In 1980 it took 25 jobs to generate \$1 million in manufacturing output in the U.S. Today it takes five jobs.”

- MIT Technology Review, November 2016

https://www.bls.gov/eag/eag.nc_hickory_msa.htm (last accessed Mar. 31, 2025). Across the state there are only 55 workers for every 100 manufacturing job openings. Makinzi Hoover, Stephanie Ferguson Melhorn, and Isabella Lucy, Understanding North Carolina’s Labor Market, U.S. CHAMBER OF COMMERCE, <https://www.uschamber.com/workforce/understanding-north-carolinas-labor-market?state=nc> (last accessed Mar. 31, 2025). While members of Furniture for America welcome efforts to bring jobs and manufacturing back to the United States, tariffs may exacerbate an already scarce labor market.

B. The Domestic Furniture Labor Market Cannot Support Full-Scale Manufacturing

Additionally, because of the shortage in the labor market, the domestic furniture industry consists mostly of companies that assemble components and materials. Most furniture manufacturing infrastructure has been offshored and crucially, most wood components are not manufactured in the United States. Reshoring furniture manufacturing in the United States, while a noble pursuit, would require extensive investment into building new facilities and sourcing equipment. It would also require multiple years of planning and

“When asked whether increased tariffs could encourage enough additional production to meet domestic demand, there was consensus among American producers that, even after a lengthy buildup, the domestic industry could ever only meet the needs of approximately 20% of domestic demand, leaving 80% of furniture buyers dependent on imports no matter the tariff levels.”

-Furniture Today, April 2022

implementation. Taking action now through Section 232 tariffs would be premature, and the domestic industry would be underequipped.

Moreover, there is not enough domestic labor or American-made materials to effectively reshore such intensive wood furniture manufacturing. Domestic furniture manufacturers have repeatedly identified labor as one of the greatest obstacles to reshoring the industry. See Bobby Dalheim, The most critical issue domestic furniture makers face today: Labor, FURNITURE TODAY (Apr. 26, 2022). They have noted that this labor shortage has led many manufacturers to automate aspects their production, as the labor shortage is expected to last another decade. See id. When asked whether increased tariffs could encourage enough additional production to meet domestic demand, there was consensus among American furniture producers that, even after a lengthy buildup, the domestic industry could ever only meet the needs of approximately 20% of domestic demand, leaving 80% of furniture buyers dependent on imports no matter the tariff levels. See Bobby Dalheim, Do tariffs have the potential to bring furniture manufacturing back to U.S.?, FURNITURE TODAY (Mar. 18, 2025), <https://www.furnituretoday.com/tariffs/do-tariffs-have-the-potential-to-bring-furniture-manufacturing-back-to-u-s/>. If it is true that furniture is a national security need, then imposing tariffs that would still leave the United States dependent on imports for 80 percent of total demand would inflict disproportionate harm on the economy for no commensurate gain in national security.

While the President states that Section 232 tariffs are necessary to address vulnerabilities in the wood supply chain, additional tariffs would create severe negative impact in the furniture industry. Producers of domestic timber, lumber and derivative products, key inputs that are integral to the domestic furniture industry, are significantly impacted by existing trade policies due to the economic concerns.

C. The Industry and Its Small Furniture Businesses Cannot Withstand the Impact of Additional Tariffs on Wood Products and Their Derivatives

Moreover, tariffs on wood products mean even higher costs for furniture manufacturers in the domestic market. It is an economic reality that even as the furniture industry tries to bear some of the burden of tariffs, much of the cost must be passed to the consumer and prices then increase throughout the market. Small businesses would face even more severe economic harm, as they have more difficulty absorbing any of the impact and could become uncompetitive with larger competitors. Many of these small furniture businesses will not be able to withstand the impact of the tariffs, and in the most dire circumstances, will have to go out of business. These threats would come on the back of many businesses in our industry that have *already* gone out of business in the last year, unable to withstand the furniture industry recession.

The Trump Administration has already set tariffs on imports of other goods up to 25 percent – which has already impacted the furniture industry. In fact, the threat of tariffs has already increased lumber prices to a 30-month high. See Ryan Dezember, [Tariffs Send Lumber Prices to 30-Month High](https://www.wsj.com/livecoverage/trump-tariffs-canada-mexico-china-stock-market-today-03-04-2025/card/tariffs-send-lumber-prices-to-30-month-high-wrwLDZehy3yy1vsxhQWD), THE WALL STREET JOURNAL (Mar. 4, 2025), <https://www.wsj.com/livecoverage/trump-tariffs-canada-mexico-china-stock-market-today-03-04-2025/card/tariffs-send-lumber-prices-to-30-month-high-wrwLDZehy3yy1vsxhQWD>. When asked whether the additional tariffs would have any effect on the furniture industry, there was an overwhelming response from retailers and manufacturers that the furniture industry is likely to experience severe harm. See Joanne Friedrich, [Industry Responds: Impact on New Tariffs Would be Significant and Costly](https://www.furnituretoday.com/mattress-bedding-news/industry-responds-impact-of-new-tariffs-would-be-significant-and-costly/), FURNITURE TODAY (Dec. 9, 2024), <https://www.furnituretoday.com/mattress-bedding-news/industry-responds-impact-of-new-tariffs-would-be-significant-and-costly/>. Respondents to an industry survey collected by [Furniture Today](#) reported concerns such as price increases for consumers and within the supply chain, a reduction in furniture sales, and potential furniture shortages. See id. Furniture manufacturers also forecast likely shifts in production to other countries and the likelihood of layoffs and necessary downsizing – which is precisely counter to the Administration’s desired outcomes. See id.

If this Section 232 action results in an additional 10 to 25 percent in duties, the price to manufacture furniture in the United States would multiply – severely damaging the domestic furniture market. Tariffs would have the opposite of the intended effect, essentially putting American businesses in an unsustainable economic position. Moreover, other crucial inputs used in the production of furniture are also subject to existing tariffs under Section 232, Section 301 and antidumping and countervailing duty orders, which further place a significant financial burden on U.S. furniture producers. Additional tariffs on wood products would increase prices for key inputs used in domestic furniture production and stifle any upward growth the industry has experienced over the last several years. Yet another tax in the form of Section 232 duties on timber, lumber and their derivative products would adversely affect and compound the existing economic

harm caused by U.S. trade remedies on the domestic furniture industry. As stated previously, furniture is not a national security concern and any actions under Section 232 relating to timber, lumber, and derivative products used in furniture would do nothing but damage a vital American industry.

Part III: Section 232 Duties On Derivative Products Such As Furniture Would Directly Harm The Domestic Furniture Market And The Middle Class

Not only would these proposed tariffs harm the domestic industry, but these tariffs would also directly strike at the backbone of American society, the everyday working class. As we have explained, the domestic industry's production capacity only encompasses 20% of the market demand. Much of this capacity produces higher-end furniture that is typically meant for more affluent consumers. The reality is that tariffs on 80% of total demand would inflict disproportionate harm on the middle-class for no gain in national security. A recent survey gathered responses from over 200 industry professionals, revealing that proposed tariffs would have a substantial negative impact on the furniture sector. In fact, 87% of survey participants predicted that the most anticipated consequences of the tariffs would be increased prices for consumers. See Joanne Friedrich, [Industry response: Impact of new Tariffs would be significant and costly](https://www.furnituretoday.com/research-and-analysis/industry-responds-impact-of-new-tariffs-would-be-significant-and-costly/), FURNITURE TODAY (Dec. 9, 2024), <https://www.furnituretoday.com/research-and-analysis/industry-responds-impact-of-new-tariffs-would-be-significant-and-costly/>. A recent report by the National Retail Federation likewise demonstrates that if 10 to 20 percent tariffs were placed on furniture, it would increase consumer prices of furniture by 6.4% to 9.5%; and would result in potential losses of \$8.5 to \$13.1 billion in consumer spending power. See Trade Partnership Worldwide, [Estimated Impacts of Proposed Tariffs on Imports: Apparel, Toys, Furniture, Household Appliances, Footwear and Travel Goods](https://tradepartnership.com/wp-content/uploads/2024/11/NRF_Estimated_Impacts_of_Proposed_Tariffs_on_Imports_11.24_0.pdf), (November 2024), https://tradepartnership.com/wp-content/uploads/2024/11/NRF_Estimated_Impacts_of_Proposed_Tariffs_on_Imports_11.24_0.pdf.

Notably, the potential impact would be felt harder by working class Americans because “lower- and middle-income folks spend more of their money on these {goods} and will feel those cost increases more than wealthy people, who spend a smaller percentage of their money on goods.” Emily Peck, [Raising tariffs would hit working-class Americans harder](https://www.axios.com/2025/02/04/trump-tariffs-canada-mexico-americans), AXIOS (Feb. 4, 2025), <https://www.axios.com/2025/02/04/trump-tariffs-canada-mexico-americans>. These increased costs ultimately land on the consumer, with the middle class bearing the brunt since they spend a larger proportion of their income on these goods. A recent poll demonstrated that Americans are not ignorant to the potential harm, explaining that “two in three Americans believe new tariffs will drive up the cost of things they buy,” and in response to the polls many Americans expressed concerns that President Trump’s tariff plan “will cost middle class families more.” Maryann Cousens,

Increasing Shares of Americans Disapprove of Trump’s Tariff Plan, NAVIGATOR (March 27, 2025), <https://navigatorresearch.org/increasing-shares-of-americans-disapprove-of-trumps-tariff-plan/>.

Tariffs, in general, create uncertainty for the middle class. “Nearly all economists agree tariffs are a tax on consumers.” Danielle Chemtob, How Will Tariffs Impact You? Here’s What To Know About Trump’s Plans, FORBES (Feb. 13, 2025), <https://www.forbes.com/sites/daniellechemtob/2025/02/12/how-will-tariffs-impact-you-heres-what-to-know-about-trumps-plans/>. In fact, recent studies and reports show that tariffs already cost consumers billions of dollars annually, and that any additional tariffs will just be passed down to the consumer. See *id.*; see also Chris Matthews, Why Trump’s tariffs would hit poor and middle-class Americans hardest, MARKET WATCH (Oct. 7, 2024), <https://www.marketwatch.com/story/why-trumps-tariffs-would-hit-poor-and-middle-class-americans-hardest-cb7ad9af>; Andy S., Why Trump’s Tariffs Will Hit the Middle Class Harder and Make the Rich Richer, SAVING TO INVEST, <https://savingtoinvest.com/why-trumps-tariffs-will-hit-the-middle-class-and-make-the-rich-richer/> (last visited Mar. 30, 2025).

In any event, the cost of every day goods will rise and any additional tariffs that impact furniture derivatives will trickle down and disproportionately impact the middle and lower class of Americans, many of whom voted for and continue to support President Trump. The average American family living paycheck to paycheck cannot afford to carry the burden of an additional 10% to 25% on every day necessities – let alone furniture. Even more significantly, the domestic furniture industry relies on a healthy housing market in order to flourish. Any tariff on imported lumber or timber will add costs into an already historically struggling housing market. This increased cost further harms young Americans that have dreams of buying a home not to mention their ability to furnish their home if they are lucky enough to find one that they can afford. The furniture industry depends on a thriving housing market. If the housing market began to boom, then it would automatically help the furniture industry, and make voters across the country happy.

In any event, the cost of every day goods will rise – and any additional tariffs that impact furniture derivatives will trickle down and disproportionately impact the middle and lower class of Americans, many of whom voted for and continue to support President Trump.

On the campaign trail President Trump made a promise to the American middle class, “my vision is for a middle class that is once again the envy of the entire world.” Donald J. Trump, Campaign Address In Pottersville, Michigan (Aug. 29, 2024) (transcript available at: <https://www.rev.com/transcripts/trump-speaks-at-event-in-michigan>). It is an admirable goal that the President has for the future of the American middle class, but these proposed tariffs would not align with that vision. Ultimately, 232 duties on furniture

would negatively impact the daily lives of millions of hardworking Americans, reducing their purchasing power, de-stabilizing their overall economic security, and putting their goal of home ownership further out of reach.

Part IV: In The Event Section 232 Duties Go Into Effect, Commerce Should Implement A Process To Request Exclusions For Products Not Made In The United States

The main concerns regarding imports of wood products are, in reality, not related to national security, and the imposition of Section 232 duties would not be appropriate. Nevertheless, if Commerce continues the current investigation and Section 232 duties are subsequently imposed on wood products, Commerce should implement an exclusion process for products not available in sufficient quantity and quality in the United States. An exclusion process for any Section 232 measure would be consistent with prior tariff measures as well as with the prior Trump administration's stated goals: to promote U.S. businesses while ensuring they are not punished for the lack of domestic availability of inputs. Furthermore, an exclusion process was successfully implemented for Section 232 steel and aluminum products and could be easily adapted for lumber and timber products, if needed.

At a bare minimum, to the extent tariffs are implemented at all, there should be an exclusion process for (1) U.S. manufacturers and (2) importers of products that are not available in the United States in sufficient quantities. For the former, such a process appears to be in line with what President Trump believes to be the case for tariffs. "Anybody that has plants in the United States it's gonna be good for, in my opinion" Donald J. Trump, President Trump Delivers Remarks on Auto Tariffs, (Mar. 27, 2025) (video available at: <https://www.youtube.com/watch?v=dClI85s5V3w>). For the reasons explained above, without an exclusion process for U.S. manufacturers, the impacts to the U.S. furniture industry could be dire.

In a 2018 report provided to President Trump, the Secretary of Commerce recommended that the President establish "an appeal process by which affected U.S. parties could seek an exclusion from the {Section 232} tariff or quota imposed," and offer exemptions for specific countries from potential Section 232 duties. Publication of a Report on the Effect of Imports of Steel on the National Security: An Investigation Conducted Under Section 232 of the Trade Expansion Act of 1962, as Amended, 85 Fed. Reg. 40,202 (July 6, 2020). President Trump endorsed this recommendation, and shortly after the imposition of aluminum and steel tariffs, country-specific exemptions, tariff rate quotas, and the Section 232 exclusion process were implemented. See Proclamation No. 9776, 83 Fed. Reg. 45,019 (Sept. 4, 2018). This Section 232 exclusion process remained active from 2018 to February 2025, providing crucial tariff relief to numerous U.S. steel and aluminum manufacturers,

thereby supporting the greater domestic industry, whose operations largely relied on imported merchandise not available from domestic sources.

The Section 232 exclusion process began as an open comment process housed on the U.S. government's regulatory comment website, www.regulations.gov. Eventually, the number of exclusion requests and other comments grew, so much so that Commerce established a separate Section 232 Exclusion Portal effective as of June 13, 2019. See Implementation of New Commerce Section 232 Exclusions Portal, 84 Fed. Reg. 26,751 (June 10, 2019). Through the portal, Commerce reviewed and considered each exclusion request based on whether (1) the steel or aluminum product is not produced in the United States in sufficient quantity or quality, (2) the product cannot be delivered by a domestic manufacturer in a timeframe that is shorter than the lead time of the foreign producer listed on the exclusion, or (3) there are overriding national security considerations.

Given Commerce's experience in processing and reviewing exclusion requests for steel and aluminum, it is well equipped to implement a similar process for timber, lumber and its derivative products. Such a process would help mitigate significant harm that would otherwise be inflicted on the domestic furniture industry, among other critical industries and, ultimately, the American consumer. As stated above, imported wood products essential to the U.S. furniture industry do not present any national security considerations. Moreover, domestic furniture manufacturers import wood products for which there are no domestically produced alternatives in sufficient quantity and/or supply. While the desired outcome of potential tariffs may be to expand domestic timber and lumber capacity, this shift to domestic production presents significant logistical, economic, and environmental challenges and could have unwanted effects on the furniture industry before the intended outcome is fully realized. Investments in production capacity and a readily available workforce are needed, while there are numerous environmental factors to consider when seeking to source a reliable supply of lumber and timber to meet U.S. demand in a sustainable manner. Without a system of relief in place, these pressures, when combined with pre-existing tariff effects, are likely to be absorbed by U.S. furniture companies and the American middle class and leave the domestic furniture industry disproportionately harmed.



CONCLUSION

Furniture for America is gravely concerned with the implementation of additional Section 232 duties and the potential harm not only to the domestic furniture industry, but

also to everyday Americans. While Furniture for America offers its full support to President Trump and the Administration in its efforts to curb risks against our industry, the importation of wood products does not threaten national security. The future of the domestic furniture industry is in the hands of the Administration, and Furniture for America is unsure if the furniture industry can withstand any additional tariffs at this time. A blanket Section 232 action impacting all wood products and their derivatives will cause severe economic harm to the small furniture companies, many of which do not have many viable options outside of imports.

Furniture for America urges Commerce to consider our comments during this investigation and before the implementation of additional Section 232 duties. Thank you for your consideration of our comments.

Respectfully Submitted,

Furniture for America