



The Complex World of Wood Sourcing: Trade Policy Update

Current as of 8/15/25

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About IWPA

The International Wood Products Association is North America's leading trade association advocating for the growth and acceptance of responsible, ethical, and sustainable forest products sourced globally while supporting communities, trade, and consumers.

We are not affiliated with the U.S. government and do not speak on behalf of the Administration.





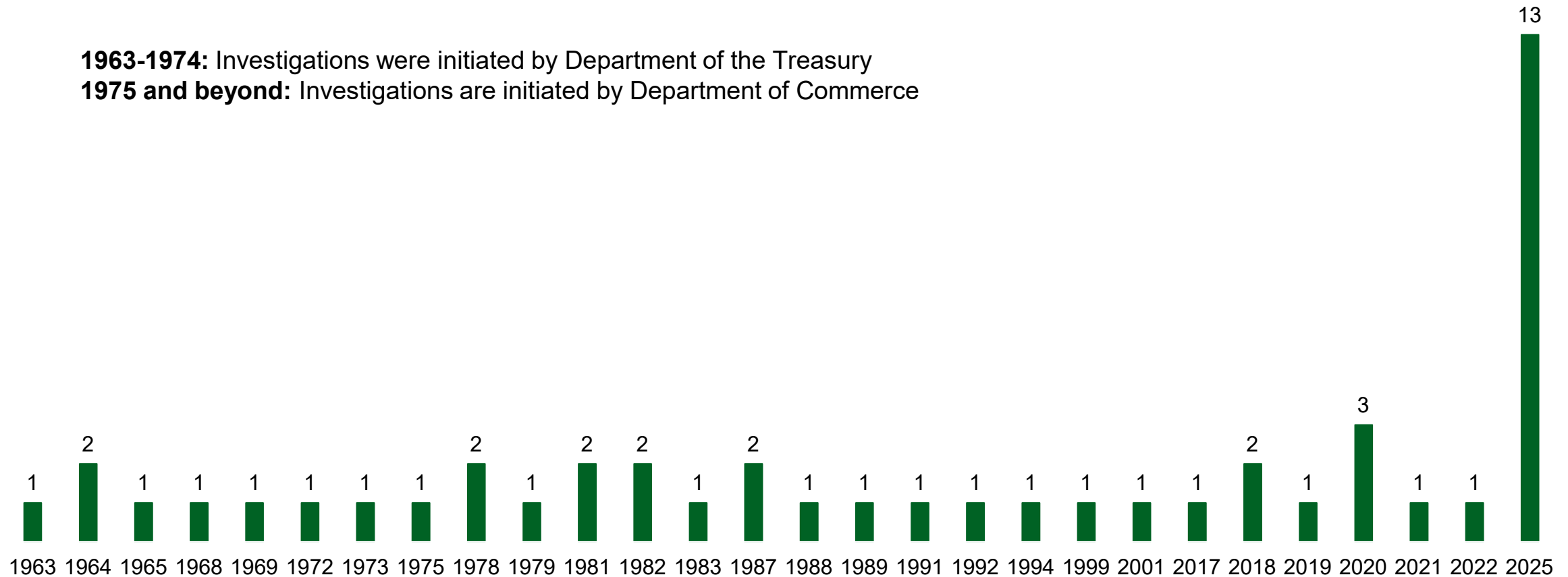
Section 232 in the Trump Administration

Section 232 of the Trade Expansion Act of 1962 delegates significant authority to the American President to restrict imports deemed a threat to “national security”

232 Historical Context

1963-1974: Investigations were initiated by Department of the Treasury

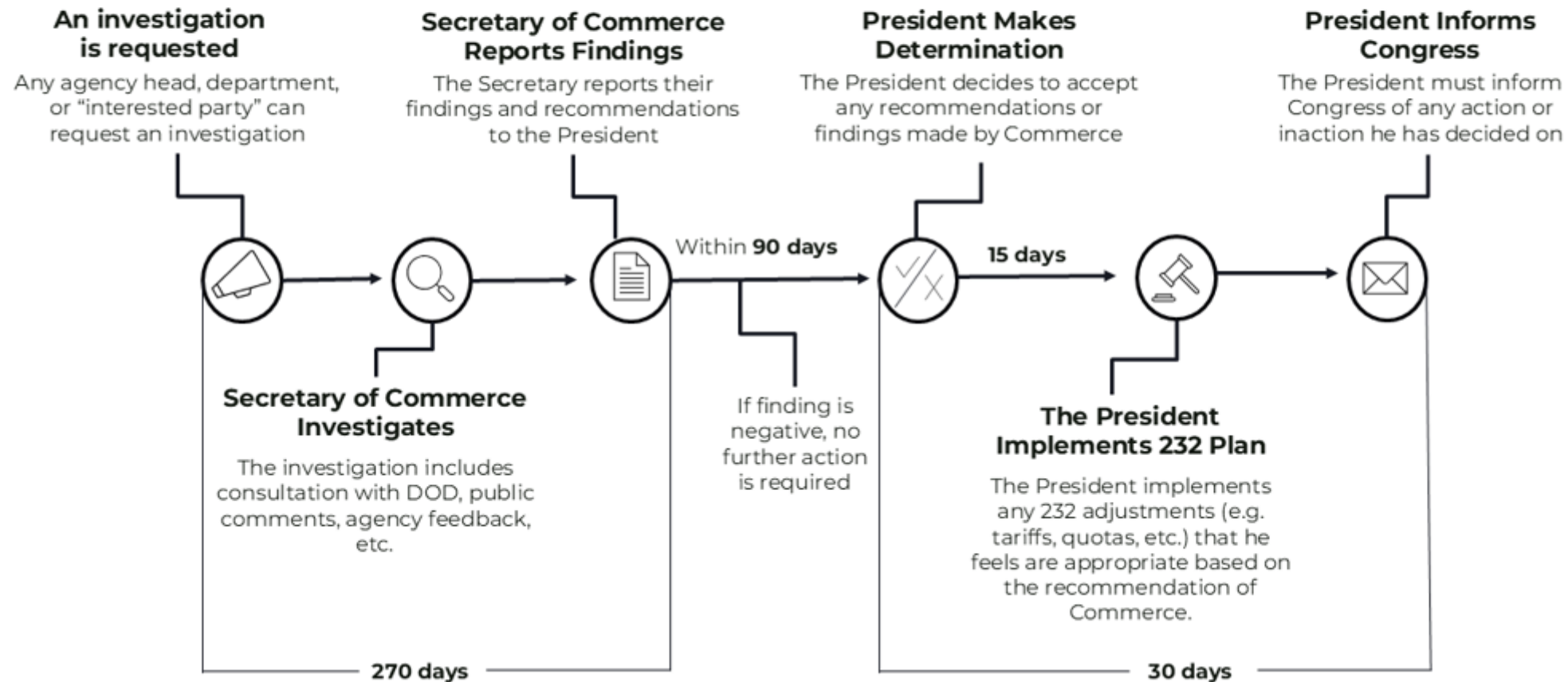
1975 and beyond: Investigations are initiated by Department of Commerce



Understanding 232

- ❑ On March 10th the United States initiated an investigation of wood and lumber under section 232 of the Trade Expansion Act of 1962
- ❑ Section 232 gives the President, after an investigation has been conducted, the ability to implement tariffs or quotas on products which “impair US national security”
- ❑ The entire 232 process can take up to 390 days, although the process can be expedited significantly
- ❑ Expected: tariffs on included wood products and derivatives. The scope can be limited or expansive, and goods under this scope can be added in at any time, with backdated duties due to initial announcement.
- ❑ IWPA expects that the wood and lumber 232 process will be moving into its final stages **at any time, although the statutory deadline is not until November 26th (270 Days from Mar 1)**

Timeline of 232 Actions



Active 232 Investigations

Commodity	Initiated	Closed	Effective Date	Days Elapsed	Rate	Exclusion process?
Aluminum	January 24	June 3	June 4	130	50%	NO
Steel	March 8	June 3	June 4	87	50%	NO
Copper	March 10	June 30	August 1	112	50%	NO
<i>Timber & Lumber</i>	<i>March 10</i>					
<i>Semiconductors</i>	<i>April 1</i>				"approximately 100%"	
<i>Pharmaceuticals</i>	<i>April 1</i>	"very soon"	12-18 months		"up to 250%"	
<i>Trucks</i>	<i>April 22</i>					
<i>Critical Minerals</i>	<i>April 22</i>					
<i>Commercial Aircraft/Jet engines</i>	<i>May 1</i>					
<i>Polysilicon</i>	<i>July 1</i>					
<i>Unmanned Aircraft Systems</i>	<i>July 1</i>					

“Old” 232 Investigations

Commodity	Initiated	Closed	Effective Date	Days Elapsed	Rate	Exclusion process?
Automobiles	2018	May 17, 2019	April 3 2025	2,149	25%	NO
Automobile parts	2018	May 17 2019	May 3 2025	2,179	25%	NO, but import adjustment offset amount applicable to section 232 duties

Reopening previous 232s?

It is unclear how far back the Administration is able and/or willing and/or interested in going. Will additional previous 232 investigations be “reopened”? Can a future administration re-open Timber?

“We upheld a presidential proclamation that increased tariffs on steel beyond Proclamation 9705’s rate, concluding that when the President, within the 232 time limits at issue, adopts a plan of action that contemplates future contingency-dependent modifications, those time limits do not preclude the President from later adding to the initial import impositions in order to carry out the plan to help achieve the originally stated national-security objective where the underlying findings and objective have not grown stale.” Primesource vs. United States, 2021

DoC Report to EO Rate Differentials

Commodity	Rates proposed by Sec.	EO Rate	Future EO Actions
Aluminum	7.7% , asked to exclude any articles that lack domestic production capacity (2018)	50% 2025: 25% 2018: 10%	
Steel	24% , asked to exclude any articles that lack domestic production capacity (2018)	50% 2018: 25%	
Copper	30% semi-finished/derivative; refined 15% in '27, 30% in '28. Domestic sales requirement 25% in '27, export controls for scrap	50% semi-finished/derivative	90 days: Sec shall establish process for adding derivatives in. 6/30/26: Sec recommends whether domestic markets merit 15% '27/30% '28
Autos & Auto parts	2019: 0% , Pursue trade negotiations to rebalance imports.	25%	

Final Thoughts on 232

- Uncertainty on: rates, exclusions, ultimate duration
- Retroactivity back to the original date for scope changes?
- Will future trade agreements include carve-outs?

“I have further determined that it is necessary and appropriate to allow for the implementation of the U.S.-UK Economic Prosperity Deal of May 8, 2025 (EPD), and to accordingly provide different treatment, as described below, for imports of steel and aluminum articles, and their derivatives, from the United Kingdom.”* WH Proclamation, June 3, 2025

*[*0% except for 25% on steel derivatives and steel derivative articles]*

301

Investigations

What is a 301 Investigation?

- Sections 301-310 of the Trade Act of 1974 (Relief from Unfair Trade Practices) gives Office of the United States Trade Representative (USTR) the ability to investigate and take action (e.g., impose a tariff) to enforce U.S. rights under trade agreements and respond to foreign trade practices.
- USTR must consult with a foreign government during this process.
- USTR makes the determination if either trade practices are unfair or US trade agreements have been violated.
- Generally, USTR makes its decision within 12 months, and has 30 days from the decision to implement.

What is a 301 Investigation?

Retaliatory actions must be proportional, targeting goods or services of the foreign country in an amount that is equivalent in value to the burdens on U.S. trade. Options include:

1. Impose tariffs or other import restrictions
2. Withdraw or suspend trade agreement concessions
3. Create a binding agreement with the other country to either cease the conduct or compensate the US.

301 actions expire in 4 years, but can be extended and/or reopened at a later date.

301 Investigations

- 130 total
 - Vast majority were pre-1995, when WTO created a dispute resolution process.
 - Countries can (and sometimes do) retaliate in response to U.S. 301 actions.
- Current 301 investigations that impact the Industry:
 - Brazil 301
 - China Maritime

301 Investigation – Brazil

- On July 15th, 2025 USTR began the investigation
- August 18th, 2025 written comments are due
- September 3rd, Public hearings in D.C.
- Focuses on digital trade, preferential tariffs, anti-corruption enforcement, IP protection, ethanol market access, and **illegal deforestation**
- Brazil has formed an interministerial committee headed by Brazilian Vice President Alckmin to respond to 301 & IEEPA
- Brazilian government has denounced the investigation
- Timeline and results are uncertain
- Brazil is considering a number of countermeasures

301 Investigation – China Shipbuilding

- On April 17, 2024, (final year of the Biden Administration) the U.S. Trade Representative initiated an investigation of China's acts, policies, and practices targeting the maritime, logistics, and shipbuilding sectors for dominance.
- Trump Administration Actions: A series of fees, delayed until October 2025, for Chinese built and operated cargo vessels.

301 Investigation – China Shipbuilding

- Fee on cargo vessels *operated by* a Chinese company or owned by a Chinese entity. The fee is set at \$0 until October 14, 2025, and will then increase to \$50 per net ton. The fee will increase annually until it reaches \$140 per net ton on April 17, 2028.
- Fee on cargo vessels *built in China* based on the higher of either (i) a fee based on the net tonnage of the vessel, or (ii) a fee per container discharged.
 - The net tonnage fee is set at \$0 until October 14, 2025, and will then increase to \$18 per net ton. The fee will increase annually until it reaches a total of \$33 per net ton on April 17, 2028.
 - The fee per container discharged will start at \$120 per container on October 14, 2025, and increase each year on April 17 until reaching \$250 per container on April 17, 2028
- The fees do not stack; the operating fee takes precedence over where the ship was built.

AD/CVD

Antidumping and Countervailing Duty Case on Plywood from China, Vietnam, and Indonesia

In response to a petition submitted by a coalition of domestic plywood producers, on June 11, 2025, the U.S. Department of Commerce initiated its less-than-fair-value and countervailing duty investigations on “Hardwood and Decorative Plywood from the People’s Republic of China, Indonesia, and the Socialist Republic of Vietnam”

Event	Initial	Fully Extended
Preliminary CVD Determination	August 15, 2025	October 20, 2025
Preliminary AD Determination	October 29, 2025 (possible)	December 18, 2025 (expected)
Final CVD Determination	November 5, 2025	May 11, 2026
Final AD Determination	January 19, 2026	May 11, 2026

Antidumping and Countervailing Duty Case on Plywood from China, Vietnam, and Indonesia

- Duties imposed: Cash deposits first collected on imports at the time of publication of the Preliminary AD and CVD Determinations (around one week after the dates on the previous slide).
- Duties can be imposed retroactively, for entries up to 90 days prior to publication of the Preliminary Determinations (critical circumstances).
- USITC Final Phase Schedule: TBD, Depends on Commerce schedule. Assuming fully extended Commerce deadlines, USITC Final Phase questionnaires, briefing, and hearing early 2026 through late Spring.

Secondary Tariffs

Current & Prospective

Secondary Tariffs: Current

August 6th

- EO placing a 25% additional tariff on all imports from India due to it's "direct or indirect importation of Russian oil."
- Directs Commerce/State/Treasury to determine which countries "directly or indirectly" import Russian oil and recommend further actions.
- Top purchasers of Russian oil: China, several EU nations (Slovakia, Hungary), Turkey, Brazil
- Currently Annex II (items under 232 investigation like Timber) are excluded.

Secondary Tariffs: Current

Of note:

- August 7th: In response to an EU proposal to halt all Russian gas by 2027, Turkey has said it refuses to stop purchasing Russian oil, gas and coal. As many EU nations receive oil/gas from Turkey, this could trigger the “indirect” purchase clause above.
- This EO only focuses on oil currently. Should this be expanded to gas/LNG/coal/oil products it would cover the following countries and more:

Egypt
EU
Ghana
Indonesia
Israel
Japan
Kuwait
Libya
Macedonia

Malaysia
Mexico
Moldova
Morocco
Myanmar
Nigeria
Norway
San Marino
Serbia

Singapore
South Korea
Sri Lanka
Taiwan
Tunisia
UAE
Vietnam

Secondary Tariffs: Prospective

- **Legislative:** There are bipartisan House & Senate bills that would allow the President to impose an up to 500% additional secondary tariff on any country which purchases Russian oil, gas, or uranium.
 - H.R.2548 has 89 cosponsors (45D/44R)
 - S. 1241 has 84 cosponsors (42 D/41 R/1 I)
 - Congressional pause to see how President chooses to handle this issue.
- **Administration:**
 - July 14: President Trump announced that if the war between Russia and Ukraine does not end within 50 days (September 2) he will impose 100% secondary tariffs on Russia. This means any country who continues to do business with Russia would face this 100% tariff on their own goods entering into the United States.

**What else
could impact
the Timber
sector?**

DOJ focuses on Imports

- The U.S. Department of Justice (DOJ) has indicated that it is expanding its enforcement priorities to include a focus on import-related fraud — particularly schemes aimed at evading U.S. tariffs and duties.
- This marks a notable shift in the DOJ's trade enforcement agenda, which has traditionally emphasized export controls and sanctions compliance.
- Targeted conduct includes:
 - undervaluing imported goods to reduce duties owed
 - falsifying country-of-origin information, including deceptive labeling or transshipment to conceal origin
 - misusing free trade agreement preferences (e.g., under the U.S.-Mexico-Canada Agreement) without meeting eligibility requirements
 - improperly classifying products to secure a lower duty rate or avoid tariffs entirely
 - structuring transactions to sidestep tariffs.

**It is an uncertain
time in the industry.
But IWPA is keeping
companies up to
date, no matter
what.**



Questions?