



April 1, 2025

The Honorable Howard W. Lutnick  
US Secretary of Commerce  
1401 Constitution Avenue NW  
Washington, DC 20230

Dear Secretary Lutnick:

The National Foreign Trade Council (“NFTC”) appreciates the opportunity to provide input as part the Department of Commerce’s (“the Department”) investigation to determine the effects on the national security of imports of wood products: timber, lumber, and their derivative products, initiated under section 232 of the Trade Expansion Act of 1962, as amended (BIS-2025-0011, X-RIN 0694-XC117).

Our submission will focus primarily on issues related to derivative products generally, and wood pulp in particular. We specifically recommend excluding wood pulp from the scope of this investigation.

### **Derivative Products**

As the Department evaluates the impact of current trade policies, including foreign government subsidies and predatory trade practices, on imports of products derived from timber and lumber, NFTC urges you to take a limited and strategic approach to derivative products. In our view, derivative products should be chosen carefully and strategically with the goal of including only those derivative products that are closely enough related to timber and lumber to be used to circumvent any tariff remedy the investigation might recommend.

We urge against repeating the broad derivatives scope that was adopted for the recently adjusted Section 232 tariffs on aluminum products. This new list of derivative products includes parts for highly sophisticated electronics, medical devices, and scientific instruments, but also sweeps in a number of products that have virtually no national security implications, such as yoga mats with buckled straps, roller skates, cookware, and picture frames. Indeed, the newly added aluminum derivative products accounted for \$103 billion in U.S. imports in 2024, which dwarfs the \$18B in imports covered by the original 2018 aluminum action.

Adopting an overly broad scope for derivative products results in subjecting products that have minimal nexus to the primary products covered by the investigation and very divergent applications and end uses to tariffs and immensely complicated entry requirements, with little benefit to national security.

### **National Foreign Trade Council**

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The further downstream a derivative product is, the harder it is for importers to have visibility into the information that U.S. Customs and Border Protection requires to enter the goods and calculate the duty, such as having to report the weight and value of covered inputs and the country where these products were produced. These are not data elements that importers would normally have, and they are exceedingly difficult to replicate the farther downstream the imported product is from the primary product.

## **Wood Pulp Should Be Excluded From This Investigation**

In North America and Europe, wood pulp is primarily a derivative of the lumber industry. In South America, wood pulp is derived from harvested tree plantations. Neither source poses a national security risk and should be excluded from investigation.

The industry relies on a complex and interconnected global supply chain to deliver consumer preferred finished products supporting US-based manufacturing jobs, many in rural communities. Decreases in lumber supply could result in higher wood pulp prices. Wood pulp is made from material that has little or no connection to national security and should be excluded.

## **Overview of the Pulp Supply Chain**

Wood pulp is the primary raw material used in paper products, including essential personal products such as paper towels, toilet paper, and facial tissue. Wood pulp can be sourced from forested regions all over the world and because of tree species availability, climate, soil and other factors, most imported wood pulp is sourced from Canada, Brazil, and Scandinavia (Finland, Sweden).

When pulp is sourced from lumber, it is made from the wood remnants left over after processing round logs into rectangular lumber. Wood that is unsuitable for building materials, including branches, treetops, stumps, bark, and wood from leftover sawmills. Each wood fiber offers distinct advantages such as strength, absorbency, and softness, which drives the decision on which wood pulp should be used. To make pulp, the cellulose fibers from wood are mechanically or chemically separated.

Manufacturers select the source of the pulp based on the quality and characteristics needed for the finished product. Once the pulp is manufactured, it is shipped via rail and truck to U.S.-based paper mills or finished product manufacturers who create their finished products.

## **Pulp Is Not Interchangeable**

Climate conditions drive what trees are grown in a region, and different trees produce different wood fibers, which results in pulp suitable for different applications. Canadian wood, grown in colder climates, produces long, flat, thin fibers while U.S. wood produces long, thick, slightly hollow fibers. Curly, medium sized wood fibers are grown in Europe and short, small wood fibers are grown in Brazil. U.S.-based manufacturers leverage these different fiber characteristics to create finished products that are sold today under iconic American brands and represent billions of dollars in sales and thousands of US jobs, many in rural communities. Due to these distinct geographical characteristics, which deliver a preferred consumer experience, pulp from Canada or Brazil is not a substitute for pulp from the United States.

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## **Pulp Supports U.S. Manufacturing**

Manufacturing facilities are strategically located to produce essential paper products efficiently. The sector plays a significant role in providing employment opportunities in rural communities, providing competitive wages, contributing to state revenues and fostering robust local business partnerships. The industry advocates for unrestricted access to international markets and a fair, competitive environment.

### **About NFTC**

The NFTC, organized in 1914, is an association of U.S. business enterprises engaged in all aspects of international trade and investment, including maintaining competitiveness and technological leadership. Our membership covers the full spectrum of industrial, commercial, financial, and service activities, accounting for over \$6 trillion in revenue and employing nearly 6 million people in the United States.

Thank you for your attention. We welcome the opportunity to provide additional information and address any questions you may have. Please contact me at [ichu@nftc.org](mailto:ichu@nftc.org) or via mobile at (703)225-8519.

Sincerely,



Jeannette L. Chu

Vice President, National Security Policy and  
Executive Director, Alliance for National Security and Competitiveness

cc: Jeffrey Kessler  
Under Secretary of Commerce for Industry and Security,

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