

1 HJR383
2 193116-1
3 By Representatives Johnson (R) and Hurst
4 RFD: Rules
5 First Read: 13-MAR-18

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8 SUPPORTING ALABAMA'S KITCHEN AND BATH CABINETS
9 INDUSTRY AND URGING CONGRESS TO TAKE ACTION.
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11 WHEREAS, manufacturing is a significant component to
12 Alabama's economic growth and viability and also represents a
13 substantial contribution in the area of employment, new job
14 creation, innovation, and capital investment; and

15 WHEREAS, Alabama's kitchen and bath cabinet
16 manufacturing sector comprises an important portion of Alabama
17 manufacturing; and

18 WHEREAS, the continued proliferation of kitchen and
19 bath cabinet manufacturers and the accompanying job growth and
20 capital investment throughout Alabama is essential in
21 assisting the continued stability of Alabama's economy; and

22 WHEREAS, manufacturing kitchen and bath cabinets in
23 Alabama and across the United States represents the provision
24 of products necessary: (1) to all citizens whether they own or
25 rent homes or are in the process of remodeling; or (2) to
26 wholesalers, builders, and other entities in the chain of new
27 construction; and

1 WHEREAS, the Alabama and nationwide kitchen and bath
2 manufacturing sector is perilously close to extinction from
3 the threat of trade imbalance between the United States and
4 foreign exporters of kitchen and bath cabinets; and

5 WHEREAS, this threat and the potential harm in the
6 form of lost industry, jobs, and economic stability is eerily
7 similar to the vanquished wooden furniture industry which was
8 hearty and vibrant at one point in our history, until these
9 same unchecked export and import practices drove American
10 furniture manufacturers out of business; and

11 WHEREAS, the import threat, primarily from China, in
12 the form of "dumping" and exporter tax concessions (subsidy
13 rate) is having a material effect on this industry at the
14 state and national level; and

15 WHEREAS, despite the United States cabinet
16 manufacturing industry employing state of the art, innovative
17 practices in providing the world's finest quality of kitchen
18 and bath cabinetry, the nation's industry is experiencing
19 significant injury due to the trade imbalance caused by unfair
20 and often illegal global trade practices; and

21 WHEREAS, foreign countries, manufacturers, and
22 exporters, such as China, are employing illegal trade schemes
23 and distorted marketing practices such as "dumping" and
24 receipt of local tax concessions or other "exporting country
25 benefits" that allow below United States market pricing; and

26 WHEREAS, foreign exporting countries, predominantly
27 China, are "dumping" kitchen and bath cabinets into the United

1 States at a record pace and are accounting for a historically
2 high percentage of the United States market; and

3 WHEREAS, the "dumping" margin is estimated to be
4 around 140 percent while the subsidy rate is estimated to be
5 around 20 percent; and

6 WHEREAS, naturally, these global market conditions
7 and practices, to date, unchecked by our government, have
8 resulted and will continue to result in, a significant loss of
9 jobs in Alabama and across the United States; and

10 WHEREAS, the need for tariffs in the domestic
11 kitchen and bath cabinet manufacturing industry is urgent and
12 readily apparent; and

13 WHEREAS, Chinese imports have penetrated all
14 distribution points in the United States market; and

15 WHEREAS, the expansion of Chinese imports, having
16 doubled from 2012 to 2016, has allowed an invasion at all
17 price points; and

18 WHEREAS, the current United States market share for
19 Chinese cabinet imports is estimated to be at around 15
20 percent and increasing each year; and

21 WHEREAS, this growth of imports from China has
22 caused an increase in Chinese manufacturers and United States
23 companies importing Chinese cabinets; and

24 WHEREAS, currently there exists over 300 Chinese
25 cabinet manufacturers exporting cabinets and over 550 United
26 States companies importing these cabinets; and

1 WHEREAS, these trends are driving prices of Chinese
2 cabinets at all price points even lower; and

3 WHEREAS, although "Made in the U.S.A." once carried
4 some priority with buyers, this premium and other non-price
5 selling points do not influence a purchaser when the price is
6 driven so low directly because of unfair trade practices being
7 tolerated and allowed by Chinese manufacturers and United
8 States importers of these Chinese cabinets; and

9 WHEREAS, obtaining success in the realm of fair
10 trade through tariffs involves industry support, litigation in
11 the arena of "Anti-Dumping" and "Counter-Vailing Duties," and
12 political action; and

13 WHEREAS, such political action requires grassroots,
14 state level mandates and resolutions along with state and
15 federal representative interest and support; and

16 WHEREAS, successful litigation and adequate industry
17 support work hand in hand and makes political action
18 essential; and

19 WHEREAS, political action from Alabama and on a
20 multi-state level could prompt a proliferation of the required
21 industry support and even push the current administration in
22 Washington, D.C., to self-initiate an investigation into
23 unfair and illegal "dumping" and subsidizing which could in
24 and of itself lead to tariffs; now therefore,

25 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
26 HOUSES THEREOF CONCURRING, That by copies of this resolution,
27 we strongly urge Alabama's entire congressional delegation and

1 United States President Donald Trump to take all necessary
2 action to defend the domestic wooden kitchen and bath
3 manufacturing industry from continued injury being caused by
4 the unfair and illegal practices of foreign cabinet exporters,
5 specifically China.

6 BE IT FURTHER RESOLVED, That the Alabama and United
7 States kitchen and bath manufacturing industry is not looking
8 to our state and federal government to foster protectionism or
9 special treatment, but instead is seeking merely to create a
10 level playing field in the realm of competition through the
11 enforcement of applicable law.