

**JASON SMITH**  
8TH DISTRICT, MISSOURI

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INSULAR AFFAIRS SUBCOMMITTEE

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2508**

January 24, 2014

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Secretary Tom Vilsack  
U.S. Department of Agriculture  
1400 Independence Ave., S.W.  
Washington, DC 20250

Dear Secretary Vilsack:

On behalf of the thousands of constituents from our districts who are employed or served by the hardwood lumber and plywood industry, we write urging you to carefully consider how the proposals set forth in the Hardwood Lumber and Hardwood Plywood Promotion, Research and Information Order (Order) are implemented.

The Checkoff Program proposed by this Order has the potential to impact some 1,500 companies that employ 28,000 Missourians directly and another 40,000 indirectly. These companies, most of them small businesses, generate 6 billion dollars in revenue and contribute another billion dollars annually in tax revenue for the State of Missouri. We want to express some of our concerns regarding the substantial impact this Order would have on the forest products industry and the overall economy in Missouri.

The formation process of a Checkoff Program should allow all industry stakeholders the opportunity to provide input, including all subsectors of the industry that may not directly benefit from such a program. In addition, rules should be written fairly and equitably to ensure larger companies do not use their relative size to provide a lasting competitive advantage over small, less influential entities.

The Checkoff Program proposal should carefully consider whether private corporate finance data, provided to Checkoff board members, should be protected as proprietary data and used only for the purposes of the program. The availability of sensitive sales data must receive proper protection if the companies are to work in unison and still compete with one another.

The proposal fails to recognize the complex diversity of the hardwood lumber and hardwood plywood industries in determining assessments. Producers of ties, pallet lumber, and blocking do not need a centralized marketing approach. Additionally, value added facilities would be able to deduct the cost of raw materials while sawmills would not. Primary sawmills have a greater capital investment in their equipment when compared to others in the industry.

Missouri's various hardwood industries remain committed to providing quality employment and economic stability in our state, and the Checkoff Program proposal would put their valuable role into question. We appreciate your attention to this important matter and look forward to your response.

Sincerely,



Jason Smith

MEMBER OF CONGRESS



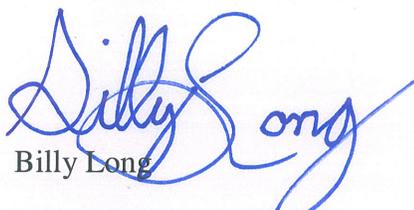
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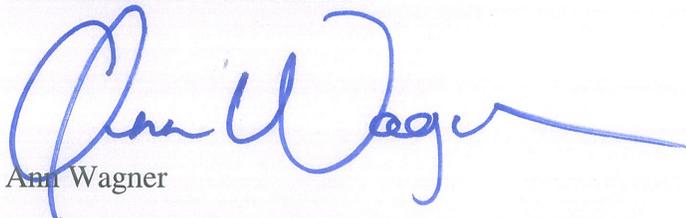
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UNITED STATES SENATOR