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U.S. bans illegal wood imports

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Congress has passed landmark, bipartisan legislation that prohibits the import of illegally harvested wood and wood products. The Combat Illegal Logging Act passed both the House and Senate by a margin big enough to override a presidential veto, making a ban on black-market wood products inevitable.

Supported by a coalition of conservation, industry and labor organizations, the measure - rolled into the Farm Bill - expands the century-old, wildlife trafficking Lacey Act by extending its protections to the commerce of illegally sourced plants, including wood products.

"Passage of this law marks a new phase in the global fight to transform the timber trade," said Alexander von Bismarck,

executive director of the Environmental Investigation Agency (EIA), which spearheaded the coalition. The EIA has spent a decade investigating illegal logging and trade, bringing the issue to political prominence in the U.S. and the European Union. EIA estimated that 10 percent of annual wood product imports into the U.S. in 2006 - worth an estimated \$3.8 billion - are derived from illegally logged timber. "The world's biggest consumer nation has sent a message that will be heard in forest communities around the world," von Bismarck said.

The amendment was championed by Senator Ron Wyden and Congressman Earl Blumenauer. "After more than a year of work with industry, environmental and union groups, we passed legislation that will help bring an end to the practice of illegal logging," Blumenauer said. "Not only does illegal logging threaten some of the world's richest and most vulnerable forests, but it leads to serious human rights violations. It also costs the U.S. forest products industry more than \$1 billion every year."

"This legislation will go a long way toward not only leveling the playing field for American manufacturers, but in protecting jobs and addressing the illegal-logging crisis," Wyden said. Reaction in the wood industry has been positive, although full details as to how the ban will be enforced and which species are affected are still unclear at this time.

"The Lacey Act is key to the continued sustainable management and harvesting of hardwood and all forests around the globe," said Ed Korczak, National Wood Flooring Association CEO and executive director. "It is not just a matter of ensuring equal competitive practices; it is being responsible stewards of our environment."

The Hardwood Federation (HF), representing almost 14,000 small businesses and 1 million hardwood land owners, applauded the action and said it will help halt the damaging effects of worldwide illegal logging and the resultant unfair competition to U.S. forest product industries. "The forestry provisions in the final bill will strengthen the hardwood industry and ensure healthy forests for future generations," said Jamey French, HF president.

The International Wood Products Association (IWPA) praised a compromise in the bill amending the original version to provide forfeiture liability protection for small businesses that have practiced due diligence in their supply chain. "Efforts such as these will help countries combat illegal activity and keep forests managed as forests - not destroyed in their conversion to agriculture and ranching," said Brent McClendon, IWPA executive vice president.

"This will change things for the better, slowly but surely," said Don Finkell, CEO, Anderson Hardwood. "The unusual coalition between American wood product manufacturers and environmental groups has caused this legislation to pass and it is the precursor to more initiatives because there is common interest between the two." Passage of the Lacey amendments will help reverse recent import trends but will also likely result in service disruptions and increased domestic competition, Finkell added.

"The decline of the U.S. dollar has already made imports less attractive price-wise. It is unclear how much red tape is going to be involved in importing wood floors as a result of the Lacey Act amendments but I predict we will start seeing more service disruptions as a result of shipments getting held up by customs at the ports. That and increasing fuel prices will make domestic flooring more competitive." A heightened awareness of green issues by consumers is also likely to contribute to competitive conditions, Finkell said. "The Lacey Act amendments will change the retail landscape figuratively by reducing imported wood floors and the tropical landscape literally by reducing deforestation of tropical forests," he said.

The ban is likely to have a major impact on retailers and present challenges for them as well, said Bill Snowdon, hardwood purchaser, CCA Global Partners. "Nobody we deal with has 100 percent of their timber certified all the way through the system. Certainly with the exotics and anything that comes from out of this country, they haven't the foggiest idea of where it comes from."

The ban will ultimately be good for U.S. manufacturers because they're in a better position than importers to satisfy Congress' mandate and a growing number of companies already have a percentage of their forest products certified. However, a good deal of the hardwood sold in the U.S. is harvested in other countries.