

**Table 3: Characteristics of an Effective Legal Mechanism to Combat Illegal Logging and Associated Trade**

Characteristics of an Effective Law	Does a Lacey Act Amendment Have These Qualities?
Acknowledge and support existing laws in producer countries	Yes. Basic structure of law is to recognize foreign law violations as the trigger for Lacey Act violations.
Be capable of address the manifold types of illegality in the timber sector	Yes (with caveat). Lacey Act cases are triggered by breaking any underlying law, if this can be proven. Caveat: the bills currently before U.S. Congress present language whose scope is focused on laws related to illegal harvest and trade. For example, labor laws are not covered.
Support and strengthen existing domestic enforcement efforts in producer countries	Yes. Prosecution under Lacey requires cooperation with producer country law enforcement agencies; proceeds from forfeiture are sometimes shared with foreign governments to defray costs.
Raise the risk for abetting illegal activity	Yes. Lacey creates financial and criminal penalties for violating underlying laws; penalties vary based on extent of company's prior knowledge.
Create incentives for companies and buyers to perform due diligence and improve tracking and monitoring systems	Yes. Companies shown to be exercising "due care" – internal policies and tracking systems, independent certification, participation in stepwise programs, etc. – protect themselves from risk of most possible charges.
Decrease foreign traffickers' market access and profit margins	Yes. Increased incentives to ask questions make U.S. companies more likely to seek out trusted legal sources.
Increase transparency and information available to law enforcement officials	Yes. Currently proposed Lacey amendments introduce a declaration requirement that includes species, country of harvest, and other information that enables more targeted law enforcement and data collection.
Give businesses guidance on what constitutes 'legal'	Yes. Currently proposed Lacey amendments articulate the range of laws that will be considered underlying violations. Major illegalities such as cutting in protected areas or exporting despite log bans are all covered, while laws unrelated to illegal logging or plant protection are excluded.
Avoid penalizing or unduly burdening businesses that are trying to do the right thing	Yes. The "knowledge and intent" requirements and "due care" provisions, as well as existing case law precedent and U.S. law enforcement agencies' limited resources, all mean that Lacey targets the worst offenders.
Be flexible over time, given the complexities of the global timber trade	Yes. Lacey does not tell businesses how to avoid violating the law – it leaves the "how" up to them. Currently proposed declaration requirements are limited to basic information, and are designed to be re-evaluated after an initial period of two years.
Be feasible to implement, for both business and the government	<p>Yes. The fisheries and wildlife trade industries have worked with Lacey for a century, and developed appropriate contracts and due diligence measures such as payment-upon-customs-clearance.</p> <p>The government, with intelligence-led enforcement work, could make effective use of a limited number of inspectors in key ports to cover a large percentage of wood products trade.</p> <p>This law functions as much by market signal as by daily enforcement, by increasing the risks for wrong-doing and sending a ripple of questions down the international supply chain.</p>