

Statement of

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H.R. 1497 Legal Timber Protection Act

**US House of Representatives
Committee on Natural Resources
Subcommittee on Fisheries, Wildlife, and Oceans**

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Madam Chairman and members of the Subcommittee, thank you very much for holding this hearing. My name is Victor Barringer and I am President & CEO of Coastal Lumber Company. As a company and as an industry we recognize the critical issues related to illegal logging worldwide and appreciate the Committee's willingness to address those issues today.

Coastal Lumber operates in nine states, employing 1300 employees at 24-hardwood lumber manufacturing plants nationwide. We are proud to be one of the largest employers in Chairman Rahall's state of West Virginia, and collectively with our sister companies, we are the 3rd largest taxpayer in the state of West Virginia.

In addition, we have extensive business relations in Asia. I have traveled throughout Southeast Asia in recent decades, and have personally witnessed the sites of large blocks of deforested timberland, and have been to the log yards along the Northern Chinese border-trading illegal logs from Russia. I am here today to inform the US Congress that the situation is far worse than any report you may have seen to date. Essentially there exists no enforcement of local harvesting laws due to the reigning systems of bribes and criminal conduct.

Joining us in this concern is the Hardwood Federation, the largest hardwood forest products industry association in the United States, representing over 14,000 businesses, 30 trade associations and over one million hardwood families in the United States and Canada. The Federation represents the majority of organizations engaged in the manufacturing, wholesaling, or distribution of North American hardwood lumber, veneer, plywood, flooring, pallets, kitchen cabinets and related products. As you can imagine, the Federation is challenged to maintain consensus on a myriad of issues given the breadth and diversity of the association membership. However the pressing concerns over illegal logging and the need to seek legislative solutions was given a unanimous vote of endorsement by the HF Board of Directors earlier this year and is viewed as a top priority issue for the association. Coastal Lumber obviously is not alone in having seen first-hand the devastation caused by corruption in the logging trade. While we are the largest users of the resource we are also among the most fervent guardians of these forests as well.

Companies in the hardwood industry are predominantly small, family-owned businesses, dependent upon a sustainable supply of healthy timber resources. Many are operated by third, fourth or even fifth generation family owners. Given this history and legacy, our industry maintains a long-term view of the valuable forest resources, which are the mainstay of our business. In fact hardwoods are by definition a long-term raw material given the decades-long growing cycle required for high valued wood species. Imagine depending upon a raw material, which takes almost an adult lifetime to grow to maturity! Hardwood timber is renewable and sustainable, but not readily replaceable once damage is done.

We do not plan to watch as illegal practices create an unfair playing field. When we cannot compete fairly opportunities for providing jobs to our families in generations to come and in our local communities are lost as well as the wood products prized by consumers throughout the world as a universal sign of quality in homes, buildings, furniture and décor. Our attention to sustainable forest practices is a costly element in our business, and as a CEO I can attest to the fact that abiding by the laws which govern private business is costly. But we do it, and, in the case of forestry laws we know that in doing so we are investing in the future of our business.

Since January 1, 2000, there have been 314 furniture plant closures with massive layoffs affecting some 69,190 workers. Manufacturers with household names such as Thomasville, Henredon, Broyhill and Century collectively now have only two or three manufacturing plants left in the U.S. The hardwood lumber industry, which supplies wood to the furniture industry, has lost 38% of its existing mills since 2000. One of the main reasons the furniture industry went to China is cheap wood to supply these plants. Despite this, we can compete with legally logged timber from around the world no matter where the plant is located. We cannot compete with bribes being paid to forestry officials and others along the Russian/Chinese boarder. These people have no regard for what this illegal trade is doing to the environment or to manufacturing jobs in the U.S. The furniture industry, aside, there are a lot of jobs at stake here. For example, there are about 29 thousand forest products industry paychecks being generated annually in the state of West Virginia. Pennsylvania has about 95 thousand industry related paychecks in the state and I would say that most states have similar numbers. In short this is an environmental and economic catastrophe unfolding before this committee.

Earlier this year, the Hardwood Federation issued the first public statement of support for efforts to end illegal logging, including the possibility of amending the Lacey Act. Since that time legislation has been developed which we believe will curb illegal wood imports and help protect law-abiding forest products industries and employees as well as forest ecosystems throughout the world. We applaud Rep. Blumenauer's leadership in introducing H.R. 1497 and the amendments the Congressman has agreed to implement. We urge the Committee to continue to focus on this issue and pending legislative proposals to reflect the divergent interests, which have come together to call for action. On behalf of Coastal Lumber and the Hardwood Federation we pledge to continue in our own active role and work to move towards a strong, effective US statute to curb this alarming threat to our industry and to hardwood forests throughout the world.

Thank you for allowing me this opportunity to appear before you today.