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PLEASE OPPOSE H.R. 3210 – THE RELIEF ACT

November 1, 2011

Dear Representative:

We strongly **oppose H.R. 3210, the Retailers and Entertainers Lacey Implementation and Enforcement Fairness (RELIEF) Act**, sponsored by Representatives Cooper, Blackburn and Bono Mack. As proposed, this amendment would be devastating to the 2008 Lacey Act amendments, one of the most important and successful trade and conservation laws passed in the last decade. This bill would hurt American businesses and severely undermine longstanding U.S. leadership in global forest conservation and curbing illegal logging.

Responding to the economic and environmental costs of illegally traded timber, the 2008 amendments to the Lacey Act passed with overwhelming bipartisan support from Congress, industry, labor and environmental organizations, making it unlawful to trade timber and wood products or other plants taken in violation of the laws of either a U.S. state or a foreign country.

Illegal logging costs the U.S. timber and wood products industry approximately \$1 billion per year. In an October 11, 2011 letter to Congress more than 15 U.S. trade associations underscored that “Illegal logging threatens U.S. jobs by allowing unfair competition in wood commodities throughout the world and destroys the world’s forests.” When the U.S. government combats illegal logging, this promotes the use of sustainably and legally sourced U.S. forest products. This ensures that the U.S. forest products industry can compete on a level playing field, thereby boosting its strength and supporting U.S. jobs.ⁱ

After three years, the 2008 amendments are already showing impressive results. Illegal logging is on the decline, as much as 25% worldwide, with reductions as high as 50-70% in some key countries. Companies around the globe are changing the way they make sourcing decisions and monitor their supply chains. Consistent enforcement over time is essential to solidify these new behaviors so they become common practice. Signatories to the October 11th letter urged, “that no legislative action be taken to diminish the contributions of the Lacey Act to these important objectives.”

H.R. 3210 and the accompanying documents are framed as an effort to fix certain issues that are under serious consideration by Agencies as they implement this Act, but unfortunately the bill significantly changes provisions of the Act that are fundamental to its effective implementation. While we are actively engaged with the Agencies to ensure strong and effective implementation of the Act, we are gravely concerned about many provisions of H.R. 3210, and particularly those that would eviscerate three key provisions of the Lacey Act responsible for driving positive change:

- **Import Declaration.** *H.R. 3210 would remove the requirement for manufacturers and retailers of all non-solid wood products to know what kind of wood they are trading.* Knowing the type and source of wood is essential to ensuring legality, one of the centerpieces of the Lacey Act. Among the multitude of products this would exempt, this measure would explicitly exclude pulp and paper from any future requirement to document its wood source. Pulp, paper, paperboard, and the products made from them are by far the largest segment of imports covered by the Lacey Act amendments. They may in fact constitute a majority of such imports. Excluding pulp and paper alone risks killing good paying manufacturing jobs in an industry that employs almost 400,000 people in forty-two states with a combined \$30 billion in annual compensation.ⁱⁱ

The agencies of jurisdiction have already decided to implement the declaration requirement in a phased manner to allow industry time to prepare. In addition, leading retailers, importers, producers, labor and environmental groups have developed a careful consensus on recommendations to improve implementation of the declaration. This measure would ignore that consensus.ⁱⁱⁱ

- **Significant penalties to deter illegal-sourcing.** The law has been effective in part through the deterrent effect it has on bad operators, who perceive their risk of being prosecuted or having goods seized as a reason to change behavior. *H.R. 3210 would remove this impetus for change by limiting penalties for all "first infractions" to a minor fine of \$250, regardless of size of the company, volume or value of the illegal product.* This provision would likely impact a case currently under investigation involving significant quantities of precious wood allegedly logged illegally in the biodiversity-rich forests of Madagascar.
- **Forfeiture of illegally-obtained product.** Under the Act, ill-begotten gains would be subject to confiscation, as is U.S. standard practice for dealing with illegal goods. *H.R. 3210 would instead allow for all major manufacturers to keep wood that has been proven to be stolen, regardless of the severity of evidence of illegal logging.* Without the threat of losing merchandise that has been acquired in contravention of the law, what is the incentive to ensure legal sourcing?

There is a robust process in place to vet and successfully implement changes to the law. In fact, written into the law is a call for a review of implementation after two years. This is underway, but overdue. Yet H.R. 3210, if passed, would subvert that process, and with it the views of many key stakeholders, in favor of specific interests. Members should instead push the Agencies for rapid completion of this report to Congress, and work with the Agencies to effectively implement the Act. We are committed to working with Members of Congress, companies, NGOs, Agencies, and other interested stakeholders in developing rules that ensure effective implementation of the Lacey Act and maintain its environmental integrity.

The ground-breaking 2008 amendments made the United States the first country in the world to prohibit commerce in illegal plants, timber and wood products. In September 2011, the amendment to the Lacey Act was recognized internationally and received the World Future Council's silver medal as one of the three most inspiring and innovative pieces of national legislation to protect the world's forests. The European Union, Australia and other countries are following the U.S. lead.

Now is the time for sensible dialogue to ensure the Lacey Act amendments of 2008 remain strong while addressing reasonable concerns. The Agencies need to finalize the Report to Congress, and prioritize the consensus recommendations. Dismantling the principal tenets of the law is misguided and would be a travesty.

We urge you to oppose H.R. 3210.

ⁱ The U.S. forest products industry produces about \$175 billion in products annually and employs nearly 900,000 men and women in good paying jobs. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states.

ⁱⁱ <http://www.osha.gov/SLTC/pulppaper/index.html> and <http://www.afandpa.org/PulpAndPaper.aspx>

ⁱⁱⁱ The more than 50 organizations supporting the consensus process are also now discussing the proper treatment of composites in detail, with a forum planned for December. For reference, the 2009, 2010 & 2011 consensus statements are available at <http://www.eia-global.org/LaceyActConsensusStatements>