

Testimony before the  
**House Natural Resources Committee**  
**Subcommittee on Fisheries, Wildlife, and Oceans**

**“The Legal Timber Protection Act”**

October 16, 2007



**The Honorable Earl Blumenauer**  
**Member of Congress**

Chairwoman Bordallo and Ranking Member Brown,

Thank you for holding this hearing on the Legal Timber Protection Act and for the opportunity to testify.

As the experts you have scheduled will testify in greater depth, illegal logging threatens some of the world's richest and most vulnerable forests and cost the U.S. forest products industry over \$1 billion every year in lost opportunities and lower prices.

Half of the world's forests have already disappeared, and the illegal removal of high value threatened tree species destined for the international trade is often the first step leading to forest clearance. The tracks and roads built to access and remove timber become entryways for further illegal cutting, hunting and burning.

As illegal logging contributes to deforestation, the local and regional climatic systems are dramatically altered and the water balance and dynamics of this fragile ecosystem disrupted. The resulting soil erosion induces floods and landslides. In fact, deforestation accounts for 20% of annual global greenhouse gas emissions – more than the entire global transportation sector.

Trade in illegally harvested timber undermines democratic governance and threatens indigenous populations as bribery, fraud and, in some cases, extreme violence are all part and parcel of illegal timber trafficking. Moreover, it causes losses to up to \$15 billion for low-income countries. By avoiding export duties, timber royalties and taxes on their profits, companies operating unlawfully are robbing national governments of millions of dollars every year.

In our domestic industry, since as much as 30% of hardwood lumber and plywood traded globally could be of suspicious origin, responsible U.S. companies lose an estimated \$460 million in export opportunities every year because of displacement caused by illegally harvested timber. On top of that, the annual value of U.S. exports is between \$500 - \$700 million lower due to downward pressure on prices from illegally harvested timber. For my home states of Oregon, that means losses of up to \$150 million each year.

The United States has a number of tools at our disposal to address the problems of illegal logging from capacity building in source countries to verification through trade agreements, the use of which are not mutually exclusive. However, we have not done enough when it comes to the demand side of the equation.

Quite simply, illegal logging is timber theft and yet, unlike other kinds of theft, our government lacks the authority to prevent these illegal products from entering the United States.

For this reason I, along with Congressmen Weller and Wexler, have introduced H.R.1497, the bi-partisan Legal Timber Protection Act, which is designed to prohibit

trade in illegally harvested timber in the United States. The mechanism by which it does so is by extending the protections of the Lacey Act to timber and other plants.

The Lacey Act, which dates back to 1900, prohibits trade in wildlife, fish, and plants that have been illegally taken, possessed, transported or sold. In this way, Lacey strengthens and supports other federal, state, and foreign laws protecting wildlife by making it a separate offense to take, possess, transport, or sell wildlife that has been taken in violation of those laws.

What our legislation means is that, if wood has been stolen from a forest reserve in Brazil or taken without paying the appropriate royalties in Indonesia, the U.S. government will now have the authority to prevent its importation into the United States and punish those responsible.

This bill is designed to go after the worst of the worst. It asks companies to take very basic responsibility that shouldn't be a problem to any legitimate importers: know your sources and be able to document what species from what countries are you importing. Civil and criminal liability is limited only to those who don't take due diligence or those who knowingly import illegal wood. This is a free-market solution, helping companies move to more responsible suppliers, instead of requiring burdensome inspections or certifications.

When I first introduced the "Legal Timber Protection Act," earlier this year, I made clear that I was interested in working with all stakeholders to ensure that the bill which eventually emerged from the House of Representatives would be as effective as possible and not unintentionally harm legitimate businesses.

Since then, I am pleased that the work of a broad coalition of environmental and industry groups has produced a series of clarifications and changes that strengthened the original legislation. I have circulated this new text to other members of the House and it has been introduced in the Senate as S.1930. I am also including it at the end of my written statement. The changes include clarifications to the types of underlying laws that would trigger a Lacey violation and to the documentation requirements.

I hope that the Legal Timber Protection Act will be soon be marked up by this committee or otherwise pass the House. While I remain open to the continued input of involved parties, when the bill moves to mark-up (or should otherwise come to a vote) I will support the adoption of a substitute amendment containing the text agreed to by the environmental and industry groups.

I believe that our solution gets at the heart of the illegal logging issue without getting legal timber trade caught up in the net or putting over-burdensome regulations on those involved in perfectly legitimate international trade. One of the drivers of the illegal timber trade is the cost-differential between legal and illegal timber, so we've tried our hardest to make sure that we don't impose compliance costs with a perverse impact.

I am particularly pleased by the broad coalition of industry, environmental and labor groups who both support this effort and have put countless hours into a this process, in order to ensure that our legislation would be as effective as possible. It is indeed a coalition of strange bedfellows, but by including domestic lumber producers, importers, organized labor, and the environmental community, we feel confident that we have a solution that meets the needs of all those who are involved in legitimate and legal trade. I would like to specifically thank the American Forest & Paper Association, the Hardwood Federation, and the Environmental Investigation Agency for leading this process.

I look forward to exploring the issues in this bill with you in greater detail during the course of this hearing and for your support to move this important bill forward.