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Timber Demand-Side Legislation Enforcement
Meeting
Barcelona
April 14-16, 2015

Who is IWPA

➤ Only U.S. trade association dedicated to the interests of wood importers.

Membership categories:

➤ Overseas Members / Producers

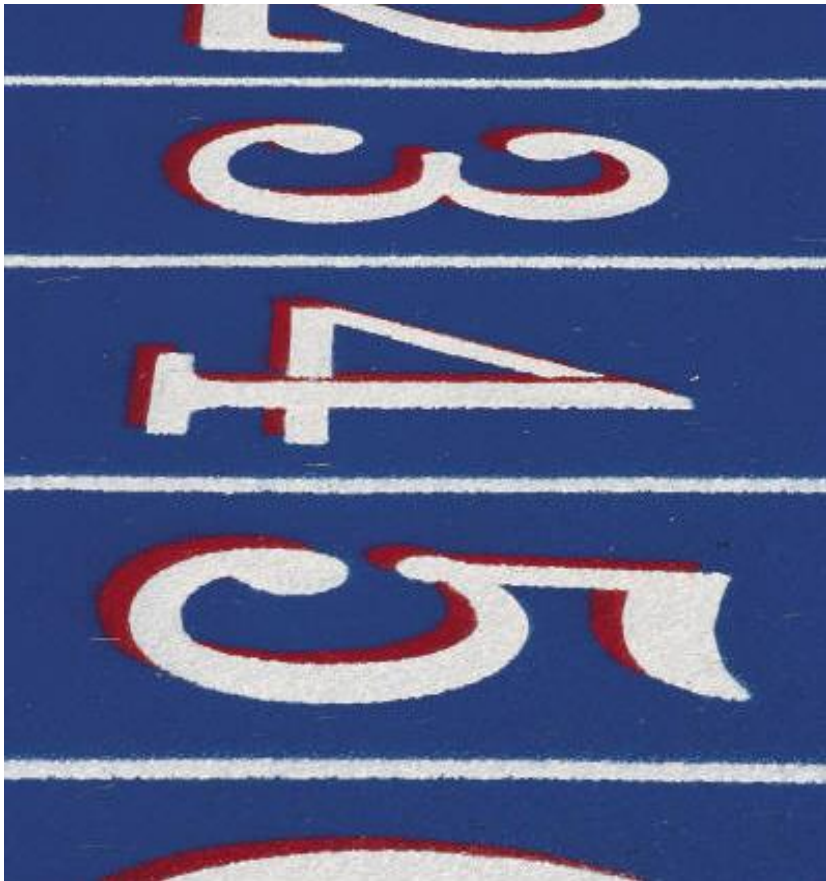
➤ North American Importers --
manufacturers, retailers of wood
products

➤ Associate Members – Service
providers, trade facilitators & NGOs

2014 IWPA Environmental Scan



Steps Forward



- Proactive in engaging with industry, customers & government
- New market opportunities
- Provide Education, Updates & Support

Lacey: Legality *and* Declaration

Legality is both simple & complex under Lacey

“Due care simply requires that a person facing a particular set of circumstances undertakes certain steps which a reasonable man would take to do his best to insure that he is not violating the law.”

-Lacey Act Primer, APHIS (Oct. 2009)



Lacey Due Care/ Gibson Case

1. Does supplier have long standing relationships with the supplier/s (exporter) of this product? How long?
2. Do the supplier/s of this supplier buy this product from 'spot markets'?
3. Does supplier regularly question their suppliers regarding the origin of this product?
4. Did supplier provide you with all required documentation?

11. If yes, verify that additional required procedures were followed, e.g.,

- a. product is certified against a Chain of Custody or Traceability Standard,
- b. the supplier certificate is valid and the scope includes the product supplied,
- c. the product has been traced by Gibson along an unbroken and verified chain of custody from the purchaser back to the source entirely by obtaining supplier certification codes on documentation for that product down to forest level, and
- d. the harvest and export of the species is not restricted or prohibited in the source country.

- a. e.g., for non high risk countries, a written and signed document from supplier identifying companies included in the full supply chain of the product back to the harvesting entity/ies, including name and location of the harvesting entity/ies and Forest Management Unit.
- b. A list of supplying companies harvesting wood from source forests and copies of the associated harvesting permits for supplied product and/or other form of authorization from the forest owner, including, for example:
 - i. species, district of origin information and any other related harvesting or purchasing agreements.
- c. Evidence of compliance with timber transportation documents: Copies of transport or sales permits with specification of species and volumes as applicable.

**Importers and U.S.
Consuming Industries
Continue to Struggle
with the How of Due
Diligence**

5. Have you reviewed the documents and verified that they meet Gibson requirements?
6. Is there any reason for supplier to believe that paperwork from their suppliers may not be authentic for this product?
7. Is there a ban on exports from this region/country?
8. Have you checked on approved species/products with State/Province for that supplier?, etc.)
9. Have you retained copies of required documentation?
10. Is this supplier sourcing from a high risk country?

Challenge

- Keeping up with trends in due diligence, country specific developments & U.S. regulatory requirements can be daunting for large companies and even more so for small to medium sized enterprises.
- Staff turnover & need to keep veteran staff updated calls for ongoing training offerings.
- Compliance staff want to network and learn from each other.
- We need more than another standard.



Solution

- *Solution:* IWPA partnership with the World Resources Institute / USAID to create a training program and forum for front-line Lacey, CITES and phyto-sanitary compliance staff.
- Phase 1 – Needs Assessment
- Phase 2 – Develop Course & Workshop Materials
- Phase 3 – First Test Workshop in Oct. 2015 & Rollout

Priorities

- Train employees new to Lacey compliance.
- Expose attendees to global resources
- Help staff develop and refine company standards operating procedures (SOPs)
- Provide for Continuous improvement & Cross-Pollination



Audits / Guidance

- ➔ NMO Report Provides helpful guidance that can be instructive to compliance staff.
- ➔ Such actual case studies & guidance from voluntary audits can be powerful instructional tools



Supply Chains Are Complex



- Supply Chains were designed for high utilization, grade, and efficiency
- Mixing is a normal part of lumber distribution
- Now we are retrofitting on top of this system due diligence systems for CoC, tracking species and country of harvest
- Creates challenges to effective adoption

Trade / Regulator Partnership





Thank You

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