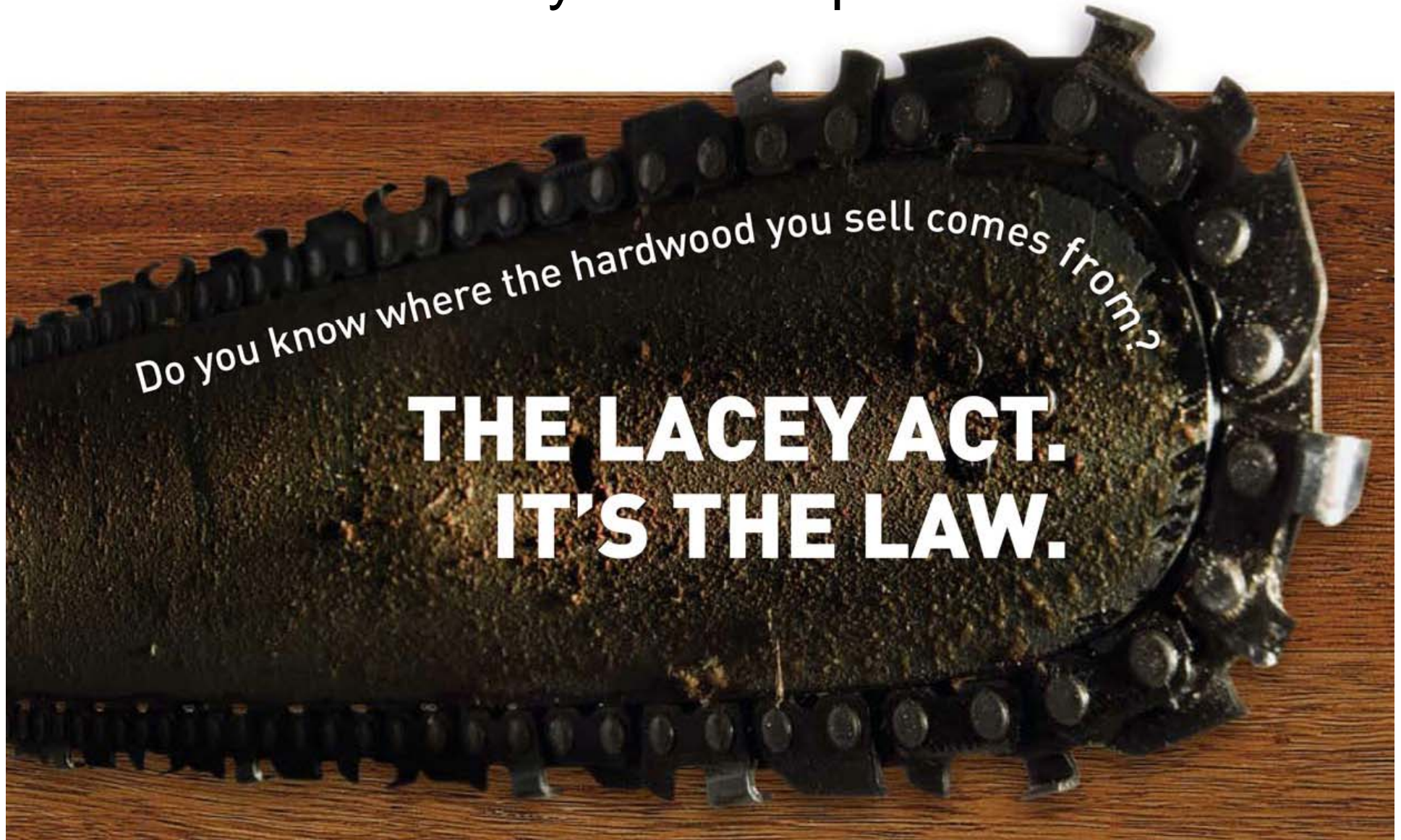


The Wood Flooring Industry's Perspective on Lacey Act Compliance



Responses To Lacey

- Wood Flooring Industry Response
- Anderson's Response
- Industry Precedence For Compliance

Unprecedented Alliance



Lacey Act Civil and Criminal Penalties

"Knowingly"
engaged in
prohibited
conduct

Trade in illegally sourced wood

Criminal felony fine (up to \$500,000 for corporation, \$250,000 for individual, or twice maximum gain/loss from transaction).

\$500,000/5 Years Prison

False import declaration

Criminal felony fine as above, or civil penalty up to \$10,000. Possible prison for up to five years. Forfeiture of goods.

"Unknowingly"
engaged in
prohibited
conduct

Did not exercise
"due care"

Trade in illegally sourced wood

Criminal misdemeanor penalty (up to \$200,000 for corporation, \$100,000 for individual, or twice maximum gain/loss from transaction). Possible prison for up to one year. OR civil penalty fine up to \$10,000. Forfeiture of goods.

False import declaration

Civil penalty fine of \$250. Possible forfeiture of goods.

Practiced
"due care"

Trade in illegally sourced wood

Forfeiture of goods.

False import declaration

Civil penalty fine of \$250. Possible forfeiture of goods.

National Wood Flooring Association's Solution

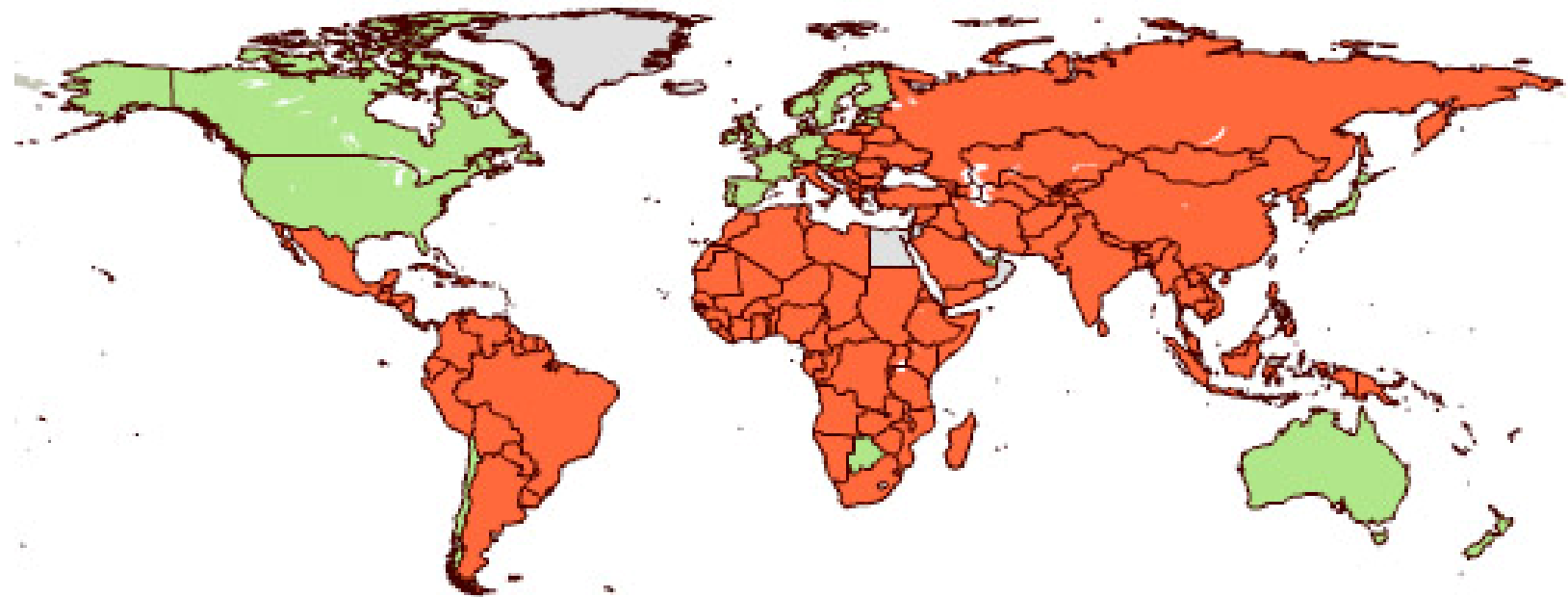


**NWFA
VERIFIED LEGAL**

TRANSITIONAL

To higher levels of environmental and social performance.
For details visit: **NWFA.ORG/NWFA_VERIFIED.HTM**

FSC Global Risk Registry



- Low risk
- Incomplete information
- Unspecified risk
- Not evaluated

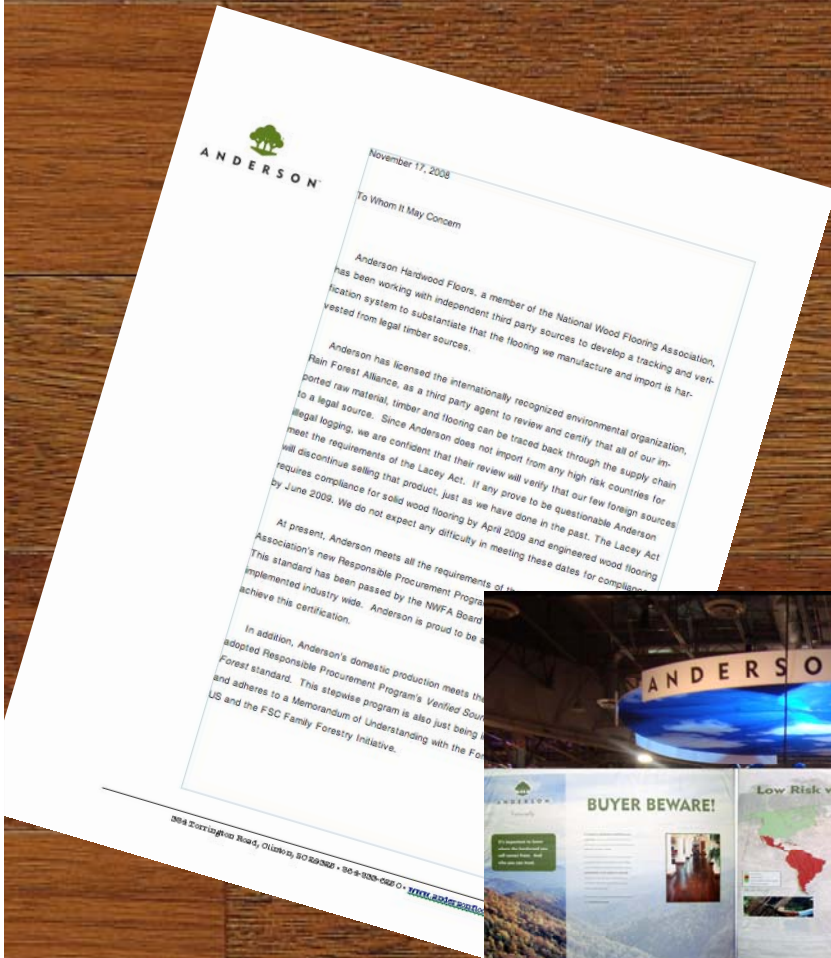
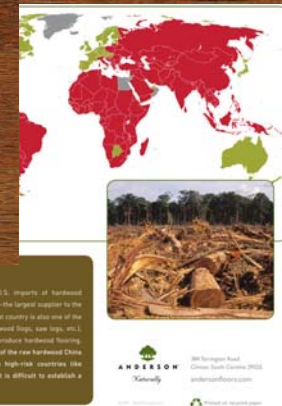
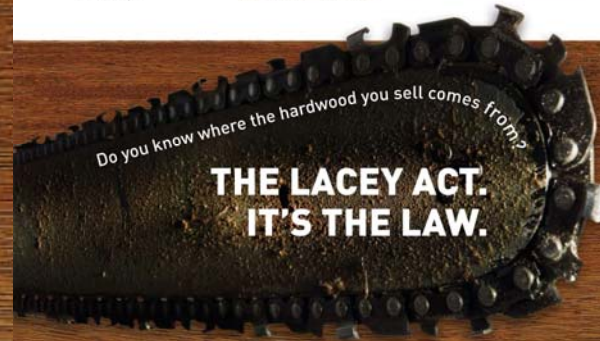
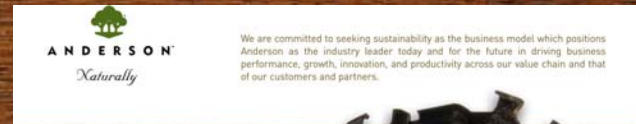
Feedback 

<http://globalforestrisk.nepoon.net/>

Anderson's Response

- Eliminated Imports From High Risk Regions
 - Indonesia
 - Malaysia
- Suspended Imports From Suspicious Regions Until Verifiable
 - China
 - Brazil
- Continued Importing From 3rd Party Verifiable Sources
 - Paraguay

Communicated To Customers



Potential Challenges

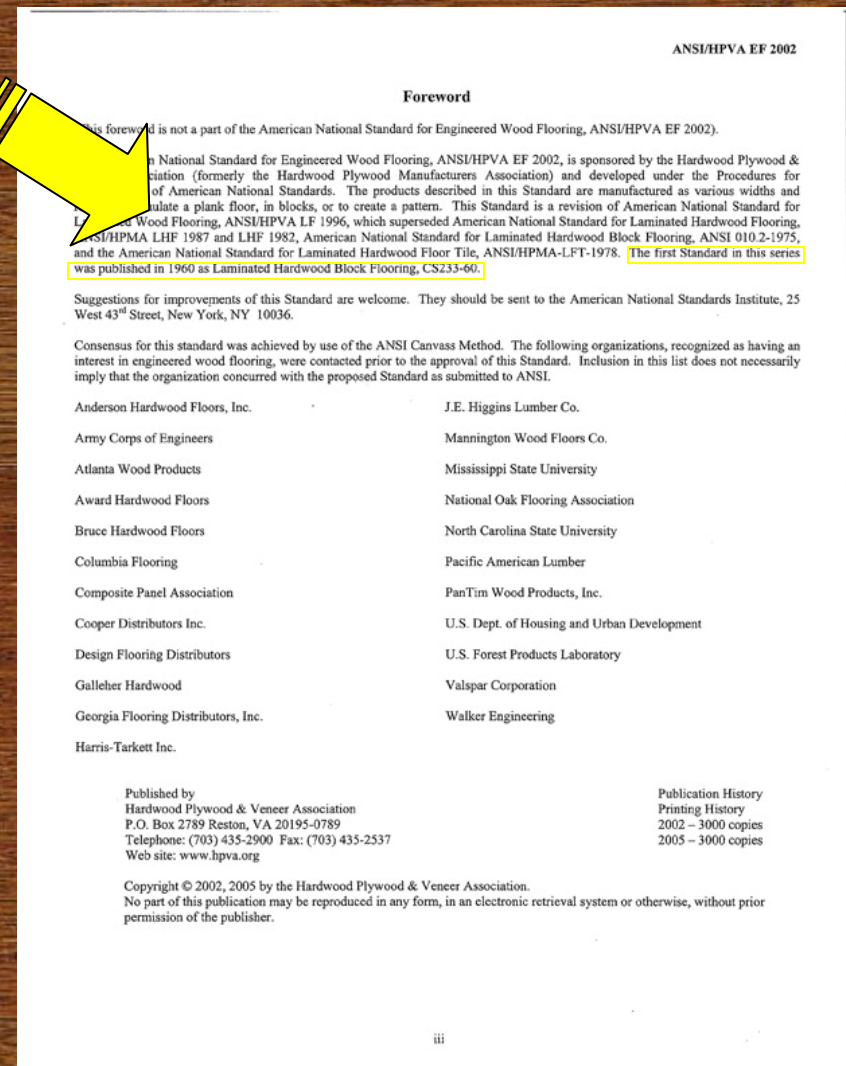
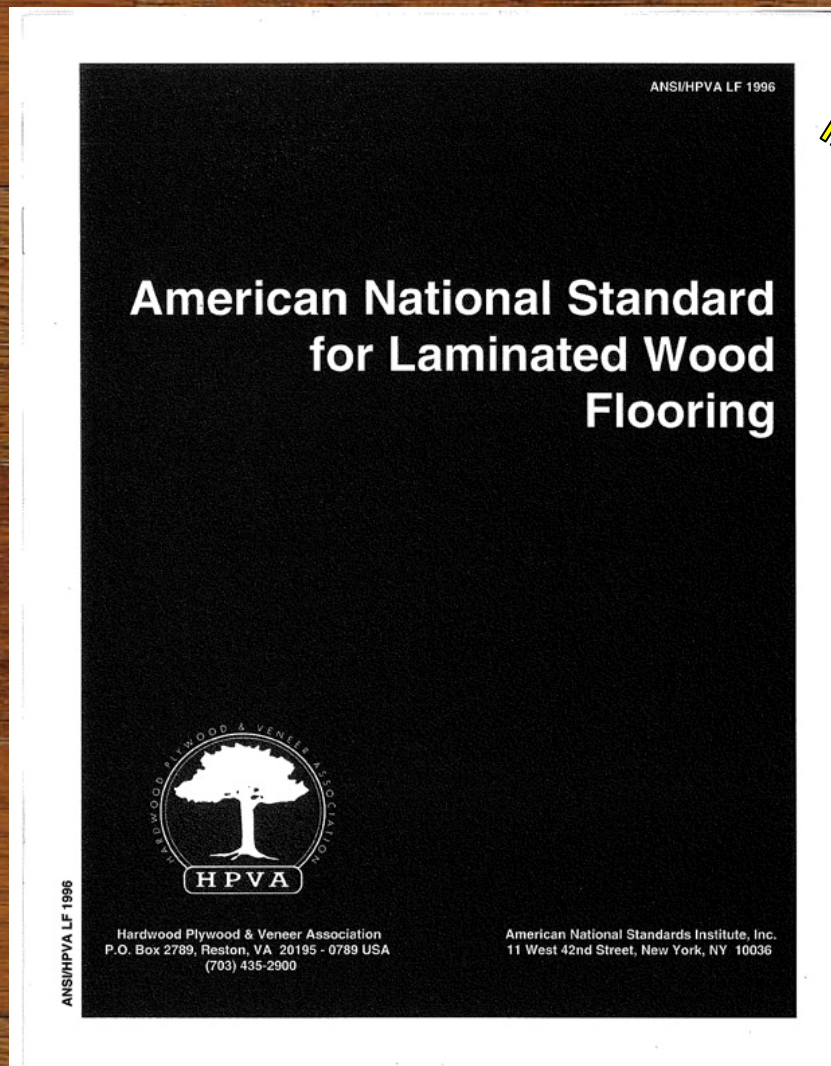
- Enforcement Credibility

- Will It Be Enforced
- Can It Be Enforced

Enforcement Complexity

- An Impossible Task Cannot Be Accomplished
- What's Realistic?

Initial Standard Published In 1960



Wood Flooring Industry Accepts 5% Non-Compliance

ANSI/HPVA EF 2002

Approved June 6, 2002

American National Standard

for Engineered Wood Flooring

accredited standards developer



consensus standards organization



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adopted by



National
Wood Flooring
Association

National Wood Flooring Association
111 Chesterfield Industrial Blvd.
Chesterfield, MO 63005
800/422-4556

ANSI/HPVA LF 1996

A3. REINSPECTION PRACTICES — The following, based on general industry practices, is offered only for the information of purchasers of laminated wood flooring. This information does not affect the requirements of this Standard or take precedence over purchasing agreements.

Because the provisions of this Standard apply to each and every item represented as conforming to the Standard and because some tests for determining conformance destroy the item, provisions for sampling during reinspection to determine conformance of shipments with purchase agreements should be included in the original purchase agreement.

All complaints regarding the quality or non-conformance with the Standard of any shipment shall be made within 15 days from receipt thereof.

If the grade, machining, and/or bond line integrity of any shipment is in dispute and a reinspection is requested, the reinspection should first be made by the retailer, and if necessary, by the distributor or manufacturer of the product. The buyer need not accept those pieces established as a result of reinspection as being below grade or not complying with the machining, bond line, or any other requirement of this Standard, but should accept the balance of the shipment as invoiced. The cost of such reinspection should be borne by the seller if the shipment is more than 5 percent below grade. If the reinspection establishes that the shipment is within the 5 percent tolerance, the buyer should pay for the shipment as invoiced, as well as the cost of reinspection.

If the reinspection involves the installed flooring, the reinspection shall consider the laminated wood flooring, the installation, and the subfloor and/or substrate. If the reinspection determines that the deficiency is due to flooring not in compliance with this Standard, the cost shall be borne by the manufacturer. The manufacturer shall select the means for correcting out-of-compliance laminated wood flooring after installation: repair, replacement of individual flooring pieces, or replacement of the flooring in the specific area(s) where out-of-compliance occurs.

A4. INHERENT CHARACTERISTICS OF LAMINATED WOOD FLOORING — This section is provided as explanatory information for linking various inherent characteristics of wood to grades and to the performance and intended use of laminated wood flooring.

A4.1 NATURAL CHARACTERISTICS — Wood is a natural material. Thus, its appearance is influenced by a number of factors uncontrolled by man. In temperate zones, the primary growing seasons affect the formation of springwood and summerwood which can result in wood with different porosity and appearance as it is formed during the spring and summer seasons. These differences can be pronounced in some species. The presence of adventitious buds and limbs that are pruned by nature are responsible for the formation of small pin knots and some larger knots. Minerals and other soil factors can affect color variation in wood. Insects, vines, other living things, and variants of nature can interact with the living tree causing colorations and wounds which are healed by the living tree organism. These natural processes are, in part, responsible for the inherent natural visual characteristics or imprints in wood. These factors often act differently in different species.

A4.2 FLOORING AND MOISTURE — The species listed in the Laminated Wood Flooring Standard have been shown to exhibit properties that result in wood floor installations that can perform well for many years and last as long as the structure. Certain practices are necessary, however, to assure that wood materials will provide for a long-lasting and satisfactory floor installation. The cross-ply construction used in the manufacture of laminated wood flooring results in a product where changes in dimensions of a piece of laminated wood flooring are minimized with changes in interior moisture conditions. Subjecting this product or other wood flooring products to water, however, as may occur with flooding due to plumbing leaks, rain through open windows or doors, or excessively wet concrete slabs can result in surface checks or, at extreme conditions, discoloration of the wood surface.

A4.3 LIGHT — Wood will change color when exposed to the ultra-violet (UV) component of light. This change in color, when it occurs over the entire floor, often results as an attractive mellowing of the original color. When the installation is characterized by uneven exposure to light such as when some room areas are heavily shaded while other areas are in natural light, some differences in color change can occur.

A4.4 HARDNESS AND INDENTATION — Some of the woods used for laminated wood flooring are among the hardest available. Nevertheless, no wood flooring can withstand extremely high compression stresses without marking or marring. High compression stresses are created by women's stiletto heels or when heavy items of furniture or appliances have legs whose ends have small surface areas.

Hardwood Plywood Industry Accepts 5% Non-Compliance

ANSI/HPVA HP-1-2004

Approved May 6, 2004

American National Standard

for Hardwood and Decorative Plywood

consensus standards organization



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accredited standards developer



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adopted by



Canadian Hardwood Plywood
& Veneer Association

adopted by



Western Hardwood
Plywood Producers

APPENDIX

This Appendix is not a part of ANSI/HPVA HP-1-2004 but is included for information purposes only.

A 1. REINSPECTION PRACTICES -- The following, based on general industry practices, is offered only for the information of purchasers of hardwood and decorative plywood. This information does not affect the requirements of this Standard or take precedence over purchasing agreements.

Because the provisions of this Standard apply to each and every panel represented as conforming to the Standard, and because some tests for determining conformance destroy the panel, provisions for sampling during reinspection to determine conformance of shipments with purchase agreements should be included in the original purchase agreement.

All complaints regarding the quality of any shipment should be made within 15 days from receipt thereof. The buyer should report any defects to the seller after receipt of the panels at the stage of further processing at which detection of the defects is first possible. The seller should not be responsible for any of the cost of processing done by buyer on defective panels. The responsibility of the seller should be limited to the replacement of, or the cost of, defective material as specified in the original purchase agreement.

If the grade, bond line integrity, or other attribute of this Standard of any shipment is in dispute, the buyer and seller may select a qualified agency to reinspect the shipment or an agreed upon sample from the shipment. A qualified agency is defined as one that has the facilities and trained technical personnel to perform the reinspection, has developed procedures to be followed in performing the reinspection, is not financially dependent upon any single company manufacturing the product, and is not owned, operated, or controlled by any such company. The cost of such a reinspection should be borne by the seller if the shipment exceeds a 5% tolerance. The buyer need not accept those panels established as a result of the reinspection as being below grade, failing to exhibit good bond line integrity, and not complying with other attributes of this Standard, but should accept the balance of the shipment as invoiced.

If the reinspection establishes that the shipment is within the 5% tolerance, the buyer should pay for the shipment as invoiced as well as the cost of the reinspection.

Suggested Lacey Compliance Standard

- If it is a product with less than 5% wood derived content, exempt it from Lacey.
- If it is a 100% wood product, allow 5% of the total volume to be non-compliant.



THANK YOU