Do you know where the hardwood you sell comes from?

THE LACEY ACT. IT’S THE LAW.
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:
  - Did not exercise "due care"
    - Trade in illegally sourced wood
      - False import declaration
    - Criminal felony fine (up to $500,000 for corporation, $250,000 for individual, or twice maximum gain/loss from transaction)
      - Possible prison for up to five years, or civil penalty up to $10,000, or forfeiture of goods.
  - Practiced "due care"
    - Trade in illegally sourced wood
      - False import declaration
    - Civil penalty fine of $250, Possible forfeiture of goods.

- **Unknowingly** engaged in prohibited conduct:
  - Did not exercise "due care"
    - Trade in illegally sourced wood
      - False import declaration
    - 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, or forfeiture of goods.
  - Practiced "due care"
    - Trade in illegally sourced wood
      - False import declaration
    - 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
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

Do you know where the hardwood you sell comes from?

THE LACEY ACT. IT’S THE LAW.

We are committed to making sustainability a part of the business model which preserves the environment in the future. Our mission is to help drive business performance, growth, innovation, and productivity across our value chain and that of our customers and partners.

We have made a commitment to our customers to ensure that all hardwoods we sell are sourced from certified sustainable forests and are traceable to the source.

BUYER BEWARE!

Lacey Act Rules and Penalties

Forest the Facts.
Potential Challenges

• Enforcement Credibility
  – Will It Be Enforced
  – Can It Be Enforced

Enforcement Complexity
  – An Impossible Task Cannot Be Accomplished
  – What’s Realistic?
American National Standard for Laminated Wood Flooring

Foreword


Suggestions for improvements of this Standard are welcome. They should be sent to the American National Standards Institute, 25 West 43rd Street, New York, NY 10036.

Consensus for this standard was achieved by use of the ANSI Canvas Method. The following organizations, recognized as having an interest in engineered wood flooring, were consulted prior to the approval of this Standard. Inclusion in this list does not necessarily imply that the organization concurred with the proposed Standard as submitted to ANSI.

Anderson Hardwood Floors, Inc.
Army Corps of Engineers
Atlanta Hardwood Floors
Atlanta Wood Products
Award Hardwood Floors
Beech Hardwood Floors
Columbia Flooring
Composite Panel Association
Cooper Distributors Inc.
Design Flooring Distributors
Guillier Hardwood
Georgia Flooring Distributors, Inc.
Harbor-Tek Inc.

Published by
Hardwood Plywood & Veneer Association
P.O. Box 2789, Ravenna, WA 98090-0789
Telephone: (780) 455-2296 Fax: (780) 455-4217
Web site: www.hpva.org

Copyright © 2002 by the Hardwood Plywood & Veneer Association.
No part of this standard may be reproduced in any form, in an electronic retrieval system or otherwise, without prior permission of the publisher.

iii
Wood Flooring Industry Accepts 5% Non-Compliance

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 reinspecion to determine conformance of shipments with purchase agreements should be included in the original purchase agreement.

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

If the grade, machining, active end line integrity of any shipment is in dispute and a reinspecion is requested, the reinspecion should first be made by the retailer, and if necessary, by the distributor or manufacturer of the product. The buyer need only accept those pieces established as a result of reinspecion as being above grade or not complying with the machining, bond line, and active end line requirements of this Standard, but should accept the balance of the shipment as invoiced. The cost of such reinspecion shall be borne by the retailer of the shipment in those cases where the reinspecion establishes that the shipment is within the 5 percent tolerance. The buyer may pay for the shipment as invoiced, as well as the cost of reinspecion.

When a complaint is made concerning a shipment, the reinspecion shall consider the laminated wood flooring, the installation, and the subflooring involved. If the reinspecion 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 listing 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 uncontrollable 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 gnarled by secure 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, water, other living things, and various of nature can interact with the living tree causing checkers and wounds which are hazards for the living tree organism. Natural processes are, in part, responsible for the inherent natural visual characteristics or imperfections in wood. These factors often are different 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 flooding 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 ultraviolet (UV) component of light. This change in color, when it occurs over the entire floor, often results in an attractive mellowing of the original color. When the installation is characterized by uneven exposure to light such as when some areas are heavily shaded while other areas are not, natural light, some differences in color change occur.

A4.4 HARDNESS AND INDENTATION — Some of the woods used for laminated wood flooring are among the hardest available. Nevertheless, as wood flooring can withstand extremely high compression stresses without marking or marring. High compression stresses are created by women’s heels or where heavy items of furniture or appliances have legs whose nails have small surface areas.
American National Standard
for Hardwood and Decorative Plywood

American National Standards Institute
25 West 43rd Street, 4th Floor
New York, NY 10036
212/642-4000

Hardwood Plywood & Veneer Association
P.O. Box 2769
Reston, Virginia 20191-0789 USA
703/435-2900

adopted by
Canadian Hardwood Plywood & Veneer Association
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 buyer 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 of the shipment, except a 5% tolerance. The buyer need not accept those panels inspected as a result of the reinspection as being in compliance 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