
U.S. Hardwood Exports and International Procurement Policies

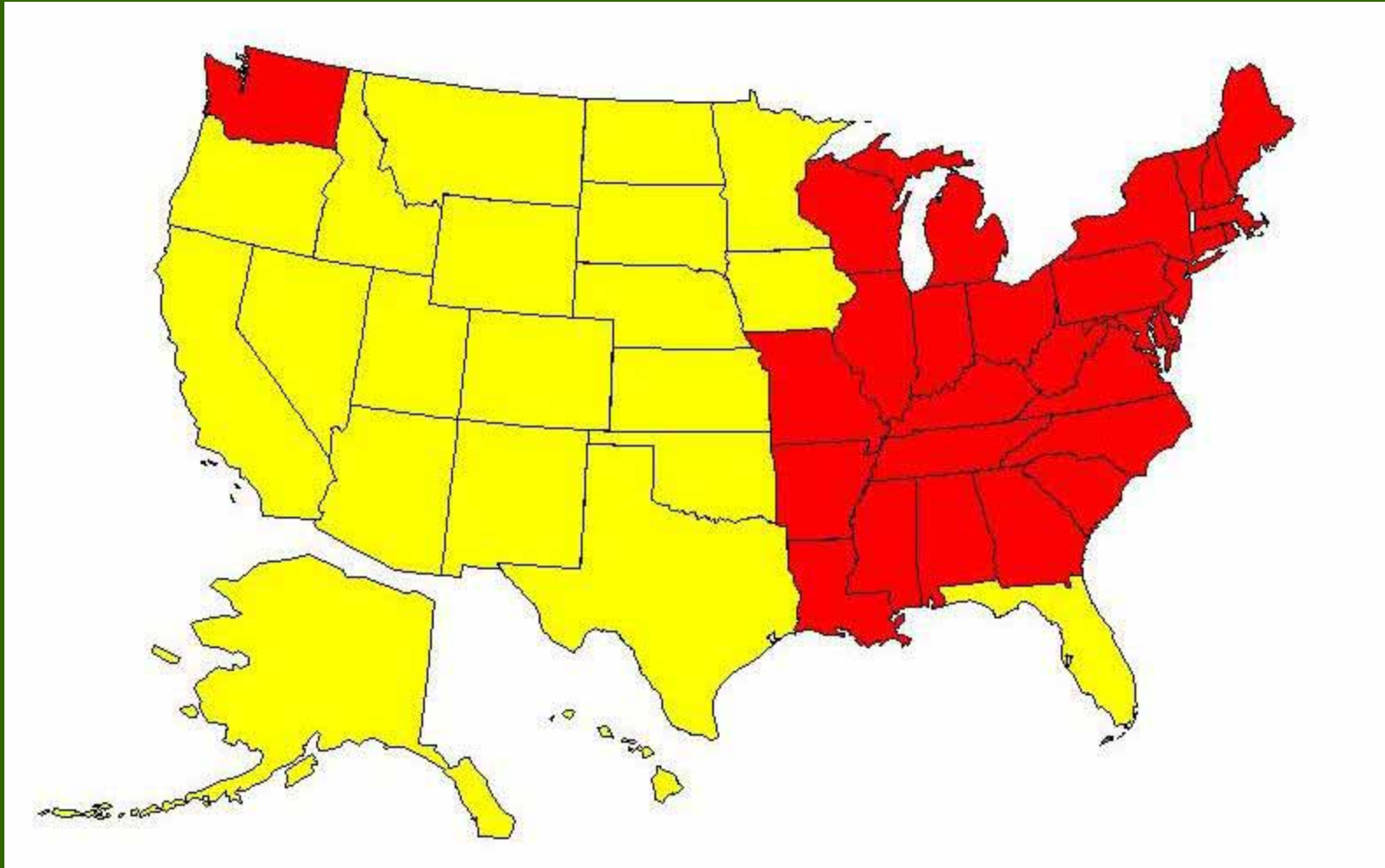
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- Hardwood Industry is populated by thousands of small, family owned business and 71% of Hardwood Growing Stock on U.S. Timberland is owned by non-industrial private landowners
- There is secure and widespread private ownership of the American hardwood resource.

Major Hardwood Producing States



Why are Hardwoods Unique – We have a record of sustainability that we can be proud of:



- Ownership is dominated by individuals and families, with strong incentives to manage for long term sustainable benefit.
 - Derived from forests which have high natural bio-diversity, provide a habitat for a wide range of species, and are very resilient to fire and pests.
 - Managed through natural regeneration of native species. Selection harvesting, involving the removal of specified individuals or small groups of trees, is typical in American hardwood forests.
 - The application of a set of the internationally recognised NHLA grading rules has made a major contribution to waste-minimisation in the American hardwood lumber sector.
 - The U.S. operates an effective and enforced regulatory framework to deliver sustainable forest management.
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Two Main Hardwood Industry Umbrella Groups



- **One presents a unified message in key export markets**
 - **One manages the legislative and policy agenda for the hardwood industry**
 - **BOTH HAVE A GOAL - keep the American hardwood industry viable for future generations**
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American Hardwood Export Council (AHEC)

- Represents the committed exporters among U.S. hardwood companies and all the major hardwood product trade associations and products.
- AHEC conducts a worldwide promotional program with activities in more than 35 countries.



- Largest forest products industry association in the U.S.
- 30 associations representing 14,000 companies who manufacture or distribute American hardwood lumber, veneer, plywood, flooring, cabinetry, pallets, and related products.
- Formed to present a united voice for the hardwood industry on legislative issues impacting hardwood communities.



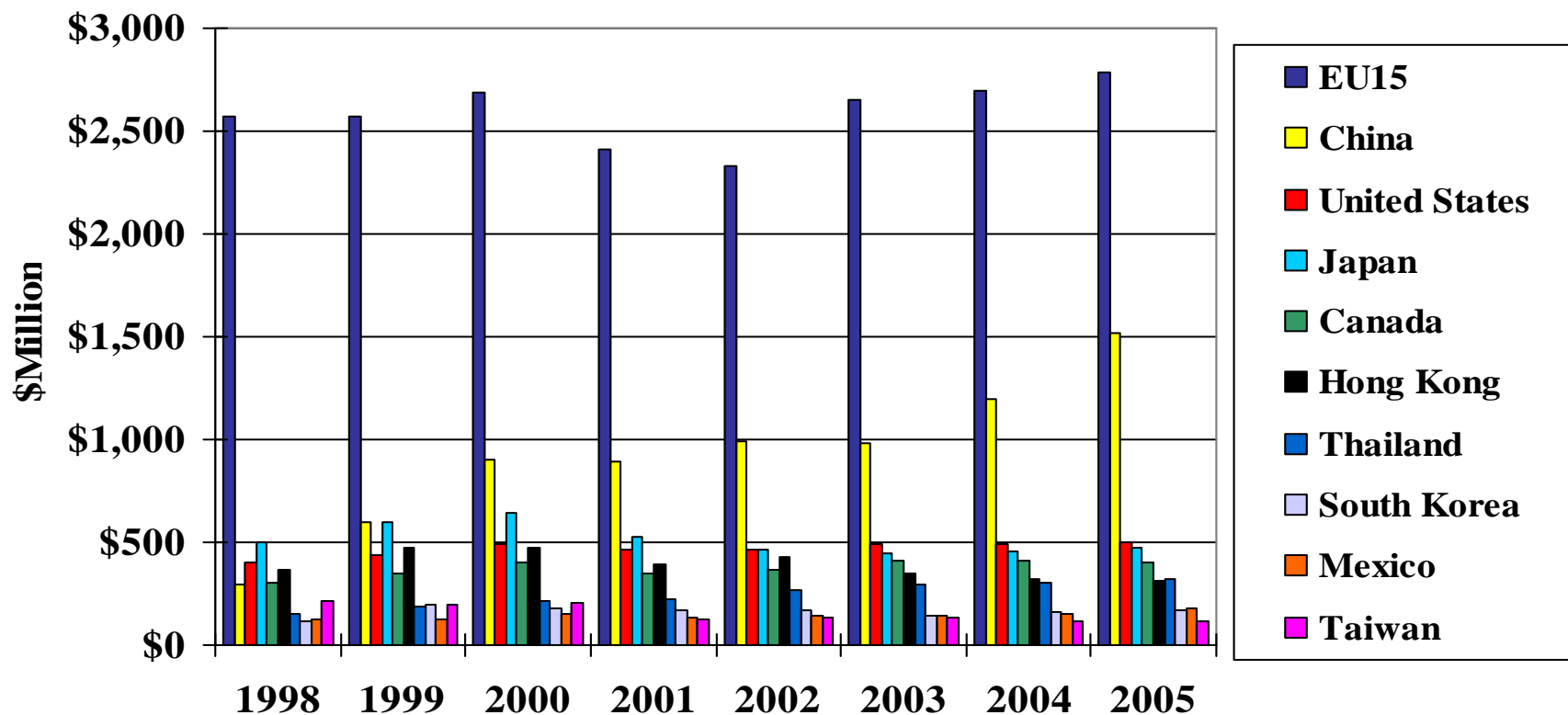
ILLEGAL LOGGING

- **The Hardwood Federation is actively engaged with governments, NGOs and industry efforts to combat illegal logging which costs U.S. wood products industry between \$300 and \$500 million in lost exports per year.**
- **However - Illegal logging distorts the market for legally harvested wood and policies to combat it should not raise costs for legal trade and therefore actually increase the incentive for further unlawful activity.**



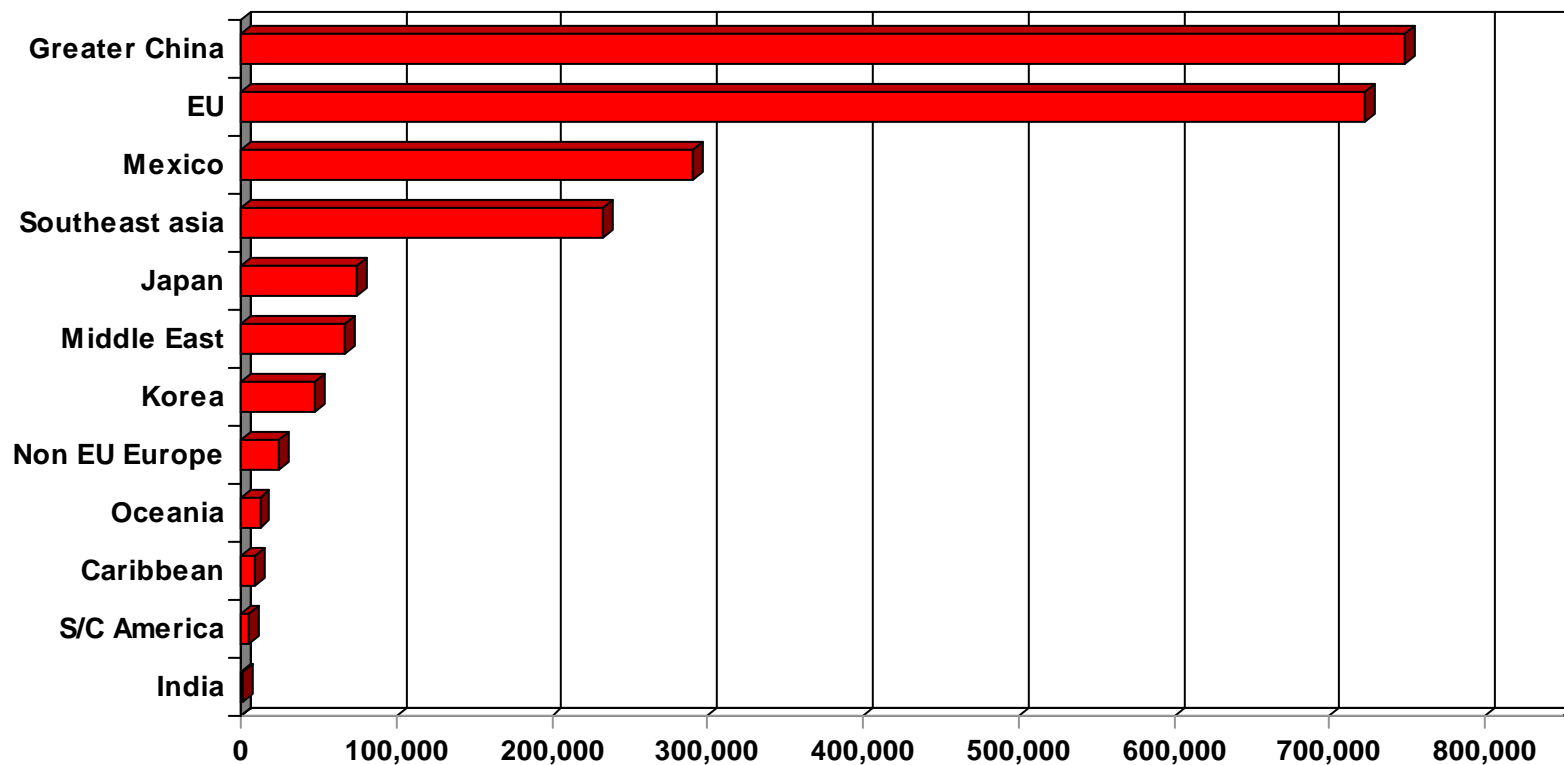
The Importance of Exports and Europe

World's Leading Hardwood Lumber Importers

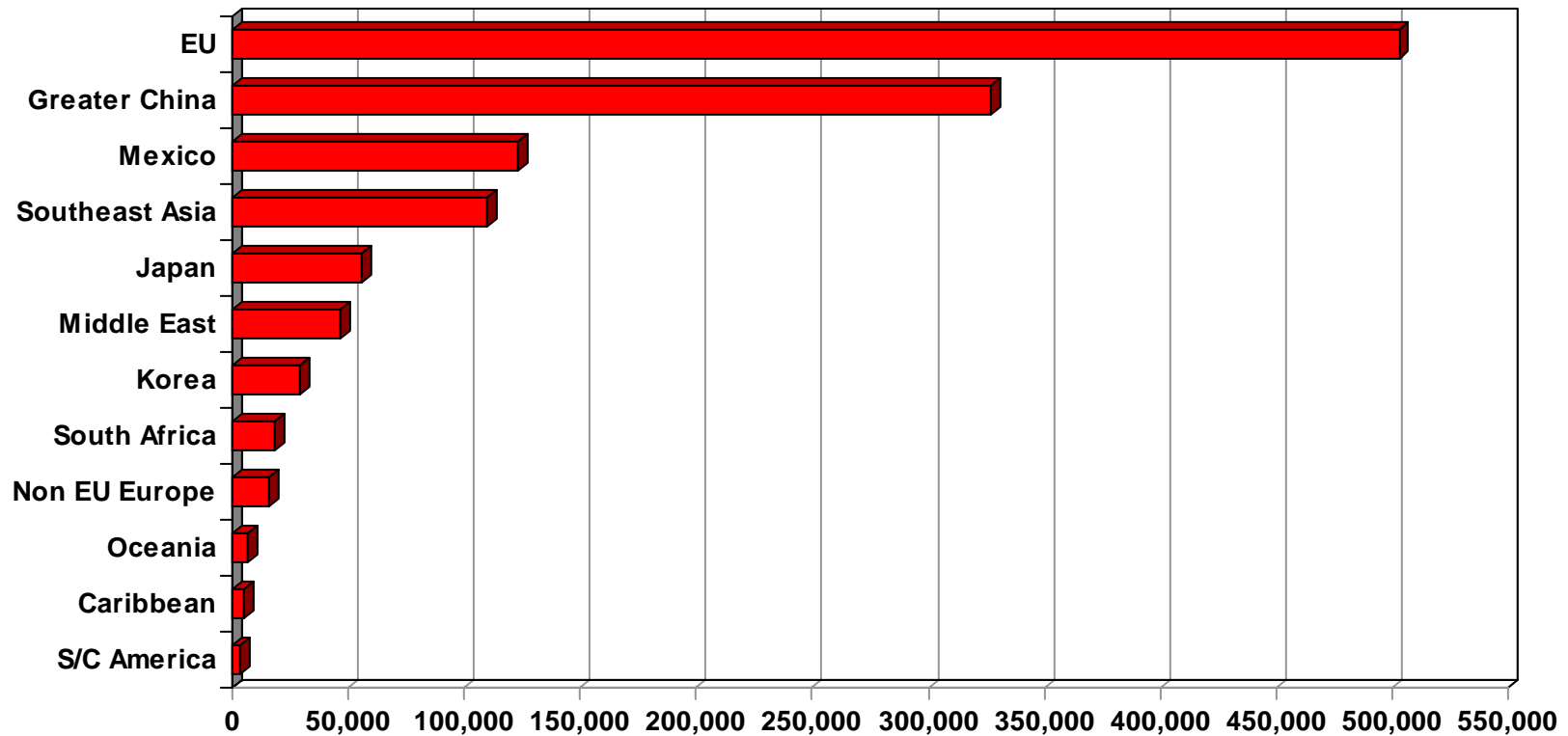


Source: Global Trade Atlas

Hardwood Lumber Exports by Volume - 2006 (m³)

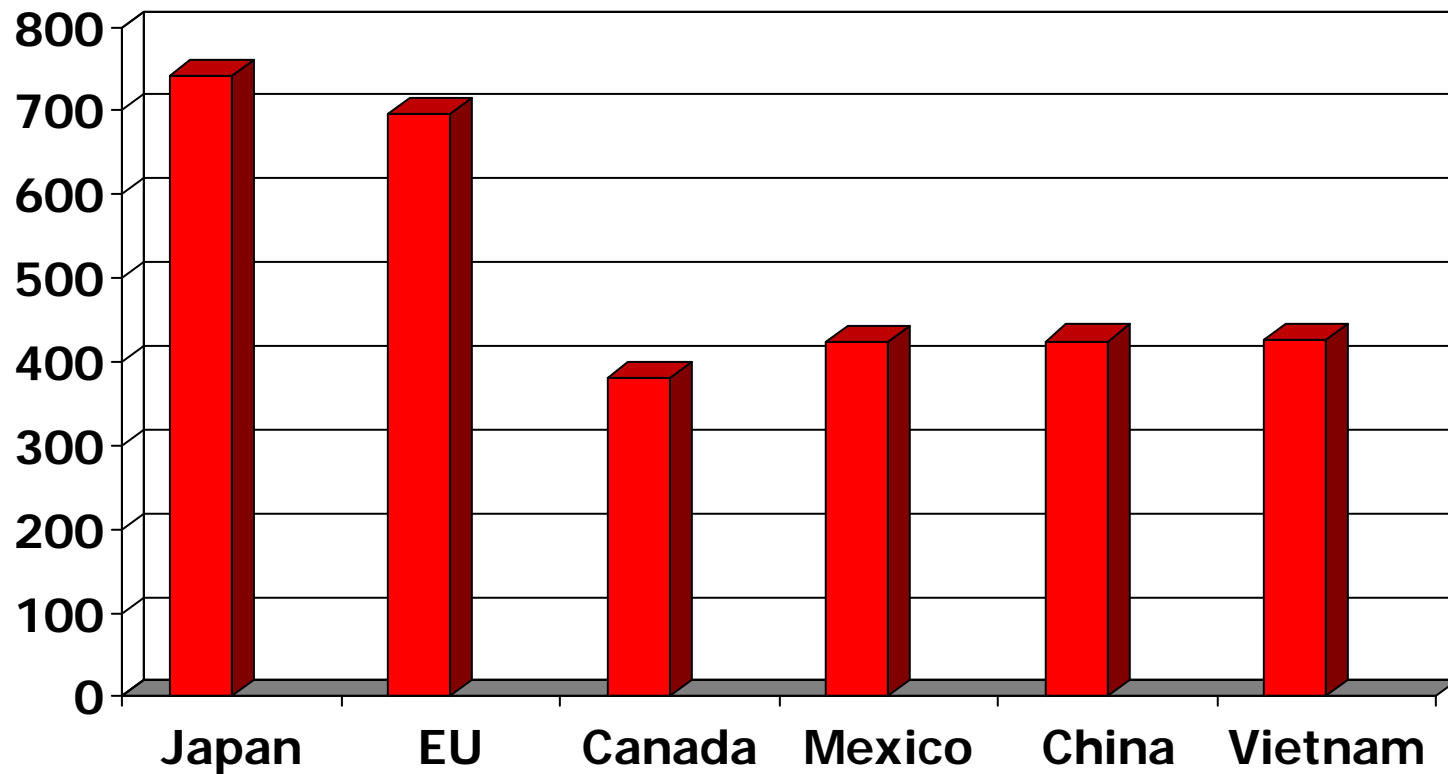


US Hardwood Lumber Exports by Value 2006



(\$1,000)

Average Unit Values: U.S. Hardwood Lumber Exports by Country



\$ per Cubic Meter, 2006

Problem

- Industry is under threat from global competition and is concerned about loss of high value markets like Europe.
 - This threatens sustainable communities in the US.
 - If government procurement policies can be flexible, they will leave room for recognition of alternative models of sustainable forest management.
 - Serious logistical issues and challenges for certification and proof of legality for the American hardwood industry.
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Solution

The American hardwood industry is looking for a simple and cost-effective formula for proving legality.

