Potomac Forum on Illegal Logging & Associated Trade

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Washington, DC

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Northland Forest Products
Why Embrace the Lacey Act Amendment?

- New Relationships with Environmental NGOs
- New Awareness of the Impact of Illegal Logging on our Domestic Industry
- New Awareness of US Hardwood Industry’s Green Credentials
Illegal Logging

- Illegal material depresses world prices for wood by up to 16%
- Severely undermines markets for legal operators
- Undermines reputation of the wood industry
A Unique Partnering

• Much of the world would be lucky to have the types of debates we have about forest stewardship in the U.S. For tropical countries with 70-80 percent illegal logging rates, plans to improve forest management are overwhelmed by organized criminal networks undermining the rule of law. That’s why it’s so urgent that environmental groups and law-abiding forest companies team up to clamp down on this global problem.

--Sasha von Bismark, Executive Director, Environmental Investigation Agency
Procurement Policy

• Improving the U.S. Marketplace
  – Lacey Act Amendment will bring positive change

• How can we continue to improve marketplace around the world?
  – Legality and Risk Assessment
  – Opportunities and Challenges from Certification
Risk Assessment:
A Sensible Approach

• Requirements established for legality verification and certification should be based on an objective assessment of the risk of illegal and unsustainable forestry practices in timber supplying regions
  – To prevent imposition of unnecessary controls on suppliers where there is little risk of poor practice
  – To ensure resources are focused on problem regions
  – To ensure the response is proportionate to the scale of the problem
  – To help prevent technical barriers to trade for timber from small relatively low intensity managed forests
New EU Illegal Logging Legislative Proposal

• Requires “Due Diligence”
  – References to CoC removed from final proposal
  – Encourages risk assessment and due diligence
  – Only pertains to operators who “first place wood in the market”
  – *Proportionate to the scale of the problem*

• Must be passed by EU Parliament/Member States
AHEC/Seneca Creek Risk Assessment Findings – Low Risk

- While timber theft occurs and is of concern to private landowners, it is not believed or perceived to be a systemic problem, especially with regards to US hardwood exports.

- US re-exports of temperate hardwoods relatively small and mostly sourced in Canada (similarly robust governance).

- High regard for the rule of law, an effective environmental, labor and public welfare regulatory environment, and a low level of corruption.

- Rights of timber ownership are well-established and respected.
Wood: The “Green” Material

- Wood outperforms all other building products:
  - Releases less effluents during manufacture
  - Requires less energy
  - Better insulator
  - Stores carbon
  - Recyclable and Renewable
Wood: a renewable resource
Wood: a carbon store
# Wood: energy efficient

<table>
<thead>
<tr>
<th>Material</th>
<th>Embodied energy, Mj/kg</th>
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<tbody>
<tr>
<td>AD sawn hardwood</td>
<td>0.5</td>
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<tr>
<td>KD sawn hardwood</td>
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<tr>
<td>Concrete</td>
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<tr>
<td>Mild steel</td>
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<td>Plastics</td>
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<tr>
<td>Aluminium</td>
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Wood: an excellent insulator
Life Cycle Assessment
Wrap-up

• Lacey Act Amendment – a bold, important step by U.S. industry
• U.S. industry benefits from Lacey
• Risk Assessment and Certification working together
• Wood is important green material resource when managed responsibly