



The Lacey Act: Good for Forests, Good for Responsible U.S. Businesses



East Province, Cameroon © Brent Stirton / Getty Images / WWF-UK; Madre de Dios, Peru © André Bärtschi / WWF-Canon

WHY ARE THE 2008 LACEY ACT AMENDMENTS SO IMPORTANT?

As one of the world's largest producers and consumers of forest products, the United States plays a key role in deterring illegal logging and associated trade. A 2010 Chatham House study estimated that illegal wood and paper imports into the U.S. could represent almost 4% of all U.S. wood and paper imports, valued at \$4 billion.ⁱ Deforestation and forest degradation caused by illegal logging often results in devastating impacts to local communities, wildlife, and ecosystem services such as clean air and water. Illegal logging also disadvantages U.S. companies that produce and sell legally sourced forest products. Traders of illegal timber can flood the market with cheap products, creating an unlevel playing field. The Lacey Act is important in maintaining a fair market in which responsible U.S. companies can compete.

WHAT DOES THE LAW SAY?

The 2008 Amendments to the Lacey Act of 1900 represent the first piece of U.S. legislation to combat the trade of illegal plants and plant products including timber, wood, and paper products. The law addresses illegal logging in three ways:

- It prohibits all trade of plant and plant products that are illegally sourced from any U.S. state or foreign country;
- Requires a declaration of the country of origin of harvest, value, volume, and species name of all plants contained in imported products; and
- Establishes penalties for violations of this law including forfeiture of goods and vessels, fines, and jail time.

HOW DOES ILLEGAL LOGGING AFFECT INDUSTRY?

Studies have estimated that the U.S. wood products industry loses as much as **\$1 billion** annually from illegal logging.ⁱⁱ The World Bank estimates annual global economic loss from the illegal trade to be approximately \$10 billion, and losses due to tax evasion and royalties on legally sanctioned logging are valued at approximately \$5 billion.ⁱⁱⁱ Illegal logging depresses global prices for timber and timber products by up to 16%.^{iv} These lower values in price weaken the U.S. forest industry's ability to compete in the global marketplace and threaten the industry's job security.

INDUSTRY SUPPORT FOR RESPONSIBLE FORESTRY AND TRADE

In addition to strong support from the NGO community, the Lacey Act Amendments have garnered widespread support from U.S. businesses that believe in the importance of legal timber trade. Many U.S. companies continue to publicly articulate the positive impacts of the Lacey Act in reducing illegal logging, raising awareness and attention on the part of companies about the forest origin of their wood products, and supporting the U.S. economy, jobs, and their businesses.

The following quotes are from companies that participate in WWF's Global Forest & Trade Network (GFTN), expressing their support for this important tool that reinforces their commitments to responsible forestry and trade.

Hewlett Packard Company (NYSE: HPQ)

"Having the Lacey Act compliance requirements in place supports HP's efforts towards achieving our responsible sourcing goals." —*Engelina Jaspers, Vice President, Environmental Sustainability*

Domtar Corporation (NYSE: UFS)

"Domtar strongly believes that illegal logging is a serious global problem with detrimental environmental and economic consequences and we support the efforts of governments to continue working on this very important issue. A successful implementation of the Lacey Act should help level the playing field for all companies, recognizing the importance of using only legally and responsibly harvested wood." —*Lewis Fix, Vice President, Sustainable Business and Brand Management*

Williams-Sonoma, Inc. (NYSE: WSM)

"The Lacey Act legislation has been pivotal in helping us deliver on our commitment to eliminate unwanted and unknown wood from WSI's supply chain, by motivating our suppliers to ensure that the timber used in their products is legally and responsibly harvested." —*David Williams, Sustainable Development Analyst*

Tetra Pak Inc.

"The Lacey Act is an important tool that supports global companies like Tetra Pak that have long been committed to doing what's right for the environment. The Lacey Act complements our efforts to reduce illegal logging and warrants a code of conduct which is implemented wide across all players in the wood and timber market." —*Elisabeth Comere, Director, Environment and Government Affairs*

IKEA

"Wood is one of IKEA's most important raw materials, which is why we have been working on sustainable wood sourcing for more than a decade. Harmonized international legislation against the unlawful trading and handling of harvested wood is an important tool to curb illegal logging and a stepping stone towards sustainable forestry. Additionally, when fully and efficiently implemented, it will provide a common approach for all businesses to adhere to." —*Anders Hildeman, Global Forestry Manager, IKEA*

ABOUT WORLD WILDLIFE FUND

WWF is the world's leading conservation organization, working in 100 countries for nearly half a century to build a future in which people live in harmony with nature. With the support of almost 5 million members worldwide, WWF is dedicated to conserving nature and reducing the most pressing threats to the diversity of life on Earth. Visit www.worldwildlife.org to learn more.

ABOUT GFTN

The Global Forest & Trade Network is WWF's initiative to eliminate illegal logging and drive improved forestry in the world's most valuable and threatened forests, by engaging with companies across the forest products supply chain that are committed to legal and responsibly sourced forest products. First established in 1991, GFTN assists almost 300 companies world-wide in understanding the forest origin of their wood products, and implementing responsible sourcing action plans. GFTN seeks to strengthen market conditions that help conserve forests, while providing economic and social benefits for the businesses and people that depend on them. With combined annual sales of \$70 billion, trading by GFTN participants represents 20% of all forest products bought or sold internationally every year. For more information on WWF's Global Forest & Trade Network visit gftn.panda.org.

FURTHER INFORMATION

Please contact Vanessa Dick from World Wildlife Fund at vanessa.dick@wwfus.org. For more information on the Lacey Act Amendments visit www.aphis.usda.gov/plant_health/lacey_act.

ⁱ Chatham House. 2010. Illegal Logging and Related Trade: Indicators of Global Response. Prepared by S. Lawson and L. MacFaul.

ⁱⁱ Seneca Creek Associates, LLC, and Wood Resources International, LLC. 2004. "Illegal" Logging and Global Wood Markets: The Competitive Impacts on the U.S. Wood Products Industry. Prepared for American Forest & Paper Association.

ⁱⁱⁱ The World Bank. 2006. Strengthening Forest Law Enforcement and Governance: Addressing a Systemic Constraint to Sustainable Development.

^{iv} Chatham House. 2010. Illegal Logging and Related Trade: Indicators of Global Response. Prepared by S. Lawson and L. MacFaul.