

What We Do

The efforts of many emerging nations to protect biodiversity are undermined by various forms of *illegal logging*—felling of trees in contravention of national and local laws. To address these challenges, the World Resources Institute (WRI) and the Environmental Investigation Agency (EIA) launched the Forest Legality Alliance in 2010 with support from the U.S. Agency for International Development (USAID) and private donors. The Alliance is an international, multi-stakeholder initiative designed to achieve better forest governance, sustainable management of forests and biodiversity conservation by reducing the demand generated by global market pressures for illegally harvested forest products, increasing transparency in forest product supply chains, and supporting supply chain efforts to deliver legal wood and paper.

The Alliance seeks to help all actors along supply chains—both large and small—understand and respond to emerging demand-side, forest-product legality policies by leveraging the professional expertise, market power, networks, and resources of Alliance members.



Introduction

As many of you know, on 24 August 2011, agents of the Fish & Wildlife Service (FWS) served a search warrant on Gibson Guitar facilities in Nashville and Memphis, Tennessee, seizing ebony and rosewood material, guitars and guitar parts as evidence of suspected violation(s) of the U.S. Lacey Act.

The government has not yet released a statement to the public on the case, but the [affidavit](#) filed to obtain the search warrants has been unsealed and is circulating. The Lacey Act violation in question concerns Gibson's import of pieces of rosewood and ebony that the government alleges to have been falsely declared both during export from India and during import to the U.S. The issue has been covered in national news media such as [USA Today](#), [The Wall Street Journal](#), [The Economist](#), [Reuters](#), and [The New York Times](#).

While there has been an extraordinary amount of confusion regarding this case, information is slowly continuing to come to light regarding the details and cause of the raid. For additional information, please see page three of our newsletter.

As always, please feel free to contact us with any comments or questions you may have regarding the Forest Legality Alliance. You can stay up to date on the Gibson case as well as other matters at www.forestlegality.org.

All the best
THE FLA TEAM

Global News

INTERNATIONAL

[Host Country Agreement signed between Spain and EFI](#)

EFI will have privileges and immunities of an international organization in Spain. The EFI Mediterranean Regional Office has been working in Barcelona since 2007, and is currently in the process of establishing a Policy Advice Office at the World Heritage Site of Sant Pau in Barcelona.

[US Recognized for 2008 Lacey Act Amendment](#)

The United States was selected as a finalist for an international award that recognizes government policies that best contribute to the conservation and sustainable development of forests.

[Bananas Threaten Forests in Sri Lanka](#)

Dole Accused of Destroying rainforest in Somawathiya National Park in Sri Lanka, reportedly handed over to local company Letsgrow by Sri Lanka's military.

THE AMERICAS

[Brazil: Domestic consumer awareness programme launched](#)

In Sao Paulo a consumer awareness program has been launched called "Wood is Legal", encouraging domestic consumers to purchase wood from proven legal sources and to promote the use of legally sourced timber.

[Playing for time: Wood shortages threaten world's best guitars](#)

The head of Gibson, home of the Les Paul guitar, has warned that the rare and exotic woods used to craft the best instruments are running out at such a rate that the guitar could become an endangered species.

[Obama administration encounters opposition to international climate agenda](#)

The Obama administration is on track to fall more than \$200 million short on its \$1 billion pledge to help prevent the cutting and burning of tropical rain forests.

ASIA & PACIFIC

[Fuji Xerox Australia dumps paper supplier accused of rainforest destruction](#)

Fuji Xerox Australia severed ties with Asia Pacific Resources International (APRIL), this August, after the company was accused of illegally clearing rainforests in Sumatra for pulp and paper production

[Debating Plan to Lift ban on Precious Wood Exports in Madagascar](#)

Accordingly, a group of academics, conservationists, and other concerned parties today put forth another proposal: a "precious wood bank." Their idea is to hold already-harvested rosewood logs in reserve, selling the stock over time in a careful and controlled manner to maximize its value for the people of Madagascar, rather than dumping all the wood over 12-18 months as envisioned under a proposal from UNESCO.

[APP Once Again Questioned in the Cottonsoft Dispute](#)

Greenpeace accused Cottonsoft of failing to address forensic evidence that its toilet rolls contain Indonesian rainforest fiber. What's more, Greenpeace claims the rainforests that are being felled for the paper are threatening the survival of the critically endangered Sumatran tiger. The Warehouse has suspended orders of the brand, pending an investigation. Of our two major supermarket chains, Progressive Enterprises is monitoring the situation and Foodstuffs is considering deleting the products from shelves.

Publications

[Vietnamese Army Named as Timber Smuggler](#)

A recent report by EIA-UK exposes the pivotal role played by the Vietnamese military in a multi-million dollar operation which is smuggling threatened timber over the border from the shrinking forests of neighboring Laos. *There has recently been a release in response to this report.* [Click here to view the article.](#)

[Forest Crime File: Illegal Timber Sold in Australia](#)

The report by Global Witness-Australia describes documents Australian wood products companies importing plywood made from forests in Malaysia, where systematic illegal logging has taken place.

[Evaluation of Social and Environmental Risks Accompanying the Procurement of Timber from Papua New Guinea](#)

The report examines social and environmental risks inherent in the procurement of timber from PNG, as well as reviewing current initiatives and trends towards legal verification and sustainability certification in the region.

Tools

[Register of forest long term monitoring trials](#)

Recently launched database on long term monitoring trials offers users data of all the forest species trials done in Atlantic rim region during this century.

[Final report of the EUTR Support Study](#)

The project examines different ways to fulfill the requirements of the EU Timber Regulation, as well as looking into options for recognition procedures of monitoring organizations and risk management systems.

Gibson Guitars & the Lacey Act

This statement is intended only to provide context and background from the Environmental Investigation Agency as experts on illegal logging and timber trade

BACKGROUND: The Lacey Act violation in question acted on in August concerns Gibson's import of pieces of rosewood and ebony that the government alleges to have been falsely declared both during export from India and during import to the U.S.

The sawnwood in question had been exported from India under an incorrect tariff code (HS 9209), allegedly to avoid the Indian government's prohibition on export of sawnwood products (HS 4407); and had been declared upon import as veneer (HS 4408). The affidavit states that this description "fraudulently presents as a shipment that would be legal to export from India, and, in turn, would not be a violation of the Lacey Act." According to the affidavit, discrepancies among the paperwork accompanying the shipment suggest that the recipients knew they were purchasing sawnwood.

The affidavit describes eleven shipments of Indian ebony and rosewood imported in this manner over the past two years, despite what appears to be a publicly available Indian law prohibiting it. The facts in the affidavit appear to have been sufficient for a judge to approve search warrants on probable cause.

FAQ: Is enforcement of the Lacey Act harming American companies and workers?

- » *To the contrary, the law has been strongly supported by the US forest products industry precisely because global trade in illegal wood products dramatically undercuts US forest producers and wood products industry. The industry itself estimated that illegal trade did economic damage in the US to the tune of 1 billion dollars annually in lowered prices and lost markets. Enforcing the Lacey Act is not undercutting US workers and hurting jobs.*
- » Today's music instrument industry is heavily reliant on rare hardwoods from foreign countries. Music makers assert that these species have characteristics necessary to producing optimal sound. However, encouraging the unsustainable exploitation of scarce and valuable species will only lead to their commercial extinction, depriving

future musicians and their audiences from optimal sound. The legal and sustainable harvest of these vulnerable species can also be complemented by *exploring greater use of appropriate US domestic woods, reducing risk of illegal wood and creating more jobs in the United States.*

Should individuals who own Gibson guitars, or other musical instrument companies, be worried that they are next?

- » *There is no precedent whatsoever in the Lacey Act's long enforcement history of the government targeting end users of individual products. There is no indication that the government has the interest or resources to investigate professional or amateur musicians who have purchased Gibson Guitar products, whether or not they contain Indian and Malagasy precious woods. The government has always stated its intent to investigate and shut down networks of illegal smuggling and trade, not individuals.*

For additional information and FAQ concerning the ongoing Gibson case, please go to the [EIA website](#).

HOW HAS THE LACEY ACT INFLUENCED THE WAY YOU DO BUSINESS?

First off, Taylor Guitars supports Lacey and its intent. Of course, who doesn't say they support Lacey? People announce their support whether they practice their statement or not. But, let's say, just for argument's sake, that none of us guitar makers were environmentalists, or cared about the world's tropical forests. Of course, we are interested in our environment, but even if not, we would all agree that commercially, we are going to run out of our favored species of woods very soon, if, as a First World Community, we do not work diligently to preserve these species!

We saw Brazilian rosewood disappear from our grasp. Then Malagasy species like ebony and rosewood. Mahogany has been saved just in the nick of time. It seems our last large spruce trees can be counted on one hand. Why would any of us think that without a change of action our African ebony, Indian rosewood, and the like, last indefinitely? The time for action is now, whether we like it or not. Lacey addresses this by simply making it a law, that as a US business or citizen we must import only wood that was obtained legally in its country of origin.

I agree that that is an ambitious idea; for our law keepers to enforce the laws of foreign nations. But drastic times need drastic measures and other means have not worked. The volunteer program hasn't stopped illegal logging! Putting the rules on the buyer is the most efficient way to control the trade of illegal logging, and this is where Lacey is effective. It causes each user of wood to know and monitor their own imports. I don't have to concern myself with the laws of countries where I don't buy wood; only those where I do. It's not that hard. In this way the US Government gets me to work for them for free. If I were in charge of fixing the problem, I'd come up with the same solution. Ask yourself if you have a better idea. You probably don't.

To read more from Bob Taylor, link to the full story on the [FLA blog](#).

A NOTE FROM THE RAINFOREST ALLIANCE: FIGHTING ILLEGAL LOGGING WITH THE LACEY ACT

Lacey is a global game changer. It has positively reinforced pioneering forest legality initiatives begun early this century by the EU through the FLEG (Forest Law Enforcement and Governance) effort, spurred initiation of similar legislation in countries as different as Australia and China, and buttressed the actions of many NGOs and civil society organizations fighting to stop illegal logging and trade.

Lacey also brought together a unique, groundbreaking coalition of stakeholders, from environmental organizations to forest products businesses, united in a desire to confront the challenge of illegal logging and illegal trade. Though recent Lacey enforcement actions have strained some of those relationships, the vast majority of the coalition remains absolutely convinced of the importance and value of the amended Lacey Act.

The respected Chatham House, a UK-based nonprofit thought-leader on international and current affairs, has documented welcome reductions in illegal logging or trade over the past few years, and enacting the Lacey amendment has been part of the reason.

For the full story, [go here](#).

Update: EU Timber Regulation

Original source: ITTO

A series of consultations have recently been held on implementing regulations for the EU Timber Regulation (EUTR), seeking to establish more detailed requirements for the risk assessment and mitigation procedures that must be implemented by importers from March 2013. The final report and recommendations from this series of consultations prepared by the European Forestry Institute (EFI) is published at http://ec.europa.eu/environment/forests/pdf/EUTRFinal_Report.pdf.

Complexity of the supply chains makes forest origin identification near impossible

A central concern during consultations was the extent to which it should be necessary to trace timber to forest of origin in order to demonstrate a negligible risk of illegality. In their publicity material, the European Commission has tended to emphasize the role of the legislation in increasing traceability of wood products to source. However, discussions at consultation meetings highlighted the complexity of the supply chains that EU operators must deal with and showed that identification of the forest of origin would be an impossible task in anything other than the shortest and simplest of supply chains. Furthermore, a close reading of the legislative text reveals that operators are actually under no obligation to identify the precise forest of origin of timber for each parcel of timber. Rather they are required, through their due diligence systems, to ensure that timber origin can be identified to the extent necessary to make a reliable assessment of negligible risk. In some cases this might require identification of source only as far as a low risk country of origin.

Progress made towards third party verification

The EFI report notes the considerable progress being made to develop and expand third party verification and forest certification systems, which when available will provide an effective risk mitigation tool. However the report also cautions against over-reliance on these mechanisms noting that “only around 10% of the world’s forests are certified to date, and mostly outside of the tropics. Therefore the current global needs for wood cannot be fulfilled purely from certified forests. Moreover, due to the lengthy certification process, the associated costs, and the limited amount of licensed certifiers, this mitigation option has its restrictions as a quick and extensive mitigation response at a global scale.”

EU SMEs largely unaware of EUTR issues

A key issue identified in the EFI report is the lack of awareness amongst smaller companies of regulations of the European Parliament and of the Council laying down the obligations of operators who place timber and timber products on the market (the so called EUTR). This, the report says is likely to be a major obstacle to implementation. The report notes that “very few” SMEs in Europe have ever even heard of the EUTR and that “even membership in a well represented association or federation does not mean that information [on EUTR] will reach them”.

Upcoming Events

INTERNATIONAL

- » Chatham House: Illegal Logging Update and Stakeholder Consultation. London, England. January 2012.
- » [NAMM & Messe Frankfurt](#): Moscow, Russia. May 16-19 2012
- » [TONIC](#): 2nd International Seminar Bridge the Gap, from Concept to Market. Joensuu, Finland. September 14-16 2011
- » [Asian Pacific Forest Week](#). Beijing, China. November 7-11 2011.
- » [Expocorma](#). Concepción, Chile. November 16-19, 2011.
- » [Forest Industries Association \(IFIA\)](#): 4th RACEWOOD Edition. Pointe Noire, Republic of Congo. September 29 & 30, 2011.
- » [Forest Governance Forum](#). Yaoundé, Cameroon. November 7th & 8th, 2011.
- » [Annual Global Forestry and Paper Industry Conference](#). Vancouver, Canada. May 10, 2012.
- » Forest Legality Alliance's Advisory Committee Meeting. Washington, DC. December 2011

NATIONAL

- » [IWPA Annual Convention](#). Miramonte Hotel in Indian Wells, California. March 28-30, 2012
- » [NAMM US Trade Show](#). Anaheim, California. January 19-22, 2012.
- » [Las Vegas Market](#). Las Vegas, Nevada. January 24-28, 2012.
- » [NWFA Conference/EXPO](#). Orlando, Florida. April 10-13, 2012.
- » [High Point Market Week](#). High Point, North Carolina. October 22-27, 2011.
- » [NHFA Annual Convention and Exhibit Showcase](#). Nashville, Tennessee. September 21-24, 2011.

The FLA newsletter will host one guest writer every quarter. If you are interested in contributing to our next newsletter with information and stories concerning illegal logging, the Lacey Act, International forestry policies, or any other related issues, please contact fionamulligan@eia-global.org.

If you are interested in learning more about our organization, becoming a FLA member and continuing to receive this newsletter, please contact us at CClarke@wri.org or visit http://www.wri.org/fla/about_membership.php.