



# Environmental Regulations for Wood Products

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# OUTLINE



- Objective
- Background
- US Regulations
- Responsibilities of the importer
- Role of the Producer/Exporter
- EU Regulations

# Objective



- Inform about the new regulations
- Show means of compliance
- Where and how to seek information

# Background



- Steps are being taken to reduce proportions of illegal and unsustainable materials used in products consumed .
- Tools used
  - Laws
  - Procurement regulations
  - Codes of best practices

# Common Handicrafts

- **Wood-based:** masks, musical instruments, bowls, candleholders, mirrors, boxes, craft furniture (tables, chairs, cabinets, etc.), and other small home “accents”
- **Grass, bamboo, raffia-based:** baskets, mats, small tables, and chairs
- **Clay-based:** pots, bowls, and vases
- **Skins/hides-based:** drums, other musical instruments, decorative items, and fashion accessories

# Environmental Determination

- For grass, bamboo, raffia, and similar materials, no environmental effects are expected from harvest/collection or from processing. No mitigation measures are needed.
- For wood, clay-based, hides/skins-based products, environmental effects could result from processing increased volumes. Mitigation actions required

# Impact at Ecosystem Level

- Decrease in abundance of the resource
- Degraded, fragmented, and/or less diverse ecosystem;
- Changes to ecosystem structure, function, and/or processes.

# Why Stop Illegal Logging



- Our countries lose needed revenue
- Contribute to depress global timber prices
- Rural communities are deprived of revenue
- Money put in the pockets of criminals
- Undermines rule of law and SFM
- Destroys forests, watershed and habitat
- Profits from illegal trade used to purchase arms and fuel conflicts



# Illegality can be.....



- Timber removed from protected areas
- Harvesting without permission
- Failure to pay royalties, taxes and fees
- Failure to comply with harvesting regulations
- Failure to comply with national forest laws and regulations

# Illegality....



- Logging timber species protected by national or international law
- Logging outside permitted areas
- Logging in prohibited areas-steep slopes, river banks , water catchment areas
- Removing under/over-sized trees
- Extracting more timber than authorised
- Obtaining concessions illegally
- Logging in breach of contractual obligations

# Illegality....

LOG WAY BILL

Track No. WR 394  
Driver Name SETU  
Company No. 8306  
Log No. 1  
Species KI  
Length 1160  
Db 1 100  
Db 2 100  
Dt 1 95  
Dt 2 95  
Volume 870

Track No.	Company No.	Log No.	Species	Length	Db 1	Db 2	Dt 1	Dt 2	Volume
1074	8306	1	KI	1160	100	100	95	95	870
1365	8315	2	KI	870	65	65	55	55	2430
1129	8314	2	TI	550	135	135	158	150	1320
841	8304	1	EA	1160	96	96	93	90	8004

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- Export/import of species banned under national or international law
- Illegal export/import in contravention of national laws
- Mis-classification and
- False declaration
- Transfer pricing

# Lacey Amended Act – Plant provisions



- Unlawful to trade in any plant, with a few exceptions, that is taken, possessed, transported, or sold in violation of the laws of the United States, or any foreign law that protects plants.

# Three Basic Provisions



1. Prohibits trade in illegally sourced plants and products;
2. Requires importers (in the USA) to submit a declaration;
3. Establishes penalties for violating the law

# Conditions of the law



- Unlawful to make or submit any false record, account or label for, or any false identification of, any plant
- Foreign Timber Laws, such as forest management laws and regulations of producer countries i.e. Ghana, Sierra Leone, Senegal, Cameroon, etc., are enforceable in U.S. Courts.

# To comply.....



- Make best effort to ask appropriate questions (exercise due care)
- Go by the supply chain principles:
  - Know it (source of material)
  - Simplify it (understand procedures)
  - Track it (have documentations)
  - Verify it (ask appropriate questions, ask for evidence...)

# Role of Importer



- Make due diligence to ensure that shipments are obtained legally
- Ensure shipment documentations and records are correct, true and accurate
- Make sure shipment is properly declared in accordance with requirement

Files electronic declarations on time by truthfully completing PPQ Form 505



# ...PPQ Form 505 -Plant & Plant Products Declaration...

## Section 1 – Shipment Information

- Estimated Date of Arrival
- Entry number
- Container Number
- B/L
- MID
- Importer name/address
- Consignee Name/Address

According to the Phytohealth Products Act of 1995, no person is required to register to purchase or distribute plants if they require a state or state-issued license. The state or state-issued license is required to purchase or distribute plants if they require a state or state-issued license. The form requires to complete the information contained is submitted to the state or state-issued license, including the time to receiving information, receiving entry data records, gathering and maintaining the data records, and completing and receiving the collection of information. (Form Approved, OMB No. 0705-0104)

### Plant and Plant Product Declaration Form



#### Applicability of Declaration:

You are required to complete this form if you are importing any of the following: any wild member of the plant kingdom, including roots, seeds, parts, or products thereof, and including those from other natural or planted forest stands; except:

1. Common cultivars, except trees, and common food crops (including roots, seeds, parts, or products thereof);
2. Scientific specimens of plant genetic material (including roots, seeds, germinules, parts, or products thereof) that are to be used only for laboratory or field research;
3. Plants that are to remain planted or to be planted or replanted; or
4. Plants used exclusively as packaging material or support, protect, or carry another item, unless the packaging material itself is the item being imported.

\* You must still complete this form if you are importing plants described under 1. and 4. that are listed:

- In an appendix to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES 308), 7345-8249;
- All as subgroups of designated species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); or
- Pursuant to any State law that prohibits the dissemination of species that are outgroups to the State and are deemed with extinction.

#### SECTION 1 – Shipment Information

ESTIMATED DATE OF ARRIVAL (MM/DD/YYYY)	
C ENTRY NUMBER	C CONTAINER NUMBER
C BILL OF LADING	C MID
C IMPORTER NAME	C CONSIGNEE NAME
C IMPORTER ADDRESS	C CONSIGNEE ADDRESS

I hereby declare under penalty of perjury that the information I have furnished is true and correct.	
Signature	Date

# PPQ Form 505 -Plant & Plant Products Declaration Form contd

## Section 2 Compliance with Lacey Act

- Description of merchandise
- HTSUS Number
- Entered Value in US Dollars
- Article/Component of Article
- Plant Scientific Name
- Country of harvest
- Quantity and Unit of Measure
- % Recycled Material

Plant and Plant Product Import Declaration (505)

SECTION 2 - Compliance with Lacey Act Requirements (16 U.S.C. 3372(f))

11. HTSUS NUMBER

12. ENTERED VALUE in U.S. Dollars

13. DESCRIPTION OF MERCHANDISE

For each entry in this column of the table, provide the following:

13. ARTICLE/COMPONENT OF ARTICLE	14. PLANT SCIENTIFIC NAME (Genus and Species)	15. COUNTRY OF HARVEST	16. QUANTITY OF PLANT MATERIAL	17. UNIT OF MEASURE	18. % RECYCLED MATERIAL

19. I hereby certify under penalty of perjury that to the best of my knowledge and belief the information furnished is true and correct.

Signature  Title  Date

# Exporter...



- Importers will need to obtain the information from their suppliers.
- Suppliers will need to keep track of information required on a regular basis.
- Assist US importers/buyer with all relevant information on to facilitate timely, truthful and correct filing of declarations

# Dos and Don'ts

- Avoid or minimize penalties under the Lacey Act by exercising due diligence in the sourcing of wood inputs.
- Pay attention to your customers – Customers will be asking increasingly detailed questions about wood sourcing.
- Producers and exporters/importers may be able to attract new customers – or lose them – depending upon what assurances they can provide about the legality of their wood inputs.

# Dos and Don'ts



- **Understand your sourcing**
- Producers and exporters/importers should put a management process in place designed to investigate the product supply chain and provide documented assurance that potentially illegal wood products are not being received and used.
- Companies and company officials who simply ignore potential sourcing problems can still be found liable for violations

# Dos and Don'ts



- Do not rely on “paper” assurances only
- Actual lack of knowledge of illegalities in the sourcing of a product’s raw materials will not prevent forfeiture.
- Although helpful, it is not enough to simply get a letter or contract from your supplier stating that the wood products were legally obtained

# PENALTIES UNDER THE LACEY ACT

- Civil administrative penalties... knew, should have known.... up to \$10,000
- Forfeiture.. even if did not know e.g., that timber was harvested illegally. Ship, Vehicle, equipment , etc used, also subject to forfeiture .
- Fines and imprisonment.. up to \$250,000 (\$500,000 for organizations) and/or up to 5 years imprisonment. If should have known.. offense is a misdemeanor ..up to \$100,000 fine (\$200,000 for organizations) and/or upto one year imprisonment

# HTS Codes for Handicrafts

Category	Common Name	HTS code	HTS Description
Wood Products	Furniture	9403.60.40.00	Other Wooden Furniture/Other
	Walking Stick	6602.00.00.00	Walking Sticks, whips riding crops and the like
	Wooden Statues	4420.10.00	Wooden Statuettes and other ornaments
	Wooden Frames	4414.00.00	Wooden frames for paintings, photographs mirrors or similar objects
	Other Articles of Wood	4421.90.20	Other articles of wood/other/sanded grooved or otherwise in advanced condition
	Cigar boxes	4420.90.20	Jewelry boxes, silverware chests, cigar and cigarette boxes, microscope cases, tool or utensil cases and similar boxes, cases and chests, all the foregoing of wood/ cigar and cigarette boxes
	Wooden bowls/kitchenware	4419.00.80	Tableware and kitchenware, of wood/ other
	Jewelry Boxes	4420.90.45	Jewelry boxes, silverware chests, cigar and cigarette boxes, microscope cases, tool or utensil cases and similar boxes, cases and chests, all the foregoing of wood/ Other/ Not lined with textile fabrics



# HTS Codes for Handicrafts

Category	Common Name	HTS code	HTS Description
Straw	Baskets	4602.19.18	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from articles of heading 4601; articles of loofah/Other baskets and bags, whether or not lined/other
	Broom table runners	4602.19.18	"
Musical Instruments	Djembe	9206.00.20	Percussion musical instruments (for example drums, xylophone, cymbals castanets and Maracas)/ Drums
	Kpanlogo	9206.00.20	
	Axatse	9206.00.80	Percussion Musical instruments...../Other
	Xylophone	9206.00.80	
	Rattles	9206.00.80	
	Shakers	9206.00.80	
	Cora	9202.90.60	Other string musical instruments (for example, guitars, violins, harps)/other

# HTS Codes for Handicrafts

Category	Common Name	HTS code	HTS Description
Works of Art	Paintings	9701.10.00	Paintings, drawings and pastels, executed entirely by hand, other than drawings of heading 4906 and other than hand-painted or hand-decorated manufactured articles; collages and similar decorative plaques; all the foregoing framed or not framed/ paintings, drawings and pastels
	Plates and kitchenware	6912.00.41	Steins with permanently attached pewter lids; candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, bonbon dishes, egg cups, spoons and spoon rests, oil and vinegar sets, tumblers and salt and pepper shaker sets
	Other ceramic kitchenware	6912.00.50	"/other
Christmas Ornaments	Christmas Ornaments of Glass	9505.10.10	Festive, carnival or other entertainment articles, including magic tricks and practical joke articles; parts and accessories thereof/ Christmas ornaments/ Of glass
	of Wood	9505.10.15	/of wood

# EU Timber Regulation

- Key Obligations.
  1. Prohibits the placing on the EU market for the first time of illegally harvested timber and products derived from such timber;
  2. EU traders who place timber products on the EU market for the first time must exercise 'due diligence'
  3. EU traders to keep records of their suppliers and customers.

# Due Diligence

- Applied by operator to mitigate risk of placing illegal timber on the market
- that degree of care which a reasonably prudent person <you or your company> would exercise under the same or similar circumstances”

# Details of a Due Care System

- <Annual> Training for all purchasing or procurement staff
- • Communication with suppliers and buyers
- • Adherence to a detailed procurement checklist (your own or from buyers)
- • Verification of foreign laws and licenses with in-country legal professionals and/or knowledgeable third parties (e.g., NGOs)
- • Going beyond the checklist by doing independent research to identify risky sources
- • Performing risk assessment at the species level, using resources such as CITES, IUCN Red List, national threatened/endangered species lists, and UNEP World Conservation Monitoring Centre data
- • Requesting sample documentation from suppliers and buyers to ensure that information provided satisfies requirements (Lacey Act, EUTR, etc.)>
- • **Maintenance of records**
- • Disciplinary action for staff who fail to follow policies on legal wood procurement

# Information concerning the operator's supply

1. Common name not ambiguous -full scientific name of the tree species
2. Country (Region)of harvest of timber
3. Name of concession of harvest of timber

# Matters applicable to national legislation enforced

- rights to harvest timber within legally gazetted boundaries;
- payments for harvest rights and timber including duties related to timber harvesting;
- timber harvesting, such as environmental and forestry legislation including forest management and biodiversity conservation, where directly related to timber harvesting;
- third parties' legal rights concerning use and tenure that are affected by timber harvesting; and
- trade and customs, insofar as the forestry sector is concerned

# Example of Supplier Declaration

- The supplied material does not originate from controversial or illegal sources.
- The supplied material is harvested in respect with the national laws, in respect with traditional and civil rights and the national labor conditions.
- The organization is committed to occupational health and safety.
- The supplied material is not harvested in forests where high conservation values are threatened by management activities.
- The supplied material shall not originate from conversion of forests to other vegetation type, including conversion of primary forests to forest plantations.
- The supplied material shall not originate from wood harvested in forests in which genetically modified trees are planted.
- To assure legally harvested wood, according to the EU Timber Regulation, any required information about the purchase, shall be communicated with buyer Company including (but not limited to) scientific name of wood species and country of harvest.



# Record keeping

- ❖ By operator (Information provided by supplier)
  - Risk mitigation procedures
  - Risk assessment, mitigation measures, how information checked
  - Operator determines form and frequency of information from supplier
  - Records kept for 5 years

# Notice

- Application of the regulation started March 3, 2013.
- Products covered by valid FLEGT or CITES licenses are considered to comply with requirements of the regulation

# Request for VPA information

- **Timber Industry Development Division (TIDD)**

P. O. Box 783

Takoradi - Ghana

+233 3120 22921 - 4

+233 3120 22926

+233 3120 22837(fax)

- **Director, Timber Validation Dept. (TVD)**

Forestry Commission, Ghana

Telephone: +233 (0)21 401210

[cbeeko.hq@fcghana.org](mailto:cbeeko.hq@fcghana.org)

# Sources of Information

- Lacey website:
  - [http://www.aphis.usda.gov/plant\\_health/lacey\\_act/index.shtml](http://www.aphis.usda.gov/plant_health/lacey_act/index.shtml)
- Environmental Investigation Website
  - [www.eia-global.org/lacey](http://www.eia-global.org/lacey)
- CITES:
  - [www.cites.org](http://www.cites.org)
  - [www.cites.org/eng/resources/species.html](http://www.cites.org/eng/resources/species.html)
  - [lacey.act.declaration@aphis.usda.gov](mailto:lacey.act.declaration@aphis.usda.gov)
- Scientific names of plants
  - <http://plants.usda.gov>
  - [http://www.ars-grin.gov/cgi-bin/npgs/html/tax\\_search.pl](http://www.ars-grin.gov/cgi-bin/npgs/html/tax_search.pl)
  - <http://www.itis.gov/>
  - <http://www.ipni.org/>
- EU Timber Regulations
  - [http://ec.europa.eu/environment/forests/timber\\_regulation.htm](http://ec.europa.eu/environment/forests/timber_regulation.htm)
  - [http://ec.europa.eu/environment/forests/timber\\_regulation.htm#diligence](http://ec.europa.eu/environment/forests/timber_regulation.htm#diligence)
  - [http://ec.europa.eu/environment/forests/timber\\_regulation.htm#products](http://ec.europa.eu/environment/forests/timber_regulation.htm#products)
  - <http://ec.europa.eu/environment/forests/flegt.htm>
- Definition of legal wood: [www.proforest.net/cpet/evidence-of-compliance/category-a-evidence/approved-schems](http://www.proforest.net/cpet/evidence-of-compliance/category-a-evidence/approved-schems)
- [www.proforest.net/cpet/evidence-of-compliance/other-evidence-as-assurance](http://www.proforest.net/cpet/evidence-of-compliance/other-evidence-as-assurance)

# Thank You



More information: [www.watradehub.com](http://www.watradehub.com)

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