



Committee on Natural Resources U.S. House of Representatives

Chairman Doc Hastings

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Witnesses: 2008 Lacey Amendments' Unintended Consequences are Raising Costs, Threatening Jobs and Small Business

WASHINGTON, D.C. – Today, the Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs held an [oversight hearing](#) entitled “*The 2008 Lacey Act Amendments.*” The hearing focused on the significant May 2008 expansion of the Lacey Act to include all plants and plant products.

“The full House was never given the opportunity to debate or amend the 2008 Lacey Act Amendments. The language was added in the Senate as a floor amendment to the 700-page 2008 Farm Bill. These provisions are costing millions of dollars in compliance costs and subjecting Americans to literally thousands of foreign laws, regulations and decrees,” said Subcommittee Chairman John Fleming (LA-04). “I am disappointed that neither the Obama Administration nor any of our witnesses presented any evidence on how the 2008 Amendments have stopped the flow of illegal logging which was the fundamental reason given for enacting these changes in the first place.”

The Lacey Act was first enacted in 1900 to protect native flora and fauna by prohibiting the sale or transportation of wild animals or birds killed under violation of state law. Since its enactment, the Lacey Act has since been amended several times including expansions to include foreign laws, strict liability, and the importation and sale of illegally obtained timber and other plant products.

The 2008 Amendments to the Lacey Act resulted in an extensive expansion of the law to include all plants and plant products; a requirement to submit a declaration document for all imported plant products; and a requirement that Americans comply with not only domestic, state and tribal laws, but also thousands of foreign laws, regulations, resolutions and decrees dealing with forestry and plants, some of which are not even available in English. As a consequence of these Amendments, thousands of large and small American businesses who previously had little, if any, exposure to the Lacey Act have now become part of the regulated community.

[Steve McCreary](#), **General Manager of Collins Guitars and representative of the National Association of Music Merchants**, discussed how the Lacey Act declaration requirements have affected his business. *“About forty percent of our woods come from outside the United States and for every shipment a document must be filed with the Animal and Plant Health*

Inspection Service (APHIS) of the U.S. Department of Agriculture... it does cost us money each time a Lacey import declaration is filed. We understand that APHIS is currently receiving some 40,000 declarations each month and processing these imposes a substantial cost and burden on the agency as well. Even a reported effort toward electronic filing will not substantially reduce our costs or those of the government.”

[Travis Snapp](#), COO of Benchmark International and representative of the International Wood Products Association, noted how their efforts to create a program, called the Lacey Compliance Verification Program (LCV), for importers and manufacturers to ensure compliance with the law have been hindered due to the reach and complexity of the 2008 Amendments. *“Since Benchmark began offering the LCV program in 2009 we have had 33 manufacturing facilities from around the world request to enroll in our program. However, due to the complexity of the supply chain and the broad scope of the Lacey Act, I have been forced to turn 29 of them away. Several manufacturing facilities, if enrolled in our program, would have required 2 to 3 full time staff working 40 hours per week just to keep track of the raw material stream used to produce finished products. The vast scope of foreign laws included under Lacey are unmanageable in scope - Benchmark International contracts 6 legal firms who track only the laws related to wood export, processing, concessions, and cutting in a mere 6 countries. That limited scope alone accounts for over 1000+ laws (and growing), and has cost my clients upwards of 300,000 USD since 2009 when we began our program.”*

[Birgit Matthiesen](#), Special Advisor to the President and CEO of Canadian Manufacturers & Exporters, addressed his experiences with the Lacey Act from an international perspective, noting that *“a transactional Lacey Import Declaration is unnecessary and a tax on North American competitiveness. [G]iven that the vast majority of Lacey regulated shipments originate in Canada, the border compliance requirement, specifically the transactional import declaration, must be revisited. In our view, not only because of the commercial costs but because we believe that only through combined government efforts based on sound and proven risk management principles can we protect our industries and our communities from the scourge of illegally harvested plant products. In a time when governments on both sides of our border are reducing their operational budgets, it is important that agencies be able to target high-risk shipments and to act quickly. If those same agencies are buried in paper import declarations – mostly from Canada – they have fewer resources to go after the much higher or unknown risk elements.”*

[Erik Autor](#), President of Autor Global Strategies, a former representative of the retail industry, and former Counsel to the Senate Finance Committee, testified on the unintended consequences of the law that *“unnecessarily burden compliance and enforcement, needlessly engender unpredictability, threaten American businesses and jobs, and deviate from the law’s core objectives.”*

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