

Committee on Resources

Witness Testimony

Testimony on the Effects of International Forestry Agreements
on Forest Service Decision Making
RAFF POMERANCE
Deputy Assistant Secretary of State
for Environment and Development
Before the
House of Representatives
Subcommittee on Forests and Forest Health
September 11, 1997

Madame Chair and Members of the Subcommittee:

Thank you for the opportunity to appear before your Committee to discuss international forest activities.

Forests are a critical environmental and economic resource. They are home to 70 % of all land-living plants and animals. They guard against floods, landslides and other financially crippling natural disasters. They are essential to water quality and supply in many areas. They provide a crucial link in the planet's carbon cycle by sequestering large amounts of carbon. And they provide food, fuel, shelter, medicine and jobs for millions of the world's people, including many Americans.

But forests around the world are being destroyed at rapid rates due to population pressures, subsistence agriculture, unsustainable and illegal logging, large-scale industrial and infrastructure projects, and national policies that subsidize forest conversion to other uses. It is estimated that an average of 38 million acres of tropical forest is destroyed each year. In the temperate and boreal region, forests are being degraded in some areas due to repeated logging, fragmentation and the effects of air home pollutants.

The United States has an enormous stake in seeing this trend reversed and in seeing forests around the world sustainably managed. We are the world's largest consumer of forest products and rely significantly on the availability of goods from other countries. Each year, we import as much as \$29 billion worth of lumber, pulp, paper, plywood, veneer and furniture from around the world. In order for us to be assured of a long-term supply of these forest products at reasonable prices, the earth's forests must be sustainably managed.

We are also one of the world's largest exporters of forest products, selling as much as \$25 billion worth each year. Therefore, we are keenly interested in and dependent on a healthy world forest products economy and a fair and open trading system.

We have growing pharmaceutical and food processing industries, which have a vested interest in seeing the potential source materials from forests for new medicines, pharmaceuticals, foods and food additives protected. For example, two powerful anti-leukemia agents are derived from Madagascar's rosy periwinkle. Some steroids are derived from the Mexican sweet potato. We rely on products from tropical forests when we drink hot cocoa and make cinnamon toast.

And we have a citizenry increasingly interested in a healthy world. Each year, Americans across the country choose to spend their vacation and disposable income traveling to and enjoying the natural wonders of the forests of the world.

As a result, the US has been a strong supporter since the early 1980's of efforts to improve forest management worldwide. The international community also has become increasingly interested in issues related to forest management since the United Nations Conference on Environment and Development, which met in Rio de Janeiro in 1992. This "Earth Summit" was attended by President Bush and more than 100 other heads of state.

The Earth Summit adopted, among other documents, a set of general Forest Principles, which captured for the first time a world view of why forests are important and how we all can facilitate better management globally. These Forest Principles do not constitute a legal agreement and impose no legal obligations or other restrictions on countries.

The widespread interest in forests evident at the Earth Summit has since given rise to forest discussions in a variety of international fora where it has been in our clear interest to be actively involved.

Intergovernmental Panel of Forests

In February, the United Nations concluded two years of international dialogue through what was called the Intergovernmental Panel on Forests. The Panel considered a variety of international forest policy and technical issues ranging from forest assessment to international cooperation and made a number of recommendations on how to promote sustainable forest management, nationally and internationally.

While these recommendations are in no way binding on governments, I believe that many countries, including the US, will find many of them useful as they consider the challenges of their specific forest situation. For example, the Panel encourages countries to improve market access for forest goods and services, including through the reduction of tariff and nontariff barriers. It recommends looking into the potential competition between wood and less environmentally friendly non-wood substitutes, such as aluminum and plastic. It recommends improved forest assessment and management and rehabilitation of degraded lands. It also recommends strengthened and more focused forest research. These are all things that I believe the US would like to see happen.

I would note that US delegations to meetings of the Panel have included private sector advisors from the US forest products industry, the States and the environmental community. This is our normal practice regarding international forest meetings.

I also would note that the central political issue throughout the Panel's discussions was the strong continuous push by the European Union, Canada, Russia and several developing countries to begin the negotiation of a global forest treaty. Based on our own assessment and having heard the views of a range of domestic forest constituencies, we were convinced that such negotiations would not be helpful to advancing the goal of sustainable forest management at this time.

I am pleased to report that the US was successful in leading the effort to defeat the treaty initiative at a Special Session of the U.N. General Assembly held this June. Instead, the governments of the world agreed to continue the Panel's useful non-binding dialogue on forests through an Intergovernmental Forum on Forests. This Forum will meet for the first time in early October to begin its discussions,

"Montreal Process" on Forest Criteria and Indicators

Another set of international forest discussions in which we have been actively involved is the Montreal Process Working Group on criteria and indicators for sustainable forest management. This international working group includes 12 countries which together encompass 90% of the world's temperate and boreal forests, including Canada, Russia, Chile, China, Australia and ourselves.

The purpose of this international effort has been to develop a better understanding of the basic characteristics or attributes of sustainable forest management at the national level. In 1995, after a series of technical discussions, the Montreal Process countries identified and endorsed a comprehensive set of criteria and indicators for assessing the state of forests at the national level. These criteria and indicators are tools for assessing national trends in forest conditions and management. They include such important characteristics as the productive capacity of forests, forest health and vitality, biological diversity and the socioeconomic benefits provided by forests. The document endorsing these criteria and indicators is known as the Santiago Declaration. It is not a legal agreement and imposes no legal obligations or other restrictions on the United States. Our participation is entirely voluntary.

In my view, this work on criteria and indicators is ground breaking and will contribute significantly to an improved understanding of the concept and application of sustainable forest management, both at home and abroad. This will help the US to maintain healthy and productive forests over the long-term. It will also help us to respond to increasing demands from our foreign buyers that US wood exports come from sustainably managed forests.

The Forest Service has played a key role in bringing US interests and the science of forestry to bear on these activities. Once again, representatives of the States, the forest products industry and the environmental community have been active in the Montreal Process and members of US delegations to meetings. These and other groups also were actively engaged by the Forest Service in the domestic process of preparing our initial national report on criteria and indicators.

International Tropical Timber Organization

The only formal international forest agreement to which the US is a party is the International Tropical Timber Agreement, which was first agreed in 1983 and then re-negotiated in 1994. The new agreement, which entered into force on January 1, 1997, operates through the International Tropical Timber Organization (ITTO) based in Yokohama, Japan. Virtually all countries that produce or consume internationally traded tropical timber are members of the Organization.

The ITTO provides the only forum for interested countries, including the US, to discuss issues related to the world tropical timber economy. The purpose of the organization is to 'promote a healthy tropical timber economy by facilitating better information about the world tropical timber trade, better management of tropical production forests, and more efficient forest industries. The Organization recognizes that in order to have a long-term supply of tropical timber, tropical forests must be sustainably managed.

The ITTO operates by consensus. It does not seek to regulate trade or impose restrictions on the trading practices of individual countries. It contains no market intervention provisions. The lead agency in the US Government for the Organization is the Office of the US Trade Representative. The Forest Service and the Foreign Agriculture Service, among other agencies, provide significant technical input and expertise.

The US has significant interests in participating in discussions within the ITTO. We are the world's fourth largest importer of tropical timber after Japan, China and the Republic of Korea. Our imports, which are used primarily for cabinets and furniture manufacture, are valued at hundreds of million of dollars annually. The US has a vested interest in being a part of discussions that can help ensure continued tropical timber supplies. We also have a vested interest in helping to shape the international policy dialogue on tropical timber because it could have implications in the future for our temperate and boreal wood products trade. For example, if the international community were to agree on trade approaches for tropical timber, those approaches could be extended to the non-tropical timber trade.

Our forest products industry has been actively involved and supportive of US participation in the ITTO. Representatives from both our domestic wood products industry and our tropical timber import companies routinely participate in ITTO meetings and serve as private sector advisers on US delegations, as have representatives from the US environmental community.

Convention on Biological Diversity

Another agreement that is beginning to look at forest issues is the Convention on Biological Diversity, which was opened for signature in June 1992 at the Rio Earth Summit. More than 169 countries are parties to this treaty, which deals with a variety of issues of critical environment and economic importance to the United States.

While we signed the Convention in 1993 and transmitted it to the Senate for advice and consent to ratification, the Senate has yet to take action. This means that we can only participate in meetings of the parties to the Convention as observers. This diminishes our ability to influence the discussions and decisions taken.

The Convention recently initiated a modest forest program focused on improving scientific understanding of forest biodiversity. In particular, it will be looking at research on indicators of forest biodiversity to complement the work already underway in the Intergovernmental Forum on Forests and the Montreal Process. The Convention also will be looking at ways to foster activities to improve scientific knowledge of the ways human activities influence forest biodiversity.

In all of these international discussions on forests, the State Department has worked closely with several agencies of the US Government. We have worked particularly closely with the Forest Service, which is the lead US technical agency on forests and which provides essential technical and scientific advice, as well as domestic forest information, to US delegations. A strong international forestry component within the Forest Service is fundamental to the US Government's ability to influence the course and outcome of international forest discussions so that US interests are well-served.

Madame Chair, this concludes my testimony. I would be happy to answer questions.

#