From the kitchen table where we eat to the notepads that keep our lives organized, wood products are a part of our everyday lives. Sadly, up to 30 percent of the wood traded internationally has been harvested illegally, causing deforestation, threatening communities, and contributing to more climate-disrupting pollution. The Lacey Act helps the United States combat trafficking in illegal wood products by requiring companies to identify the source of imported plant and animal products, and imposing penalties on those who import illegally harvested wood products and wildlife. Enacted in 1900, the Lacey Act is one of the United States’ oldest and most effective conservation laws.

MODERN HISTORY OF THE LACEY ACT

Since its enactment, the Lacey Act has prohibited the trade of illegally taken wildlife and animal products; however, it did not initially provide the same protections to plants. In 2008, with an overwhelming bipartisan majority, Congress passed amendments to the Lacey Act that banned illegal trade of plants and plant products, including timber. With the passage of the 2008 amendments, the United States became the first country to ban illegal trade of plants, timber, and wood products, leading the way for other nations such as Australia and the European Union to pass similar legislation.

THE LACEY ACT AND CLIMATE CHANGE

Illegal logging is a major contributor to global deforestation, which produces over 1.5 billion tons of carbon dioxide emissions each year, accounting for as much as 17 percent of greenhouse gas emissions worldwide. The process of logging and deforestation releases carbon dioxide into the atmosphere and reduces a landscape’s ability to capture and store carbon.

The Lacey Act is helping reduce climate-disrupting pollution by stemming the flow of illegally harvested wood. A July 2010 Chatham House report found that a decrease in illegal logging prevented more than 1 billion tons of carbon dioxide from being released into the atmosphere over a ten-year period.

OTHER EFFECTS OF ILLEGAL LOGGING

Illegal logging also harms local communities. Indigenous communities living in and protecting the forests are frequently swindled by intermediaries and exploited through abusive working conditions, and revenue from illegal logging often is funneled into organized crime. Clear-cutting and harvesting old-growth trees also threatens wildlife by degrading their habitat.

Importing illegal wood products artificially drives down the price of wood and wood products in the United States,

LOGS OF WOOD CUT ILLEGALLY STACKED ON ROADSIDE TO BE LOADED IN TRUCKS FOR SALE IN THE MARKET
undercutting American companies. It is estimated that American companies lose $1 billion each year due to illegal wood entering U.S. markets. Further, illegal logging causes developing countries to lose an estimated $15 billion a year in revenue and taxes.3

LACEY ACT ENFORCEMENT

Under the law, companies are required to document the species and country of origin of the wood or wood products they import. This declaration process increases transparency in the timber trade and increases the enforceability of the Lacey Act. Violators of the Lacey Act face a comprehensive system of penalties and fines, along with authorized seizures of illegal wood products.

The primary agencies involved in enforcing the Lacey Act are the U.S. Department of Agriculture’s Animal and Plant Health Inspection Service (APHIS) and the Fish and Wildlife Service (FWS). APHIS is responsible for processing import declarations, but shares responsibility for investigating violations with the FWS. Other agencies that help with implementation include the Department of Homeland Security and its Customs and Border Protection staff, the Department of Justice, the Department of State, and the U.S. Agency for International Development (USAID).

EXAMPLES OF LACEY ACT ENFORCEMENT

The first U.S. Lacey Act enforcement case dealing with wood shipments involved Yacu Puma, a shipping company based in the Peruvian Amazon. Yacu Puma ships a small but significant amount of illegal wood from Iquitos, the largest city in the world without road access, down the Amazon River to the Atlantic Ocean and up to the Southern U.S. and Mexico. In May 2009, the U.S. Fish and Wildlife Service (FWS) confiscated three containers of tropical hardwood scheduled for importation on the grounds that Yacu Puma violated the Lacey Act’s declaration requirements by intentionally mislabeling wood and classifying the three pallets as containing finished wood products when, in fact, the pallets contained raw wood. Yacu Puma has not been alone in importing illegal wood from Peru. From 2008 to 2010, 22 U.S. import companies, including North American Wood Products LLC, The Rex Lumber Company, and Banks Hardwoods Florida LLC, were proven to have imported illegal wood products from the Peruvian Amazon.

The Department of Justice (DOJ) investigation into the Gibson Guitar Corporation has been the most high-profile case in which the Lacey Act was successfully enforced. Authorities raided Gibson’s facilities in Nashville, Tennessee, seizing ebony and rosewood that had been illegally imported from Madagascar and India. Instead of going to court, Gibson Guitar reached a settlement with the United States in which they agreed to pay a penalty of $300,000, plus a $50,000 “community service payment” to the National Fish and Wildlife Foundation to help promote forest conservation. The company also committed to setting up a compliance program to ensure it would not use illegally harvested products, and forfeited its right to $245,000 worth of wood seized in the investigation.

FINAL WORD

Since Congress amended the Lacey Act in 2008, this historic piece of legislation has shown a strong track record of success in stemming the flow of illegally harvested timber. Stopping illegal logging and holding companies accountable for importing illegally harvested wood products is critical in protecting our climate and our communities.

It is imperative that the Lacey Act continue to be enforced and strengthened.

ENDNOTES