



May 14, 2012

Mr. Harry Burroughs  
House Committee on Natural Resources  
Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs  
U.S. House of Representatives  
1324 Longworth House Office Building  
Washington, D.C. 20515

Via electronic transmission to [Harry.Burroughs@mail.house.gov](mailto:Harry.Burroughs@mail.house.gov)

**Testimony for the record following the subcommittee's hearing on H.R. 3210 and  
H.R. 4171 on May 8, 2012**

Dear Mr. Burroughs:

On behalf of the member companies of Canadian Manufacturers & Exporters (CME) and the Canadian Manufacturing Coalition (CMC), I am pleased to have this opportunity to submit our comments in regard to the 2008 Food, Conservation, and Energy Act amendments to the Lacey Act. Our comments here will focus on the requirement that importers submit a declaration at the time of importation for certain plants and plant products.

Canada is the largest supplier of plant and plant products to the United States. In fact, virtually all of the U.S. newsprint supply originates from Canada as do forty percent of paper imports and two-thirds of pulp imports. The United States marketplace is the largest destination overall for Canadian exports, but thirty-seven States in the Union point to Canada as their largest customer. Today, our two countries have created the world's largest and safest business relationship in the world. Through various cross-border forums, we have embarked on a vibrant North American competitiveness agenda that has the promise of creating good jobs for our future generations. Our cross-border supply chain is unique in the world in terms of its volume, immediacy and integrated nature of component parts. That vibrant relationship has helped to create over seven million jobs in small and large communities throughout the United States. No longer do we "trade" together, we make things together. As evidence of this, over one-third of shipments crossing our shared border each and every day are comprised of intra-company and intra-industry parts and components. Our jobs are your jobs and your best ideas are ours. It is a unique and highly beneficial relationship.

Our companies share the objective of seeking to combat illegal logging. Canada has adopted advanced sustainable forest management practices that go far beyond the goal of eliminating illegal logging. Moreover, Canada has long prohibited the importation into Canada of any plant, or any part or derivative thereof, which was taken in contravention of any law of a foreign state, through provisions of the *Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act* and its regulations. In addition, almost a third of all companies globally enrolled as supply chain security partners with the U.S. Customs and Border Protection (CBP) are Canadian companies. Almost all of our cross-border truck drivers are vetted by CBP and their Canadian counterpart. We bring this to your attention in an effort to underscore that U.S. border requirements affect both Canadian and U.S. businesses and the workers they employ.

Our member companies have joined with their American business partners in expressing concern about the implementation of the Lacey import declaration requirement. Their immediate worry is that the product coverage mandated by the underlying statute will grow to include almost all of the tariff items and given that there currently is no de minimus threshold, products from logs to cosmetics and dashboards of new automobiles will soon be subject to the requirement.

The imposition of what we feel is an unnecessary and burdensome import declaration adds considerable costs to the bottom line of our U.S. business partners. The compliance to file the declaration alone requires 1.5 man hours per declaration, a nine-fold increase over non-Lacey shipments. In 2011, according to officials of the U.S. Department of Agriculture, Animal Plant Health Inspection Service, the vast majority of regulated shipments were imports from Canada. In fact, **every week**, APHIS receives approximately 6,000 such import declarations -5,000 electronically and 1,000 using the paper form.

For these reasons, we would strongly urge the Administration to consider an alternate path forward. U.S. Customs and Border Protection acts as the primary agency at the U.S. border and for the past several years has launched an ambitious re-modernization of their import data collection on behalf of many federal agencies. It is our view that CBP is best equipped with the electronic resources to collect the **necessary** data requirements to provide the U.S. Department of Agriculture, Animal Plant Health Inspection Service, with the important enforcement tools to meet the objectives of the Lacey Act.

Imposing an additional transmission of the same data adds costs for both government and business. Our companies on both sides of the border must compete in a highly competitive global marketplace, but the import declaration in its current form erodes the bottom line for our best corporate citizens. Illegal logging is a shared concern for both Ottawa and Washington. A shared and modern risk management approach is, simply, good public policy.

Sincerely,



Jayson Myers  
President & CEO  
Canadian Manufacturers & Exporters