

Review of 2012 EIA Petition Regarding Bigleaf Mahogany and Spanish Cedar Exports

Summary:

On April 17 2012, the Environmental Investigation Agency (EIA), an environmental NGO, petitioned USTR to exercise U.S. rights under the U.S.-Peru Trade Promotion Agreement (PTPA) Annex on Forest Sector Governance to request the Government of Peru to carry out audits and verifications of certain shipments, producers, and exporters of bigleaf mahogany and Spanish cedar that EIA considers may have been illegally harvested and exported to the United States. After extensive review, the Interagency Committee on Trade in Timber Products from Peru (Committee) charged by the PTPA Implementation Act with considering such petitions decided not to invoke the audit or verification procedures under the PTPA. Instead, based on information it obtained in the course of its review, the Committee has decided to take the following actions to address the challenges its review has highlighted in order to contribute to the ongoing reform and enforcement efforts Peru is undertaking: (1) agree with the Government of Peru on specific actions it will undertake to address the challenges that Peru faces with respect to the management of bigleaf mahogany and Spanish cedar; (2) target U.S. capacity-building resources to assist Peru to carry out these actions; and (3) regularly monitor Peru's progress.

The Committee's review also highlighted successes Peru has achieved in its forestry management regime, in particular regarding the work of its forestry oversight body in supervising forestry concessions and taking actions where it has found discrepancies, as well as Peru's efforts to make up-to-date information regarding exports of big-leaf mahogany and Spanish cedar under the Convention on Trade in Endangered Species of Wild Fauna and Flora (CITES) publically accessible.

Background:

The EIA petition asked that the United States request the Government of Peru to audit or verify certain timber shipments, producers, and exporters of bigleaf mahogany and Spanish cedar originating from 29 forestry concessions (a type of forest land on which private entities have been granted harvest rights) for which Peru's forestry oversight body reported serious discrepancies. The petition also requested that the United States pursue verifications of all shipments of bigleaf mahogany and Spanish cedar from two Peruvian exporters and 19 of the 29 concessions.

The Committee carried out an extensive review of EIA's petition to review and analyze the information contained in the EIA petition and supporting documentation, as well as other information obtained during the course of its review. The Committee has also worked very closely with the Government of Peru to gather additional information relevant to EIA's petition and understand better its recent forestry sector reforms and their potential impacts on the issues under consideration. The Committee was able to confirm that Peru's forestry oversight body has utilized or is currently utilizing authorities granted to it to address each of the identified forestry concessions, including by either suspending or cancelling all but a handful of the concessions. In addition, the Committee confirmed that exports of bigleaf mahogany and Spanish cedar from Peru to the United States have decreased significantly in recent years, with only one shipment of bigleaf mahogany to the United States among the two identified exporters for a total of three shipments of bigleaf mahogany among all exporters and no shipments of Spanish cedar in 2012 at the time of the Committee's decision. None of the shipments of bigleaf mahogany in 2012 were sourced from any of the identified concessions. Therefore, the Committee decided not to pursue audits or

verifications at this time, based on the actions taken by the Government of Peru to date to sanction or otherwise review the 29 concessions listed in the petition, and the significant decline in exports of bigleaf mahogany and Spanish cedar from Peru to the United States in the last two years.

However, the Committee also recognized that its review highlighted particular challenges in Peru's management of bigleaf mahogany and Spanish cedar and is committed to working with Peru to address these challenges. The Committee decided to seek Peru's commitment to undertake specific actions in order to better ensure the legal harvest and export of timber products. The Committee proposed a five-point action plan, which includes strengthening physical inspections of bigleaf mahogany and Spanish cedar trees prior to the approval of a forestry concession's operating plan that includes the harvest of such trees (one of the key challenges highlighted in the Committee's review). In addition to pursuing the action plan, the United States will closely monitor developments in Peru, including the status of the identified concessions and exports of bigleaf mahogany and Spanish cedar from Peru to the United States. The Committee recognized that Peru has undertaken substantial reform efforts in its forestry sector to implement its PTPA obligations, especially regarding legislation and administrative procedures to manage, supervise and issue export authorizations of CITES-protected timber species, and is committed to deepening its collaboration with Peru on these issues.