



the **TRANS-PACIFIC PARTNERSHIP** Combating Illegal Logging

Forests are the lungs of the earth, essential for mitigating the impacts of pollution and even more critically climate stabilization. Forests are also treasure troves of biodiversity, providing shelter to innumerable species, as well as being sources of commercial goods in the global marketplace, and all too often on the black market.

Unfortunately, illegal logging is a significant environmental challenge in many parts of the world, as the demand for paper, furniture, and other wood and agricultural products grows. Illegal logging has an economic as well as an environmental impact. According to INTERPOL, trade in illegal timber is estimated to account for 10-30 percent of all wood traded globally, valued between \$30-100 billion annually. The American Forest & Paper Association estimates that illegal logging also depresses world timber prices by between 7-16 percent and that this causes American firms to lose at least \$460 million each year. In many countries, the losses are borne by poor communities that depend on the forests for their livelihood.

The TPP Agreement—a high-standard agreement between the U.S. and 11 other Asia Pacific countries—is an important element of President Obama's response to illegal logging. **The TPP can help protect one of the most ecologically and economically significant regions of the world;** a region that produces nearly one-quarter of the world's timber and wood products and accounts for 71% of the value of global trade in timber and wood products. TPP partner Peru is home to 13 percent of the world's tropical forests, with over 170 million acres of rainforest. Malaysia is the largest exporter of tropical timber products in the world. And Brunei's forested areas accounted for over 70% of its total land area.

The TPP Agreement includes commitments to:

- **Implement the Convention on International Trade in Endangered Species of Wild Fauna and Flora**, which regulates trade in many timber species, including Big-leaf Mahogany, Spanish Cedar and Ramin, which grows primarily in Southeast Asia.
- **Combat trade in illegally harvested timber**, including species protected under CITES as well as any other species taken or harvested illegally, regardless of its source country.
- **Effectively enforce environmental and conservation laws**, including with respect to timber harvesting. **Illegal logging is, by definition, harvesting that occurs in violation of a nation's laws and, as such**, stepped-up enforcement is necessary to address illegal logging.
- **Implement strong anti-corruption protections.** Bribery and corruption are often key factors in the failure of countries' forest governance schemes.

All of these commitments will be subject to dispute settlement and the application of trade sanctions in the event of violation.

The Bottom Line

The TPP provides a unique opportunity to work together with key timber consuming and exporting countries to reduce deforestation, protect endangered species, promote sustainable forestry and combat illegal logging and associated trade.