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November 23, 2010

Docket No. APHIS-2010-0093  
Regulatory Analysis and Development  
PPD, APHIS  
Station 3A-03.8  
4700 River Road  
Unit 118  
Riverdale, MD 20737-1238

Dear Sir/Madam:

I write on behalf of the International Wood Products Association (IWPA) in response to the request by the Animal and Plant Health Inspection Service (APHIS) for public comment on the Lacey Act Declaration Requirement: Docket No. APHIS-2010-0093).

IWPA welcomes this opportunity to report on the paperwork burden imposed by the Lacey Act declaration on the plants product importer community. IWPA conducted a survey of its membership on the costs – both time and financial – for submitting the documentation required by the declaration. The survey validates the concerns by industry previously expressed with the advent of the declaration. The survey shows the paperwork burden remains a concern for many U.S. importers, especially smaller businesses for which the cumulative costs of compliance are proportionately higher.

Nearly 25 percent of our importing members completed the survey with detailed responses. Sixty-seven percent of respondents pay a fee with each declaration filed. The average cost is \$27 and the most frequently quoted price is \$25. Our members indicate they file 378 declarations on average a year, with the range between 7 – 1500 annual declarations per company. Extrapolating these costs shows the cost of filing the declaration alone is significant; however, the other survey questions detail the magnitude of the Lacey declaration requirement impact on the import industry.

For example, we asked how many of our members have chosen to outsource their brokerage duties solely because of the Lacey Act. Astonishingly, 21% of importers have made this decision. Lacey paperwork is changing the import process overnight and, with an additional stated cost ranging from \$6,000 to \$30,000 for this function.

The preparation time for filling out the first declaration is daunting, averaging 37 hours, as this includes the amount of time spent reaching out to overseas suppliers, educating them on the information needed, and following up on information gaps (e.g. most overseas suppliers initially respond with spp. or common names instead of full genus species descriptors).

Ultimately, the total reported costs of the Lacey declaration, from costs directly associated with each filing and the expanded staffing needed to fulfill the requirements is between \$15,000 and \$150,000 per import company (depending on company size and number of declarations filed). Extrapolating just the direct \$27 average fee per declaration across all import line items covered by the Lacey Act (and not the associated time and staffing overhead) shows the declaration's significant cost.


The information collected for the Plant and Plant Products declaration is almost entirely redundant to what is already required by Customs entry documentation. The only exception may be the country of harvest. However, the majority of solid wood products are not substantially transformed as to invoke the Customs' definition of country of origin so this is also covered in a significant number of instances.

Collecting information for non-solid wood products is more challenging and sometimes impossible. International supply chains are increasing more complex with composite wood product inputs from many countries. The more complex the product, the more difficulty there will be in providing accurate information. Importers will err on the side of caution and will over report any possible sources and species resulting in a data overload for APHIS.

We believe APHIS and Congress will have to consider whether the benefits of information collected in the current format outweighs the costs to small business and the taxpayers. The declaration is predicated on the assumption that it is a step in the due care process that importers must conduct in order to demonstrate due diligence. Our members report that their due care and diligence actions are conducted in spite of the declaration form, not because of it.

Our members understand that filing the declaration form does not lessen their responsibility under Lacey, but they do know it costs them significant time and financial resources. Their hope is that through this Federal Register process APHIS can clearly explain how they are using the declaration requirement to assist in the global fight against illegal logging, a goal we all share.

Sincerely,



Brigid M. Shea  
Manager, Government Affairs