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Committee on Ways and Means  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative:

We are writing to ask your support for an amendment that will be offered by Congressman Doggett when HR 1229 comes up for markup in the Ways and Means Committee. This amendment will close a loophole that exists in our trade laws, one that allows illegal logging to damage both the environment and American industry.

Laws that restrict illegal access to timber exist to prevent the short-sighted destruction of the environment. While the U.S. wood products industry and its workers strive to abide by these laws, and provide the American people and the world with quality products that are produced in a responsible manner, other nations do not hesitate to exploit workers and the environment for short term gain.

Some foreign governments have subsidized their own wood products industry by putting in place forestry programs which allow cheaper access to forests and artificially depress the price of timber. The U.S. has treated some of these programs as a countervailable subsidy. Some governments, however, have exploited a lack of clarity in our trade laws to similarly provide their industry an unfair competitive advantage. Under our current law, it is unclear whether a countervailable subsidy can be found to exist if a government benefits a domestic industry through sustained non-enforcement of basic environmental laws rather than through an overt subsidy program. In order to take advantage of this, many governments have simply put appropriate timber-restriction laws in place, and then systematically looked the other way while they are ignored by industry. This provides the exact same benefit to these foreign industries -- and the exact same

harm to American industry and workers, as well as the environment -- as an overt subsidy program.

Mr. Doggett's amendment would close this loophole by classifying sustained non-enforcement of these laws as an example of one way in which a government may provide a good to industry for less than adequate compensation, and which may then be countervailed against. But the problem does not end there. For downstream industries, such as furniture production, foreign industries also enjoy an unfair competitive advantage over their American counterparts because they exploit access to imports of illegally-logged timber. The amendment would also modify current law to allow that exploitation to be treated as a countervailable subsidy as well.

We ask that you support this amendment, which is right for American industry, for American workers, and for the environment.

Sincerely,



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Carl Pope  
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David Foster  
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