

SUSTAINABILITY UPDATE

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EHS & Sustainability

What is the Lacey Act?

The Lacey Act is a conservation law enacted in 1900. It has been amended several times, most recently in the 2008 Farm Bill. When first passed, its primary intent was to prohibit the transportation of illegally captured or prohibited animals across state lines in response to concerns about illegal commercial hunting. Today, the law is used primarily to prevent trafficking of 'illegal' wildlife, fish or plants into the United States.

Recent Changes to the Act

The 2008 Farm Bill included amendments to the Lacey Act that make it unlawful to transport, sell, acquire or purchase, in interstate or foreign commerce, any plants, with some limited exceptions, taken in violation of the laws of a U.S. state or any foreign law that protects plants. This includes "roots, seeds, parts, and products thereof," and "trees from either natural or planted forest stands." The act seeks to combat illegal logging and prohibit trafficking while protecting the competitiveness of legally harvested trees. Forest products, including paper and packaging imported into the United States, are covered by this act. The only exceptions are for paper packaging for products (not packaging transported as a product) as well as labels.

New Regulations to Implement the Law

New regulations to implement the Lacey Act are being developed by the USDA's Animal and Plant Health Inspection Service (APHIS). The amended law requires product declarations be made to assure compliance with the Act. Declarations will require identification of country of origin, tree species, and quantity of product. Given the wide range of products the Act will affect, a phase-in approach for compliance is being used, beginning with voluntary compliance on December 15, 2008. Full compliance requirements will be phased in beginning April 1, 2009.

Enforcement of declaration requirements for paper and paperboard products was to begin no sooner than September 1, 2010. As of this writing in November 2010, there has been no announcement of a declaration requirement for paper and paperboard products. International Paper will continue to closely monitor its Lacey Act obligations and will update its procedures when full compliance obligations and schedules are announced.

Violations of the Lacey Act may be prosecuted through either civil or criminal enforcement actions. Criminal penalties are tiered into felony and misdemeanor offenses. The Act provides for forfeiture of the products in question upon conviction in both civil and felony cases.

Our Position

International Paper, along with the American Forest & Paper Association, actively endorsed passage of the Lacey Act in keeping with our support for sustainable forestry and legal logging in our operations and around the world. We are also advocating the development of practical and efficient regulations that do not create unreasonable cost or impediments for legal commerce. International Paper believes that illegal logging leads to impoverished communities, undermines the rule of law, destroys forests and watersheds, and unfairly competes with legal production and trade.

International Paper has long-standing policies that are consistent with the Lacey Act objectives to assure that trees are sourced legally. The company has a global certification policy that supports sustainable forest management and adherence to sustainable procurement programs. The Lacey Act provides a rigorous regulatory assurance that trees are legally sourced.

International Paper's response to customer inquiries

Until regulations are developed and required paperwork is available, International Paper will provide a letter of response to customer requests about compliance of our products with the Lacey Act. The letter affirms that International Paper will make formal declarations for products when regulations become effective. Please submit customer requests to the IP Sustainability Team.

All paper supplied by International Paper's US mills meet the standards of the Lacey Act as amended in 2008 and complies with all federal and state laws concerning illegal harvesting of trees. Our virgin fiber procurement system is certified to the ISO 14001 standard and by the end of 2011, all of International Paper's US mills will be certified to Sustainable Forestry Initiative® (SFI®), Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council (FSC) Chain of Custody standards. Our Brazilian mills (Luiz Antonio, Mogi Guacu, Tres Lagoas) are certified to FSC and PEFC/CERFLOR chain of custody and our forestlands are certified to the FSC and PEFC/CERFLOR forest management standard.

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