

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES  
OF WILD FAUNA AND FLORA

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Second meeting of the Mahogany Working Group  
Belem (Brazil), 6-8 October 2003

REPORT ON *SWIETENIA MACROPHYLLA* AS A MAJOR IMPORTER  
(UNITED STATES OF AMERICA)

1. This document has been prepared by the Management Authority of the United States of America.

**INTRODUCTION**

2. This report was prepared by the CITES Management Authority of the United States. The United States is the world's largest importer of *Swietenia macrophylla* (bigleaf mahogany). The report is presented in two major sections. The first section describes technical implementation and enforcement issues that the United States has discovered to be of concern regarding the Appendix-II listing of *S. macrophylla*. The second section describes measures that have been taken by the United States, those planned by the United States, and those that the United States feels are necessary to support its implementation of the Appendix-II listing of *S. macrophylla* as of 15 November 2003.

**National regulations for trade control in *S. macrophylla***

3. CITES is implemented in the United States under the Endangered Species Act (ESA). The regulations that implement CITES under the ESA are in Title 50, Part 23, of the U.S. Code of Federal Regulations (50 CFR 23).
4. The U.S. Fish and Wildlife Service (USFWS) is the primary agency designated under the ESA for implementing CITES in the United States. The USFWS Division of Management Authority (DMA), the U.S. CITES Management Authority, is the office responsible for the issuance of U.S. CITES permits/certificates, including CITES documentation for exports/re-exports of *S. macrophylla* from the United States. DMA is also responsible for compiling the U.S. CITES Annual Report, which includes all U.S. import, export, and re-export.
5. The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) is the agency in the United States responsible for the inspection and clearance of shipments of CITES-listed plant material (including *S. macrophylla*) imported into, and exported/re-exported from the United States. Upon arrival in the United States, each shipment of timber commodities is first inspected by the U.S. Customs Service. If upon inspection Customs determines that a particular timber shipment contains *S. macrophylla* or another CITES-listed timber species, Customs directs that shipment to APHIS for CITES inspection and clearance.
6. A change in the structure of the U.S. Government was made in March 2003 with the creation of the Department of Homeland Security (DHS). The U.S. Congress has given DHS authority to enforce the Endangered Species Act with regard to plants. As a result, DHS is now enforcing CITES at U.S. ports of entry for non-living CITES plant materials such as lumber, veneers, and plywood of bigleaf mahogany.

**Brief analysis of *S. macrophylla* imported into the United States during 2000-2002**

7. Based on U.S. CITES Annual Report trade data, during 2000-2002, the United States imported a total of 230,986 cubic meters of *S. macrophylla* wood (sawn wood and veneer combined) from Latin

America: 82,336 cubic meters in 2000, 85,952 cubic meters in 2001, and 62,698 cubic meters in 2002. During 2000 and 2001, there was a relatively constant overall volume of *S. macrophylla* imported into the United States. In 2002, the overall volume imported into the United States reduced by 27%. Much of this reduction is likely attributable to Brazil's Regulatory Order No. 17, imposed October 22, 2001, that suspended logging, transport, and trade of *S. macrophylla*.

8. About 91% of the total U.S. imports during 2000-2002 were from South America (Peru - 47%, Brazil - 36%, and Bolivia - 8%), with only about 9% coming in from Central America (Nicaragua - 4%, Guatemala - 3%) Belize, Ecuador, Honduras, Mexico, and Panama represents - 2% of the imports combined. The top three countries exporting wood of this species to the United States during 2000-2002 are presented below by year:

2000	Brazil	39,688	cubic meters
	Peru	29,011	cubic meters
	Bolivia	9,144	cubic meters
2001	Brazil	36,471	cubic meters
	Peru	33,963	cubic meters
	Bolivia	5,840	cubic meters
2002	Peru	45,374	cubic meters
	Brazil	6,062	cubic meters
	Bolivia	4,020	cubic meters

9. During 2000 and 2001, there was a relatively constant volume of *S. macrophylla* imported into the United States from Brazil. In 2002, the overall volume imported into the United States from Brazil reduced by 83%. This reduction is due to Brazil's Regulatory Order No. 17, imposed October 22, 2001, that suspended logging, transport, and trade of *S. macrophylla*. The 6,062 cubic meters that were imported into the United States from Brazil in 2002 was wood verified by Brazil to have been legally obtained in Brazil prior to the date of the moratorium. From 2000 to 2003, the volume of *S. macrophylla* imported into the United States from Bolivia decreased substantially; and imports into the United States from Peru increased substantially. The data suggest that the source of a substantial proportion of U.S. imports shifted from Bolivia and Brazil to Peru during this period.

I. Technical implementation and enforcement issues of concern regarding the Appendix-II listing of *S. macrophylla*

*U.S. document on S. macrophylla plywood*

10. At the 12th meeting of the Conference of the Parties (CoP12) in November 2002, the Parties adopted a proposal to list the neotropical populations of *S. macrophylla* in Appendix II. The listing, which becomes effective November 15, 2003, includes logs, sawn wood, veneer sheets, and **plywood**, but not any other parts or derivatives. The neotropical populations of *Swietenia macrophylla* have been listed in CITES Appendix III since Costa Rica listed them on November 16, 1995, with that listing annotated to include logs, sawn wood, and veneer sheets, but not any other parts or derivatives. Bolivia, Brazil, Mexico, Colombia, and Peru subsequently listed their populations in Appendix III as well, with these listings annotated to include the same commodities as Costa Rica's. Plywood is not included in the current Appendix-III listings.
11. The United States has determined that, in order for it and the other Parties to effectively implement the Appendix-II listing of *Swietenia macrophylla* with respect to plywood, it is important for CITES to determine a definition for this commodity, and to ascertain the appropriate World Customs Organization Harmonized System (HS) commodity codes for Parties to apply in describing the commodity. It is also important for CITES to decide on an appropriate unit of measure for *Swietenia macrophylla* plywood. With this in mind the United States submitted a document on this issue for discussion at the 13th meeting of the Plants Committee in August 2003. The Plants Committee endorsed the U.S. document and agreed with the U.S.

recommendation that it be submitted for consideration of the Mahogany Working Group. The United States has submitted the Plants Committee endorsed document for consideration at this Mahogany Working Group meeting.

*Notification to range countries and major importing countries of U.S. plans for its national implementation of the S. macrophylla Appendix-II listing*

12. On September 30, 2003, the United States notified the *S. macrophylla* range countries and major importing countries of its plans for national implementation of the Appendix-II listing, effective on November 15, 2003. As the world's primary importer of neotropical mahogany, the United States has placed a priority on having an implementation and enforcement plan in place prior to November 15 so that legal trade in this species is not disrupted and so that the U.S. timber industry is informed well in advance of the November 15 listing date. In order to help ensure this, the United States has focused on two issues of importance. First, the United States has decided on what types of CITES documentation it will require upon import for shipments of *Swietenia macrophylla* exported to the United States before, on, and after November 15. Second, the United States has decided that it will enforce the Appendix-II listing for *S. macrophylla* plywood based upon the definition and commodity tariff classifications for plywood recognized by the Harmonized System of the World Customs Organization. This definition and the commodity tariff classifications were included in the U.S. document submitted at the 13th meeting of the Plants Committee and endorsed by the Plants Committee, and are also included in the plywood document that the United States submitted for this meeting of the Mahogany Working Group.

*Enforcement issues of concern*

13. Following are brief summaries of issues of concern to the United States with regard to CITES *S. macrophylla* enforcement. These issues can be discussed in Group 2 of this Mahogany Working Group:
- a) *Unendorsed export documents*: The United States continues to observe that a number of export documents accompanying shipments of *S. macrophylla* into the United States are not endorsed by the export inspection officials in the countries of export.
  - b) *Retrospectively issued CITES export permits*: The United States is concerned that many CITES export permits for shipments of *S. macrophylla* are issued after the shipments have departed the exporting country. Therefore, such permits do not comply with Resolution Conf. 12.3.
  - c) *Industry and Management Authority practice of documenting net volume of S. macrophylla traded*: Regarding the trade of *S. macrophylla* sawn wood, U.S. regulatory officials are concerned that the volume figures stated on many CITES export permits may represent less than the actual volume of *S. macrophylla* wood in the shipment. We would like to discuss the possible sources of these discrepancies.
  - d) *Lack of a bill of lading number recorded on the CITES export permit*: In Resolution Conf. 12.3, the Parties are instructed to include a bill of lading number for shipments of CITES timber species on the CITES export permit. U.S. inspection officials have observed that this number is often not recorded on the export permits accompanying shipments of *S. macrophylla*. The bill of lading number printed onto the CITES export permit assists regulatory officials to confirm/determine that the shipment being imported was indeed the same one certified on the CITES export permit.
  - e) *CITES export permits with units of measure other than those agreed upon in the CITES Guidelines for the preparation and submission of annual reports* through Resolution Conf. 12.3: Resolution Conf. 12.3, on permits and certificates, recommends that units of measure on CITES permits conform to those recommended in the CITES Guidelines for the preparation and submission of annual reports (included in CITES Notification to the Parties No. 2002/O22). The Guidelines recommend the following units of measure for timber commodities (except plywood): cubic meters for sawn wood and rotary veneer, and square

meters for sliced veneer. Some countries are not observing these recommendations and record volumes of *S. macrophylla* in board feet for lumber, or square meters for rotary veneer.

- f) [It should be noted that the U.S. document on mahogany plywood recommends that CITES use square meters as the primary unit of measure for plywood, with cubic meters as the backup unit in cases where the square meter measure is unknown. The U.S. would like these recommended units for plywood eventually included in the *Guidelines for the preparation and submission of annual reports.*]

II. Measures taken by the United States, planned, or necessary to support the U.S. implementation of the Appendix-II listing of *S. macrophylla* as of 15 November 2003

*Measures taken at U.S. ports of entry to prepare for the Appendix-II listing of *S. macrophylla**

14. The U.S. Department of Agriculture's APHIS has notified holders of APHIS *S. macrophylla* import permits of the implementation changes that will occur at U.S. ports with the upcoming Appendix-II listing. APHIS has also made presentations to two industry groups (the International Wood Products Association and the Hardwood Plywood and Veneer Association) about the effect of the uplisting of *S. macrophylla* to Appendix II in terms of CITES export permit requirements, especially with regard to plywood. APHIS has informed U.S. port inspectors of the change for *S. macrophylla* from Appendix III to Appendix II and is the process of amending the manual used by the APHIS port inspectors in this regard.

*Steps that the United States has taken and plans to take to prepare to implement the Appendix-II listing of *S. macrophylla* on November 15, 2003*

15. – The United States provided the majority of the funding for this meeting of Mahogany Working Group, contributing a total of USD 70,000, as well as providing funds approved by the ITTO in support of the meeting.
16. – Service has provided an informational packet to more than 350 U.S. mahogany importers and re-exporters on implementation of the Appendix-II listing.
17. – The United States worked with the International Wood Products Association (IWPA) and the Hardwood, Plywood and Veneer Association (HPVA) to develop the U.S. interim definition of *S. macrophylla* plywood.
18. – The United States provided *S. macrophylla* range countries with its document on the U.S. interim definition of mahogany plywood.
19. – The United States submitted a document on *S. macrophylla* plywood for consideration at the 13th meeting of the Plants Committee. This document, which was endorsed by the Plants Committee, proposes that the CITES Parties adopt the World Customs Organization's recognized definition of plywood to define mahogany plywood under CITES.
20. – The United States submitted the Plants Committee endorsed document on *S. macrophylla* plywood for consideration at this meeting of the Mahogany Working Group.
21. – The United States is finalizing a timber-specific page on its CITES Website.
22. – The United States is finalizing a factsheet on implementation of the Appendix-II listing for *S. macrophylla*.
23. – USDA/APHIS attended an IWPA meeting in March 2003 and an HPVA meeting in September 2003 to discuss implementation of the Appendix-II listing for *S. macrophylla*.
24. – The United States has sent a letter to *S. macrophylla* range countries and major importing countries informing them of the U.S. interim policy regarding acceptance of CITES *S.*

*macrophylla* documents before, on, and after November 15, 2003, and the U.S. interim policy regarding *S. macrophylla* plywood.

25. – The United States is finalizing a letter to U.S. *S. macrophylla* importers and re-exporters informing them of the U.S. interim policy described in the above bullet.

*The President's initiative against illegal logging*

26. International trade in illegally harvested timber results in annual losses of USD 10-15 billion worldwide (World Bank source). In response to a Presidential request (February 2002) the State Department developed a new initiative to help developing countries combat illegal logging, the sale (including for exports) of illegally harvested timber products, and corruption in the forest sector.
28. The initiative will focus on three critical regions: Congo Basin, Amazon Basin/Central America, and South/South East Asia. It will emphasize diplomatic initiatives and projects through four key strategies, (1) building institutional capacity to establish and strengthen legal regimens and law enforcement to reduce illegal logging, (2) enhancing community involvement in forest governance and related wildlife issues, (3) developing monitoring systems and in-country capacity to monitor forest activity and compliance with logging laws, and (4) promoting good business practices, transparent markets and legal trade. In addition to a U.S. Government investment of USD 14.9 million (FY2003) to support a set of initial actions, the U.S. Government will work in collaboration with partner governments, NGO's and the private sector on implementing the above strategies to reduce illegal logging. Actions in the Amazon Basin and Central America will focus on, among other things, supporting compliance with the new CITES Appendix-II listing of *S. macrophylla*.