

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

Third meeting of the Mahogany Working Group
Lima (Peru), 29 June – 1 July, 2006

U.S. Report on *Swietenia macrophylla*

This report is presented by the United States as a major importer of bigleaf mahogany.

Introduction

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 of concern to the United States regarding the Appendix-II listing of *S. macrophylla*. The second section describes measures taken by the United States to ensure that trade in *S. macrophylla* is consistent with Convention standards.

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

CITES is implemented in the United States under the Endangered Species Act (ESA). The regulations implementing CITES can be found in Title 50, Part 23, of the U.S. Code of Federal Regulations (50 CFR 23).

The U.S. Fish and Wildlife Service (FWS) is the primary agency designated under the ESA to implement CITES in the United States. The FWS Division of Management Authority (DMA), the U.S. CITES Management Authority, is the office responsible for issuing U.S. CITES permits/certificates, including CITES documentation for exports/re-exports of *S. macrophylla*. DMA is also responsible for compiling the U.S. CITES Annual Report, which includes all U.S. import, export, and re-export data for *S. macrophylla*.

The U.S. Department of Homeland Security, Customs and Border Protection (CBP) is responsible for inspecting and clearing shipments of non-living CITES-listed plant material (including lumber, veneer, and plywood of *S. macrophylla*) imported into the United States. The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) is responsible for the inspection and clearance of all CITES-listed plant material, living and non-living, exported and re-exported from the United States.

- *Brief analysis of S. macrophylla imported into the United States during 2003-2005*

Based on U.S. CITES Annual Report trade data, during 2003-2005, the United States

imported a total of 133,341 cubic meters of *S. macrophylla* wood (sawn wood and veneer combined): 59,809 cubic meters in 2003, 37,828 cubic meters in 2004, and 35,704 cubic meters in 2005. In 2004, the overall volume imported into the United States was 37% less than the 2003 volume, and in 2005, the overall volume imported was 6% less than the 2004 volume.

About 83.2% of the total U.S. imports during 2003-2005 were from South America (Peru – 58.9%, Bolivia – 17.3%, Brazil – 6.8%, and Ecuador – 0.2%), with about 16.8% coming in from Central America (Nicaragua – 7.4%, Guatemala – 6.7%, Belize – 1.9%, and Honduras, Mexico, and Panama – 0.8% combined). The top five countries exporting wood of this species directly to the United States during 2003-2005 are presented below by year:

2003 - Peru	33,308 cubic meters
Bolivia	8,636 cubic meters
Brazil	6,374 cubic meters
Nicaragua	3,837 cubic meters
Guatemala	3,558 cubic meters
2004 - Peru	21,162 cubic meters
Bolivia	8,580 cubic meters
Brazil	2,515 cubic meters
Nicaragua	2,270 cubic meters
Guatemala	2,257 cubic meters
2005 - Peru	22,031 cubic meters
Bolivia	5,848 cubic meters
Nicaragua	3,815 cubic meters
Guatemala	3,096 cubic meters
Belize	407 cubic meters

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

- *Difficulty for U.S. inspections authorities in matching foreign CITES permits with their associated shipments of mahogany wood*

U.S. inspection authorities at ports of entry frequently experience a recurring problem matching foreign CITES mahogany export permits with the actual shipments of bigleaf mahogany for which the documents were issued. Ships arriving at U.S. ports of entry from mahogany range countries often carry two or more separate mahogany shipments on board. When CITES permits authorizing such shipments are presented to the U.S. inspectors for clearance, these permits usually do not include the export bill of lading numbers (which if included, would link the permits to their appropriate shipments). Without the export bill of lading numbers on the permits, the only information on their face providing any link between them and the mahogany shipments they were issued to authorize is the name of the consignee, and that link breaks down in cases when two or more separate shipments consigned to the same company/individual are on board the same vessel. Therefore, when

bill of lading numbers are not included on CITES permits for mahogany shipments entering the United States, U.S. inspectors often have great difficulty in matching the permits with their appropriate shipments. This has sometimes resulted in shipments being refused entry, seized, or detained while the United States obtained further information from the Management Authorities of the exporting countries.

On March 3, 2006, the United States sent a letter to the CITES Secretariat seeking its advice and guidance in finding an appropriate means to address and solve this problem. The Secretariat responded with a letter on March 24, 2006, pointing out that the problem described by the United States was actually part of the bigger issue of the “chain of custody,” methods to track and identify legally-obtained timber from its point of first logging to its eventual delivery to the consumer. The Secretariat informed us that it is in the process of developing a project, to be conducted in cooperation with the International Tropical Timber Organization (ITTO), where the subject of “chain of custody” will be an important element. The Secretariat also informed us that it believed that the issue of “chain of custody” would be an appropriate issue to discuss at the MWG meeting. The Secretariat recommended that the United States report to the MWG at its June-July 2006 meeting on its recurring problem matching foreign CITES mahogany permits with the shipments of mahogany they were issued to authorize.

- *Other enforcement issues of concern*

Following are brief summaries of issues of concern to the United States with regard to CITES *S. macrophylla* enforcement:

- *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.
- *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 (Rev. CoP13).
- *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 note that there are infrequent small discrepancies between rough cut volumes and finished volumes. This is due to a traditional industry practice that occurs when the exporter records the net volume for finished product, rather than the total volume of the rough cut lumber. In some cases, this results in a slightly larger actual volume than recorded on the permit.

II. Measures taken by the United States to ensure trade in *S. macrophylla* consistent with Convention standards

- *U.S. consultation with Peru to assist them in implementing their export quota for mahogany*

As the largest importer of mahogany, the United States has implemented a number of measures to support implementation of the Appendix-II listing by range countries for the species. Beginning in 2005, Peru established a yearly export quota for mahogany. In support of that action, the United States closely monitored the volume of mahogany coming into the country from Peru in 2005 and regularly communicated to the Peruvian CITES Management Authority the total volume of wood imported to date in that year. The United States continues this process in 2006 in relation to Peru's mahogany export quota for 2006. Providing this information to Peru on a regular basis reminds Peru of the total volume of mahogany wood they are exporting to the United States and allows them the opportunity to stop issuing additional permits if the volumes exported approach the quota they have set.

- *President's Initiative Against Illegal Logging (PIAIL)*

In July 2002, at the request of President Bush, Secretary of State Colin Powell launched the President's Initiative Against Illegal Logging (PIAIL) as a framework for action to assist developing countries to combat illegal logging, the sale and export of illegally harvested timber, and corruption in the forest sector. In its initial phase (2002-2006), the PIAIL focused on actions in the Congo Basin, Amazon Basin-Central America and South-Southeast Asia, as well as on global actions. The Initiative has emphasized identifying and reducing threats to protected areas and other high value conservation forests from illegal logging through four key strategies:

- Good Governance - Building country capacity to establish and strengthen legal regimes and enforcement of laws affecting forest management, especially those aimed at illegal logging;
- Community-Based Actions - Enhancing community involvement in forest governance and related wildlife issues;
- Technology Transfer - Developing integrated monitoring systems and building in-country capacity to monitor forest conditions and activities and compliance with laws, including using remote sensing and ground-based technologies to monitor changes in forest conditions; and
- Harnessing Market Forces - Promoting good business practices, transparent markets, and legal trade, including in-country capacity to implement obligations under the CITES.

Under the framework of the PIAIL, the United States undertook or supported the following activities to support effective implementation of the Appendix-II listing of *S. macrophylla*:

- a) **Training in Central America.** The United States provided financial support for national workshops in Costa Rica, Honduras, Guatemala, and Mexico to train local CITES authorities in the permitting requirements and identification of bigleaf mahogany in

Central America. Additionally, the United States supported a workshop in Nicaragua on implementation of the mahogany listing.

- b) **Training in Brazil.** The United States provided funds for a workshop in Brazil on bigleaf mahogany trade in the Amazon.
- c) **Mahogany Working Group.** The United States provided funding for both the Second Meeting of the CITES Mahogany Working Group (Belem, Brazil, October 2003) and the Third Meeting of the CITES Mahogany Working Group (Lima, Peru, June 2006).
- d) **Workshop on capacity building to implement the CITES Appendix-II listing of bigleaf mahogany (*Swietenia macrophylla*) in Pucallpa, Peru, May 18-21, 2004.** The United States took the lead in ITTO in developing this activity, providing funding and leveraging funding from other ITTO donors (Japan and Switzerland). The United States also provided funding for follow-up work, including publication and printing of the Pucallpa report to ensure that it was available in time to be distributed at CITES CoP13. The workshop brought together stakeholders – government, industry and civil society – in a systematic effort to identify cooperative strategies for implementing Appendix-II requirements and to move the region’s three principal producers of mahogany timber (Bolivia, Brazil, and Peru) toward sustainable forest management.
- e) **Workshop on industry contribution to forest governance, Panama, January 12-14, 2005.** In cooperation with the International Wood Products Association (IWPA), the United States provided financial support for a workshop to develop industry supported actions that contribute to effective forest governance. Industry, trade associations and NGOs exchanged information and discussed practical approaches. Workshop participants from bigleaf mahogany (*Swietenia macrophylla*) range States (Bolivia, Brazil, and Peru) discussed efforts to develop an industry-wide voluntary code of conduct for assuring that timber and timber products are only marketed from legally-sourced and sustainably-managed forest areas.
- f) **Assistance with forest inspections.** Through the Tropical Forest Conservation Fund, the United States is supporting increased inspections in forest concessions that have mahogany (in the Madre de Dios and Ucayali regions of Peru) to verify compliance with sustainable forest management as mandated by Peruvian Law. A number of inspections have already been undertaken and preliminary results indicate that some concessions will be cancelled for not complying with the law.
- g) **Strengthening Peruvian CITES Management Authority.** The United States has provided support to strengthen Peru’s CITES Management Authority (INRENA) to implement the Appendix-II listing of bigleaf mahogany. This multi-year effort is part of the US-funded CEDEFOR Project that is implemented by WWF. Specific activities include strengthening INRENA’s capacity to review forest management and harvest plans submitted by the forest concessions, with an emphasis on the mahogany regions (Madre de Dios and Ucayali).

- h) **Strengthening Peruvian CITES Scientific Authority.** The United States assisted in the development of an ITTO-funded project whose primary objective is to strengthen Peru's CITES Scientific Authority for forest species (the National Agrarian University - La Molina). Along with other ITTO donors (Japan), the United States also provided financial support for this effort.
- i) **Follow-up to Pucallpa Workshop.** In November, 2004 the ITTO Council approved, and the United States provided funding for, further CITES-related work to build capacity for both ramin and mahogany. This will be implemented in cooperation with the CITES Secretariat and, in the case of mahogany, to specifically follow-up on the Pucallpa, Peru workshop.
- j) **Training in sustainable forest management for forest concessionaires.** The United States is supporting training in sustainable forest management for forest concessionaires in Peru. Working through Fundação Floresta Tropical (FFT) and others, a training program focused on reduced impact logging activities such as forest harvest inventory, planning, directional felling and safety has been developed. After successful demonstration of training courses, FFT and other partners are developing a more extensive program that will deliver additional training in sustainable forest management activities including strategic planning for forest roads.
- k) **Expanded ITTO Work Program: Capacity building and increased cooperation between ITTO and CITES.** In November 2005, the United States and other ITTO members approved a new biennial program of work that includes a significant expansion of ITTO's CITES-related activities. Building on ITTO's work over the period 2003-2005, this will include activities in key range States throughout the tropics and will focus on tropical timber species currently listed in CITES Appendix II. The United States has provided financial support to launch this effort. Specific activities will be identified in consultation with relevant authorities in each country and are expected to include: developing inventory plans, management and silvicultural prescriptions, as required, for CITES-listed species; implementing pilot log tracking schemes for CITES-listed species; training Customs and other relevant officials, including CITES Management and Scientific Authorities; developing guidelines/handbooks on management, monitoring and control procedures (including making non-detriment findings) for CITES-listed timber species; developing and conducting regional workshops to facilitate exchange of experiences among range States; and developing and making recommendations through existing CITES (*e.g.*, MWG) and ITTO processes and bodies.