

**Appendix D. Risk Assessment.**

**Date of Risk Assessment: 09/17/2009 (reviewed 4/10/2012, reviewed/updated 3/1/2013, reviewed/updated 1/7/2014, 8/4/2014, 2/18/2015, 11/16/2015, 5/17/2016, 1/27/2017, 2/15/2017, 4/3/2017)**

**Country and District of Origin: USA – All States East of and adjacent to the Mississippi River (31 states). States included in this**

**District of Origin include:** Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin

<b>Certificate Holder</b>	Indiana Division of Forestry	<b>Certification Body</b>	SCS Global Services 2000 Powell Street, Suite 600 Emeryville, CA 94608
<b>FSC CW Certificate Code</b>	SCS-CW-002041	<b>Date of CB Approval</b>	February 20, 2017
<b>Date of Risk Assessment</b>	09/17/2009		
<b>Certificate Holder Address</b>	Indiana Division of Forestry 402 W. Washington, Room W-296 Indianapolis, IN 46204	<b>Title</b>	FSC Controlled Wood Assessment Summary for Indiana Division of Forestry

<p><b>1. Illegally Harvested Wood</b> The district of origin may be considered low risk in relation to illegal harvesting when <u>all</u> the following indicators related</p>	<p><b>Findings and Resources</b></p>	<p><b>Resulting Level of Risk</b></p>
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to forest governance are present:		
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<p>1.1 Evidence of enforcement of logging related laws in the district.</p>	<p>1. American Hardwood Export Council (AHEC) Legality Study: (An Assessment of Risk: Legality &amp; Sustainability of US Hardwood Exports). The AHEC recently commissioned an assessment of illegal logging in the hardwood producing areas of United States. The study area includes all states east of and adjacent to the Mississippi River and Oregon and Washington. This report reports that the study area is determined to be LOW RISK for illegally harvested wood. The report is available from AHEC. The assessment conducted by Seneca Creek Associates and the FSC Risk Register confirm that all US hardwood producing regions are low risk of illegal supply.</p> <p><a href="http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf">http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf</a>  Data on the geographic distribution of hardwood species in the US is readily accessible from the US Forest Service Tree Atlas: <a href="http://www.nrs.fs.fed.us/atlas/tree/tree_atlas.html">www.nrs.fs.fed.us/atlas/tree/tree_atlas.html</a></p> <p>There have been international assessments of illegal logging from the World Wildlife Fund (WWF), Seneca Creek Associates, and Wood Resources International. These organizations have identified the areas where they have evidence of systematic illegal logging. These areas do not include the U.S. or Canada. In addition, the U.S. and Canada score high in measures of good governance such as offered by Transparency International and the World Bank. See <a href="http://www.worldbank.org/wbi/governance/data">http://www.worldbank.org/wbi/governance/data</a> for good governance data compiled by the World bank and <a href="http://www.transparency.org/policy_research/surveys_indices/cpi">http://www.transparency.org/policy_research/surveys_indices/cpi</a> for Transparency International indices.</p> <p>It is arguable that illegal logging is a problem in the United States. However, when compared to the global situation, relatively, illegal logging in this country is of such small magnitude or frequency that it cannot be considered to be systematic in any areas of the U.S. In addition, any illegal logging that does occur is often prosecuted or the rightful owner has means to remedy the situation.</p> <p>2. <a href="http://www.illegal-logging.org">www.illegal-logging.org</a> provides no evidence of anything affecting the Eastern USA sourcing area.</p> <p>3. <a href="http://www.in.gov/dnr/forestry/files/fo-timber-harvest.pdf">http://www.in.gov/dnr/forestry/files/fo-timber-harvest.pdf</a> on the Indiana Division of Forestry website summarizes legally harvested timber within the state of Indiana and reports that a negligible amount (0.04%) was illegally acquired during the previous 5-year period; the document further describes the state laws that apply. All other states within the region have laws affecting illegal harvest of timber with low rates of illegal acquisition. The Licensed Timber Buyers, or LTB Program was created in 1972 to administer and coordinate the Indiana Timber Buyer Licensing Law (I.C. 25-36.5). The law, sponsored by the forest products industry, was created to reduce the amount of timber theft occurring in the state.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
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<p>1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.</p>	<p>The Lacey Act (originally enacted in 1900) recently amended May 22, 2008, with the Food, Conservation, and Energy Act of 2008. This amendment expanded its protection to a broader range of plants and plant products including logging. The Lacey Act makes it unlawful to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce any plant in violation of the laws of the United States, a State, an Indian tribe, or any foreign law that protects plants. The Lacey Act prohibits all trade in plant and plant products (e.g., furniture, paper, or lumber) that are illegally sourced from any U.S. state or any foreign country, requires importers to declare the country of origin of harvest and species name of all plants contained in their products, and establishes penalties for violation of the Act.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.</p>	<ol style="list-style-type: none"> <li>1. <a href="http://www.panda.org">www.panda.org</a> reports no instances of illegal logging within the USA.</li> <li>2. <a href="http://www.eldis.org">www.eldis.org</a> provides no evidence of illegal harvesting within the USA.</li> <li>3. Most states have laws related to illegal harvesting and penalties. For example, Indiana (<a href="http://www.in.gov/dnr/forestry/files/fo-timber-harvest.pdf">http://www.in.gov/dnr/forestry/files/fo-timber-harvest.pdf</a>) reports that only 0.04% of timber within the state was illegally acquired, a majority of which are accidental problems that are settled between parties.</li> <li>4. The Seneca Creek study demonstrates there is less than a 1% risk of illegal wood entering the U.S. hardwood supply chain and that hardwood of U.S. origin is low risk against all 5 Controlled Wood risk categories. Seneca Creek study is at: <a href="http://www.americanhardwood.org/sustainability/sustainableforestry/seneca-creek-study/ap">www.americanhardwood.org/sustainability/sustainableforestry/seneca-creek-study/ap</a></li> <li>5. FSC Global Risk Register concludes that the U.S. is low risk against all 4 FSC Controlled Wood criteria established for legality  FSC Global Risk Register is at: <a href="http://www.globalforestryregistry.org/m">www.globalforestryregistry.org/m</a></li> </ol>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</p>	<p>AHEC Legality Study concluded that that wood procured in this area can be considered Low Risk to threat to legality, based on the determination that there is no reported systematic illegal logging reported in this area and regulatory processes have been found to be highly effective.</p> <p>According to Transparency International CPI for the United States is 7,3 out of ten (higher score indicates less corruption). According to FSC countries with CPI below 5 can not be considered as low risk in relation to this indicator.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

<p><b>2. Wood harvested in violation of traditional or civil rights</b> The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when <u>all</u> the following indicators are present:</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>
<p>2.1 There is no UN Security Council ban on timber exports from the country concerned.</p>	<p>1. <a href="http://www.un.org/Docs/sc/unsc_resolutions07.htm">http://www.un.org/Docs/sc/unsc_resolutions07.htm</a> address numerous countries around the world with no relevance to this area. 2. The AHEC Legality Study reports no bans on timber exports from this area. 3. <a href="http://www.globalwitness.org/">http://www.globalwitness.org/</a> reports no issue relative to this area</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk</p>
<p>2.2 The country or district is not designated a source of conflict timber (E.g USAID Type 1 conflict timber).</p>	<p>1. <a href="http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/pubs/vol1synth.pdf">http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/pubs/vol1synth.pdf</a> relates to conflict timber in Asia and Africa and does not apply to this area. 2. The entire USA does not comply as a designated source of conflict timber.</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk</p>
<p>2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.</p>	<p>The USA has comprehensive laws prohibiting the use of child labor or violation of worker rights.</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk</p>
<p>2.4 There are</p>	<p>1. <a href="http://www.fscus.org">www.fscus.org</a> confirms that the USA has federal and state laws that preclude such violations and</p>	<p><input checked="" type="checkbox"/> Low Risk</p>

<p>recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned.</p>	<p>there are recognized and effective practices in place to resolve conflicts over traditional and cultural use rights.  2. The AHEC legality study concludes that wood procured in this area can be considered Low Risk of violating traditional and civil rights. There are recognized and equitable processes in place to resolve conflicts of substantial magnitude.</p>	<input type="checkbox"/> Unspecified Risk
<p>2.5 There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.</p>	<p><a href="http://www.fscus.org">www.fscus.org</a> – ILO Fundamental Principles and rights at work are generally respected in the USA.</p>	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk
<p><b>3. Wood harvested from forest in which high conservation values are threatened by management activities</b>  The district of origin may be considered low risk in relation to threat to high conservation values if:</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>

<p>a) indicator 3.1 is met; <b>or</b>  b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1.</p>		
<p>3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten ecoregionally significant high conservation values.  <b>OR</b></p>	<p>1. A risk assessment study <a href="http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf">http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf</a> (Section 12.5) completed by Seneca Creek LLC, commissioned by the American Hardwood Export Council (AHEC), of the hardwood producing areas covered the Appalachian Mixed Mesophytic forests (NA0402), Southern Great Lakes forests (NA0414), and Central US Hardwood forests (NA0404), of the United States. All of these eco-regions cover the state of Indiana as well as all other supplier states within our FSC COC group membership. Another risk assessment study, commissioned by the American Hardwood Export Council (AHEC), of the hardwood producing areas covered the Appalachian Mixed Mesophytic forests (NA0402), Southern Great Lakes forests (NA0414), and Central US Hardwood forests (NA0404), of the United States. All of these eco-regions cover the state of Kentucky. Both reports concluded that forest products harvested within the study area are low risk for threat to HCVF.</p> <p>The Group Entity assessed the updated websites for any evidence of Intact Forests within the company's districts of origin (<a href="http://www.intactforests.org">www.intactforests.org</a>). There are no Green Shaded forests in the district of origin where the Indiana FSC COC group procures its wood. Also assessed was the updated website for other evidence of eco-regionally significant high conservation values. The National Geographic website did not contain information on intact forests, Biodiversity Hotspots, Frontier Forests or any other information on forests under threat within the districts of origin. (<a href="http://www.nationalgeographic.com">http://www.nationalgeographic.com</a>). The Group Entity also assessed the Global Forest Watch Frontier Forest website and found no Frontier Forests to be present within the company's districts of origin. (<a href="http://ims.missouri.edu/gfw/common/html/viewer.htm?MAP=namerica&amp;DATA LIST=,world30,cntry_3m,cntry_3m2,frontier">http://ims.missouri.edu/gfw/common/html/viewer.htm?MAP=namerica&amp;DATA LIST=,world30,cntry_3m,cntry_3m2,frontier</a>)</p> <p>With public attention focusing on water and the protection of riparian areas or streamside management zones, the fact is that the forestry community's BMP implementation rate for streamside management zones is 95%, with 99.1% of SMZ acres in full compliance with BMPs. Forest owners continue to do an excellent job of protecting these sensitive areas. In addition, with a 95% overall</p>	<p>Low Risk  XUnspecified Risk</p>

	<p>statewide BMP implementation rate, and with 99.8 % of those acres in compliance with BMPs, forest operators as a whole are doing a very good job of implementing forestry BMPs. In conclusion, we believe that a strong system of forest protection is in place in the U.S. All States from which the FSC COC group sources wood fiber have Best Management Practices for the protection of water quality and beneficial uses as well as threatened and endangered species laws and protections to ensure that conservation values are not threatened.</p>	
<p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p>	<p>Federal and state laws provide a strong system to ensure the survival of HCVFs with the eco-regions listed above. Those laws include, but are not limited to: Clean Water Act, Endangered Species Act, National Historic Preservation Act, and Resource Conservation and Recovery Act. Also the forest areas which are located in National Parks and National Forest Wilderness Areas are considered as being relatively well protected.</p> <p>H. RES. 81, passed on September 15, 2009, by the U.S. House of Representatives recognizes the importance and sustainability of the United States hardwoods industry. In this resolution, the House of Representatives recognizes that United States hardwoods are an abundant, sustainable, and legal resource under the United States rule of law; and urges that United States hardwoods and products derived from United States hardwoods should be given full consideration in any program directed at constructing environmentally preferable commercial, public, or private buildings.</p> <p>The United States has a system of good governance regarding enforcing penalties for illegal harvesting and protecting civil rights and traditional rights, and based on research conducted for this procedures manual, there are no significant threats to HCVFs in the FSC COC member's procurement areas.</p> <p>We have determined that a strong system of protection areas is in place, as demonstrated through a high rating (&gt;75% for the United States) in the World Bank "rule of law" index (<a href="http://www.govindicators.org">www.govindicators.org</a>) that ensures the survival of any HCVFs that may be identified in the ecoregions. Therefore, none of the forests within the lumber supply area of our FSC COC members are considered "threatened."</p> <p>1. The U.S. States locations where members of our FSC COC group procures wood have strong regulations and systems for protection addressing threatened and endangered species and HCV areas. The states within the wood and fiber supply area have extensive protected areas and conservation reserves that serve to ensure the survival of HCVs across the eco-region. Some areas included as "low risk" in the Risk Assessment overlap with regions of "unspecified risk" for HCVF according to the Global Forest Registry <a href="http://www.globalforestregistry.org/map">www.globalforestregistry.org/map</a> "Category: HCVF" and "Layer:Objects". One way that compliance with Indicator 3.2 is demonstrated is the effectiveness of a country's law enforcement using the World Bank's "Rule of Law" index, specifically that countries with a score above 75 percentile indicates effective law enforcement. The United States has a "Rule of Law" percentile rank of 90-100, which indicates effective law enforcement in both countries.</p> <p><a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>



The United States and Province Ontario have extensive laws and regulations to protect water quality and provide natural areas for the protection of native biodiversity. Those State and provincial laws and regulations are accessible through the state agency websites including: (State Forestry & Conservation Laws). In Ontario private land <https://www.mffp.gouv.qc.ca/forets/privees/privees-agences.jsp> and on public land [http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=%2F%2FA\\_18\\_1%2FA18\\_1R7\\_A.htm](http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=%2F%2FA_18_1%2FA18_1R7_A.htm). The U.S. and Canada have excellent data about protected open space that is critical for conservation and land use planning, decisions about acquiring lands or easements, access to recreation opportunities, program evaluation and much more. While there has been significant progress inventorying federal, state, local and non-governmental holdings of open lands, the US still needs improvements that will capture all protected areas and key data about them, and do so reliably, year after year - an ongoing Protected Areas Database of the United States (PAD-US). The US Protected Area Database contains information about protected lands that was published in April 2009: (<http://protectedlands.net/data/>).

In addition to parks and reserve areas, other public lands provide considerable conservation values. Federal agencies in the U.S. are required by Section 7 of the Endangered Species Act to protect and recover listed species. Habitat Conservation Plans are required for any potential "taking" of T&E species on public and private lands. Private conservation efforts such as easements, private reserves and protected areas by the Nature Conservancy, the Trust for Public Lands and other land trusts are active in identifying HCVs and taking steps to purchase and/or protect them through easements. The Group Entity has therefore concluded that in spite of a Global Risk Registry (Draft prepared by NEPCon, for guidance only) designation of "Unspecified Risk" for certain areas of the U.S. in terms of High Conservation Values, the Eco-regions from which members of our FSC COC group sources its wood are considered "low risk" of significant threat to High Conservation Values. The Risk Registry is a broad tool and, as a precaution, designates much of the entire North American Continent as "Unspecified." <http://www.globalforestregistry.org/map>

2. <http://www.worldwildlife.org/science/ecoregions/WWFBinaryitem4810.pdf> identifies two forested eco-regions within this area that are listed as vulnerable or critical or endangered. The Appalachian Mixed Mesophytic is listed as vulnerable; the Southeastern Coniferous and Broadleaf forest is listed as Critical or Endangered. All states within these two eco-regions have extensive programs to identify and protect biodiversity hotspots or nature preserves to assure continued survival; an extensive system of national forests and wildlife preserves protects thousands of acres; NGOs such as The Nature Conservancy have additional systems of Nature Preserves. With the level of detection and preservation within this area, there is little risk to high conservation values.

3. The Nature Serve network (<http://www.natureserve.org/visitLocal/index.jsp>) includes member programs operating in all 50 U. S. states as well as Canada and many other countries around the world. The Indiana Department of Natural Resources, as an example, has an active nature preserves

program <http://www.in.gov/dnr/naturepreserve/4746.htm>. The Indiana Natural Heritage Data Center, established in 1978, represents a comprehensive attempt to determine the state's most significant natural areas through an extensive statewide inventory. It is part of the Natural Heritage Network, a worldwide system of Heritage Programs lead by [NatureServe](#). Indiana has an exceptionally diverse selection of natural habitats, which in turn supports high species diversity. To assure adequate methods for evaluating this information and setting sound land protection priorities the program is designed to provide information about:

- Natural ecosystems
- Species
- Landscape features

The Heritage database contains more than 1,000 records of federally endangered species; more than 12,000 records of state-listed species, and more than 1,300 records of high-quality natural communities. It also has records for more than 700 significant natural areas in the state. Indiana code 14-31-1 provides that areas of unusual natural significance be set aside and preserved for the benefit of present and future generations.

4. Federal and state laws provide a strong system to ensure the survival of HCVFs with the eco-regions listed above. Those laws include, but are not limited to: Clean Water Act, Endangered Species Act, National Historic Preservation Act, and Resource Conservation and Recovery Act. Also the forest areas which are located in National Parks and National Forest Wilderness Areas are considered as being relatively well protected.

5. The Highlands Conservation Act ([https://www.na.fs.fed.us/highlands/con\\_act/](https://www.na.fs.fed.us/highlands/con_act/)), signed by President Bush on 11/30/04, is designed to assist Connecticut, New Jersey, New York and Pennsylvania in conserving land and natural resources in the Highlands region through federal assistance for land conservation projects in which a state entity acquires land or an interest in land from a willing seller to permanently protect resources of high conservation value. The NY Natural Heritage Program facilitates the conservation of New York's biodiversity by providing comprehensive information and scientific expertise on rare species and natural ecosystems to resource managers and other conservation partners. The following conservation guides are designed to help land managers, decision-makers, planners, scientists, consultants, and the interested public better understand the rare species and natural communities that characterize New York. Funding from the [Hudson River Estuary Program](#) made the initial development of these guides possible. <http://www.acris.nynhp.org/>

6. National Priorities Section, State of Ohio 2015. The Ohio Statewide Forest Resource Strategy lays out the key issues facing Ohio's forests. Each issue is then addressed with Statewide Objectives and Strategies. Matrices are included in Statewide Forest Resource Strategy showing which of the three

National Priorities and Objectives are addressed by each Statewide Strategy. Work accomplished on these Statewide Strategies is highlighted in the following section.

<http://stateforesters.org/sites/default/files/publication-documents/Ohio%20National%20Priorities.pdf>.

Ohio's High Conservation Value Forest Assessment. The purpose of this assessment document is to describe the steps taken by the Ohio DNR – Division of Forestry to assess the presence of High Conservation Value Forests (HCVF), as defined by FSC, on state forests and to present the results of the consultative process as well as the data analysis.

<http://forestry.ohiodnr.gov/portals/forestry/pdfs/certification/HCVFassessment.pdf> An RSA assessment was completed in Ohio that covers all forests in Ohio

<http://forestry.ohiodnr.gov/portals/forestry/pdfs/certification/RSAAssessment.pdf>

The purpose of this assessment is to describe the steps taken by the Ohio DNR-Division of Forestry to assess the adequacy of representation and protection of ecosystems that would naturally occur on state forests in the landscape. These areas known as Representative Sample Areas (RSA's) serve one or more of three purposes:

1. To establish and/or maintain ecological reference conditions; or
2. To create or maintain an under-represented ecological condition (i.e. includes samples of successional phases, forest types, ecosystems, and/or ecological communities) or
3. To serve as a set of protected areas for species, communities and community types in order to prevent common ecosystems or components from becoming rare.

7. Managing & Monitoring Pennsylvania's High Conservation Value Forests

[http://www.dcnr.state.pa.us/cs/groups/public/documents/document/DCNR\\_008441.pdf](http://www.dcnr.state.pa.us/cs/groups/public/documents/document/DCNR_008441.pdf).

**Pennsylvania Department of Conservation and Natural Resources Bureau of Forestry-2011**

**High Conservation value Forests Analysis and Identification** - Pennsylvania is fortunate to have 2.2 million acres of publicly-owned State Forest lands (SFL). These lands provide countless benefits and services to society, including clean air and water, recreation opportunities, wood products, and habitats for thousands of plants and animals. The Department of Conservation & Natural Resources (DCNR), Bureau of Forestry (BOF) manages State Forest lands for these resources. Management decisions, both policy and on-the-ground, are guided by many sources of information including laws and regulations; public input; the State Forest Resource Management Plan (SFRMP); leases and agreements; and guidelines and procedures.

Pennsylvania state forests are also certified by the [Rainforest Alliance](#) under the [Forest Stewardship Council](#)<sup>™</sup> (FSC) standards. The FSC<sup>®</sup> is an independent organization supporting environmentally appropriate, socially beneficial, and economically viable management of the world's forests. Timber harvested from Pennsylvania's state forests is FSC<sup>®</sup> certified. This ensures that the chain-of-custody from the forestland to the mill can be continued and that products are coming from forests managed in an environmentally responsible manner.

FSC *certification* prioritizes the protection of particularly valuable forest ecosystems. FSC introduced

	<p>the concept of High Conservation Value Forests (HCVF) to ensure identification and proper management of forest areas with exceptional conservation value. This HCVF Analysis &amp; Identification describes the process that was followed to identify what high conservation values were present on State Forest lands and how they will be managed.</p> <p><a href="http://dcnr.state.pa.us/forestry/stateforestmanagement/Certification/index.htm">http://dcnr.state.pa.us/forestry/stateforestmanagement/Certification/index.htm</a>. Pennsylvania Department of Conservation and Natural Resources Bureau of Forestry – Guidelines and Definitions for Natural Areas and Wild Areas</p> <p><a href="http://www.dcnr.state.pa.us/cs/groups/public/documents/document/dcnr_20031043.pdf">http://www.dcnr.state.pa.us/cs/groups/public/documents/document/dcnr_20031043.pdf</a></p> <p>8. The Tennessee Natural Areas Program, in the Division of Natural Areas, was established to provide oversight and management of Tennessee designated state natural areas. The Program administers the Natural Areas Preservation Act of 1971 (T.C.A. 11-14-101). The Act provides statutory authority for the protection in perpetuity of designated state natural areas. There have been 85 natural areas designated since passage of the Act, The Program recommends new natural areas for designation. The General Assembly amends the Act, the Governor signs the legislation and natural areas are then protected by law. The Program seeks to include adequate representation of all natural communities that make up Tennessee's natural landscape, and provide long-term protection for Tennessee's rare, threatened and endangered plant and animal life. Prior to designation, sites are inventoried by the Natural Heritage Program and ranked using NatureServes Biodiversity Ranking System. Designated natural areas are publicly owned or are private lands encumbered by a conservation easement. - See more at: <a href="http://www.tennessee.gov/environment/topic/na-na-natural-areas-program">http://www.tennessee.gov/environment/topic/na-na-natural-areas-program</a></p>	
<p><b>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</b></p> <p>The district of origin may be considered low risk in relation to conversion of forest to</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>

<p>plantations or non-forest uses when the following indicator is present:</p> <p>[Note: the change from plantations to other land uses is not considered as conversion].</p>		
<p>4.1 There is no net loss AND no significant rate of loss (&gt; 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p>	<p>1. US Forest Service Forest Inventory and Analysis data are available for each state within this area. The growth of forests generally exceeds removals. The total acreage of forest land in most state is generally stable. According to the US Forest Service document <a href="http://www.ncrs.fs.fed.us/pubs/gtr/gtr_nc241.pdf">http://www.ncrs.fs.fed.us/pubs/gtr/gtr_nc241.pdf</a>, only 10 of the 31 states in this area had declining forest acreages during the 15-year period from 1987 to 2002. Annual rates of decline in those states ranged from 0.27% in New Hampshire to 0.01 percent in Maine. Forest acres increased in the remaining 21 states at an annual rate of 0.01 percent to a high of 1.83 percent in Iowa. Overall in this 31-state area, acres of forest increased from 348,860,000 acres to 359,475,000 acres, an annual increase of 0.20.</p> <p>Forest resource statistics from the 2010 Resources Planning Act (RPA) Assessment were updated to provide current information on the Nation's forests as a baseline for the 2015 national assessment. Resource tables present estimates of forest area, volume, mortality, growth, removals, and timber products output in various ways, such as by ownership, region, or State. <a href="https://www.srs.fs.usda.gov/pubs/gtr/gtr_wo091.pdf">https://www.srs.fs.usda.gov/pubs/gtr/gtr_wo091.pdf</a>. Current resource data and trends are analyzed and placed within the context of changes since 1953. Additional analyses look at the resource from an ecological, health, and productivity perspective. An interactive RPA Data Wiz DVD is also included to provide user access to the resource data. A more recent document, Forest Resources of the United States, 2012, available at <a href="http://fia.fs.fed.us/program-features/rpa/">http://fia.fs.fed.us/program-features/rpa/</a>, reports similar information. This document compares state by state forest acreages between 2007 and 2012. This summary reinforces the concept that forest acreage in the 31-state area is increasing, from 361,746,000 acres in 2007 to 367,717,000 acres in 2012, an increase of 5,971,000 acres. However, this 6-year period indicates that 12 of the 31 states are declining in forest acreage, while 19 are increasing. Alarming, according to this report, four states exceed the 0.5% annual deforestation rate (Maryland at -0.68%, Massachusetts at -0.77%, New Jersey at -1.31%, &amp; Tennessee at -.062%), indicating that a more detailed evaluation of the deforestation data in these three states was warranted.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

The data in the above mentioned Forest Resources of the United States, 2007, was based on Forest Inventory and Analysis Information from the various states. The inventory schedule varies from state to state, so the reported information does not always apply directly to the 10-year period. To determine current deforestation rates in these three states, we consulted the USFS FIA online database query tool, EVALIDator Version 1.6.0.03a, <https://www.fia.fs.fed.us/tools-data/>, July 21, 2015. Additional forest resource data can be obtained at <https://public.tableau.com/profile/spugh#!/vizhome/NRS-FIAAnnualReport/Story1>, dated February 8, 2016. Detailed information from the three questionable states is as follows:

Maryland: The most accurate comparison is between the 2006 FIA data survey and the 6 year summary of 2010-2015, for a 6 year comparison. The forest acreage in Maryland increased from 2,437,799 acres in 2006 to 2,462,814 in 2015 for a total increase of 25,015 acres during the 6-year period. On a positive note for Maryland's forest resources, the state recently passed (May 7, 2009) the "Sustainable Forest Act of 2009" and the complementary "No Net Loss of Forest Act" to protect existing forests and encourage the planting of more trees to replace forests that have been cleared for development. These two bills are intended to protect the states forested area in perpetuity, so the sustainability of Maryland's forests is established in state law. Also noteworthy, Maryland is a small state, accounting for only 0.67% of the forest acreage within the 31-state area, so the contribution of Maryland timber to the Indiana forest products industries is negligible.

Massachusetts: The most current data is available at <https://public.tableau.com/profile/spugh#!/vizhome/NRS-FIAAnnualReport/Story1>. Comparing forestland acreage between 2009 and 2014, Massachusetts' forestland increased from 3,001,680 acres in 2009 to 3,032,375 in 2014. Similar to Maryland, the total amount of Massachusetts forestland accounts for only 0.82% of the forest acreage in the 31-state area.

New Jersey: Further research using FIA data <https://public.tableau.com/profile/spugh#!/vizhome/NRS-FIAAnnualReport/Story1> comparing acres of New Jersey forestland showing a slight increase (>10,000 acres) in forestland acres from 2009 to 2014. FIA data also shows a ratio of 5.9 in annual net growth (includes mortality) to total removals. New Jersey's total forestland (1,995,197 acres) which accounts for only 0.54% of the 31-state area showing New Jersey's contribution of timber to Indiana is negligible.

Tennessee: After further research using the following datasets within the FIA program. Tennessee's forestland totaled 14,003,283 acres in 2009. [https://www.srs.fs.fed.us/pubs/rb/rb\\_srs189.pdf](https://www.srs.fs.fed.us/pubs/rb/rb_srs189.pdf) (Tennessee's Forests, 2009). FIA rolling data comparing 2010-2014 showed total forestland acreage at 13,880,473. <https://www.fia.fs.fed.us/tools-data/>. This represents an annual decrease of only - 0.15%. FIA Evalidator tables <http://apps.fs.fed.us/Evalidator/evalidator.jsp> also show for Tennessee (2010-2014), annual net growth (this includes mortality) is 2.02 times the amount of annual removals,

	<p>further demonstrating the sustainability of Tennessee's forests.</p> <p>Because the entire 31-state area is experiencing an increase in forest acreage, and the only two states individually experiencing a decline greater than 0.5% annually contribute a combined 0.81% of forest acreage in the region, the area is at low risk of deforestation.</p>	
<p><b>5. Wood from forests in which genetically modified trees are planted</b></p> <p>5. The district of origin may be considered low risk in relation to wood from genetically modified trees when <u>one of the following indicators is complied with:</u></p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>
<p>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned. <b>OR</b></p>	<p><a href="http://www.fscus.org/images/documents/controlled_wood/5_07/US%20CW%20Guidance%20-%20v3.2.doc">http://www.fscus.org/images/documents/controlled_wood/5_07/US%20CW%20Guidance%20-%20v3.2.doc</a> states that currently the only possible source of genetically modified wood is from China plantations of one species, Lombardy poplar (<i>Populus nigra</i>). No other species is available as GMO; the use of Lombardy poplar in general and specifically from China is extremely low to non-existent</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use. <b>OR</b></p>	<p>AHEC Legality Study – At this time all wood sourced in the US can be considered to not contain wood from GMO trees.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

c) It is forbidden to use genetically modified trees commercially in the country concerned.	NA	<input type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk
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**Date of Risk Assessment: 01/28/2010 (reviewed 4/10/2012, 3/1/2013, reviewed/updated 1/7/2014, 8/4/2014, 2/18/2015, 11/16/2015, 2/15/2017)**

**Country and District of Origin: USA – States of Washington and Oregon.**

<b>Certificate Holder</b>	Indiana Division of Forestry	<b>Certification Body</b>	SCS Global Services 2000 Powell Street, Suite 600 Emeryville, CA 94608
<b>FSC CW Certificate Code</b>	SCS-CW-002041	<b>Date of CB Approval</b>	February 20, 2017
<b>Date of Risk Assessment</b>	01/28/2010		
<b>Certificate Holder Address</b>	Indiana Division of Forestry 402 W. Washington, Room W-296 Indianapolis, IN 46204	<b>Title</b>	FSC Controlled Wood Assessment Summary for Indiana Division of Forestry – West Coast

<p><b>1. Illegally Harvested Wood</b> The district of origin may be considered low risk in relation to illegal harvesting when <u>all</u> the following indicators related to forest governance are present:</p>	<p><b>Findings and Resources</b></p>	<p><b>Resulting Level of Risk</b></p>
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<p>1.1 Evidence of enforcement of logging related laws in the district.</p>	<p>1. American Hardwood Export Council (AHEC) Legality Study: (An Assessment of Risk: Legality &amp; Sustainability of US Hardwood Exports). The AHEC recently commissioned an assessment of illegal logging in the hardwood producing areas of United States. The study area includes all states east of and adjacent to the Mississippi River and Oregon and Washington. This assessment reports that the study area is determined to be LOW RISK for illegally harvested wood. The report is available from AHEC (<a href="http://www.ahec.org">www.ahec.org</a>).</p> <p>There have been international assessments of illegal logging from the World Wildlife Fund (WWF), Seneca Creek Associates, and Wood Resources International. These organizations have identified the areas where they have evidence of systematic illegal logging. These areas do not include the U.S. or Canada. In addition, the U.S. and Canada score high in measures of good governance such as offered by Transparency International and the World Bank. See <a href="http://www.worldbank.org/wbi/governance/data">http://www.worldbank.org/wbi/governance/data</a> for good governance data compiled by the World bank and <a href="http://www.transparency.org/policy_research/surveys_indices/cpi">http://www.transparency.org/policy_research/surveys_indices/cpi</a> for Transparency International indices.</p> <p>It is arguable that illegal logging is a problem in the United States. However, when compared to the global situation, relatively, illegal logging in this country is of such small magnitude or frequency that it cannot be considered to be systematic in any areas of the U.S. In addition, any illegal logging that does occur is often prosecuted or the rightful owner has means to remedy the situation.</p> <p>2. <a href="http://www.illegal-logging.org">www.illegal-logging.org</a> provides no evidence of anything affecting the sourcing area.</p> <p>3. The U. S. has sufficient Federal laws and law enforcement agencies that all states must abide by.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.</p>	<p>The Lacey Act (originally enacted in 1900) recently amended May 22, 2008, with the Food, Conservation, and Energy Act of 2008. This amendment expanded its protection to a broader range of plants and plant products including logging. The Lacey Act makes it unlawful to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce any plant in violation of the laws of the United States, a State, an Indian tribe, or any foreign law that protects plants. The Lacey Act prohibits all trade in plant and plant products (e.g., furniture, paper, or lumber) that are illegally sourced from any U.S. state or any foreign country, requires importers to declare the country of origin of harvest and species name of all plants contained in their products, and establishes penalties for violation of the Act.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

<p>1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.</p>	<ol style="list-style-type: none"> <li>1. <a href="http://www.panda.org">www.panda.org</a> reports no instances of illegal logging within the USA.</li> <li>2. <a href="http://www.eldis.org">www.eldis.org</a> provides no evidence of illegal harvesting within the USA.</li> <li>3. <a href="http://www.ahec.org">www.ahec.org</a> reports that timber theft is not considered to be a pervasive or systemic issue in the USA.</li> </ol>	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk
<p>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</p>	<ol style="list-style-type: none"> <li>1. AHEC Legality Study concluded that that wood procured in this area can be considered Low Risk to threat to legality, based on the determination that there is no reported systematic illegal logging reported in this area and regulatory processes have been found to be highly effective.</li> <li>2. <a href="http://www.transparency.org/content/download/23974/358242">www.transparency.org/content/download/23974/358242</a> - according to the CPI, the United States has a Country Rank of 20, a Regional Rank of 2, and a CPI score of 7.2</li> </ol>	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk
<p><b>2. Wood harvested in violation of traditional or civil rights</b>  The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when <u>all</u> the following indicators are present:</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>
<p>2.1 There is no UN Security Council ban on timber exports from the country concerned.</p>	<ol style="list-style-type: none"> <li>1. <a href="http://www.un.org/Docs/sc/unsc_resolutions07.htm">http://www.un.org/Docs/sc/unsc_resolutions07.htm</a> address numerous countries around the world with no relevance to this area.</li> <li>2. The AHEC Legality Study reports no bans on timber exports from this area.</li> <li>3. <a href="http://www.globalwitness.org/">http://www.globalwitness.org/</a> reports no issue relative to this area</li> </ol>	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk
<p>2.2 The country or district is not designated a source of conflict timber (E.g USAID Type 1 conflict timber).</p>	<ol style="list-style-type: none"> <li>1. <a href="http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/pubs/vol1synth.pdf">http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/pubs/vol1synth.pdf</a> relates to conflict timber in Asia and Africa and does not apply to this area.</li> <li>2. The entire USA does not comply as a designated source of conflict timber.</li> </ol>	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk
<p>2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district</p>	<p>The USA has comprehensive laws prohibiting the use of child labor or violation of worker rights.</p>	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk

concerned.		
2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned.	<p>1. <a href="http://www.fscus.org">www.fscus.org</a> confirms that the USA has federal and state laws that preclude such violations and there are recognized and effective practices in place to resolve conflicts over traditional and cultural use rights.</p> <p>2. The AHEC legality study concludes that wood procured in this area can be considered Low Risk of violating traditional and civil rights. There are recognized and equitable processes in place to resolve conflicts of substantial magnitude.</p>	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk
2.5 There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the district concerned.	<a href="http://www.fscus.org">www.fscus.org</a> – ILO Fundamental Principles and rights at work are generally respected in the USA.	<input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk
<p><b>3. Wood harvested from forest in which high conservation values are threatened by management activities</b></p> <p>The district of origin may be considered low risk in relation to threat to high conservation values if:</p> <p>a) indicator 3.1 is met;  <b>or</b>  b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>

compliance with 3.1.		
<p>3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten ecoregionally significant high conservation values. <b>OR</b></p>	<p>1. AHEC legality Study. A strong system of forest protection is in place across the entire USA.</p> <p>2. The only biodiversity hotspot listed on <a href="http://www.biodiversityhotspots.org">www.biodiversityhotspots.org</a> that is found within this sourcing region is the California Floristic Province. This zone of Mediterranean-type climate extends into southwest Oregon. This biodiversity hotspot is at a low risk due to the amount of legal protection given.</p> <p>3. Of the 30 ecoregions of concern in the US based upon the Global 200 Ecoregion list as published by WWF, only the Pacific Temperate Rainforests (#72 on the WWF list) and Klamath Siskiyou Coniferous Forest (#73 on the WWF list) are found within this sourcing region. The areas within these ecoregions that are considered to have significant high conservation values are give legal protection.</p>	<p>Low Risk  <input checked="" type="checkbox"/> <input type="checkbox"/>  Unspecified Risk</p>
<p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p>	<p>1. <a href="http://www.worldwildlife.org/science/ecoregions/WWFBinaryitem4810.pdf">http://www.worldwildlife.org/science/ecoregions/WWFBinaryitem4810.pdf</a> identifies two forested eco-regions within this area: the Pacific Temperate Rainforests (#72 on the WWF list) and Klamath Siskiyou Coniferous Forest (#73 on the WWF list) are listed as critical or endangered. Both states within these two eco-regions have extensive programs to identify and protect biodiversity hotspots or nature preserves to assure continued survival; an extensive system of national forests and wildlife preserves protects thousands of acres; NGOs such as The Nature Conservancy have additional systems of Nature Preserves. With the level of detection and preservation within this area, there is little risk to high conservation values.</p> <p>2. The Nature Serve network (<a href="http://www.natureserve.org/visitLocal/index.jsp">http://www.natureserve.org/visitLocal/index.jsp</a>) includes member programs operating in all 50 U. S. states as well as Canada and many other countries around the world. The Washington Natural Heritage Program (<a href="http://www.dnr.wa.gov/ResearchScience/Topics/NaturalHeritage/Pages/amp_nh.aspx">http://www.dnr.wa.gov/ResearchScience/Topics/NaturalHeritage/Pages/amp_nh.aspx</a>) and Oregon Natural Heritage Information Center (<a href="http://oregonstate.edu/ornhic/">http://oregonstate.edu/ornhic/</a>) are both part of the Nature Serve network that collects and shares information on priority species and ecosystems and manage sites, species, and ecosystems that are rare or have very limited distribution. This provides public awareness and a strong system of protection, resulting in a low risk to high conservation values.</p> <p>3. Washington has a stable and strong protection process with regard to forest best practices. <a href="http://www.dnr.wa.gov/programs-and-services/forest-practices">http://www.dnr.wa.gov/programs-and-services/forest-practices</a> The state of Washington also provides forest practices rules and board manual guidelines, compliance monitoring as well as developing a Habitat Conservation Plan related to forest practices. Additional information is available at the following websites. In addition to the above protection processes, Washington also provides a cultural resource protection and management plan.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/>  Unspecified Risk</p>

	<a href="http://www.dnr.wa.gov/about/boards-and-councils/forest-practices-board/forest-practices-rules-and-board-manual-guidelines">http://www.dnr.wa.gov/about/boards-and-councils/forest-practices-board/forest-practices-rules-and-board-manual-guidelines</a> , <a href="http://www.dnr.wa.gov/programs-and-services/forest-practices/forest-practices-habitat-conservation-plan">http://www.dnr.wa.gov/programs-and-services/forest-practices/forest-practices-habitat-conservation-plan</a> , <a href="http://www.dnr.wa.gov/programs-and-services/forest-practices/rule-implementation">http://www.dnr.wa.gov/programs-and-services/forest-practices/rule-implementation</a> , <a href="http://www.dnr.wa.gov/programs-and-services/forest-practices/cultural-resources">http://www.dnr.wa.gov/programs-and-services/forest-practices/cultural-resources</a>	
<p><b>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</b></p> <p>The district of origin may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is present:</p> <p>[Note: the change from plantations to other land uses is not considered as conversion].</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>
<p>4.1 There is no net loss AND no significant rate of loss (&gt; 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p>	<p>1. US Forest Service Forest Inventory and Analysis data are available for each state within this area. The growth of forests generally exceeds removals. The total acreage of forest land in most state is generally stable. According to the US Forest Service document <a href="http://www.ncrs.fs.fed.us/pubs/gtr/gtr_nc241.pdf">http://www.ncrs.fs.fed.us/pubs/gtr/gtr_nc241.pdf</a>, forest acreage in this sourcing region increased from 51,294,000 acres in 1987 to 51,621,000 acres in 2002, an annual increase of 0.04%. Within the state of Washington during that period, acreage declined 0.16% annually.</p> <p>2. A more recent document, Forest Resources of the United States, 2007, available at <a href="http://fia.fs.fed.us/program-features/rpa/">http://fia.fs.fed.us/program-features/rpa/</a>, reports similar information. This document compares state by state forest acreages between 2007 and 1997. This summary reinforces the concept that forest acreage in the sourcing area is stable or increasing, from 51,612,000 acres in 1997</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

	<p>to 52,446,000 acres in 2007, an increase of 836,000 acres or 1.62% (annual increase of 0.16%). Both states exhibited increases in forest acreage during this period.</p> <p>Because the sourcing region area is experiencing stable or increasing forest acreage, the area is at low risk of deforestation.</p>	
<p><b>5. Wood from forests in which genetically modified trees are planted</b></p> <p>5. The district of origin may be considered low risk in relation to wood from genetically modified trees when <u>one</u> of the following indicators is complied with:</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>
<p>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned. <b>OR</b></p>	<p><a href="http://www.fscus.org/images/documents/controlled_wood/5_07/US%20CW%20Guidance%20-%20v3.2.doc">http://www.fscus.org/images/documents/controlled_wood/5_07/US%20CW%20Guidance%20-%20v3.2.doc</a> states that currently the only possible source of genetically modified wood is from China plantations of one species, Lombardy poplar (<i>Populus nigra</i>). No other species is available as GMO; the use of Lombardy poplar in general and specifically from China is extremely low to non-existent</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use. <b>OR</b></p>	<p>AHEC Legality Study – At this time all wood sourced in the US can be considered to not contain wood from GMO trees.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>c) It is forbidden to use genetically modified trees commercially in the country concerned.</p>	<p>NA</p>	<p><input type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

**Date of Risk Assessment: 06/06/2011 (reviewed 4/10/2012, reviewed/updated 1/7/2014, 8/4/2014, 2/18/2015, 4/2017)**

<b>Certificate Holder</b>	Indiana Division of Forestry	<b>Certification Body</b>	SCS Global Services 2000 Powell Street, Suite 600 Emeryville, CA 94608
<b>FSC CW Certificate Code</b>	SCS-CW-002041	<b>Date of CB Approval</b>	February 20, 2017
<b>Date of Risk Assessment</b>	06/06/2011		
<b>Certificate Holder Address</b>	Indiana Division of Forestry 402 W. Washington, Room W-296 Indianapolis, IN 46204	<b>Title</b>	FSC Controlled Wood Assessment Summary for Indiana Division of Forestry – Canada

**Country  
and  
District  
of  
Origin:  
Ontario,**

**Canada**

<p><b>1. Illegally Harvested Wood</b> The district of origin may be considered low risk in relation to illegal harvesting when <u>all</u> the following indicators related to forest governance are present:</p>	<p><b>Findings and Resources</b></p>	<p><b>Resulting Level of Risk</b></p>
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<p>1.1 Evidence of enforcement of logging related laws in the district.</p>	<p>1. There have been international assessments of illegal logging from the World Wildlife Fund (WWF), Seneca Creek Associates, and Wood Resources International. These organizations have identified the areas where they have evidence of systematic illegal logging. These areas do not include the U.S. or Canada. In addition, the U.S. and Canada score high in measures of good governance such as offered by Transparency International and the World Bank. See <a href="http://www.worldbank.org/wbi/governance/data">http://www.worldbank.org/wbi/governance/data</a> for good governance data compiled by the World bank and <a href="http://www.transparency.org/policy_research/surveys_indices/cpi">http://www.transparency.org/policy_research/surveys_indices/cpi</a> for Transparency International indices.</p> <p>It is arguable that illegal logging is a potential problem in Canada. However, when compared to the global situation, relatively, illegal logging in this country is of such small magnitude or frequency that it cannot be considered to be systematic in any areas of the country. In addition, any illegal logging that does occur is often prosecuted or the rightful owner has means to remedy the situation.</p> <p>2. <a href="http://www.illegal-logging.org">www.illegal-logging.org</a> provides no evidence of anything affecting the sourcing area.</p> <p>3. Canada has sufficient laws and law enforcement agencies that all provinces must abide by.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>1.2 There is evidence in the district demonstrating the legality of harvests and wood purchases that includes robust and effective systems for granting licenses and harvest permits.</p>	<p>There is little or no perceived level of corruption related to illegal forestry activities in Canadian forests.</p> <p><a href="http://www.mnr.gov.on.ca/en/STEL02_168317.html?CSB_ic-name=404redirect&amp;CSB_ic-info=forests-topic_topic-link-Eng">http://www.mnr.gov.on.ca/en/STEL02_168317.html?CSB_ic-name=404redirect&amp;CSB_ic-info=forests-topic_topic-link-Eng</a></p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.</p>	<p>1. <a href="http://www.panda.org">www.panda.org</a> reports no instances of illegal logging within Canada.</p> <p>2. <a href="http://www.eldis.org">www.eldis.org</a> provides no evidence of illegal harvesting within Canada.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</p>	<p>2. According to Transparency International, the 2010 report ranked Canada #6 out of 178 countries with a score of 8.9. By comparison, The US ranked #22 with a score of 7.1.</p> <p><a href="http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results">http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results</a></p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p><b>2. Wood harvested in</b></p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>

<p><b>violation of traditional or civil rights</b> The district of origin may be considered low risk in relation to the violation of traditional, civil and collective rights when <u>all</u> the following indicators are present:</p>		
<p>2.1 There is no UN Security Council ban on timber exports from the country concerned.</p>	<p>1. <a href="http://www.un.org/Docs/sc/unsc_resolutions07.htm">http://www.un.org/Docs/sc/unsc_resolutions07.htm</a> address numerous countries around the world with no relevance to this area. 2. There is no U. N. Council ban on timber exports from Canada. <a href="http://fscCanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US">http://fscCanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US</a> 3. <a href="http://www.globalwitness.org/">http://www.globalwitness.org/</a> reports no issue relative to this area</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk</p>
<p>2.2 The country or district is not designated a source of conflict timber (E.g USAID Type 1 conflict timber).</p>	<p>Canada is not designated as a source of conflict timber. <a href="http://fscCanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US">http://fscCanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US</a></p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk</p>
<p>2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the district concerned.</p>	<p>Forest employment in Canada is regulated under federal and provincial labour codes, which prohibit child labour, protect the rights of workers to organize and are consistent with other ILO provisions. <a href="http://fscCanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US">http://fscCanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US</a></p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk</p>
<p>2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the district concerned.</p>	<p>1. FSC Canada reports that 12 historic treaties signed between 1850 and 1923 resolved any conflicts pertaining to traditional rights. 2. Canadian laws preclude such violations and there are recognized processes in place to resolve conflicts over traditional rights and cultural interests.</p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk</p>
<p>2.5 There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal</p>	<p>There is no violation of the ILO Convention 169. In Canada, disputes related to land use rights are resolved either before the courts or through accepted treaty processes with federal and provincial governments <a href="http://www.ainc-inac.gc.ca/index-eng.asp">http://www.ainc-inac.gc.ca/index-eng.asp</a></p>	<p><input checked="" type="checkbox"/> Low Risk <input type="checkbox"/> Unspecified Risk</p>

<p>Peoples taking place in the forest areas in the district concerned.</p>		
<p><b>3. Wood harvested from forest in which high conservation values are threatened by management activities</b>  The district of origin may be considered low risk in relation to threat to high conservation values if:  a) indicator 3.1 is met;  <b>or</b>  b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the district of origin by non-compliance with 3.1.</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>
<p>3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten ecoregionally significant high conservation values. <b>OR</b></p>	<p>1. The <a href="http://www.worldwildlife.org/science/ecoregions/global200.html">http://www.worldwildlife.org/science/ecoregions/global200.html</a> does not identify any global 200 ecoregions within Ontario Canada.  2. No biodiversity hotspots are listed on <a href="http://www.biodiversityhotspots.org">www.biodiversityhotspots.org</a></p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p>	<p>1. <a href="http://www.mnr.gov.on.ca/en/Business/Forests/2ColumnSubPage/STEL02_163861.html">http://www.mnr.gov.on.ca/en/Business/Forests/2ColumnSubPage/STEL02_163861.html</a> discusses the Crown Forest Sustainability Act and the Province's commitment to protection of the long-term health of the forest ecosystems. Furthermore, the province provides a framework for the protection of natural resources on private lands through the provisions of the Conservation Land Act, the Municipal Act, the Planning Act and the Forestry Act.  2. Nature Serve Canada (<a href="http://nhic.mnr.gov.on.ca/">http://nhic.mnr.gov.on.ca/</a>) is part of the Nature Serve network that</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

	collects and shares information on priority species and ecosystems and manages sites, species, and ecosystems that are rare or have very limited distribution. This provides public awareness and a strong system of protection, resulting in a low risk to high conservation values.	
<p><b>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</b></p> <p>The district of origin may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is present:</p> <p>[Note: the change from plantations to other land uses is not considered as conversion].</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>
<p>4.1 There is no net loss AND no significant rate of loss (&gt; 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p>	<p>1. The FSC Canada controlled Wood Matrix (<a href="http://fsccanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US">http://fsccanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US</a>) states that annual deforestation rate in Canada is 0.019% or 1/25<sup>th</sup> of the international threshold. Deforestation rates in Canada are not broken down by ecoregion. Although it is not know if the Province of Ontario is 25 times the national average, high deforestation rates are restricted to areas in highly urbanized areas.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

<p><b>5. Wood from forests in which genetically modified trees are planted</b></p> <p>5. The district of origin may be considered low risk in relation to wood from genetically modified trees when <u>one</u> of the following indicators is complied with:</p>	<p><b>Findings and Resources</b></p>	<p><b>Risk Level</b></p>
<p>a) There is no commercial use of genetically modified trees of the species concerned taking place in the country or district concerned. <b>OR</b></p>	<p>1. <a href="http://www.fscus.org/images/documents/controlled_wood/5_07/US%20CW%20Guidance%20-%20v3.2.doc">http://www.fscus.org/images/documents/controlled_wood/5_07/US%20CW%20Guidance%20-%20v3.2.doc</a> states that currently the only possible source of genetically modified wood is from China plantations of one species, Lombardy poplar (<i>Populus nigra</i>). No other species is available as GMO; the use of Lombardy poplar in general and specifically from China is extremely low to non-existent.</p> <p>2. <a href="http://fscCanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US">http://fscCanada.org/docs/cwinformationmatrix%20.pdf?LanguageID=EN-US</a> states that no commercial use of GMO trees were known from Canada, and that only one confirmed field trial of White Spruce and two field trials of Poplar were taking place in Quebec – these were field trials and not for commercial use.</p>	<p><input checked="" type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use. <b>OR</b></p>	<p>NA</p>	<p><input type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>
<p>c) It is forbidden to use genetically modified trees commercially in the country concerned.</p>	<p>NA</p>	<p><input type="checkbox"/> Low Risk  <input type="checkbox"/> Unspecified Risk</p>

## **Appendix E. Complaints Mechanism**

Complaints supported by evidence related to supplies of controlled wood will be assessed by the Property Program Specialist within 2 weeks of receipt. In the event that evidence is considered relevant, a field verification will be conducted within 2 months of receipt of the complaint. Field verifications will be conducted by personnel with sufficient expertise and knowledge to be able to conduct the verification in accordance to the standard (Annex 3 of FSC-STD-40-005 V2-1).

If the field verification concludes that the wood does not meet the requirements of FSC Controlled Wood standard Annex 3, or if the field verification is not conducted within 2 months of receipt of the complaint, then the supply will be excluded from our FSC Product Groups and no claims about this material will be made until the supply has been proven to comply with the FSC Controlled Wood requirements. Furthermore, the Division of Forestry will notify the United State FSC National Initiative and SCS of the results of the verification within 2 weeks.

Records of all complaints received and actions taken will be kept for a minimum of 5 years and made available to SCS upon request.

Anyone may submit complaints along with evidence to:

Jeff Settle  
Indiana Division of Forestry  
1278 E State Road 250  
Brownstown, IN 47220  
Phone: (812) 358-2160  
Fax : (812) 358-5837  
Email : [jsettle@dnr.in.gov](mailto:jsettle@dnr.in.gov)

## FSC-US – Minimum List of Applicable Laws for Use with Controlled Wood Risk Assessments

This list was developed by FSC-US in coordination with other FSC stakeholders in the United States. It is a *minimum list of applicable laws* at the national level in the US, and is not intended to be a comprehensive list of all laws pertaining to forest management in the United States. This list may be used in order to satisfy the requirements of ADVICE-40-005-19 until a more complete list is posted on the Global Forest Registry.

1. Legal rights to harvest		
1.1 Land tenure and management rights	Legislation covering land tenure rights, including customary rights as well as management rights that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legal required licenses.	Land use laws (state & local level) Indiana Right to Practice Forestry (Senate bill 518) <a href="http://www.in.gov/legislative/bills/2005/PDF/ES/ES0518.1">http://www.in.gov/legislative/bills/2005/PDF/ES/ES0518.1</a>
1.2 Concession licenses	Legislation regulating procedures for the issuing of forest concession licenses, including use of legal methods to obtain concession license. Especially bribery, corruption and nepotism are well-known issues in connection with concession licenses.	Indiana Right to Practice Forestry (Senate bill 518) <a href="http://www.in.gov/legislative/bills/2005/PDF/ES/ES0518.1">http://www.in.gov/legislative/bills/2005/PDF/ES/ES0518.1</a>  For US Forest Service: FSH 2409.18, Ch. 50 § 53  State lands have similar regulations to the USFS law (above)
1.3 Management and harvesting planning	Any legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by competent authorities.	National Forest Management Policy Act of 1976 (US Forest Service)  Federal business practices law  Business & forest practices laws (state level) Indiana Right to Practice Forestry (Senate bill 518) <a href="http://www.in.gov/legislative/bills/2005/PDF/ES/ES0518.1">http://www.in.gov/legislative/bills/2005/PDF/ES/ES0518.1</a>

1.4 Harvesting permits	Legislation regulating the issuing of harvesting permits, licenses or other legal document required for specific harvesting operations. It includes the use of legal methods to obtain the permit. Corruption is a well-known issue in connection with the issuing of harvesting permits.	For US Forest Service: FSH 2409.18, Ch. 50 § 53  Harvest permits for private land regulated at the state level
<b>2. Taxes and fees</b>		
2.1 Payment of royalties and harvesting fees	Legislation covering payment of all legally required forest harvesting specific fees such as royalties, stumpage fees and other volume based fees. It also includes payments of the fees based on correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue often combined with bribery of officials in charge of controlling the classification.	Federal and state tax policies
2.2 Value added taxes and other sales taxes	Legislation covering different types of sales taxes which apply to the material being sold, including selling material as growing forest (standing stock sales).	Sales taxes administered at the State level. Most US states
2.3 Income and profit taxes	Legislation covering income and profit taxes related to the profit derived from sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies or related to salary payments.	Internal Revenue Code: federal policy on income taxes, capital gains, reforestation tax credits, and other relevant taxes
<b>3. Timber harvesting activities</b>		



<p>3.1 Timber harvesting regulations</p>	<p>Any legal requirements for harvesting techniques and technology including selective cutting, shelter wood regenerations, clear felling, transport of timber from felling site and seasonal limitations etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities and elements that shall be preserved during felling etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges etc. shall also be considered as well as planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.</p>	<p>Forest Principles (UNCED) (Rio de Janeiro, Brazil, June 1992)</p> <p>International Tropical Timber Agreement (Geneva, Switzerland, 1983)</p> <p>Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) Control Act (FEPCA) (1947, 1972)</p> <p>Federal Plant Pest Act (1957)</p> <p>Forest practices acts (state level) based on Clean Water Act</p> <p>Pollution Prevention Act (1990)</p> <p>Federal Insecticide Act (1910)</p> <p>Plant Quarantine Act (1912)</p> <p>Clean Water Act (Section 404 wetland protection)</p> <p>Fire practices laws (state level)</p>
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<p>3.2 Protected sites and species</p>	<p>Covers legislation related to protected areas as well as protected, rare or endangered species, including their habitats and potential habitats.</p>	<p>Convention on Nature Protection and Wild Life Preservation (Washington, DC, 1940)</p> <p>Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar, Iran, 2 Feb 1971)</p> <p>Convention Concerning the Protection of the World Cultural and Natural Heritage (Paris, France, 16 Nov 1972)</p> <p>International Plant Protection Convention (IPPC) (1979 Revised)</p> <p>Endangered Species Act (1973, 1978, 1979, 1982)</p> <p>Clean Water Act (CWA) of 1972</p> <p>Clean Air Act (CAA) of 1963</p> <p>Resource Conservation &amp; Recovery Act (RCRA) (1976, 1984)</p> <p>Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) known as "Superfund" (1980, 1986)</p> <p>Convention on Biological Diversity (UNCED) (Rio de Janeiro, 1992)</p> <p>Framework Convention on Climate Change, (UNCED) (Rio de Janeiro, 1992)</p> <p>Rio Declaration on Environment and Development (UNCED) (1992)</p> <p>Convention on the Conservation of Migratory Species of Wild Animals (CMS) (1979)</p> <p>Migratory Bird Treaty Act (1918, 2006)</p> <p>Endangered species acts (state level)</p> <p>Wildlife laws (state level)</p>
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<p>3.3 Environmental requirements</p>	<p>Covers legislation related to environmental impact assessment in connection with harvesting, acceptable level for soil damage, establishment of buffer zones (e.g. along water courses, open areas, breeding sites), maintenance of retention trees on felling site, seasonal limitation of harvesting time, and environmental requirements for forest machineries.</p>	<p>Convention on Environmental Impact Assessment in a Transboundary Context (Finland, 1991)</p> <p>National Environmental Policy Act (1969, 1975, 1982)</p> <p>Environmental quality acts (for all states)</p> <p>Water quality protection laws (for all states)</p> <p>Water resources laws (for all states)</p>
<p>3.4 Health and safety</p>	<p>Legally required personal protection equipment for persons involved in harvesting activities, use of safe felling and transport practice, establishment of protection zones around harvesting sites, and safety requirements to machinery used. Legally required safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relate to operations in the forest (not office work, or other activities less related to actual forest operations).</p>	<p>National Environmental Policy Act (1969, 1975, 1982)</p> <p>Occupational Safety &amp; Health Act (OSHA) (1970) OSHA 1910.266: Logging-specific regulations</p> <p>Federal Water Pollution Control Act/Clean Water Act (1972)</p>
<p>3.5 Legal employment</p>	<p>Legal requirements for employment of personnel involved in harvesting activities including requirement for contracts and working permits, requirements for obligatory insurances, requirements for competence certificates and other training requirements, and payment of social and income taxes withhold by employer. Furthermore, the points cover observance of minimum working age and minimum age for personal involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association.</p>	<p>Fair Labor Standards Act (1938, 1946, 1961)</p> <p>Equal Pay Act of 1963 (amended the Fair Labor Standards Act)</p> <p>Civil Rights Act of 1964</p> <p>Occupational Safety &amp; Health Act (OSHA) (1970)</p> <p>Americans with Disabilities Act (ADA)</p>

3.6 Conversion	Legislation related to permission to convert natural forest to other land used. This may include identification of the laws regulating conversion in different land classification types and/or different permit types. This analysis will identify under which land types and permit types conversion can be legally carried out and the scale of any illegal conversion.	Where regulated, regulated at the state level
<b>4. Third parties' rights</b>		
4.1 Customary rights	Legislation covering customary rights relevant to forest harvesting activities including requirements covering sharing of benefits and indigenous rights.	Various treaties with American Indian Nations, Tribes, and
4.2 Free prior and informed consent	Legislation covering “free prior and informed consent” in connection with transfer of forest management rights and customary rights to the organization in charge of the harvesting operation.	Executive Order (EO) 12898 - Federal Actions to Address Environmental Impacts of Major Federal Actions on Low-Income and Minority Populations and Low-Income Populations (1994)  National Indian Forest Resources Management Act  American Indian Religious Freedom Act  Indian Self Determination and Education Assistance Act of 1975  Indian Civil Rights Act of 1968
4.3 Indigenous peoples rights	Legislation that regulates the rights of indigenous people as far as it's related to forestry activities. Possible aspects to consider are land tenure, right to use certain forest related resources or practice traditional activities, which may involve forest lands.	Indian Self Determination and Education Assistance Act of 1975  Native American Grave Protection and Repatriation Act  Varied treaties with American Indian Nations, Tribes, and  National Historic Preservation Act, including in relation to  Tribes are considered Sovereign Nations (a rough legal equivalent to states) and have their own judicial systems
<b>5. Trade and transport</b>		

5.1 Classification of species, quantities, qualities	Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce/avoid payment of legality prescribed taxes and fees.	Where regulated, regulated at the state and local level
5.2 Trade and transport	All required trading permits shall exist as well as legally required transport document which accompany transport of wood from forest operation.	The Lacey Act of 1900
5.3 Offshore trading and transfer pricing	Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and considered as an important generator of funds that can be used for payment of bribery and black money to the forest operation and personal involved in the harvesting operation. Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading as far as it is legally prohibited in the country, can be included here.	Transfer pricing regulated by the Internal Revenue Code
5.4 Custom regulations	Custom legislation covering areas such as export/import licenses, product classification (codes, quantities, qualities and species).	Lacey Act of 1900
5.5 CITES	CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).	Convention on International Trade in Endangered Species (Washington DC, 1973)  Amendment to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Art.XI) (Bonn, Germany, 23 Jun 1979)

6. Diligence/due care procedures		
6.1 Legislation requiring due diligence/due care procedures	Legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.	The Lacey Act amendment 2008, (the Food, Conservation, and Trade Act of 1950, as amended, and its protection to a broader range of plants and plant products (Illegal Logging Practices))