Demonstrating American Hardwood Conformance to EU Timber Regulation¹

New obligations imposed by the EU Timber Regulation (EUTR)

1. Under EUTR, US-based companies selling timber products into the EU are not directly subject to any new legal requirements for additional documentation or declarations at point of entry to the market.

2. However US exporters may be asked for additional information or documentation because from 3 March 2013 EU importers will be required to comply with the “due diligence system” requirements of EUTR.

3. According to EUTR, the EU importer’s due diligence system “should provide access to information about the sources and suppliers of the timber and timber products being placed on the internal market for the first time”.

4. EUTR establishes certain minimum requirements for this information. These requirements are summarised in the table on page 3. The table also includes recommendations for the information to be provided by AHEC members to assist their EU customers to conform to EUTR.

5. EUTR is framed so that the onus is on the EU importer to judge whether the information is of sufficient scope and quality to “analyse and evaluate the risk of illegally harvested timber or timber products derived from such timber being placed on the market”.

6. While the ultimate decision lies with the EU importer, AHEC is confident that the approach recommended here will assure EU customers that they have met their EUTR obligations in relation to US hardwoods.

7. This approach combines credible trade documents demonstrating that timber derives from a country with rule of law, confirmed by independent sector-wide risk assessment.

8. AHEC is committed to communicating this approach directly to EU customers and regulators to ensure that it is widely accepted as an efficient, equitable and cost-effective solution for suppliers of timber from a region with good forest governance².

¹ This guidance is designed primarily for AHEC Members supplying hardwood lumber and veneer directly to EU importers. It assumes that the AHEC member is a US-based company that does not act as an EU importer. The guidance is also relevant to US hardwood lumber and veneer exporters selling to manufacturers (e.g. Asian flooring and furniture companies) that are re-exporting products into the EU. Manufacturers of products containing US hardwoods in third countries will be required by EU importers to provide credible evidence that the “country of harvest” is the USA and access to documents or other information indicating legal compliance. In the case of US hardwoods this is best indicated by independent sector-wide risk assessment.
Traceability obligations

9. EUTR requires that the EU importer is able to identify for every product group the "country of harvest and, where applicable, the sub-national region and the concession of harvest".

10. Information on origin beyond country of harvest is required only in those circumstances where the EU importer judges that the risk of illegal harvesting varies between sub-national regions or between concessions within those regions. "EUTR Implementing Regulation (EU No 607/2012), 6 July 2012, Article 3, paragraphs 3-4".

11. For US hardwoods, both the Seneca Creek study and the FSC Risk Register confirm that all US hardwood producing regions are of negligible risk in terms of illegal supply. Therefore, in AHEC’s opinion there should be no need for EU importers to trace timber any further than to country of harvest to meet their EUTR obligations.

EUTR is not consignment based

12. EUTR does not require that EU importers seek proof of legality for each individual consignment of product placed on the EU market.

13. Instead, EUTR requires EU importers to undertake and document a separate risk determination for each specific type of timber or timber product supplied by a particular supplier.

14. The EU importer is required to review each risk determination at least once every 12 months and whenever there is a change to the species content or place of harvest of the product group which might cause an alteration in the risk profile.

15. Therefore, in theory, a US exporter needs to be ready to inform their EU customers in the event of any change to their supply base that might lead to an alteration in the risk profile of a timber product.

16. However, in practice, this should not be an issue for American hardwood exporters since the Seneca Creek study and the FSC Risk Register confirm that all US hardwood producing regions are of negligible risk in terms of illegal supply.

17. AHEC is committed to regular review of these information sources. AHEC will inform both AHEC Members and EU importers in the event of any change to this low risk status.

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2 AHEC Members are encouraged to contact the AHEC European Office in the event of any EU importing company or regulator or manufacturer in a third country questioning the validity of the legality assurances offered by the approach recommended in this document.

3 Seneca Creek study is available at http://www.americanhardwood.org/sustainability/sustainable-forestry/seneca-creek-study/

4 FSC Global Risk Register is available at http://www.globalforestregistry.org/map. Users should click on the United States which is low risk against all 4 FSC Controlled Wood criteria established for legality.
# EUTR Information and Document Requirements in Relation to US Hardwood

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| The name and address of the US exporting company     | EU importers are not required to seek specific information about the US exporters own suppliers (e.g. names and addresses of hardwood mills or logging contractors) within the US unless the EU importer believes this is necessary to mitigate risk of illegal wood entering the supply chain. | Complete US address e.g.: “A.N. Other Hardwood Inc 5844 South Oak Street Chicago, Illinois 60667 United States” | • Commercial invoice  
• Phytosanitary Certificates (for oak, ash, maple, plane, tulipwood, and sweet chestnut) |
| Trade name and type of product                       | Ideally use both a clear description and reference to the relevant Harmonized System (HS) product customs code. | Examples:  
• “440791 oak sawn wood”  
• “440795 ash sawn wood”  
• “440890 temperate hardwood veneer” | • Commercial invoice  
• Phytosanitary Certificates (for oak, ash, maple, plane, tulipwood, and sweet chestnut) |
| Common name(s) and, where applicable, the full scientific name(s) of all tree species contained in the product | • The scientific name is required in those instances where ambiguity in the common name might create confusion between species in different risk categories.  
• For example the common name “American white oak” should be acceptable – even though this includes several different quercus species – because it can be demonstrated (e.g. using Seneca Creek study) that all is negligible risk.  
• However references just to “oak”, “poplar” or “walnut” would not be acceptable as these names include a wide range of species from different regions with varying risk profiles.  
• If the product group contains a mix of species, it is acceptable to list all possible species that might be contained in the product and there is NO requirement to identify the % proportion of each. | Examples:  
• “American white oak: Quercus alba”  
• “American red oak: Quercus rubra (northern) and Quercus falcata var.falcata (southern)”  
• “American tulipwood: Liriodendron tulipifera” | • Commercial invoice  
• Phytosanitary Certificates (for oak, ash, maple, plane, tulipwood, and sweet chestnut)  
A comprehensive list of hardwood species names and other data is available from the US Department for Agriculture at [http://plants.usda.gov/java/nameSearch](http://plants.usda.gov/java/nameSearch) (the user should enter either the commercial or scientific name into the search bar at top left of the page). |
| Quantity traded | Include value and other unit most appropriate to the product group (e.g. cubic meters or board feet for sawn wood and square meters for veneer sheets). | Examples:  
• “$72000, 100 m³”  
• “$17000, 10 MBF” | • Commercial invoice  
• Phytosanitary Certificates (for oak, ash, maple, plane, tulipwood, and sweet chestnut) |
| Country of harvest | Typically the United States. However, if a product contains a mixture of US and Canadian wood, AHEC members should estimate and inform their customers of the average percentage of each contained in the product over a 12 month period. AHEC members should provide access to equivalent evidence of a negligible risk of illegal supply in Canada. They may also refer to Lacey Act compliance procedures and provide copies of Lacey import declarations identifying species and Canadian origin. | Examples:  
• “USA”  
• “80% USA and 20% Canada by volume” | • Commercial invoice  
• Phytosanitary Certificates (for oak, ash, maple, plane, tulipwood, and sweet chestnut) |

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5 The full list of United States HS custom codes for wood products is available at: [http://www.usitc.gov/publications/docs/tata/hts/bychapter/1300C44.pdf](http://www.usitc.gov/publications/docs/tata/hts/bychapter/1300C44.pdf). Temperate hardwood codes are 440791 through to 440799 for sawn wood and 440890 for veneer.
| Sub-national region of harvest | Technically not required for US hardwoods since both the Seneca Creek study and the FSC Risk Register confirm that all US hardwood producing regions are low risk of illegal supply. If the EU importer requests this information, either: (a) list the state(s) from which each hardwood product is sourced (if available) OR (b) simply report “hardwood producing states of the USA” | Data on the geographic distribution of hardwood species in the US is readily accessible from the US Forest Service Tree Atlas: \[http://www.nrs.fs.fed.us/atlas/tree/tree_atlas.html\] |
| Concession of harvest | • Technically not required for US hardwoods since both the Seneca Creek study and the FSC Risk Register confirm that all US hardwood producing regions are low risk of illegal supply. • According to the Seneca Creek study, there are 9.1 million family forest owners in the US hardwood-producing states, each owning on average fewer than 10 hectares. If the EU importer requests this information and more specific data is not available, report “Multiple private forest owners”⁶ | Data on ownership structure of US hardwood forest is contained in the Seneca Creek study Section 2.3, page 27 “Ownership Characteristics”.

"Documents or other information indicating compliance of those timber and timber products with the applicable legislation". If the EU importer requests a summary of this information and more specific data is not available, report: “Classified Non-Controversial under certification guidelines”⁷

| “Documents or other information indicating compliance of those timber and timber products with the applicable legislation”⁷ | • The Seneca Creek study demonstrates that there is less than a 1% risk of any 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. • FSC Global Risk Register concludes that the United States is low risk against all 4 FSC Controlled Wood criteria established for legality | Seneca Creek study is available at \[http://www.americanhardwood.org/sustainability/sustainable-forestry/seneca-creek-study/\] FSC Global Risk Register is available at \[http://www.globalforestregistry.org/map\] |

**Additional information**

Provision of the information recommended in the above table should be sufficient to assure EU customers that they have met their EUTR obligations. However, EU importers are free to draw their own conclusions and AHEC Members are advised wherever possible to provide additional company-specific information to demonstrate low risk of illegal wood origin. Appropriate additional documentation may include, but is not limited to: FSC, SFI or PEFC Chain of Custody certificates, or the SFI Certified Sourcing label; details of FSC audited company controlled wood assessments; other first, second or third party evidence of commitment and implementation of corporate procurement codes such as the AHEC Responsible Purchasing Policy; and samples of standard timber purchase agreements and logging contracts that contain legal compliance clauses.

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⁷ This requirement has been taken out of context and widely misinterpreted as placing an obligation on exporters to provide legality “certificates” or “licenses” as a prerequisite for access to the EU market. It is emphasised that no such obligation exists. This requirement must be read within the overall context of the EUTR and EC guidance. EUTR does not establish any specific requirements for the types of “documents and other information” most appropriate to demonstrate legality. It is only necessary that these are of appropriate quality, credibility and scope to allow the EU importer to establish that a timber product is negligible risk. The EC Guidance document indicates that credible third party studies like the Seneca Creek assessment, and independent sources such as the FSC Risk Register, where these demonstrate negligible risk of illegal logging in specific regions or for specific product groups, are an appropriate form of documentation to meet this requirement.