



AmCham EU's response to the public consultation questionnaire on the evaluation of the EU Timber Regulation

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AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled ϵ 2 trillion in 2014 and directly supports more than 4.3 million jobs in Europe.

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Important notice on the publication of contributions

Information about the respondent:

Please provide us with the following information:

Name of the public authority / international organisation / organisation or company you represent: (Optional) (The information you provide here is for administrative purposes only and will not be published)

The American Chamber of Commerce to the European Union (AmCham EU)

Full name (first and last name) of the individual respondent: (Optional) (The information you provide here is for administrative purposes only and will not be published)

Stéphanie Brochard

person) *

Email address of the respondent: (Optional) (The information you provide here is for administrative purposes only and will not be published)

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Are you replying*: ☑ On behalf of an organisation ☐ As a private individual
Your role in the organisation: ☐ Management ☐ Specialist/Expert ☐ Strategy/Policy function ☐ Other (please specify)
Other (please specify): Country of origin (of the organisation if relevant)
Your organisation's geographical area of activities (indicate your area of activities if answering as an individual person) Local Regional National European Non-European Not applicable

Your organisation's type of activity (indicate your activity type if answering as an individual



CONSULTATION RESPONSE

 □ International organisation □ Competent authority for the EUTR □ Other government body □ Professions organisation/federation □ Small enterprise operator (less than 50 people, turnover/balance sheet total ≤ € 10 m) □ Medium-sized enterprise operator (less than 250 people; turnover ≤ € 50 m / balance sheet total ≤ € 43 m) □ SME trader □ Large business operator (over 250 people; turnover more than € 50 m / balance sheet total more than € 43 m) □ Civil society organisation □ Monitoring organisation (as per EUTR) □ Certification body/institution □ Consultancy □ Other (please specify): Trade association Questionnaire The EU Timber Regulations (EUTR) and its objectives and impacts 1.1 With the EUTR the EU aims at contributing to international efforts to combating illegal logging and associated trade.							
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion		
preventing illegally harvested timber or timber products derived from such timber being placed on the EU market.							
helping create a level playing field for timber trade and for operators acting in accordance with applicable legislation.		\boxtimes					
contributing to the EU's international obligations {e.g. on sustainable forest management, combating deforestation and forest degradation, climate change, biodiversity conservation, and other internationally agreed goals}.							

Others (please indicate)



CONSULTATION RESPONSE

The EUTR can be a complementary measure to the existing sustainable forest management regulatory framework.

1.2 The EUTR specifically aims at preventing illegally harvested timber and timber products from being placed on the EU market. It contains a prohibition on placing such products on the EU market and requires operators who place them on the market for the first time to carry out due diligence.

In my view, the EUTR's aims are addressed effectively by...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
the prohibition of placing illegally harvested timber and timber products on the market.					
the due diligence requirement for operators.					
both provisions, i.e. prohibition and due diligence.		\boxtimes			
Others (please indicate)					
1.3 In my view, since the EUTR becar	ne applicable	in March	2013, it has n	nade a char	nge to
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
the quantity of certified/verified timber on the EU market.					
the areas of origin of timber and timber products entering the EU market.					
the volume of timber and timber products entering the EU.					
the value of timber and timber products entering the EU.					
the species of timber and timber products entering the EU.			\boxtimes		
the entry points of timber and timber products into the EU.					
the timber trade, beyond its original stated aims (see under 1.1).					



the level of engagement by timber-exporting countries to ensure that exports are verified to be of legal origin (including by engaging in FLEGT Voluntary Partnership Agreements with the EU and/or by developing national verification schemes).					
Please specify if possible					
1.4 What are, in your view, the main c	hallenges to i	implementi	ng the EUT	R effectivel	y?
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Levels of penalties across the EU.					
Resources for enforcement by competent authorities in EU MS.					\boxtimes
What is required by an operator to exercise due diligence.		\boxtimes			
Gathering information on applicable legislation in timber/timber products-exporting countries.	\boxtimes				
Carrying out risk assessment and mitigation on high-risk supply chains and/or high risk timber sources.					
Cooperation from timber suppliers in third countries.					
The interface with third party verification/certification.					
The definition of legal timber.		\boxtimes			
The definition of risk (and its related assessment).					
The product scope.					



Others (please indicate)

On the product scope: AmCham EU finds it very helpful that the regulation provides the customs code of the products falling within the scope of the regulation. This reduces the challenges for industry since there is no need to guess which categories of products are covered; it increases certainty. However, the product scope is a challenge when it comes to paper products which constitute a more complex supply chain than wood.

Additionally, the reference to pulp and paper in combined Nomenclature Chapters 47 and 48 includes 'cotton based pulp'. Cotton is a cultivated crop not derived from deforestation. Bamboo is excluded from the Regulation and cotton should be as well, given the purpose of the EUTR.

2. The EUTR and the added value of EU action in this field

It is important to assess the added value that the EUTR brings, compared to what could be achieved by MS at national level without a specific EU action.

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
In my view, the EUTR's objectives could have been achieved more effectively through measures at national level without any EU action.					
In my view, other policy instruments or mechanisms provide, or can potentially provide, better costeffectiveness than the EUTR.					
In my view, other market instruments/mechanisms provide, or can potentially provide, better costeffectiveness than the EUTR.					

Further comments

AmCham EU strongly believes that individual Member State regulation or any fragmentation of the market should be avoided.

3. Implementation and enforcement of the EUTR

EU Member States are responsible for laying down rules on penalties applicable to infringements of the provisions of the EUTR.

3.1 In my view, the penalties set in my Member State are...



CONSULTATION RESPONSE	•				
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
effective					\boxtimes
proportionate					\boxtimes
dissuasive in discouraging infringements					\boxtimes
Further comments					
AmCham EU would like to underline th assessment remains difficult at the mom		is still a rec	ent legislation	n for which f	ull
The Member States are also obliged to the application of the EUTR. Member S in order to verify they comply with all check monitoring organisations.	States` Comp	etent Autho	rities are req	uired to che	ck operators
3.2 In my view, the Competent Autho	rity in my M	lember Stat	te has so far		
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
carried out a sufficient number of					

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
carried out a sufficient number of checks on operators.					
carried out effective checks on operators.					\boxtimes
given appropriate penalties to operators for infringements of the EUTR.					\boxtimes
carried out a sufficient number of checks on monitoring organisations.					\boxtimes
carried out effective checks on monitoring organisations.					

Further comments

We support Member States' action as appropriate and sufficient, although we have observed that enforcement has not yet been fully implemented because of the recent adoption of the regulation (see 3.1).

4. The EUTR and the business environment (i.e. operators, traders)



CONSULTATION RESPONSE

Operators are companies or individuals who place timber or timber products on the market; they are required to undertake due diligence before doing so. Traders are companies or individuals who buy/sell on the internal market timber products already placed on the market; they are required to keep records of their suppliers and customers. Monitoring organisations are recognised by the European Commission and can provide due diligence services to operators in the EU.

4.1 In my view, in my Member State...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
operators have set up and maintained effective due diligence systems.					
operators have effectively prevented illegally harvested timber or timber products from being placed on the market.					\boxtimes
traders have effectively kept records of timber and timber products.					
Others (please indicate)					

AmCham EU members operate across Europe and cannot comment on specific Member States.

4.2 It is important to understand the impacts of the EUTR on businesses in the EU.

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
The overall benefits of implementing the EUTR outweigh the costs regardless of the type and size of the business.					
Some categories of enterprises are benefiting more than others.					
The EUTR has a net benefit for large business (over 250 people; turnover more than \in 50 m/balance sheet total more than 43 m) compared to small (less than 50 people, turnover/balance sheet total \leq \in 10 m) and medium size enterprises (less than 250 people; turnover \leq \in 50 m/balance sheet total \leq \in 43 m).					

The EUTR has created direct benefits for businesses in general.					\boxtimes			
Further comments								
4.3 In my view, the EUTR has created additional obligations and burdens for business in the EU particularly on								
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion			
setting up a due diligence system.		\boxtimes						
maintaining a due diligence system.		\boxtimes						
using a monitoring organisation's due diligence system.								
changing suppliers.			\boxtimes					
changing geographic supply sources.			\boxtimes					
changing timber species.								
Another reason (please specify) 4.4. It is important to understand the impacts of the EUTR on businesses outside the EU.								
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion			
The EUTR has brought overall benefits to timber exporters to the EU and non EU operators.								
The EUTR has a net benefit for large businesses compared to small and medium-sized enterprises.								
The EUTR has created direct benefits only for certain types of businesses.					\boxtimes			
Please specify								

5. Monitoring organisations



Monitoring organisations are recognised by the European Commission to provide due diligence services to operators in the EU.

5.1 In my view, monitoring organisations have so far developed due diligence systems that							
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion		
effectively help operators to assess and mitigate the risk of placing illegal timber on the EU market.							
are affordable for large businesses (over 250 people; turnover more than € 50m/balance sheet total more than 43 m).							
are affordable for small (less than 50 people, turnover/balance sheet total ≤ €10m) and medium enterprises (less than 250 people; turnover ≤ € 50 m/ balance sheet total ≤ € 43 m).							
do not currently have a market while other services are preferred (i.e. training, free access to information, other tools).					\boxtimes		
are in need of further improvements.					\boxtimes		
Further comments							
6. Third parties' substantiated concerns							
The EUTR allows for third parties to concerning compliance by an operato			ncerns with	Competent .	Authorities		

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Competent Authorities in my Member State have responded appropriately to substantiated concerns.					
I am aware of concerns but without proven evidence.					
It is not clear how to channel					



concerns and substantiate them.		

Further comments

7. Communicating about EUTR

For the EUTR to function effectively it is important for operators and traders to be aware of information which affects their businesses.

7.1 In my view, operators in my Member State are sufficiently aware of...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
the requirements of the EUTR.					
how to access the European Commission's online EUTR guidance documents.					
who their EUTR Competent Authority is.					
how to access information from their EUTR Competent Authority.					\boxtimes
the requirements of the due diligence obligation.					
the services provided by monitoring organisations.					

Further comments

7.2 In my view, traders in my Member State in general are sufficiently aware of...

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
the requirements of the EUTR.					
how to access the European Commission's online EUTR guidance documents.					\boxtimes
who their EUTR Competent Authority is.					\boxtimes



how to access information from their EUTR Competent Authority.						
the requirements of the due diligence obligation.						
the services provided by monitoring organisations.					\boxtimes	
Further comments						
8. The EUTR and other relevant legis	slation					
The EUTR has specific links to other policies, such as the Forest Law Enforcement, Governance and Trade (FLEGT) Regulation, and the EU Wildlife Trade Regulations. Optimising these synergies can enhances their effectiveness.						
	Strongly agree	Agree	Disagree	Strongly disagree	No opinion	
The EUTR is complementary to other existing legislation and has a coherent approach.						
In my view, the implementation and enforcement of EUTR and/or other related legislation can be improved to benefit their interconnections.						
Please specify						

AmCham EU closely follows the US Lacey Act and other legislation on legal harvesting globally. We generally favour any legislation that provides a clear scope and definitions. We believe it would be helpful if the EU could receive information on relevant legislation in other countries, including third countries and those not designated as low-risk.

We are also very supportive of the FLEGT initiative, however, we would like to see more progress with the issuing of licenses.