

Congress of the United States
Washington, DC 20515

September 29, 2023

The Honorable Katherine Tai
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Tai:

We are writing to express our concern about the potential impact of the European Union Deforestation-free Regulation (EUDR), which went into effect on June 29, 2023. Companies who import into the European Union (EU) must be in compliance after December 31, 2024. We are concerned that the rule likely will put U.S. companies at a competitive disadvantage and will impose burdensome and costly requirements on U.S. exporters that will unjustifiably limit market access for U.S. forest-derived products entering the European Union (EU). We encourage you to engage with the European Commission (EC) and EU member states to ensure that U.S. paper and pulp producers, who lead the world in sustainably managing forests, will not be harmed by these EU regulations.

The U.S. paper and pulp industry were deemed essential manufacturers during the pandemic, utilizing trees and wood fiber to make sustainable products that citizens rely on every day – from baby diapers and feminine hygiene products to boxes and packaging. They have a manufacturing output of ~\$350 billion, are among the top 10 manufacturing employers in 43 states, and employ about 925,000 people, supporting more than 2 million indirect jobs across the country. The United States does not have a deforestation problem. The industry needs your engagement with the EC and EU member states to insist upon EUDR implementation that focuses on countries in which illegal deforestation is occurring, and more accurately aligns regulatory and documentation requirements with the U.S. supply chain and production practices.

The United States has a strong foundation in sustainable forest management and supports international efforts to address deforestation. However, without recognition of different regional factors that drive deforestation, the EU's regulation imposes impractical requirements that would unnecessarily restrict trade for products from low-risk countries that have responsibly managed supply chains, such as the United States. We believe that within the EUDR framework, the EC should identify the United States as a "low risk" origin of deforestation. We already have strong laws in place, like the Lacey Act, and our forests are currently growing thanks to positive industry participation with the goal of sustainable forestry practices. Today, U.S. forests are stable, healthy, and growing. In fact, according to the U.S. Forest Service, more than 1 billion trees are planted each year in the U.S, and our total forest area increased by 18 million acres between 1990 and 2020.^[1]

^[1] Source: FAO's 2020 Global Forest Resources Assessment: <https://www.fao.org/3/ca9825en/ca9825en.pdf>

We understand that the EU shares the U.S. commitment to protecting forests and reducing deforestation. However, we believe that this rule as currently drafted is too complex and will be difficult to comply with. Specifically, our understanding is that the traceability requirement for timber products will be difficult for American producers to meet. This is not because of illegal deforestation in the United States, but simply because 42 percent of the wood fiber used by U.S. pulp and paper mills comes from wood chips, forest residuals, and sawmill manufacturing residues. These wood sources lose their identity during the complex fiber blending that occurs before and after delivery to the mill, making it impossible to trace them back to an individual forest plot. Compliance with the EUDR will be particularly problematic and costly for small landholdings, which predominate the U.S. wood fiber supply.

Further, the EUDR also requires that landowners and their contact information be identified. This requirement risks disclosure of confidential business information between business partners. It is troubling that the regulation does not identify who would have access to this proprietary data or how it would be used for enforcement. Finally, we are concerned that this rule could lead to higher prices for consumers, which ultimately could hurt demand for U.S. pulp and paper.

It is imperative that you engage with the EC and EU member states to ensure that paper and pulp producers and their thousands of workers throughout the United States will not be harmed by these EU regulations.

Sincerely,



Michelle Steel
Member of Congress



Jason Smith
Chairman
Committee on Ways and Means



Steve Scalise
House Majority Leader



Bruce Westerman
Member of Congress



Terri A. Sewell
Member of Congress



Adrian Smith
Member of Congress



Ro Khanna
Member of Congress



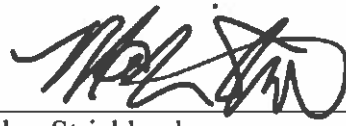
Glenn "GT" Thompson
Member of Congress



Don Davis
Member of Congress



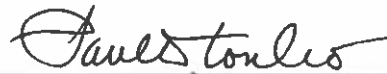
Vern Buchanan
Member of Congress



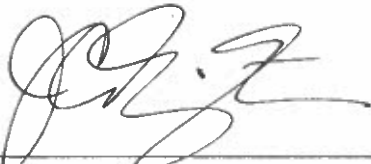
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Troy Balderson
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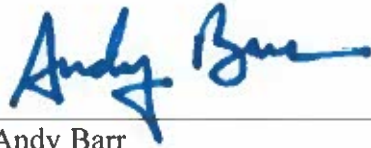
Brian Fitzpatrick
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Russell Fry
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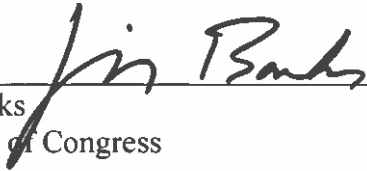
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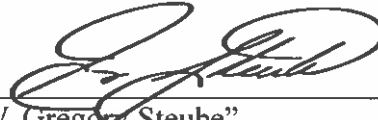
Mike Carey
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Nicole Malliotakis
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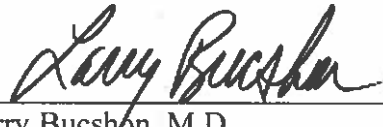
Jen Kiggans
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Larry Bucshon, M.D.
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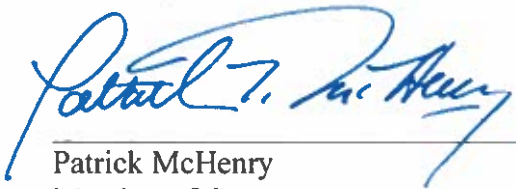
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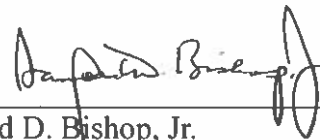
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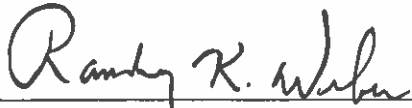
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Patrick McHenry
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Sanford D. Bishop, Jr.
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Randy K. Weber, Sr.
Member of Congress



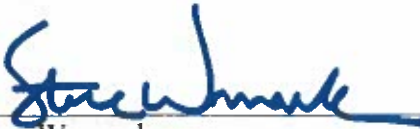
Jim Baird
Member of Congress



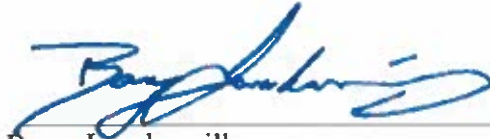
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Member of Congress



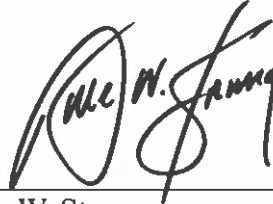
Steve Womack
Member of Congress



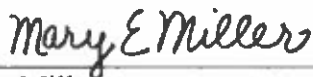
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