19 April 2024

VIA EMAIL: <u>Ursula.VON-DER-LEYEN@ec.europa.eu</u>

President Ursula von der Leyen European Commission Rue de la Loi / Wetstraat 200 1049 Brussels, Belgium

CC:

Commissioner Virginijus Sinkevičius Commissioner Maroš Šefčovič Commissioner Valdis Dombrovskis President Charles Michel President Roberta Metsola MEP Christophe Hansen

RE: U.S. forest sector urges delay in implementation of the EU Deforestation Regulation

Dear President von der Leyen,

The undersigned organizations, representing the forestry and forest products sector in the United States, are writing to urge the European Commission to delay implementation of the EU Deforestation Regulation (EUDR). As producers of forest products and stewards of forested land, we view healthy forests and their sustainable management as a core responsibility, and we share concerns about deforestation that underpin the regulation. However, a regulation of this scope and scale must be implemented with great care and due diligence. An additional 24 months will provide the time necessary for both regulators and producers to understand, evaluate, and prepare for substantial, sector-wide changes required to comply with the law.

As a global leader in modern, <u>sustainable forest management</u> and forest product manufacturing, the U.S. is already delivering on the intent of the EUDR. The <u>EU Observatory on deforestation and forest degradation</u> correctly shows that deforestation in the U.S. is negligible. In fact, research shows that the main threats to U.S. forests – development, catastrophic wildfire, and insects and disease – are most effectively combatted through access to healthy markets for sustainable forest products, which should include the EU.

As the recent letter from several EU Member States points out, the EU itself is not ready: the country benchmarking system is delayed, the EU database has not been tested in its final version, producers do not have necessary clarity on the Guidance, and competent authorities do not have enough information and resources to implement the law consistently across the EU. Short-cutting critical processes that, by law, underpin this regulation will lead to serious unintended consequences. For example, the recent announcement to delay country risk benchmarking penalizes those who are already doing the right thing: U.S. forest owners and manufacturers, who are already adhering to best-in-class sustainability standards, will be denied the opportunity for simplified due diligence under a "low-risk" country designation.

Following the EUDR Information System pilot testing, it is clear the system is unprepared to support the volume of data and the data integration tools needed for due diligence information submissions. It is impossible for operators and traders to configure their data input processes without certainty on what file formats will be accepted, what procedures are required to upload

data, or what data security measures are in place. In addition, future rounds of data and systems integration testing, and systems training with a larger set of company participants than the initial pilot will be needed before there is confidence that the Information System can be considered operational.

We urge the European Commission to delay implementation by at least 24 months. We are concerned that hasty implementation will undermine both the credibility and desired impact of an otherwise well-intentioned law. Private forest owners and forest product manufacturers in the U.S. have a long and successful track record of managing forests for long-term productivity, and we would welcome the opportunity to share our insights and collaborate with you on how we can collectively support the EU's objectives.

Sincerely,

American Forest & Paper Association

American Wood Council

Forest Resources Association

U.S. Industrial Pellet Association

National Alliance of Forest Owners

American Hardwood Export Council

Decorative Hardwoods Association

Hardwood Federation















