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House Committee on Natural Resources  
Subcommittee on Water, Wildlife and Fisheries  
1324 Longworth House Office Building  
Washington, D.C. 20515

Chairman Bruce Westerman  
Ranking Member Raúl Grijalva  
Subcommittee Chairman Cliff Bentz  
Subcommittee Ranking Member Jared Huffman

**Written Testimony of Jordan McIlvain  
Vice President, Alan McIlvain Company, Marcus Hook, Pennsylvania  
Subcommittee on Water, Wildlife and Fisheries  
Legislative Hearing on H.R. 3119, H.R. 6784, H.R. 6854, and H.R. 7157**

Chairman Westerman, Ranking Member Grijalva, Chairman Bentz, Ranking Member Huffman and distinguished Members of the Subcommittee on Water, Wildlife and Fisheries—

As the Vice President of the Alan McIlvain Company of Marcus Hook, Pennsylvania, which represents 87 U.S. jobs, thank you for the opportunity to submit testimony today on policies to simultaneously enhance forest protections and the wood product importation process, namely through Reps. Duarte (R-CA-13) and Costas' (D-CA-21) bipartisan H.R. 7157 To Amend the Lacey Act Amendments of 1981 to Ensure Fair Enforcement.

I currently serve as the Vice President of Alan McIlvain Company, a seventh generation, family-owned and operated hardwood lumber supplier in Marcus Hook, Pennsylvania. Founded in 1798, we supply U.S. lumber yards, furniture manufacturers, stair builders, architectural millwork houses, small woodworking shops, and musical instrument manufacturers with everything from rough lumber to custom moldings. Our customers also include those entrusted to undertake federal woodworking projects at the U.S. Capitol, White House, and federal agencies.

Businesses like Alan McIlvain Company, and the availability and affordability of our lumber, directly impact other important facets of the chain, including home building and remodeling, recreational vehicle manufacturing, boat building, and instrument making.

Finished U.S.-manufactured wood products are typically a combination of different wood species, sourced domestically and globally. A reality our company, and friendly industry competitors often face is that some types of necessary species cannot be grown in the U.S. For example, Meranti plywood is historically the input of choice for recreational vehicles (RVs) due to its workability and lighter weight, and it can only be grown in southeast Asia. Such imported plywood is later combined with domestic species for a finished, U.S.-manufactured RV.

Our industry is a critical national economic driver, including in many of the states represented by the Subcommittee, including Alabama, Arkansas, California, Florida, Louisiana, Michigan, Oregon and Virginia, and my home state of Pennsylvania. We share a common commitment to supporting robust U.S. environmental and forest management policy and related compliance, which strengthens the health of our domestic and international forests and also the overall integrity of U.S. wood product supply chains.

Like others in the industry, the Alan McIlvain Company maintains a robust environmental code of ethics and protocol with respect to our sourcing. We give preference to suppliers providing information on good silviculture and logging practices and operating within the forestry laws of the respective country. Labels or certificates warranting sustainability are not acceptable to us unless they have the approval of the Forestry Department/Ministry of source countries. Further, we give preference to purchases from countries demonstrating commitment to Objective 2000 and implementation of “Guidelines for the Management of Natural Tropical Forests,” established by the International Tropical Timber Organization. Finally, we value wood as a renewable material and are constantly seeking beneficial ways to reduce wood waste and to utilize residues.

Outside of running a small business, I proactively strive to share Alan McIlvain Company’s “lessons learned” and “best practices” with competitors and partners, to propel our overall industry forward in a positive direction. I currently serve as president of the International Wood Products Association, where my family has been involved for generations. I have also served for two terms on the board of the National Hardwood Lumber Association and as the President of the Penn York Lumbermen's Club in the past. Also, Alan McIlvain Company is a member of the Indiana Hardwood Lumbermen’s Association, the Hardwood Manufacturers Association, the Appalachian Hardwood Manufacturers, the Keystone Kiln Drying Association, and the Appalachian Lumbermen’s Club.

I cannot underscore enough my deep personal and professional appreciation for the Lacey Act. Originally enacted in 1900, the Lacey Act is designed to combat the illegal trafficking of wildlife, fish, and plants. It was amended in 2008 to extend protections to plant and plant products, making it unlawful to import illegally harvested woods and requiring a declaration upon arrival in the United States.

Companies like ours welcomed the 2008 expansion of the Lacey Act. At that time, due to our shared concern for the environment with our customers, our industry had already put into place processes and procedures to make certain we buy only legally sourced woods. We have tailored our due diligence to the individual species, product, and country; and have developed tracking and verification strategies to mitigate the risk that illegally sourced material could enter our supply chain. We historically have worked with specialized service providers, like third-party customs brokers, who are knowledgeable about our products and trading partners.

In an effort to strive for continuous improvement, today, our industry routinely participates in the International Wood Products Association (IWPA)'s renowned "Wood Trade Compliance Training." This training program, commonly referred to as IWPA's "Lacey Act Training," was established using grant funding from the U.S. Agency for International Development (USAID) and the World Resources Institute (WRI), and was created with input from a wide variety of non-industry stakeholders from government officials to environmental groups to ensure that companies that import and use products covered by the Lacey Act are able to gather the information and resources they need to do things the right way. The training has been so successful that the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS), of which has jurisdiction over the Lacey Act's Declaration Requirement, provided IWPA with a grant to provide our no-cost training to industries that will be covered by the upcoming Phase Seven of the ongoing phase-in of new products. Before this year, IWPA's training had already helped hundreds of companies. It is our hope that we reach thousands of individuals as a result of this grant.

Some attribute the Lacey Act to be the only tool available to combat deforestation abroad. Certainly, my industry is uniquely positioned to both comply with the Lacey Act and advocate for the health of global forests. However, I would be remiss if I did not mention that, according to the UN's Food and Agriculture Organization's 2021 Global Remote Sensing Survey, more than 90 percent of global deforestation is driven by conversion of forest land to non-forestry uses, not by logging.<sup>1</sup>

While the Lacey Act has proven to be an effective statute in combating illegal deforestation, there is room for clarifying and improving transparency to ensure the statute works as Congress originally intended. Such positive modifications could be made through Reps. Duarte (R-CA-13) and Costas' (D-CA-21) bipartisan H.R. 7157, which would make Lacey Act compliance more clear and allow our industry to receive more information from the federal government on concerning shipments so that we can better partner with them to help eliminate potential bad actors in the supply chain.

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<sup>1</sup> FAO 2020 Remote Sensing Survey: <https://www.fao.org/forest-resources-assessment/remote-sensing/fra-2020-remote-sensing-survey>

Presently, there is no formal delineation of duties across the **three agencies** responsible for administering the Lacey Act— the U.S. Fish and Wildlife Service (USFWS), USDA Animal & Plant Health Inspection Service (APHIS), and U.S. Customs and Border Protection (CPB). As a result of slow communications across the three, many shipments (despite our due diligence and robust recordkeeping) routinely have shipments held upon arrival at our ports, in some cases almost indefinitely, due to "possible" Lacey Act violations.

Once detained or "held" at our ports, information about why a shipment is being held is rarely communicated, and even more frustrating, there is little to no communication about how long officials expect it to be detained. Importers are rarely given any steps that could be taken to help clear up the issue (typically minor paperwork-related issues), if any, and expedite release. Often detentions end with the shipment eventually being released into commerce, not prosecution. In some instances, the importer relinquishes their rights to the product and allows it to be destroyed, never knowing what they did wrong.

All the while, port storage fees, known as demurrage, accrue to the tune of \$500 to \$1,000 per container per day while imports undergo holds. I know of one shipment that has been detained for over two years and the U.S. importer, who conducted lengthy due diligence and is seeking to share additional information about the steps his company took to ensure responsible sourcing, has no idea what he can do to address any of the federal agents' concerns. This is not an isolated case – many members of industry have faced these delays ranging from days to weeks to months. This is not limited to a specific port of entry, nor is it limited to a specific product or even country of origin. Such inconsistency and unknowns regarding our wood imports has real implications on supply chains around the world, which are already under stressors caused by the global COVID-19 pandemic and unrest.

I personally have had to work through two shipment holds associated with benign paperwork-related issues. Both instances required hours of calls from both me and my freight forwarder to try and find out why the shipment was on hold and who we needed to contact in order to resolve the issue. I could only send emails to different federal agencies and the shipping line – only to be left waiting for a response. In both instances, there was ultimately no issue found. One shipment was held due to a person in one of the government offices assuming a document needed to be translated. When we finally got someone else in their office on the phone, they realized that was not the case and released the container, but the demurrage ended up costing \$5,635 (20% of the cost of the container). These are dollars that could have otherwise been spent on investments in our business and workforce.

Further, most holds and detentions end not with prosecution, but with the shipment eventually being released without issue. In a minority of cases, the importer relinquishes their rights to the product, allowing it to be destroyed. Yet, what both scenarios have in common is that importers are never informed of the federal government's concerns.

An essential part of a strong due diligence program, an underlying goal of the Lacey Act is knowing our risks so we can mitigate them. U.S. wood importers need information about concerns U.S. federal agencies have about our shipments, so that we can address them. If there is an issue in our supply chain, it is in our best interest to fix it. And, if there is no issue, more information would enable us to help the federal government clarify any paperwork questions they may have.

Thanks to the hard work of Reps. Duarte and Costa, whose wood product industry in California has experienced many of these importation issues. All is not lost. They have thoughtfully drafted H.R. 7157, which would provide straightforward timelines and transparency improvements to the Lacey Act compliance process, while not weakening its enforcement in the slightest.

If federal agencies suspect a shipment is subject of a Lacey Act violation, H.R. 7157 would simply direct officials to issue a Notice of Detention in a timely manner, allow the importer to store the shipment under bond to avoid demurrage charges while ensuring that it remains available for inspection, and provide a clear timeline for resolution of the issue.

The bill would require the Notice of Detention to include the date on which the shipment was detained for inspection, the anticipated length of the detention, a description of the tests or inquiries the officials will conduct, and a description of what information could be supplied to accelerate disposition of the detention.

To be clear, this bill is in no way asking for the repeal or removal of the Lacey Act, and we strongly condemn illegal harvest of timber. We simply ask that legitimate American businesses are allowed to continue supplying businesses and consumers with the best product possible in a timely manner, and to understand why their products might be held.

By providing additional clarity and certainty to the covered community, H.R. 7157 would streamline entry for compliant shipments and allow federal officials to focus limited staff and enforcement resources to find and prosecute the bad actors bent on evading the requirements of the Lacey Act. Doing so would ensure global forest health remains strong and the integrity of the wood product supply chain is protected.

For seven generations, my family has relied on forests to support ourselves and the community around us who depend on us for jobs. I go to work every day to ensure that I can pass our business along to an eighth generation, which means I support the sustainable usage of timber. H.R. 7157 would enable me to better do just that. I want to once again thank Representatives Duarte and Costa for supporting a small family-owned business who is just trying to do the right thing.

Thank you, again, for this opportunity to share my views. I look forward to answering any questions you may have.