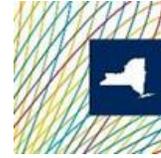




AMERICAN  
WOOD COUNCIL



The  
Business  
Council



American  
Forest & Paper  
Association



## ***Memorandum of Opposition***

### **A 8673/S 7203**

June 9, 2025

We the undersigned, have concerns with **A. 8673/S 7203** which enacts the Tropical Rainforest Economic & Environmental Stability Act (TREES Act) requiring that companies contracting with the State do not contribute to tropical forest degradation or deforestation directly or through their supply chains. The bill would also establish a “Supply Chain Transparency Assistance Program” to assist small and medium-sized businesses and minority and women-owned businesses in achieving compliant supply chains.

We do not object to the intent of this legislation in discouraging State agency procurement of materials that contribute to unsustainable forest management, illegal logging, or contribute to degradation and deforestation of forests around the globe or domestically. In fact, our associations have and will continue to support national and international efforts that ensure supply chain transparency and encourage sustainable forest management that protects all forests and ensures that the world’s forests can provide the biodiversity, climate, and societal benefits that the world depends on.

We are committed to collaborating with our national partners on the U.S. Lacey Act and international trade policy, as well as with the international partners on trade agreements and policies to curb deforestation and restore degraded lands, particularly in our tropical and subtropical forest regions.

The world is at risk of large-scale and potentially irreversible environmental changes, with major threats related to climate, biodiversity, natural resources, and human well-being. Our forests will play an extremely significant role in addressing these challenges while protecting the future human condition of local and Indigenous populations. Forest ecosystems are vital assets that must be restored, maintained, and sustainably managed. As such we need to design policy mechanisms based on sound science and consensus that will result in cost-effective options and wide-impact pathways toward healthy forests and tree resources and sustainable and resilient societies.

ESFPA supports the need to protect Tropical Rainforests, but we question how New York State or North America can do this alone. While it would seem simple enough to just say “do not procure any raw material or product that is derived from or contributing to Tropical Rainforest deforestation or degradation,” doing so is much more complex and intricate than one could imagine.

We would note that in studies on deforestation carbon emissions in international trade, analysis of who are the producers and who are the consumers continues to demonstrate that international demand for forest and agricultural commodities is responsible for one-third (29%) of these emissions, and at a declining rate over the past decade. Most emissions – 71% - comes from food consumed in the country that they were produced. It is tropical country domestic demand, not international trade, which is the main driver of deforestation.<sup>1</sup> Even still international demand is an area that can be addressed but even there North American demand (U.S. and Canada) is among the smallest consumers of tropical commodities. By far China, Europe and the Middle East are larger consumers.

International markets alone cannot fix this problem. New York, and the developed world, would be far better placing their efforts on addressing demands for products in tropical domestic markets in two ways. First, by aiding tropical countries in developing improvements in agricultural productivity so that countries can produce more food on less land. Second, increasing exports of New York and North American-produced and sustainably managed agricultural and forest commodities can help meet these tropical countries’ demands.

Specific to the TREES Act, our primary concern is over the terms and definitions in the bill. In defining terms such as “deforestation,” “forest degradation,” “tree plantation,” “at-risk commodity,” we urge serious scientific review, as these terms have not been vetted through the silvicultural and broader scientific communities. Upon review of international and domestic journals in forestry, it is clear that the definition of these terms is not all settled.

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<sup>1</sup> Hannah Ritchie (2021) - “Carbon emissions from deforestation: are they driven by domestic demand or international trade?” Published online at OurWorldinData.org. Retrieved from: '<https://ourworldindata.org/carbon-deforestation-trade>' [Online Resource]

Similarly in the Supply Chain Transparency Assistance program section of this legislation, terms used for “transparent,” “traceable,” “ethical” and “sustainable” will be codified. Our concern is that these new terms and definitions would be referenced in future amendments to these sections of law, which some advocates have already indicated they want to add other forest regions (i.e., Boreal Forest), or be referenced in other sustainability legislation impacting forestry and wood products made in North America or in New York. It is important to get these terms and definitions grounded in acceptable science now.

New York also already prohibits State and local government from purchasing or obtaining tropical hardwoods or tropical hardwood products under Section 165 of the State Finance Law. In fact, we do not object to the addition of nearly 100 new tropical hardwood species to this list of prohibited purchases. The Governor noted this in Veto Messages 135 in 2023 and 123 in 2024.

The Governor also noted in her two other vetoes the significant burdens on businesses, particularly small businesses, which want to do business with New York State. These have not been lessened in the current bill. This is also a major burden on other national and international efforts to regulate commodities from tropical and non-tropical forests.

This version of the TREES Act also shifts a substantial amount of procurement policy and monitoring to the Department of Environmental Conservation (DEC) as opposed to the State’s principal procurement agency, the Office of General Services (OGS). In previous versions of this legislation, we have raised questions regarding OGS’s capability in foreign trade and markets. We have even greater reservations about DEC’s capabilities in these areas. DEC does not even have the capability to monitor and evaluate within state utilization of forest products, let alone agricultural commodities. How can we expect DEC to take on international markets for which they have no familiarity?

We also have concerns about how the provisions of the legislation apply to tropical and non-tropical forest products alike. For instance, regulations that would be adopted to implement this legislation are expected to cover tropical forest-risk commodities (including all paper, all pulp, and all lumber), and a “set of responsible sourcing guidelines and policies derived from best practices in supply chain traceability and transparency systems for product types.” We do not yet know how extensive such guidelines would be, but it will be important to monitor discussions held by the stakeholder advisory group convened to adopt such regulations. Likewise, the Supply Chain Transparency Assistance Program is expected to apply across all “raw materials” and industries.

We have concerns over the trade restrictive “mission creep” of this legislation and the long term impacts it may have on trade restrictions of forest products. Comments from the sponsors have indicated that this legislation is a precursor to pending action by the European Union Deforestation Rule (EUDR), and some ENGOS have indicated that that is the direction that the U.S. and New York should be going. That may be fine if it is done thoughtfully, but the European Commission, Parliament, and Council have agreed to delay the effective date of the EUDR to December 31, 2025. Highlighting the concerns about the

ability to comply with the regulation, even with the one-year delay, 17 of the 27 EU Member States have formally requested major revisions and further implementation delay in recent weeks.

Finally, On December 17, 2024, the U.S. Department of Agriculture released an interagency policy framework to guide potential demand-side measures to reduce the importation of deforestation-linked commodities and derived products into the United States - ***Strengthening Supply Chains: A Policy Framework to Combat Demand Driven Illegal Deforestation and Promote Sustainable, Deforestation-Free Commodities.*** Together, this report and the accompanying policy framework provide a coherent foundation for the demand-side deforestation policy and international capacity building to advance sustainable land use and reduce deforestation globally. There has been no signal that USDA or the federal Department of State will not follow through on this.

We fully support state agency procurement of products from sustainably managed forests and believe New York could do more to support businesses within our own state by giving preference to locally produced products. But we believe that New York should tread cautiously on how it pushes into this larger policy arena. The NY TREES Act is not necessarily going to get us any closer to a better national or international response and may, in the meantime, burden New York based businesses and wood products with unnecessary regulation and the unintended consequences more than it will help us.

**Again, while we appreciate the sponsors' good intentions in advancing this legislation but for the reasons stated above, we respectfully oppose A. 8673/S 7203.**

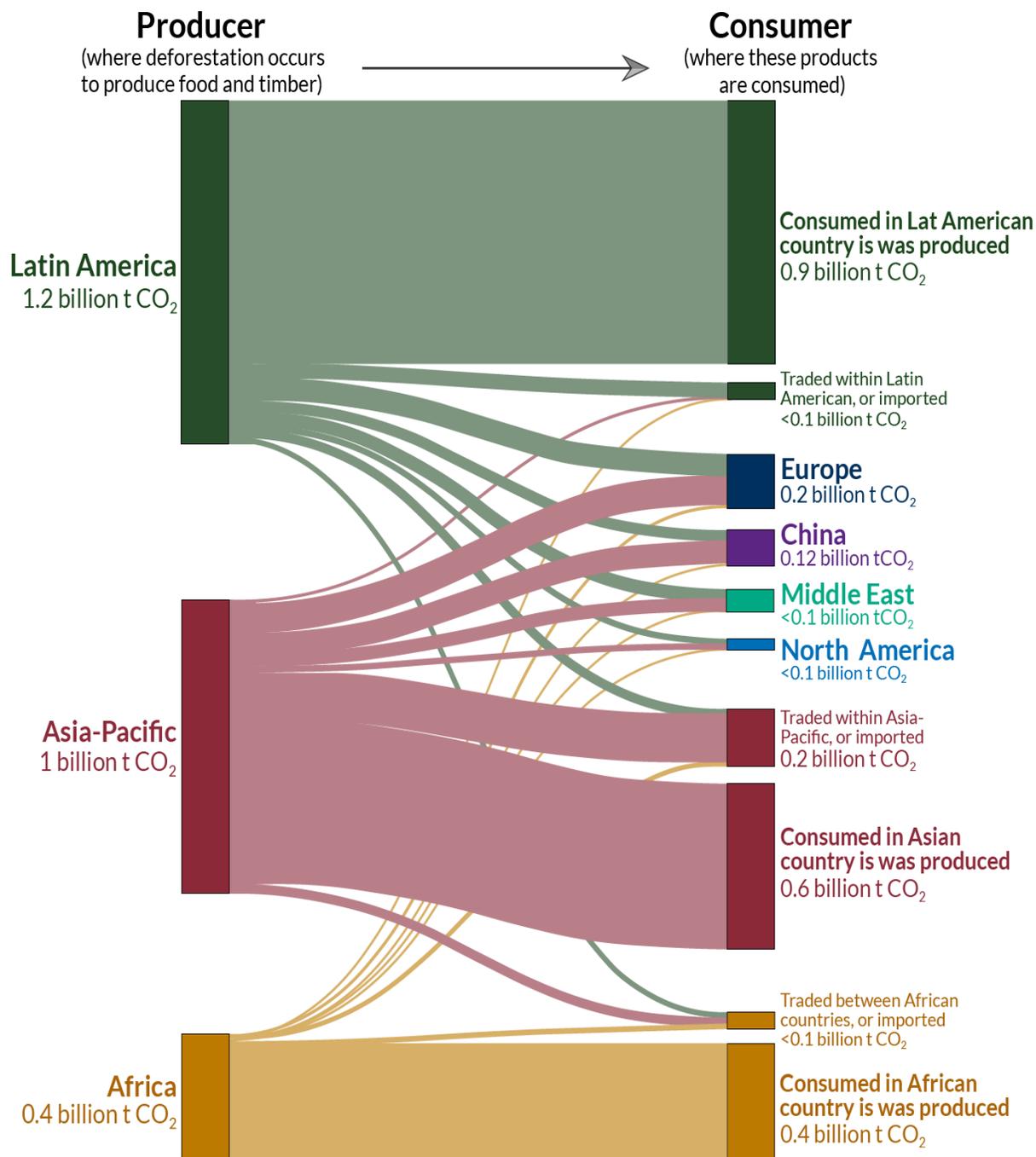
American Forest & Paper Association  
American Wood Council  
Associated Builders & Contractors of Empire State  
Empire State Forest Products Association  
National Federation of Independent Businesses  
New York Construction Materials Association  
New York State Economic Development Council  
Northeast Retail Lumber Association  
The Business Council of New York  
Upstate United

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# Deforestation carbon emissions in international trade: who are the producers and who are the consumers?

Shown are CO<sub>2</sub> emissions produced from tropical deforestation for agricultural products, and where the products driving this deforestation are finally consumed. This is measured as the annual average from 2011 to 2014.



Data source: Florence Pendrill et al. (2019). Agricultural and forestry trade drives large share of tropical deforestation emissions. OurWorldinData.org - Research and data to make progress against the world's largest problems. Licensed under CC-BY by the author Hannah Ritchie.