

Appendix D

Summary of Comments and Responses

Firstly, we would like to thank everyone who provided feedback on the Yale Program on Forest Policy and Governance (YPPFG) draft report, *Assessing USGBC's Forest Certification Policy Options*. Many thanks also for the more general comments on USGBC's wood-related policies.

Below we summarize and respond to some of the most commonly raised points. We also highlight changes that were made to the report to further address these issues.

The responses provided here are not intended as the "final word" on any one of these important issues. Instead our goal is to contribute to constructive, ongoing dialogue.

What about small or low intensity forest operations? What if they can't afford to get certified to USGBC's choice of schemes? Should they have to get certified again if they are already certified to a system that USGBC doesn't recognize? What about forest restoration activities on private and/or federal lands?

A new section has been inserted into the final YPPFG report, entitled "Equity impacts of choosing certification schemes". This section, which is previewed in the Executive Summary and then expanded upon in the body of the report, provides further discussion along with a variety of policy options.

USGBC's choice should facilitate competition among schemes.

Competition among schemes will likely continue regardless of USGBC's policy choices. There are a wide variety of markets available for certified products. As we explain in the report, the issue is not whether or not to allow competition, but what kinds of competition USGBC most wants to foster.

There are two distinct areas of competition USGBC may want to consider: 1) competition over price and 2) competition over legitimacy and the stringency of the requirements. Regardless of USGBC's decision, competition over price will continue. Recognition of a plurality of systems, however, may affect USGBC's ability to promote the changes necessary to better meet its organizational goals. This is not an issue if USGBC decides

that all systems, as they now stand, equally serve its objectives. It is only a challenge if USGBC feels that the systems vary in the degree to which they meet its objectives.

Why was the FSC Pacific Coast standard included in the YPPFG comparative matrix? It is more prescriptive than most FSC regional standards in the US and Canada.

The objective of the comparison of performance standards in the matrix (see “Appendix A” in the final report) is to identify similarities and differences among standards both across schemes and within the FSC itself, including both international standards and those that are applied in the US and Canada.¹ The standards compared include the international FSC Principles and Criteria, the international checklist of the Programme for the Endorsement of Forest Certification Schemes (PEFC), the American Tree Farm System (ATFS) standards, the Canadian Standards Council (CSA SFM) standards, the Sustainable Forestry Initiative (SFI) standards; and two sets of FSC North American case study regional indicators. The two North American FSC regional case studies were chosen to illustrate the range of prescriptiveness found in FSC regional standards in this region.

There are a total of 13 FSC regional standards in the US and Canada, 11 of which have been endorsed by FSC International. All of the FSC-US regional indicators were written under the guidance of a National Indicator template provided by FSC-US. The FSC US National Indicator template was therefore included in the matrix as the closest proxy for baseline requirements found in all FSC-US standards.² In addition, the FSC Pacific Coast standard was selected as an example of one of the most prescriptive of the FSC North American standards. In response to comments and suggestions from SFI respondents, we have since added the FSC Boreal standard, as another important example of an FSC regional standard.

The reasons for not comparing all 11 endorsed standards include 1) limited time and resources; and 2) the rationale that such further detailed analysis is not critical given that the matrix already provides a fairly comprehensive snapshot of the range of prescriptiveness found in the FSC regional standards.

¹ The following section on global and US wood trade flows discusses why greater focus was placed on the US and Canada.

² There may have been some confusion caused, also, by the fact that the international FSC Principles and Criteria (FSC P&C) and FSC Pacific Coast (FSC-PC) standards carry similar acronyms. In order to provide greater clarity, the final report spells out the full name of these standards in every paragraph in which either is mentioned.

The world's forests are under major threat from deforestation and forest degradation. Isn't distinguishing among established third party schemes like arranging deck chairs on the Titanic? Why focus the comparison of standards primarily on North America?

We agree that deforestation and forest degradation outside of North America is an issue of critical concern for those hoping to promote sustainable forest management. Our report addresses this in several ways. Firstly, it discusses the dilemma of whether it is more effective to develop standards that involve the greatest number of forest operators, or to push for greater improvements among a smaller number of high-level performers. We do not take sides on this issue but rather present various policy options that USGBC may want to consider to address it.

The report also identifies a two-pronged option for addressing these global challenges. One prong is the recognition of forest certification schemes that meet USGBC's goals. The other prong involves the creation of mechanisms, such as legality verification, to screen out the worst performers. Both prongs require decisions about what level of standards and approach USGBC feels is appropriate.

Whatever USGBC's impacts on global production, US and Canadian production is of inarguable importance to US green building. US domestic production and consumption, together with imports from Canada, account for a large majority of the wood used in the US for construction. Hence standards of forest certification in these countries are of central relevance to green building in the US.

It is also important that USGBC develop a clear metric to assess whether or not to recognize wood certified to non-North American standards. We address this by comparing the baseline FSC Principles and Criteria that apply to all FSC certified operations worldwide. Likewise we compare PEFC's internationally applicable checklist for endorsement. The amount of certified wood imported from regions with certification systems not recognized by either FSC or PEFC (and hence excluded from our detailed analysis) is very small. In sum, by including both international standards and North American standards, we consider our analysis to be reasonably comprehensive of key standards, and potential performance benchmarks, for USGBC to consider.

However, it is up to USGBC and its organizational goals to rate the relative importance of standards in North America versus elsewhere. If USGBC decides to place primary focus on raising levels of performance in lower-performing countries, then it is important to consider what has been shaping the growth of certification in those countries. Are there certain stakeholders that have been primarily driving the demand for certification in developing countries? Has the lack of choice in certification systems been a major barrier? What would be the net effect of recognizing one or more schemes on both the area certified and the transformation of forest practices? These are all important questions to consider. Whatever the answers, USGBC's net effect on forestry in developing countries is likely to be more indirect and symbolic than its effect in the US and Canada.

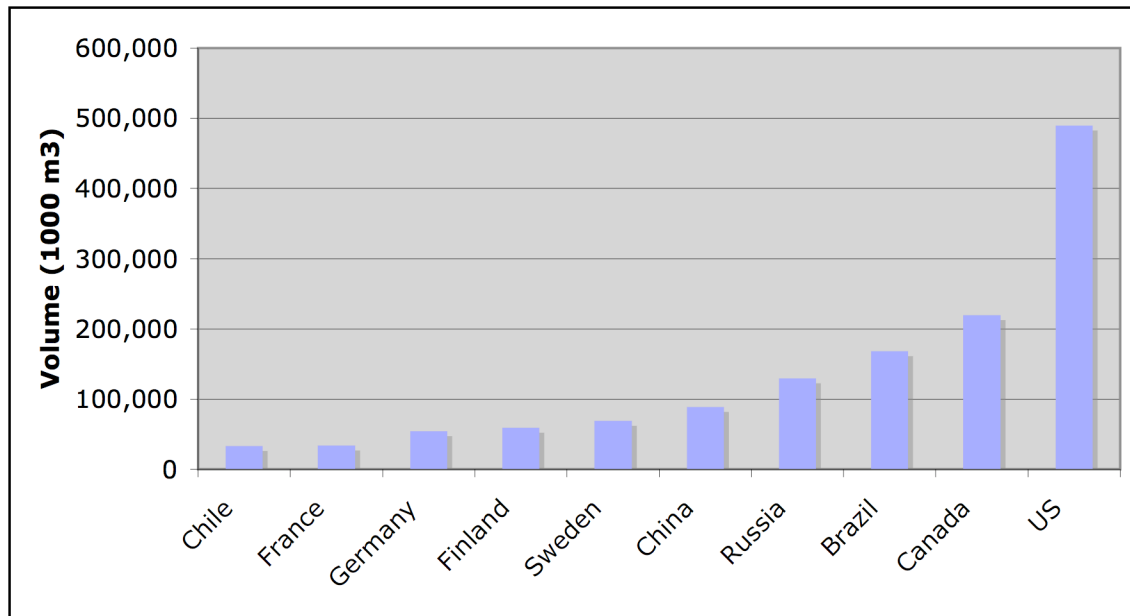
The following analyses provide further contextual information of relevance to the question of regional versus global focus. They include a broad-brush discussion of global wood production and consumption, the relative role of the US as a wood producer, and the relative importance of domestic and foreign wood sources for US green building construction.

Global Wood Production and Consumption

“The UNECE region³ is the main consumer and producer of forest products in the world, and as such has a lead responsibility in assuring their sustainable production from forests in and outside the region. In terms of consumption, the UNECE region’s share of world consumption ranges from 80% for industrial roundwood to 55% for paper and paperboard (UNECE/FAO 2006).”

The following chart draws on data from the Food and Agriculture Organization of the United Nations (FAO) to illustrate the top ten countries worldwide in terms of total industrial wood product removals. We focus here on industrial production, since forest certification is a trade-based instrument designed for commercial trade rather than subsistence uses.

Figure 1: Industrial Wood Product Removals in 2005, Top 10 countries worldwide



Source: (FAO 2006)

³ The UNECE region covers more than 47 million square kilometres. Its member States include the countries of Europe, but also countries in North America (Canada and United States), Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) and Western Asia (Israel). Source: <http://www.unece.org/oes/nutshell/region.htm> Accessed February 23, 2008

The US leads the world in volume of industrial wood product removals. Among the top producers, those that face perhaps the greatest governance challenges are Brazil, Russia and China. In order to understand US market influence on these countries, however, it is necessary to consider the relative volumes and direction of wood product exports. Brazil consumes over 85% of its wood products domestically (Lele et al. 2000). Within Brazil, forest governance is generally considered to face the greatest challenges in the Amazon region. However, a growing percentage of exports are sourced outside the Amazon, from plantations in the southern part of the country. US Amazonian imports are significant, however, for some wood products, including hardwood plywood, hardboard, flooring and certain other finished products. In Russia, forest governance is of greatest concern in Siberia and the Far East, which export primarily to China. In China, wood grown domestically is primarily consumed domestically.

While there is plenty of reason for concern about US imports from outside the US and Canada, the above analysis suggests US and Canadian production is also of central importance to our study.

Next, we will turn to the question of greatest relevance to USGBC in designing a forest certification policy, i.e. the origin of wood used in US building construction. The following brief analyses shed some more light on the relative volumes and values of wood consumption from domestic and international sources.

US Trade

Lumber:

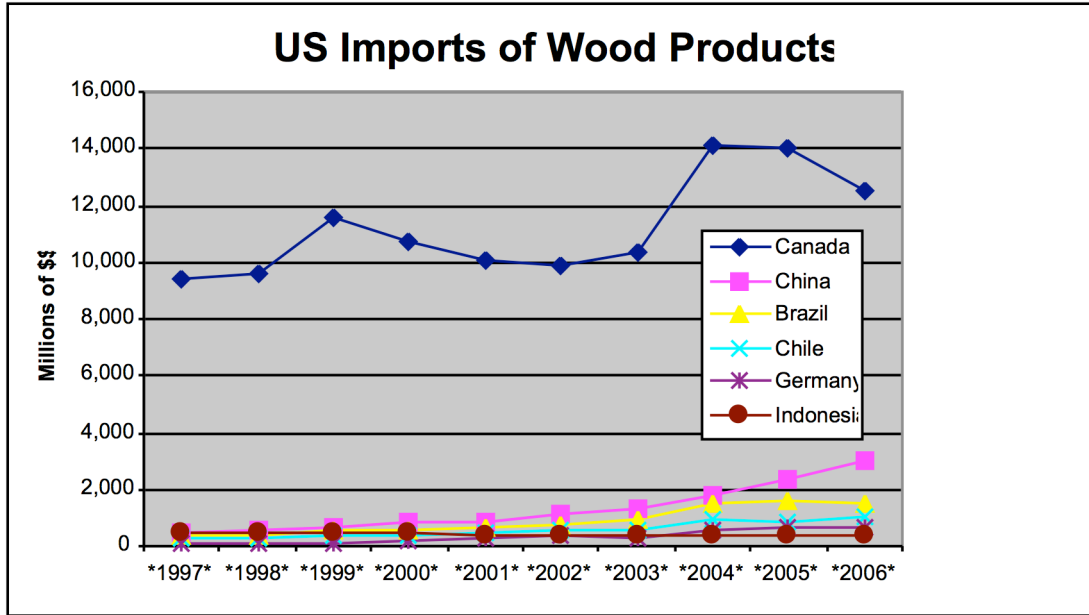
“Net foreign trade represented about one-fourth of domestic lumber consumption in 2002... Canada has always been the principal source of lumber imported to the United States... In 2002, 90% of all imports were from Canada (Howard 2003).”

Some other relevant products:

The role of imports for structural panels, veneer, particleboard and other products is variable. For example, imports play a minor role in softwood plywood or particleboard consumption, but are significant for hardwood plywood and hardboard (Howard 2003).

The following chart, based on data provided from the US International Trade Commission, provides a summary of key countries of origin for all US wood product imports and their relative value in \$ USD.

Figure 2:



Source: US Dept. of Commerce and US International Trade Commission.
<http://dataweb.usitc.gov/>

In sum, US wood production, followed by Canadian imports, dominates US wood consumption. This suggests that USGBC policy would have the most direct effect on US and Canadian production while its effects globally would be more indirect and variable.

However, given that the US is a major global consumer, there is also reason for concern about the environmental impacts of US imports from high risk countries. As already mentioned, one of the ways the report addresses this is by presenting a policy option of excluding the use of wood from illegal sources.

In regards to assessing certification schemes originating outside the US and Canada, YPFPG suggests that performance benchmarks could be based on national and international standards (such as the SFI or FSC P&C). There are pros and cons to this approach which are further addressed in the report.

Additional national standards, however, could be added to the comparative matrix. This will reveal considerable variation within and among systems by country and by region. For example, some reviewers have pointed out that US and Canadian FSC regional indicators are more prescriptive than FSC regional indicators elsewhere. In countries with lower forest governance capacities, there may be a certain market logic to having lower performance standards, since high standards under such conditions may lead to lead to

minimal uptake. Differences in standards among countries could also be seen as unfair and discriminatory against US and Canadian products.

Reviewers have also highlighted that in some countries FSC certificates have been awarded prior to the endorsement of regional indicators. In such cases, FSC certificates in those countries would meet USGBC benchmarks if those benchmarks were either equivalent to, or more flexible than, the FSC Principles and Criteria, but would fail to meet benchmarks based on FSC North American regional standards.

In sum, we appreciate the points raised by reviewers regarding the importance of USGBC's policies in terms of both their direct effects on North American practices, as well as their indirect effects elsewhere. We encourage USGBC to consider the balance of national, regional and global forest impacts in the way that best meets its own organizational goals.

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