



Opposing U.S. Protectionism And State Procurement Bills That Undermine Canada's Sustainable Forest Sector

DESCRIPTION

A coordinated campaign has been initiated by certain environmental groups in the US to develop and implement state-level legislation that would discriminate against forest products exports from Canada.

These bills, which often receive public support from a few groups in Canada, are based on misinformation. They specifically allege, with no evidence or basis in fact, that Canada's forest practices are equivalent to the least sustainable practices used in certain tropical forests of the developing world. They do not recognize that Canada's deforestation rate is near zero nor that it has by far the highest percentage of its forests certified sustainable of any country in the world. These state-level legislative efforts based on blatantly incorrect information have the effect of harming Canada's world leading sustainable forest sector, and by extension the communities (Indigenous and non-Indigenous) that rely on forestry as part of their social and economic well-being.

BACKGROUND

In 2021, certain lawmakers in California tabled Bill AB 416 – the “California Deforestation Free Procurement Act” which unfairly targeted wood products originating from Canada's boreal forest and tried to equate sustainable forest management practices with deforestation in tropical countries. Similarly, New York State tabled Bill S5921A/A6872A: New York Deforestation-Free Procurement Act. Both bills were based on model legislation drafted by the Natural Resources Defense Council (NRDC).

Fortunately, the California bill was vetoed by Governor Gavin Newsom in October 2021 because of its unworkability and how it would drive up costs in the state and create unnecessary burdens for California businesses. The New York bill did not pass during this recent legislative session, although it will likely be reintroduced at the next session (anticipated January 2023).

Despite the fact that these bills have not thus far been enacted, they are part of a broader campaign by the NRDC and other US environmental groups, to create non-tariff trade barriers for forest products exports from Canada. Given the sizeable investment of resources by the NRDC and the prominence of this campaign in their fundraising solicitations, similar bills are anticipated in these and other States in the future.

These efforts have the effect of undermining Canada's forest sector, its workers and communities. They are based on misinformation and do not recognize Canada's standing as a world leader in forest management, or the importance of the country's sector in supporting a wide range of environmental and societal objectives.

Canada's forest sector is critical to the achievement of the country's net-zero carbon objectives. Lumber and other wood products lock in carbon for the long-term and can be used to displace more fossil fuel intensive building materials like cement. Forest products store carbon – each cubic metre of wood represents almost 1 tonne of CO₂ removed from the atmosphere. Furthermore, using leftover residues from sawmills like wood chips and sawdust supports production of lower carbon alternative products (e.g., biofuels, bioplastics).

Canada's forest sector has annual revenues exceeding \$75B and is one of the country's largest employers operating in over 600 communities, providing over 200,000 direct jobs, and over 600,000 indirect jobs across the country.

Indigenous peoples and communities are core to the success and future of Canada's forest sector. Today, Indigenous peoples directly control 10% of the Canadian wood supply and this percentage continues to trend upward. There are also over 1,400 Indigenous-owned forestry business operating across the country and 12,000 Indigenous workers are employed in the sector. Over the next decade, 750,000 Indigenous youth will enter the Canadian workforce—a cohort that's growing four times faster than Canada's non-Indigenous population. This demographic represents an important part of the sector's talent and leadership pipeline of the future.

There are existing frameworks in place to recognize ethical and sustainable sourcing – in Canada they are double layered via provincial government approvals of forest management plans, along with independent third-party certification in the large majority of forests across the country. Canada is home to nearly 40% of the world's third-party, independently certified forests. Canada's working forest is managed carefully for conservation values with half of our managed forest currently under some kind of conservation measure.

RECOMMENDATIONS

That the Government of Canada:

1. Commit to direct officials within the Canadian government to do a comprehensive review of any future US procurement bills, whether at the state or federal level, for trade risk and non-tariff trade barriers to Canada's forest sector.
2. Collaborate with Canadian forestry, the Canadian Chamber of Commerce, and other aligned sectors and organizations across Canada to ensure that future versions of these NRDC-type bills are not enacted into law and that misinformation campaigns do not harm Canada's position as a trusted supplier of forest products to the North American and global marketplace.
3. Review any Canadian government funding to groups that may be directly or indirectly supporting these efforts to undermine Canada's forest sector and its people.
4. In the spirit of collaboration, should work with U.S. counterparts on eliminating import and export restrictions on trade in sustainable forest products between the two countries.

COMMENTS

ENDORSEMENTS

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Supporting Organizations: