



December 2, 2022

**Via Online Submission**

Antony Blinken  
Secretary of State  
Department of State  
2201 C St NW  
Washington, DC 20520

**Re: Request for Stakeholder Input on Options for Combating International Deforestation  
Associated with Commodities (Public Notice: 11877)**

Dear Secretary Blinken,

The Retail Industry Leaders Association (RILA) appreciates the opportunity to submit comments in response to the State Department's Request for Stakeholder Input on Options for Combating International Deforestation Associated with Commodities (Public Notice: 11877). Below we offer suggestions regarding the Administration's proposed options to restrict the importation of commodities sourced from deforested lands to ensure that any new import requirements are ultimately successful.

RILA is the trade association of the world's largest, most innovative, and recognizable retail companies and brands. We convene decision-makers, advocate for the industry, and promote operational excellence and innovation. Our aim is to elevate a dynamic industry by transforming the environment in which retailers operate. RILA members include more than two hundred retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad. RILA's membership includes some of the largest importers in the U.S.

RILA supports the Administration's efforts to conserve and restore global forests and other ecosystems that serve as critical carbon sinks. Our members are industry-leaders in developing sourcing programs that encourage conservation solutions, increase recycled content, and encourage suppliers to avoid ancient and endangered forests – limiting impacts on global deforestation. Many of our members have robust programs in place to protect, manage and restore the world's critical landscapes and reverse the impacts that nature loss and emissions have had on climate change. Through efforts such as public-private partnerships, sourcing from certified suppliers, and leveraging the work of non-governmental organizations (NGOs), our members are working diligently to conserve forests and improve the livelihood of those who depend on them. RILA supports our members' sustainability work primarily through our Sustainability Committee, which convenes retail sustainability and corporate social responsibility executives focused on enabling more environmentally sustainable and circular business opportunities. You can learn more about RILA's Sustainability Committee [here](#).

We are concerned, however, that imposing comprehensive import restrictions on commodities and derivative parts of those commodities grown on lands deforested, legally or illegally, from agricultural supply chains could create administrability and enforcement concerns for retailers and U.S. Customs and Border Protection (CBP). Therefore, we believe it is critical that the Administration consider and establish the necessary infrastructure for complying with any new requirements before they are put in place. This could include a phased in approach that focuses on high-risk regions and commodities, pilot programs that test different traceability technologies on high-risk regions and commodities, and public-private partnerships that include U.S. corporations and partner governments. We also suggest that lessons learned from Lacey Act implementation – which is still ongoing after 15 years – could be instructive.

As a preliminary matter, we believe it would be impracticable to impose a broad import ban on commodities such as oil palm, cocoa, coffee, and rubber – products that are not farmed or produced in the U.S. Limiting importation without working with industry to identify compliant sourcing alternatives would create significant supply disruptions to the U.S. market. We encourage the Administration to work with the companies to better understand the sourcing options for these types of products, as well as lead times for moving sourcing if compliant sources are identified. This would necessarily require a clear understanding of how "deforested" will be defined for purposes of implementing any import restrictions. We encourage the Administration to work closely with industry to ensure a clear and administrable definition of "deforested" is adopted to ensure successful implementation of any new import requirements.

Further, we have concerns regarding how the Administration would administer an import ban for products that contain comingled inputs. Consider the case of wood fiber, which we understand is impossible to trace beyond a certain percentage. One RILA member shared that it imports fiberboard that often contains more than 125 different inputs. That same member imports products made from particle board, which is comprised of sawdust from different milling plants. How could such products be reliably and feasibly traced to ensure that the originating wood did not come from deforested land? How would CBP begin to enforce such a provision? What documentation would need to be provided or controls in place to adequately demonstrate compliance? Similarly, many retailers use recycled wood as part of their corporate commitment to sustainability. These products are inherently made of comingled products. Restricting the importation of products made from recycled materials could be counterproductive for both retailers' and the Administration's sustainability goals. We again point the Administration to lessons learned from the Lacey Act, which has yet to be fully implemented because of the traceability challenges associated with comingled commodities. Finally, while we use wood products as an example, we wish to emphasize that other commodities mentioned in the State Department's notice – such as cattle and its derivative products (e.g., leather) – present similar administrability and enforcement challenges.

We do not believe these broad concerns would be fully remedied by imposing a specific cut-off date. A cut-off date would theoretically narrow the scope of products initially impacted by any new requirements but would not eliminate the traceability exercise necessary to determine where a product originated as well as when the land was deforested. Requiring retailers and other companies located at the end of the supply chain to determine precisely when land located in other countries was deforested will inevitably create compliance challenges. Instead, we

recommend such requirements be imposed earlier in the supply chain on parties more likely to have the best access to this type of information.

Given these complexities, we recommend that the Administration partner with companies to launch a pilot program to test different traceability approaches and technologies on the highest-risk regions and commodities. This would enable a shared understanding of the supply chain complexities of certain commodities, along with what is feasible in terms of traceability and sourcing. It would also allow the Administration to focus its resources on the areas of highest concern. Our members would welcome the opportunity to partner with the Administration on these types of collaborative engagements.

We also encourage the Administration to seek out public-private partnerships to combat deforestation. An example of a successful public-private partnership is the [LEAF Coalition](#) (Lowering Emissions by Accelerating Forest Finance), which is a voluntary global coalition that brings together corporations and governments to provide funding for tropical and subtropical forest conservation. LEAF has already put \$1 billion towards this effort with an ultimate goal of fighting climate change. The Coalition has also garnered interest from developing nations such as Costa Rica, Ecuador, Ghana, Nepal, and Vietnam. We applaud the U.S. involvement in the LEAF Coalition and urge the Administration to use the Coalition as a template for future public-private partnerships to conserve the world's forests.

Finally, we are aware of the European Commission's proposal for a regulation to minimize deforestation and forest degradation. We encourage the Administration to coordinate closely with the EU to align these policy efforts to the greatest extent possible. Creating two different systems with diverging rules would increase the costs of compliance for companies as well as create enforcement challenges. Instead, we believe alignment would result in more successful implementation by improving company compliance and engendering more efficient and targeted enforcement for the U.S. and EU.

In conclusion, the Administration should view retailers as partners in the fight to prevent deforestation of the world's critical landscapes. We urge the Administration to leverage the retail industry's expertise in building robust programs to protect, restore, and renew global forests. Rather than an outright import ban on commodities that are not sourced from the U.S., the Administration should pursue a phased in approach that focuses on high-risk regions and commodities, pilot programs that test different traceability technologies on high-risk regions and commodities, and public-private partnerships that include U.S. corporations and partner governments.

Thank you for the opportunity to provide insight on behalf of our membership.

Sincerely,



Blake Harden  
Vice President, International Trade  
Retail Industry Leaders Association