





June 15, 2021

The Honorable Senator Bill Dodd, Chair Senate Standing Committee on Governmental Organization 1020 N Street, Room 584 Sacramento, CA 95814

Re: AB 416 (Kalra) California Deforestation-Free Procurement Act: public works projects:

wood and wood products (As Amended May 24, 2021)

Position: Oppose unless amended

Dear Senator Bill Dodd, Chair of the Senate Standing Committee on Governmental Organization,

We write you jointly to express the shared concern the Governments of Ontario, Québec, Alberta and British Columbia have with respect to AB 416, the California Deforestation-Free Procurement Act (as amended on May 24th). While the intent of the legislation – ensuring forest sustainability – is certainly commendable, the bill as written does not consider the world-class sustainable forest management practices to which our Canadian and Provincial forestry sectors adhere. These practices specify environmental forest stewardship requirements and prevent deforestation of the boreal forest. If enacted as written, this legislation could result, intentionally or unintentionally, in discrimination against wood products originating from Canada and increase the costs associated with California's forest product trade with Canada.

If AB 416 becomes law, it:

"would require a contractor, as defined, and specified subcontractors, for any contract entered into, extended, or renewed on or after January 1, 2024, contracting with a state agency for the procurement of products comprised wholly or in part of forest-risk commodities to certify that the commodities were not grown, derived, harvested, reared, or produced on land where tropical deforestation or boreal intact forest degradation or deforestation occurred on or after January 1, 2022."

Our world-leading, sustainable forest management practices are underpinned by robust legislative and regulatory frameworks. These laws and regulations prevent illegal forest practices, and deforestation. As a result, our forest sectors are recognized globally for their commitment to sustainability as well as Indigenous engagement. For example, approximately 77% of Ontario's, over 80% of Alberta's, 90% of Québec's and 85% of British Columbia's managed public forests are sustainably certified by independent third-party certification bodies like the Forest Stewardship Council and the Sustainable Forestry Initiative.

Acknowledging the above, we ask you to amend the bill to remove references to boreal forests. Such an amendment recognizes our collective provincial commitment to sustainable forest management and the high-quality and environmentally sound practices of the products our forestry sectors supply globally. Amending the bill to remove the reference to boreal forests is especially critical now as the

world rallies around cooperative relationships to fight the devastating and on going effects of the pandemic on both lives and livelihoods.

If enacted, this legislation would also unjustly impact Canada's northern and Indigenous communities dependent on forestry and could affect more than 200,000 jobs, of which over 7% are filled by self-identified Indigenous people. The legislation also potentially impacts \$23.7 billion in gross domestic product for Canada.

We believe that as currently drafted, AB 416 represents an unjustified non-tariff trade barrier that is inconsistent with California's obligations under the World Trade Organization's Agreement on Government Procurement.

We appreciate the amendment removing the specific reference to Canada's boreal forests from the legislation, but do not believe that it addresses our shared concerns with the impact the bill will have. We commend California's commitment to enacting measures for safeguarding the sustainability of forests by ensuring procurement of legally and ethically sourced wood products, and look forward to an opportunity to discuss how the legislation could be further amended to account for Canada's world-leading sustainability practices.

Sincerely,

John Allan

Special Advisor, Premier's Office and former Deputy Minister of Forests, Lands, Natural Resource Operations and Rural Development, British Columbia

Ian Todd

Ontario's Representative in Washington

James Rajotte

Alberta's Senior Representative to the United States

Philippe P. Huneault

Québec Delegate, Western United States

CC: Senate Standing Committee on Governmental Organization

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