
**7. FOREST RESOURCES CONSERVATION AND SHORTAGE
RELIEF ACT OF 1990**

[As Amended through the end of the First Session of the 108th
Congress (Public Law 108-198, Dec. 31, 2003)]

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7. FOREST RESOURCES CONSERVATION AND SHORTAGE RELIEF ACT OF 1990

(Title IV of the Customs and Trade Act of 1990 (Public Law 101-382))

TITLE IV—EXPORTS OF UNPROCESSED TIMBER

SEC. 487. [16 U.S.C. 620 note] SHORT TITLE.

This title may be cited as the “Forest Resources Conservation and Shortage Relief Act of 1990”.

SEC. 488. [16 U.S.C. 620] FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress makes the following findings:

- (1) Timber is essential to the United States.
- (2) Forests, forest resources, and the forest environment are exhaustible natural resources that require efficient and effective conservation efforts.
- (3) In the interest of conserving those resources, the United States has set aside millions of acres of otherwise harvestable timberlands in the western United States, representing well over 100,000,000,000 board feet of otherwise harvestable timber.
- (4) In recent years, administrative, statutory, or judicial action has been taken to set aside an increased amount of otherwise harvestable timberlands for conservation purposes.
- (5) In the next few months and years, additional amounts of otherwise harvestable timberlands may be set aside for conservation purposes, pursuant to the Endangered Species Act of 1973, the National Forest Management Act of 1976, or other expected statutory, administrative, and judicial actions.
- (6) There is evidence of a shortfall in the supply of unprocessed timber in the western United States.
- (7) There is reason to believe that any shortfall which may already exist may worsen unless action is taken.
- (8) In conjunction with the broad conservation actions expected in the next few months and years, conservation action is necessary with respect to exports of unprocessed timber.

(b) PURPOSES.—The purposes of this title are—

- (1) to promote the conservation of forest resources in conjunction with State and Federal resources management plans, and other actions or decisions, affecting the use of forest resources;
- (2) to take action essential for the acquisition and distribution of forest resources or products in short supply in the western United States;
- (3) to take action necessary, to meet the goals of Article XI 2.(a) of the GATT 1994 (as defined in section 2(1)(B) of the Uruguay Round Agreements Act), to ensure sufficient supplies

of certain forest resources or products which are essential to the United States;

(4) to continue and refine the existing Federal policy of restricting the export of unprocessed timber harvested from Federal lands in the western United States; and

(5) to effect measures aimed at meeting these objectives in conformity with the obligations of the United States under the WTO Agreement and the multilateral trade agreements (as such terms are defined in paragraphs (9) and (4), respectively, of section 2 of the Uruguay Round Agreements Act).

SEC. 489. [16 U.S.C. 620a] RESTRICTIONS ON EXPORTS OF UNPROCESSED TIMBER ORIGINATING FROM FEDERAL LANDS.

(a) PROHIBITION ON EXPORT OF UNPROCESSED TIMBER ORIGINATING FROM FEDERAL LANDS.—No person who acquires unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States may export such timber from the United States, or sell, trade, exchange, or otherwise convey such timber to any other person for the purpose of exporting such timber from the United States, unless such timber has been determined under subsection (b) to be surplus to the needs of timber manufacturing facilities in the United States.

(b) SURPLUSES.—

(1) DETERMINATIONS BY SECRETARY CONCERNED.—The prohibition contained in subsection (a) shall not apply to specific quantities of grades and species of unprocessed timber originating from Federal lands which the Secretary concerned determines to be surplus to domestic manufacturing needs.

(2) PROCEDURES.—Any determination under paragraph (1) shall be made in regulations issued in accordance with section 553 of title 5, United States Code. Any such determination shall be reviewed at least once in every 3-year period. The Secretary concerned shall publish notice of such review in the Federal Register, and shall give the public an opportunity to comment on such review.

SEC. 490. [16 U.S.C. 620b] LIMITATIONS ON THE SUBSTITUTION OF UNPROCESSED FEDERAL TIMBER FOR UNPROCESSED TIMBER EXPORTED FROM PRIVATE LANDS.

(a) DIRECT SUBSTITUTION.—(1) Except as provided in paragraph (3) and subsection (c), no person may purchase directly from any department or agency of the United States unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States if—

(A) such unprocessed timber is to be used in substitution for exported unprocessed timber originating from private lands; or

(B) such person has, during the preceding 24-month period, exported unprocessed timber originating from private lands.

(2) Notwithstanding paragraph (1)—

(A) Federal timber purchased pursuant to a contract entered into between the purchaser and the Secretary concerned before the date on which regulations to carry out this subsection are issued under section 495 shall be governed by the regulations of the Secretary concerned in effect before such

date that restrict the substitution of unprocessed timber originating from Federal lands for exported timber originating from private lands;

(B) in the 1-year period beginning on the effective date of this title, any person who operates under a Cooperative Sustained Yield Unit Agreement, and who has an historic export quota shall be limited to entering into contracts under such a quota to a volume equal to not more than 66 percent of the person's historic export quota used during fiscal year 1989;

(C) a person referred to in subparagraph (B) shall reduce the person's remaining substitution volume by an equal amount each year thereafter such that no volume is substituted under such a quota in fiscal year 1995 or thereafter; and

(D) the 24-month period referred to in paragraph (1)(B) shall not apply to any person who—

(i) before the enactment of this Act, has, under an historic export quota approved by the Secretary concerned, purchased unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States in substitution for exported unprocessed timber originating from private lands;

(ii) certifies to the Secretary concerned, within 3 months after the date of the enactment of this Act, that the person will, within 6 months after such date of enactment, cease exporting unprocessed timber originating from private lands; and

(iii) ceases exports in accordance with such certification.

(3) APPLICABILITY.—In the case of the purchase by a person of unprocessed timber originating from Federal lands west of the 119th meridian in the State of Washington, paragraph (1) shall apply only if—

(A) the private lands referred to in paragraph (1) are owned by the person; or

(B) the person has the exclusive right to harvest timber from the private lands described in paragraph (1) during a period of more than 7 years, and may exercise that right at any time of the person's choosing.

(b) INDIRECT SUBSTITUTION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no person may, beginning 21 days after the date of the enactment of this Act, purchase from any other person unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States if such person would be prohibited from purchasing such timber directly from a department or agency of the United States. Acquisitions of western red cedar which are domestically processed into finished products to be sold into domestic or international markets are exempt from the prohibition contained in this paragraph.

(2) EXCEPTIONS.—(A) The Secretary of Agriculture shall, as soon as practicable but not later than 9 months after the date of the enactment of this Act, establish, by rule, a limited amount of unprocessed timber originating from Federal lands

described in subparagraph (B) which may be purchased by a person otherwise covered by the prohibition contained in paragraph (1). Such limit shall equal—

- (i) the amount of such timber acquired by such person, based on the higher of the applicant's actual timber purchasing receipts or the appropriate Federal agency's records, during fiscal years 1988, 1989, and 1990, divided by 3, or
 - (ii) 15 million board feet,
- whichever is less, except that such limit shall not exceed such person's proportionate share, with respect to all persons covered under this paragraph, of 50 million board feet.

(B) The Federal lands referred to in subparagraph (A) are Federal lands administered by the United States Forest Service Region 6 that are located north of the Columbia River from its mouth and east to its first intersection with the 119th meridian, and from that point north of the 46th parallel and east.

(C) Any person may sell, trade, or otherwise exchange with any other person the rights obtained under subparagraph (A), except that such rights may not be sold, traded, or otherwise exchanged to persons already in possession of such rights obtained under subparagraph (A).

(D) Federal timber purchased from Federal lands described in subparagraph (B) pursuant to a contract entered into between the purchaser and the Secretary of Agriculture before the date on which regulations to carry out this subsection are issued under section 495 shall be governed by the regulations of the Secretary of Agriculture in effect before such date that restrict the substitution of unprocessed timber originating from Federal lands for exported timber originating from private lands.

(c) SOURCING AREAS.—

(1) IN GENERAL.—The prohibitions contained in subsections (a) and (b) shall not apply with respect to the acquisition of unprocessed timber originating from Federal lands within a sourcing area west of the 100th meridian in the contiguous 48 States approved by the Secretary concerned under this subsection by a person who—

(A) in the previous 24 months, has not exported unprocessed timber originating from private lands within the sourcing area; and

(B) during the period in which such approval is in effect, does not export unprocessed timber originating from private lands within the sourcing area.

The Secretary concerned may waive the 24-month requirement set forth in subparagraph (A) for any person who, within 3 months after the date of the enactment of this Act, certifies that, within 6 months after such date, such person will, for a period of not less than 3 years, cease exporting unprocessed timber originating from private lands within the sourcing area.

(2) REQUIREMENTS FOR APPLICATION FOR SOURCING AREAS FOR PROCESSING FACILITIES LOCATED OUTSIDE THE NORTHWESTERN PRIVATE TIMBER OPEN MARKET AREA.—The Secretaries concerned shall, not later than 3 months after the date

of the enactment of this Act, prescribe procedures to be used by a person applying for approval of a sourcing area under paragraph (1). Such procedures shall require, at a minimum, the applicant to provide—

(A) information regarding the location of private lands (except private land located in the northwestern private timber open market area) from which such person has, within the previous year, harvested or otherwise acquired unprocessed timber which has been exported from the United States; and

(B) information regarding the location of each timber manufacturing facility owned or operated by such person within the proposed sourcing area boundaries at which the applicant proposes to process timber originating from Federal lands.

The prohibition contained in subsection (a) shall not apply to a person before the date which is 1 month after the procedures referred to in this paragraph are prescribed. With respect to any person who submits an application in accordance with such procedures by the end of the time period set forth in the preceding sentence, the prohibition contained in subsection (a) shall not apply to such person before the date on which the Secretary concerned approves or disapproves such application.

(3) GRANT OF APPROVAL FOR SOURCING AREAS FOR PROCESSING FACILITIES LOCATED OUTSIDE OF THE NORTHWESTERN PRIVATE TIMBER OPEN MARKET AREA.—(A) IN GENERAL.—For each applicant, the Secretary concerned shall, on the record and after an opportunity for a hearing, not later than 4 months after receipt of the application for a sourcing area, either approve or disapprove the application. The Secretary concerned may approve such application only if the Secretary determines that the area that is the subject of the application, in which the timber manufacturing facilities at which the applicant desires to process timber originating from Federal lands are located, is geographically and economically separate from any geographic area from which that person harvests for export any unprocessed timber originating from private lands.

(B) FOR TIMBER MANUFACTURING FACILITIES LOCATED IN IDAHO.—Except as provided in subparagraph (D), in making a determination referred to in subparagraph (A), the Secretary concerned shall consider the private timber export and the private and Federal timber sourcing patterns for the applicant's timber manufacturing facilities, as well as the private and Federal timber sourcing patterns for the timber manufacturing facilities of other persons in the same local vicinity of the applicant, and the relative similarity of such private and Federal timber sourcing patterns.

(C) FOR TIMBER MANUFACTURING FACILITIES LOCATED IN STATES OTHER THAN IDAHO.—Except as provided in subparagraph (D), in making the determination referred to in subparagraph (A), the Secretary concerned shall consider the private timber export and the Federal timber sourcing patterns for the applicant's timber manufacturing facili-

ties, as well as the Federal timber sourcing patterns for the timber manufacturing facilities of other persons in the same local vicinity of the applicant, and the relative similarity of such Federal timber sourcing patterns. Private timber sourcing patterns shall not be a factor in such determinations in States other than Idaho.

(D) AREA NOT INCLUDED.—In deciding whether to approve or disapprove an application, the Secretary shall not—

(i) consider land located in the northwestern private timber open market area; or

(ii) condition approval of the application on the inclusion of any such land in the applicant's sourcing area, such land being includable in the sourcing area only to the extent requested by the applicant.

(4) DENIAL OF APPLICATION FOR SOURCING AREAS FOR PROCESSING FACILITIES LOCATED OUTSIDE THE NORTHWESTERN PRIVATE TIMBER OPEN MARKET AREA.—(A) Subject to subparagraph (B), and notwithstanding any other provision of law, in the 9-month period after receiving disapproval of an application submitted pursuant to this subsection, the applicant may purchase unprocessed timber originating from Federal lands in the area which is the subject of the application in an amount not to exceed 75 percent of the annual average of such person's purchases of unprocessed timber originating from Federal lands in the same area during the 5 full fiscal years immediately prior to submission of the application. In the subsequent 6-month period, such person may purchase not more than 25 percent of such annual average, after which time the prohibitions contained in subsection (a) shall fully apply.

(B) If a person referred to in subparagraph (A) certifies to the Secretary concerned, within 90 days after receiving disapproval of such application, that such person shall, within 15 months after such disapproval, cease the export of unprocessed timber originating from private lands from the geographic area determined by the Secretary for which the application would have been approved, such person may continue to purchase unprocessed timber originating from Federal lands in the area which is the subject of the application, without being subject to the restrictions of subparagraph (A), except that such purchases during that 15-month period may not exceed 125 percent of the annual average of such person's purchases of unprocessed timber originating from Federal lands in the same area during the 5 full fiscal years immediately prior to submission of the application which was denied.

(C) Any person to whom subparagraph (B) applies may not, during the 15-month period after the person's application for sourcing area boundaries is denied, export unprocessed timber originating from private lands in the geographic area determined by the Secretary concerned for which the application would have been approved in amounts that exceed 125 percent of the annual average of such person's exports of unprocessed timber from such private lands during the 5 full fiscal years immediately prior to submission of the application.

(5) REVIEW OF DETERMINATIONS FOR SOURCING AREAS FOR PROCESSING FACILITIES LOCATED OUTSIDE THE NORTHWESTERN PRIVATE TIMBER OPEN MARKET AREA.—Determinations made under paragraph (3) shall be reviewed, in accordance with the procedures prescribed in this title, not less often than every 5 years.

(6) SOURCING AREAS FOR PROCESSING FACILITIES LOCATED IN THE NORTHWESTERN PRIVATE TIMBER OPEN MARKET AREA.—

(A) ESTABLISHMENT.—In the northwestern private timber open market area—

(i) a sourcing area boundary shall be a circle around the processing facility of the sourcing area applicant or holder;

(ii) the radius of the circle—

(I) shall be the furthest distance that the sourcing area applicant or holder proposes to haul Federal timber for processing at the processing facility; and

(II) shall be determined solely by the sourcing area applicant or holder;

(iii) a sourcing area shall become effective on written notice to the Regional Forester for Region 6 of the Forest Service of the location of the boundary of the sourcing area;

(iv) the 24-month requirement in paragraph (1)(A) shall not apply;

(v) a sourcing area holder—

(I) may adjust the radius of the sourcing area not more frequently than once every 24 months; and

(II) shall provide written notice to the Regional Forester for Region 6 of the adjusted boundary of its sourcing area before using the adjusted sourcing area; and

(vi) a sourcing area holder that relinquishes a sourcing area may not reestablish a sourcing area for that processing facility before the date that is 24 months after the date on which the sourcing area was relinquished.

(B) TRANSITION.—With respect to a portion of a sourcing area established before the date of enactment of this paragraph that contains Federal timber under contract before that date and is outside the boundary of a new sourcing area established under subparagraph (A)—

(i) that portion shall continue to be a sourcing area only until unprocessed Federal timber from the portion is no longer in the possession of the sourcing area holder; and

(ii) unprocessed timber from private land in that portion shall be exportable immediately after unprocessed timber from Federal land in the portion is no longer in the possession of the sourcing area holder.

(7) RELINQUISHMENT AND TERMINATION OF SOURCING AREAS.—

(A) IN GENERAL.—A sourcing area may be relinquished at any time.

(B) EFFECTIVE DATE.—A relinquishment of a sourcing area shall be effective as of the date on which written notice is provided by the sourcing area holder to the Regional Forester with jurisdiction over the sourcing area where the processing facility of the holder is located.

(C) EXPORTABILITY.—

(i) IN GENERAL.—On relinquishment or termination of a sourcing area, unprocessed timber from private land within the former boundary of the relinquished or terminated sourcing area is exportable immediately after unprocessed timber from Federal land from within that area is no longer in the possession of the former sourcing area holder.

(ii) NO RESTRICTION.—The exportability of unprocessed timber from private land located outside of a sourcing area shall not be restricted or in any way affected by relinquishment or termination of a sourcing area.

(d) DOMESTIC TRANSPORTATION AND PROCESSING OF PRIVATE TIMBER.—Nothing in this section restricts or authorizes any restriction on the domestic transportation or processing of timber harvested from private land, except that the Secretary may prohibit processing facilities located in the State of Idaho that have sourcing areas from processing timber harvested from private land outside of the boundaries of those sourcing areas.

SEC. 491. [16 U.S.C. 620c] RESTRICTION ON EXPORTS OF UNPROCESSED TIMBER FROM STATE AND OTHER PUBLIC LANDS.

(a) ORDER TO PROHIBIT THE EXPORT OF UNPROCESSED TIMBER ORIGINATING FROM STATE OR OTHER PUBLIC LANDS.—Except as provided in subsection (g), the Secretary of Commerce shall issue orders to prohibit the export from the United States of unprocessed timber originating from public lands, as provided in subsection (b).

(b) SCHEDULE FOR DETERMINATION TO PROHIBIT THE EXPORT OF UNPROCESSED TIMBER ORIGINATING FROM STATE OR OTHER PUBLIC LANDS.—

(1) STATES WITH ANNUAL SALES OF 400,000,000 BOARD FEET OR LESS.—With respect to States with annual sales volumes of 400,000,000 board feet or less, the Secretary of Commerce shall issue an order referred to in subsection (a) to prohibit, notwithstanding any other provision of law, the export of unprocessed timber originating from public lands, effective June 1, 1993.

(2) STATES WITH ANNUAL SALES OF GREATER THAN 400,000,000 BOARD FEET.—With respect to any State with an annual sales volume greater than 400,000,000 board feet, the Secretary of Commerce shall issue an order referred to in subsection (a) to prohibit, notwithstanding any other provision of law, the export of unprocessed timber originating from public lands, effective as of the date of enactment of the Forest Resources Conservation and Shortage Relief Act of 1997.

(3) PROHIBITION ON SUBSTITUTION.—

(A) PROHIBITION.—Subject to subparagraph (B), each order of the Secretary of Commerce under paragraph (1) or

(2) shall also prohibit, notwithstanding any other provision of law, any person from purchasing, directly or indirectly, unprocessed timber originating from public lands in a State if—

(i) such unprocessed timber would be used in substitution for exported unprocessed timber originating from private lands in that State; or

(ii) such person has, during the preceding 24-month period, exported unprocessed timber originating from private lands in that State.

(B) EXEMPTION.—The prohibitions referred to in subparagraph (A) shall not apply in a State on or after the date on which—

(i) the Governor of that State provides the Secretary of Commerce with notification of a prior program under subparagraph (C) of subsection (d)(2),

(ii) the Secretary of Commerce approves a program of that State under subparagraph (A) of subsection (d)(2), or

(iii) regulations of the Secretary of Commerce issued under subsection (c) to carry out this section take effect,

whichever occurs first.

(4) REPORT TO CONGRESS.—Not later than June 1, 1995, the Secretary of Commerce, in conjunction with the Secretaries of Agriculture and Interior, shall issue a report to the Congress on the effects of the reallocation, as a result of the enactment of this title, of public lands timber resources to the domestic timber processing sector, the ability of the domestic timber processing sector to meet domestic demand for forest products, the volume of transshipment of timber originating from public lands across State borders, the effectiveness of rules issued and administered by the Secretary of Commerce pursuant to this title and the effectiveness of State programs authorized under subsection (d), and trends in growth and productivity in the domestic timber processing sector.

(c) FEDERAL PROGRAM.—

(1) ADMINISTRATION BY THE SECRETARY OF COMMERCE.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of Commerce shall, as soon as possible after the date of the enactment of the Forest Resources Conservation and Shortage Relief Amendments Act of 1993—

(i) determine the species, grades, and geographic origin of unprocessed timber to be prohibited from export in each State that is subject to an order issued under subsection (a);

(ii) administer the prohibitions consistent with this title;

(iii) ensure that the species, grades, and geographic origin of unprocessed timber prohibited from export within each State is representative of the species, grades, and geographic origin of timber comprising the total timber sales program of the State; and

(iv) issue such regulations as are necessary to carry out this section.

(B) EXEMPTION.—The actions and regulations of the Secretary under subparagraph (A) shall not apply with respect to a State that is administering and enforcing a program under subsection (d).

(2) COOPERATION WITH OTHER AGENCIES.—The Secretary of Commerce is authorized to enter into agreements with Federal and State agencies with appropriate jurisdiction to assist the Secretary in carrying out this title.

(d) AUTHORIZED STATE PROGRAMS.—

(1) AUTHORIZATION OF NEW STATE PROGRAMS.—Notwithstanding subsection (c), the Governor of any State may submit a program to the Secretary of Commerce for approval that—

(A) implements, with respect to unprocessed timber originating from public lands in that State, the prohibition on exports set forth in the Secretary's order under subsection (a); and

(B) ensures that the species, grades, and geographic origin of unprocessed timber prohibited from export within the State is representative of the species, grades, and geographic origin of timber comprising the total timber sales program of the State.

(2) APPROVAL OF STATE PROGRAMS.—

(A) PROGRAM APPROVAL.—Not later than 30 days after the submission of a program under paragraph (1), the Secretary of Commerce shall approve the program unless the Secretary finds that the program will result in the export of unprocessed timber from public lands in violation of this title and publishes that finding in the Federal Register.

(B) STATE PROGRAM IN LIEU OF FEDERAL PROGRAM.—If the Secretary of Commerce approves a program submitted under paragraph (1), the Governor of the State for which the program was submitted, or such other official of that State as the Governor may designate, may administer and enforce the program, which shall apply in that State in lieu of the regulations issued under subsection (c).

(C) PRIOR STATE PROGRAMS.—Not later than 30 days after the date of the enactment of the Forest Resources Conservation and Shortage Relief Amendments Act of 1993, the Governor of any State that had, before May 4, 1993, issued regulations under this subsection as in effect before May 4, 1993, may provide the Secretary of Commerce with written notification that the State has a program that was in effect on May 3, 1993, and that meets the requirements of paragraph (1). Upon such notification, that State may administer and enforce that program in that State until the end of the 9-month period beginning on the date on which the Secretary of Commerce issues regulations under subsection (c), and that program shall, during the period in which it is so administered and enforced, apply in that State in lieu of the regulations issued under subsection (c). Such Governor may submit, with

- such notification, the program for approval by the Secretary under paragraph (1).
- (e) PRIOR CONTRACTS.—Nothing in this section shall apply to—
- (1) any contract for the purchase of unprocessed timber originating from public lands that was entered into before—
 - (A) September 10, 1990, with respect to States with annual sales volumes of 400,000,000 board feet or less; or
 - (B) January 1, 1991, with respect to States with annual sales volumes greater than 400,000,000 board feet; or
 - (2) any contract under which exports of unprocessed timber were permitted pursuant to an order of the Secretary of Commerce in effect under this section before October 23, 1992.
- (f) WESTERN RED CEDAR.—Nothing in this section shall be construed to supersede section 7(i) of the Export Administration Act of 1979 (50 U.S.C. App. 2406(i)).
- (g) PRESIDENTIAL AUTHORITY.—The President is authorized, after suitable notice and a public comment period of not less than 120 days, to suspend the provisions of this section if a panel of experts has reported to the Dispute Settlement Body of the World Trade Organization (as the term “World Trade Organization” is defined in section 2(8) of the Uruguay Round Agreements Act), or a ruling issued under the formal dispute settlement proceeding provided under any other trade agreement finds, that the provisions of this section are in violation of, or inconsistent with, United States obligations under that trade agreement.
- (h) REMOVAL OR MODIFICATIONS OF STATE RESTRICTIONS.—Based upon a determination that it is in the national economic interest, the President may remove or modify any prohibition on exports from public lands in a State if that State petitions the President to remove or modify such prohibition.
- (i) EFFECT OF PRIOR FEDERAL LAW.—No provision of Federal law which imposes requirements with respect to the generation of revenue from State timberlands and was enacted before the enactment of this Act shall be construed to invalidate, supersede, or otherwise affect any action of a State or political subdivision of a State pursuant to this title.
- (j) SURPLUS TIMBER.—The prohibitions on exports contained in orders of the Secretary of Commerce issued under subsection (a) shall not apply to specific quantities of grades and species of unprocessed timber originating from public lands which the Secretary concerned determines by rule to be surplus to the needs of timber manufacturing facilities in the United States. Any such determination may, by rule, be withdrawn by the Secretary concerned if the Secretary determines that the affected timber is no longer surplus to the needs of timber manufacturing facilities in the United States.
- (k) SUSPENSION OF PROHIBITIONS.—Notwithstanding any other provision of this section, beginning on January 1, 1998, and annually thereafter, if the President finds, upon review of the purposes and implementation of this title, that the prohibitions on exports required by subsection (a) no longer promote the purposes of this title, then the President may suspend such prohibitions, except that such suspension shall not take effect until 90 days after the President notifies the Congress of such finding.

(I) EXISTING AUTHORITY NOT AFFECTED.—Nothing in this title shall be construed to limit the authority of the President or the United States Trade Representative to take action authorized by law to respond appropriately to any measures taken by a foreign government in connection with this title.

SEC. 492. [16 U.S.C. 620d] MONITORING AND ENFORCEMENT.

(a) MONITORING AND REPORTS.—In accordance with regulations issued under this section—

(1) each person who acquires, either directly or indirectly, unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States shall report the receipt and disposition of such timber to the Secretary concerned, in such form as such Secretary may by rule prescribe; except that nothing in this paragraph shall be construed to hold any person responsible for the reporting of the disposition of any such timber held by subsequent persons;

(2) each person who transfers to another person unprocessed timber originating from Federal lands west of the 100th meridian in the contiguous 48 States shall, before completing such transfer—

(A) provide to such other person a written notice, in such form as the Secretary concerned may prescribe, which shall identify the Federal origin of such timber;

(B) receive from such other person a written acknowledgment of such notice and a written agreement that such other person will comply with the requirements of this title, in such form as the Secretary concerned may prescribe; and

(C) provide to the Secretary concerned copies of all notices, acknowledgments, and agreements referred to in subparagraphs (A) and (B);

(3) each person who acquires, either directly or indirectly, unprocessed timber originating from public lands in a State that is subject to an order issued by the Secretary of Commerce under section 491(a), other than a State that is administering and enforcing a program under section 491(d), shall report the receipt and disposition of the timber to the Secretary of Commerce, in such form as the Secretary may by rule prescribe, except that nothing in this paragraph shall be construed to hold any person responsible for reporting the disposition of any timber held by subsequent persons; and

(4) each person who transfers to another person unprocessed timber originating from public lands in a State that is subject to an order issued by the Secretary of Commerce under section 491(a), other than a State that is administering and enforcing a program under section 491(d), shall, before completing the transfer—

(A) provide to such other person a written notice, in such form as the Secretary of Commerce may prescribe, that shall identify the public lands from which the timber originated; and

(B) receive from such other person—

(i) a written acknowledgment of the notice, and

(ii) a written agreement that the recipient of the timber will comply with the requirements of this title, in such form as the Secretary of Commerce may prescribe; and

(C) provide to the Secretary of Commerce copies of all notices, acknowledgments, and agreements referred to in subparagraphs (A) and (B).

(b) REPORT TO CONGRESS.—Using the information gathered under subsection (a), the Secretaries of Agriculture and Interior shall, not later than June 1, 1995, submit to the Congress a report on the disposition of unprocessed timber harvested from Federal lands west of the 100th meridian in the contiguous 48 States, and recommendations concerning the practice of indirect substitution of such timber for exported timber harvested from private lands. Specifically, such report shall—

(1) analyze the effects of indirect substitution on market efficiency;

(2) analyze the effects of indirect substitution on domestic log supply;

(3) offer any recommendations that the Secretaries consider necessary for specific statutory or regulatory changes regarding indirect substitution;

(4) provide summaries of the data collected;

(5) analyze the effects of the provisions of section 490(b)(2)(C); and

(6) provide such other information as the Secretaries consider appropriate.

(c) CIVIL PENALTIES FOR VIOLATION.—

(1) EXPORTS.—(A) If the Secretary concerned finds, on the record and after an opportunity for a hearing, that a person, with willful disregard for the prohibition contained in this title against exporting Federal timber, exported or caused to be exported unprocessed timber originating from Federal lands in violation of this title, such Secretary may assess against such person a civil penalty of not more than \$500,000 for each violation, or 3 times the gross value of the unprocessed timber involved in the violation, whichever amount is greater.

(B)(i) Subject to clause (ii), if the Secretary of Commerce finds, on the record and after an opportunity for a hearing, that a person, with willful disregard for the restrictions contained in an order of the Secretary under section 491(a) on exports of unprocessed timber from public lands, exported or caused to be exported unprocessed timber originating from public lands in violation of such order, the Secretary may assess against such person a civil penalty of not more than \$500,000 for each violation, or 3 times the gross value of the unprocessed timber involved in the violation, whichever amount is greater.

(ii) Clause (i) shall not apply with respect to exports of unprocessed timber originating from public lands in a State that is administering and enforcing a program under section 491(d).

(2) OTHER VIOLATIONS.—(A) If the Secretary concerned finds, on the record and after an opportunity for a hearing, that a person has violated any provision of this title or any

regulation issued under this title relating to lands which they administer (notwithstanding that such violation may not have caused the export of unprocessed Federal timber in violation of this title), such Secretary may—

(i) assess against such person a civil penalty of not more than \$75,000 for each violation if the Secretary determines that the person committed such violation in disregard of such provision or regulation;

(ii) assess against such person a civil penalty of not more than \$50,000 for each violation if the Secretary determines that the person should have known that the action constituted a violation; or

(iii) assess against such person a civil penalty of not more than \$500,000 if the Secretary determines that the person committed such violation willfully.

(B)(i) Subject to clause (ii), if the Secretary of Commerce finds, on the record and after an opportunity for a hearing, that a person has violated, on or after June 1, 1993, any provision of this title or any regulation issued under this title relating to the export of unprocessed timber originating from public lands (whether or not the violation caused the export of unprocessed timber from public lands in violation of this title), the Secretary may assess against such person a civil penalty to the same extent as the Secretary concerned may impose a penalty under clause (i), (ii), or (iii) of subparagraph (A).

(ii) Clause (i) shall not apply with respect to unprocessed timber originating from public lands in a State that is administering and enforcing a program under section 491(d).

(C) MITIGATION OF PENALTIES.—

(i) IN GENERAL.—The Secretary concerned—

(I) in determining the applicability of any penalty imposed under this paragraph, shall take into account all relevant mitigating factors, including mistake, inadvertence, and error; and

(II) based on any mitigating factor, may, with respect to any penalty imposed under this paragraph—

(aa) reduce the penalty;

(bb) not impose the penalty; or

(cc) on condition of there being no further violation under this paragraph for a prescribed period, suspend imposition of the penalty.

(ii) CONTRACTURAL REMEDIES.—In the case of a minor violation of this title (including a regulation), the Secretary concerned shall, to the maximum extent practicable, permit a contracting officer to redress the violation in accordance with the applicable timber sale contract rather than assess a penalty under this paragraph.

(3) PENALTIES NOT EXCLUSIVE; JUDICIAL REVIEW.—A penalty assessed under this subsection shall not be exclusive of any other penalty provided by law and shall be subject to review in an appropriate United States district court.

(d) ADMINISTRATIVE REMEDIES.—

(1) DEBARMENT.—

(A) IN GENERAL.—Subject to subparagraph (B), the head of the appropriate Federal department or agency under this title may debar any person who violates this title, or any regulation or contract issued under this title, from entering into any contract for the purchase of unprocessed timber from Federal lands for a period of not more than 5 years. Such person shall also be precluded from taking delivery of Federal timber purchased by another party for the period of debarment.

(B) PREREQUISITES FOR DEBARMENT.—

(i) IN GENERAL.—No person may be debarred from bidding for or entering into a contract for the purchase of unprocessed timber from Federal lands under subparagraph (A) unless the head of the appropriate Federal department or agency first finds, on the record and after an opportunity for a hearing, that debarment is warranted.

(ii) WITHHOLDING OF AWARDS DURING DEBARMENT PROCEEDINGS.—The head of an appropriate Federal department or agency may withhold an award under this title of a contract for the purchase of unprocessed timber from Federal lands during a debarment proceeding.

(2) CANCELLATION OF CONTRACTS.—The head of the appropriate Federal department or agency under this title may cancel any contract entered into with a person found to have violated this title or regulations issued under this title.

(e) EXCEPTION.—Subsections (c) and (d) do not apply to violations of section 498.

SEC. 493. [16 U.S.C. 620e] DEFINITIONS.

For purposes of this title:

(1) The term “acquire” means to come into possession of, whether directly or indirectly, through a sale, trade, exchange, or other transaction, and the term “acquisition” means the act of acquiring.

(2) The term “Federal lands” means lands that are owned by the United States, but does not include any lands the title to which is—

(A) held in trust by the United States for the benefit of any Indian tribe or individual,

(B) held by any Indian tribe or individual subject to a restriction by the United States against alienation, or

(C) held by any Native Corporation as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

(3) MINOR VIOLATION.—The term “minor violation” means a violation, other than an intentional violation, involving a single contract, purchase order, processing facility, or log yard involving a quantity of logs that is less than 25 logs and has a total value (at the time of the violation) of less than \$10,000.

(4) NORTHWESTERN PRIVATE TIMBER OPEN MARKET AREA.— The term “northwestern private timber open market area” means the State of Washington.

(5) The term “person” means any individual, partnership, corporation, association, or other legal entity and includes any subsidiary, subcontractor, or parent company, and business affiliates where 1 affiliate controls or has the power to control the other or when both are controlled directly or indirectly by a third person.

(6) The term “private lands” means lands held or owned by a person. Such term does not include Federal lands or public lands, or any lands the title to which is—

(A) held in trust by the United States for the benefit of any Indian tribe or individual,

(B) held by any Indian tribe or individual subject to a restriction by the United States against alienation, or

(C) held by any Native Corporation as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

(7) The term “public lands” means lands west of the 100th meridian in the contiguous 48 States, that are held or owned by a State or political subdivision thereof, or any other public agency. Such term does not include any lands the title to which is—

(A) held by the United States;

(B) held in trust by the United States for the benefit of any Indian tribe or individual,

(C) held by any Indian tribe or individual subject to a restriction by the United States against alienation, or

(D) held by any Native Corporation as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

(8) The term “Secretary concerned” means—

(A) the Secretary of Agriculture, with respect to Federal lands administered by that Secretary; and

(B) the Secretary of the Interior with respect to Federal lands administered by that Secretary.

(9)(A) The term “unprocessed timber” means trees or portions of trees or other roundwood not processed to standards and specifications suitable for end product use.

(B) The term “unprocessed timber” does not include timber processed into any one of the following:

(i) Lumber or construction timbers, except Western Red Cedar, meeting current American Lumber Standards Grades or Pacific Lumber Inspection Bureau Export R or N list grades, sawn on 4 sides, not intended for remanufacture.

(ii) Lumber, construction timbers, or cants for remanufacture, except Western Red Cedar, meeting current American Lumber Standards Grades or Pacific Lumber Inspection Bureau Export R or N list clear grades, sawn on 4 sides, not to exceed 12 inches in thickness.

(iii) Lumber, construction timbers, or cants for remanufacture, except Western Red Cedar, that do not meet

the grades referred to in clause (ii) and are sawn on 4 sides, with wane less than $\frac{1}{4}$ of any face, not exceeding $8\frac{3}{4}$ inches in thickness.

(iv) Chips, pulp, or pulp products.

(v) Veneer or plywood.

(vi) Poles, posts, or piling cut or treated with preservatives for use as such.

(vii) Shakes or shingles.

(viii) Aspen or other pulpwood bolts, not exceeding 100 inches in length, exported for processing into pulp.

(ix) Pulp logs, cull logs, and incidental volumes of grade 3 and 4 sawlogs processed at domestic pulp mills, domestic chip plants, or other domestic operations for the primary purpose of conversion of the logs into chips, or to the extent that a small quantity of such logs are processed, into other products at domestic processing facilities.

(10) The acquisition of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States to be used in "substitution" for exported unprocessed timber originating from private lands means acquiring unprocessed timber from such Federal lands and engaging in exporting, or selling for export, unprocessed timber originating from private lands within the same geographic and economic area.

(11) VIOLATION.—The term "violation" means a violation of this Act (including a regulation issued to implement this Act) with regard to a course of action, including—

(A) in the case of a violation by the original purchaser of unprocessed timber, an act or omission with respect to a single timber sale; and

(B) in the case of a violation of a subsequent purchaser of the timber, an act or omission with respect to an operation at a particular processing facility or log yard.

SEC. 494. [16 U.S.C. 620 note] EFFECTIVE DATE.

Except as otherwise provided in this title, the provisions of this title take effect on the date of the enactment of this Act.

SEC. 495. [16 U.S.C. 620f] REGULATIONS AND REVIEW.

(a) REGULATIONS.—

(1) AGRICULTURE AND INTERIOR.—The Secretaries of Agriculture and Interior shall, in consultation, each prescribe new coordinated and consistent regulations to implement this title on lands which they administer.

(2) COMMERCE.—The Secretary of Commerce shall promulgate such rules and guidelines as may be necessary to carry out this title.

(3) DEADLINE.—

(A) IN GENERAL.—Except as otherwise provided in this title, regulations and guidelines required under this subsection shall be issued not later than June 1, 1998.

(B) The regulations and guidelines issued under this title that were in effect prior to September 8, 1995 shall remain in effect until new regulations and guidelines are issued under subparagraph (A).

(4) PAINTING AND BRANDING.—

(A) IN GENERAL.—The Secretary concerned shall issue regulations that impose reasonable painting, branding, or other forms of marking or tracking requirements on unprocessed timber if—

(i) the benefits of the requirements outweigh the cost of complying with the requirements; and

(ii) the Secretary determines that, without the requirements, it is likely that the unprocessed timber—

(I) would be exported in violation of this title; or

(II) if the unprocessed timber originated from Federal lands, would be substituted for unprocessed timber originating from private lands west of the 100th Meridian in the contiguous 48 States in violation of this title.

(B) MINIMUM SIZE.—The Secretary concerned shall not impose painting, branding, or other forms of marking or tracking requirements on—

(i) the face of a log that is less than 7 inches in diameter; or

(ii) unprocessed timber that is less than 8 feet in length or less than $\frac{1}{3}$ sound wood.

(C) WAIVERS.—

(i) IN GENERAL.—The Secretary concerned may waive log painting and branding requirements—

(I) for a geographic area, if the Secretary determines that the risk of the unprocessed timber being exported from the area or used in substitution is low;

(II) with respect to unprocessed timber originating from private lands located within an approved sourcing area for a person who certifies that the timber will be processed at a specific domestic processing facility to the extent that the processing does occur; or

(III) as part of a log yard agreement that is consistent with the purposes of the export and substitution restrictions imposed under this title.

(ii) REVIEW AND TERMINATION OF WAIVERS.—A waiver granted under clause (i)—

(I) shall, to the maximum extent practicable, be reviewed once a year; and

(II) shall remain effective until terminated by the Secretary.

(D) FACTORS.—In making a determination under this paragraph, the Secretary concerned shall consider—

(i) the risk of unprocessed timber of that species, grade, and size being exported or used in substitution;

(ii) the location of the unprocessed timber and the effect of the location on its being exported or used in substitution;

(iii) the history of the person involved with respect to compliance with log painting and branding requirements; and

(iv) any other factor that is relevant to determining the likelihood of the unprocessed timber being exported or used in substitution.

(5) REPORTING.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary concerned shall issue regulations that impose reasonable documentation and reporting requirements if the benefits of the requirements outweigh the cost of complying with the requirements.

(B) WAIVERS.—

(i) IN GENERAL.—The Secretary concerned may waive documentation and reporting requirements for a person if—

(I) an audit of the records of the facility of the person reveals substantial compliance with all notice, reporting, painting, and branding requirements during the preceding year; or

(II) the person transferring the unprocessed timber and the person processing the unprocessed timber enter into an advance agreement with the Secretary concerned regarding the disposition of the unprocessed timber by domestic processing.

(ii) REVIEW AND TERMINATION OF WAIVERS.—A waiver granted under clause (i)—

(I) shall, to the maximum extent practicable, be reviewed once a year; and

(II) shall remain effective until terminated by the Secretary.

(b) REVIEW.—The Secretaries of Agriculture and Interior shall, in consultation, review the definition of unprocessed timber under section 493(7) for purposes of this title and, not later than 18 months after the date of the enactment of this Act, submit to the Congress any recommendations they have with respect to such definition. Specifically, the Secretaries shall report on the effects of maintaining 2 size standards under section 493(B) (ii) and (iii).

SEC. 496. [16 U.S.C. 620g] AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this title.

SEC. 497. [16 U.S.C. 620h] SAVINGS CLAUSE.

Nothing in this title, or regulations issued under this title, shall be construed to abrogate or affect any timber sale contract entered into before the effective date of this title.

SEC. 498. [16 U.S.C. 620i] EASTERN HARDWOODS STUDY.

(a) STUDY.—The Secretary of Commerce, in conjunction with the Secretary of Agriculture and the Secretary of the Interior, shall conduct a study of the export from the United States, during the 2-year period beginning on January 1, 1991, of unprocessed hardwood timber harvested from Federal lands or public lands east of the 100th meridian. In order to carry out the provisions of this section—

(1) the Secretary of Commerce shall require each person exporting such timber from the United States to declare, in addition to the information normally required in the Shipper's

Export Declarations, the State in which the timber was grown and harvested; and

(2) the Secretary of Agriculture and the Secretary of the Interior shall ensure that all hardwood saw timber harvested from Federal lands east of the 100th meridian is marked in such a manner as to make it readily identifiable at all times before its manufacture, and shall take such steps as each Secretary considers appropriate to ensure that such markings are not altered or destroyed before manufacturing.

(b) REPORT TO CONGRESS.—Not later than April 1, 1993, the Secretary of Commerce shall submit to the Committees on Agriculture, Natural Resources, and Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report describing the volume and value of unprocessed timber grown and harvested from Federal lands or public lands east of the 100th meridian that is exported from the United States during the 2-year period beginning on January 1, 1991, the country to which such timber is exported, and the State in which such timber was grown and harvested.

SEC. 499. [16 U.S.C. 620j] AUTHORITY OF EXPORT ADMINISTRATION ACT OF 1979.

Nothing in this title shall be construed to—

(1) prejudice the outcome of pending or prospective petitions filed under, or

(2) warrant the exercise of the authority contained in, section 7 of the Export Administration Act of 1979 with respect to the export of unprocessed timber.