



June 17, 2014

Mr. Peter Harrell  
Deputy Assistant Secretary for Counter Threat Finance and Sanctions  
Bureau of Economic & Business Affairs  
U.S. Department of State  
2201 C Street, NW Room 4844  
Washington, DC 20001

Dear Mr. Harrell:

Thank you for convening a meeting with International Wood Products Association (IWPA) and the U.S. Department of State on April 24, 2014 to discuss the pending OFAC license application for IWPA and its individual members, including those that are U.S. persons, to engage directly or indirectly in transactions involving the Myanmar Timber Enterprise (MTE), a Specially Designated National (SDN).

As of April 15th, changes in Burmese law required all persons to deal with MTE directly in order to export wood and wood products from Burma. These products are utilized in significant sectors of the U.S. economy, such as boating, furniture, decking, flooring, home restorations, and other areas. Teak is the most important wood export from Burma, but Burmese forests may have other wood that could be important inputs into U.S. import and export markets.

Participation by U.S. persons in this market can be achieved in ways that advance U.S. Government interests in responsible trade, sustainable harvesting, verification of the legality of wood sourcing, and development of responsible Burmese institutions -- and without undermining any other U.S. interests. IWPA and its members are fully prepared to take steps to help advance these U.S. policy interests and objectives. We discussed the following actions that our members can take to further these objectives.

- IWPA will communicate to Burmese industry, MTE, and the Burmese Government, the importance of ensuring that logs harvested in Burma in a sustainable manner and in full compliance with Burmese law. IWPA will communicate these priorities to relevant Burmese officials and industry in all appropriate forums, including in a letter following the grant of the license and in its periodic meetings and workshops with the Burmese timber industry.
- U.S. importers operating under the license will encourage all mills supplying product to U.S. importers to work toward independent legality verification, and will provide guidance to those mills based on our experience and collaboration with existing efforts in Burma, on the ways to achieve this objective. In this connection, the U.S. importers have every reason to ensure legality verification because of our responsibilities under U.S. law, including the 2008 amendments Lacey Act that expand the scope of that law to include wood and wood products.
- U.S. importers operating under the license will work with supplying mills to identify lesser-known wood species that could have a market in the U.S., and promote sustainable harvesting and legality verification in these timber species as well.

Writ large, IWPA understands the State Department would like to see improved behavior from all Burmese listed entities, including reducing their ties with the military, respecting human rights and the environment in which they operate, and ensuring that profits from Burmese natural resources benefit everyday Burmese, are among U.S. foreign policy goals.

If a license is granted, the IWPA would not be working alone to advance U.S. interests and reforms in the Burmese timber industry, as IWPA's European and Australian counterparts share the same goals and are already working in these areas. Specifically, with a license, IWPA and its members can begin to work in earnest with the Australian Timber Importers Association and the European Timber Trade Federation through the Global Timber Forum network to encourage and support the development of a multi-stakeholder forest standard and would be able to help Myanmar Timber Legality Assurance System meet domestic and international requirements and move the sector to longer-term sustainability. The Tropical Forest Foundation, widely recognized for teaching the principles of sustainable forest management, has already indicated it is prepared to undertake fieldwork in support of this effort.

The IWPA understands the importance of reforms in the timber industry in Burma. During the period of effectiveness of a license it will summarize quarterly for the Department of State Bureau of Economic and Business Affairs, on a confidential basis, actions it and its members have taken pursuant to the three commitments stated above in support of those U.S. government objectives. In these confidential quarterly reports, it will provide information on the types of business relationships IWPA members are establishing in Burma for operations under the license and their efforts to help MTE and other Burmese entities create a transparent and sustainable lumber supply chain.

If you have questions, please contact Cindy Squires, IWPA's Executive Director, at (703) 820-6696 or [cindy@iwpawood.com](mailto:cindy@iwpawood.com), or our outside counsel, Samuel Witten, Arnold & Porter LLP, (202) 942-6115, [samuel.witten@aporter.com](mailto:samuel.witten@aporter.com). Thank you for your consideration of this license request.

Sincerely,

A handwritten signature in blue ink that reads "Cindy L. Squires". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Cindy L. Squires, Esq.  
Executive Director  
International Wood Products Association

CC: Ms. Andrea Gacki  
Assistant Director for Licensing  
Office of Foreign Assets Control