

## **Gibson Guitar Settlement Provides Roadmap to Improve Lacey Act**

### **Highlights Need for Legislative Attention**

The settlement announced by the U.S. Department of Justice and Gibson Guitar regarding imported Indian guitar blanks makes clear the need for clarification of the Lacey Act's scope and has strengthened our resolve to work with Congress to develop a practical and targeted solution to the Lacey Act's unintended consequences.

Nearly one year after armed federal agents raided Gibson Guitar's headquarters and warehouses and hauled away 24 pallets of Indian rosewood and ebony, the Justice Department now admits it made a mistake. According to the settlement, "The Government and Gibson acknowledge and agree that certain questions and inconsistencies now exist regarding the tariff classification" of the confiscated wood.

This cuts to the heart of the Lacey Act's problems: How can a business be expected to know with absolute certainty that a wood product was harvested, shipped, and imported in compliance with a nearly limitless number of foreign laws when the United States government itself does not know how to classify or treat that product under the Lacey Act?

Inconsistencies in tariff classification should not trigger Lacey Act enforcement actions that result in questionable product seizures and business-destroying litigation. As this settlement demonstrates, the Lacey Act's scope is far too broad and amendments are necessary to ensure that the Act effectively eliminates illegal logging without stifling economic growth and job creation.

We look forward to working with Congress to enact legislation that strengthens and improves the Lacey Act.

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American Home Furnishings Alliance  
Consumer Electronics Association  
Express Association of America  
The Hosiery Association  
International Fragrance Association North America  
International Wood Products Association  
National Association of Manufacturers  
National Association of Music Merchants  
National Lumber & Building Material Dealers Association  
National Marine Manufacturers Association  
National Retail Federation  
Recreation Vehicle Industry Association  
U.S. Chamber Institute for Legal Reform  
Window & Door Manufacturers Association