

## Mahogany and CITES: Moving beyond the veneer of legality

Arthur G. Blundell and Bruce D. Rodan

---

### Appendix 1

#### Process for the importation of shipments of CITES-listed mahogany into the USA

##### I. Country of Origin

1. The exporting company prepares a purchasing invoice for the US buyer. They then apply to the national CITES Management Authority for a CITES document. If the country has listed mahogany on Appendix III, then an export permit is required, otherwise the shipment requires only a certificate of origin.
2. The exporter prepares a bill of lading and the shipping line charges freight and insurance (shipping charges are often paid on receipt in the US).
3. The shipping line collates and summarizes all of the separate bills of lading into a single manifest for the ship.
4. At least 24 hours prior to arrival, the ship's manifest and associated documents are conveyed by the shipping line to US Customs by either fax, courier, e-mail, or otherwise electronically, using the Automated Broker Interface (ABI) of the Customs' Automated Manifest System (AMS). They may also be hand-delivered within 5 working days of arrival (unless an extension is granted). Within 10 days of entry, shippers are also required to submit paperwork ('entry summary') that estimates duties to be charged against the shipment. All shipments of timber must be checked by the Animal and Plant Health Inspection Service, APHIS, of the Department of Agriculture.

##### II. Receipt in the US

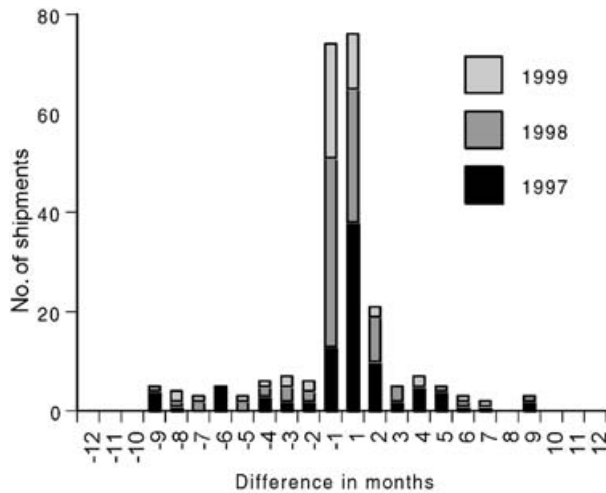
5. Customs and APHIS officers independently review the manifests of ships entering their harbour to determine if there are any products that warrant examination. In particular, APHIS is looking for 1) meat, 2) perishables, and then 3) plant matter (including timber). At entry, brokers must submit detailed 'entry process' reports (US Customs Form 3461) and must enter the HTS code into the AMS. Customs check to confirm that applicable duty has been paid, import restrictions

adhered to, and that the correct HTS codes have been assigned. At this stage Customs may randomly audit shipments.

6. Not all shipments must be visually inspected. If any priority goods are identified or suggested from the available information, APHIS puts a 'hold' on the shipment (e.g. for quarantine reasons or CITES enforcement) or Customs places an 'intensive exam'. Both of these actions prevent release of the shipment until the paperwork or the shipment itself has been inspected. Customs will 'reject' or APHIS will maintain a 'hold' on a shipment for which the description in the AMS or manifest is vague (e.g. the description is '34 pcs of wood', without any further details). (Note: in 1999, in Canada, c. 25% of tropical wood shipments had similarly vague descriptions; Gerson, 2000). When Customs checks that the amount of timber on the manifest matches the entry information, they will ask the broker to make any mathematical conversions for measurement units (e.g. board feet to cubic metres) necessary. Unlike Customs, APHIS does not use HTS codes to determine the contents of a shipment. Instead, APHIS checks individual shipment descriptions.

7. Once a 'hold' is placed on a shipment, the carrier will usually provide details to Customs or APHIS to expedite release, such as faxing the original bill of lading. If these details are sufficient and if Customs and APHIS Officers do not require further document review or inspection, then the 'hold' or 'reject' is removed.

8. In 2000 the software used by US Customs was changed. When the HTS codes for mahogany are encountered, the ACS system automatically notifies the Customs Officer that the shipment is mahogany and to notify APHIS ('Wood products under this provision are made of mahogany (*Swietenia* spp.). These products are regulated by CITES. Hold the shipment and notify the nearest PPQ [APHIS] office. Do not release without PPQ approval'). This is meant to prevent situations where a shipment of mahogany could undergo rapid clearance by Customs before, or in the absence of, an APHIS hold. If released before APHIS examines the shipment, APHIS may still receive the appropriate CITES forms, but this relies on the vigilance of the shipper/broker.



**Fig. 5** Difference in month of entry (Customs–CITES) for records that matched on the criteria country of origin (O), volume (V), and importing company (I), for shipments of sawn mahogany imported to the USA during 1997–1999. Median difference was 1 month.

### III. CITES shipments

9. CITES timber can only enter through 30 ports specially designated by APHIS.

10. Once APHIS has all the necessary paperwork, the Officer will release the shipment and stamp the CITES permit/certificate of origin with the date of release.

11. The original CITES paperwork is sent to the US Fish and Wildlife Service, Division of Management Authority, in Arlington, Virginia. Copies endorsed by APHIS are given to the broker and importer, and copies are maintained in the local APHIS files for 5 years.

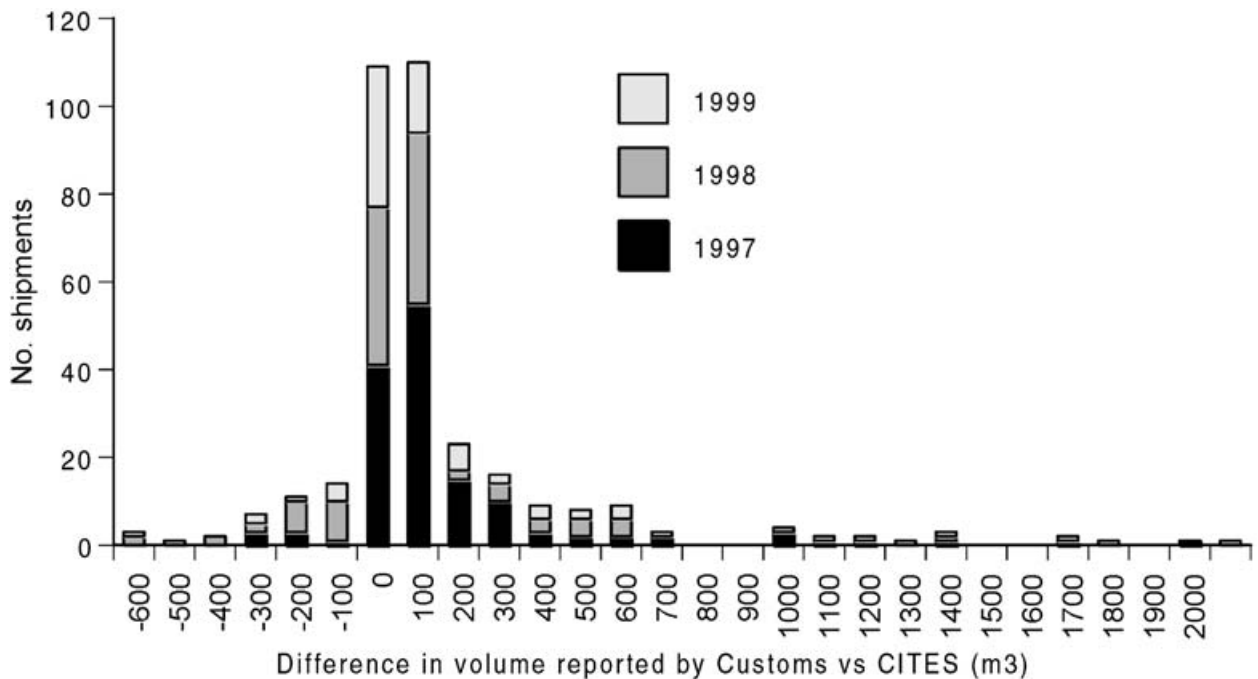
12. Customs dates the shipment of mahogany as released once all concerns are satisfied. If this occurs prior to APHIS release, then Customs grants the shipment a 'provisional release' pending APHIS.

13. Within 10 business days the broker must pay any necessary duties to Customs, at which time Customs will electronically date the shipment summary.

## Appendix 2

### Discrepancies between US CITES and US Customs

In order to determine the cause of the large discrepancies (20–30%) between US Customs and US CITES for shipments classified in the HTS Code for '*Swietenia* spp.' (Fig. 1), we matched shipments in the two databases on: country of origin (O), month of entry (M), shipment volume (V), and importing company (I). In any given year, at best 36% of the volume of Customs shipments matched perfectly with those in the CITES database



**Fig. 6** Difference in volume (Customs–CITES) for records that matched on the criteria country of origin (O), month of entry (M), and importing company (I), for shipments of sawn mahogany imported to the USA during 1997–1999. Median difference was 1 m<sup>3</sup>. Note: two of the largest discrepancies were due to recording errors by US Customs.

(Fig. 4). For the partial matches that occurred when the criterion 'month of entry' was excluded (e.g. OVI), the discrepancy was not great; generally Customs and CITES differed by *c.* 1 month (median difference: quartiles +1 and -1,  $n = 208$ , Fig. 5). This may reflect shipments that cleared Customs at the end of the month

and were date-stamped by APHIS at the beginning of the next month, or *vice versa*. For partial matches that occurred when 'shipment volume' was excluded (e.g. OMI), Customs shipments were larger by only  $1 \text{ m}^3$  than the volume recorded on the CITES permits (median difference: quartiles +125 and -22,  $n = 386$ , Fig. 6).