

October 1, 2024

Kathy Hochul Governor of New York State State Capitol Building Albany, NY 12224

Dear Governor Hochul:

Right now, we are living through the first decades of the climate crisis. In just the last few years we have witnessed, both first-hand and from a distance, the terrifying proof of this reality, from choking wildfire smoke to thousand-year floods to heat waves to whole cities burned to the ground – not in distant countries but in the United States and right here in New York. This is an "all hands on deck" moment in which the only responsible course is urgent action at all levels of government.

That is why we write to urge you to sign the Tropical Rainforest Economic & Environmental Sustainability (TREES) Act, S.8898/A.9711. This bill is an achievable, affordable, and necessary part of meeting our obligation to present and future generations to address the ongoing climate crisis, and will demonstrate to the nation and the world that New York State will not back down from the role we have claimed over the last decade at the forefront of climate leadership.

## **Positive Climate Impacts**

New York's guiding climate legislation, the CLCPA, mandates reality-based targets for the reduction of greenhouse gas emissions primarily produced within New York State. However, CLCPA does not address our "exported emissions," those emissions that occur in other parts of the world to meet New Yorkers' demand for imported goods and services. One significant contributor to our "remote footprint," is tropical deforestation and degradation driven by the production of agricultural and other products. It is time for New York to take responsibility for this aspect of our climate impact and join in the critical fight against tropical deforestation and the negative impacts on climate, biodiversity, labor rights, and Indigenous rights that go along with it.

The TREES Act will ensure that New Yorkers' taxpayer dollars are not paying for the destruction of the Earth's vital tropical rainforests. Signing this bill will leverage our state procurement spending to fight climate change, protect biodiversity, and stand up for the rights of Indigenous people and workers, as well as creating economic opportunities for New York farmers and small businesses, so we can keep more of those procurement dollars right here in New York.

Globally, an estimated 27,000,000 acres of tropical forest, an area more than three-quarters the size of New York State, are lost every year to deforestation, with over one-half of Earth's tropical forests already gone or degraded. At the current pace, the entirety of Earth's tropical rainforests will be degraded or destroyed within the next 100 years. An estimated 20 percent of the world's greenhouse gas emissions come from deforestation and forest degradation. Loss of biodiversity resulting from forest degradation and deforestation, as well as human encroachment on formerly undisturbed ecosystems, also increases the risks of zoonotic disease pandemics such as COVID-19.

In addition, tropical deforestation in many countries is closely associated with violations of the land rights of Indigenous Peoples and local communities and with the exploitation of workers, including forced labor and child labor, and in many cases is enabled by corruption, criminality, and violence against conservationists and land defenders.

## **Positive Businesses Impacts**

The TREES Act closes loopholes in an existing ban on the use of tropical hardwoods and creates a new statute requiring state contractors who deal in tropical forest-risk commodities to certify their products don't drive deforestation or degradation. The commodities covered by the certification requirement are palm oil, soy, beef, coffee, cocoa, wood pulp, and paper. The TREES Act only applies to contractors doing business with state agencies or authorities, or, in the case of the tropical hardwood ban, local governments. It does not apply to companies not contracting with those government entities, nor to individual New Yorkers.

The bill will also create a Supply Chain Transparency Assistance Program to help New York's small- and medium-sized businesses, as well as minority- and women-owned businesses, who choose to establish more ethical and sustainable supply chains, while ensuring they have the tools they need to compete in the national and global marketplace.

Furthermore, the TREES Act creates opportunities for New York companies by implementing a 10% bidding preference for New York small- and medium-sized businesses and MWBEs, and bidders fulfilling contracts with New York products. This will give these firms, many of whom have never sold to the state government before, an opportunity to bid on, and potentially win, state contracts. It will also tilt the state procurement system away from non-New York enterprises and toward in-state companies, creating new opportunities for these local suppliers.

While the bill opens opportunities for many New York companies, it provides particular new opportunities for companies in New York's agricultural sector, specifically those local firms producing soybeans, beef, or pulp and paper, products long produced in New York and in areas where issues of economic development are always a concern. The TREES Act is not only a procurement-focused bill, it is also a rural economic development initiative.

By ending state procurement of tropical hardwoods, the TREES Act may provide increased business to New York's forest products industry. There are hundreds of sawmills across rural New York, producing about 517 million board feet of lumber annually – about 75% of which is hardwood – making New York a leading producer of hardwood lumber; any state projects that may otherwise have used tropical hardwoods will now have reason to turn to New York State-produced hardwood lumber. Instead of sending our taxpayer dollars overseas to drive forest

destruction and climate destabilization, we can plow those dollars right back into our local economy and reap the benefits, large and small, here at home.

The requirements of this bill are achievable, affordable, and necessary. Closing loopholes in the existing ban on the procurement of tropical hardwoods by state agencies and localities primarily impacts products such as docks, pilings, boardwalks, park benches, and railroad or subway cross ties. There are affordable alternatives for all these uses, some of which are preferable in their own right, which are currently available and in use for these purposes. Non-tropical hardwoods, such as those grown in New York State, can be used, as well as recycled plastic lumber (RPL) or fiber-reinforced foam urethane (FFU), which are already widely used for these purposes. RPL and FFU can sometimes be more expensive upfront but will lead to cost savings in the medium and long term because of their increased durability and weather- and rot-resistance.

When it comes to the requirement that state contractors dealing in tropical forest-risk commodities certify that their products are deforestation-free, it is important to note that those contractors are not required to be unimpeachably perfect, or absolutely guarantee that nothing in their supply chain directly drives deforestation. They are simply required to meet due diligence standards necessary for certification, which will be laid out in detail through regulations. New statutes in other major markets such as the EU and UK are already driving a traceability and transparency trend that is well underway across the globe and will further ease compliance in New York.

Leading companies are already using widely available digital technologies to trace their supply chains, which is the first step in assuring responsible sourcing. The market trend is toward full supply chain traceability within this decade – something that is eminently achievable, and which will be aided by reforming public procurement. There is an entire industry devoted to supply chain traceability, including many mission-oriented technical consulting firms, NGOs and government agencies such as NASA, that will be eager to provide the expertise required to support implementation of this bill. Although the state of traceability and transparency varies among commodities, those covered by this bill are already well advanced.

## Updates to the Legislation & Public Support

We acknowledge that you felt compelled to veto this legislation last year. Several changes have been made by the bill sponsors to address the concerns that were expressed by your staff during negotiations prior to your veto. These include clarity regarding the responsibility of contractors, temporary exemptions for the MTA and the Staten Island Ferry, and a provision designed to prevent a situation in which no offers are submitted in response to a solicitation involving covered products, among other changes. The effective date of the certification requirements has also been pushed back to 2027.

New Yorkers across the political spectrum support action to protect our shared environment. One of the things that makes New York such a great state is just how much New Yorkers care about the environment and understand the need for policies to protect it. In 2021, 70% of New Yorkers voted to add the Environmental Rights Amendment to the state constitution; in 2022, the Environmental Bond Act was supported by 67% of voters. A 2021 Siena poll found that 60% of New Yorkers were very concerned about deforestation, and the same percentage understand that pro-environmental policies help our state economy, and a 2023 poll from Global Strategies Group

found that 64% of New Yorkers support the CLCPA, and once you tell them what's actually involved in implementing it, support *increases* to 72%.

Not only can the TREES Act be successfully implemented, it will enhance New York's global role as an environmental leader, and boost New York businesses in the process. This is no time to be stepping away from our responsibility to tackle climate change. We urge you to sign the TREES Act.

Sincerely,

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