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(Original Signature of Member)

119TH CONGRESS
2^D SESSION

H. R. _____

To prohibit the import of certain goods produced, sourced, made, or otherwise derived from deforestation and the sale of such items in interstate commerce, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. DOGGETT introduced the following bill; which was referred to the Committee on _____

A BILL

To prohibit the import of certain goods produced, sourced, made, or otherwise derived from deforestation and the sale of such items in interstate commerce, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Trade Responsibly for
5 Environmental Emissions Act” or the “TREE Act”.

1 **SEC. 2. PROHIBITION ON IMPORT AND SALE IN INTER-**
2 **STATE COMMERCE OF DEFORESTATION**
3 **GOODS.**

4 (a) IN GENERAL.—Beginning on January 1, 2029,
5 it shall be unlawful for any operator or trader—

6 (1) to import into the United States any defor-
7 estation good; or

8 (2) introduce into interstate commerce, manu-
9 facture for introduction into interstate commerce, or
10 sell, trade, or advertise in interstate commerce in the
11 United States any deforestation good.

12 (b) FALSE LABELING.—It shall be unlawful for any
13 operator or trader to make or submit any false record,
14 account, label, or other information, with respect to any
15 deforestation good that has been, or is intended to be, im-
16 ported into the United States.

17 **SEC. 3. ENFORCEMENT.**

18 (a) DUE DILIGENCE STATEMENT.—The Commis-
19 sioner of Customs and Border Protection shall require a
20 due diligence statement that complies with subsection (b)
21 to be provided by each operator or trader who imports into
22 the United States a covered commodity.

23 (b) REQUIREMENTS.—The due diligence statement
24 required under subsection (a) shall contain—

25 (1) a description of each covered commodity,
26 that includes—

1 (A) the trade name of each such com-
2 modity;

3 (B) the quantity and required unit of
4 measurement, as determined by the Commis-
5 sioner of Customs and Border Protection, of
6 each such commodity;

7 (C) with respect to each such commodity
8 that is wood or is otherwise produced using
9 wood, the common and scientific names of such
10 wood; and

11 (D) with respect to each such commodity
12 coming from countries categorized under sec-
13 tion 3 as a Level I or Level II risk, the country
14 of origin and geolocation coordinates, as deter-
15 mined practical by the Commissioner of Cus-
16 toms and Border Protection;

17 (2) the name, postal address, and contact infor-
18 mation of each person that supplied to such operator
19 or trader each covered commodity;

20 (3) adequately conclusive and verifiable infor-
21 mation that the covered products are deforestation
22 free; and

23 (4) any other information the Commissioner of
24 Customs and Border Protection determines nec-
25 essary to determine that each covered commodity is

1 not a deforestation good and has been produced in
2 accordance with the relevant law regarding deforest-
3 ation of the country of origin.

4 (c) CIVIL PENALTIES.—

5 (1) IN GENERAL.—In addition to any civil or
6 criminal penalty that may be imposed under title 18,
7 United States Code, or any other provision of law,
8 any operator or trader who violates this Act, or any
9 regulation issued under this Act, shall—

10 (A) be assessed a civil penalty in an
11 amount not more than 4 percent of the total
12 United States revenue of such operator or trad-
13 er for the fiscal year preceding the issuance of
14 such fine;

15 (B) have each deforestation good con-
16 fiscated; and

17 (C) for a period of not more than 12
18 months, be ineligible—

19 (i) to enter into any contract with any
20 Federal agency for the procurement of
21 goods, materials, and services; and

22 (ii) for any Federal funding, grants,
23 and concessions.

1 (2) DETERMINING FINE.—In calculating each
2 fine required under paragraph (1), the United States
3 Trade Representative may consider—

4 (A) the environmental damage caused by
5 the deforestation good;

6 (B) the ability of the violator to pay;

7 (C) ensure such fine effectively deprives
8 the violator of the economic benefits derived
9 from importing the deforestation good; and

10 (D) gradually increase such fine for each
11 repeat violation until the fine is in an amount
12 equal to 4 percent of the total United States
13 revenue of the violator for the fiscal year pre-
14 ceding the issuance of such fine.

15 (3) SERIOUS OR REPEAT VIOLATIONS.—In the
16 case of a serious or repeat violation, an operator or
17 trader shall be prohibited from importing into the
18 United States any good for a period of not more
19 than 12 months.

20 (4) DETERMINING SERIOUS VIOLATION.—In de-
21 termining what constitutes a serious violation under
22 paragraph (3), the United States Trade Representa-
23 tive shall consider—

24 (A) the nature, circumstances, extent, and
25 gravity of the violation;

1 (B) the degree of culpability; and

2 (C) such other matters as the United
3 States Trade Representative, in consultation
4 with the Commissioner of Customs and Border
5 Protection, determines necessary.

6 (d) INCREASED INSPECTION RATES.—

7 (1) IN GENERAL.—Beginning on December 31,
8 2029, based on the country categorization list re-
9 quired under section 3(a)(1), the Commissioner of
10 Customs and Border Protection shall implement the
11 following increased inspection rates:

12 (A) Of the goods originating from a coun-
13 try, or region thereof, categorized by the United
14 States Trade Representative under section
15 3(a)(1) as a Level I risk, not less than 9 per-
16 cent of such goods imported into the United
17 States in a calendar year shall be inspected for
18 deforestation goods.

19 (B) Of the goods originating from a coun-
20 try, or region thereof, categorized by the United
21 States Trade Representative under section
22 3(a)(1) as a Level II risk, not less than 3 per-
23 cent of such goods imported into the United
24 States in a calendar year shall be inspected for
25 deforestation goods.

1 (C) Of the goods originating from a coun-
2 try, or region thereof, categorized by the United
3 States Trade Representative under section
4 3(a)(1) as a Level III risk, not less than 1 per-
5 cent of such goods imported into the United
6 States in a calendar year shall be inspected for
7 deforestation goods.

8 (2) RULEMAKING AUTHORITY.—The Commis-
9 sioner of Customs and Border Protection may, in
10 consultation with the Attorney General, Secretary of
11 State, United States Trade Representative, Sec-
12 retary of Commerce, and Administrator of the
13 United States Agency for International Develop-
14 ment, promulgate such rules and regulations as such
15 Commissioner determines necessary to carry out
16 paragraph (1).

17 (e) INTERSTATE COMMERCE PROHIBITION.—Not
18 later than January 1, 2029, the Secretary of the Interior
19 shall by regulation establish a plan to enforce the prohibi-
20 tion under section 1(a)(2).

21 **SEC. 4. COUNTRY CATEGORIZATION BASED ON RISK POSED**
22 **OF IMPORTING DEFORESTATION GOODS.**

23 (a) COUNTRY CATEGORIZATION.—

24 (1) IN GENERAL.—The United States Trade
25 Representative shall—

1 (A) not later than December 1, 2029 and
2 every other year thereafter, categorize every
3 country under one of the three risk levels de-
4 scribed under subsection (b), except as provided
5 under paragraph (2), based on the risk that im-
6 ports originating from such country are defor-
7 estation goods; and

8 (B) not later than December 31, 2029,
9 and every other year thereafter—

10 (i) publish such categorization on the
11 internet website of the United States
12 Trade Representative; and

13 (ii) formally notify each country, as
14 described under subsection (c)(4), of the
15 risk level of such country and of each re-
16 gional categorization of such country under
17 paragraph (2).

18 (2) REGIONAL CATEGORIZATIONS.—A region
19 within a country may be categorized by the United
20 States Trade Representative under a different risk
21 level under subsection (b) than the risk level such
22 country is categorized under if sufficient information
23 is available for the United States Trade Representa-
24 tive to determine that such region warrants a dif-

1 ferent categorization than the country such region is
2 in.

3 (3) INTERIM CATEGORIZATION.—For the period
4 beginning on January 1, 2029, and ending on the
5 date on which the United States Trade Representa-
6 tive completes the risk level categorization required
7 under paragraph (1), each country, and each region
8 thereof, shall be categorized under subsection (b)(2)
9 as a Level II risk.

10 (b) RISK LEVELS.—

11 (1) LEVEL I.—A country, or region thereof,
12 shall be categorized as a “Level I” if the imports
13 originating from such country, or region thereof,
14 pose a high risk of being deforestation goods.

15 (2) LEVEL II.—A country, or region thereof,
16 shall be categorized as a “Level II” if the imports
17 originating from such country, or region thereof,
18 pose a moderate risk of being deforestation goods.

19 (3) LEVEL III.—A country, or region thereof,
20 shall be categorized as a “Level III” if the imports
21 originating from such country, or region thereof,
22 pose a low risk of being deforestation goods.

23 (c) DETERMINING RISK LEVEL.—

24 (1) ASSESSMENT.—the risk level categorization
25 required under subsection (a)(1) shall be based on

1 an objective and transparent assessment, determined
2 by the United States Trade Representative, consid-
3 ering the latest scientific evidence and internation-
4 ally recognized sources, and shall be primarily based
5 on the following criteria:

6 (A) The rate of deforestation and forest
7 degradation since December 31, 2020, within
8 the country, or region thereof, being cat-
9 egorized.

10 (B) The rate at which the country, or re-
11 gion thereof, being categorized is expanding the
12 use of agriculture land for covered products,
13 covered commodities, and covered sources.

14 (C) The production trends of the covered
15 products, covered commodities, and covered
16 sources within the country, or region thereof,
17 being categorized.

18 (2) ADDITIONAL CONSIDERATIONS.—The as-
19 sessment required under paragraph (1) shall also
20 consider the following:

21 (A) Information related to the effective
22 covering of emissions and removals from agri-
23 culture, forestry, and land use in the nationally
24 determined contribution to the United Nations
25 Framework Convention on Climate Change

1 (adopted in Rio de Janeiro, Brazil, in June
2 1992) that may be submitted by the country, or
3 region thereof, being categorized, regional au-
4 thorities and operators in such country, or re-
5 gion thereof, nongovernmental organizations,
6 indigenous peoples, local communities, civil soci-
7 ety organizations and any other interested party
8 the United States Trade Representative deter-
9 mines appropriate.

10 (B) Agreements and other instruments be-
11 tween the country, or region thereof, being cat-
12 egorized and the United States that address de-
13 forestation, forest degradation, and compliance
14 with section 1.

15 (C) Whether the country, or region there-
16 of, being categorized has national, regional, or
17 local laws in place to combat deforestation and
18 forest degradation, including whether such
19 country, or region thereof, has—

20 (i) implemented Article 5 the decision
21 by the United Nations Framework Conven-
22 tion on Climate Change’s 21st Conference
23 of Parities in Paris, France, adopted on
24 December 12, 2015 (commonly referred to
25 as the “Paris Agreement”);

1 (ii) whether such country effectively
2 enforces such laws; and

3 (iii) whether the penalties imposed
4 under such laws are of sufficient severity
5 to deprive the penalized operator or trader
6 of the benefits gained from engaging in de-
7 forestation or forest degradation.

8 (D) Whether the country, or region there-
9 of, being categorized has transparent data on
10 deforestation and forest degradation and, where
11 applicable, the existence of, compliance with, or
12 effective enforcement of laws protecting human
13 rights, the rights of indigenous peoples, and
14 local communities.

15 (E) Sanctions imposed by the Security
16 Council of the United Nations or the United
17 States on the import or export of deforestation
18 goods.

19 (F) Risk classification determined by the
20 European Union under the European Union
21 Deforestation Regulation.

22 (3) ENGAGEMENT.—The United States Trade
23 Representative shall engage with each country, or
24 region thereof, that is categorized, at risk of being
25 categorized as a Level I risk, with the objective of

1 reducing the level of risk of such country or region
2 thereof.

3 (4) NOTIFICATION.—Upon finalizing the second
4 risk-level categorization required under subsection
5 (a)(1), and each risk-level categorization thereafter,
6 the United States Trade Representative shall—

7 (A) formally notify each country of a
8 change from the most recently published risk-
9 level categorization under subsection (a)(2) in
10 the risk-level of such country or region thereof;

11 (B) provide not longer than 6 months for
12 such country to respond; and

13 (C) include in such notification the fol-
14 lowing:

15 (i) Each reason for the intention to
16 change the risk level of the country or re-
17 gion thereof.

18 (ii) In the case of an increase in risk
19 level, an invitation to respond in writing to
20 provide information on measures taken by
21 such country to remedy the situation.

22 (iii) The consequences such country
23 will face because of a change in the risk
24 level of such country or region thereof.

1 (d) DUTY TO UPDATE.—The United States Trade
2 Representative shall update the risk-level categorization
3 required under subsection (a)(1) earlier than required
4 under such subsection if any new evidence is received that
5 the United States Trade Representative determines affects
6 the risk-level categorization of a country or region thereof.

7 (e) RULEMAKING AUTHORITY.—The United States
8 Trade Representative may, in consultation with the Attor-
9 ney General, Secretary of State, Commissioner of Customs
10 and Border Protection, Secretary of Commerce, and Ad-
11 ministrator of the United States Agency for International
12 Development, promulgate such rules and regulations as
13 such representative determines necessary to carry out this
14 paragraph.

15 **SEC. 5. INTERNATIONAL ASSISTANCE.**

16 (a) ASSISTANCE TO LEVEL I COUNTRIES.—The Sec-
17 retary of State shall provide preference to countries cat-
18 egorized under section 1(d)(2)(A) as a Level I risk when
19 providing financial assistance related to deforestation and
20 forest-related degradation.

21 (b) REVENUE FROM PENALTIES.—With respect to
22 all amounts collected in the form of civil penalties pursu-
23 ant to section 1, and notwithstanding any other provision
24 of law, the Secretary of the Treasury shall use an amount
25 equal to half of the total amount of penalties collected in

1 the preceding fiscal year to provide assistance to under
2 developed countries with respect to deforestation and for-
3 est-degradation management.

4 **SEC. 6. DEFINITIONS.**

5 In this Act:

6 (1) AGRICULTURE USE.—The term “agriculture
7 use” means the use of land for the purpose of—

8 (A) agriculture, including agricultural
9 plantations and set-aside agricultural areas; or

10 (B) rearing livestock.

11 (2) COVERED COMMODITY.—The term “covered
12 commodity” means each of the following:

13 (A) Cattle.

14 (B) Cocoa.

15 (C) Palm oil.

16 (D) Rubber.

17 (E) Soy.

18 (F) Wood.

19 (3) COVERED PRODUCT.—The term “covered
20 product” means any item that has been fed with,
21 made with, contains, or was otherwise produced with
22 a covered commodity.

23 (4) COVERED SOURCE.—The term “covered
24 source” means any precursor to a covered com-
25 modity that is used to produce such commodity.

1 (5) DEFORESTATION.—The term “deforest-
2 ation” means the loss of a forest resulting from the
3 whole or partial conversion of such forest to—

4 (A) agricultural use or another non forest
5 land use; or

6 (B) a tree plantation.

7 (6) DEFORESTATION GOOD.—The term “defor-
8 estation good” means each of the following, only if
9 produced, sourced, made, or otherwise derived from
10 land, on or after December 31, 2020, that is subject
11 to deforestation or forest degradation:

12 (A) A covered product.

13 (B) A covered commodity.

14 (C) A covered source.

15 (7) FOREST.—The term “forest” means land
16 spanning more than 0.5 hectares with trees higher
17 than 5 meters and a canopy of more than 10 per-
18 cent, or trees able to reach those thresholds in situ,
19 excluding land that is predominately under agricul-
20 tural or urban land use.

21 (8) FOREST DEGRADATION.—The term “forest
22 degradation”—

23 (A) means human-driven structural
24 changes to forest cover that result in a change
25 in species composition, structure, or function of

1 the forest, which can be indicated by factors
2 such as—

3 (i) impacts to carbon storage and
4 other ecosystem services;

5 (ii) native species abundance and com-
6 position; and

7 (iii) tree age class distribution; and

8 (B) includes the conversion of—

9 (i) primary forests, naturally regen-
10 erating forests, or old growth forests into
11 plantation forests or into other wooded
12 land; and

13 (ii) primary forests or old growth for-
14 ests into temporarily unstocked forests due
15 to clearcutting or other harvesting.

16 (9) OPERATOR.—The term “operator” means
17 any person who, in the course of commercial activ-
18 ity—

19 (A) places relevant products into the inter-
20 state commerce of the United States; or

21 (B) imports relevant products into the
22 United States.

23 (10) TRADER.—The term “trader” means any
24 person in the supply chain other than the operator
25 who, in the course of a commercial activity, makes

1 a product available to be imported into the United
2 States.