



MEMO OF OPPOSITION
CONTACT: TODD VANDERVORT
LOBBYIST, THE VANDERVORT GROUP
todd@vandervortgroup.com; (518) 463-3202
www.nrla.org

August 2023

MEMO OF OPPOSITION S.4859-A/A.5682-A

The Honorable Kathy Hochul, Governor of New York State,

I write to you as a NYS resident and member of the lumber and building materials (LBM) industry to urge you to veto S.4859-A/A.5682-A, the New York Tropical Deforestation-Free Procurement Act and establishing The Supply Chain Transparency Assistance Program.

This bill requires contractors working on a state project to certify the origins of the lumber they utilize in the project. The goal is to ensure “that companies contracting with the state do not contribute to tropical primary forest degradation, or deforestation directly or through their supply chains.” There are many reasons why this bill is bad public policy for New York.

First, it is not possible for contractors to know the origins of the lumber they purchase, but it is also difficult, if not impossible, for them to get the information. The information about where lumber comes from already exists and such tracking is required by the federal government when products are imported. However, this information is not readily available, or shared by those who possess it. Even lumber yards do not have access to this information, so if the state needs to know where lumber comes from, the onus needs to be put on those closest to the original source of the material.

Second, this bill lacks the funding needed to support The Supply Chain Transparency Assistance Program. This program is set up to help women and minority-owned businesses navigate the onerous requirements set forth in the bill. However, the MWBE office at Empire State Development was defunded under the previous governor and has not been restored. Furthermore, there is no new source of funding available to support this bill; therefore, this bill should be dealt with in the budget if creating a program that will need funding to operate. The fiscal implications of this legislation are significant. In addition to the MWBE funding needed, additional agencies will need funding to perform required “checks” and “investigations” if a contractor is suspected of not following the rules. Given the \$10 billion shortfall the state is facing next year, this may not be the best time to create public policy further contributing to the state’s financial problems.

If the State of New York wishes to prevent tropical woods or wood products from being used in state projects, the best way to achieve this is to not request tropical wood or wood products for projects.

If enacted, this bill will lead to the state getting fewer bids from contractors for state projects because they will not want, or realistically be able, to meet the demands of this arduous process. We have already seen retailers declining to supply state projects due to retainage being held on lumber yards. Once materials are delivered, a contract is completed, and the lumber yard should be paid in full. Unfortunately, as much as 10% of the money owed to building material suppliers is retained until the project is considered “substantially complete”. Similar

action will be taken by contractors for the projects noted in the Deforestation Act forcing the state to use out-of-state labor to accomplish projects.

Thank you for considering my concerns. For the above-stated reasons, I strongly recommend that you veto S.4859-A/A.5682-A. Please reach out to the NRLA-NY Government Affairs Representative Todd Vandervort of The Vandervort Group LLC, at Todd@vandervortgroup.com or (518) 463-3202 with any additional questions you may have.

About NRLA-NY: NRLA-NY is a statewide legislative organization that brings together the Northeastern Retail Lumber Association's ([NRLA](#)) six New York local associations for statewide legislative action: Central NY Retail Lumber Dealers Association, Eastern NY Lumber Dealers Association, Mid-Hudson Lumber Dealers Association, Northern NY Lumber Dealers Association, NY and Long Island Lumber Association, and Western NY Lumber Dealers Association.