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Compliance Policy

As required by the Softwood Lumber Research, Promotion, Consumer Education and Industry Information Order (Order or check-off) and AMS Guidelines, the Softwood Lumber Board (Board or SLB) is responsible for promptly identifying delinquencies in assessments and is required to develop procedures that include a timetable for the referral of compliance cases to AMS for appropriate action.

Promptly paying assessments supports the fundamental principle on which the check-off is built—the fair and equal application of the Order to all eligible companies. Paying assessments is also a requirement of the authorizing legislation for the check-off which provides that USDA may assess a person who willfully violates the provisions of the Order a civil penalty for each day they are in violation. Therefore the Board will make every attempt possible to bring delinquencies into compliance. Should its efforts not be successful, the Board will notify AMS of any delinquency and describe the exhaustive efforts made by the Board before referring the case to AMS.

To fulfill its compliance obligations and thereby maintain the fairness and integrity of the program, the Board will institute procedures for periodic verification of shipments of companies paying assessments or requesting exemption from payment of assessments. The Finance Committee will oversee this review function.

As prescribed in the Order, assessments are due by the 30th calendar day of the month following the end of the quarter in which the lumber was shipped.¹ To fulfill its obligation to collect assessments, the Board will:

- Ten (10) days before the end of each quarter, mail and email the “Shipment / Import Quarterly Report” , which serves both as an invoice and the form on which companies report shipments for the quarter;
- If payment is not received within 30 days after the date assessments were due, make initial collection attempt through an email (delivered and read receipt) or a telephone call (document); advise that interest and late fees will begin accruing if payment is not received within 30 days;

¹ The Order provides that the first 15 million board feet shipped or imported each year is exempt from assessment. Companies may not owe assessments for the first quarter.

- If payment is not received within 60 days after the date assessments were due, make a second collection attempt through an email (delivered and read receipt) or a telephone call (document); advise that interest and late fees have begun accruing;
- If payment is not received within 90 days after the date assessments were due, telephone the company and send a demand letter via email (delivered and read receipt) and traceable mail;
- If payment is not received within 30 days after the demand letter (or a plan for payment arranged), send a second demand letter; advise that the case will be referred to USDA if payment is not received within 30 days (or a plan for payment arranged);
- For companies that have not paid the assessment and submitted a shipment report within 30 days after the second demand letter or agreed on a plan for payment, refer the case to USDA and request that USDA telephone and/or write a demand letter to the company;
- For domestic manufacturers who continue to fail to comply with the Order's obligations, coordinate with USDA on conducting an audit of shipment data. If necessary, USDA may seek an administrative subpoena for records to verify shipment data of softwood lumber. (An audit is not needed for importers who fail to come into compliance because Customs data is available to determine the volume of assessable softwood lumber and assessments owed.)
- For companies who fail to come into compliance after these efforts are exhausted, USDA will, if appropriate:
 1. Refer violations to USDA's Office of General Counsel for action; and/or
 2. Other actions as appropriate.