

David vs. Goliath: The Industry Takes On CITES!

It was a true David vs. Goliath story when the economically insignificant music industry (less than .003% of the global economy) recently squared off against one of the world's largest and most intransigent bureaucracies: the Convention on International Trade in Endangered Species (CITES), an arm of the United Nations that's governed by 183 signatory nations. At issue were rosewood regulations that imperiled global trade in musical instruments, symphony orchestra tours, and any individual who decided to cross a national border with their trusty guitar. Yet two months ago, the music industry scored what can only be described as a stunning upset, persuading the CITES governing board to take the unprecedented step of relaxing the strict rosewood rules it implemented two years ago.

To recap, for several years, prominent environmental groups had been sounding the alarm about Chinese furniture manufacturers ravaging equatorial forests to serve a burgeoning domestic demand for rosewood furniture. They warned that without immediate action, rosewood was on the verge of extinction. CITES responded in late 2016 by listing all 200-plus *Dalbergia* species (the scientific name for rosewood) on its "Appendix II," which mandated that every product containing even a smidgeon of rosewood needed a CITES-approved permit to legally cross international borders. These permits were more than just a random sheet of paper; they required full documentation of the chain of custody, from the stump to the finished product, for every piece of rosewood, as well as certification that the wood was secured in accordance with local laws and that all relevant fees and taxes were paid. Absent a fully completed license, customs officials were authorized to confiscate any shipment.

These rules went into effect January 1, 2017, taking both the musical instrument industry and global customs offices by surprise. Overnight, customs officials had to create new forms and procedures to comply with the CITES dictates, while guitar makers, piano makers, and woodwind makers pressed their wood suppliers to secure the necessary documentation. Chaos ensued. In the first quarter of 2017, global trade in guitars and woodwinds declined 50% year over year as manufacturers let instruments pile up in warehouses rather than risk confiscation for failing to comply with rules they didn't fully understand. Prominent orchestras began cancelling tours, worried that priceless violins might

be seized because owners couldn't verify the provenance of a century-old rosewood fingerboard.

Eventually, larger manufacturers marshaled sufficient manpower to deal with the blizzard of new paperwork. However, added administrative costs often necessitated price increases. Smaller companies were not so fortunate, and in many instances, abandoned the export market. As one luthier told us, "At \$100 per hour, the ten hours required to secure a CITES permit added \$1,000 to the cost of one of my guitars. Customers just wouldn't pay it." There were some efforts to use substitute woods. However, rosewood's status as a vital musical raw material isn't an accident: its tonal quality, aesthetic beauty, and superior workability have been conclusively established over a period of centuries.

Fortunately, the industry didn't passively acquiesce. Guitar makers including Fender, Taylor, Martin, and Paul Reed Smith, along with NAMM, CAFIM (the European industry association) and several performer organizations banded together to lobby for relief. They received support from two unexpected allies: Customs offices around the world that had been overwhelmed by permit requests from instrument makers and owners, and rosewood growers in India who had long demonstrated responsible forestry practices.

Over a two-year time frame, and with regular attendance at quarterly CITES gatherings, this coalition prevailed with persistence and a persuasive argument. Their request was simple: Apply strict permitting and licensing rules to unfinished rosewood logs and boards, but allow all finished instruments and accessories to cross borders without any CITES licensing. They argued that musical instruments consumed less than 1% of the global rosewood harvest, that the industry stood foursquare behind all conservation efforts, and that the rosewood rules represented an unnecessary burden without any offsetting benefits. Surprisingly, CITES authorities not only agreed, they took action. The cumbersome licensing regime has been repealed.

Instruments with rosewood are now free to cross international borders. Unfortunately, the regulatory war isn't over. Environmental groups are challenging the recent rollback, arguing that it sets a dangerous precedent and creates loopholes that can be exploited by unethical furniture makers. We hope that CITES sticks to the new process of requiring licensing for raw materials only. In the meantime, congratulations and thanks to all who successfully backed and prevailed against establishment inertia. The entire musical world owes you a debt of gratitude.

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