

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA ON
COMBATING ILLEGAL LOGGING AND ASSOCIATED TRADE**

The Government of the United States of America (United States) and the Government of the Republic of Indonesia (Indonesia), hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”,

Recognizing that illegal logging and associated trade undermines trade in legally-produced timber and forest products, reduces the economic value of forests, weakens efforts to promote sustainable forest management and robs governments and communities of needed revenues;

Acknowledging steps taken by Indonesia to combat illegal logging, and in particular Presidential Instruction No. 4 of 2005, and efforts of the United States to assist countries to combat illegal logging and associated trade under the framework of the President’s Initiative Against Illegal Logging, launched in 2003;

Seeking to collaborate to further enhance their respective capabilities to combat illegal logging and associated trade;

Recalling the objectives of their bilateral Council on Trade and Investment under the United States-Indonesia Trade and Investment Framework Agreement (TIFA), in particular to monitor trade and investment relations and consult on specific trade and investment matters;

Further recalling the commitments contained in the United States – Indonesia Memorandum of Understanding Regarding Mutual Assistance between Their Customs Administrations;

Acknowledging and respecting their respective laws and regulations affecting production of and trade in timber and other forest products;

Have agreed as follows:

ARTICLE 1
Objectives

The Objectives of this Memorandum of Understanding (MOU) are to:

- (1) Help ensure that Indonesia's legally-produced timber and wood products have continued access to markets in the United States and other international markets;
- (2) Complement and support national, bilateral, regional and multilateral efforts to combat illegal logging and associated trade, which contributes to the protection, conservation and sustainable management of forest resources;
- (3) Promote transparent timber markets and trade in legally-produced timber and other forest products; and
- (4) Contribute to Indonesia's efforts to restructure its forest industries, by combating illegal logging and associated trade.

ARTICLE 2
Working Group on Combating Illegal Logging and Associated Trade

- (1) The Parties hereby establish a Working Group on Combating Illegal Logging and Associated Trade under the United States-Indonesia TIFA. The Working Group shall guide implementation of this MOU, in particular activities described in Articles 3 through 6.
- (2) The Working Group shall comprise representatives of each Party. The point of contact for Indonesia will be the Directorate General of Forest Production Management of the Ministry of Forestry; the point of contact for the United States will be the Office of the United States Trade Representative. Participants in the Working Group shall include agencies with responsibilities relevant to matters arising under this MOU.
- (3) The Working Group shall identify priority actions that the Parties will undertake, subject to the availability of appropriated funds. The Working Group shall periodically review and, as needed, revise the list of priority actions.

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- (4) The Working Group shall present to the TIFA Council on Trade and Investment biennial written reports on the Parties' progress in combating illegal logging and associated trade, including progress on implementing this MOU. The Working Group shall make its reports publicly available.
- (5) Unless otherwise agreed, each Party shall assume the costs of its participation in the Working Group.

ARTICLE 3

Exchange of Information

- (1) In accordance with their respective laws and regulations, the relevant authorities of the Parties shall regularly exchange information related to trade in timber and other forest products, including information on their respective laws and regulations that apply to that trade.
- (2) Pursuant to paragraph 1 of this Article, on request of the United States, or on its own initiative, Indonesia's Directorate General of Customs and Excise shall inform the United States Customs and Border Protection whether timber and wood products originating in Indonesia have been lawfully exported to the United States. On request of Indonesia, or on its own initiative, the United States Customs and Border Protection shall inform Indonesia's Directorate General of Customs and Excise whether timber and wood products originating in Indonesia have been lawfully imported into the United States.

ARTICLE 4

Law Enforcement Cooperation

- (1) The Parties shall cooperate for the purpose of enforcing or assisting in the enforcement of their respective laws and regulations affecting trade in timber and other forest products. This cooperation may include but is not limited to exchanging experts, sharing information, tracking assets and proceeds of illegal logging activities, building capacity and developing and implementing technology to assist in enforcement of such laws, policies and regulations.
- (2) On request of the other Party, a Party's relevant trade, customs, and law enforcement authorities may, in conformity with and as authorized by domestic law, and subject to available resources, assist in the investigation of persons or organizations either suspected of committing or known to have committed an offense related to illegal logging or associated trade.

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ARTICLE 5
Regional and International Cooperation

- (1) The Parties shall explore opportunities to enhance their efforts to address illegal logging and associated trade through relevant and appropriate regional and international agreements to which they are both party and through relevant and appropriate regional and international organizations, institutions and processes in which they both participate.
- (2) The Parties shall consult, to the extent feasible, in advance of meetings convened under such regional and international agreements, organizations, institutions and processes, with a view to advancing their shared objective to combat illegal logging and associated trade.

ARTICLE 6
Cooperation with Non-Governmental Entities

Each Party is committed to developing and strengthening partnerships, consistent with its laws, with interested non-governmental entities, which may include timber industry and trade associations, other relevant non-governmental organizations and local community groups, to complement each Party's efforts under this MOU to combat illegal logging and associated trade.

ARTICLE 7
Amendment

The Parties may agree in writing on any amendment of this MOU, which shall take effect on the date the Parties specify.

ARTICLE 8
Final Clauses

- (1) This MOU shall enter into force on the date of its signing. Either Party may terminate this MOU by notifying the other Party in writing at least three months in advance of the effective date of termination. Unless the Parties otherwise agree, the termination of this MOU shall not affect the validity or duration of any activities then being carried out under the terms of this MOU.
- (2) The Parties shall consult at regular intervals regarding the effective implementation of this MOU.

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- (3) The TIFA Council on Trade and Investment shall review the operation of this MOU not later than five years after it enters into force.
- (4) The provisions of this MOU shall not give rise to a right on the part of any private person to obtain, suppress, or exclude any evidence, or to impede the execution of a request, nor expand or limit rights otherwise available under the respective laws of the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this MOU.

DONE in two original versions in English in Hanoi on November , 2006.

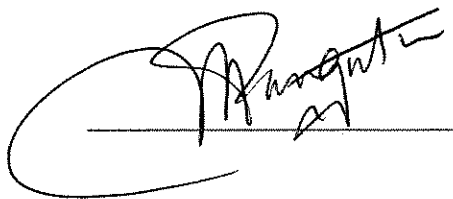
**For the Government of the
United States of America**

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**For the Government of the
Republic of Indonesia**

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**For the Government of the
Republic of Indonesia**

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