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Wood Packaging Materials

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Potential threats posed by insect pests in raw wood involved in international trade has been recognized for years, with long-standing restrictions and controls on the import of logs from various countries. It was only about 15 years ago that a similar threat was recognized with regard to wood that was used as packaging material, rather than as a commodity. The problem was initially traced to wood used in shipping containers and pallets. Some of the wood so utilized harbored the Asian long-horned beetle, a voracious consumer of many different trees. The beetle became established in some parts of the United States and Canada before its presence was even recognized. Once the problem and the extent of the threat were identified, government agencies moved into action. The U.S. Animal and Plant Health Inspection Service (APHIS) of the Department of Agriculture and its counterpart in Canada (the Canadian Food Inspection Agency) promulgated emergency regulations to control entry of such wood packing materials from China and adjacent East Asian nations where the beetle was endemic.

China initially contended that these control efforts were actually intended to deter Chinese trade. It was soon recognized, though, that the threat was real. Further examination revealed that the threat was not limited to the Asian long-horned beetle and the potential host countries for the numerous high-risk insects were everywhere. Wood packaging material came to be recognized as somewhat similar to ballast water in the threat it posed when involved in the highly complex and interwoven international trade networks.

International solution

For a variety of reasons, including the muted voices of environmental advocacy groups, the various governmental agencies and the industry have been able to fashion a relatively uniform international system for addressing this threat. When it was thought that the problem involved only raw wood in shipping containers and shipping pallets from East Asia, a program was established involving the treatment of such wood with either heat or fumigants and the issuance of appropriate certificates by authorized government officials in those nations. Once it was realized that the problem was much more extensive, a universal solution was sought.

The International Plant Protection Convention (IPPC), developed under the auspices of the United Nations Food and Agriculture Organization (FAO), provides methodologies for

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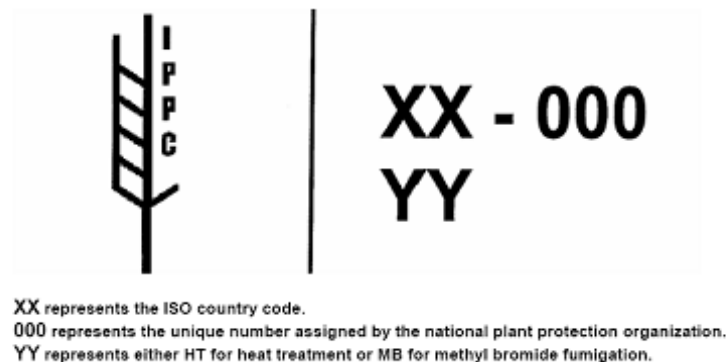
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international cooperation in controlling pests to plants and preventing their international spread and for development of technically justified and transparent phytosanitary measures to address problems posed by such pests. Measures involving either heat treatment or fumigation with methyl bromide were agreed upon and designated as International Standard for Phytosanitary Measures (ISPM) #15 – Guidelines for Regulating Wood Packaging Material in International Trade.

Working with the International Organization for Standardization (ISO), a logo was established for marking of wood packaging material for use in international trade. The logo consists of the IPPC designation followed by the two-letter ISO country code and the unique number assigned by the national plant protection organization. Beneath that are two additional letters: either HT for heat treatment or MB for methyl bromide fumigation.



Wood packaging materials are to be marked in a visible location on each article, preferably on at least two opposite sides of the article, with the legible and permanent logo that indicates that the article meets the requirements of ISPM #15. The requirement applies to pallets, crates, boxes, and dunnage except for those items made entirely of manufactured wood material (e.g., particle board, plywood, oriented strand board) and wine or whiskey barrels, or wood packaging materials made entirely of thin pieces of wood of 6 mm thickness or less. The paper certification (treatment certificate) is no longer required.

Domestic enforcement

In the United States, the restrictions on the entry of regulated wood packaging material are administered jointly by APHIS and the U.S. Customs and Border Protection (CBP). APHIS promulgated detailed regulations on September 16, 2004, with enforcement to commence after one year. The two agencies have now published operating procedures relating to enforcement. Enforcement will take place in a phased manner. During Phase 1 – from September 16, 2005 through January 31, 2006 – the agencies will adopt an informed compliance program where account managers will be notified of cargo that contains noncompliant wood packaging material and Notices of Violation will be posted in a prominent location on the goods. During Phase 2 –

from February 1 through July 4, 2006 – the agencies will reject violative crates and pallets through re-exportation from North America. The informed compliance program during this period will be limited to other types of noncompliant wood packaging material. With the commencement of Phase 3 on July 5, 2006, the agencies will fully enforce the requirements will regard to all articles of regulated wood packaging material entering North America. Noncompliant wood packaging material will not be allowed to enter.

Generally, noncompliant wood packaging material is to be reexported. Reexport refers to the immediate export of the noncompliant wood packaging material. Where the noncompliant wood packaging material cannot be separated from the accompanying merchandise, both will be reexported. Noncompliant wood packaging entering North America is not eligible for treatment or destruction upon entry. In every case of the discovery of an actual pest infestation, the protocol associated with safeguarding or eradication of the pest threat will supersede wood packaging material enforcement.

Wood packaging material imported into the United States directly from Canada is exempt from the requirement to comply with ISPM #15 to the extent that the material originated therein. Unmarked firewood, mesquite wood for cooking, and small, noncommercial packages of unmanufactured wood for personal cooking or personal medicinal purposes originating in and being imported into the United States directly from the States of Mexico immediately adjacent to the United States (Mexican Border States) are also exempt from the ISPM #15 requirements.

Most other nations have adopted, or are in the process of adopting, programs to enforce ISPM #15 with regard to imported wood packaging material. Canada and Mexico have adopted enforcement programs that mirror those of the United States.

Who pays?

If either CBP or APHIS determines that separation of the noncompliant wood packaging material and the merchandise is feasible, then the merchandise will be separated at the importer's expense at a time and place selected by CBP or APHIS. All expenses incurred for the services of CBP officers and APHIS specialists involved in the separation of cargo from noncompliant wood packaging material will be billed to the importer or other party of interest. Noncompliant wood packaging material and any associated merchandise from which it cannot be separated will be reexported at the expense of the importer or other party of interest. In the event that the identity of the importer is unknown or otherwise not available to CBP or APHIS, the importing carrier will be held liable for expenses related to the costs of reexportation of the noncompliant wood packaging material and associated merchandise.

It is recommended that carriers examine cargo prior to lading for compliance with requirements of ISPM #15. Carriers should also include in their tariffs and bills of lading provisions requiring shippers to comply with ISPM #15 and provisions clearly making any additional expenses incurred by the carrier for noncompliance with ISPM #15 will be for shipper's account.

Conclusion

When faced with this multi-billion dollar threat, the various national enforcement agencies and the regulated community developed a logical, phased program to minimize the risk without unnecessarily impeding the flow of commerce. This approach may serve as an example for the handling of other transnational issues.

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