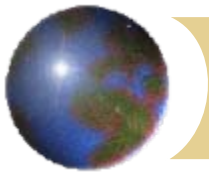


Wood Packing Materials

AIIS Spring Logistics & Customs Seminar

May 17, 2007

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Background

- ISPM 15 Standard (International Standard for Phytosanitary Measures)
- Developed and overseen by National Plant Protection Organization (NPPO) in country of export





Background

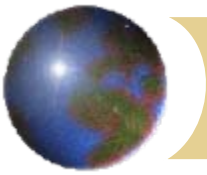


- APHIS (Animal Plant Health Inspection Service) set standards for importation of wood packing materials in final rule published in the Federal Register on September 16, 2004 (7 CFR Part 319)
- Enforcement began on September 16, 2005



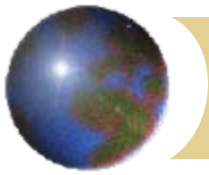
Background

- NWPCA (National Wood Pallet & Container Association) with APHIS run the official quality assurance program for labeling wood packing material fumigated in compliance with the ISPM 15 standard
- Inspection agencies enrolled with NWPCA monitor program.
- Treatment is done by fumigators certified/ enrolled the program



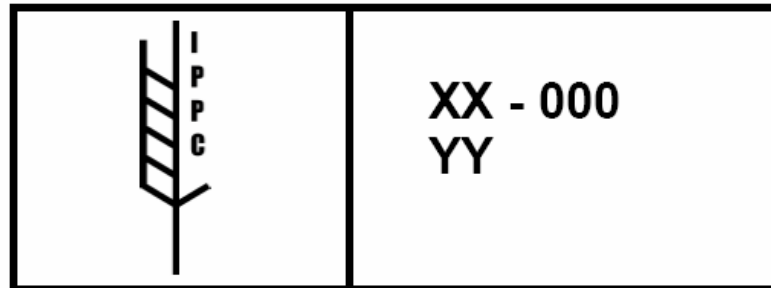
Background

- Acceptable treatments are:
 - Heat treatment to a minimum wood core temperature of 56°C for a minimum of 30 minutes, or
 - Fumigation with methyl bromide
- Paper certificates are no longer required or accepted



Background

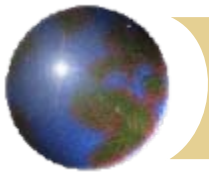
- To certify a wood packing material treatment, the item must have the following approved IPPC (International Plant Protection Convention) mark:
 - IPPC symbol
 - ISO two-letter country code followed by a unique number assigned to the producer of the wood packaging material
 - IPPC abbreviation for the approved measure used (e.g. HT for heat treatment or MB for methyl bromide)





Background

- Three-tier Phase-In of the Regulation:
 - Phase I: September 16, 2005 began an informed compliance period with no stoppage of shipments for non-compliant wood packaging material
 - Phase II: February 1, 2006 continued informed compliance measures. Immediate exportation of all shipments containing violative WPM if the Port Director determined it was not feasible to separate merchandise from the non-compliant WPM

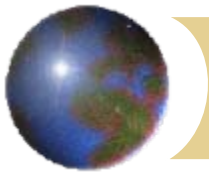


Background

- Three-tier Phase-In of the Regulation:

- Phase III: July 5, 2006 began full enforcement of the regulation. CBP (Customs & Border Protection) no longer conducting informed compliance at shipment level. Regulation does not allow for treatment of the violative WPM at the ports or for any alternative disposal method. Only alternative is the immediate re-exportation of the cargo





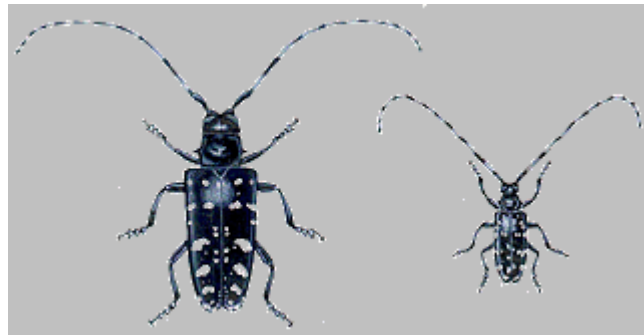
Current Situation

- Effective March 9, 2007 – CBP may issue claims for liquidated damages and/or other penalties against importers, carriers or bonded custodians for importing non-compliant WPM
- Claims can be assessed based on the value of the merchandise (value of the WPM + the value of the commodity or commodities identified on the entry documentation)



Current Situation

- Liquidated damage claims may be issued at up to three times the entered value of the merchandise, but not greater than the bonded amount
- Non-compliant WPM includes unmarked, inappropriately marked, or marked but found infested with a live wood-boring pest





Current Situation



- Targeted wood-boring pests include the following families:
 - Cerambycidae (long-horned beetle), Buprestidae (wood-boring beetle), Siricidae (woodwasps), Cossidae (carpenter moth), Curculionidae (weevils), Platypodidae (ambrosia beetles), Sesiidae (clearwing moths), and Scolytidae (bark beetles)
- All costs associated with handling of the violative WPM, including the cost of re-exportation are the responsibility of the violator