

60-Day phase-in on China's Solid wood packaging rule

As a consequence of USDA efforts to ensure uninterrupted trade, Chinese officials on December 29, 1999 informed USDA representatives that China would delay full implementation of a new rule requiring certification of all solid wood packing materials (SWPM). The new rule, intended to prevent the introduction of pinewood nematode, was officially implemented January 1, but with flexible provisions for enforcement during the two-month grace period. In the case of SWPM containing coniferous wood, shipments must be accompanied by an APHIS certificate affirming that the wood has undergone heat treatment at 56 degrees C. for a minimum of 30 minutes (easily attained by typical kiln drying in the US). China's willingness to phase-in enforcement was confirmed in a written response to Secretary Glickman's letters to several Chinese Ministers.

Inter-agency meetings will be held over the next few weeks to assess the impact of the new rule on US trade, discuss other possible options for compliance, and to develop a protocol for response should cargo fail to meet the Chinese requirements. For more information contact: Roseanne Freese, 720-0770 at FAS / FFPD

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RE: SWPM Update

In the inter-agency meeting held on Monday, November 15, 1999, an update was provided by APHIS on the SWPM issue. In attendance at the meeting were specialists from the International Trade Policy and Forest & Fishery Products Divisions of FAS, representatives of the National Wood Pallet and Container Association and the U.S.-China Business Council. APHIS, along with Dr. David Dwinell, a pinewood nematode specialist with the U.S. Forest Service met with officials from China's State Administration for Entry-Exit Inspection and Quarantine (SAIQ) and APHIS on November 10-11 in Kunming, Yunnan Province.

During the negotiations, China held firm on its position that all solid wood packing material (SWPM) leaving U.S. ports on or after January 1 will be subject to controls to prevent the further introduction and spread of pinewood nematode (PWN). The Chinese will require that all SWPM from the US made from coniferous trees be heat-treated and accompanied by a phytosanitary certificate. Given the scope of the regulatory changes and the short-turn around time for compliance, participants discussed options for response as well as introduced issues for further action.

The NWPCA offered a series of approaches for compliance, advocating the use of an APHIS mill certification program for lumber manufacturers akin to what is already in place for softwood products to the EU. Moving from the point of production to the point of manufacture, NWPCA then offered to modify its "SPEC" (trademark) program for pallet standards to include lumber sourcing from a certified mill. The resultant product would then be permanently marked and dated as being in conformance with Chinese heat-treatment specifications. The Chinese define heat treatment as raising the core temperature to 56 degrees Celsius for a minimum period of 30 minutes.

The initial response from APHIS was that this program was administratively feasible and provided a clear paper trail. The Chinese, as it turns out, do not require a "phytosanitary certification" for every pallet per se, but still want a document/mark that verifies that APHIS has found the coniferous SWPM in compliance. The Chinese have also said -- but not in writing -- that kiln-drying would be considered equivalent to heat treatment.

Issues for follow-up by APHIS with the Chinese include:

1. Written confirmation that kiln-drying would be considered equivalent to heat treatment;
2. A delay in the implementation deadline with a phase-in period prior to full implementation; and,
3. Acquisition of a table of Customs charges for the removal and destruction of questionable packaging so as to remove the potential for market bottlenecks and onerous port charges.

The date and time for the next inter-agency meeting to discuss this issue has not been set, although it is expected to take place by no later than Friday, December 10. If you have any questions or comments, please contact me at 202-720-0770. Roseanne Freese FFPD