

November 28, 2006

New Quarantine for Emerald Ash Borer to Start Friday Illinois, Indiana and Ohio Join Lower Michigan in Regulatory Crack Down

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) is expanding its emerald ash borer (EAB) quarantine to include the states of Illinois, Indiana and Ohio. The lower peninsula of Michigan is already under quarantine. The regulation for the additional states goes into effect December 1, 2006 and will restrict the movement of regulated articles.

What this means to our industry: While wood pallets and containers are not listed in the APHIS news release or on the agency's Q&A list of regulated articles, NWPCA has talked with Elizabeth Pentico the APHIS supervisory officer handling regulatory issues on the Emerald Ash Borer Project who says wood packaging is included in the regulation and will be monitored for compliance. If you are manufacturing new pallets or repairing pallets utilizing ash wood in these states you will need a USDA compliance agreement, certificate or limited permit to ship them outside the state; this applies even if you are shipping from one quarantine state to another on the list.

What this means to those in non-listed states: Companies operating in states not listed at this time should still take note of the new regulation and its requirements. For example, Maryland already has had an infestation of the emerald ash borer with a single point of entry in which infested ash nursery stock was shipped from Michigan to Maryland. There is a state quarantine in effect on Prince George's County, Maryland, to which a federal quarantine match is pending. Detection, control and eradication activities are currently being conducted by the state of Maryland's Department of Agriculture. If there are further instances of the EAB found in Maryland, state and federal quarantines will be revised. (If you operate in Maryland and want to know more about the EAB in your state call 410-224-3452.)

Industry Compliance Considerations: As a wood-products industry, it is in our own interest to do everything necessary to protect our raw material supplies. Cheating on this kind of regulation does not make sense since it protects the resource upon which our industry depends.

Industry Image Considerations: Alternative material producers are already using the ISPM 15 export regulations to promote their products. If wood packaging shipped domestically becomes seen as a source of domestic infestations, shippers might be more easily persuaded to opt for plastic or other materials for transporting their goods. Environmental groups have already expressed their desire to see wood packaging eliminated and are looking for any pretext to accomplish that goal. Large companies in particular, like Home Depot and Wal-Mart, are highly sensitive to criticism by environmental groups and the public and will eliminate suppliers who may cast a negative light on these companies.

It may be to the overall good of the industry to consider treating and marking all wood packaging to the ISPM 15 standard. If the industry adopted the ISPM 15 as a domestic use as well as an export standard, it would increase the cost of pallets across the board making it a competitive non-issue. Some of the increased cost would be recovered by eliminating the need to sort and store separately export and domestic pallets.

See page 2 for a list of steps to follow to be in compliance with the regulation in the affected states.

Illinois, Indiana, Ohio: Step-by-step Guide to Quarantine Compliance

- **Compliance Agreement:** Contact the USDA's Cooperative Emerald Ash Borer Program (EAB) in your state to begin the process which will include a visit by USDA to assure you are capable of fulfilling a compliance agreement. If the inspector is confident your company can perform the terms of the treatment option, he or she will provide you with a compliance agreement. Following are contact numbers for the program in each state:

Michigan	810-844-2705
Ohio	614-387-1095
Indiana	765-446-0267
Illinois	847-299-6939

- **Treatment Options:**
 - ISPM 15-Approved
 - 100% Bark-Free with an additional ½ inch of wood removed
 - Fumigation as per USDA treatment schedule
 - Kiln Drying as per USDA treatment schedule
 - Heat Treatment Scheduled as per USDA treatment schedule
- **Monitoring & Certification:** If you select the ISPM 15 treatment and marking option, USDA says the compliance agreement alone will satisfy the requirements. If you choose any of the other treatment options, each shipment will need certification and inspection. Currently, inspection and certification is done for each shipment by the agency, however USDA recognizes expansion of the regulation to three additional states will require additional flexibility and possibly self-certification.
- **Penalties for Violating the Quarantine:** Under the Plant Protection Act of 2000, violations of a domestic quarantine may result in a monetary fine up to \$250,000 and/or imprisonment. APHIS has told NWPCA they expect industry to need some time to adapt to the new standard. While the regulation officially starts December 1st enforcement will take into account industry's readiness to meet new federal regulations. Companies will likely receive written warnings in the early days with harsher penalties to follow as USDA deems an appropriate implementation time has been provided. However, there is no official phase-in do not delay in implementing the requirements.

More Information: To read the APHIS news release on this quarantine go to their website at http://www.aphis.usda.gov/newsroom/content/2006/11/eab_fed_order.shtml. For the APHIS Q&A go to http://www.aphis.usda.gov/publications/plant_health/content/printable_version/emerald_ash_borer_faqs.pdf.