

# TRADE POLICY HIGHLIGHTS

## EU COMMISSION TAKES DECISION ON SOLID WOOD PACKING MATERIAL

On March 12, 2001, the European Commission adopted emergency measures requiring that coniferous solid wood packing material (SWPM) originating in the United States, Canada, China, or Japan on or after October 1, 2001, be heat treated or kiln dried to a minimum core temperature of 56° C for at least 30 minutes and display an officially approved mark enabling the identification of where and by whom the above treatment had been carried out. Alternatively, the European Union's (EU) requirements will also permit SWPM to be pressure treated with an approved chemical or fumigated in accordance with officially recognized technical specifications. The American Lumber Standards Committee has agreed to develop and oversee an official inspection system for SWPM in the United States and is currently pursuing a Memorandum of Understanding with USDA's Animal Plant Health Inspection Service.

## AUCTION OF QUOTA CERTIFICATES UNDER NAFTA TO IMPORT U.S. WOOD PRODUCTS

On January 15 and 16, 2001, the Secretariat of Commerce and Industrial Development (SECOFI) held the auction for "Quota Certificates" (Certificados de Cupo) which gives importers the right under the North America Free Trade Agreement (NAFTA) to import specified quantities of treated poles and pilings, and lumber from the United States duty-free in 2001. Many of the quota certificates went unfilled or only partially filled this year. Interest in the auction has been waning as tariffs are gradually reduced under NAFTA.

## EU CLARIFIES REQUIREMENTS FOR ANTIQUE CONIFEROUS TIMBER

On February 1, 2001, USDA's Animal Plant Health Inspection Service advised that the European Union has clarified that the requirements under Council Directive 2000/29/EC do not apply to recycled, antique coniferous timbers from the United States. This timber, much of it heart pine, is sought after for restoration projects in Europe. Beginning immediately, a phytosanitary certificate is no longer required certifying that the wood has been heat treated to core temperature of 56 degrees centigrade for at least 30 minutes. Shippers are required, however, to include a statement on the invoice or bill of lading stating that the timber was reclaimed from the dismantling or demolition of old warehouses or buildings.

## UN FORUM ON FORESTS REACHES AGREEMENT ON SECRETARIAT AND MEETING VENUES

The first (organizational) meeting of the newly established United Nations Forum on Forests (UNFF) took place in New York, February 12-16, 2001. Ambassador Mubarak Rahmtalla of Sudan was elected Chairman of the UNFF. It was decided that New York would serve as the venue for the UNFF Secretariat, but that meetings other than the first and last meeting would be held outside New York, with two meetings in Geneva and one in Costa Rica. The majority of the five-day meeting was spent in informal consultations on a multi-year program of work for the UNFF. The first substantive meeting of the UNFF will be June 11-22, 2001, in New York, at which time the multi-year program of work will be taken up formally. The focus of future meetings is expected to center around the implementation of the proposals for action from the Intergovernmental Panel on Forests and the Intergovernmental Forum on Forests.

### **FAO-GTZ-ITTO HOST SEMINAR ON CERTIFICATION**

The Food and Agriculture Organization of the United Nations (FAO), the German aid agency GTZ and the International Tropical Timber Organization (ITTO) sponsored a seminar in Rome February 19-20, 2001, "to encourage improved dialogue and linkages between organizations that have an interest in forest certification." Over 85 stakeholders representing government, academia, certification bodies, industry, and the environmental community participated in the two-day seminar. Much of the discussion focused on the comparability and equivalence of certification schemes, and efforts underway in the area of mutual recognition. A wide-range of views were expressed on many of the issues, reflecting "the rather different interests, values and goals" of the participants.

### **AUSTRALIA'S LABOR PARTY "FAVORABLY DISPOSED" TO U.S.-AUSTRALIA FTA**

In a March 9 statement, Australian Shadow Minister for Trade, Senator Peter Cook said that the Opposition Labor Party was "favorably disposed" towards a free trade agreement between Australia and the United States. Cook's comments came after U.S. Trade Representative Robert Zoellick indicated before the Ways and Means Committee on March 7 that he would "want to make sure it's (a free trade agreement) done in a fashion that has bipartisan support in Australia."

### **U.S.-CANADA SOFTWOOD LUMBER AGREEMENT SET TO EXPIRE**

The U.S.-Canada Softwood Lumber Agreement is set to expire on March 31, 2001. Under the terms of the 1996 agreement, Canada agreed that Canadian softwood lumber exports to the United States from British Columbia, Quebec, Ontario and Alberta exceeding 14.7 billion board feet a year would be subject to a US\$50 per thousand board feet export tax (for quantities up to 15.35 billion board feet) and US\$100 per thousand board feet for quantities in excess of 15.35 billion board feet. In exchange, the United States agreed not to initiate any trade actions with respect to imports of Canadian softwood lumber. Earlier this year, Canada requested consultations with the United States on certain provisions of U.S. law which restrict the refund of antidumping and countervailing duties. This action, along with last year's complaint regarding the treatment of export constraints under the United States' countervailing duty regime, are perceived as a "pre-emptive strike" on a possible countervailing duty investigation following the expiration of the agreement.

### **EU AUTHORIZES CONTINUED DEROGATION FOR OAK LOGS**

The EU Commission has amended Commission Decision 93/467/EEC to allow for the continued importation of oak logs under certain conditions by member states with bark through December 31, 2002. (The import of oak logs with bark is regulated because of the risk of introducing *Ceratocystis fagacearum*, the cause of oak wilt.) The conditions under which oak logs can be imported are dependent upon species (i.e., red or white oak), the date the logs will arrive in the EU, and the destination of the logs (i.e., port and country). Fumigation is required for red oak logs, with or without bark; other conditions may also apply.