

TRADE POLICY HIGHLIGHTS

IPPC TO CONSIDER STANDARD FOR WOOD PACKING MATERIAL

The Interim Commission for Phytosanitary Measures, the governing body of the International Plant Protection Convention (IPPC), is scheduled to take up a proposed international standard that would apply to all new and used, coniferous and non-coniferous wood packing material and dunnage, when it meets March 11-15, 2002, in Rome. The standard would provide globally accepted measures (heat treatment and fumigation with methyl bromide) that if applied to wood packing material would eliminate or minimize the introduction and spread of most invasive pests. It is estimated that over 50 percent of the \$2.0 trillion worth of goods that entered and left the United States in 2000 used some form of wood packing material. If you are a freight forwarder, an exporter, an importer, a wood packing material manufacturer, or a lumber producer involved directly or indirectly in international trade, you will be affected in some way by the new standard. (For addition information, see the accompanying article.) One hundred sixteen countries, including the United States, are contracting parties to the IPPC.

JAPAN DEEMS U.S. WOOD PRODUCTS STANDARDS SYSTEM EQUIVALENT

The United States has received confirmation (pending publication in the Japanese "Federal Register") that the Japanese Ministry of Agriculture, Forestry and Fisheries MAFF has recognized the grading systems of certain wood products-related organizations in the United States as equivalent to those of the Japanese Agricultural Standards (JAS) grading system. Recognition allows U.S. grading and testing organizations to apply to function as Registered Foreign Grading Organizations/Registered Foreign Certification Organizations. In July 1999, the JAS Law was amended (effective June 2000) to allow foreign grading/quality control organizations to function as JAS-registered foreign grading organizations and/or JAS-registered foreign certification organizations, putting them on equal footing with their Japanese counterparts. This system will replace the current system of Foreign Testing Organizations (FTOs). There are currently five U.S. FTOs and 63 U.S. JAS-certified wood products manufacturers. Canada and Australia are the only two countries to date to have been recognized as having equivalent standards systems for wood products.

U.S. AND CANADA RESUME SOFTWOOD LUMBER TALKS

After a two-month hiatus, the United States and Canada resumed talks in an attempt to find a durable solution to the long-standing softwood lumber dispute and bring an end to the current litigation. Representatives of the two countries met in Ottawa on February 19, 2002, in what was termed by both sides as a productive meeting. Further discussions have continued in Washington during the first week of March. Meanwhile, the U.S. Department of Commerce's countervailing duty and antidumping investigations continue, with final determinations due to be announced on March 21, 2002. In a related matter, the Department of Commerce is considering whether or not to exclude certain lumber manufacturers in Quebec from the countervailing duty investigation because they rely entirely on U.S. logs in their manufacturing process.

EPA ANNOUNCES TRANSITION FROM CONSUMER USE OF TREATED WOOD CONTAINING ARSENIC

On February 12, 2002, the Environmental Protection Agency announced a voluntary decision by the wood treating industry to move consumers away from the use of treated wood products containing arsenic by December 31, 2003. CCA-treated (copper chromated arsenate) wood is the most common form of treated wood used in the United States. CCA treated wood is used in a wide variety of applications including utility poles, roller coasters, outdoor decks, fencing, playground equipment and other structures where wood is exposed to pests or the weather. EPA indicated that it does not believe there is a reason to remove or replace existing CCA-treated structures. In a related matter, the European Commission is proposing to ban the use of CCA-treated wood in all but a few industrial applications: railway sleepers, electric power transmission and telecommunications poles, and cooling towers.

MEXICAN FOREST PRODUCTS INDUSTRY URGES USE OF SAFEGUARD ACTION

The Mexican forest products industry continues to urge the Mexican Government to impose safeguard measures on forest products following a surge in imports. Mexican imports of forest products (paper and wood) increased from \$3.3 billion in 1998 to \$4.4 billion in 2000. The Mexican wood products industry has submitted a petition to the Ministry of Economy for an injury investigation, based on a report called "The Forest Chain and its Products: A Macroeconomic Analysis." So far, targeted products are rumored to be pulp and paper, hardwood and softwood lumber, flooring and siding, and packing material.

UNFF TO MEET IN NEW YORK, MARCH 4-15, 2002

The Second Session of the United Nations Forum on Forests (UNFF) will meet March 4-15, 2002, in New York. The Session will focus on progress to-date in implementing the proposals for action coming out of the Intergovernmental Panel on Forests and the Intergovernmental Forum on Forests, and the Plan of Action of the UNFF related to: (i) combating deforestation and forest degradation; (ii) forest conservation and protection of unique types of forests and fragile ecosystems; (iii) rehabilitation and conservation strategies for countries with low forest cover; (iv) rehabilitation and restoration of degraded lands and the promotion of natural and planted forests; and (v) concepts, terminology and definitions. The Session will also take up issues related to implementation (e.g. financing, technology transfer and capacity building), and those common to all of the proposals for action, such as trade.