

Committee on Sanitary and Phytosanitary Measures

**INTERIM RULE AFFECTING SOLID WOOD PACKAGING
MATERIAL (G/SPS/N/USA/137)**

Statement by the United States at the meeting
of 11-12 November 1998

1. The United States measure, notified to the WTO and scheduled to enter into effect on 17 December 1998, amends the regulations for importing logs, lumber and other unmanufactured wood articles by adding treatment and documentation requirements for solid wood packing material (SWPM) imported from China, including the Hong Kong Special Administrative Region. The rule has a 60-day comment period which will end on 17 November 1998. Interested parties, including other governments, importers and exporters are invited to comment.
2. This change means that wooden pallets, crating, dunnage, and other wooden packing material imported into the United States from China will have to be heat-treated, fumigated or treated with preservatives prior to departure from China. All shipments leaving China on or after 17 December 1998 will be affected by the new requirements.
3. This action is necessary to control the risk that solid wood packing material from China could introduce dangerous plant pests, including forest pests, into the United States, a risk demonstrated by many recent incidents where exotic pests were detected in solid wood packing material from China.
4. Over the past three to four years, the Asian long-horned beetle and several other closely related genera of beetles have been intercepted frequently in merchandise shipments from China. Following a period of increased detections, two infestations of the beetle were discovered, in New York and Chicago.
5. The infestations in Illinois and New York pose a significant risk to US forests. The Asian long-horned beetle is a large insect that bores holes into trees, in urban and rural areas, resulting in the death of the tree. The beetle is known to attack hardwood tree species found in the United States, including horse chestnut, poplar, willow, elm, mulberry, black locust, and all maple trees. Some experts believe that without measures to control its entry and spread, the Asian long-horned beetle could be the most devastating forest pest in US history. Estimates indicate that economic losses greater than US\$40 billion could be experienced by the forest products, fruit, maple syrup, and tourism industries.
6. The United States would like to emphasize that great pains were taken in the development of this measure to ensure compliance with our obligations under the SPS Agreement, including through pest risk analysis. The United States has also performed an environmental assessment.
 - (a) The United States evaluated several alternatives in developing its measure, including a complete prohibition on the entry of SWPM from China, and has chosen the least trade-restrictive measure to achieve its appropriate level of protection.

- (b) The United States has adopted its measure to the pest risk status of the area where the product originates. The Asian long-horned beetle is known to be native only to China. Further, APHIS's records of interceptions of long-horned beetles from 1985 to the present indicate a pattern of entry associated with wood in commerce from China.
- (c) The requirements that SWPM be treated prior to entry into the United States is consistent with the requirement, applicable to all countries exporting to the United States, that wood used for packing be rendered safe prior to arrival.
- (d) The United States promptly notified other Members through the WTO Secretariat on 18 September 1998.

7. Understanding that this interim rule imposes a new set of requirements upon Chinese and Hong Kong, China, exports, our Embassy and Consulate Offices in China and Hong Kong, China, have been diligently working to ensure that the information is available to the public. Fact sheets have been prepared about the rule and its requirements and a number of press statements have been issued. Television coverage has helped to raise the level of awareness as well.

8. This interim rule is intended to address the problem of serious plant pests, such as the Asian long-horned beetle, being introduced into the United States on SWPM imported from the mainland of China. Due to the close and unique economic connections between the Hong Kong Special Administrative Region and the mainland of China, and the fact that about half of the mainland's exports to the United States come through Hong Kong, China, it is necessary to include the Hong Kong Special Administrative Region in this interim rule in some form to effectively address the problem.

9. This interim rule is intended to require certification of all SWPM originating on the mainland of China as having been treated. In view of the separate customs territory status and separate quarantine and inspection regime maintained by the Hong Kong Special Administrative Region with regard to the mainland of China, and in view of the fact that a large amount of goods not originating on the mainland of China or in the Hong Kong Special Administrative Region pass through the Hong Kong Special Administrative Region on the way to the United States, we are considering changes to the interim rule in order to avoid unnecessary effect on Hong Kong, China's trade with the United States and other parts of the world while preventing further introductions of serious plant pests from Hong Kong, China, or the mainland of China.

10. The United States is concerned about risks to its forests posed by pests imported with SWPM, and is developing additional regulations to address the risks associated with imported SWPM from sources other than China, including the Hong Kong Special Administrative Region. In developing these regulations, the United States is very conscious of its obligations under the SPS Agreement, and will make every effort to ensure that disruptions of trade are minimized while achieving our legitimate SPS objectives.

11. We understand that Hong Kong, China, has some concerns and comments on this action. We would invite their comments not only within this Committee, but would urge that for full consideration they be made to our enquiry point and regulatory authority before the close of the official comment period that does on 17 November 1998. All official comments will be fully considered in any modifications to the scope or procedures identified in the interim rule.

12. The United States has sent technical experts to both China and Hong Kong, China, to consult on means to comply with the new regulations. We will be responding to questions and working with the relevant authorities to assist in facilitating compliance with this important measure.
