

# TRADE POLICY HIGHLIGHTS

## U.S. IMPLEMENTS PROGRAM FOR CONIFEROUS NON-MANUFACTURED WOOD PACKING MATERIAL TO EU

On March 12 of this year, the European Union adopted temporary emergency measures requiring that all new and used coniferous pallets, boxes and other forms of non-manufactured wood packing material (NMWP) originating in the United States, Canada, China, or Japan be treated and marked, beginning October 1, 2001, to prevent the introduction of the pinewood nematode. The American Lumber Standard Committee (ALSC), at the request of USDA Animal Plant and Health Inspection Service (APHIS), has developed will oversee the implementation of the official U.S. program for verifying compliance. The EU measures also allow for the use of fumigation and chemical pressure impregnation. Ten inspection agencies are currently accredited by ALSC to provide on-sight inspection of manufacturers of NMWP. Additional information on the EU's measures and use of all three treatment options can be found on the APHIS web site: [www.aphis.usda.gov](http://www.aphis.usda.gov).

## KOREA BANS IMPORT OF OAK AND ALDER FROM SPECIFIED AREAS

Effective August 16, 2001, South Korea banned the import of oak products from eight counties in California and one county in Oregon due a recent outbreak of Sudden Oak Death in the area. The measure also applies to oak originating in Germany and the Netherlands. Oak from other counties in California and elsewhere in the United States must be accompanied by a phytosanitary certificate stating the source. Alder from England, Sweden, Germany, France, Austria and Netherlands was also banned under the measure. Earlier this year, Canada banned the import of unprocessed oak products from affected areas in the United States.

## UN FORUM ON FORESTS MEETS

The United Nations Forum on Forests (UNFF) met in New York, June 11-22, 2001. Over 125 countries, intergovernmental organizations, and non-governmental organizations participated in the meeting. The UNFF adopted a multi-year (2001-2005) program of work for the period 2001-2005 aimed at a plan of action to guide the "effective and coherent implementation" of the proposals for action. The next meeting of the UNFF is scheduled for March 4-15, 2002, in San Jose, Costa Rica.

## INDONESIA REQUESTS RAMIN BE INCLUDED ON APPENDIX III OF CITES

On May 18, 2001, the Government of Indonesia requested the Secretariat of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) to include ramin on Appendix III. The listing was effective August 6, 2001. An Appendix III listing obligates the CITES Management Authority in Indonesia to verify that all shipments have been obtained legally. Shipments must also be accompanied by export permit issued by the Management Authority. Shipments of ramin originating in countries other than Indonesia are required to have a certificate of origin.

### NETHERLANDS BANS IMPORT AND USE OF WOOD TREATED WITH COPPER COMPOUNDS

The Netherlands has notified the European Commission and the World Trade Organization of a decree banning the use, trade, and import of wood treated with copper compounds. The ban would effectively eliminate U.S. exports of treated lumber to the Netherlands, along with U.S. softwoods destined for treatment in the Netherlands. U.S. softwood lumber and treated lumber exports to the Netherlands were \$5.75 million in 2000.

### COMMERCE ANNOUNCES PRELIMINARY SUBSIDY DETERMINATION ON CANADIAN SOFTWOOD LUMBER

On August 10, the Department of Commerce (DOC) announced its preliminary subsidy determination, finding a net countervailable subsidy rate of 19.31 percent. The duty took effect on August 17, and is applicable to most Canadian softwood lumber and softwood lumber products (e.g. flooring, siding). Products manufactured in the Maritime Provinces are exempt. DOC also made an affirmative preliminary determination of critical circumstances. If DOC's final determinations are affirmative, the duty will be imposed retroactively 90 days prior to August 10. DOC is scheduled to make its preliminary antidumping determination on September 24 and its final countervailing duty determination on October 23. On August 21, Canada formally requested accelerated consultations under the World Trade Organization's dispute settlement mechanism on the preliminary subsidy determination.

### U.S.-JAPAN ISSUE FOURTH JOINT STATUS REPORT

On July 30, 2001, the United States and Japan issued the Fourth Joint Status Report under the U.S.-Japan Enhanced Initiative on Deregulation and Competition Policy. Among the measures announced in the housing/wood products area was an agreement by Japan to review its implementation of performance-based building codes to address U.S. concerns regarding the basis and application of certain performance criteria and testing methodologies. Japan also announced several steps it will take to stimulate the sales of existing homes, including working with the private sector to create a standard appraisal system to reflect the value of maintenance and renovation, and removing or significantly limiting key financial disincentives associated with the purchase of existing homes.