

November 30, 2006

NWPCA End User *Regulatory Guide* Attached

The new federal quarantine on ash wood announced by the U.S. Department of Agriculture and featured in the NWPCA Regulatory Alert on Tuesday, could create nervousness among end users in affected states* with regard to the continued use of wood products. To get out a clear and convincing message before alternative material manufacturers have an opportunity to convey misinformation for a competitive advantage, NWPCA has produced the attached end user *Regulatory Guide*.

We encourage you to reproduce the document and distribute it to all of your customers in the affected states. We will be posting the piece on our website at www.palletcentral.com where you will have the option to download the article or use the print-friendly format to print additional copies (see U.S. Regulations in the Resource Center, Legislation/Regulations section). This document will be password protected. Your customers will not be able to read it online; they will have to come to you for the information. We have done this to promote our members as the expert wood packaging consultants to whom end users should turn for advice.

** Affected states are Illinois, Indiana, Ohio which are joining the already quarantined lower-Michigan area. There is a state quarantine in effect on Prince George's County, Maryland, to which a federal quarantine match is pending.*

NWPCA

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Regulatory Guide

USDA Quarantine for Emerald Ash Borer

From the National Wooden Pallet and Container Association (NWPCA)

Background: The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has expanded 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 went into effect December 1, 2006 and will restrict the movement of regulated articles. (There is a state quarantine in effect in Prince George's County, Maryland, to which a federal quarantine match is pending as a result of a single-point of entry infestation.)

Shipper Responsibility: If wood pallets or containers with any ash wood parts, whether empty or under load, are bound for shipment outside a quarantine state, the company shipping the goods is responsible if the wood packaging does not comply with USDA regulations. This applies even if you are shipping from one quarantine state to another on the list.

Any wood packaging brought into a quarantine state will be viewed as native to that state and regulated accordingly. For example, if an Ohio product manufacturer purchases wood pallets from a Kentucky company that are then delivered to the facility in Ohio (or Illinois, Indiana, lower Michigan), when those pallets are then shipped outside the quarantine state they must be USDA compliant to the quarantine guidelines.

Shipper Recommendation: Use a wood pallet and container provider who has entered into a compliance agreement with USDA to assure that if ash wood is being used, it is treated according to the requirements. Under the new federal regulation, wood packaging makers have a number of treatment options available to them. Many are already building their pallets and containers to the ISPM-15 international wood packaging export standard, which is one of the options under the new U.S. regulation for the quarantine states.

Identifying Qualified Wood Packaging Providers: NWPCA is working with USDA to create a list of wood pallet and container manufacturers, recyclers and brokers able to provide compliant wood packaging products. When that list is available, we will post a link on the NWPCA website at www.palletcentral.com.

Note to Shippers: It is the job of the NWPCA to monitor regulations applicable to wood pallets and containers and communicate compliance requirements to our members. It is the responsibility of wood packaging companies to keep up with this information and deliver to their customers a product that meets relevant guidelines. It should not, and need not, be the obligation of a shipper to handle the details of transport materials; a shipper's only concern should be in purchasing wood packaging from a reliable provider who can meet all regulations.

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