

February 3, 2006

To our Import Customers,

Below is an update concerning WOOD Packaging Material as found on the Canadian Food Inspection Agency (CFIA) website, <http://www.inspection.gc.ca/english/plaveg/for/noted98-08e.shtml>

Canada has joined with the United States and Mexico, the three members of the North American Plant Protection Organization (NAPPO), in the staged implementation of the regulation of wood packaging under the International Standard for Phytosanitary Measures (ISPM) No. 15. Under this standard, as of September 16, 2005, any regulated wood packaging materials found to be non-compliant with Canadian import requirements may be ordered removed from Canada.

During the first phase, **September 16, 2005, until January 31, 2006**, shipments with wood packaging materials found to be infested will be refused entry. Notices of non-compliance will continue to be issued to importers where no pests are found, but where shipments are non-compliant. Post-entry treatment of infested wood packaging materials, which was allowed until now, will be discontinued.

**During the second phase, February 1, 2006, until July 4, 2006, all shipments found to have infested wood packaging materials, or that are lacking an ISPM No. 15 mark or a phytosanitary certificate, will be refused entry, whether or not signs of pests have been detected.**

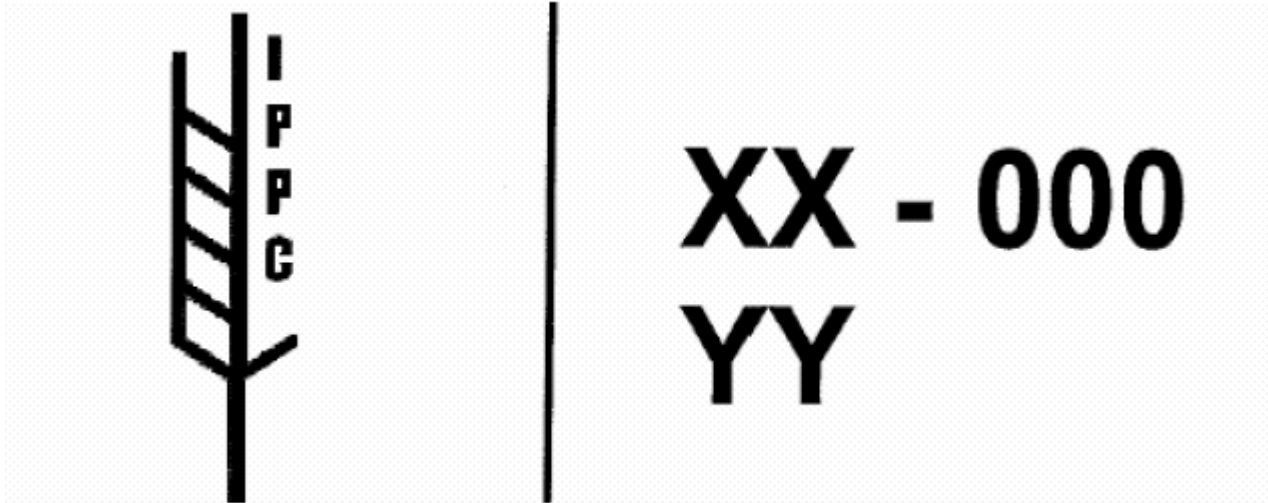
During the **third phase beginning July 5, 2006**, Canada will refuse entry on all non-compliant wood packaging. Canada's import requirements cover solid wood (excluding manufactured wood and paper products) used in packaging, supporting, protecting, bracing or carrying a commodity, including ships'dunnage. The intent of these requirements is to reduce the risk of introducing Invasive Alien Species (IAS), harmful pests which are known to be transported and spread via untreated wood packaging. The introduction of these pests could have a serious negative impact on Canada's plants and trees, including those important to the logging, horticulture and agriculture industries.

Wood packaging materials manufactured from wood of Canadian or U.S. origin that have not moved internationally are exempt from the treatment and marking requirements of Canadian and U.S. wood packaging import regulations. Shipments moving from Canada to the U.S. must be accompanied by a declaration on the shipping or customs documents stating that the wood packaging is derived from trees harvested in the U.S. or Canada.

Any and all costs, charges or penalties associated with (but not limiting to) inspection, storage, removal and/or disposition of non-compliant Wood Packaging Material, including return to origin will be for the account of the cargo.

Regulated Wood Packaging is defined as Wood Packaging Material constructed from wood of any plant species that are not manufactured, including dunnage, pallets, spacers, bearers, crating, etc.

The regulations will require that **WOOD PACKAGING MATERIAL** (such as boxes, dunnage, crates, pallets) used in International trade must be Heat treated or fumigated with methyl bromide and each unit of Wood Packaging Material must be permanently affixed with the International Plant Protection Convention (IPPC) logo as noted below:



**XX** - represents the International Standards Organization two letter country code for the country in which the Wood Packaging is produced.

**000** - represents the official certification number issued to the facility producing the compliant Wood Packaging by the National Protection Organization

**YY** - represents the treatment carried out (e.g. HT for Heat treated Wood or MB for Methyl Bromide treated wood).

These regulations apply to Import cargo destined to Canada, the United States and Mexico including in-transit cargo moving through Canada to the United States.

Complete information for the importation / use of Wood Packaging Material in International trade can be found at the Canadian Food Inspection Agency website as noted below:

**CFIA Wood Packaging Import Requirements**

<http://www.inspection.gc.ca/english/plaveg/for/noted98-08e.shtml>

**CFIA Q & A on WOOD PACKAGING:**

<http://www.inspection.gc.ca/english/plaveg/for/cwpc/wdpgqgae.shtml>

**US Animal Plant Health Inspection Service**

<http://www.aphis.usda.gov/ppq/wpm/import.html>

**NAPPO Info Page for Wood Packaging Material (ISPM 15)**

<http://www.nappo.org/Standards/Woodpacking-bil1.htm>

Please feel free to contact your local NYK office or Representative should any questions arise concerning this matter.