

### **CBP Guidelines for Issuing Liquidated Damages and/or Penalties for Importing Wood Packaging Material in Violation of USDA Regulations Now in Effect**

U.S. Customs and Border Protection (CBP) has issued guidelines for assessing liquidated damages and/or penalties against importers, carriers or bonded custodians in connection with imported wood packaging material (WPM) that does not comply with regulations issued by the U.S. Department of Agriculture (USDA). The guidelines are now in effect.

Types of WPM covered by the USDA's regulations include, but are not limited to dunnage, crating, pallets, packing blocks, drums, cases, and skids, whether in actual use as packing for articles or imported as cargo.

USDA's regulations require that certain WPM entering or transiting through the United States be treated to kill harmful insects that may be present. The WPM must either be heat treated or fumigated with methyl bromide and must include a visible, legible, and permanent mark that certifies the wood received the required treatment.

CBP provides that liquidated damages and/or penalties for violations will be assessed based on the value of the WPM plus the value of the commodity or commodities identified for importation on the entry documentation. The liquidated damages claim may be issued at three times the entered value of the merchandise but not greater than the bond amount.

Immediate exportation is required of any noncompliant WPM. This includes WPM that is unmarked, inappropriately marked, or marked but found infested with certain live wood-boring pests. **CBP provides that all costs associated with the handling of violative WPM, including the costs of exportation, are the responsibility of the violator.**

Additional information on the implementation and enforcement of the WPM regulations, the guidelines noted above, and the requirements for acceptable WPM markings is available on the CBP website at:

[http://www.cbp.gov/linkhandler/cgov/import/commercial\\_enforcement/wpm/guidelines\\_wpm.ctt/guidelines\\_wpm.doc](http://www.cbp.gov/linkhandler/cgov/import/commercial_enforcement/wpm/guidelines_wpm.ctt/guidelines_wpm.doc).

The limited number of exceptions to the WPM regulations are listed in a *NGJ International Trade Update* published on July 6, 2006 entitled Full Enforcement for Wood Packaging Material Import Regulations to Begin July 5, 2006. The ITU can be viewed on our website at <http://www.ngjensen.com/news/itu/2006-07-06.pdf>.

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