

PALLET PHYTOSANITARY PROJECT BULLETIN



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A PALLET MANUFACTURER'S PERSPECTIVE REVISITED

At the Pallet Phytosanitary Project Briefing Session in April 2002 in Columbus, Ohio, Lanny Williamson of Lannes Williamson Pallets, Inc. of Southside, West Virginia shared his perspective on the new phytosanitary regulations with those in attendance. At that time he envisioned a relatively rapid move by IPPC (International Plant Protection Convention) participating countries to implement the regulations and in response to that implementation he was anticipating that his customers would be demanding compliance before the actual country by country implementation. He shared correspondence from two large corporations, Daimler-Chrysler and DuPont. These correspondences made it clear that the companies were serious about achieving compliance with the phytosanitary regulations sooner rather than later and that any vendors not able to provide compliant packaging material would lose the business.

Nearly a year and a half later we thought it would be informative to discuss with Lanny his experiences with phytosanitary issues during the intervening time period. He graciously

gave of his time to update us on his experiences and to tour his manufacturing facility.

As a bit of background, Williamson Pallets, Inc., was incorporated in 1970 and is an integrated hardwood sawmill and pallet manufacturing business. Employment is currently at 45 and annual production at the mill and pallet operations is about 10 million board feet. The business also has a retail component that specializes in flooring, millwork, and kiln-dried hardwood lumber.

During the last year and a half the greatest problem in Lanny's opinion has been the ongoing uncertainty surrounding the implementation of the standard, resulting in many false rumors being circulated among manufacturer's, as well as customers. One significant outcome of this uncertainty is that none of his customers have subsequently demanded compliant heat-treated hardwood packaging.

Perhaps more important, Lanny believes the ongoing uncertainty has created a situation where a frenzied scramble to become compliant will

occur once the regulations are implemented by the participating IPPC countries, which is beginning to happen. The dilemma facing Lanny, particularly as a small business, is when to commit to the investment in a heat-treating chamber. As the IPPC countries mandate compliance with the international standard for Wood Packaging Material and the necessity for complying becomes a reality for his customers, Lanny remains a firm believer that the process will be customer driven and not government driven so that the eventual decision will occur in an atmosphere that is likely to be very fluid.

While his hardwood packaging business remains unaffected with respect to the phytosanitary regulations, Lanny has been able to expand his business into fabricating compliant softwood packaging products. As a result he has become certified to produce and mark wood packaging material. His certification is through Package Research Laboratory (PRL)¹. During our visit to Williamson Pallets, the PRL inspector was on-site to make the mandatory monthly audit/inspection.

The audit included an inspection of the existing inventory of individual pieces and final assembled products. Final assemblies being produced were constructed from a combination of individually heat-treated pieces and untreated manufactured wood components. Heat-treated components are purchased from manufacturer's who are certified to apply the heat treatment mark. The inspector

checked each bundle of component pieces for the appropriate mark, indicating that the pieces had been certified as heat-treated. During this phase of the inspection, a number of bundles had individual piece marks that were barely legible. The inspector indicated that this has been a recurring problem.

The individually, heat-treated and marked components are subsequently fabricated into a final assembly by Lannes Williamson Pallets, Inc. These final assemblies are then stamped by Williamson Pallets. During each inspection, the PRL inspector determines that the mark was applied appropriately and legibly.

The final aspect of the inspection was a review of the required paperwork. Lanny must keep a complete and documented inventory of heat-treated material received and heat treated material shipped, to ensure that no more volume of wood was shipped than was marked and certified.

The field inspection report is completed by the inspector and includes 7 criteria: the availability and maintenance of records; treated lumber available justifies WPM (Wood Packaging Material) production; storage of uncut treated lumber; storage of cut lumber "work in progress"; WPM records verify WPM heated to 56 degrees C at the core for 30 minutes; placement of PRL stamps on WPM's; and condition of and storage of PRL stamps. The report summarizes whether each of these criteria was compliant, non-compliant, or not applicable.

The entire inspection process took less than two hours, which is a common timeframe according to the inspector. Longer inspections occur when the

¹ Reference to an accredited inspection agency for heat treated wood packaging material is made with the understanding that no discrimination is intended and no endorsement implied by the Pallet Phytosanitary Project.

inspector must conduct an annual evaluation and calibration of heat-treating units for those with such facilities.

Lanny indicated that the total cost of maintaining a stamp, including inspections and the requisite paperwork is costing him about \$500 per month. As production levels increase, he anticipates that the cost will increase accordingly, due primarily to additional record keeping and accompanying paperwork requirements.

The stamp currently being used by PRL certified companies does not contain the new logo approved by the IPPC. However, during the inspection visit, the inspector provided order forms for the new stamp, which should be available for use by certified manufacturers before the end of October 2003.

Even though his production of compliant material is currently relatively low, Lanny has considered the process of becoming a certified manufacturer of WPM a good opportunity to learn and become comfortable with the certification and inspection process. In that way, he will be better prepared for the inevitable increase in demand for compliant hardwood and softwood packaging products.

Overall, Lanny, like most other manufacturer's, has been frustrated with the uncertainty surrounding the implementation of the standard, but has been proactive in seeking new markets for heat-treated wood packaging material, has continued to educate and inform his customers about the phytosanitary standard, and has generally considered the

phytosanitary issue an opportunity, rather than an obstacle.

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