

**EXPLANATORY MEMORANDUM TO
THE PLANT HEALTH (FEES) (FORESTRY)
(AMENDMENT) REGULATIONS 2008**

2008 No. 702

1. This explanatory memorandum has been prepared by the Forestry Commission and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Description

These Regulations amend the Plant Health (Fees) (Forestry) Regulations 2006 (SI 2006/2697), which provide for fees to be charged in relation to plant health checks. The amending Regulations provide for Reduced Frequency of Inspection (RFI) fees to be charged relating to plant health checks of wood of maple coming into Great Britain from Canada and the USA.

3. Matters of special interest to the [Joint Committee on Statutory Instruments or the Select Committee on Statutory Instruments]

The Plant Health (Fees) (Forestry) Regulations 2006 (SI 2006/2697) provide for fees to be charged for certain plant health examinations, namely documentary, identity and plant health checks, on certain forest trees and tree products imported from third countries. The current Regulations amend the fees to be charged relating to plant health checks of wood of maple coming into Great Britain from Canada and the USA in line with the implementation of a procedure for reduced frequency of inspections contained in Council Directive 2000/29/EC. The fees are set out in Schedule 3A to the principal Regulations, as inserted by these Regulations.

4. Legislative Background

4.1 Council Directive 2000/29/EC on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community¹ (“the Plant Health Directive”) establishes the Community plant health regime. It contains measures to be taken in order to prevent the introduction into, and spread within, the Community of serious pests and diseases of plants and plant produce. The Plant Health Directive (Articles 13a and 13d) requires the National Plant Protection Organisation to carry out certain checks on imported plants and plant products, including certain types of wood and wood product, and to charge fees for those inspections. In most cases, the Directive requires inspections to

be carried out on all imports, but it contains a procedure for carrying out reduced frequency inspections to reflect changes in phytosanitary risk attached to certain types of plant product.

4.2 These obligations are implemented in Great Britain, with respect to certain wood, wood products and bark, by the Plant Health (Forestry) Order 2005 and the Plant Health (Forestry) (Fees) Regulations 2006.

4.3 The Regulations are made under section 2(2) of the European Communities Act 1972.

5. Territorial Extent and Application

This instrument applies to Great Britain.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 Each year Great Britain imports from non-EU countries about 4500 consignments of wood, wood products and bark, which are regulated because they pose a risk of introducing new plant pests and diseases to European trees and ecosystems.

7.2 Historically, levels of inspection in Great Britain have been 100% for wood, wood products and bark. This is in line with the EU Plant Health Directive's (Council Directive 2000/29/EC) current required level for inspections. However the Directive does have a provision for Reduced Frequency of Inspections, which allows for lower levels of physical checks to be agreed on the basis of past experience of compliance. In accordance with Commission Regulation (EC) 1756/2004² the Forestry Commission has agreed to reduced frequency of inspection checks for wood of maple (the only valid candidate) from Canada and the USA.

7.3 A consultation was undertaken on the proposals to charge in the way set out in the Regulations. There were no substantive responses and therefore the Forestry Commissioners have decided that no change is needed to the reduced fees, which were set out in the consultation paper. Further details are set out in Option 2 in the Evidence Base of the appended Impact Assessment.

8. Impact

8.1 An Impact Assessment is attached to this memorandum.

8.2 The impact on the public sector is to reduce the cost burden to the industry for plant health inspections whilst maintaining an appropriate level of control over the plant health risk posed by the importation of wood of maple from Canada and the USA

9. Contact

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ian.brownlee@forestry.gsi.gov.uk can answer any queries regarding the instrument.

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1. This Directive can be found at <http://europa.eu.int/eur-lex/en/search/index.html>.
 2. This Regulation can be found at <http://europa.eu.int/eur-lex/en/search/index.html>

Summary: Intervention & Options

Department /Agency: Forestry Commission	Title: Impact Assessment of Reduced Frequency of Inspection for wood of Acer from Canada and the USA	
Stage: 1	Version: 1	Date: 1 August 2007
Related Publications: Commission Regulation (EC) 1756/2004		

Available to view or download at:

<http://www.forestry.gov.uk/planthealth>

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What is the problem under consideration? Why is government intervention necessary?

In accordance with the Council Directive 2000/29/EC controlled hardwoods imported from North America must be subjected to 100% plant health inspection, comprising separate documentary, identity and physical checks. In addition to paying plant health inspection fees (a separate fee is prescribed for each of the three checks) importers must also pay to the port authority a container handling fee of approximately £76 for each containerised load of controlled hardwoods that is required to be presented to the Forestry Commission's Plant Health Service for a physical check. To reduce the cost burden to industry, the Forestry Commission has secured an agreement under Commission Regulation 1756/2004 which permits member States to reduce the frequency of physical checks of wood of *Acer saccharum* (maple), originating in Canada to a minimum level of 35%, and wood of maple originating in the USA to a minimum level of 75%, in accordance with a standard formulae which takes into account factors such as volume of trade and history of non-compliance. These reduced levels may be applied from 1 January 2008. Member states are not obliged to apply any agreed reductions in the levels of inspection, and may opt to either retain the level at 100%, or at any other percentage at or above the minimum level prescribed. Council Directive 2000/29/EC (the Plant Health Directive) requires that where plant health inspections are being carried out a reduced frequency, member States shall collect a proportionally reduced fee in respect of all consignments, whether inspected or not.

To implement a reduced level of inspections an amendment to the Plant Health (Fees)(Forestry) Regulations 2006 will be necessary.

What are the policy objectives and the intended effects?

To reduce the cost burden to industry for plant health inspections whilst maintaining an appropriate level of control over the plant health risk posed by the importation of wood of maple from Canada and the USA.

What policy options have been considered? Please justify any preferred option.

1. The implementation of reduced frequency inspection checks for maple from both Canada and the USA at the higher of the two percentage levels adopted by the European Commission ie at 75%. This would avoid any perception of discrimination between imports from Canada, which could be subjected to a lower level of inspection.
2. The implementation of reduced frequency inspections for maple from Canada and the USA at the minimum percentage levels adopted by the European Commission ie at 35% and 75% respectively. This would maximise the cost saving to industry and is therefore the preferred option.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? January 2009

Ministerial /Chief Executive* Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister/Chief Executive*:



Date: 4th September 2007

Tim Rollinson, Director General, Forestry Commission

Summary: Analysis & Evidence

Policy Option: 1	Description: The implementation of reduced frequency inspection checks for Maple from Canada and the USA at the same higher percentage level approved by the European Commission ie at 75%
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups'
	One-off (Transition)	Yrs	
	£		
	Average Annual Cost (excluding one-off)		
£		Total Cost (PV)	£
Other key non-monetised costs by 'main affected groups'			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' This amount reflects the SAVINGS across the whole group of the change in tariff amount. Roughly this equates to an average saving of £22 per importer.
	One-off	Yrs	
	£		
	Average Annual Benefit (excluding one-off)		Present value is calculated on the basis of a 25 year project length and using a discount rate of 3.5%, in line with Treasury Guidance.
£ 8,916		Total Benefit (PV)	
Other key non-monetised benefits by 'main affected groups'			

Key Assumptions/Sensitivities/Risks

Price Base Year 2007	Time Period Years 25	Net Benefit Range (NPV) £ n/a	NET BENEFIT (NPV Best estimate) £ 155866
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What is the geographic coverage of the policy/option?	Great Britain
On what date will the policy be implemented?	1 January 2008
Which organisation(s) will enforce the policy?	Forestry Commission
What is the total annual cost of enforcement for these organisations?	£
Does enforcement comply with Hampton principles?	Yes
Will implementation go beyond minimum EU requirements?	Yes1
What is the value of the proposed offsetting measure per year?	£

1 The minimum EU requirement requires 100% inspection. The effect of this proposal is to reduce that level by the maximum permitted under the EU agreement on reduced frequency of inspection.

What is the value of changes in greenhouse gas emissions?			£	
Will the proposal have a significant impact on competition?			Yes/No	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)				(Increase - Decrease)
Increase	£	Decrease	£	Net £

Key:

Annual costs and benefits: Constant Prices

(Net) Present Value