

Business Sunday, February 12, 2006

Pallets may now be turned away

Phase 2 of the International Standards for Phytosanitary Measures, or ISPM15, which calls for the heat or chemical treatment of wood pallets or crates entering the United States -- in shipments from maquiladoras, for example -- has started.

Since Feb. 1, shipments containing untreated wood are turned around at border cargo facilities if the port director determines that it is not feasible to separate merchandise. Importers are not allowed to treat or dispose of the offending wood at the cargo facilities. All expenses incurred by customs officers are the responsibility of the importer.

Roger Maier, the spokesman for Customs and Border Protection in El Paso, said that Phase 1, in which customs officers only warned importers but did not stop shipments, had about a 90 percent compliance rate.

"Almost all of the wood packing materials that violated the rules during the first phase were older pallets that were being recycled by shippers in advance of Phase 2 going into effect," he said.

Phase 3, beginning July 5, will be the strict enforcement of the ban.

The new rule, by the Animal and Plant Health Inspection Service, is meant to repel a pest called the Asian long-horned beetle. The treatments make wood pallets more costly but have been a boon for suppliers of plastic pallets.

Information: www.cbp.gov.

- Crossing cards: U.S. Sen. John Cornyn, R-Texas, urged the Department of Homeland Security last week to speed implementation of the recently announced border-crossing cards for U.S. citizens. In a letter to DHS Secretary Michael Chertoff, Cornyn said, "Increased security at our borders must be combined with policies that facilitate legal travel." Cornyn also reiterated his request for DHS to extend the laser visa period to six months for legal Mexican visitors, giving them full parity with Canadians, his office said.

Chertoff announced the creation of border-crossing cards last month as a less-expensive alternative to passports to provide secure identification for border crossers.

Information: <http://cornyn.senate.gov>.

- You complete me: An interesting study by the Federal Bank of Dallas found that El Paso and Juárez complete each other -- at least economically. "Border Cities: Economic Competitors or Complements," by economists Jesus Cañas, Ebetuel Pallares and Luis Bernardo Torres Ruiz, found "patterns of local specialization, where work is often divided between the two cities on a sector-by-sector basis." Or, more simply, "When one city is strong in specific industries, the other is often weak." The economists looked at four city pairs, El Paso-Juárez, McAllen-Reynosa, Laredo-Nuevo Laredo and Brownsville-Matamoros, and calculated how the cities did in industries including mining, utilities, retail, construction, educational services and manufacturing.

Information: www.dallasfed.org.

- Delphi fees: A New York bankruptcy court judge said last week Delphi Corp. can pay fees of two investment banks and a special consultant hired by its unions to advise them on contract negotiations, the Associated Press reported.

The fees will be credited to the auto parts maker when it reaches a settlement agreement.

Information: www.delphi.com.

Submit your border trade news at lgilot@elpasotimes.com, 546-6131.

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