

**EXPLANATORY MEMORANDUM TO**  
**THE PLANT HEALTH (FEES) (FORESTRY) REGULATIONS 2006**

**2006 No. 2697**

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**

The Regulations provide for fees to be charged for inspections relating to authorisations to issue plant passports under the Plant Health (Forestry) Order 2005, for applications and inspections relating to licences under that Order, for conducting or monitoring remedial work, and for documentary checks, identity checks and plant health checks (physical inspections) carried out on certain wood, wood products and bark imported from third countries.

- 3. Matters of special interest to the Joint Committee on Statutory Instruments**

- 3.1 These Regulations revoke and replace the Plant Health (Forestry) (Fees) (Great Britain) Regulations 1996, which provided for fees to be charged in relation to authorities, licences, remedial work and plant health checks. The new Regulations continue to provide for fees to be charged relating to authorities, licences and remedial work, but now provide for separate fees to be charged for documentary checks, identity checks and plant health checks relating to certain wood, wood products and bark coming into Great Britain from third countries (i.e. outside the EU). The range of wood, wood products and bark that are subject to fees has also changed, so that some items not previously subject to a charge now come within the scope of the Regulations and some products have been removed from control. The fees for applications for the grant, extension or variation of a licence are unchanged, although the fees for all inspections, and for carrying out or monitoring remedial work, have been increased from the 1996 Regulations. The increase in fees is necessary to achieve the Government's policy of full cost recovery. The fees are set out in Schedules 1-5 to the Regulations. The Forestry Commission will operate at Trading Account, which will reflect the full costs of carrying out inspections and the amount of income received, in order to assess whether the charges have been set at the appropriate level with a formal review taking place at least every 12 months.

3.3 The Forestry Commissioners intend to consult in the future in relation to charges for inspections of wood packaging material. Such charges are not included within these Regulations (see paragraph 2.4 of the appended Regulatory Impact Assessment).

#### **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 Community<sup>1</sup> (“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 is implemented in Great Britain for forestry matters, by the Plant Health (Forestry) Order 2005. The Plant Health Directive also allowed for the National Plant Protection Organisation to charge for inspections; the Forestry Commission exercised this authority through the Plant Health (Fees)(Forestry) (Great Britain) Regulations 1996 (as amended by S.I.1997/655 and S.I. 1999/783), which are replaced and revoked by the new Regulations.

4.2 The Plant Health Directive was amended several times in respect of the categories of commodity subject to control. The changes reflected changes in phytosanitary risk attached to certain types of wood and wood product. These amendments were consolidated in Great Britain by the Plant Health (Forestry) Order 2005.

4.2 The Plant Health Directive was also amended (by Council Directive 2002/89/EC of 28 November 2002<sup>2</sup>) to clarify the existing requirement for mandatory examinations (documentary checks, identity checks and physical inspection) on certain wood, wood products and bark and to establish an obligation to charge fees for these inspections.

4.3 Under the Plant Health (Forestry) Order 2005 the Forestry Commission has powers to carry out these examinations but the 2005 Order does not contain powers to charge fees. The Regulations are made under section 2(2) of the European Communities Act 1972, and fully transpose the requirements of the Plant Health Directive with respect to fees.

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

<sup>2</sup> Council Directive 2002/89, amending Council Directive 2000/29/EC.

#### **5. Extent**

This instrument applies to Great Britain. Similar legislation will be applied in Northern Ireland.

## **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-EC countries about 4500 consignments of wood, wood products and bark, which pose a risk of introducing new plant pests and diseases to European trees and ecosystems. Amendments to the Plant Health Directive<sup>3</sup>, applicable from 1 January 2005, required significant changes to the way in which the Forestry Commission's Plant Health Service check these imports to ensure they comply with EC rules and to minimise the plant health risks. They also required concomitant changes to the regime of charging for checks and inspections.
- 7.2 Fees chargeable under the 1996 fees Regulations had not been changed since 1999. In addition to adding the required new charges, the old ones have been revised to ensure full cost recovery.
- 7.3 Historically, levels of inspection in Great Britain have been 100% for wood, wood products and bark. This is in line with the Directive's current required level for inspections. However the Directive does have a provision for "reduced checks", which allows lower levels of physical checks to be agreed on the basis of past experience of compliance. The Forestry Commission is not proposing at this stage to make any applications for reduced levels of inspection for any of the products that it is responsible for regulating.
- 7.4 Under the Plant Health (Forestry) Order 2005, a registered forestry trader who wishes to issue plant passports must apply to the Forestry Commissioners for authority to do so. In addition, the Order also permits anything otherwise prohibited by it to be done under the authority of a licence granted by the Forestry Commissioners in exercise of any derogation permitted by the Plant Health Directive. Fees in connection with such authorities and licences were chargeable under the 1996 fees Regulations and continue to be chargeable under these Regulations, in order to ensure full cost recovery.

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<sup>3</sup> This Directive can be found at <http://europa.eu.int/eur-lex/en/search/index.html>.

7.5 The Plant Health Directive also authorises an Inspector to require that remedial work be carried out on wood, wood products and bark. Where such work is carried out or supervised by the Inspector, a fee was chargeable under the 1996 fees Regulations, and continues to be chargeable under the new Regulations.

7.6 A consultation was undertaken on the proposals to charge in the way set out in the Regulations. There were only eight substantive responses, with comments in favour (or neutral) and against the proposals being almost equal. Having considered all the comments, the Forestry Commissioners have decided that no change is needed to the fee proposals, which were consulted on. Further details are set out in section [7] of the appended Regulatory Impact Assessment.

## **8. Impact**

A Full Regulatory Impact Assessment has been carried out and is attached at Appendix A.

## **9. Contact**

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## FULL REGULATORY IMPACT ASSESSMENT

### 1. TITLE

**The introduction of new fees regulations to replace the Plant Health (Fees) (Forestry) (Great Britain) Regulations 1996 .**

### 2. PURPOSE AND INTENDED EFFECT

#### 2.1 Objective

To introduce new forestry fees regulations in relation to Great Britain to:

- a) implement Council Directive 2002/89/EC (amending Council Directive 2000/29/EC) which requires member States to charge for inspections on certain material imported from outside the EU, and prescribes the way in which these fees are calculated,
- b) amend existing fees for remedial measures which may be required as a consequence of the inspections in (a), and
- c) increase existing fees for inspections in connection with the authority to import material that is normally prohibited, and for the giving of authority to issue plant passports.

#### 2.2 Background

There are many plant pests and diseases that, if they were to become established in Great Britain, could cause serious damage to our forests and woodlands. To guard against the spread of these harmful organisms official controls apply to the import of wood, wood products, bark and wood packaging material from outside the EU, including inspection of imported material. These controls are based on EU and GB legal provisions.

Council Directive 2000/29/EC (the 'Plant Health Directive') establishes the Community plant health regime and contains measures to be taken in order to prevent the introduction into, and spread within, the Community of serious pests

and diseases of wood and wood products. The Plant Health Directive is implemented in Great Britain by the Plant Health (Forestry) Order 2005. Separate but similar legislation operates in Northern Ireland.

Council Directive 2002/89/EC introduces an extensive package of amendments to the Plant Health Directive, including a requirement for member States to charge for plant health inspections on certain material imported from outside the EU.

Charging is consistent with the principle that 'risk owners pay for risk mitigation', since most forestry quarantine pests and diseases that arrive in this country do so via commercial trade in wood, wood products and wood packaging material. There has long been agreement among member States over the need to introduce a harmonised charging regime to cover the cost of inspection of consignments of wood, wood products and wood packaging material imported from third countries.

The Plant Health Directive provides two options for charging for the inspections outlined in objective 2.1(a) above. Member States can either charge according to a standard schedule of charges or they can establish their own charges based on the actual cost of inspections where the standard fees are insufficient to fully recover those costs.

The Plant Health Directive identifies three elements of check, which must be subject to separate fees: a documentary check, an identity check and a plant health check. Under arrangements provided for in Directive 2002/89/EC, the documentary check must be carried out at the first point of entry into the EC, while the identity and plant health checks may be carried out at the destination. These may be in different member States, and each will be responsible for collecting the relevant fees for the work they carry out.

Since 1997 the Forestry Commission has charged for remedial measures in respect of non-compliant material and for inspections in connection with the authority to import something that is normally prohibited and the authority to issue plant passports. These charges have been reviewed and the Forestry Commission considers that an amendment to the method of charge and an increase in the rate of some of the charges is necessary to continue to effect actual cost recovery.

### 2.3 Risk assessment

There are three main risks if the requirements of Council Directive 2002/89/EC are not implemented. First, there is the risk of action by the European Commission. Infraction proceedings may be initiated. Secondly, we would be out of line with the rest of the Community and not charging as prescribed in the Directive could be considered by the Commission as subsidising industry and

contrary to EU law on State Aids. Thirdly, the Government would not achieve its objective of actual cost recovery and it would effectively subsidise a commercial sector where there is no economic rationale to do so.

## 2.4 A Summary of the Changes to Existing Fees Regulations

The new fees regulations will implement Council Directive 2002/89 (amends Council Directive 2000/29/EC), which requires member States to charge for inspections on certain material imported from outside the EU (charges to be based on the standard fees set out in the Directive or on the basis of actual costs). In broad terms this will involve bringing new categories of wood and wood products into the charging regime and removing others (our Consultation on the new regulations charging for plant health inspections deals with this in more detail). The Forestry Commission proposes to recover the actual costs of performing these inspections.

The FC intend to introduce charges in the future for inspecting imports utilising wood packaging material. However, this is a complicated issue and we are still discussed with the trade how best to charge and collect the fees for this work. A separate Regulatory Impact Assessment will be prepared in the future.

It is proposed that the new fees regulations will amend existing fees for remedial measures which may be required as a consequence of the inspections outlined in objective 2.1(a). These increases will apply in cases where non-compliance is discovered or suspected and remedial treatment measures are required to address the level of risk.

Under these proposals, the fees for inspections in connection with an authority to issue plant passports or a licence to do something that would otherwise be prohibited by the 2005 Forestry Order would increase from £27 hour to £37 for the first hour and from £10 for each 30 minutes or part thereof thereafter to £9.25 for each 15 minutes or part thereof thereafter.

## 3. OPTIONS

**A.** Three options were identified in respect of objective (a) referred to in para 2.1:

*Option 1a* - Do nothing

*Option 2a* - Adopt the schedule of standard fees set out in Council Directive 2000/29/EC

*Option 3a* - Adopt the Schedule of standard fees set out in Council Directive 2000/29/EC, where these fees cover the actual cost of carrying out

import inspections in Great Britain, and where they do not, establish our own fees based on our actual costs of performing the import inspections

**B.** Two options were identified in respect of objective (b) referred to in para 2.1:

*Option 1b* – Do Nothing.

*Option 2b* – Amend existing fees for remedial measures, which are required as a consequence of the inspections in para 2.1 (a)

**C.** Two options were identified in respect of objective (c) referred to in para 2.1:

*Option 1c* – Do Nothing.

*Option 2c* - Increase existing fees for inspections in connection with a licence to import material that is normally prohibited and for the giving of authority to issue plant passports.

## **4. COSTS AND BENEFITS**

### **4.1 Business sectors affected**

The main businesses affected are importers of wood and wood products that require a plant health (phytosanitary or approved alternative) certificate when imported from non-EU countries (where such certificates are required the wood / wood products concerned are subject to inspections). In broad terms this includes planed, sanded and end jointed timber of a thickness exceeding 6mm, logs, rough sawn timber, wood shavings, wood chips, sawdust, wood packaging material (not in use), prefabricated buildings of wood, railway or tramway sleepers, split poles, piles, pickets and isolated bark.

### **4.2 Issues of equity and fairness**

Based on pre-consultation discussions with individual businesses and responses to the consultation exercise our view is that the likely burden on small businesses will not be any more onerous in relation to size. The reason for this being that the costs associated with inspecting a consignment of a certain size are the same whether it is imported by a large organisation or a small non-commercial importer.

Import inspection charges designed to cover costs have been introduced in Austria with a charge of €161 (£112.50) per inspection of 90m<sup>3</sup> of timber

calculated on an individual charge of €23 per documentary inspection, €23 per identity check and €1.15 per cubic metre of timber. Austria also charge an additional administration charge ie €9.70 (£6.79) for the issue of a clearance certificate. France and Belgium have adopted the schedule of standard charges as set out in the Plant Health Directive, and for a consignment of 100 m<sup>3</sup> of wood, this means a standard charge of €38.5 (£26.95), comprising €7 each for the documentary and €14 for the identity check and €17.5 for the plant health check.

In comparison the charge proposed by the Forestry Commission per inspection of 100m<sup>3</sup> of timber is £28.12 (€40.17) which is considerably lower than the fee charged by Austria but is slightly higher than that charged by France and Belgium.

Under the proposed new Regulations we propose to charge a fee of £5.29 for the documentary check because it will recover actual costs for the Forestry Commission. This is the same fee that the other Departments responsible for plant health inspections in Great Britain have set following consultation.

For the identity check, we propose to charge £5.29 where the consignment is a load of up to one container, railway wagon or truck. We propose to define a load as 30m<sup>3</sup>, based on our records of the average volume of wood shipped per container or truck. For bulk shipments, where consignments are greater than 100m<sup>3</sup>, we propose to charge a further £5.29. This is in accordance with the principle set out in the Plant Health Directive whereby a distinction is made between a consignment of up to one truck load, railway wagon load or container, and consignments bigger than these.

Under these proposals, the fee associated with each 'small' containerised consignment (i.e. not more than 30m<sup>3</sup>) would therefore increase from £11.50 to £22.83 (£5.29+ £5.29 +£12.25). This is comparable to the fee charged by France and Belgium for a consignment of the same size ie €7 (documentary) + €7 (identity) + €17.5 (plant health check) ie a total charge of €31.5 (£22.05). It is however, considerably lower the Austria's charge, which would be €23 (documentary) + €23 (identity) + €34.5 (plant health check - eg €1.15 x 30m<sup>3</sup>) + administration charge €9.70 ie a total charge of €90.2 (£63.14).

For the plant health check, we propose to charge a fee of £12.25 for consignments of up to 100m<sup>3</sup> and for each additional m<sup>3</sup> £0.20p, an increase from £0.14. The total fee for the inspection of 100m<sup>3</sup> of bulk timber would therefore be £28.12 (£5.29 + £10.58 + £12.25), as compared to the current fee of £14.

For plants and plant products other than wood and wood products, import inspection fees have been implemented in England by Defra, in Scotland by SEERAD, in Northern Ireland by DARD (including wood and wood products) and

are planned to be introduced in Wales.

**The following options in respect of objective (a) referred to in para 2.1 above are considered as follows -**

### **Option 1a - Do nothing**

#### Benefits

- Industry would continue to receive import inspection services at the level of fees provided in the Plant Health (Fees) Forestry) (Great Britain) Regulations 1996 (as amended).

#### Costs

- Failure to meet Government objective of actual cost recovery, effectively subsidising a commercial sector where there is no economic rationale to do so.
- Annual loss of income to the Forestry Commission of the order of £97k (if full cost recovery is not effected). This is estimated on the basis of current inspection fees income forecast for FY2006/07.
- Potential for significant costs associated with dealing with infraction procedures and possibly action under EU law on State aids.
- Inconsistent policy between different Departments performing similar services.
- Failure to collect charges for material not currently covered by the existing Fees Regulation, now subject to import inspection (NB: we have ceased collecting fees in respect of material covered by the existing Fees Regulation but which is no longer subject to import inspection following the amendments to the Plant Health Directive).

### **Option 2a - Adopt the schedule of standard fees set out in Council Directive 2000/29/EC**

#### Benefits

- Level playing field between GB importers and importers in those other Member States that have implemented 'standard' fees.

#### Costs

- Failure to meet Government objective of actual cost recovery, assisting a commercial sector where there is no economic rationale to do so.

- Annual loss of income to FC of the order of £97k (see above).
- Inconsistent policy between different Departments performing similar services

**Option 3a - Adopt the Schedule of standard fees set out in Council Directive 2000/29/EC, where these fees cover the actual cost of carrying out import inspections in Great Britain, and where they do not, establish our own fees based on our actual costs of performing the import inspections**

#### Benefits

- Total cost of services provided is met by those who require import inspections for their business rather than the general taxpayer.
- Possible distortion of trade as a result of charges in GB being lower than those in some other member States.

#### Costs

- Additional financial burden to industry - total annual cost of £97k (to effect full cost recovery by increasing current charges)
- Possible distortion of trade as a result of charges in GB being higher than those in some other member States.

**The following options in respect of objective (b) referred to in para 2.1 above are considered as follows –**

#### **Option 1b – Do Nothing**

##### Benefits

- Industry would continue to receive charges for remedial treatment at the level of fees provided in the Plant Health (Fees) Forestry) (Great Britain) Regulations 1996 (as amended).

##### Costs

- Failure to meet Government objective of full cost-recovery, effectively subsidising a commercial sector where there is no economic rationale to do so.
- Annual loss of income to the Forestry Commission of the order of £2.4k (if full cost recovery is not effected). This is estimated on the basis of current remedial treatment fees income forecast for FY2006/07.
- Inconsistent policy between different Departments performing similar

services.

**Option 2b - Amend existing fees for remedial measures which are required as a consequence of the inspections in para 2.1 (a)**

Benefits

- Total cost of services provided is met by those who are responsible for material which is found not to comply with landing requirements rather than the general taxpayer.

Costs

- Possible additional financial burden to industry - total annual cost of £2.4k (to effect actual cost recovery by increasing current charges) NB: the Forestry Commission and the Timber Trades Federation advise importers to include a contractual obligation placing the responsibility for any costs incurred as a consequence of a failure to meet the landing requirements on the supplier.

**The following options in respect of objective (c) referred to in para 2.1 above are considered as follows –**

**Option 1c – Do Nothing**

Benefits

- Industry would continue to receive charges for inspections in connection with the authority to import material that is normally prohibited and for the giving of authority to issue plant passports at the level of fees provided in the Plant Health (Fees) Forestry) (Great Britain) Regulations 1996 (as amended).

Costs

- Failure to meet Government objective of actual cost recovery, effectively subsidising a commercial sector where there is no economic rationale to do so.
- Annual loss of income to the Forestry Commission of the order of £1.5k (if actual cost recovery is not effected). This is estimated on the basis of current registration and licence inspection fees income forecast for FY2006/07.
- Inconsistent policy between different Departments performing similar

services.

### **Option 2c - Increase existing fees for inspections in connection with the authority to import material that is normally prohibited and for the giving of authority to issue plant passports**

#### Benefits

- Total cost of services provided is met by those who require import and or export inspections for their business rather than the general taxpayer.
- Possible distortion of trade as a result of charges in GB being lower than those in some other member States.

#### Costs

- Additional financial burden to industry - total annual cost of £1.5k (to effect full cost recovery by increasing current charges)
- Possible distortion of trade as a result of charges being applied in GB but not in other member States or the charges higher than those in some other member States.

## **5. CONSULTATION WITH SMALL BUSINESS: THE 'SMALL FIRMS IMPACT TEST'**

A significant proportion of companies in this sector are small to medium sized enterprises which were provided with copies with the Consultation paper for comment. However, following advice from the Small Business Service we contacted some 'micro' firms by telephone to obtain their views to ensure that these businesses would not be affected more than larger companies. From the responses received there was no indication that micro firms would be disproportionately affected.

Some companies confused the Plant Health Inspection charges with charges that they receive from Port Authorities for the handling of their freight containers so that they can be safely presented for inspection and therefore it was made clear that the Forestry Commission has no control over Port Authority charges.

## **6. COMPETITION ASSESSMENT**

Implementation of options A3a, B2b and C2c set out in section 3 would have an

impact upon a number of different markets, most of which are already subject to regulatory controls and fees. One importer of wood shavings (a newly controlled commodity) indicated that the control of this commodity from third countries would make it difficult for his business to compete but this also applies across the EU to all importers of controlled wood shavings from third countries.

## **7. CONSULTATION**

The Forestry Commission advised timber importers of its intention to review its plant health inspection charges via the issue of a Plant Health Newsletter in June 2005. In May 2006 a Consultation letter was sent to regular importers of wood, wood products and bark, Registered Forestry Traders, the Timber Trades Federation, UK Forest Products Association and the British International Freight Association (around 1700 potential respondents in all). It was also made available on the Forestry Commission website.

A total of nine responses were received but only seven of these were substantive. Two were from freight forwarding agents who handle plant health inspection fees on behalf of timber importers, but they are not directly affected by them and therefore their comments are neutral. Three were from timber importers and a registered forestry trader involved in the Christmas tree trade indicating that the proposed fees are acceptable. Four responses from other timber importers objected to the proposals, commenting in particular on the proposed plant health check fee for volumes up to 100m<sup>3</sup> (i.e. £12.25). Two of the comments were made on the basis that fees were considered to be skewed against importers of volumes greater than 100m<sup>3</sup>, and an alternative pricing structure was suggested by one of them.

As the proposed fee structure is based on the one that was accepted by the trade following the initial fees consultation in 1996, we are of the opinion that as the number of comments 'for' and 'against' the proposals are almost equal there are insufficient grounds to cause us to change our proposals relating to the fees. Some of those who objected appear to have miscalculated the costs of the proposals when making their objections and failed to take into account the charges involved for importers of multiple small consignments, and for this reason we do not accept the alternative pricing structure suggested.

We similarly do not accept the comments of one consultee who referred to any increase as "essentially a 'tax' on my timber based business", nor do we accept the suggestion made by another that the 'risk owners pay for risk mitigation' principle referred to in the partial RIA is not being applied, as the charges are based on volume supplied and not the source of the goods. The UK is obliged to under European law to implement the inspection requirements set out in the Plant Health Directive and to charge for inspecting controlled material. These requirements are being applied throughout the EU and not just in the UK. Plant

Health controls are generally limited to those commodities and source countries listed in Annex VB of the Plant Health Directive as they are known to pose the greater risk, whereas bark-free timber from European Third countries is no longer subject to plant health inspections or charges.

## **8. ENFORCEMENT AND SANCTIONS**

It is a statutory obligation under Council Directive 2000/29/EC that member States charge for plant health import inspections. Implementation in Great Britain will be through the revocation of the Plant Health (Fees) (Forestry) (Great Britain) Regulations 1996 (SI 1996/2291) and implementation of new Regulations. These will also be enforced by the Forestry Commission and will set out the charges to be paid. The service operates predominately on an invoicing basis and any unpaid charges are pursued accordingly.

## **9. MONITORING AND REVIEW**

The Forestry Commission will operate a Trading Account, which will reflect the full costs of carrying out the inspections and the amount of income received, in order to assess whether the charges have been set at the appropriate level with a formal review taking place at least every 12 months.

## **10. SUMMARY AND RECOMMENDATION**

It is clear that under Commission Directive 2000/29/EC with respect to charging for inspections on certain material imported from outside the EU we are obliged to adopt either the standard inspection fees in the Directive (as a minimum) or set our own fees to recover the actual costs of performing the inspections.

The Forestry Commission has calculated that the fees introduced by other Departments will facilitate cost recovery for the documentary and identity checks and the plant health checks for consignments up to 100m<sup>3</sup>. However, to recover the cost of the Plant Health check we need to increase the fee for the rate of charge per cubic metre for consignments over 100m<sup>3</sup> to £0.20/m<sup>3</sup>.

Additionally, as a separate exercise the Forestry Commission has calculated that in order to return to full recovery of actual costs associated with; (a) remedial measures arising from the inspection of non compliant material and (b) fees for inspections in connection with the authority to import material that is normally prohibited and for the giving of authority to issue plant passports, it has to increase its fees for performing this work. The existing level of fees has not been changed since they were first introduced in 1997.

By implementing all of the proposals we will ensure that the trade continues to meet the cost of providing a Plant Health Service for wood and wood products.

Implementation will mean a significant increase in the fees currently paid by importers for controlled wood and wood products coming from third countries and a full 100% physical inspection of all controlled wood, wood products and bark.

EU enlargement has meant a removal of inspection and related fees for wood and wood products coming from the member States which joined the EU in May 2004. This accounts for approximately two thirds of the volume of wood and wood products subject to import inspection up to the date of accession.

If we do not implement the proposals the British Government would have to subsidise the trade, and may face infraction proceedings.

It is suggested that the benefits are greater than the costs and as such we recommend that the proposals set out in options A3a, B2b and C2c be adopted.

## **11. DECLARATION**

I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.

Signed by Wilma Harper .....  
(Secretary to the Forestry Commissioners)

Date.....

## **12. CONTACT POINT**

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