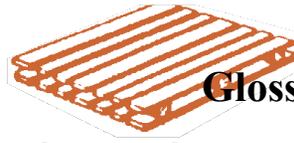


"Hold that container. It has been quarantined for noncompliant packaging material."



Glossary of Terms

ALSC (American Lumber Standards Committee) - A quasi-government standards body for the lumber industry.

APHIS (Animal Plant & Health Protection Service of the USDA)

Coniferous - Softwood

CPI (Chemical Pressure Impregnation) - Treatment of wood with a chemical preservative through a process of pressure.

Dunnage - Wood packaging material used to secure or support a commodity but which does not remain associated with the commodity.

Engineered Wood Products - Plywood, Corrugated or O.S.B.

EU (European Union)

Fumigation - Treatment with a chemical agent that reaches the commodity wholly or primarily in a gaseous state.

HT (Heat Treatment) - The process in which a commodity is heated until it reaches a minimum temperature for a minimum period of time.

IPPC (International Plant Protection Convention) - A division within the United Nations.

KD (Kiln Drying) - A process in which wood is dried in a closed chamber using heat and/or humidity control to achieve a required moisture content.

Universal Mark - An official stamp or brand, internationally recognized, applied to a regulated article to attest its phytosanitary status.

MB (Methyl Bromide)

NMWP (Non Manufactured Wood Packaging)

Non-Coniferous - Hardwood

OSB (Orientated Strand Board)

Phytosanitary measure - Any legislation, regulation or official procedure having the purpose to prevent the introduction and/or spread of quarantine pests, or to limit the economic impact of regulated non-quarantine pests.

Raw Wood - Wood which has not undergone processing or treatment.

SWPM (Solid Wood Packaging Material) - Hardwood & Softwood.



Will YOU be ready?

The New IPPC Regulation

Associated Pallet, Inc.

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The Problem

The **spread of pests** through raw wood packaging material poses a great threat to plant health worldwide according to experts. Dutch elm disease spread to the United Kingdom in 1972 and wiped out the entire elm tree population in 12 years. The pine wood nematode has caused extensive mortality of pines in Japan, China and several European countries. The Asian long-horned beetle led to the destruction of numerous hardwood trees in Chicago and New York.

The New Rule

On October 01, 2001, the EU implemented new **phytosanitary restrictions** on coniferous solid wood packaging material. On March 15, 2002, the IPPC approved a global pest management standard for coniferous and non-coniferous packaging materials including pallets, dunnage, and crates. The standard is binding for all 144 member countries of the World Trade Organization (WTO).

IPPC Standard

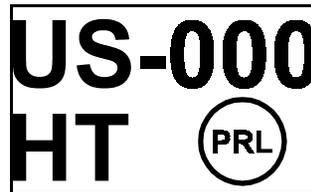
- * Applies to all raw wood packaging
- * Requires treatment of both hardwoods and softwoods
- * Excludes engineered wood packaging
- * Specifies approved treatment methods
- * Mandates a universal mark be applied to wood packaging in compliance with the

Of the approved phytosanitary measures the preferred method is **HEAT TREATING** including kiln-drying. Other approved methods, chemical pressure impregnation (CPI) and methyl bromide (MB) fumigation, render the wood non-recyclable and can damage the ozone layer.

The Consequences

Although the regulation had not been implemented as of April 16, 2002, it is certain that the member nations of the IPPC will begin implementation soon.

-  Imminent enforcement could result in costly repackaging of slow rotation items on non-compliant pallets.
-  Since it is not always known at the time a product is palletized whether it will be exported or shipped domestically packaging problems could exist if two pallet inventories are maintained.
-  Products can be quarantined or destroyed because of a discrepancy between the package markings and the condition of the wood.
-  Shipments not compliant may be refused at the border and the packaging disposed of at the shipper's expense.
-  Wooden Pallets remain the most cost effective, environmentally safe way to package your products.



The Universal Stamp



The Solution

Associated Pallet, Inc.

At a time when other pallet manufacturers are in the process of tooling to implement phytosanitary procedures:

- ☑ **WE** started heat treating and kiln drying pallets for the pharmaceutical industry 12 years ago.
- ☑ **WE** have the knowledge to answer your questions and the equipment to produce regulation compliant pallets **immediately**.
- ☑ **WE** are the first Kentucky facility to be accredited by the ALSA to HT pallets in accordance with the IPPC global standard and apply the Universal Stamp of certification.
- ☑ **WE** have the capability to KD pallets. The process exceeds the minimum HT standard and makes the pallets stronger and lighter. Bag bleed, mold and insect reinfestation are also eliminated.
- ☑ **WE** treat the finished pallet in-house eliminating the cost incurred to treat pallet components therefore assuring no problems with shipment procedures.
- ☑ **WE** manufacture bark free and specialty pallets.
- ☑ **WE** can increase your pallet warehousing capacity by providing van storage.

You are encouraged to request a FREE video of our production facilities at (270) 754-4087 or