

conditions for the importation from Canada of logs and pulpwood with bark attached, so that those conditions would also apply to bark and bark products imported from Canada. With this proposed change, bark and bark products to be moved into or through a U.S. noninfested area could be imported into the United States from Canada only under the following conditions:

- If the bark or bark products originated in a Canadian infested area, they would have to be accompanied by an officially endorsed Canadian phytosanitary certificate that includes an additional declaration confirming that they have been inspected and found free of gypsy moth or treated for gypsy moth in accordance with the Plant Protection and Quarantine (PPQ) Treatment Manual, or they would have to be consigned to a specified U.S. processing plant or mill operating under a compliance agreement with APHIS for specified handling or processing.

- If the bark or bark products originated in a Canadian noninfested area, they would have to be accompanied by a certification of origin stating that they were produced in an area of Canada where gypsy moth is not known to occur.

These proposed changes are necessary to ensure that the importation of bark and bark products into noninfested areas of the United States from generally infested areas of Canada will not result in the artificial spread of gypsy moth from Canada into the United States.

With respect to regulated articles, there is some overlap between the regulations in "Subpart—Gypsy Moth Host Material from Canada" and the regulations in "Subpart—Lumber, Logs, and Other Unmanufactured Wood Articles" (7 CFR 319.40.1 through 319.40-11). Because of that overlap, the regulations in § 319.40-2(f) note that in addition to meeting the requirements of the unmanufactured wood regulations, logs and pulpwood with bark attached imported from Canada are subject to the inspection and certification requirements for gypsy moth in § 319.77-4. Similarly, § 319.77-4(b) of "Subpart—Gypsy Moth Host Material from Canada" includes a footnote stating that logs from Canada are also subject to restrictions under the unmanufactured wood regulations in §§ 319.40 through 319.40-11. Given that bark and bark products are already subject to restrictions under the unmanufactured wood regulations, and would also be subject to restrictions under the regulations regarding gypsy moth host material from Canada, we would update the cross references

described above in each subpart to include bark and bark products.

Safeguarding

In "Subpart—Gypsy Moth," § 301.45-4 sets forth the requirements for the interstate movement of regulated articles from generally infested areas. Paragraph (b) of § 301.45-4 provides that a regulated article that originates outside of any generally infested area may be moved interstate directly through any generally infested area without a certificate or permit if, among other things, the article has been safeguarded while in any generally infested area during the months of April through June. Based on the review of these regulations by the GMMT and State cooperators, we are proposing to extend the close of this safeguarding period from June until August. Because the female gypsy moth generally lays eggs in July and August, and because the flight period of the gypsy moth in northern States is later in the year, there is a risk that articles could become infested during transport through a generally infested area during these months. The proposed extension of the safeguarding period would help protect against this risk and would also make § 301.45-4(b) consistent with the provisions of § 301.45-5(a)(2), which require a regulated article to be inspected within 5 days of the date of movement during the months of April through August before an inspector can certify the article for movement.

Executive Order 12866 and Regulatory Flexibility Act

This proposed rule has been reviewed under Executive Order 12866. The rule has been determined to be not significant for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget.

In this document, we are proposing to amend the gypsy moth regulations by removing restrictions on the interstate movement of wood chips, which do not pose a risk of containing gypsy moth egg masses, and by adding restrictions on the movement and importation of bark and bark products, which pose a risk of containing gypsy moth egg masses. In addition, we are proposing to extend by 2 months the period during which regulated articles originating outside of any generally infested area must be safeguarded from infestation in order to be eligible for interstate movement directly through any generally infested area without a certificate or permit. These proposed changes are necessary to update the provisions in these regulations to ensure consistent actions

by APHIS, our cooperators, and industry in order to limit the artificial spread of gypsy moth.

The U.S. forest industry employs close to 1.4 million people and contributes approximately \$200 billion annually to the national economy.¹ Although the United States is a net importer of wood and wood products, wood exports totaled \$5.24 billion in 2001. The gypsy moth is a pest of concern for the U.S. forest industry. Defoliation of trees by gypsy moths often results in the death of the trees, which leads to economic loss, changes in ecosystems and wildlife habitat, and disturbed water flow and water quality. Economic costs to the U.S. forest industry, in addition to the costs of timber losses and pest control, can also arise from trade reductions as importers impose protective restrictions on access to their markets for wood products. Gypsy moths are already causing losses in quarantined areas in the United States. Annual losses attributable to gypsy moths are estimated to be about \$22 million.² Thus, any spread of gypsy moth to nonregulated areas could have a negative economic and environmental impact. The changes in this proposed rule are necessary to limit the artificial spread of the gypsy moth.

Interstate Movement Restrictions

The proposed changes to the domestic gypsy moth regulations would affect sawmills, pulp mills, and nurseries and garden centers that are involved in the interstate movement of wood chips and bark and bark products from gypsy moth generally infested areas. Restrictions would no longer apply to the movement of wood chips, but entities involved in the interstate movement of bark and bark products would be required to have each shipment of bark or bark products inspected or treated under the direction of an inspector, or self-inspect and certify each shipment in accordance with the Gypsy Moth Program Manual, no more than 5 days prior to moving it from a generally infested area to an area that is not generally infested. While self-inspection minimizes regulatory costs and time delay costs, other costs associated with time, salary, and recordkeeping could be incurred.

The Small Business Administration (SBA) has established size standards

¹ Southeastern Lumber Manufacturing Association, Inc., U.S. Forest Industry Statistics (<http://www.slma.org/consumers>).

² David Pimentel, Lori Latch, Rodolfo Zuniga, and Doug Morrison, "Environmental and Economic Costs Associated with Non-indigenous Species in the United States," College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14850-0901, June 12, 1999.