



**C3 Limited**  
58 Cross Road, Sulphur Point, Tauranga 3110  
Private Bag 12501, Tauranga 3143, New Zealand  
Tel: +64 7 572 8972 Fax: +64 7 572 8933  
Email: solutions@c3.co.nz [www.c3.co.nz](http://www.c3.co.nz)

29 August 2019

EPA New Zealand  
P O Box 131  
WELLINGTON 6140

Dear Sir/Madam

**Re: Submission for the Reassessment of Methyl Bromide – Application number AP203660**

### Company Background

C3 is New Zealand's largest on-wharf logistics company, providing services in marshalling, stevedoring, warehousing, consolidation and wharf cartage for more than 65 years.

Each year C3 handles over 16 million tonnes of cargo that includes: logs; wood processed products; paper products; pulp; steel; bulk cargo, including fertiliser; and general cargo. Handling more than 28 million logs each year (11 million JASm<sup>3</sup>), our log marshalling makes up 55% of the market share in New Zealand; in addition, C3 also handles 200,000 tonnes of woodchip and packs more than 330,000 tonnes of timber.

C3 has nationwide coverage, operating across 17 sites throughout New Zealand and employing over 1,400 people, of which 750 are employed in the forestry division.

C3 handles logs that are exported to China, Korea, Japan and India.

China and India are vitally important for the New Zealand log export trade. In 2019, these two countries alone consumed over 70% of New Zealand's log exports. Both countries have unique Importing Country Phytosanitary Requirements (ICPRs) requiring logs to be fumigated with methyl bromide (MB) in New Zealand.

- Total logs exported: 11,362,797 JASm<sup>3</sup>.
- Deck volume: 2,927,906 JASm<sup>3</sup> – all requiring on land methyl bromide fumigation.
- Holds: 8,434,890 JASm<sup>3</sup> - requires in hold fumigation (Phosphine for China/MB for India).

C3 support STIMBR in seeking a modified reassessment of certain controls introduced in the 2010 reassessment namely:

1. The definition of recapture technology be revised to reflect the highest practicable level of recapture, such as: *“Recapture technology is a system that mitigates methyl bromide emissions from fumigation enclosures such that the residual level of methyl bromide in the enclosed space is at least 80% less than that at the end of the fumigation period.”*
2. The deadline for recapture technology be limited to on-port and container fumigations only and a new deadline of a further 10 years be imposed on ship hold fumigations; such as by amending clause 13(1) to state: *“Clause 13(2) takes effect 20 years after the date of this approval in relation to ship hold fumigations and 10 years after the date of this approval for all other fumigations.”*



A change to clause 6(5), if buffer zones are to be kept, such that any refinement to the data collection requirements under clause 2 reflect the realities of a discharge of <20% of residual methyl bromide.

### Request for Change to MB Recapture Controls

C3 supports the STIMBR application for change to MB recapture controls and requests the EPA to:

- Amend the current recapture definition. The current definition of recapture down to 5ppm in the headspace of fumigated logs is currently unachievable.
- Provide clarity regarding the recapture monitoring requirements and that these are to be physically achievable based on science for large-scale (log stack) fumigations and available technologies.
- C3 support a change to recapture 80% of the MB remaining at the end of the fumigation.
- Extend the deadline October 2020 by one year to implement necessary recapture infrastructure in Tauranga, Napier and Northport to the proposed 80% standard.
- Differentiate “in hold” recapture and request further extension to the recapture timelines for “in hold” fumigations to allow for further development and scalability of recapture technology.
- Modify Buffer Zones to reflect recapture controls.
- Ensure that MB (with appropriate recapture technology) remains in the biosecurity toolbox until alternative fumigants or processes are commercialised for all parities required to fumigate for phytosanitary and biosecurity purposes.

### The Need for Retaining Methyl Bromide in the Treatment Toolbox

In C3's view, the wider industry needs MB in the phytosanitary toolbox with reasonable workable controls for the following reasons:

- Ethanedinitrile (EDN)  
EDN is the one alternative fumigant for MB that is currently being considered by the Environmental Protection Authority (EPA) for registration for use in New Zealand. It is unknown if or when this product will be available to be used as a “drop in” replacement for both “on shore” and “in hold” MB fumigations. C3 request urgency from the WorkSafe and EPA approval processes to ensure market access is not disrupted by the removal of MB without an alternative such as EDN being approved. At this stage C3 are not confident that EDN will be commercially available as a phytosanitary treatment by October 2020.
- India  
MB is currently the only fumigation accepted by India and is required for “on board” and “on shore” fumigation due to no alternatives being accepted (by Indian Authorities) or available. It is critical to maintain India as an export log market; in particular, as India typically consumes lower grade consignments and some regions (e.g. Northland) require channels for these export grades due to not having domestic processing options (pulp mills).



- Japan and Korea

While both Japan and Korea currently permit MB treatment on arrival, like New Zealand and many other countries, they could demand that products are treated in the country of origin before export as well as no longer accepting MB as a phytosanitary treatment.

- Debarking

While currently accepted as a control (risk mitigation) for China, it is not an accepted “phytosanitary” treatment and therefore at any stage if deemed to not meet the phytosanitary requirements (by MPI or China) the logs are required to be fumigated. Debarking is a partial solution only suited for high-end quality logs produced from high volume production sites. Of note, debarking is not even considered a “control” in India and all logs currently still require MB fumigation even if debarked.

- Recapture Technology

Large-scale “log stack” fumigation recapture has been developing since 2010 with significant learnings on destruction and reuse options developed. Recapture technology is in use. Significant investment has been committed by industry parties and if that recapture technology is deemed to not meet the standard of the definition for MB recapture this would be a “sunk cost” and the technology redundant.

### Significant Impacts if “No” Methyl Bromide with “Achievable” Recapture

Unless alternative fumigants or alternative processes, which provide viable phytosanitary treatments, can be implemented in conjunction with the approval of New Zealand’s export market governments/authorities, access to MB as a phytosanitary treatment is imperative.

The majority of log exports are shipped to the international markets using specially fitted bulk carriers capable of carrying logs. If “on deck” cargoes were unable to be loaded to China (due to MB being unavailable and no alternative approved) we would find:

- a. Transport costs will increase as shipping costs will be spread over approximately 66% of the current cargo as deck cargo will no longer be shipped due to no “on shore” fumigation;
- b. Approximately 33% more vessels will be needed to carry the displaced cargo; and
- c. Due to increased shipping the carbon footprint for log exports increases significantly (due to increased number of ships for the same volume).

Export log volumes will significantly reduce if MB was unable to be used for QPS requirements. This will have significant adverse effects on the forestry industry, asset values and the wider New Zealand market economy. Exports to India will cease until an alternative is found and exports to China significantly impacted with costs to market increasing.

The impact of a 33% reduction in volume handled by C3 would have significant impact on a hundreds of jobs in C3 Forestry as well as related businesses.



Of note, export markets utilise specific grades, lengths and quality characteristics that cannot be processed in the New Zealand domestic market (due to processing capacity and quality of fibre required by domestic processors). If New Zealand export log volumes were to decline as a result of fumigation restrictions (acceptable fumigant options and cost) the New Zealand total harvest levels will also decline, therefore dramatically reducing the volume available for the domestic processing sector.

Yours sincerely

**C3 Limited**

A handwritten signature in blue ink, appearing to read 'Steve Harris', written over a light blue rectangular background.

Steve Harris

**General Manager – C3 Forestry Services**