

HPVA COMMENTS on CARB's PROPOSAL – NOVEMBER 20, 2013

I am Kip Howlett, President of the Hardwood Plywood and Veneer Association in Reston VA. We appreciate the opportunity to participate in this workshop. We represent only North American manufacturers of hardwood plywood - over 90% of the production capacity and over 80% of the engineered flooring capacity. Over 80% of our production has achieved exemption status under CARB and over 50% of our production uses non-formaldehyde resin systems. All resin technologies have however achieved exemption status.

We are opposed to the CARB laminated product proposal for the following reasons:

1. This proposal will create utter confusion for veneered decorative faced wood products. HP-1 is rendered irrelevant even though since 1932 it has defined what hardwood plywood is. It is referenced in virtually all the building codes, other industry standards, other state's "green standards" such as New York and two (2) current federal regulations and one (1) proposed federal rule.
2. This proposal is completely inconsistent with the legal authority CARB has exercised for composite wood products and is not supported by the data CARB has used to support this regulation. Common sense and the data clearly establish that higher emissions from indoor products and environments do not decrease outdoor ambient concentrations.
3. This proposal is totally unfair, arbitrary and capricious. No testing of the exempted products and no real certification raises the question of why should we as panel producers be regulated then.
4. Regulations must be enforceable and this proposal is not. There is nothing to enforce against. It's a free ticket!

Defining an industry's product since 1932

Hardwood plywood is different from a non-wood veneer decorative surface adhered to a wood panel or pressed wood panel. The definition in HP-1 (pg. 32) is "a panel intended for interior uses composed of an assembly of layers or plies of veneer or veneers in combination with lumber core, particleboard, MDF core, hardboard core, or special core or special back material joined with an adhesive..."

HP-1 defines a product – hardwood plywood. It does not matter if that product is made in a plywood factory or a captive furniture or cabinet company, the nature of the product is not changed. Both products can be used and are used for the same end purposes – components in furniture and cabinets.

A non-wood decorative or stabilizing surface adhered to a pressed wood platform or core is typically referred to as a laminated surface and can and will exhibit different properties than a decorative wood veneer surface. Paint, paper, vinyl and foil can reduce emissions from the platform used in its construction and can increase those emissions in some cases. These surface materials are specifically excluded from HP-1 and the federal formaldehyde law as well.

HP-1 is a voluntary standard and only if you certify to it, then do all the provisions apply. You can make hardwood plywood and not meet the glue bond or formaldehyde emissions requirement or label it. The product is still hardwood plywood; just not certified HP-1 hardwood plywood. If you certify to it, then all the provisions apply. HP-1 defines the product not who makes it. On what authority does CARB eviscerate the national consensus standard which has defined this product since 1932?

There is no data presented or on the original record or this record as to the number of “garage cabinet” manufacturers who laminate veneer as part of their construction process. KCMA has stated that only 5% or less of their members glue veneer on panels in their operations; all are major producers.

The standard is referenced in all the ICC building codes, KCMA’s preferred environmental performance standard, the AWI standard, and two (2) federal HUD standards. Because HP-1 has a formaldehyde emission standard of 0.05 ppm, consistency with that standard insures uniformity of performance for the same products with both the federal EPA and CARB standards. Of the regulated panel products, only HP-1 has a formaldehyde emission requirement. For enforcement reasons alone, maintaining consistency of the state and federal regulations with HP-1 is in the public interest and sound public policy.

This proposal allows a furniture or cabinet manufacturer to claim they made the hardwood plywood and also then claim they meet a 0.11 ppm standard, over twice HWPW emission standard. A consumer has an expectation of conformance to a common emission performance

level for the same product. The CARB proposal now allows two. Will the cabinet be labelled “made by us and twice as high formaldehyde” or “CARB compliant”? Consumer beware.

In the joint California Energy Commission/CARB study of 2009, home 3 clearly has a high cabinet loading. Would a 0.11ppm standard improve or exacerbate the indoor levels in that particular home?

Will KCMA grant their vaunted “Preferred Environmental Stewardship Product” label which references HP-1 and therefore 0.05ppm emissions for hardwood plywood the same status to a 0.11ppm self-made hardwood plywood that is proposed by CARB to be CARB compliant but not HP-1 compliant? The same is true for AWI in their certification program which also references HP-1.

HUD cabinets will continue to be 0.05 ppm or less because they reference HP-1. At the proposal phase, EPA is also consistent with HP-1 and 0.05 ppm. This is why HPVA supported federal preemption to avoid all this confusion.

Laminated panels are not hardwood plywood – they are paint, paper, foil or vinyl overlay on a wood panel. They are not a product subject to HP-1.

There is no national consensus standard for laminated panels other than the incorporation of the performance standard for the substrate panel. In other words, the ANSI standards for particleboard, MDF and hardboard determine the physical performance properties. These standards are also referenced in HP-1 when they are used as substrates in hardwood plywood. Those standards do not have a formaldehyde emission requirements. Only wood veneered face panels have an emission standard which is a part of HP-1.

Laminated panels exhibit different properties. Going back to the 1990’s, resin impregnated papers when used as a surface treatment (both face and back as a stabilizing treatment) had the potential to have far higher emissions than a hardwood plywood with wood veneers on the face and back.

Laminated surfaces are not the same in their relationship to formaldehyde emissions. It has been found that high pressure laminates and decorative flexible vinyl overlays can be effective as partial formaldehyde emission barriers; however, laminates such as decorative rice papers with top coats could actually contribute to formaldehyde emissions as well as not being

effective as formaldehyde emission barriers from the underlying pressed wood product. The “one size fits all” approach of the CARB proposal is not appropriate. Some type of emission verification is required as it is for HWPW.

Reconstituted veneers can exhibit similar high emission characteristics. If these are used in the face of hardwood plywood, the hardwood plywood emission limit insures performance to the lowest emission standard. CARB’s focus on who makes it to define a product rather than the product will result in the same product with two (2) different emission characteristics: one tested and certified and one self-certified and untested.

In the study used to support the CARB standard, it was determined that emission strength of materials and the amount of material influenced the indoor formaldehyde levels. Determining the loading was very difficult. As the field researchers concluded:

Not as expected, both the Pearson and Spearman correlations produced negative correlations for composite wood loading and acetaldehyde indoor concentrations, and no significant correlation for composite wood loading and formaldehyde indoor concentrations, despite the knowledge that composite wood is an indoor emitter of both formaldehyde and acetaldehyde. This may be the result of incompleteness of the recovery of this variable in the field from the visible inspection by the field team. Composite wood could not always be accurately identified because of coverings by laminate or paint. In addition, the inspectors only estimated the square footage of composite wood from furniture and cabinetry. Other substantial amounts of composite wood loading that are common in many of these homes, but are difficult to quantify in the limited time available to the inspectors, include plywood and oriented strand board (OSB) in walls, subfloors, and attics and medium density fiberboard in baseboards, window shades, interior doors ,and window and door trims. Also, the inspectors estimated the areas of composite wood without separately distinguishing those areas that were exposed and those areas that were covered with laminate. The variance introduced by the impact of outdoor air exchange rates upon the indoor concentrations of formaldehyde and acetaldehyde may also be contributing to the lack of an observed significant positive correlation between composite wood loading and the indoor concentrations of formaldehyde and acetaldehyde.

When you cannot even identify the products, and there is no testing required and no certification requirement, this proposal is completely unfair to the regulated hardwood plywood product category. That's unfair. Give us the same deal and deregulate us.

Who and where are the formaldehyde emitting products coming from?

The dragon must be smiling. Not only do we face confirmed dumping of Chinese hardwood plywood into the U.S. market (Department of Commerce findings, October, 2013) which the ITC found somehow doesn't damage U.S. manufacturers, the CARB proposal now opens a floodgate for higher emitting products. Higher emitting products which are unregulated yet deemed compliant.

The numbers are huge. \$3.65 billion of furniture. Over \$686 million of hardwood plywood. Over \$451 million of ready to assemble kitchen cabinets. Over \$350 million of engineered flooring. All of these products will be claimed to be made by the fabricator. (China exports \$167 million of MDF and less than \$38 million of PB to the U.S.)

The Lumber Liquidators flooring which tested as unfinished HWPW failed the CARB emissions standard tested at 0.17 ppm. This proposal would still have it non-compliant even at 0.11 ppm, but did CARB enforce against Lumber Liquidators?

My members have incurred costs to be in compliance which our competitors can avoid. They have and this proposal is an invitation produce and ship higher emitting products.

We found and submitted 4 cases of plywood claimed to be PS-2 and CARB certified which failed the formaldehyde emission standard. To our knowledge no enforcement occurred either by CARB or U.S. Customs. If the current regulation is not enforced, then allowing higher emissions, no testing and no certification makes a mockery of the whole regulatory framework.

In the UK Chinese product was mislabeled as coniferous to come in duty free when in fact it was hardwood plywood. The UK's TTF brought an enforcement action.

Certification is absolutely critical for compliance with an emission standard and for consumers. The overall aim of ISO 65 certification of products is to give confidence to all interested parties that a product fulfills specified requirements. Some product certification schemes may include initial testing or inspection and assessment of its supplier's quality management systems,

followed by surveillance that takes into account the quality management system and the testing or inspection of samples from the production and the open market.

Our proposal for three (3) small chamber tests to fast track laminated veneer products to exemption is cost effective and ISO 65 consistent. The CARB proposal is not. We have to be ISO 65 certified, The CARB carve-out does not require testing and certification even to a minimal requirement. That is simply not fair!

The proposal is unfair in that the 0.11 ppm formaldehyde emission standard is established for MDF, the highest level of any referenced by CARB except for thin MDF. One of the stated benefits of the proposal is that it “minimizes the economic burden on small businesses.”

Is this at the expense of the citizens of California who may have such products in their homes.

The proposal is unfair in that the 0.11 ppm formaldehyde emission standard is established for MDF and encourages the use of MDF at the expense of HWPW and particleboard. In the 2009 CARB/CEC study home #3 had the highest measured formaldehyde levels. Here is the picture of that home from this study. If those cabinets have certified hardwood plywood, the emissions will be .05 ppm or less. Under the CARB proposal, they can claim cabinet manufacturer made hardwood plywood and legally be .11 ppm. So those cabinets supplied by my certified members will have emissions below .05 ppm and compete against now legal .11 ppm cabinets. Both cabinets CARB compliant but quite different emission characteristics.

Any regulation or law must be enforceable. If you do not require any tests, if you do not require a legally binding commitment to at least certify that you comply, the potential for mislabeling by some overseas particularly Chinese suppliers is an open invitation to completely avoid the law.

CARB should wait for EPA to finish their rule. TSCA authority is far different than the Clean Air Act authority relied on by CARB. As we have demonstrated, this proposal is even inconsistent with that requirement. It is certainly inconsistent with TSCA.

Thank you for this opportunity to testify and I would be happy to take any questions that you may have.