

# The Enemy of the Good:

## What's Important about the Pending Regulation of Formaldehyde in Composite Wood Products

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# The CARB and EPA Rules

- EPA released two proposed rules in May 2013 following adoption of a national standard by Congress in 2010 that directed EPA to write implementation regulations and address certain matters left unresolved on the legislation.
- EPA's proposal based on CARB's Airborne Toxic Control Measure for Formaldehyde Emissions from Composite Wood Products, enacted in 2008, with some changes.
- CARB is in the process of amending its own regulation and working closely with EPA.



# A National Rule is a Good Idea

**If done right and following Congressional directives, what EPA is doing makes sense for those who make, sell and use composite wood products**

- Closure to decades of governmental action
- Harmonization with California's approach
- Deterrent to further federal and state regulations
- Certainty for panel producers and customers
- Greater likelihood of compliance worldwide
- Greater public confidence in industry products
- Greater demand for composite panel products



# Industry's Approach

- Working on regulations as a proactive coalition of stakeholders is better than acting alone.
- Constructive, effective and mostly unified role for the (current) industry coalition.
- Evolving role for IWPA. Effective now as a key coalition partner



# History of Industry's Role

- 2003-08: California Wood Industries Coalition worked on CARB regulation – without IWPA
- 2009-10: CPA/Sierra Club/AHFA and others proposed legislation in Congress to ensure EPA implements a reasonable, enforceable national standard. Industry, environmental, health and labor groups endorsed this effort
- 2011-present: Federal Wood Industries Coalition is working on the proposed EPA regulation and CARB amendments – now without HPVA



# Key Outstanding Issues

*“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness...”*

from Charles Dickens' *A Tale of Two Cities*  
(1859)



# Harmonization is Essential

**The CARB and EPA regulations must emerge the same.**

What's proposed by EPA and what CARB wants to do with its amendments are still not fully consistent. Unless reconciled, this would make implementation of both regulations confusing and unnecessarily expensive. Such a result might discourage the manufacture and use of composite panel products.



# Improve the TPC System

**Third party testing and certification must consistency must be assured.**

EPA and CARB are proposing steps to improve the reliability of the system, but more can be done. This includes greater scrutiny of all TPC's and their labs for qualifications, performance and consistency, as well as oversight of the approval of TPCs and granting of ULEF/NAF exemptions .





# Don't Dictate Resins

**Regulations should not mandate the type of adhesive that is used to meet a emission ceiling.**

EPA's proposal appears intended to push industry to use NAF adhesives, which could undercut the use of ULEF formulations as well as the credibility of the basic "Phase 2" emission ceiling imposed by CARB, mandated by Congress, and currently accepted by most customers.



# Respect Confidentiality

**Regulations should not mandate the disclosure of confidential business information by panel producers to customers.**

The exchange of such information should be based on voluntary, supplier/customer agreements.



# Don't Stop Commerce

**Regulations should not require panel shipments to stop while re-testing is completed following a non-complying event.**

A clear, timely and mandatory notice provision will work. FWIC has proposed such notice with 72 hours.



# Enforcement is Still Unclear

**Proposed regulations have not fully addressed how enforcement will occur, and how this will be coordinated by California and the US EPA.**

Enforcement should be fair and consistent no matter where in the world a regulated product is made if sold in the United States. Enforcement should not be “anti-importer”, nor focus mainly on US-based companies.



# No Senseless, Expanded Rules

**Regulation of hardwood plywood products should not impose cost-prohibitive new testing burdens on fabricators and other small businesses that make and use composite panels.**

The exemption for laminated products is the most difficult issue CARB, EPA and industry stakeholders have been addressing, and a common sense solution is essential. A perfect outcome should not be the enemy of a fair and enforceable regulation. CARB's latest proposal, described today, has merit and may lead us to a viable solution.



thank you IWPA

The background features a dark brown color. On the left side, there are three vertical stripes: a thin light blue stripe, a thin light green stripe, and a wider medium blue stripe. The main area is dark brown. Overlaid on this are several thick, parallel olive green stripes that run diagonally from the bottom-left towards the top-right. On the right side, there is a large, stylized olive green arrow pointing to the right, composed of several geometric shapes.