



AT THE TABLE

MAY 2011

Quarterly news from legislative and regulatory forums where AHFA is “at the table,” serving as the voice of the home furnishings industry.

AHFA’s role as the home furnishings industry’s leading advocate kept our staff busy throughout the first quarter of 2011. Both CEO Andy Counts and Vice President of Regulatory Affairs Bill Perdue made trips to California for meetings with state officials to discuss furniture flammability and other regulatory issues.

In addition, 30 member company executives joined AHFA staff in Washington, D.C. in February for the Board of Directors Meeting, which included legislative and regulatory briefings and visits with eight legislators.

At the end of April, Perdue was back inside the Beltway for three more days of meetings with chief regulators and their staffs. This edition of **At the Table** includes the latest news from those discussions and AHFA’s ongoing efforts to lessen the regulatory burden on home furnishings manufacturers.

AHFA extends special thanks to member company representatives **Barbara Nuckles** from Ashley Furniture, **Barry Branscome** from Vaughan-Bassett and **Mike Zimmerman** of Sauder Woodworking, who joined Perdue “at the table” in Washington last month.

AHFA Offers Guidance on Formaldehyde Rule

At the top of the agenda for AHFA’s late-April Washington visit was a meeting with Environmental Protection Agency (EPA) officials to discuss the emerging formaldehyde rule.

Congress passed The Formaldehyde Standards for Composite Wood Products Act last June, and the President signed the bill into law the following month. EPA Branch Chief Lynn Vendinello is charged with writing the rule, which has been divided into a two-tier process. The first tier focuses on third-party certification, while the second will address rules for laminated products, labeling, chain of custody and enforcement issues.

AHFA Vice President Bill Perdue and member company representatives met with Vendinello and her staff to provide input on the structure of third party certification requirements in the rule.

The group also highlighted key issues for the furniture industry as a “downstream” user of composite wood products – a discussion continued from March, when AHFA hosted EPA staffers at a furniture factory to showcase chain of custody and labeling challenges for products constructed using multiple types of composite wood products from a variety of sources.

AHFA will remain engaged with Vendinello and her staff as the formaldehyde rulemaking process continues.

EPA Asked to Suspend Boiler Emissions Rule

The most recent boiler emission regulation released by the EPA in February (“Boiler 3”) represents a significant improvement over the original pollution rule proposed last summer. But the EPA has said it is considering further changes, prompting calls for the agency to suspend implementation until they have finalized the rule.

Industry groups have said manufacturers should not be required to make potentially unnecessary compliance expenditures until the reconsideration process is complete, which is not expected until the end of 2011, at the soonest.

AHFA has been working to assess the impact of the revised regulation on the furniture industry.

As written, it lumps dry wood biomass with coal, making the emission limits for biomass more achievable. However, it does not include a dry wood fuel subcategory, which the industry advocated. A Health-Based Compliance Alternative (HBCA) also was not included.

AHFA’s Bill Perdue, along with representatives from AHFA member companies and Chris Andreson of Dutko Worldwide, discussed the impact of these omissions with Rep. Morgan Griffith (R-VA) and Sen. Kay Hagan (D-NC) in April.

AHFA supported a petition for reconsideration that was filed by the American Forest Products Association last month but will file its own petition for reconsideration and stay of enforcement in May, Perdue says. “We wanted to support AFPA, but we also want to express our industry’s unique concerns,” he explains.

AHFA Supports Amendment to CPSIA

In February, a subcommittee of the House Committee on Energy and Commerce held its first hearing on a proposed amendment to the Consumer Product Safety Improvement Act (CPSIA).

This is the third attempt to amend the CPSIA since it became law in 2008. The prior two efforts, both led by Rep. Henry Waxman (D-CA), died in the last Congress.

The new draft legislation put forth by Rep. Mary Bono Mack (R-CA), chair of the Subcommittee on Commerce, Manufacturing and Trade, focuses on several problematic provisions of the CPSIA that are seen as impeding economic recovery and job growth.

In April, AHFA staff and member company representatives met with Gib Mullan, chief counsel to Mack’s subcommittee, to describe the primary challenges created by CPSIA for furniture manufacturers and to express our industry’s support of an amendment to address those challenges.

The expense of third-party testing – particularly for products or components that pose no real risk – and concerns surrounding the consumer incident database, www.SaferProducts.gov, were among the specific issues the AHFA group discussed with Mullan.

Several home furnishings manufacturers have already responded to consumer complaints posted on the database, which launched in March, providing real-world examples of the system’s shortcomings.

Of primary concern are provisions that allow safety issues to be alleged without sufficient information for a manufacturer to conduct a meaningful review of the incident. Currently, there also is no protocol in place for removing or resolving consumer complaints that the manufacturer deems to be “materially inaccurate.”

These same concerns were shared with CPSC Chairman Inez Tenenbaum earlier in April when AHFA hosted her for several factory and showroom visits during the spring High Point Market.

Meetings with Government Officials Keep Industry Issues at the Forefront

Top issues for the home furnishings industry – including boiler regulations, CPSIA and the emerging enforcement rules related to the federal formaldehyde regulation – involve many different departments and agencies in Washington.

AHFA's government affairs strategy and management partner, Dutko Worldwide, helps AHFA extend its reach on these issues.

“But nothing carries the same clout as a face-to-face meeting involving the environmental, manufacturing and safety executives ultimately charged with implementing federal regulations,” states AHFA's Bill Perdue.

“For this reason, when AHFA has member company representatives in Washington, we do our best to get them in front of as many government officials as possible.”

In addition to meeting with EPA officials, the chief counsel for the Commerce, Manufacturing and Trade Subcommittee, and several legislators, April's “Gang of Five” (Perdue, Nuckles, Branscome and Zimmerman, along with Dutko's Andreson) also made stops at the offices of Joanne Littlefare at the Department of Commerce and David Rostker at the Small Business Administration.

Littlefare is a Trade Specialist at the DOC, while Rostker is the newly appointed assistant chief counsel in the Office of Advocacy at the SBA.

“At every stop we emphasize our three main topics: the boiler rule, formaldehyde rule and CPSIA,” Perdue explains. “But Littlefare's staff is especially interested in the cost of the regulatory burden on U.S. manufacturing and how that impacts the exporting of U.S. products. Our team was able to provide relevant, industry-specific examples to illustrate that impact.”

Rostker, who joined the SBA late last year, spent 14 years as a policy analyst in the OMB's information and regulatory affairs office. He handles an environmental portfolio that includes all rules issued under the Clean Air Act, as well as other air-related statutes.