

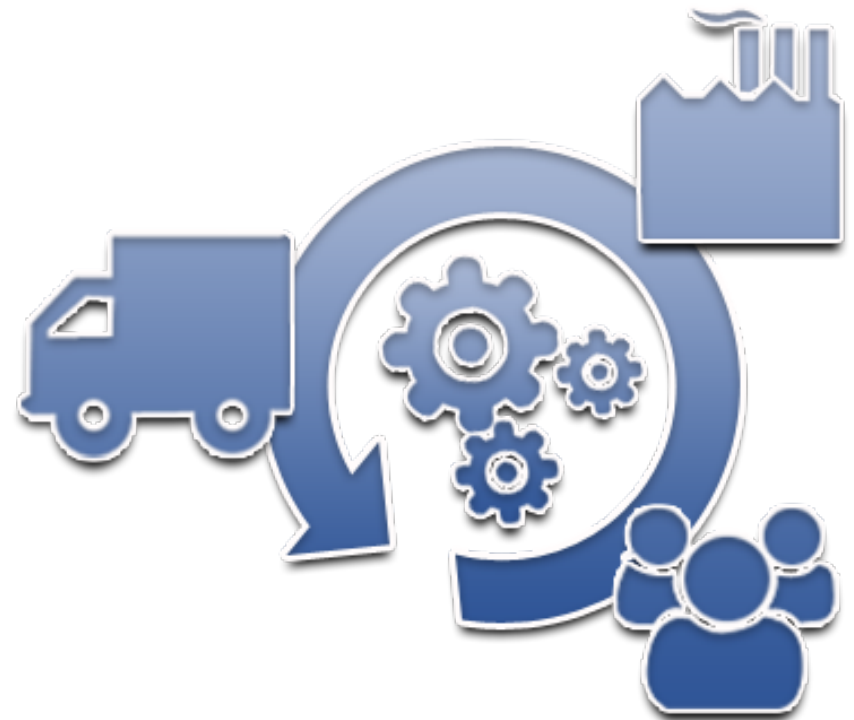
Supply Chain Management for Composite Wood Products

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Brian Kniebel &

Dr. Pratik Ichhaporia

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01

Overview

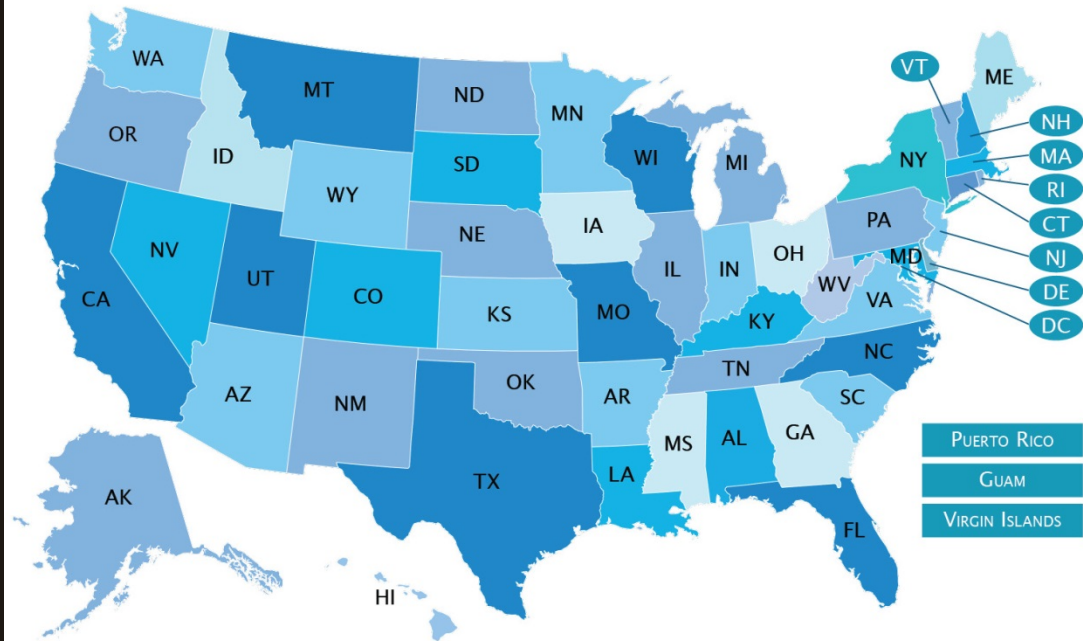


| Panel producer | Fabricator | Importer | Purchaser | Retailer |
|---|--|--|---|---|
| <p>A manufacturing plant or other facility that manufactures (excluding facilities that solely import products) composite wood products (CWP) on the premises.</p> | <p>A person or entity who incorporates CWP into component parts or into finished goods. Including laminated product producers</p> | <p>Any person or entity who imports CWP, component parts, or finished goods into the customs territory of the United States</p> | <p>Any panel producer, importer, fabricator, distributor, or retailer that acquires CWP, component parts, or finished goods for purposes of resale in exchange for money or its equivalent.</p> | <p>Any person or entity that sells, offers for sale, or supplies directly to consumers CWP, component parts or finished goods that contain CWP. Construction trade exception.</p> |

| Panel producer | Fabricator / Retailer / Distributor | Importer |
|---|---|--|
| <ul style="list-style-type: none">• Manufacturing compliant panels, including Certification, establishing QMS, QA testing, labeling, declaration of compliance, reporting and recordkeeping.• Disposition of non-compliant lot(s). | <ul style="list-style-type: none">• Take “reasonable precautions” for compliance.• Recordkeeping | <ul style="list-style-type: none">• Take “reasonable precautions” for compliance.• Maintain bill of lading, invoices or similar document with supplier declaration for TSCA Title VI compliance.• Import Certification• Recordkeeping |

02

Requirements



Producing compliant panels.

Recordkeeping: Records to be kept for 3 years, except records demonstrating initial eligibility for reduced testing or third-party certification exemption under NAF or ULEF must be kept for as long as the panel producer is producing composite wood products with reduced testing or under a third-party certification exemption.

Records to be made available to direct purchasers:

- Emission testing (quarterly and ongoing QC) records with information on TPC along with the date, the product type tested, the lot number that the tested material represents, the test method used, and the test results.
- Production records and tracking information.
- Purchaser and transporter information.
- Information on the disposition of non-complying lots, AND
- Representative copies of labels used.

Importers, fabricators, distributors, and **retailers** must maintain the records for at least 3 years from the import date or the date of the purchases or shipments described therein. They are:

- Invoices, bills of lading, and written compliance statement from the supplier.

Additionally **importer** have to ensure following documents can be made available to EPA within 30 days of the request:

- Records identifying the panel producer and the date the composite wood products were produced; and
- Records identifying the supplier, if different, and the date the composite wood products, component parts, or finished goods were purchased.

TSCA Title VI directs EPA to revise regulations promulgated pursuant to **TSCA section 13** as necessary to ensure compliance. The TSCA section 13 regulations, promulgated by CBP, require importers to certify that shipments of chemical substances and mixtures are either in compliance with TSCA or not subject to TSCA.

Articles (panels, furniture, etc.) are generally exempt from the TSCA section 13 certification requirements, but the regulations at 19 CFR 12.121(b) recognize that EPA has the authority to, by regulation or order, make the requirements applicable to articles.

Import certification for composite wood products that are articles is required. This does not represent a statement on the relative toxicity of formaldehyde, or of composite wood products; rather, it is a certification of compliance with TSCA.

Effective date - **December 12, 2018.**

To comply with the import certification requirements, importers (or their agents) will be required to provide the following certification statement with other paperwork accompanying the imported shipment:

“I certify that all chemical substances in this shipment comply with all applicable rules or orders under TSCA and that I am not offering a chemical substance for entry in violation of TSCA or any applicable rule or order thereunder.”

TSCA certification statements provided in paper can be attached to bills of lading, commercial invoices, or comparable documents.

If filing electronically then in CBP-ACE system with Customs entry filings for shipments.

CWP manufactured or imported within 1 year from the date of final rule publication in the Federal Register can be offered for sale for any time after that date/.

CWP made before the manufactured-by date, the panel producer or importer and any subsequent distributor, retailer or fabricator must document when the product was manufactured or that the panel was in their inventory on or before the sell through deadline.

In the case of a finished good, any subsequent distributor, retailer or fabricator must document that the composite wood products making up the finished good were manufactured before the sell through deadline above.

“non-complying lot” means any lot of composite wood product represented by a quarterly test value or quality control test result that indicates that the lot exceeds the applicable standard for the particular composite wood product in § 770.10(b).

Lots produced after the previous quarterly test but before the lot from which the sample was taken would still be considered certified product.

Non-complying lots must be **isolated** and either be disposed of or retested and certified using the same test method, if each panel is treated with a scavenger or handled by other means of reducing formaldehyde emissions, such as aging.

If non-complying lots shipped to importer, fabricators, distributors or retailers, panel manufacturer must:

- Notify them within 72 hours (of the time that the panel producer is made aware of the failing test result) and ensure such products are not distributed further.

Notification must include specific information provided in the rule.

Panel manufacturer must recall the products or treat, retest and recertify the products.

Fabricators, **importers**, distributors, or **retailers** who are notified that they have received CWPs belonging to a non-complying lot and who have further distributed the CWPs are responsible for notifying the purchasers and provide details specified in the rule.

40 CFR Section 770.10 Formaldehyde emission standards.

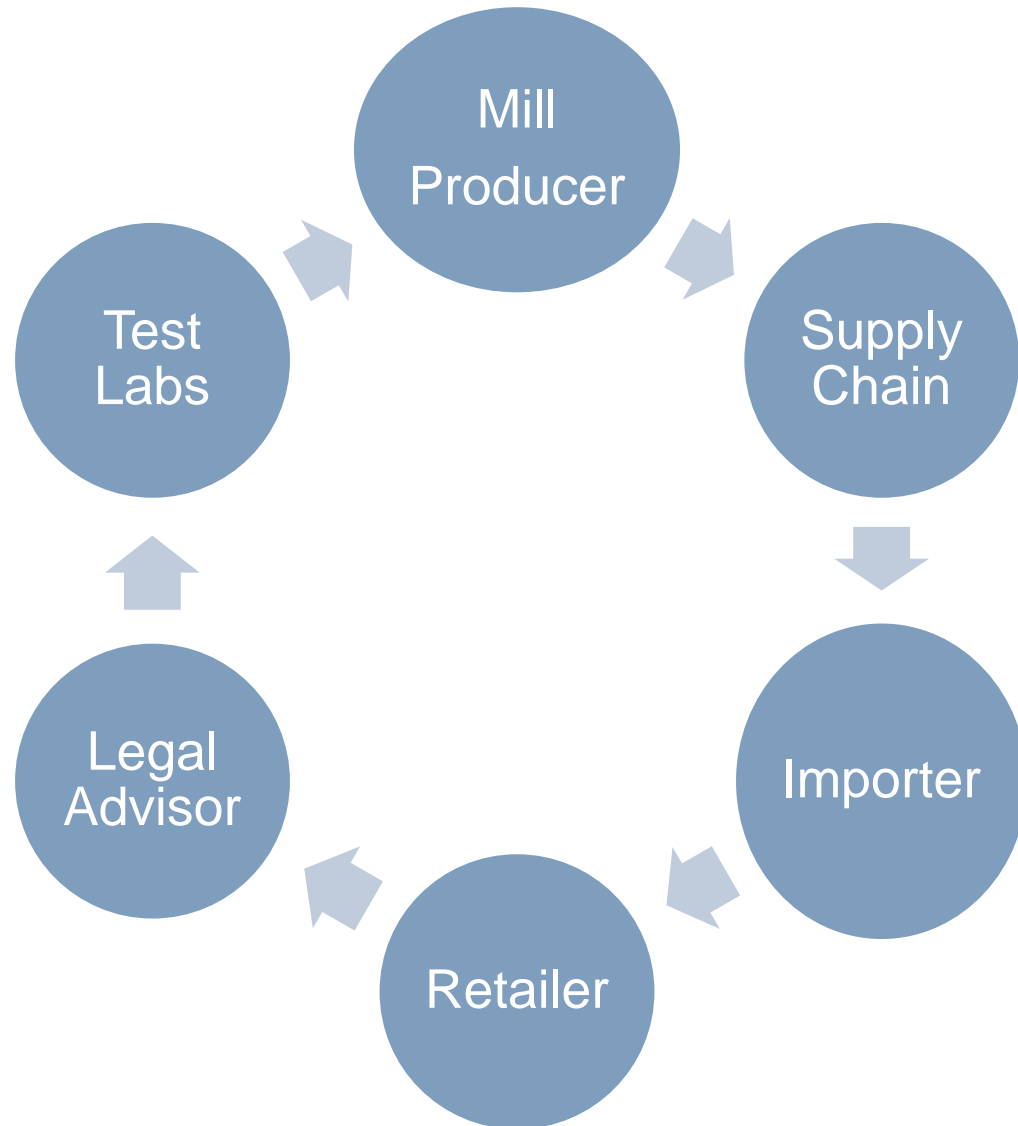
(a)These emission standards apply regardless of whether the composite wood product is in the form of a panel, a component part, or incorporated into a finished good.

- ✓ Supplier, non-California businesses, awareness of the requirement.
- ✓ Laminators – understanding the impact and preparedness for 2023.
- ✓ Internal and External: Training, audit and fire drills.
- ✓ Record retention system.
 - Ability to house and search for all required information.
 - Retention times and
 - Stress test.



Risk Mitigation & Implementation





What is the goal/intent of regulation?

What is our existing QA Plan?

What is our Risk Tolerance?

Exposure

Supply Chain Concerns

Court of public opinion



Categories of products

Quality program within suppliers

Quality complaints with suppliers

Quality control program

Compliance declarations from supplier executives

Public Company

Board w/ Fiduciary duty to shareholders



Survey to understand individual suppliers and supply chain trends around TSCA compliance

- Are all of the composite materials you produce and our supply to the US CARB compliant?
- Are you familiar with TSCA Title VI?
- At what date do you anticipate being TSCA Title VI compliant?
 - Dec 12th, 30 days, 60 days
- Is the end product or material in a 3rd party certification program outside of CARB?
- Are you ISO 9001 certified?

Protocols

- Procedure for supply chain and end product review and testing

Audit/Inspection

- A systematic examination of suppliers and or end products

Testing

- Additional product/material evaluation beyond the mill

3rd party Certification

- Independent 3rd party review and validation of compliance



- Brian Kniebel
(brian.kniebel@intertek.com)
- Pratik Ichhaporla
(pratik.ichhaporla@intertek.com)

