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What the New Carb Rule Means for You

What is the new California formaldehyde regulation?

In April 2007, the California Air Resources Board (CARB), a department of the California Environmental Protection Agency, voted to implement new limits for formaldehyde emitted from composite wood panels. These new limits will be implemented in two phases starting January 1, 2009. When the final limits are fully in place by 2012, the regulation will establish the toughest production standard in the world for formaldehyde emissions from composite wood panels.

The California regulation governs the formaldehyde in both raw composite wood panels and finished products sold or used in California. Both imported and domestic products are regulated, and must be third-party certified and clearly labeled to indicate they meet California's requirements.

Effective Dates for CARB Rule:

January 1, 2009: Phase I limits for Particleboard, MDF, Hardwood Plywood (Veneer Core)

July 1, 2009: Phase I limits for Hardwood Plywood (Composite Core)

January 1, 2010: Phase II limits for Hardwood Plywood (Veneer Core)

January 1, 2011: Phase II limits for Particleboard, Thick MDF

January 1, 2012: Phase II limits for Thin MDF

CARB Raw Panel Formaldehyde Emission Ceilings and Implementation - Schedule

| Product | Phase I Levels (PPM) and Effective Dates | Phase II Levels (PPM) and Effective Dates |
|--------------------------------------|---|--|
| Hardwood Plywood— Veneer Core | 0.08 January 1, 2009 | 0.05 January 1, 2010 |
| Hardwood Plywood— Composite Core* | 0.08 July 1, 2009 | 0.05 July 1, 2012 |
| Particleboard | 0.18 January 1, 2009 | 0.09 January 1, 2011 |
| MDF | 0.21 January 1, 2009 | 0.11 January 1, 2011 |
| Thin MDF** | 0.21 January 1, 2009 | 0.13 January 1, 2012 |

*Hardwood plywood panel using particleboard or MDF in the core
**Maximum thickness of 8 mm

Courtesy of Composite Panel Association - www.CARBrule.org

Environmentally Preferred



NAF/ULEF

Chain of Custody



Labeling

Products and Exemptions Covered by CARB Rule

Products Covered by New CARB Rule

- Particleboard
- Medium Density Fiberboard (MDF)
- Thin MDF (less than or equal to 8 mm in thickness)

- Hardwood Plywood made with a veneer core
- Hardwood Plywood made with a composite core (PBD or MDF)

This applies not only to the raw panels, but also to all products made with these panels, including furniture, cabinets, flooring, store fixtures, mouldings and millwork, countertops, decorative household items, doors, etc.

Specific Products Exempt by new CARB ruling

- Finger-jointed lumber
- Hardboard meeting ANSI A135.4, ANSI A135.5 or ANSI 135.6
- Prefabricated wood I-joists meeting ASTM D5055
- Structural plywood meeting PS-1
- Structural panels meeting PS-2
- Structural composite lumber meeting ASTM D5456
- Structural glued laminated lumber meeting ANSI A190

- Windows containing less than 5 percent composites
- Exterior doors made with composites meeting the Ultra Low Emission Formaldehyde (ULEF) or No Added Formaldehyde (NAF) requirements, or containing less than 3 percent other composites
- New vehicles meeting Section 430 of the California Code, except for recreational vehicles
- Curved plywood

Business Activities Covered by CARB Rule

Business Definitions

- **Manufacturer:** A company that manufactures regulated composite wood panels (hardwood plywood, particleboard or MDF)
- **Importer:** A company that imports regulated composite wood panels
- **Fabricator:** A company that manufactures domestic or imported finished goods made with regulated composite wood panels
- **Distributor:** A company that distributes regulated composite panels or finished goods made with regulated composite panels (different rules for each), but not to consumers, and does not alter products
- **Retailer:** A company that sells regulated composite panels for finished goods made with regulated composite panels (different rules for each) to consumers

General Exemptions

- Composite wood products and fabricated products containing composites offered for sale or use outside of California
- Composite wood products used in manufactured homes subject to U.S. HUD regulations

Requirements Under the New CARB Rule

This rule applies to the sale and use of composite wood products in California and to products containing composite wood products for sale or use in California.

This rule applies to manufacturers, importers, fabricators, distributors and retailers of composite panels or finished goods using these composite panels.

This rule requires all distributors, fabricators and retailers to follow prescribed record keeping in the form of labels, statement of compliance on the bill of lading and invoice, and chain of custody documentation to the final customer. Records for all composite panel purchases or fabricated parts containing composite panels must be maintained for two years.

Courtesy of Composite Panel Association - www.CARBrule.org

For information on the CARB Rule, customer fact sheets and testing facilities, please go to www.CARBrule.org.

For frequently asked questions on the Composite Wood Air Toxic Control Measure (ATCM), please go to www.arb.ca.gov/toxics/compwood/compwood.htm.

Certification Requirements and Exemptions

Manufacturer Requirements

- For each product, initial compliance with emissions standards must be verified by an approved third-party certification agency.
- Following initial qualification, quarterly third-party verification of emissions is required.
- Manufacturer is responsible for the emissions performance of all certified products.
- Mill must follow specific procedures for products found to be out of compliance with the standard.
- Quality records must be retained for two years.

Third-Party Certification Agency Requirements

- Obtain approval from CARB.
- Obtain accreditation from a signatory of the International Laboratory Accreditation Cooperation Agreement (ILAC).
- Verify that manufacturers using certification services are complying with the quality requirements of the rule, and provide them with independent audits and a CARB-approved certifier number for product labels and notifications.
- Maintain records of certification activity for two years and provide an annual report to CARB of certification activities, including test results.

Exemptions to Third-Party Certification Requirements

Finished products must be fabricated with certified composites, but they do not require separate third-party certification. Approved Ultra Low Emission Formaldehyde (ULEF) and No Added Formaldehyde (NAF) composite wood products are exempt from daily third-party certification quality control requirements, but must make a regular demonstration of ongoing compliance.

- NAF and ULEF producers must apply to CARB to obtain an approved exemption and provide an initial demonstration of compliance with special emission limits.
- NAF and ULEF producers must provide basic adhesive chemical formulation information to CARB.
- NAF producers must provide three months of initial quality data, showing compliance with special emission limits and at least one primary or secondary compliance test.
- ULEF producers must provide six months of initial quality data showing compliance with special emission limits and at least two primary or secondary compliance tests.
- NAF and ULEF producers must provide CARB with a primary or secondary compliance test showing compliance with the special NAF/ULEF limits every two years.
- Primary and/or secondary compliance tests must be performed by an approved third-party certification agency.

Sell-Through Provisions

Beginning January 1, 2009, particleboard and MDF panels manufactured for sale or use in California must comply with the formaldehyde emission limits in the regulation.

Manufacturers and Importers have **three months** to sell non-compliant panels produced before any of the Phase I or Phase II ATCM manufacturing deadlines.

Distributors have **five months** to sell non-compliant panels produced before any of the Phase I or Phase II ATCM manufacturing deadlines.

Retailers of composite wood products have **12 months** to sell non-compliant panels produced before any of the Phase I or Phase II ATCM manufacturing deadlines.

Fabricators and Distributors of finished products containing composite wood products have **18 months** after each of the Phase I and Phase II deadlines to use up any inventory of non-compliant composite panels made before the effective dates and sell those finished goods made with non-compliant composites.

Retailers of fabricated products containing composite wood products have **18 months** to sell non-compliant panels produced before any of the Phase I or Phase II ATCM manufacturing deadlines.

Labeling, Notification and Recordkeeping Requirements

Composite Manufacturer/Importer Labels:

- Manufacturer name
- Production batch or lot number
- Compliance standard being met (Phase I, Phase II, ILEF or NAF)
- CARB-assigned number of third-party compliance agency (except for ULEF/NAF products)

Composite Manufacturer/Importer Notifications:

- A statement of compliance must be included with either the invoice or the bill of lading.
- Compliance statement must include the manufacturer's name, the certification number of the third-party compliance agency and the compliance standard met by the product.

Composite Manufacturer/Importer Records:

- Retain quality test data or compliance data and records indicating ongoing ULEF/NAF approval for two years.
- Maintain tracking records to allow products to be traced to their specific production lots.
- Maintain product purchaser information and invoice numbers.
- Maintain product transporter information.
- Maintain records regarding disposition of products not complying with the standard.
- Receive written documentation of product compliance from suppliers. (Providing documentation to customers is recommended.)

Distributor Requirements*:

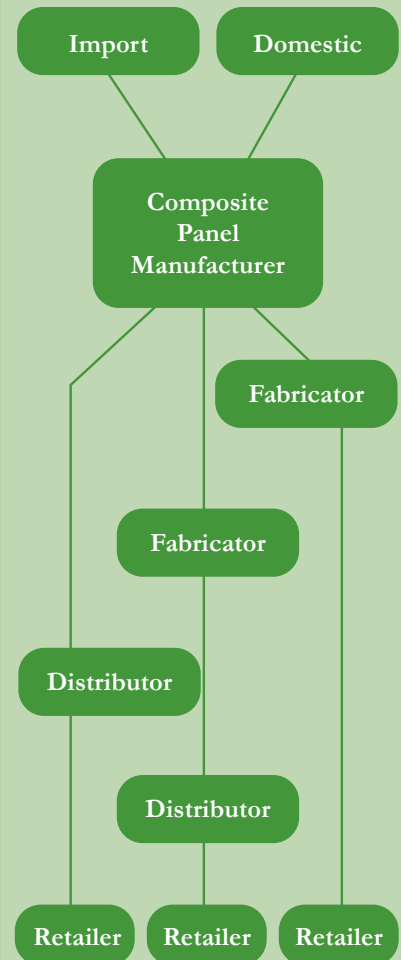
- No additional labeling is required if products are not modified.
 - Retain records showing date of purchase of ATCM-regulated products for two years.
 - Include statement of compliance notification on bill of lading or invoice, indicating the compliance standard being met.
 - Receive written documentation of product compliance from suppliers. (Providing documentation to customers is recommended.)
- * Includes importers of finished goods

Fabricator Requirements:

- Use composites that comply with the emission and certification requirements of the rule.
- Retain records showing date of purchase for composites for two years.
- Label every product or product box with a stamp, tag, sticker or bar code.
- Label must include the fabricator's name, the production date and the compliance standard of the product being used.
- Receive written documentation of product compliance from suppliers. (Providing documentation to customers is recommended.)

Retailer Requirements:

- Stock composites and/or fabricated products containing composites that comply with the labeling, emission and certification requirements.
- Maintain purchasing records for composites and/or fabricated products containing composites for two years.
- Receive written documentation of product compliance from suppliers. (Providing documentation to customers is recommended.)



- Chain of custody from panel producer to retailer
- Product labeling throughout entire chain
- Record retention for two years



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