Responses to Comments from the Composite Panel Association dated December 1

Particleboard, Medium Density Fiberboard, and Hardwood Plywood Manufacturers Sur

Comment 1: On proposed question #18, letter "j".....how is "downtime" defined? We may have had some inefficiency or slow time due to CARB Phase 1, but most likely no directly related "downtime" as we define it at the plants. I think the questionnaire asks about efficiency in letter "i", which we can reflect efficiency as we would normally think of it. This needs to be made clear by using the word efficiency along with productivity.

Response 1: In response to the first part of the comment, "downtime" is defined as time when production is stopped, such as when installing new equipment. The question has been reworded to clarify this. If plants did not experience downtime, then the respondent should choose the answer "No, downtime did not change …."

In response to the second part of the comment, there three potential effects related to output:

1. Downtime, time during which production is stopped;
2. "Slow time" where the manufacturing process is being adjusted. For example, this may be test production runs; and
3. A change in productivity associated with the modified production technology

In order to address the second of these effects, a new question has been added to ask about efficiency, along with the existing questions about productivity and downtime. The new question #18(i) reads as follows[1]:

> Did your plant experience an initial period of adjustment, where efficiency was low, as you made changes to achieve CARB Phase 1 certification? For example, this may include test production runs.
>
> Yes, adjustment period was experienced please specify approximate duration: _____
> No, no significant adjustment period was experienced
>
> Please provide an estimate of how much your costs changed directly as a result of the initial adjustment period per thousand square feet of production on a _____ basis.
>
> Enter estimate: $_____ or provide a range: _____

EPA believes that this new sub-question addresses the commenter's concern about the impact on efficiency.

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[1] For questions 21 and 24, the text, "achieving CARB Phase I certification," will be replaced by other text relevant to those questions.

Comment 2: Page 20, General Info: In Figure 4 ASTM D 6007-2 is listed as one test method and DMC as another. This is the same test method; the DMC is just one type of test chamber that can be used to run the ASTM test.

Response 2: The reference to the DMC has been deleted from Figure 4.

Comment 3: Pages 8 & 9, Questionnaire document: 12f and 13f describes the products as "cosmetics". This term is not used in our industry and I suggest that the word "decorative" be used instead.

Response 3: The intent of this question is to ask about the importance of the appearance of the boards themselves (e.g., color, texture, etc.), since this might be impacted by changes to resin composition or other inputs in order to reduce formaldehyde emissions. The question is not asking about the importance of decorative overlays and coatings, unless the ability to use these overlays and coatings might be affected by changes to reduce formaldehyde emissions. The wording in these questions has been changed to ask about the board's "appearance" instead of "cosmetics", and the instructions have been revised to clarify the intent of the questions.

Comment 4: A better way to ask all the cost estimate questions is in terms of cost windows. That would make it easier to include all the costs related to regulatory changes. We would suggest the following: A) less than $10,000 B) $10,000 - $25,000 C) $25,000 - $50,000 D) greater than $50,000.

Response 4: EPA believes that it is useful for respondents to provide point estimates instead of ranges if the information to provide a point estimate is readily available. However, not all respondents may have such information readily available. Therefore, in order to limit respondent burden, the survey will offer respondents the choice of answering the questions related to the costs of regulatory changes with either a point estimate *or* a range, although the survey offers more choices on both the low and high ends of the range.

The cost questions have been reworded as follows: "Please provide cost estimate: _____ or choose range: [_____]", where respondents are given a choice of the following ranges: (A)< $5,000; (B)$5,000 to $9,999; (C)$10,000 to $24,999; (D)$25,000 to $49,999; (E)$50,000 to $99,999; (F)$100,000 to $249,999; (G)$250,000 to $499,999; (H)$500,000 to $999,999; and (I)> $1 million.

Comment 5: A comment so that EPA understands the limits of this survey. The CARB 2 questions are a bit too presumptive. In many ways a manufacture's ability to meet CARB 2 is still fluid. Low emitting UF technology is still evolving. As a further example, downtime and off grade production will vary mill to mill based on the mills progress on the learning curve. This will be very difficult to pinpoint, thus the importance of ranges.

Response 5: EPA appreciates that compliance with CARB Phase 2 is still an evolving process for many mills. The survey has been designed to reflect the fact that mills are on different places on the learning curve (such as the use of the cost ranges the commenter requested, as well as questions about the extent to which production processes have been optimized, and the optional spaces that mills can use to clarify or further explain their responses). While the situation is still fluid, EPA believes it is important to understand the impact of compliance with CARB Phase 2, and the survey has been designed to do that.

Comment 6: We appreciate the fact that the survey gives the CBI option. However, we are very concerned about how the CBI data will be summarized. Summary reports are typically generated from ICR surveys which will be public information. Given the relative size of the panel industry, I believe there will be information in the report summaries that could be linked to a specific manufacturer unless great care is taken. For instance, there are only 14 MDF manufacturers. If data from individual mills is listed or if the data set is broken down by region or by product type, particularly thin or thick MDF, it could be quite easy for the informed to 'crack the code.' In previous surveys, for example PCWP MACT, the focus was pollution control equipment, information about which is generally available and not proprietary. This survey will certainly touch on the kind of process information many companies will regard as proprietary.

Response 6: EPA will not release information claimed as CBI. EPA has considerable experience aggregating and masking sensitive data. The appropriate aggregation approach is determined in large part on the data received and the type and quantity claimed as CBI. EPA urges potential submitters to carefully consider CBI claims and limit such claims to only that material that is truly confidential and proprietary, the release of which would injure the submitters competitive position.

Hardboard and Structural Composites Manufacturers Survey

Comment 7: On question 10, column 4, there should be a note that says, 'if no emission limits are required or proactively sought, answer 'N/A'. Most structural and hardboard products do not need any formaldehyde testing or certification.

Response 7: The definition for the "N/A" code in Question 10, column 4 has been revised to read "not applicable / not required", and the survey instructions have been modified to indicate that if there is no emissions standard that applies to the product, the respondent should answer "N/A". If an emission standard exists that is not required, respondents who have not proactively sought to meet it should answer with the code "None", for "No certification standard category was met/will be met."

Responses to Comments from the American Forest & Paper Association dated Decembe

Comment 1 AF&PA believes that the ICR is not necessary for the Agency to properly perform its agency functions concerning formaldehyde emissions from composite wood products. As stated in our March 25, 2009 comments on EPA's proposed ICR and our March 19, 2009 comments on EPA's ANPR, which are specifically incorporated by reference, we submit that the ICR will ultimately have no practical utility because the questions presuppose that EPA will make a finding of "unreasonable risk" pursuant to TSCA Section 6 ... A potential solution would be specific legislation that would adopt regulations similar to the CARB ATCM nationally, making the ICR unnecessary. AF&PA, therefore, suggests that EPA should at a minimum wait to determine if a national legislative approach is a viable solution before issuing the ICR.

Response 1 The commenter is simply reiterating comments dated March 25, 2009 that it provided during the first comment period on the ICR. EPA responded to these comments in detail in the revised ICR supporting statement from November 2009. (See Appendix C.5.) EPA specifically incorporates by reference the responses to these comments that it previously provided. In particular, EPA points to two statements it made in November 2009 responding to the commenter's statements in March 2009.

First, EPA responded that

> EPA disagrees that the potential magnitude and extent of human exposure to composite wood panels already is known to be below a level that would require action by EPA. Therefore, EPA disagrees with the commenter's claims that EPA can already conclude that the standard for a TSCA section 6(a) determination cannot be met, or that the ICR lacks practical utility… EPA's survey will collect data such as the types of resins that will be used to manufacture pressed wood products and the levels of formaldehyde that will be emitted in the absence of any Agency actions. This information will be an important input into EPA's determination of whether and what type of regulatory or other action might be appropriate to protect against the risks posed by formaldehyde. Thus, the ICR information will have practical utility even if EPA decides to pursue an alternative to a TSCA Section 6 regulation, such as a voluntary program.

Second, EPA noted that:

> EPA disagrees that the introduction of legislation mandating EPA to adopt the CARB ATCM emission standards makes the ICR unnecessary. There are at least three reasons it is inappropriate to suspend the survey while Congress is considering legislation. First, because the results of EPA's investigation and analyses, including the information gathered through the survey, may help inform Congress in its determination of whether to adopt such legislation. Second, because it can take years for legislation to be passed into law – and passage might not ever occur. And third, because it is impossible to predict how prescriptively a statute might be written, and the survey results could be useful to EPA in developing implementing regulations if a statute required EPA to select an emissions standard. EPA does not believe it is appropriate to put its efforts on hold while waiting to see whether potential legislation is adopted. Thus, EPA disagrees that it should wait to determine if a national legislative approach is a viable solution before issuing the ICR.

These December 18, 2009 comments from AF&PA reiterate its earlier statements without providing any new information to support its claims. The new comments do not include any attempt to rebut EPA's explanation of why it would be inappropriate to delay conducting the survey. Therefore, EPA rejects the commenter's statement that it should delay the survey. EPA plans to proceed with the survey, and is continuing to seek approval of the ICR.

Hardwood Plywood, Medium Density Fiberboard, and Particle Board Manufacturers – G
Information, Definitions, and Instructions

Comment 2: General Definitions (paqe 7 of 20). "Ultimate parent company" should be defined as the legal entity that owns the reporting facility or plant, either within the U.S. or globally (if applicable).

Response 2: The survey defines "ultimate parent company" as follows:

> Highest level company, group of companies, or other legal entity that owns or directly control the reporting facility or plant, either within the U.S. or globally (if applicable). For example, this may be the company that is quoted on a stock exchange.

This definition encompasses the definition suggested by the commenter, while providing additional examples for clarity. EPA believes that its definition is appropriate, so it has not adopted the commenter's suggestion.

Comment 3: Instructions for Question 15 (page 14 and 15 of 20). The instructions indicate that question 14 responses for Column 1 and Column 2 will automatically be transferred to Column 1 and Column 2 in question 15 if the electronic version of the form is used. The instructions should also indicate that the response order used in Column 1 and Column 2 in question 14 should also be used for Column 1 and Column 2 in question 15 when using the paper version of the questionnaire.

Response 3: EPA has revised the instructions to include the commenter's suggestion.

Comment 4: Question 15 (page 14 and 15 of 20). It should be noted that there is the possibility that a data point in Column 4 may exceed an emission specification, but the product may not have been shipped before reaching a required emission level. Clarify whether the survey participant should report maximum emission value measured or maximum emission value shipped.

Response 4: The instructions for this question state that "the emissions levels reported should only include those from products tested within typical certification timeframes (i.e., tests performed within 30 days of production)." (This wording was provided in comments from the Composite Panel Associated dated March 25, 2009 on the first draft of the ICR.) EPA wants the responses to this question to reflect the emissions levels for testing within typical certification timeframes, and not the levels when the product is shipped (since the length of time between production and shipping may vary). The instructions have been revised to clarify this.

Hardboard and Structural Composite Manufacturers -- Questionnaire

Comment 5. Question 10 (page 6 of 10). Change the current paragraph at the top of the page to read as follows:

> **10. Resin Types and Certification Standards.** Please complete the following table for each pressed wood category produced at your plant. For the purpose of this survey, adhesive/emissions class means a class of pressed wood product that differs from others based on binder/resin technology, formaldehyde emission certification standard category, and/or formaldehyde emission profile. Please list each class in a separate row if you produce products in more than one adhesive/emissions class, have changed the adhesive/emission classes of your products in the last five years, or plan to change the adhesive/emissions classes of your products in the next three years. For average and maximum emissions, calculate the average and maximum emissions over one year if possible. If the average and maximum emissions cannot be calculated over one year, report the average and maximum emissions based on available data.

In the bottom right hand corner of the page change N/A Not applicable to N/A Not applicable/Not required under 3. Certification Standard Categories.

Response 5: EPA has revised the Hardboard and Structural Composite Manufacturers questionnaire to adopt both of these suggestions from the commenter.

Comment 6. Question 11 (page 7 of 10). Add another category/option: "Formaldehyde emissions were not measured."

Response 6: EPA has revised one of the existing category options in the Hardboard and Structural Composite Manufacturers questionnaire to reflect the commenter's suggestion. Namely, the category "No changes were made since 2005 that resulted in lower product formaldehyde emissions." Has been changed to: "No changes were made since 2005 that resulted in lower product formaldehyde emissions, or product formaldehyde emissions were not measured after changes made since 2005" (*emphasis added*).