

Formaldehyde Workshop

Developing a Compliance Program

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What is a Compliance Program?

- Set of internal policies and procedures to comply with laws, rules and regulations
- Process control to ensure and enhance business reputation

Formaldehyde Rule Policies & Procedures

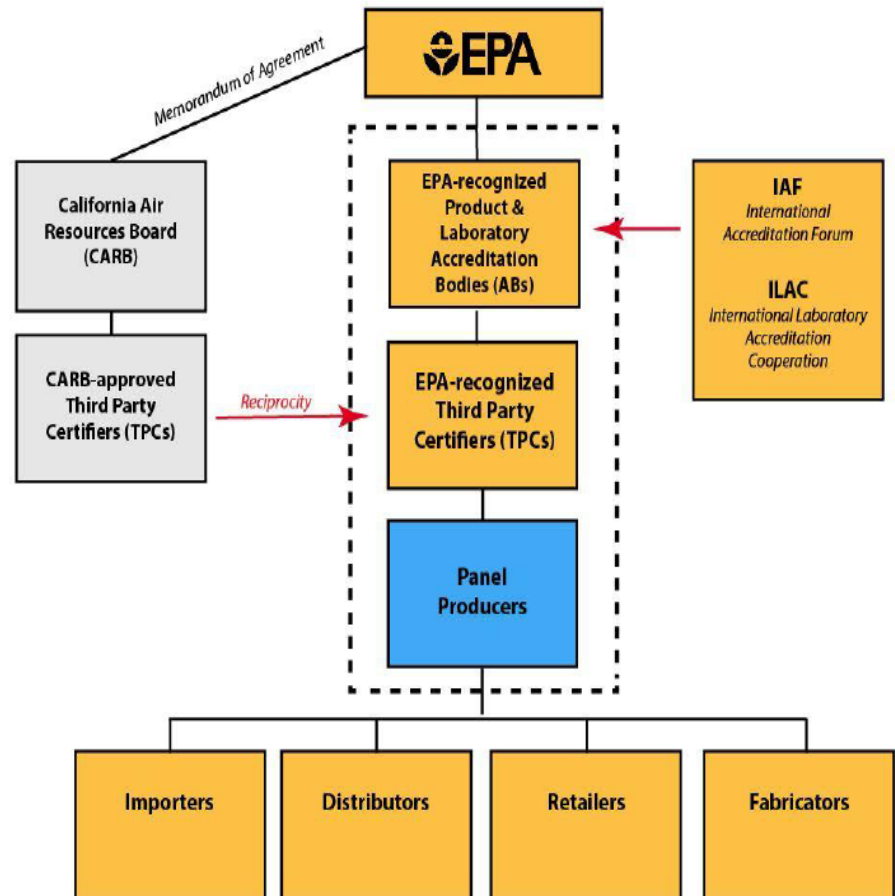
- Must tailor compliance program for business
 - Quality control testing to ensure compliance with emission procedures
 - Application and certification by EPA approved TPC
 - Specific recordkeeping and reporting called for by Title VI
 - Labeling
 - Corrective actions



Rule Framework

Each entity must fulfill certain requirements to ensure that only compliant composite wood products enter the supply chain.

The dotted line represents the EPA's third-party certification program.



Planning and Training:

- Specifically identify what has to be done to comply with Panel Produce Obligations under Title VI
 - Honest evaluation of where your organization's shortfalls are
 - Real world assessment of what applies and how can your organization comply



Know the Rule

Small Entity Compliance for Formaldehyde Standards in Composite Wood Products

Panel Producers

National Program Chemicals Division
Office of Pollution Prevention and Toxics
Updated April 2018



[Small Entity Compliance for Formaldehyde Standards in Composite Wood Products \(epa.gov\)](https://www.epa.gov/small-entities/small-entity-compliance-formaldehyde-standards-composite-wood-products)



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Your Responsibilities Under TSCA Title VI

1. You must conduct quality control **TESTS** on a regular basis to ensure regulated composite wood products meet emission standards.
2. You must apply to and have regulated products **CERTIFIED** by an EPA TSCA Title VI TPC.
3. You must follow **REPORTING** and **RECORDKEEPING** requirements, ensuring that all quality control requirements are being met.
4. You must **LABEL** products you produce either separately or by the bundle.

TEST • CERTIFY • RECORD • LABEL

Education and Ownership Must Start from the Top Down

- Leadership must understand and validate importance compliance
- Then all employees must be trained and held accountable to know and comply
- Company Code of Conduct must set clear expectations on importance of compliance



Have a Compliance Officer

- Fully vested with faith and confidence of the leadership team
- Full authority to implement change
- Duty to audit and quality check systems
- Responsibility to respond to breakdowns
- Direct line of communication to decisionmakers



Product Certification

If the EPA TSCA Title VI TPC or CARB-approved TPC has not provided any previous certifications to the panel producer, product certification applications must have:

1. Panel producer's name, address, telephone number, and other contact information;
2. A copy of the panel producer's quality control manual as required by 40 C.F.R. § 770.21(a);
3. Name and contact information for the panel producer's quality control manager;
4. Identification of specific products for which certification is requested, and the resin system used in panel production;
5. At least five tests conducted under the supervision of the TPC pursuant to ASTM E1333-14 or ASTM 6007-14;
6. At least five quality control tests conducted in accordance with 40 CFR § 770.20(b)(1);
7. Linear regression equation and correlation data; and
8. Results of an initial, on-site inspection by the TPC of the panel producer.

[Small Entity Compliance for Formaldehyde Standards in Composite Wood Products \(epa.gov\)](https://www.epa.gov/tscatitlevi/small-entity-compliance-formaldehyde-standards-composite-wood-products)



Quality Control Testing

- Regulations require quarterly testing and quality control testing to monitor day-to-day operation and ensure that changes in production do not result in non-complying lots.
- Testing can be done at the facility if there is testing equipment on site.
- Approved quality control test methods showing correlation to ASTM E1333-10 include:
 1. ASTM D6007-14;
 2. ASTM D5582-14;
 3. BS EN ISO 13460-3:2015 (Gas Analysis Method);
 4. DMC (Dynamic Micro Chamber), 2007 User's Manual;
 5. DMC (Dynamic Micro Chamber), 2012 GP User's Manual;
 6. BS EN ISO 120 (Perforator Method); and
 7. JIS A 1460:2015 (24-hr Desiccator Method).

[Small Entity Compliance for Formaldehyde Standards in Composite Wood Products \(epa.gov\)](https://www.epa.gov/small-business-size-business/compliance-formaldehyde-standards-composite-wood-products)



Regular Collaboration Among Business Stakeholders Required

- Key Team Members
 - Company Leadership
 - Compliance Officer
 - Technical/Engineer Lead
 - Design Team
 - Consumer Relations
 - Legal
- This duty of collaboration needs to be integrated into each key role in the company



Recordkeeping & Traceability

- It doesn't exist and you did not do it if you cannot prove it
- Expect EPA audit and be prepared



Panel Producers

What Does 770.40 Require?

- **Panel producers** must:
 - **MAINTAIN** certain records and make available to TPCs;
 - Make **QUARTERLY** emission test results available to direct purchasers; and
 - Provide TPC with **MONTHLY** product data reports

Panel Producers Must Keep the Following Records for Minimum of Three Years:



**Records of all
quarterly emission
testing**

**Records of ongoing
quality control**

Production Records

**Records of changes
in Production**

**Records demonstrating
initial & continued
eligibility for reduced
testing**

**Purchaser information
(for each composite
wood product)**

**Transporter information
(for each composite
wood product)**

**Information of
disposition of non-
complying lots**

**Representative copies
of labels used**



**Records of all
quarterly
emission testing**



Must be made available to direct purchasers upon request

**Identify TPC
conducting/
overseeing
testing**

**Include the date,
product type, lot
number, test
method, and test
results**



**Records demonstrating
initial & continued
eligibility for reduced
testing**



Must be kept for as long as claiming exemption/reduced testing

**Resin
Manufacturer /
Supplier &
Purchase Records**

**Panel Producer
Contact &
Purchase Records**

**For In-House
Panels:**

**Records
Demonstrating
TPC Certification**

**For In-House
Resins:**

**Records
Demonstrating
Production of
ULEF/NAF Resins**



Reporting & Recordkeeping

(Here is your List)

- Panel producers must retain and make certain information available to their TPC and the direct purchaser of products:
 - Records on quarterly emission testing 40 CFR § 770.40(a)(1)
 - Records of quality control testing 40 CFR § 770.40(a)(2)
 - Production records 40 CFR § 770.40(a)(3)
 - Significant changes to production that could affect the formaldehyde emissions 40 C.F.R. § 770.40(a)(4)
 - Records demonstrating initial and continued eligibility for reduced testing 40 C.F.R. § 770.40(a)(5)
 - Purchaser information for each composite wood product, if applicable 40 CFR § 770.40(a)(6)
 - Transporter information for each composite wood product, if applicable 40 C.F.R. § 770.40(a)(7)
 - Information on the disposition of non-complying lots 40 CFR § 770.40(a)(8)
 - Representative copies of labels used 40 CFR § 770.40(a)(9)

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Reporting & Recordkeeping

- Monthly product data reports must be submitted to your TPC and retained for three years, for each production facility, production line, and product type.
- Product data reports must contain the following:
 1. A data sheet for each product type with emissions test and production information;
 2. A quality control graph containing the quality control limit;
 3. The shipping quality control limit (if applicable); and
 4. The results of quality control tests and any retest values.
- For panel producers approved for reduced testing or third party certification exemption provisions:
 - Records demonstrating eligibility for these provisions must be kept for as long as the panel producer maintains approval.

[Small Entity Compliance for Formaldehyde Standards in Composite Wood Products \(epa.gov\)](https://www.epa.gov/small-entities/small-entity-compliance-formaldehyde-standards-composite-wood-products)



Technology Solutions are Available

- Use them



- Find the right one for your company

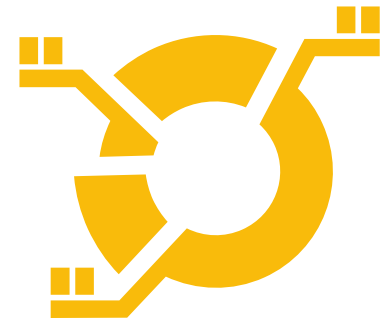
A Well-Run Compliance Program Moves Your Company from Reactive to Proactive

- Will also guide company conduct to set the ethical tone you desire
- Will minimize economic surprises



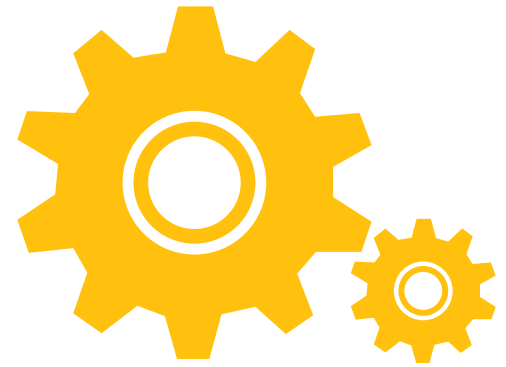
Compliance Program Must be Enforced

- Auditing, ongoing testing and reporting
 - As required and as needed
 - At least annually
- Also, must stay on top of new issues, regulations before they occur



Compliance Program Directs the Response to Mistakes and Failures

- Anticipate the unexpected
- Anticipate the mistake
- Plan the response
- Look around the corner
- Know the weaknesses
- Communication
- Response team
- Timeline



For Example: Loss of a TPC

- If a TPC loses its accreditation, is removed or withdraws:
 - Panel producers that used the TPC to certify products must enlist another EPA TSCA Title VI TPC to certify products within 90 calendar days if you as the panel producer are not implicated in the violation.
 - If unable, you may request from EPA a 90 calendar day extension.
 - You still must continue to comply with all other requirements of TSCA Title VI, including quality control testing.
- Panel producers may not sell, supply, offer for sale, or manufacture for sale composite wood products in the U.S. until composite wood products have been recertified by another EPA TSCA Title VI TPC if you are implicated in the violation.



Compliance Program Deals with Violations

- Timely failure analysis
- Path to resolution laid out
- Decisionmakers in the know
- Self-reporting / recall



EPA Fine for Non-Compliance

“Under TSCA, EPA may file an enforcement action against violators seeking penalties of up to \$37,500 per violation, per day. The proposed penalty in a given case will depend on many factors, including the number, length, and severity of the violations, the economic benefit obtained by the violator, and its ability to pay.”

Small Entity Compliance Guide for Mills, Formaldehyde Emissions Standards for Composite Wood Products, Title VI of the Toxic Substances Control Act; EPA, May 2018 (EPA-740-B-17-001), p. 11.



Fast Action Minimizes Risk

- Of harm to the public
- Of fines owed and other enforcement actions
- Of harm to reputation
- Of long term harm to business



Questions?

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