



## CARB 2 Information

### **Context:**

In 2008 the State of California adopted regulations to address formaldehyde exposure from composite wood products through the establishment of emissions controls. The new requirements set upper limits on formaldehyde emissions from composite wood products sold in California or used to make finished goods offered for sale in California. The first phase of the regulation, known as CARB Phase 1, took effect on January 1, 2009. All Uniboard products have been in 100% compliance with CARB Phase 1 since November 1, 2008. The next phase of the regulation, known as CARB Phase 2, takes effect January 1, 2011. As with CARB Phase 1, CARB Phase 2 has defined guidelines for the manufacturer, distributor and fabricator of composite wood products as to when they must comply with CARB Phase 2. Outlined below is a quick overview of these guidelines:

### **Regulatory Advisory**

**Composite Wood Products ATCM advisory: 09-03 (revised)**

### **Manufacturer Sell-through dates:**

#### **CARB Phase 2 Compliant Products**

Panels: Required to begin manufacturing Phase 2

(as a manufacturer cannot *certify* or *label* any material as meeting CARB Phase 1 on particleboard or non-thin MDF (above 8mm) after December 31, 2010.

PB 1 Jan 2011

MDF 1 Jan 2011

Panels: Required to begin selling Phase 2

PB 1 April 2011

MDF 1 April 2011

### **Distributor Sell-through Dates:**

#### **CARB Phase 2 Compliant Products**

Panels: Required to begin selling Phase 2

PB 1 June 2011

MDF 1 June 2011

Finished Goods: Required to begin selling Phase 2

PB 1 July 2012

MDF 1 July 2012

## **Fabricator Sell-through Dates: CARB Phase 2 Compliant Products**

Panels: Required to buy Phase 2 from manufacturers  
PB 1 April 2011  
MDF 1 April 2011

Panels: required to buy Phase 2 from distributors  
PB 1 June 2011  
MDF 1 June 2011

Finished Goods: Required to begin selling Phase 2  
PB 1 July 2012  
MDF 1 July 2012

These guidelines apply **ONLY TO HDF (over 8mm), PB, and MDF**. HDF products under 8mm are subject to CARB Phase 2 guidelines as of January 1, 2012. More information on CARB Phase 2 can be found on the Composite Panel Website [www.pbmdf.com](http://www.pbmdf.com) or on the California Air Resources Board website [www.arb.org](http://www.arb.org), and click on "What the new Carb rule means for you".

## **Uniboard's CARB Phase 2 Strategy:**

In 2010, Uniboard began the process of making all its production facilities CARB Phase 2 compliant. As of October 1<sup>st</sup>, 2010 all Uniboard production facilities have been certified CARB Phase 2 compliant. The CARB Phase 2 certificates for each production facility can be viewed on Uniboard's website ([www.uniboard.com](http://www.uniboard.com))

We began producing CARB Phase 2 products in Mid-October at all our production facilities (which will provide enough time to clear out our CARB Phase 1 inventory). Our production strategy is to switch to 100% production of CARB Phase 2 products, as producing both CARB Phase 1 and CARB Phase 2 products will duplicate inventories, production codes, etc... which is inefficient from a production standpoint.

The new resin system required to meet the CARB Phase 2 regulations is more expensive than the standard resin system currently used, and it also has a negative impact on production line speed. As a result, we will sell CARB Phase 2 product with a price increase. This is a different situation than when we switched to CARB Phase 1 in 2008, when the incremental cost for the CARB Phase 1 resin was marginal.

In order to comply with the CARB Phase 2 regulations, Uniboard's team will be ready in terms of Labelling, Notification and Recordkeeping. A statement of compliance will appear with either the invoice or the bill of lading. The 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. In the short term until all CARB Phase 1 inventory is depleted, Uniboard particleboard and MDF panels will be identified as follows:

- On each bundle, we have a tag with the EPP logo + the mention that the product is CARB Phase 1 or CARB Phase 2 compliant
- On the bill of lading, invoices and order acknowledgement, we have this note: this product complies with CARB Phase 1 and/ or CARB Phase 2.

- Our CARB Phase 1 products are identified with a note underneath each product description in the invoice, instead of putting it at the bottom of the invoice as for CARB Phase 1.

If you have any questions about Uniboard's CARB Phase 2 strategy the two key contact people are Lise Plante and Sylvain Lacroix.