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**HEARING ON MANUFACTURERS OF FEMA TRAILERS
AND ELEVATED FORMALDEHYDE LEVELS**

Wednesday, July 9, 2008

**House of Representatives,
Committee on Oversight and
Government Reform,
Washington, D.C.**

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Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES



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3 | HEARING ON MANUFACTURERS OF FEMA TRAILERS

4 | AND ELEVATED FORMALDEHYDE LEVELS

5 | Wednesday, July 9, 2008

6 | House of Representatives,

7 | Committee on Oversight and

8 | Government Reform,

9 | Washington, D.C.

10 | The committee met, pursuant to call, at 10:00 a.m. in
11 | room 2154, Rayburn House Office Building, the Honorable Henry
12 | A. Waxman [chairman of the Committee] presiding.

13 | Present: Representatives Waxman, Cummings, Kucinich,
14 | Davis of Illinois, Tierney, Clay, Watson, Murphy, Sarbanes,
15 | Welch, Davis of Virginia, Burton, Shays, Souder, Issa,
16 | Bilbray, Sali, and Jordan.

17 | Also Present: Representatives Donnelly and Lampson.

18 | Staff Present: Phil Barnett, Staff Director and Chief
19 | Counsel; Kristin Amerling, General Counsel; Karen Lightfoot,
20 | Communications Director and Senior Policy Advisor; Greg

21 | Dotson, Chief Environment Counsel; Erik Jones, Counsel;
22 | Earley Green, Chief Clerk; Jen Berenholz, Deputy Clerk; Caren
23 | Auchman, Press Assistant; Ella Hoffman, Press Assistant;
24 | Zhongrui ``JR`` Deng, Chief Information Officer; Leneal
25 | Scott, Information Systems Manager; Rob Cobbs, Special
26 | Assistant; Miriam Edelman, Special Assistant; Mitch Smiley,
27 | Staff Assistant; Lawrence Halloran, Minority Staff Director;
28 | Jennifer Safavian, Minority Chief Counsel for Oversight and
29 | Investigations; Keith Ausbrook, Minority General Counsel;
30 | Ellen Brown, Minority Senior Policy Counsel; Larry Brady,
31 | Minority Senior Investigator and Policy Advisor; Benjamin
32 | Chance, Minority Professional Staff Member; John Cuaderes,
33 | Minority Senior Investigator and Policy Advisor; Adam Fromm,
34 | Minority Professional Staff Member; Todd Greenwood, Minority
35 | Professional Staff Member; Patrick Lyden, Minority
36 | Parliamentarian and Member Services Coordinator; Brian
37 | McNicoll, Minority Communications Director; and Molly Boyl.

38 Chairman WAXMAN. The Committee will please come to
39 order.

40 Today the Committee is holding its second hearing on
41 formaldehyde in FEMA trailers. A year ago the Committee
42 examined how FEMA responded to reports that the families
43 living in Government trailers were being exposed to hazardous
44 levels of formaldehyde. Our hearing revealed that the FEMA
45 staff out in the field said that they needed to test these
46 trailers so the dangerous levels of formaldehyde would not
47 adversely affect the families living in these trailers, but
48 FEMA, itself, in Washington refused to do that. One FEMA
49 lawyer directed: ``Do not initiate any testing. Once you
50 get results and should they indicate some problem, the clock
51 is running on our duty to respond.``

52 Well, what we learned at that hearing outraged Americans
53 all across the Country. FEMA had a duty to protect families
54 living in its trailers and it failed them. I expect today's
55 hearing will also generate a sense of outrage.

56 The largest supplier of FEMA trailers by far was a
57 manufacturer named Gulf Stream. In the weeks after Hurricane
58 Katrina struck, Gulf Stream received contracts from FEMA
59 worth more than \$500 million to supply over 50,000 trailers
60 for displaced residents of the Gulf Coast.

61 FEMA failed by ignoring the dangers of formaldehyde and
62 resisted testing. Gulf Stream's problem is different. The

63 | company did test trailers after hearing the first reports of
64 | high formaldehyde levels. It found pervasive formaldehyde
65 | contamination in its trailers and it didn't tell anyone.

66 | The Committee received thousands of pages of internal
67 | documents from Gulf Stream. The documents show that Gulf
68 | Stream regarded the high levels of formaldehyde in its
69 | trailers as a public relations and legal problem, not a
70 | public health threat.

71 | There is a confusing array of formaldehyde standards
72 | used by Federal agencies. Here are some of the key numbers:

73 | Ten to thirty parts per billion is the level of
74 | formaldehyde found in most homes. Exposure at this level
75 | does not cause acute health effects like burning eyes,
76 | shortness of breath, or nausea.

77 | A hundred parts per billion is the level at which acute
78 | health effects begin to appear in healthy adults. The
79 | Centers for Disease Control, the Environmental Protection
80 | Agency, the Consumer Products Safety Commission, the National
81 | Institute of Occupational Safety and Health, and the World
82 | Health Organization all recognize 100 parts per billion as a
83 | level that can cause acute adverse health effects. Of
84 | course, if it is a vulnerable individual like a child or an
85 | elderly person, or somebody who is chronically ill, they can
86 | experience effects even below this level.

87 | Five hundred parts per billion is the level at which

88 OSHA requires medical monitoring of employees. This is an
89 old standard adopted during the first Bush Administration.

90 Seven hundred fifty parts per billion is the maximum
91 workplace exposure level allowed by OSHA. It is also an old
92 standard.

93 Nine hundred parts per billion is an EPA standard for
94 hazardous response teams of industrial workers. EPA says
95 that no one should be exposed to more than 900 parts per
96 billion for more than eight hours in a lifetime.

97 And here's what Gulf Stream found. Over two years ago,
98 it tested 11 occupied trailers. Every single trailer had
99 levels at or above 100 parts per billion, the level at which
100 acute health effects begin to occur. Four of the trailers
101 had levels above 500 parts per billion, the level at which
102 OSHA requires medical monitoring. Gulf Stream also tested
103 nearly 40 unoccupied trailers. These were trailers that were
104 sitting in FEMA lots waiting to be given to displaced
105 families. Over half of these trailers had formaldehyde
106 levels above 900 parts per billion, the level that EPA says
107 no one should ever be exposed to more than once in a
108 lifetime. Several had levels over 2,000 parts per billion.
109 One had levels over 4,000 parts per billion.

110 Gulf Stream never told any family living in its trailers
111 about these test results. The company did spend a month
112 carefully crafting a letter to FEMA about the test results.

113 | The letter told FEMA there was no problem in Gulf Stream
114 | trailers. It said: ``Our informal testing has indicated
115 | that formaldehyde levels of indoor ambient air of occupied
116 | trailers fall below the OSHA standard of 750 parts per
117 | billion.``

118 | Gulf Stream did not tell FEMA that all 11 occupied
119 | trailers had levels above 100 parts per billion. It did not
120 | tell FEMA that four of the eleven occupied trailers had
121 | levels above 500 parts per billion, and it did not tell FEMA
122 | that over half of the unoccupied trailers had levels far in
123 | excess of 750 parts per billion.

124 | Gulf Stream did say that it would share its testing
125 | results with FEMA, but, of course, FEMA didn't want to know
126 | and apparently never asked for those results.

127 | The press asked Gulf Stream about its formaldehyde
128 | levels. Gulf Stream retained a Washington public relations
129 | firm, Porter Novelli, and spent days crafting a statement.
130 | The statement read: ``We are not aware of any complaints of
131 | illness from our many customers of travel trailers over the
132 | years, including travel trailers provided under our contracts
133 | with FEMA.``

134 | Gulf Stream did not tell the media that in March 2006, a
135 | month before Gulf Stream released its statement, an occupant
136 | of a Gulf Stream trailer in Louisiana told the company,
137 | ``There is an odor in my trailer in Louisiana that will not

138 | go away. It burns my eyes. I am getting headaches every day.

139 | I have tried many things, but nothing seems to work.

140 | Please, please, please help me.''

141 | The FEMA contract was lucrative for Gulf Stream. In

142 | fact, the company's top executives saw their compensation

143 | double to over a million per year in 2005 and 2006. But

144 | revenue growth does not justify the conduct we have found.

145 | Gulf Stream had results that showed its trailers were a

146 | public health threat and the company never told the families

147 | living in its trailers.

148 | The company also examined the conduct of three other

149 | trailer manufacturers. One of the companies, Pilgrim,

150 | apparently took the FEMA approach. Despite widely publicized

151 | reports of dangerous formaldehyde levels in FEMA trailers,

152 | Pilgrim never conducted any testing at all. The other two

153 | companies, Forest River and Keystone, did not test any

154 | trailer purchased by FEMA, but they did do some limited

155 | testing of other trailers and found high levels. In one

156 | case, a contractor hired by Forest River reported finding

157 | formaldehyde levels of over 1,500 parts per billion in a

158 | trailer. The contractor told the company it should post

159 | signs on the outside of the unit stating: ``Hazardous, do

160 | not enter.''

161 | And, like Gulf Stream, these manufactures did
not tell the public or FEMA about their test results.

162 | My staff has prepared an analysis of the evidence before

163 | the Committee, and at the appropriate time I will ask that
164 | the analysis and the documents it cites be made part of the
165 | hearing record.

166 | What this hearing will show is that no one was looking
167 | out for the interests of the displaced families living in
168 | FEMA trailers. FEMA failed to do its job, and the trailer
169 | manufacturers took advantage of the situation.

170 | Our Committee has held many hearings on waste, fraud,
171 | and abuse. In one sense today's hearing can be looked at as
172 | another example of Government procurement gone astray. The
173 | taxpayers paid \$2 billion for trailers that now have to be
174 | scrapped for junk. But in this case, the health of thousands
175 | of vulnerable families was jeopardized.

176 | During today's hearing the trailer manufacturers will be
177 | asked hard questions, and I think they understand this. But
178 | I also want them to know that I appreciate their cooperation
179 | with the Committee and their willingness to appear
180 | voluntarily.

181 | [Prepared statement of Chairman Waxman follows:]

182 | ***** INSERT *****

183 Chairman WAXMAN. I would like to ask unanimous consent
184 that the staff report, Trailer Manufacturers and Elevated
185 Formaldehyde Levels--''

186 Mr. DAVIS OF VIRGINIA. Mr. Chairman, we would also ask
187 unanimous consent that the minority staff analysis be put in
188 the record, as well.

189 Chairman WAXMAN. We have no objection to your unanimous
190 consent request.

191 Mr. DAVIS OF VIRGINIA. We have none to yours.

192 Chairman WAXMAN. And let me further ours that we want
193 the documents, as well, that the report refers to be made
194 part of the record.

195 Mr. SOUDER. Mr. Chairman, I have a concern about the
196 documents that were and would object to the documents all
197 being inserted that were provided to the Committee without
198 having a further discussion about whether all those documents
199 need to be released. Many of them contain private
200 information.

201 Chairman WAXMAN. Well, we will withhold all the
202 unanimous consent requests and then see if we can offer it at
203 a later time.

204 Mr. Davis, I want to recognize you for an opening
205 statement.

206 Mr. DAVIS OF VIRGINIA. Thank you, Mr. Chairman.

207 As the third anniversary of Hurricane Katrina's landfall

208 approaches, we have the opportunity to focus oversight
209 attachment non disaster preparedness and effective response.
210 Katrina still has important lessons to teach about emergency
211 shelter and longer-term housing for disaster victims.

212 The Committee's two-year investigation into formaldehyde
213 in FEMA travel trailers could yield important information
214 about the need for clearer purchase requirements, better
215 product safety standards, effective trailer storage
216 practices, and a more rapid coordinated response to public
217 health issues. But by narrowly focusing today on four trailer
218 manufacturers, the Committee risks missing broader causes of
219 variable potentially toxic air quality in emergency housing
220 units. The problem was and remains confusion among Federal
221 agencies, not some conspiracy by trailer makers.

222 As we learned from testimony and exhibits at our hearing
223 on these issues a year ago, FEMA lawyers advised against a
224 proactive response to questions about formaldehyde raised by
225 the occupants and by the trailer vendors in 2006. To this
226 day, far more confusion than clarity emerges from any
227 discussion of relevant formaldehyde exposure standards.
228 Published guidelines on exposure under various circumstances,
229 durations, temperatures, and atmospheric conditions range
230 from eight parts per billion to one thousand parts per
231 billion, with nine standards in between. This chart here
232 illustrates that.

233 For the record, Gulf Stream went to FEMA for guidance
234 when they uncovered problems. They didn't cover it up from
235 their customer. They went to the customer. It is FEMA--who
236 is not here, unfortunately, and ought to be answerable for
237 the results in this case--that didn't want to make an issue
238 of this.

239 The closest thing to a standard for travel trailers is
240 one set for larger manufactured housing units by the
241 Department of Housing and Urban Development at 400 parts per
242 billion. There isn't even agreement on the appropriately
243 validated testing methodologies to determine how to measure
244 indoor formaldehyde levels that might be elevated above
245 whatever standard is being used.

246 The Federal agency witnesses who might help explain this
247 Formaldehyde Tower of Babel aren't here today. FEMA is
248 focusing all its attention on Midwest flood relief. The
249 Occupational Safety and Health Administration, the
250 Environmental Protection Agency, the National Institute of
251 Occupational Safety and Health, the Consumer Product Safety
252 Commission, and HUD also have information relevant to our
253 discussion this morning. But they were only invited to
254 participate late last Thursday, as Federal offices were
255 closing for the holiday weekend. They declined to
256 participate without more time to prepare.

257 We should have actually taken this hearing and moved it

258 | so we could have had everyone involved here and had a
259 | discussion over what these standards should have been and
260 | what happened and hear how the Federal Government, who I
261 | think has the largest culpability in this, messed this up.

262 | That is unfortunate, because those agencies could help
263 | us interpret results from multiple Government-sponsored tests
264 | of occupied and unoccupied FEMA trailers and component
265 | materials. The test data suggests some wood products obtained
266 | from new sources, including China, yielded higher than
267 | expected formaldehyde readings. Under pressure to meet
268 | emergency trailer production demand, some of that wood may
269 | have been put into trailers before the normal off-gassing
270 | could occur. Poor ventilation during storage and use,
271 | particularly in hot climates, then trapped and concentrated
272 | gases that might otherwise leach off harmlessly.

273 | So what happens to a trailer after it is manufactured
274 | may have as much to do with its subsequent safety as the
275 | inclusion of unregulated wood products in the first place.
276 | Remember, formaldehyde is a widely used chemical in consumer
277 | products. It is also the natural byproduct of many natural
278 | processes, like combustion, and a constant element of basic
279 | metabolic functions. It is in our bloodstream. Each of us
280 | releases some formaldehyde in this room when we exhale.

281 | Eliminating formaldehyde isn't the issue. The goal is
282 | to keep sustained formaldehyde exposure below the levels

283 | suspected to cause health effects. According to some groups.
284 | that may be 100 parts per billion or less for most people.

285 | So where do FEMA trailers score? According to data
286 | recently released by the Centers for Disease Control and
287 | Prevention, the average level of formaldehyde in occupied
288 | trailers fell between 72 and 91 parts per billion--72 and 91.

289 | Our staff did some random tests around the Capitol with a
290 | hand-held meter and we got a reading of 80 parts per billion
291 | right next to this Committee anteroom. But some trailers
292 | tested much higher, some lower.

293 | Since the CDC tests didn't account for any contribution
294 | from background levels like those we found here, it is even
295 | less clear how much formaldehyde came from the wood in the
296 | trailers. That leaves trailer occupants already victimized
297 | by one storm caught in a legal tempest of post-Katrina
298 | political scapegoating, bureaucratic finger-pointing, and
299 | litigation. Once again, the Committee risked being used as a
300 | discovery proxy for plaintiffs suing companies called to
301 | testify before us, and that is wrong. Instead, we should be
302 | asking FEMA why contract requirements for habitable mobile
303 | units weren't more specific, why inspection procedures
304 | weren't consistent, and why health concerns couldn't trigger
305 | standardized testing and, where necessary, prompt
306 | remediation.

307 | We should be asking Federal science and health agencies

308 | how to establish and measure workable standards for
309 | formaldehyde exposure in realistic settings so that this sad
310 | event never occurs again.

311 | We will have the opportunity today to ask
312 | representatives of the travel trailer industry whether they
313 | will be able or willing to ramp up production to meet
314 | emergency demand when FEMA calls again. I hope their answer
315 | doesn't mean we will have even fewer options to meet critical
316 | housing needs after the next inevitable disaster.

317 | Thank you.

318 | [Prepared statement of Mr. Davis of Virginia follows:]

319 | ***** INSERT *****

320 Chairman WAXMAN. Thank you, Mr. Davis.

321 Let me ask unanimous consent that Representatives
322 Donnelly and Lampson be permitted to join us at today's
323 hearing and to ask questions after all members of the
324 Committee have had that opportunity.

325 Without objection, that will be the order.

326 Mr. Souder, you had some reservations about the
327 documents being put into the record. Let me just make a
328 unanimous consent request that the staff minority and
329 majority reports be made part of the record, and we will
330 continue to talk to you about the documents.

331 Mr. SOUDER. Thank you for your consideration.

332 Chairman WAXMAN. Without objection, that unanimous
333 consent will be agreed to.

334 [The Minority and Majority Staff Reports follow:]

335 ***** INSERT *****

336 Chairman WAXMAN. We will, without objection on
337 questions, proceed with our first witness with a ten-minute
338 round controlled by the Chair and a ten-minute round
339 controlled by the Ranking Member, and then for all other
340 witnesses, including the second panel, we will go back to the
341 five-minute rule.

342 Without objection, that will be agreed to.

343 Our first witness today is Dr. Michael McGeehin. Dr.
344 McGeehin is the Director of Environmental Hazards and Health
345 Effects Division of National Center for Environmental Health
346 within CDC. Dr. McGeehin has worked with CDC for nearly 30
347 years focusing on issues related to environmental health.

348 Dr. McGeehin, we are pleased to welcome you to our
349 Committee hearing today. It is it practice of this Committee
350 that all witnesses that testify before us do so under oath,
351 so please rise.

352 [Witness sworn.]

353 Chairman WAXMAN. The record will indicate that the
354 witness answered in the affirmative.

355 Your prepared statement will be in the record in its
356 entirety. We would like to ask you to proceed and stay as
357 close to five minutes as you can. We will run the clock. It
358 will be green for four minutes. It will turn orange for one
359 minute, and then red when the time is up. When we see the
360 red light, we would like to ask you to see if you can

361 | conclude at that point.

362 STATEMENT OF MICHAEL MC GEEHIN, DIRECTOR, ENVIRONMENT HAZARDS
363 AND HEALTH EFFECTS, NATIONAL CENTER FOR ENVIRONMENTAL HEALTH,
364 CENTERS FOR DISEASE CONTROL AND PREVENTION

365 STATEMENT OF MICHAEL MC GEEHIN

366 Mr. MCGEEHIN. Good morning Chairman Waxman, Mr. Davis,
367 and other distinguished members of the Committee. Thank you
368 for the opportunity to be here today.

369 I am Dr. Michael McGeehin, Director of Centers for
370 Disease Control and Prevention's Division of Environmental
371 Hazards and Health Effects in the National Center for
372 Environmental Health. My testimony today will focus on the
373 results of CDC investigations related to FEMA-supplied
374 temporary housing units following Hurricane Katrina. It will
375 focus on two particular studies: the final report of the
376 formaldehyde levels in FEMA-supplied travel trailers and the
377 Lawrence Berkeley National Laboratory Interim Volatile
378 Organic Compound Report Final Occupied Trailer Study.

379 From December 21, 2007, to January 23, 2008, CDC
380 conducted testing to establish levels of formaldehyde in
381 occupied FEMA-supplied travel trailers and mobile homes in
382 Louisiana and Mississippi. CDC randomly selected 519

383 | trailers and mobile homes for testing. These units
384 | represented a cross-section of the trailer types and
385 | manufacturers most frequently used by FEMA in the Gulf Coast.

386 | Interim results were announced in 2008, and a final report
387 | was released on July 2nd. The final report included
388 | additional analyses of data such as temperature, humidity,
389 | and ventilation, but did not change the conclusions and
390 | recommendations from those in the interim report.

391 | The average levels of formaldehyde in all the travel
392 | trailers and mobile homes tested was 77 parts per billion.
393 | CDC concluded from the study that: one, formaldehyde levels
394 | found in some trailers and mobile homes could affect the
395 | health of residents; travel trailers had significantly higher
396 | average formaldehyde levels than mobile homes; temperature,
397 | humidity, trailer type, and brand, keeping windows open, and
398 | the presence of mold were associated with formaldehyde
399 | levels; and the levels measured likely under-represented the
400 | exposure, since levels were likely higher when the trailers
401 | were first issued and during warmer months.

402 | CDC recommended that FEMA relocate residents before the
403 | weather became hot, with priority based on those experiencing
404 | symptoms, children, the elderly, those with chronic diseases,
405 | and persons living in trailer types that had higher
406 | formaldehyde levels.

407 | The Lawrence Berkeley Report, CDC hired Lawrence

408 Berkeley National Laboratories to study indoor emissions of
409 volatile organic compounds, including formaldehyde, in four
410 vacant FEMA-supplied travel trailers. The study looked at
411 air levels for the whole trailer and gases released from
412 specific component parts of the trailers such as the walls,
413 floors, ceilings, tables, and cabinets. After Lawrence
414 Berkeley and CDC took measurements of air inside the trailers
415 at FEMA's Purvis, Mississippi, storage yard, CDC staff then
416 took each trailer apart, collected, packaged, and shipped the
417 parts to the Lawrence Berkeley National Labs, where
418 laboratory staff tested the parts and determined the type and
419 extent of VOCs that each part emitted.

420 The four trailers tested were Pilgrim, International;
421 Gulf Stream Coach Cavalier; Four Industries Dutchman; and
422 Coachman's Spirit of America. Analysis at the LBNL Labs
423 found 33 VOCs, volatile organic compounds, in the air of the
424 trailers. Of those, only formaldehyde, phenol, and TMPDDIP,
425 a substance used to make plastic, were found at higher levels
426 in trailers than commonly found in site-built or manufactured
427 homes. Neither phenol nor TMPDDIP were found at levels that
428 are considered to be health hazards.

429 LBNL found that the amount of formaldehyde given off by
430 each of 44 of the 45 component parts that were tested were
431 usually no higher than that given off by similar materials
432 used in site-built or manufactured homes; yet, measurements

433 | inside each of the four trailers before they were
434 | disassembled revealed formaldehyde levels that were higher
435 | than those normally found in site-built or manufactured
436 | homes. This may be because the trailers used more composite
437 | wood products, have more composite wood products in a smaller
438 | space, or let in fresh air, or a combination of all these
439 | factors than the site-built or manufactured homes.

440 | While the results of this study cannot be generalized to
441 | the entire fleet of FEMA-supplied travel trailers because of
442 | the small sample size, CDC's study of four travel trailers
443 | provides information to help guide future research to
444 | understand the effectiveness of using materials that emit
445 | lower levels of formaldehyde during construction and
446 | increasing the ventilation rates in the trailers.

447 | That is a summary of the two major studies that we have
448 | done. We have ongoing work and some future work that we will
449 | be doing with Lawrence Berkeley that I will be happy to talk
450 | about during the questions.

451 | I thank you for the opportunity to present this
452 | information to you today. We recognize that more needs to be
453 | done to understand the health and safety issues for all the
454 | people living in trailers and parks and mobile homes, both in
455 | FEMA temporary housing and in other units bought
456 | commercially.

457 | CDC has initiated discussions with FEMA and HUD on these

458 | issues. Since some trailer types had relatively low levels,
459 | we believe that construction practices are available that
460 | could ensure safe and healthy conditions. We hope to provide
461 | technical input to help achieve that kind of housing for all
462 | Americans who live, learn, and work in these units.

463 | I would be happy to answer any questions.

464 | I would like to add, Mr. Chairman, that when I flew up
465 | here I flew up with your colleague, Congressman John Lewis in
466 | the seat next to me, and I told him that I was going to be
467 | appearing before this Committee, and he said, well, that is
468 | good. And I said, well, perhaps. And he said, I am sure
469 | they will treat you kindly. So I kind of consider that a
470 | promise.

471 | [Laughter.]

472 | [Prepared statement of Mr. McGeehin follows:]

473 | ***** INSERT *****

474 Chairman WAXMAN. That is our intention to treat you
475 kindly, because all we want to do is get the facts.

476 I will start off the questions.

477 Dr. McGeehin, I want to ask you about these regulatory
478 standards, because there are a lot of different standards
479 that are out there that apply to formaldehyde. According to
480 the Centers for Disease Control and Prevention, outside air
481 typically has formaldehyde levels of two or three parts per
482 billion; is that right?

483 Mr. MCGEEHIN. That is what the information shows.

484 Chairman WAXMAN. Okay. And we have a chart that we are
485 going to put on the screen that shows the outdoor airs, but
486 conventional homes, most homes have formaldehyde levels that
487 typically range from 10 to 30 parts per billion; is that
488 correct?

489 Mr. MCGEEHIN. In the more recent studies, yes, sir.

490 Chairman WAXMAN. And we could add that to the chart.
491 Busy city streets generally have formaldehyde levels that
492 range from 20 to 40 parts per billion; is that right?

493 Mr. MCGEEHIN. If you are downtown on a corner and you
494 basically are at gridlock, you can see those sorts of levels,
495 yes, sir.

496 Chairman WAXMAN. The next level I want to ask you about
497 is 100 parts per billion. At this level, some people can
498 suffer acute health effects like burning eyes, shortness of

499 | breath, and nausea. Is that an accurate statement?

500 | Mr. MCGEEHIN. Yes, sir. There are a number of studies
501 | that have shown that sensitized individuals have those
502 | symptoms, can have those symptoms at levels of 100 parts per
503 | billion.

504 | Chairman WAXMAN. How about people who are not
505 | sensitized?

506 | Mr. MCGEEHIN. The studies show that sensitized
507 | individuals can. Non-sensitized individuals can have those
508 | symptoms. I mean, it is possible that they could have
509 | symptoms at that level. That is not what the studies have
510 | shown. That would be at higher levels.

511 | Chairman WAXMAN. Okay. CDC is not the only agency that
512 | regards 100 parts per billion as a potentially dangerous
513 | level. The Environmental Protection Agency and the Consumer
514 | Product Safety Commission have also identified 100 parts per
515 | billion as a level at which negative health effects can
516 | occur. And the World Health Organization has also issued
517 | guidelines for formaldehyde saying that in non-occupational
518 | settings people should not be exposed to formaldehyde at 100
519 | parts per billion for more than 30 minutes; isn't that
520 | correct?

521 | Mr. MCGEEHIN. That is true, sir.

522 | Chairman WAXMAN. Now, I want to ask you about the test
523 | results that Gulf Stream found over two years ago when it

524 | tested nearly 50 FEMA trailers. Gulf Stream was the largest
525 | supplier of FEMA trailers. In fact, they received a contract
526 | worth more than \$500 million to provide 50,000 trailers to
527 | FEMA. First Gulf Stream tested 11 occupied trailers and it
528 | found that every occupied trailer had levels above 100 parts
529 | per billion. Four of the trailers, nearly 40 percent of
530 | those tested, had levels above 500 parts per billion. At
531 | that level, Federal regulations required medical monitoring
532 | of workers.

533 | Dr. McGeehin, were you aware of these findings?

534 | Mr. MCGEEHIN. No, sir, I was not.

535 | Chairman WAXMAN. As a public health expert, do these
536 | findings concern you? Should families be living in trailers
537 | with formaldehyde levels above 100 and 500 parts per billion?

538 | Mr. MCGEEHIN. Sir, we would recommend that families
539 | living in trailers with above 100 parts per billion, 500
540 | parts per billion, that they be offered alternative housing.

541 | Chairman WAXMAN. Gulf Stream conducted this testing in
542 | March of 2006, more than two years ago, and yet the company
543 | never told the families living in these trailers. Do you
544 | think that families should have been informed about
545 | formaldehyde risks?

546 | Mr. MCGEEHIN. Sir, I think that people should be aware
547 | of the risks of where they are living, yes. I am a firm
548 | believer that people should be aware of any information that

549 | we have that could affect their health.

550 | Chairman WAXMAN. If you were living in one of these
551 | trailers for two years after the company knew that it might
552 | have been formaldehyde levels of over 100 and maybe 500 parts
553 | per billion, what would your reaction be if they hadn't told
554 | you about it?

555 | Mr. MCGEEHIN. As a scientist or as a resident?

556 | Chairman WAXMAN. Give me either one.

557 | Mr. MCGEEHIN. Well, sir, I would think that if we have
558 | information that people may be exposed to levels of
559 | formaldehyde that may cause symptoms in sensitized adults and
560 | may have an effect on children who are growing up in the
561 | environment, that we should share that with the residents,
562 | and I think that it should be shared in a way that they
563 | understand what we are talking about and so they can make an
564 | informed decision.

565 | Chairman WAXMAN. Okay. Gulf Stream also tested
566 | unoccupied trailers. The levels it found were even higher.
567 | Nearly half of the trailers had levels over 900 parts per
568 | billion. EPA says that no one should be exposed to that
569 | level more than once in a lifetime. One trailer had levels
570 | above 4,000 parts per billion. Do you believe that these are
571 | dangerous levels of formaldehyde?

572 | Mr. MCGEEHIN. I think that some of those levels, sir,
573 | just about every person would have symptoms of upper

574 respiratory irritation, and those would be levels that we
575 would be concerned about. Yes.

576 Chairman WAXMAN. Well, Gulf Stream never told FEMA that
577 the unoccupied trailers had such high levels of formaldehyde.
578 The result was that FEMA continued to put these trailers into
579 service. Thousands of unoccupied Gulf Stream trailers were
580 given to families after Gulf Stream knew they contained these
581 incredibly high levels of formaldehyde. I suppose once they
582 are occupied they can open the windows and the formaldehyde
583 levels would be reduced, but, given their findings, would
584 that concern you that FEMA was never informed, that families
585 weren't informed, FEMA was never informed?

586 Mr. MCGEEHIN. Again, sir, I would have to go back to
587 what I had said earlier. I think that if we have information
588 that may affect people's health, that we should share that
589 information with the people. I don't know what the
590 correspondence was that went back and forth--and you and all
591 the Committee knows more about that than I do--between FEMA
592 and the various trailer manufacturers. I am not aware of
593 that.

594 Chairman WAXMAN. Okay. Well, we learned a year ago that
595 FEMA failed the families in the Gulf Coast. They refused to
596 test the trailers because they didn't want to know the
597 results and then have to take action to protect these
598 families. I think that is a shameful failure of Government.

599 Today we are learning that the largest maker of travel
600 trailers did some testing and did know that its trailers had
601 dangerously high levels, but it didn't warn anyone, and I
602 think that is also a shameful failure.

603 I have three and a half minutes, and I am going to
604 reserve that and now recognize Mr. Davis.

605 Mr. DAVIS OF VIRGINIA. Mr. Chairman, I am going to start
606 with Mr. Souder, yield him as much time as he may consume.

607 Mr. SOUDER. I thank the Ranking Member.

608 I would prefer my questions stick with the science and
609 that we don't speculate. Politicians speculate, lawyers
610 speculate, but we need to focus on the science.

611 There were some assumptions in the questions there that
612 were not science. Gulf Stream did a desiccator test, which
613 is not an accurate test, more of a snapshot, just like taking
614 a formaldehyde tester in this room is a snapshot, not
615 science, and then attempted to raise that question with FEMA.

616 They went beyond the call of duty to do that, but it is not
617 an accurate, scientific test, and it was presented to you as
618 though they had scientific evidence rather than a snapshot,
619 which still should have been followed up on but,
620 nevertheless, is different than having a control group or an
621 actual test with that.

622 Now, I have had some correspondence, both verbal through
623 my staff and in the two hearings at Homeland Security as well

624 | as the previous one here, with Centers for Disease Control.
625 | I want to ask on the record why there was not a control group
626 | at the time to see how much was related to other things in
627 | the area, as opposed to the trailer. The response we got
628 | from CDC was it was compared to the national rather than what
629 | was happening at Katrina at the time or the region. Is that
630 | scientific--

631 | Mr. MCGEEHIN. Yes, sir.

632 | Mr. SOUDER.--to not have a control group?

633 | Mr. MCGEEHIN. Yes, sir. I mean, you wouldn't have a
634 | control group on that, I think. What we were asked to do was
635 | to look at the various types of various temporary housing
636 | units that were being used and see what the formaldehyde
637 | level was. The ambient air has been measured in many parts
638 | of the Country by a number of different researchers and has
639 | been found to be consistently at two, three, and four parts
640 | per billion.

641 | One other thing about formaldehyde that I think is
642 | important to remember, and that is that no scientists that
643 | have looked at formaldehyde consider ambient air a driver of
644 | indoor formaldehyde levels.

645 | Mr. SOUDER. Let me ask you this question. Your office
646 | this morning said that you had no reason to question the
647 | Tulane study that studied the ambient formaldehyde air levels
648 | within site-built homes in Louisiana that averaged 370 parts

649 | per billion, more than four times that found in FEMA
650 | trailers. That would suggest, since your office is aware of
651 | that, that you know there are differences in Louisiana than
652 | elsewhere, because I don't believe that site-built homes are
653 | testing that high nationally. And that, furthermore, you are
654 | aware that in the Hancock study by your office in Mississippi
655 | that there was no measurable difference between those people
656 | who were in trailers and were in other. That might suggest
657 | that other phenomena were occurring other than just the
658 | trailers.

659 | Mr. MCGEEHIN. Sir--

660 | Mr. SOUDER. You have two studies--

661 | Mr. MCGEEHIN. Right.

662 | Mr. SOUDER.--that suggest that the non-trailers had
663 | higher levels, or at least equivalent levels.

664 | Mr. MCGEEHIN. Can I answer?

665 | Mr. SOUDER. Yes.

666 | Mr. MCGEEHIN. The second study, the Hancock study, did
667 | not look at exposure. It was tremendously handicapped by the
668 | absolute destruction of so many medical records. We did not
669 | have a base on which we could compare rates, so we were able
670 | to do what we could in what is called an EpiAid
671 | investigation, which is led by a trainee and is conducted in
672 | a three-week period of time. With that in mind, as a
673 | secondary objective, it did look at whether or not we would

674 | see a difference in the children's respiratory symptoms,
675 | those having reported living in trailers and those that did
676 | not live in trailers, and we did not see a difference.

677 | Do I attribute that at all to formaldehyde levels? I do
678 | not.

679 | The first study that you talked about, the Leamer study,
680 | I have reviewed that study and it appears to be a well-done
681 | study. It used the NIOSH sampling method that we used, which
682 | is the gold standard sampling method. It was slightly
683 | different than the one we used, but it was the NIOSH method.
684 | Its results were well reported, I thought. It was a
685 | well-written article. And its conclusions were, again,
686 | having nothing to do with ambient air outside in Louisiana.
687 | The conclusions were--and I am doing this from memory, but
688 | the conclusions were along the lines of, We need to increase
689 | the ventilation in these homes, we need to look at what
690 | furniture products and wood products are being used in these
691 | homes. Its conclusions were strikingly similar to the
692 | conclusions that came out of our occupied study.

693 | So when I was asked to review the Leamer study I found
694 | that it was a well-done study and well written and that its
695 | conclusions were justified.

696 | Now, if you were to ask me why did that study find
697 | elevated levels of formaldehyde in those homes when many
698 | studies at the same time around the Country did not, I do not

699 | have an answer for that.

700 | As you suggested in your opening statement and as I
701 | responded to Chairman Waxman, I am going to stick to the
702 | science. I did not know what the correspondence was between
703 | the manufacturers and FEMA so I didn't comment on that, and
704 | so I don't know the answer, Congressman, as to why those
705 | levels were higher. But I will tell you that the science
706 | will tell you that ambient air is not a driver of
707 | formaldehyde in indoor environments.

708 | Mr. SOUDER. Well, let me ask you a couple of other
709 | questions, because in your testimony you suggested that some
710 | of the things here are concentration; in other words, there
711 | has been this mis-notion that somehow, like, these
712 | manufacturers spray formaldehyde on things. The products
713 | they put in, it's not unique to a trailer. It is unique to
714 | size and the wood and the wood quality, which we are
715 | debating.

716 | Now, in a site-built house or a manufactured home, you
717 | said that the thing which we learned apparently, at least,
718 | from this one study different in this particular environment,
719 | and you don't know why. It could be heat. It could be the
720 | number of people in it. It could be other patterns that
721 | occur in the house such as cooking, the intensity. Would you
722 | not think, based on your own statement, that, for example,
723 | when you put a new kitchen in, because much of this is

724 | cupboards, depending on whether it has veneer or vinyl, can
725 | quadruple the parts coming off of a particular piece? When
726 | you put a new kitchen in a house, for a brief period until it
727 | dissipates, that kitchen area may have higher levels of
728 | formaldehyde?

729 | When you put new carpet in a room, particularly if it is
730 | a smaller bedroom, you are going to go up and down, that this
731 | is not an uncommon thing even everywhere, including in our
732 | own offices, including elsewhere? It is not unique to
733 | trailers other than that they are small, and any alternative
734 | housing that we would use, such as a tent, a small wood
735 | shelter, unless it uses pure, natural wood with no adhesive,
736 | with no repellent, the smaller the area and the newer it is,
737 | the greater problem you are going to have?

738 | Mr. MCGEEHIN. Absolutely. The component parts are what
739 | lead to formaldehyde. In my old house I brought this desk in
740 | and I put it together, and it was this beautiful desk that
741 | was perfect for the room, and I remember smelling the
742 | formaldehyde as I was unpacking it, which means at that time
743 | I was dealing with formaldehyde of at least above 500 parts
744 | per billion. So what you bring into a house can definitely
745 | affect the formaldehyde levels. Absolutely true.

746 | Mr. SOUDER. I also want to establish for the record you
747 | said NIOSH is the gold standard. Is it true that their plus
748 | or minus is 19 percent?

749 Mr. MCGEEHIN. I don't know what their numbers are, but
750 NIOSH is the gold standard. And if you look at the
751 literature on the measurement of formaldehyde for all of the
752 studies, they almost invariably use the NIOSH standard.

753 Mr. SOUDER. I would like to insert into the record the
754 formaldehyde on the NIOSH standards. The reason is because
755 when we start to get down to really fine lines here, those
756 variations become very significant.

757 We will reserve the balance of the time. I yield back.

758 Mr. DAVIS OF VIRGINIA. How much time do we have, Mr.
759 Chairman.

760 Chairman WAXMAN. You have 1:47.

761 Did you want to put something in the record, Mr. Souder?
762 Without objection, your request will be granted.

763 [The referenced information follows:]

764 ***** INSERT *****

765 Chairman WAXMAN. Mr. Davis?

766 Mr. DAVIS OF VIRGINIA. Dr. McGeehin, again thanks for
767 being here.

768 What is the Federal standard for indoor ambient air
769 levels of formaldehyde in trailers?

770 Mr. MCGEEHIN. In residences?

771 Mr. DAVIS OF VIRGINIA. In travel trailers?

772 Mr. MCGEEHIN. There is none.

773 Mr. DAVIS OF VIRGINIA. There is none. Are there
774 formaldehyde standards for the manufacturing housing
775 industry?

776 Mr. MCGEEHIN. There is for manufactured housing. There
777 is for the component parts.

778 Mr. DAVIS OF VIRGINIA. And I think that there are
779 component part standards but not an indoor ambient air
780 standard; is that correct?

781 Mr. MCGEEHIN. That is true, Congressman.

782 Mr. DAVIS OF VIRGINIA. The indoor levels of 400 parts
783 per billion are target levels based on wood emission
784 standards, as I understand it, and these have been in place
785 for 24 years.

786 Mr. MCGEEHIN. Are you talking about the HUD language?

787 Mr. DAVIS OF VIRGINIA. Yes, sir.

788 Mr. MCGEEHIN. Yes, that is language and is not a
789 standard. The way you described it seems accurate to me.

790 Mr. DAVIS OF VIRGINIA. And from the CDC that is not an
791 appropriate standard, is it?

792 Mr. MCGEEHIN. It is not a standard, right. It is, from
793 what I understand from HUD--and it is lonely at this
794 table--the language, when they announced their component part
795 numbers, the language said 400 parts per billion. I have had
796 many discussions with HUD, and they do not consider 400 parts
797 per billion a standard.

798 Mr. DAVIS OF VIRGINIA. In your discussions have you
799 worked toward promulgating any standards, any levels, any
800 regulations that would define these so when the Government
801 contracts out contractors know what the rules are, people who
802 are utilizing trailers know what the rules are? Has the CDC
803 been proactive in that at all?

804 Mr. MCGEEHIN. The CDC is trying to get Government
805 agencies together to address the formaldehyde issue. My
806 boss, Dr. Howard Frumkin, is leading a group to try to do
807 that. I think you know, Congressman, and I think you would
808 agree with this, that CDC is not a standard-setting agency.

809 Mr. DAVIS OF VIRGINIA. Right.

810 Mr. MCGEEHIN. I think it is in the best interest of the
811 American public and the Congress that CDC never become a
812 standard-setting agency because we can go in and look at
813 something solely from the public health perspective.

814 However, there right now are no standards by which a

815 | manufacturer or anyone can say this is the ambient indoor air
816 | standard for formaldehyde in the United States.

817 | Mr. DAVIS OF VIRGINIA. So as far as you know, then, what
818 | was delivered here was not not meeting standards because
819 | there were no standards, unfortunately?

820 | Mr. MCGEEHIN. They are not only are no standards for
821 | travel trailers for indoor ambient air for formaldehyde, but
822 | there are no standards to my knowledge--and I have been
823 | immersed in this for the last 15 months--there are no
824 | standards for travel trailers for component parts because the
825 | HUD component part standards only apply to manufactured homes
826 | and not to travel trailers. They are exempted from that.

827 | Mr. DAVIS OF VIRGINIA. Thank you.

828 | Mr. MCGEEHIN. That is my understanding.

829 | Chairman WAXMAN. Thank you, Mr. Davis.

830 | Mr. Cummings?

831 | Mr. CUMMINGS. Thank you very much, Mr. Chairman.

832 | One of the things, just following up on what was just
833 | stated, clearly the United States of America should not be
834 | purchasing trailers that are going to bring harm to the
835 | American people. Would you agree with that?

836 | Mr. MCGEEHIN. Of course, sir.

837 | Mr. CUMMINGS. Regardless of standards. We are talking
838 | about things like watery eyes; burning sensations in the eye,
839 | nose, and throat; nausea; coughing; test tightness; wheezing;

840 skin rashes and allergic reactions. Formaldehyde exposure
841 may also trigger attacks of those with asthma. Extremely
842 high levels of exposure to formaldehyde can immediately be
843 dangerous to one's health and life. No matter what the
844 standard is, the American people were purchasing trailers
845 that could bring harm to other American people. That is the
846 face of this.

847 In Katrina we had people who were victimized at least
848 twice. Their Country failed them, except for the Coast
849 Guard, and then living in these trailers was failing them
850 also.

851 I don't know what John Lewis said. I am not here to
852 attack you. But I want to make sure we keep the focus on
853 this. I have said too many times over and over again our
854 Country is becoming mired in a culture of mediocrity and
855 failure to be empathetic to human beings. So we can talk
856 about standards here, there, and everywhere, but the question
857 still remains: do we get what we bargain for, or are we
858 getting something that does harm?

859 No, I understand you are not familiar with all the
860 letters and the correspondence that went back and forth, but,
861 Dr. McGeehin, Gulf Stream sent a letter to FEMA that read in
862 part--and I just need your opinion on this very quickly--this
863 is what the letter said. It is dated May 11, 2006. It said:
864 ``We wanted to follow up on our recent conversations

865 regarding travel trailers supplied to FEMA. As we have
866 previously indicated, we wanted to again let you know that we
867 remain committed to providing high-quality products. No
868 particular information on ventilation or standards for indoor
869 air quality, including formaldehyde, are required by
870 Government regulations relating to travel trailers; however,
871 even though not required, Gulf Stream has taken the added
872 step of specifying low-emission standards."

873 Now listen to what they said. "We would like to
874 reiterate our willingness to assist you in addressing any
875 concerns about our products. Our informal testing has
876 indicated that formaldehyde levels of indoor ambient air of
877 occupied trailers far below, for instance, the OSHA standard
878 of .75 parts per million--" now what that means is 750 parts
879 per billion--"we are willing to share these informal test
880 results with you and, as mentioned during our meeting, if
881 FEMA wishes to conduct formal testing protocols on any
882 designated units, we are willing to participate in that
883 testing."

884 Now, did you hear that?

885 Mr. MCGEEHIN. Yes, sir.

886 Mr. CUMMINGS. All right. What impression did you get
887 from the letter? Does it sound like Gulf Stream is aware
888 that its trailers have high formaldehyde levels? I mean,
889 from what you just heard?

890 Mr. MCGEEHIN. No, sir.

891 Mr. CUMMINGS. And let me tell you that Gulf Stream did
892 not disclose it in that May 11, 2006, letter. This is what
893 they didn't disclose. Gulf Stream did not disclose that, of
894 11 occupied trailers it tested, every one of them showed
895 formaldehyde levels at or above 100 parts per billion. It
896 did not disclose that four of the eleven occupied trailers
897 had formaldehyde levels over 500 parts per billion, which is
898 OSHA's regulatory action level. OSHA requires medical
899 monitoring of employees exposed to levels over 500 parts per
900 billion. Should Gulf Stream have disclosed that information
901 to FEMA?

902 Mr. MCGEEHIN. Sir, that is very hard for me to talk
903 about, a correspondence that I had nothing to do with and
904 don't know anything about.

905 Mr. CUMMINGS. If you were in their position, would you
906 have disclosed it, as somebody expecting certain things from
907 folk who are selling things to the American people with their
908 hard-paid tax dollars, would you have expected it?

909 Mr. MCGEEHIN. I would go back, sir, to what I said to
910 the Chairman, that I think that sort of information should be
911 shared and that is a good thing to share that.

912 Mr. CUMMINGS. And Gulf Stream also did not disclose that
913 its testing of unoccupied trailers showed even higher levels
914 of formaldehyde. A large number of these showed levels well

915 | over 750 parts per billion in unoccupied trailers. Should
916 | Gulf Stream have disclosed that information, do you think?

917 | Mr. MCGEEHIN. I think if they had that information on
918 | formaldehyde that was above 750 parts per billion that that
919 | would have been a good thing to let FEMA know.

920 | Mr. CUMMINGS. Clearly, Gulf Stream spent over a month
921 | putting together this letter. They carefully crafted it, and
922 | this is what they came up with.

923 | Thank you very much.

924 | Again, this is about people. This is about human
925 | beings.

926 | Thank you, Mr. Chairman.

927 | Chairman WAXMAN. Thank you, Mr. Cummings.

928 | Now to the Republican side. Mr. Issa?

929 | Mr. ISSA. Thank you, Mr. Chairman.

930 | Doctor, you are going to be the only scientist we have
931 | here. The next panel, as the Ranking Member said, basically
932 | are people being sued as a result of the hysteria that may or
933 | may not be valid around formaldehyde. Let me ask the first
934 | question. Is there a universal standard, or is there a
935 | number that you would set here today to say we should make
936 | sure trailers never have in them under ordinary conditions?

937 | Mr. MCGEEHIN. Sir, I would think that if we are going to
938 | talk about--

939 | Mr. ISSA. No, no. Is there a number?

940 Mr. MCGEEHIN. I am sure there is. It is not one that--

941 Mr. ISSA. Okay. You are not prepared to give it.

942 Mr. MCGEEHIN. That is true.

943 Mr. ISSA. Okay. The second one--and I want to keep it

944 short because I only have the five minutes--so today the

945 Government, you are not prepared to give a number, so 700,

946 500, 100. But let's take HUD's number for a moment. HUD

947 said that basically you can outgas at 300 parts per billion

948 out of plywood. Is that number too high?

949 Mr. MCGEEHIN. For travel trailers?

950 Mr. ISSA. No. It is a standard for wood.

951 Mr. MCGEEHIN. It is a standard for wood? Well, we have

952 shown in our--

953 Mr. ISSA. No, it is the standard for outgassing of wood,

954 because once you make the wood, people aren't going to make a

955 lot of different plywoods. There is only so much MDF and

956 plywood going to be made. Once you have a standard for home,

957 travel trailers, they are going to tend to use the same in

958 these industries. Is the standard of basically the glue used

959 to bond together either MDF or plywood, is that an

960 unreasonable standard, or are you prepared to answer is that

961 a good number?

962 Mr. MCGEEHIN. Sir, I will tell you what our study

963 showed. I am not going to say whether that is an

964 unreasonable number. I will show you that 44 of the 45

965 component parts met the HUD standard, and yet for those four
966 travel trailers the levels were in the multiple hundreds of
967 parts per billion.

968 Mr. ISSA. Okay. So we have a standards problem today,
969 based on that, in my opinion.

970 Let me ask another question. You take plywood, carpet,
971 plastic, you name it, the components that all produce
972 formaldehyde, you put them in a closed, air-tight oven, you
973 heat them up to 160 degrees. Are you going to get a
974 concentration of formaldehyde inside the air chamber?

975 Mr. MCGEEHIN. You are going to get a lot of different
976 contaminants, probably. Yes.

977 Mr. ISSA. Okay. But, in fact, that is what a closed-up
978 trailer is in the hot sun, no matter who made it, no matter
979 what they used. That is what you have. One, the elevated
980 levels are to be expected in a closed-up, hot trailer, which
981 means we shouldn't be testing them that way. There has to be
982 a standardized test. Can the CDC come up with a standardized
983 test, or should some agency come up with a standardized test
984 so that we can be comparing apples and apples for levels of
985 ventilation, et cetera? Because it sounds like the
986 Government hasn't provided that yet, either.

987 Mr. MCGEEHIN. Well, I think if an agency moves towards
988 setting a standard they will have to give guidance on how
989 that standard would be measured.

990 Mr. ISSA. Okay. The trailer manufacturers are going to
991 be here after you, and Gulf Stream is the gold standard by
992 most people. I know you have a gold standard of testing
993 equipment, but they are the gold standard for trailers,
994 commercial, off-the-shelf trailers, been around forever, well
995 regarded. Most people know that name more than the other
996 three manufacturers. Did you find anything in your testing
997 of those other trailers that showed that these trailers were
998 materially different than what the commercial public buys and
999 happily works with on a regular basis?

1000 Mr. MCGEEHIN. We weren't able to look at whether or not
1001 these were different from that. I mean, there are the
1002 off-the-lot models that were sold to FEMA and used, and there
1003 are the spec models that were sold to FEMA and used.

1004 Mr. ISSA. Okay. Now, in your opening statement you said
1005 something that I think was very significant that I hope we
1006 can all focus on here today. You talk about mold creating
1007 formaldehyde, the relationship between the two. I will set
1008 up the question fairly narrowly. Louisiana, Mississippi,
1009 there is a huge flood, stagnant water sitting there,
1010 unfortunately in some cases with sewage and all kinds of
1011 other things. It is wet. It is rainy. It is hot. It is
1012 humid. Everything gets wet, including the people going in
1013 and out to try to salvage things. Mold is pervasive. In
1014 fact, is that a major contributor in all likelihood to the

1015 | general unhealthy atmosphere that existed in that area of the
1016 | south after Katrina?

1017 | Mr. MCGEEHIN. I think that mold in an indoor environment
1018 | is not a good thing. I think that what we found in our
1019 | multiple regression was that mold was associated with
1020 | formaldehyde levels, not causative of formaldehyde levels.
1021 | There is a difference.

1022 | Mr. ISSA. So you are saying that plywood causes mold?

1023 | Mr. MCGEEHIN. No, sir. I am saying that the indoor air
1024 | contamination may be related to both of them at the same
1025 | time.

1026 | Mr. ISSA. I see. Now, in your test you tested for
1027 | formaldehyde. Because you had a large amount of people in a
1028 | terrible situation post-Katrina, did you test for anything
1029 | else? I can't find any other testing for the effects of
1030 | mold, mildew, all the other chemicals, including sewage that
1031 | backed up. What test can you provide us with that shows the
1032 | other things that may have caused the same symptoms more or
1033 | less that are being reported and blamed on only one chemical,
1034 | formaldehyde?

1035 | Mr. MCGEEHIN. Sir, we went to the field as rapidly as we
1036 | could to answer the question that was pervasive at the time,
1037 | which was formaldehyde. The study was aimed at formaldehyde.
1038 | We controlled for smoking and some other factors with a
1039 | questionnaire, but we tested for formaldehyde.

1040 Now, if you wanted to look at other VOCs that may be in
1041 the air of these trailers, we looked for 80 different VOCs in
1042 the Lawrence Berkeley study, found 33 that were measurable,
1043 found 3 that might be considered elevated, and the focus
1044 ended up being on formaldehyde.

1045 Chairman WAXMAN. Thank you, Mr. Issa.

1046 Mr. ISSA. Thank you, Mr. Chairman.

1047 Chairman WAXMAN. Mr. Davis?

1048 Mr. DAVIS OF ILLINOIS. Thank you very much, Mr.

1049 Chairman.

1050 I want to talk specifically about unoccupied trailers.
1051 Between March and May of 2006 Scott Pullen, one of Gulf
1052 Stream's vice presidents, tested occupied and unoccupied FEMA
1053 trailers for formaldehyde. All totaled, he tested about 50
1054 trailers. He tested Gulf Stream trailers, and he also tested
1055 trailers made by other manufacturers. Mr. Pullen tested over
1056 35 new travel trailers that had not yet been deployed for
1057 displaced residents. Of those trailers, over 25 were
1058 manufactured by Gulf Stream and 7 by other companies. The
1059 levels of formaldehyde in these unoccupied trailers were
1060 remarkable. Over 10 Gulf Stream trailers contained
1061 formaldehyde levels in excess of 900 parts per billion.

1062 Dr. McGeehin, is there any question that exposure to
1063 formaldehyde at that level is dangerous?

1064 Mr. MCGEEHIN. Sir, most studies show that when you get

1065 up above 800 parts per billion or so that most people will
1066 have symptoms at that level of formaldehyde.

1067 Mr. DAVIS OF ILLINOIS. And so certainly at 900 it would
1068 be dangerous?

1069 Mr. MCGEEHIN. The word dangerous has connotations to it
1070 that I am not really comfortable with. One of the things
1071 that we have tried to do in all our reports is to stay away
1072 from words that cause alarm. I would say that at that level
1073 we could expect a good proportion of the population to have
1074 symptoms that were described earlier.

1075 Mr. DAVIS OF ILLINOIS. Then let me just go on. The
1076 Environmental Protection Agency has established 900 parts per
1077 billion as an acute exposure guideline level. This level is
1078 designed to guide emergency responders in understanding the
1079 risks from a once in a lifetime exposure such as might occur
1080 after a chemical spill. According to EPA, a one-time
1081 exposure to formaldehyde at levels exceeding 900 parts per
1082 billion could lead to irreversible harm.

1083 Let me ask you, would it be appropriate to allow
1084 families to move into an unoccupied trailer that had
1085 formaldehyde levels of 900 parts per billion?

1086 Mr. MCGEEHIN. I would say, Congressman, a family should
1087 not reside in a trailer that has 900 parts per billion
1088 formaldehyde.

1089 Mr. DAVIS OF ILLINOIS. One Gulf Stream trailer had

1090 formaldehyde levels of 2,690 parts per billion. Other makes
1091 of travel trailers contained similarly high levels of
1092 formaldehyde, with seventeen trailers having formaldehyde
1093 levels over 900 parts per billion and one trailer having
1094 levels of 4,480 parts per billion.

1095 Is it safe to allow families to move into trailers with
1096 these levels?

1097 Mr. MCGEEHIN. Those levels are starkly higher than what
1098 we measured in our occupied trailers. I don't know how those
1099 samples were taken, but across the board, if you have levels
1100 like that, it would be an environment where many people, if
1101 not all people, would have the types of symptoms that we have
1102 talked about.

1103 Mr. DAVIS OF ILLINOIS. Well, Dr. McGeehin, I have been
1104 informed that Gulf Stream did not inform FEMA that it had
1105 tested unoccupied trailers, nor did it disclose the
1106 remarkably high levels of formaldehyde in these trailers. In
1107 March of 2006 thousands of trailers were yet to be deployed.
1108 Gulf Stream knew that there was a major problem, but they
1109 remained silent, and as a result those unoccupied trailers
1110 became occupied trailers. Families moved in and families
1111 lived in those trailers, and undoubtedly many suffered the
1112 consequences.

1113 I believe that somebody should be held accountable.
1114 Whether it is FEMA or whether it is Gulf Stream or both,

1115 | somebody should be held accountable for not alerting those
1116 | families that they were moving into hazardous situations.

1117 | I thank you very much and I yield back the balance of my
1118 | time.

1119 | Chairman WAXMAN. Thank you very much, Mr. Davis.

1120 | Mr. Jordan?

1121 | Mr. JORDAN. Mr. Chairman, I have questions for the
1122 | second panel, so I would be happy to yield my time to Ranking
1123 | Member Davis.

1124 | Mr. DAVIS OF VIRGINIA. Thank you very much.

1125 | I would start by yielding to my friend, Mr. Issa.

1126 | Mr. ISSA. Doctor, the 900 parts per billion that was
1127 | talked about in a closed-up trailer, with what you would
1128 | consider in a normal healthy environment--home, mobile home,
1129 | travel trailer--of air exchange, this closed-up amount would
1130 | drop off to something between the two parts per billion that
1131 | should be ambient and whatever was in that trailer; isn't
1132 | that true?

1133 | Mr. MCGEEHIN. It would drop off when you opened up the
1134 | trailer, to some extent.

1135 | Mr. ISSA. So if you open up a trailer and you have
1136 | positive exhaust, either through an air conditioner that
1137 | ducts in outside air or an exhaust fan which trailers always
1138 | come with, what would you expect 900 parts per billion and
1139 | outside of 2 to equalize at when it was properly ventilated?

1140 Mr. MCGEEHIN. I have no idea.

1141 Mr. ISSA. Okay. But in a nutshell, if you are
1142 exchanging the air once every several minutes, or a couple
1143 times an hour, wouldn't you expect it to drop off to
1144 essentially whatever the constant emission is at the highest,
1145 that it would be whatever is being outgassed, because your
1146 ambient of two is coming in. You would end up down in the
1147 less than 100, wouldn't you?

1148 Mr. MCGEEHIN. Eventually you are going to achieve an
1149 equilibrium with the gasses that are coming off the component
1150 parts.

1151 Mr. ISSA. Thank you.

1152 Mr. DAVIS OF VIRGINIA. Thank you.

1153 Everyone here is appalled at what happened to some of
1154 these poor victims of Katrina, that they ended up in trailers
1155 with high formaldehyde, people became sick. I don't think
1156 anybody up here is anything but appalled by this. What
1157 concerns me today is we only have a small piece of the
1158 puzzle. We very much appreciate you being here lending your
1159 expertise on this. It is a very important part of it.

1160 But it seemed to me we had a crisis, you had to get a
1161 lot of product online very, very quickly, and the Government
1162 went out to the private sector, and there were really no set
1163 standards. The private sector is able to testify, I think,
1164 they had to go to new sources to try to bring the product

1165 | online very quick, some of it from China and the east. There
1166 | was no checking. There were no clear standards of what is
1167 | going on at points when the issue was raised by some of the
1168 | companies. FEMA tended to look the other way.

1169 | What is so sad today is we are focusing just on the
1170 | manufacturers and not on the Government, which I think has a
1171 | lot of culpability here. Not the CDC, I might add, but other
1172 | agencies who, through time, have not promulgated standards,
1173 | who haven't done the appropriate inspections, who I think
1174 | were so concerned about getting product that they didn't look
1175 | through appropriate regulation and inspection that should
1176 | have occurred.

1177 | What concerns me is: are we changing this in the future
1178 | when the next Katrina hits and we need to bring a lot of
1179 | product online? I dare say a lot of these companies that
1180 | have provided this in the past are probably unlikely to
1181 | respond.

1182 | What is being done to put standards up so everybody
1183 | knows what they need? Do you have any idea, Doctor? You
1184 | said that CDC is having discussions at this point.

1185 | Mr. MCGEEHIN. Right. I don't know if that will lead to
1186 | standards or not, but I would like to take this opportunity,
1187 | if I might, just to talk. The members of this panel look at
1188 | things in one way, and maybe the public health agency looks
1189 | at it in a slightly different way. I look at it from this

1190 standpoint, being immersed in this since last May: I look at
1191 it that I think we need to find out what the exposures were
1192 and what the effects of these exposures were on the people
1193 residing in these trailers. That is what--

1194 Mr. DAVIS OF VIRGINIA. Just stop there. You never found
1195 any 900 parts per billion in any of your inspections,
1196 correct?

1197 Mr. MCGEEHIN. The highest level that we found, sir, was
1198 590 parts per billion in the occupied trailer study.

1199 Mr. DAVIS OF VIRGINIA. Okay.

1200 Mr. MCGEEHIN. So that is the one thing. And the other
1201 thing that has kind of driven me over the last few months is
1202 to try to figure out a solution for this for the future. We
1203 went out and we met. I am probably going to go over and I am
1204 going to probably mess up everybody's time, but we went out
1205 and we met with the RVIA and the other industry in Indiana
1206 and had a very good eight-hour session to talk about what we
1207 are doing and what they are doing. I think that somehow we
1208 have got to solve this problem, and I think it is going to
1209 have to be a Government-industry sort of solution to this
1210 problem so that we have some sort of temporary housing units
1211 for the next time--and I hope this doesn't happen for a very
1212 long time--the next time we have a Katrina-size issue hit.

1213 The idea that we don't solve this and that we are faced
1214 with this in whatever period of time I think is abhorrent to

1215 | all of us.

1216 | So pretty much what I have been focused on is trying to
1217 | assess what happened to the people, and we are going to try
1218 | to do that with the children's health study; and, secondly,
1219 | how can we make sure that this doesn't happen any more.

1220 | My solution to that--and I am not an enforcement agency
1221 | and I am here by myself as a public health agency--my
1222 | solution to that, I think it has to be Government and
1223 | industry working together to figure this out.

1224 | Mr. DAVIS OF VIRGINIA. I agree.

1225 | Let me just say, Mr. Chairman, what concerns me is,
1226 | because of the slant of this hearing, without having the
1227 | Government here--and we have seen this time and time again--I
1228 | have had companies, experts, global companies where the
1229 | Government will go to them and say, we need your help in
1230 | Iraq. And they say, why are we to do business with the
1231 | Government with the exposure of coming before a Committee,
1232 | the lawsuits, and everything else? It is a high risk for
1233 | some of these companies. We forget that. If we had
1234 | appropriate standards and oversight this wouldn't happen. I
1235 | hope it doesn't happen again. I think it has been very
1236 | constructive. Thank you.

1237 | Mr. MCGEEHIN. It is not comfortable for any of us, sir.

1238 | Mr. DAVIS OF VIRGINIA. Yes. Thank you.

1239 | Chairman WAXMAN. Mr. Murphy?

1240 Mr. MURPHY. Thank you very much, Mr. Chairman.

1241 I take some comfort today in what seems to be a growing
1242 bipartisan consensus around this idea that we need to have
1243 standards, we need to have some level of enforceability, and
1244 that both industry and Government have to be part of that
1245 solution. Because this seems to be, as Mr. Davis said, a
1246 very clear example in which the absence of that regulatory
1247 structure has led to some very damaging situations for
1248 families and a very uncomfortable situation for Government
1249 and its affiliated agencies.

1250 And in a town in which there is a lot of derision thrown
1251 onto Government regulation, this seems to be a perfect
1252 example of an area in which there is a very appropriate role
1253 for the Government to step in, to make sure that we have the
1254 safety of residents, especially in a crisis area such as the
1255 Gulf, at the forefront of our discussions. For all of the
1256 aspersions that get cast on the regulatory structures the
1257 Government may impose, we have examples like this which
1258 suggest that there are still places in which we need to step
1259 up to the plate.

1260 Mr. McGeehin, I just wanted to get back to the science
1261 for a moment. We have heard a lot of efforts on behalf of
1262 members of this Committee and of some of the companies that
1263 produce these trailers to explain away the levels of
1264 formaldehyde. Understanding, as you have said, that there

1265 | are lots of different explanations for why a real world
1266 | trailer or home might have elevated levels of formaldehyde,
1267 | what we do have is your study. I want to just get at some of
1268 | these alternative explanations, to the extent that they were
1269 | factored in to the work that you have done.

1270 | The chairman of Gulf Stream asserts in his written
1271 | testimony that we have before us today that cooking fish, for
1272 | instance, is a substantial source of formaldehyde in indoor
1273 | air. I want to go through a couple of these potentially
1274 | alternative explanations.

1275 | In the research that you have done on the trailers, have
1276 | you come across any indication that the formaldehyde levels
1277 | in these trailers were caused by abnormally high levels of
1278 | cooked fish or other cooked products that would have been
1279 | found in these trailers?

1280 | Mr. MCGEEHIN. No. For a number of reasons, we did ask
1281 | the residents who participated in the study whether or not
1282 | they had cooked in their trailer for a period of time prior
1283 | to that, not only because the product that they are cooking
1284 | could give off formaldehyde, but also the type of gas they
1285 | use for cooking may, so we controlled for that and did not
1286 | find that to be a factor in our analysis.

1287 | Mr. MURPHY. The president of Keystone RV states in his
1288 | testimony that formaldehyde is ``found in household cleaners,
1289 | antiseptics, cosmetics, and medicines.'' Again, any

1290 | indication in the trailers that you have tested that the high
1291 | levels of formaldehyde are caused by cosmetics or household
1292 | cleaners?

1293 | Mr. MCGEEHIN. No. We did ask about use of a number of
1294 | different household cleaners and did not find that to be a
1295 | factor.

1296 | Mr. MURPHY. Finally, there is a suggestion here
1297 | that--again, I wanted to let you restate this--that mold and
1298 | potentially backed-up sewage can also lead to some levels of
1299 | toxicity or high levels of formaldehyde. Any indication that
1300 | in the trailers you tested that mold or sewage led to the
1301 | high levels of formaldehyde?

1302 | Mr. MCGEEHIN. We measured mold in two different ways,
1303 | through the walk-through with trained personnel, and also we
1304 | asked the residents about mold, and mold was a factor in the
1305 | multi-varied analysis that we did. I don't believe mold was
1306 | the source of the formaldehyde. I think the quality of the
1307 | air that leads to high formaldehyde levels also leads to
1308 | mold.

1309 | Mr. MURPHY. Thank you very much, Doctor. I understand
1310 | the nuance conversation here about the different factors that
1311 | can contribute to high levels of formaldehyde, but we are
1312 | dealing with science. We are dealing with studies that have
1313 | been done by a trusted agency that have controlled for these
1314 | very factors, and it is a legitimate conversation to have

1315 | except for the fact that we have a study in front of us that
1316 | shows us that we have unacceptable levels of formaldehyde,
1317 | even controlling for many of these factors that have been
1318 | brought before us.

1319 | I yield back the balance of my time.

1320 | Chairman WAXMAN. Thank you very much.

1321 | If the gentleman would permit me.

1322 | Mr. MURPHY. I would yield to the Chairman.

1323 | Chairman WAXMAN. I do want to point out, because we have
1324 | had several complaints that we haven't had Government
1325 | witnesses here, we invited other Government witnesses. We
1326 | invited FEMA. We have invited all the Government agencies
1327 | that have been requested by Mr. Davis and other members of
1328 | the Committee. They did not agree to come here. But we did
1329 | have a hearing on this subject with FEMA.

1330 | Mr. DAVIS OF VIRGINIA. Mr. Chairman?

1331 | Chairman WAXMAN. Yes.

1332 | Mr. DAVIS OF VIRGINIA. My understanding from FEMA and
1333 | HUD is they didn't get the invitation until Thursday before
1334 | the weekend to come here for this hearing, and that is why
1335 | they declined. I still wish they could have been here. I
1336 | think it would have added a lot, but I think it would have
1337 | helped to have been able to get them all here at the same
1338 | time.

1339 | Chairman WAXMAN. I don't disagree with you, except I do

1340 | want to point out I think you are misinformed. They were
1341 | invited at the same time that CDC was asked to come here, and
1342 | we have CDC represented here, and FEMA refused to come. But
1343 | we did hear from FEMA last time around, and what we heard
1344 | from FEMA is they didn't want to know about the problem.
1345 | They just didn't want anybody to do any evaluations because
1346 | they were afraid they would find high levels.

1347 | If I can yield myself another 30 seconds of my own time
1348 | that I reserved before, we heard the statement we ought to
1349 | have Government and industry working together to protect the
1350 | consumers. I think we have a good example here of Government
1351 | and industry working together to hurt the consumers.
1352 | Government didn't want to know the information. FEMA didn't
1353 | want to know what levels of formaldehyde were in these
1354 | trailers. And then we have Gulf Stream trailer manufacturers
1355 | who don't feel any moral or other responsibility to let FEMA
1356 | and the families know that they have done tests on these
1357 | trailers and they find high levels of formaldehyde, which
1358 | they obviously knew were thought of as excessive and harmful
1359 | to people's health.

1360 | So what we have is Government failure and industry
1361 | failure. If we passed laws with standards, I think that is
1362 | great, but what we have got to make sure is that the
1363 | representations that are made to the Government are about
1364 | what is actually happening, and the Government asks the

1365 | questions, and they work together to make sure the public is
1366 | protected.

1367 | I think what we have seen here is no regulation and no
1368 | self-regulation by the industry, as well.

1369 | I now want to yield to Mr. Burton five minutes.

1370 | Mr. DAVIS OF VIRGINIA. Would the gentleman yield me just
1371 | 20 seconds?

1372 | Mr. BURTON. Yes.

1373 | Mr. DAVIS OF VIRGINIA. Let me just note again for the
1374 | record I ask unanimous consent, this is a chart from our
1375 | minority report, 98.8 percent of the temporary housing units
1376 | tested by the CDC in Louisiana and Mississippi met the HUD
1377 | ambient air targets for formaldehyde. One of the problems
1378 | here is that that target level is probably too high and it
1379 | ought to be changed. But the customer in practically 99
1380 | percent of the cases met it, and there were inspections in
1381 | some of the other instances.

1382 | So as we take a look at this, I think that we need to
1383 | focus on what the Government did as the buyer. There was no
1384 | direct selling between the trailer manufacturers and the end
1385 | users; they sold to the Government, and the Government had
1386 | bad standards in some cases. And in other cases, when the
1387 | manufacturers went to the Government and said there was a
1388 | problem, the Government said, Let's not talk about it.

1389 | Thank you.

1390 Chairman WAXMAN. If the gentleman might permit, that HUD
1391 standard is not an adequate standard. It is not even--

1392 Mr. DAVIS OF VIRGINIA. I just made that point, Mr.
1393 Chairman. It is not an adequate standard, but why beat up on
1394 the customer.

1395 Mr. BURTON. Reclaiming my time, Mr. Chairman.

1396 Chairman WAXMAN. Mr. Burton, your time.

1397 Mr. BURTON. Thank you.

1398 I am not going to take very much time. I would like to
1399 have my whole statement presented for the record.

1400 [Prepared statement of Mr. Burton follows:]

1401 ***** INSERT *****

1402 Mr. BURTON. I have been familiar with the travel trailer
1403 and trailer industry since I was a kid, and I haven't seen
1404 any evidence that they have violated any rules and haven't
1405 done their job to perfection. There are over eight million
1406 people in this Country that live in mobile homes and RVs and
1407 travel around the Country with no problems with the
1408 formaldehyde issue we are talking about today, and so instead
1409 of beating on the manufacturers I think we ought to give them
1410 a little vote of confidence because they have such a good
1411 track record in the past.

1412 With that I yield to my colleague, Mr. Souder from
1413 Indiana.

1414 Mr. SOUDER. I thank my friend from Indiana.

1415 While there may be differences of opinion, I really am
1416 deeply concerned about the use of the word moral to apply to
1417 people who worked overtime to provide units to people who
1418 were in housing crisis. They may have worked their people
1419 hard. They did it under great pressure. We had tremendous
1420 hiring challenges in Indiana, training challenges, but they
1421 worked overtime to try to meet the standards at half the cost
1422 of a normal unit. I believe the Chairman was more referring
1423 to a question, and I think that as we try to make sure that
1424 people live in safe homes and that people work in safe
1425 plants, this debate is not about emotional rhetoric, it is,
1426 in fact, about science.

1427 One of the core fundamentals that is being tossed around
1428 here is whether Gulf Stream's test constitutes science. It
1429 was a flash test with a desiccator method, which is not the
1430 way that you test.

1431 Now, should FEMA have responded to then do scientific
1432 tests? We can't pretend and keep asking Dr. McGeehin how he
1433 would have reacted to something that was a flash warning test
1434 like you do with the formaldehyde test or that type of thing.
1435 We are making big judgments here on the morals of people
1436 based on the fact that one company did have concerns with a
1437 shipment of wood, then did a flash test on that, did say a
1438 range but didn't give all of it because the variation is far
1439 too great to be scientific with the method that they used.

1440 Now, I also want to make sure that when Mr. Murphy asked
1441 some questions, that it isn't really scientific to say, when
1442 he asked did you test, to say the individuals were asked,
1443 because, in fact, you didn't test to see whether other things
1444 caused the standards, you asked them whether they did
1445 anything.

1446 Mr. MCGEEHIN. I think I stated that we did it with a
1447 questionnaire and that we controlled for it in the analysis.
1448 I think I exactly said those words.

1449 Mr. SOUDER. It shouldn't be taken here that there was a
1450 test done on other things. That was a self-dependent
1451 referral rather than an actual scientific test to see what

1452 else was there.

1453 We come back to this Tulane study that said the ambient
1454 air study in Baton Rouge was 390 parts per billion. That was
1455 the average, which means they had four times what you were
1456 finding in these trailers average. Would you recommend that
1457 390 average, which means probably some of them were in the
1458 500-600 range, that everybody who lives in that region should
1459 move out?

1460 Mr. MCGEEHIN. I would recommend exactly what the authors
1461 of that recommended.

1462 Mr. SOUDER. Which is?

1463 Mr. MCGEEHIN. People should look to ventilate their
1464 houses more, that they should look at what component parts
1465 they are putting in and what additional work they are having
1466 done on their house.

1467 Mr. SOUDER. And that is then your recommendation for the
1468 trailers, as well, not panic?

1469 Mr. MCGEEHIN. I am sorry, sir. I didn't hear that.

1470 Mr. SOUDER. In other words, if they are averaging 390 in
1471 Louisiana in a general site-built house, which is higher than
1472 the average here, would you make the same recommendations for
1473 emergency FEMA trailers that you just made to Baton Rouge?
1474 Why are we having a double standard on this group and not
1475 basically the same level of concern about possibly the entire
1476 southern region there.

1477 Mr. MCGEEHIN. Congressman, we did make that
1478 recommendation. We recommended that FEMA move the people out
1479 of these units before the weather became hot and the levels
1480 went back up. In the meantime, we did recommend that people
1481 ventilate their trailers more, be careful, do not smoke
1482 inside their trailers--

1483 Mr. SOUDER. Taking back my time, did you recommend the
1484 same thing to the people in Baton Rouge?

1485 Mr. MCGEEHIN. Sir, we didn't do that--

1486 Ms. SOUDER. It's 390.

1487 Mr. MCGEEHIN.--study, sir.

1488 Mr. SOUDER. Okay. You already testified you felt it was
1489 an accurate study. The question is why would you make a
1490 recommendation to one group and not the other?

1491 Mr. MCGEEHIN. Sir, that was a study that was done nine
1492 years ago that was given to me two days ago. I can't go back
1493 and recommend to the citizens who are in those homes that
1494 they move out. I mean, that is not what we do. This is a
1495 study that I was asked what did I think about this study, and
1496 I gave you that assessment.

1497 Chairman WAXMAN. The gentleman's time is expired.

1498 Now Mr. Sarbanes.

1499 Mr. SARBANES. Thank you, Mr. Chairman.

1500 You may have covered this. I apologize if you have.

1501 But when you do a test to determine if the standard is being

1502 satisfied whether a trailer is safe or not safe, do you do it
1503 with the windows closed? Do you do it with the windows open?
1504 Do you do it with the fan running?

1505 Mr. MCGEEHIN. For our occupied study what we wanted was
1506 for people to set their trailers up the way they normally
1507 have their trailers when they are sleeping, so we asked them
1508 to set it up, and if they keep their windows open three
1509 inches, if they keep their windows wide open, if they keep
1510 the air conditioning running, however they set their trailers
1511 up for that period of time, that is how we asked them to set
1512 their trailers up and that is how we sampled. We wanted it
1513 to be the most realistic exposure that we could.

1514 Mr. SARBANES. But that would mean you would sort of end
1515 up on a trailer-by-trailer basis coming up with what--

1516 Mr. MCGEEHIN. We were interested in what the human
1517 beings were being exposed to for formaldehyde.

1518 Mr. SARBANES. Okay. The second question I have is in
1519 terms of sustained exposure, so day after day after day. In
1520 somebody who is exposed to, let's say, 250 parts per billion
1521 for 50 days in a row at a higher risk of some kind of harm
1522 than somebody who is exposed to 250 parts per billion for 10
1523 days in a row and then are not exposed to that subsequent?

1524 Mr. MCGEEHIN. Essentially what you are doing when you
1525 look at human exposure to any contaminant is, in one way or
1526 another, you are basing it on an index, and the index is

1527 | based on the intensity of the exposure--in this case, the
1528 | level of formaldehyde that you are mentioning--and the
1529 | duration of exposure, how long they are exposed. When you
1530 | are dealing with contaminants, I think the rule of thumb is
1531 | to try to decrease either of those components as much as you
1532 | can. Either decrease the intensity by decreasing the amount
1533 | of exposure that they have to formaldehyde, and/or decrease
1534 | the duration of exposure.

1535 | You don't want people being exposed to a contaminant
1536 | that causes symptoms, and the more you can decrease either
1537 | one of those you decrease the exposure index.

1538 | Mr. SARBANES. So there is a cumulative dimension of
1539 | potential harm that can come?

1540 | Mr. MCGEEHIN. Particularly when you get into the
1541 | carcinogenic potential of formaldehyde. Formaldehyde by the
1542 | International Agency for Research on Cancer, IARC, is
1543 | considered a human carcinogen, and when you have human
1544 | carcinogens you really want to try to decrease the person's
1545 | exposure as much as possible.

1546 | Mr. SARBANES. All right. So it becomes relevant the use
1547 | for which a trailer is being put?

1548 | Mr. MCGEEHIN. Well, we absolutely believe that.

1549 | Mr. SARBANES. Yes.

1550 | Mr. MCGEEHIN. One of the recommendations when we were
1551 | talking to FEMA is that, while you don't want to get into a

1552 specific number when people are living in a unit, one of the
1553 issues is how is that unit being used. If you have a family
1554 with young children and they are in the unit 24 hours a day,
1555 as some of the families in the parks were, that is different
1556 than a person who has a unit parked outside their home who
1557 spends eight hours at work and then comes home and spends
1558 four and a half hours repairing the roof to try to move back
1559 into their home. So the use of the trailer is an important
1560 part of the level of exposure.

1561 Mr. SARBANES. You know, people keep referring to the
1562 emergency circumstances as an excuse/explanation for folks
1563 being put in harm's way where there were these high
1564 formaldehyde levels. But, leaving that aside for a minute,
1565 would you agree that if the alarm had been sounded earlier
1566 and more consistently by both the manufacturers and FEMA,
1567 that we would have gotten started much earlier on doing the
1568 kind of thinking you say you have been doing about how we can
1569 fix this problem going forward and think about the kinds of
1570 housing that should be available to people in these disaster
1571 recovery situations?

1572 Mr. MCGEEHIN. I think it is fairly easy to imagine the
1573 time line that we currently have being moved up.

1574 Mr. SARBANES. Yes.

1575 Mr. MCGEEHIN. And then moving everything up whatever
1576 number of months that may have been.

1577 Mr. SARBANES. I mean, I am running out of time, but FEMA
1578 has only just recently come up with a national disaster
1579 housing plan. Actually, it is just a preliminary blueprint,
1580 I guess, and Congress called for it two years ago. That
1581 would have included and should have recommendations on
1582 creating different kinds of inventory of housing inventories
1583 in these disaster situations. We could have gotten started
1584 much earlier on that if people had come clean earlier with
1585 the information on these kinds of exposures.

1586 I yield back my time.

1587 Chairman WAXMAN. Thank you, Mr. Sarbanes.

1588 Mr. Shays?

1589 Mr. SHAYS. Thank you.

1590 I will first yield to my Ranking Member, and then I will
1591 take the rest of the time.

1592 Mr. DAVIS OF VIRGINIA. Mr. Chairman, we had talked about
1593 notification. I have letters from you to Steve Preston, the
1594 Secretary of HUD; Steve Johnson, the Administrator of EPA;
1595 John Howard from OSHA; Ed Faulk from OSHA; and Nancy Nord
1596 from the U.S. Consumer Product Safety Commission July
1597 3rd--that is last Thursday--inviting them to come to testify
1598 before the Committee.

1599 I understand there was a letter slightly earlier than
1600 that to FEMA, but they told us they didn't get it until
1601 Thursday. The manufacturers have been on the hook here for a

1602 month, have known that they were coming here.

1603 So this isn't trying to get everybody together at one
1604 table to discuss this. This was almost an afterthought, and
1605 as a result of that we have an incomplete hearing.

1606 This was a tragedy what happened here to some of the
1607 families that had these high levels. It shouldn't happen.
1608 It shouldn't have happened. It should never happen again.
1609 And we ought to focus on what we can do. But the Government
1610 bears the prime responsibility here for not appropriate
1611 inspections, not reacting to what some of the manufacturers
1612 had told them early on that there were problems, not going
1613 through proper inspections, even with a moving and very
1614 uncertain standard.

1615 So that is the difficulty here. When you have lawsuits
1616 outstanding against some of these companies, we know how this
1617 works. We are all adults. You are going to have lawyers put
1618 in testimony from some of the Members of Congress and some of
1619 the staff reports into the record before juries to try to get
1620 high awards, and so they are trying this. We have seen this
1621 happen before, unfortunately. We understand the politics of
1622 that, but that is so unfortunate here about not having the
1623 Government here and working toward a solution instead of
1624 trying to frame a lawsuit. That is my major concern with
1625 this.

1626 What happened was a tragedy. It shouldn't happen again.

1627 Thank you, Mr. Shays.

1628 Mr. SHAYS. Happy to yield.

1629 First, Doctor, thank you for coming. Thank you for your
1630 good work. This is a very important issue, and we appreciate
1631 your expertise and talents.

1632 I would like to ask about what happens in the future.

1633 FEMA has specified a new procurement specification of 16
1634 parts per billion regarding formaldehyde in FEMA trailers.

1635 First, do you think this new procurement number of 16 parts
1636 per billion is reasonable?

1637 Mr. MCGEEHIN. We weren't asked, Congressman, to comment
1638 on that before FEMA came out with that. I know on which that
1639 is based, which is based on a NIOSH standard that was based
1640 on formaldehyde being considered a carcinogen, and at that
1641 point 16 parts per billion I believe was the lowest level
1642 that could be detected by the analysis of air sampling at
1643 that time. I think 16 parts per billion across the board for
1644 temporary housing is going to be a difficult mark to make.

1645 Mr. SHAYS. Thank you.

1646 Let me ask you, in your interim report figure two
1647 depicts 100 parts per billion of formaldehyde as an
1648 intermediate range and 1,000 parts per billion as a higher
1649 range. Does CDC still stand by the figure? In light of the
1650 mean result from the CDC trailer study being 77 parts per
1651 billion, wouldn't it be inappropriate and misleading to

1652 classify trailer formaldehyde levels as high?

1653 Mr. MCGEEHIN. What we tried to do with that was have a
1654 sliding scale so that people understood that it wasn't just a
1655 one-time measurement of formaldehyde that determined whether
1656 or not an environment was safe and healthy or not, that there
1657 were other factors involved. What CDC has done from the
1658 beginning of this is to look at the literature and to go by
1659 what the literature says, that levels of formaldehyde in an
1660 indoor environment may cause symptoms, and at those levels
1661 that is how we basically have approached this problem.

1662 Mr. SHAYS. Right. But in your interim report it is
1663 basically 100 to 1,000, but 100 being kind of the low range,
1664 which is still higher than the 77 parts per billion. So do
1665 you need to adjust that number down of 100?

1666 Mr. MCGEEHIN. No. I think that was done by the graphics
1667 people because it made some sense to have 100 and 1,000. If
1668 you are looking at the colored version of that you will see a
1669 gradation in that between 100 and 1,000 where various
1670 symptoms occur. I don't think we need to adjust that
1671 particular graphic, because we have been consistent in what
1672 we have said from the very beginning that at 100 parts per
1673 billion sensitive individuals show symptoms. There are a
1674 number of studies that show 300 parts per billion, and at 100
1675 parts per billion there are a number of agencies--WHO, EPA,
1676 ASHRAY--that talk about that as the level that action should

1677 | be taken. So I am very comfortable at the 100. If you are
1678 | concerned about the 1,000--

1679 | Mr. SHAYS. No, I am not concerned; I am just making the
1680 | point. I think you have answered it. The 100 to 1,000 is an
1681 | illustration, but 1,000 is pretty low, and there are some
1682 | symptoms that show at that point.

1683 | Mr. MCGEEHIN. You mean 100.

1684 | Mr. SHAYS. It does suggest that it is certainly higher
1685 | than 16 or 77.

1686 | Mr. MCGEEHIN. Right. The 77 was the geometric mean that
1687 | we found across the board. I think what you need to do when
1688 | you look at that study is that you also have to look that for
1689 | some manufacturers 56 percent of theirs were above 100.

1690 | Mr. SHAYS. Okay.

1691 | Chairman WAXMAN. The gentleman's time has expired.

1692 | Ms. Watson?

1693 | Ms. WATSON. Thank you, Mr. Chairman, and I want to thank
1694 | Dr. McGeehin.

1695 | I would like to ask you about a CDC study where you
1696 | worked with the Lawrence Berkeley National Laboratory. As I
1697 | understand it, you actually deconstructed four travel
1698 | trailers that were purchased by FEMA, and these trailers were
1699 | taken apart so you could test the emission level of volatile
1700 | organic chemicals from the component parts of the trailers.
1701 | These tests showed that formaldehyde was being emitted inside

1702 | the travel trailers from the component parts; is that right?

1703 | Mr. MCGEEHIN. Yes, ma'am.

1704 | Ms. WATSON. Yes. They also show that formaldehyde was
1705 | the only volatile chemical in the travel trailers that was at
1706 | a level high enough to negatively impact human health; is
1707 | that correct?

1708 | Mr. MCGEEHIN. Yes, ma'am.

1709 | Ms. WATSON. Yes. Were you aware that the Gulf Stream
1710 | also conducted the test of its component parts two years ago?

1711 | Mr. MCGEEHIN. No, I was not.

1712 | Ms. WATSON. Okay. Based on documents that were obtained
1713 | by this Committee, it appears that they did, and the company
1714 | actually hired another company called Progressive Engineering
1715 | to test individual samples of the paneling, and Gulf Stream,
1716 | itself, appeared to have tested the fiber board, vinyl, and
1717 | the drawers to determine their formaldehyde levels. That
1718 | sounds similar to the tests that you conducted; is that so?

1719 | Mr. MCGEEHIN. Yes, it does, depending on what type of
1720 | chamber testing they did, but yes, it does.

1721 | Ms. WATSON. Yes. Let me tell you what this company
1722 | found as a result of its testing. Progressive Engineering
1723 | found elevated levels of formaldehyde emitting from the
1724 | paneling, and if we were reading Gulf Stream's notes
1725 | correctly, they found high levels from the other components,
1726 | as well.

1727 If you had been informed of this information two years
1728 ago, would it have raised concerns for you?

1729 Mr. MCGEEHIN. Well, again, I will go back to what I have
1730 reiterated. Yes, ma'am, any information that shows levels of
1731 formaldehyde at levels that can cause symptoms would have
1732 been of concern to us.

1733 Ms. WATSON. I know some of this is redundant, but I am
1734 trying to move forward.

1735 Mr. MCGEEHIN. No, that is fine. That is fine. I
1736 understand.

1737 Ms. WATSON. Would it have been beneficial for FEMA or
1738 CDC to have this information when it began investigating
1739 these issues? I have heard you say earlier that if we had
1740 that information we could have moved on it, correct?

1741 Mr. MCGEEHIN. I think any information early on would
1742 have been of great benefit.

1743 Ms. WATSON. Okay. So the problem is that the company
1744 did not tell FEMA about these component tests, and Gulf
1745 Stream had a contract with FEMA that was worth \$550 million
1746 to manufacture these travel trailers. When it learned in
1747 2006 that there was a formaldehyde problem with the trailers
1748 it manufactured, the company chose to remain silent. And so
1749 FEMA has been rightly criticized for its response to
1750 Hurricane Katrina and its response to the formaldehyde
1751 problem, but it should not bear all the blame, so we need to

1752 | be talking to each other openly, honestly, in a transparent
1753 | way. That is the reason why we have these Oversight
1754 | Committee hearings, so a tragedy like this and our response
1755 | will not have been as flawed as it was.

1756 | Mr. Chairman, I will yield back my time, but I wanted to
1757 | make that point.

1758 | Thank you, Doctor.

1759 | Mr. MCGEEHIN. Can I ask a question?

1760 | Chairman WAXMAN. Go ahead.

1761 | Mr. MCGEEHIN. If those data are available, we would love
1762 | to see them, because one of the things that we want to do in
1763 | follow-up to the work that we just did with Lawrence Berkeley
1764 | is to try to get some of the original component parts and see
1765 | what they off-gas and see if we can model to see what
1766 | happened over the two-year period.

1767 | Ms. WATSON. Mr. Chairman, through the Chair if we can
1768 | ask staff to provide the Doctor with that information.

1769 | Chairman WAXMAN. We will certainly try to make that
1770 | available to you.

1771 | Ms. WATSON. Great.

1772 | Chairman WAXMAN. I think it is a reasonable request, and
1773 | I would assume the manufacturers would agree with that.

1774 | Mr. MCGEEHIN. Okay. Thank you.

1775 | Ms. WATSON. Thank you. I yield back.

1776 | Chairman WAXMAN. Mr. Souder, you have not taken your

1777 five minutes. Do you want to proceed now?

1778 Mr. SOUDER. Okay. I thank the Chair.

1779 I think it is really important, because I know that you
1780 get questions directed at you, and some of these you weren't
1781 familiar with, that the Gulf Stream test was a desiccator
1782 test, not a chamber test. There was no chamber test done,
1783 which your agency says has to be done multiple times. They
1784 hired a firm to try to do this test, because they suspected
1785 that the wood may have a problem. They tried to alert FEMA.
1786 They told them a general range because it is not scientific.

1787 Mr. MCGEEHIN. Yes.

1788 Mr. SOUDER. You used the word chamber. Do you agree
1789 that chamber testing is the way to do scientific testing?

1790 Mr. MCGEEHIN. That would be the gold standard for this.

1791 Mr. SOUDER. And would you agree that the other is
1792 probably not even a bronze, particularly if you just do it
1793 once and you flash test, because number of people, what may
1794 be happening that day? You said yourself 100 to 1,000
1795 because there may be temporary things occurring.

1796 Mr. MCGEEHIN. Well, sir, I don't know whether or not it
1797 has been compared to the standard, but if there were data
1798 that showed whatever testing they did was compared to the
1799 standard, then we could make that assessment.

1800 Mr. SOUDER. Right. In other words, we don't have that
1801 assessment?

1802 Mr. MCGEEHIN. I certainly don't.

1803 Mr. SOUDER. Well, they didn't either, because they
1804 didn't do chamber testing.

1805 Mr. MCGEEHIN. Right.

1806 Mr. SOUDER. All they were really alerting FEMA to is
1807 hey, there may be some problem. Now, Lawrence Berkeley Labs
1808 said this: as containing high levels of formaldehyde
1809 probably resulted from cheap wood used by the manufacturers
1810 under permissive Government standards. Do you think, from
1811 you own testing, that the variations--because most of them
1812 fell here--were resulting from probably a certain type of
1813 wood, or are you willing to agree with how Lawrence Berkeley
1814 is probably the best we can come up with there?

1815 Mr. MCGEEHIN. I think the Lawrence Berkeley report is
1816 the best data that we have on the component parts used.

1817 Mr. SOUDER. So, while there may be other variables, to
1818 the degree we had a problem there, it appears to have been
1819 aggravated, at least, by the wood.

1820 Mr. MCGEEHIN. Yes.

1821 Mr. SOUDER. You used a very understated term. You said
1822 it would probably be pretty hard to achieve a 16 level?

1823 Mr. MCGEEHIN. Right.

1824 Mr. SOUDER. That is probably true, since the average
1825 rooms that have been tested here, not in chamber tests, are
1826 between 30 and 70, which means that we had better not put

1827 anybody in our House office buildings in an emergency, so
1828 probably saying 16 is a pretty under-stated statement. I
1829 appreciate you pointing that out.

1830 I want to come back, because the Hancock study and the
1831 Tulane study were not by you. Well, the Mississippi one was.
1832 You explained the difficulties with that, because we have
1833 been going back and forth here today between chamber tests,
1834 non-chamber tests, different agencies, using something from a
1835 flash test that is nowhere near a gold standard that was used
1836 in quoting some high figure, and we go back and forth between
1837 ambient air and testing of the wood. We go back and forth
1838 between ones that people are living in and ones that have
1839 been packaged up with no ventilation, some new, some old. We
1840 don't have the VIN numbers. The agencies don't appear to
1841 have those numbers to be able to match up. It appears that
1842 the numbers didn't even match up right in some of the cases
1843 with the manufacturers, that there are significant problems.

1844 Now, I want to come back because in Hancock, where it
1845 tested ambient air, with the limitations, there wasn't a
1846 difference between the trailers and the housing. And in the
1847 Tulane study, which is NIOSH and what you said was gold
1848 standard, the average was 390, where the average on these
1849 trailers was 77 or 87.

1850 Now, to come back to this, it is not your agency and you
1851 didn't do that study. You only reviewed it two days ago.

1852 But if we are panicked about what we keep hearing of 400, 200
1853 could be exposure, 100 could be, wouldn't that be suggesting
1854 that CDC and others ought to be checking everything in the
1855 State of Louisiana and elsewhere since they are four times
1856 the average standard of these trailers? The average is four
1857 times higher. Why isn't there panic about the whole region
1858 if we are panicking about 100 and 200?

1859 Mr. MCGEEHIN. Well, sir, there must be something unique
1860 about the houses that were tested in that study. Ambient air
1861 is not a driver for formaldehyde in indoor air.

1862 Mr. SOUDER. Let me ask the question. Do you have any
1863 scientific evidence that there was anything unusual about
1864 their test?

1865 Mr. MCGEEHIN. No. I think the testing process that they
1866 used, according to the article that I read, was fine.

1867 Mr. SOUDER. Then your answer was not scientific in
1868 saying it must be something else, because, in fact, they were
1869 site-built homes; that, in fact, we could have a problem with
1870 all site-build homes. You don't know the answer to the
1871 question.

1872 Mr. MCGEEHIN. Except that I am familiar with
1873 formaldehyde, sir, and outdoor air is not a driver for indoor
1874 formaldehyde.

1875 Mr. SOUDER. Well, their test didn't suggest it was.

1876 Mr. MCGEEHIN. But if you read their conclusion, sir,

1877 | they are not suggesting that it is ambient air, either. They
1878 | are suggesting that it is some product inside, either a
1879 | ventilation issue or the products that are used inside the
1880 | home.

1881 | Mr. SOUDER. Which is the same question that we have
1882 | here--

1883 | Mr. MCGEEHIN. Absolutely.

1884 | Mr. SOUDER.--with these trailers.

1885 | Mr. MCGEEHIN. Absolutely.

1886 | Mr. SOUDER. My point isn't that the ambient air--I am
1887 | sorry if I confused the ambient air, because that was
1888 | questioned a little more potentially over in Hancock--that
1889 | the question is that if they got these results that are four
1890 | times higher, which could be the wood, which could be the
1891 | ventilation, why aren't we concerned and looking at those
1892 | houses like we are concerned about these houses, because it
1893 | might not just be the poor people here; it may be the poor
1894 | people all over that zone, and it may be the poor people in
1895 | other types of homes, because we are, in my opinion, picking
1896 | on one industry without really having a balance.

1897 | Chairman WAXMAN. The gentleman's time is expired.

1898 | Mr. SOUDER. Thanks, Mr. Chairman.

1899 | Chairman WAXMAN. Was that a question? Did you have a
1900 | response to that?

1901 | Mr. MCGEEHIN. I want everybody on the panel to know that

1902 CDC and I are not picking on an industry at all. I mean, we
1903 have had good conversations with the RVIA and other industry.
1904 They have attended our Scientific Oversight Panel meetings
1905 twice. I think that our people have gone out to their
1906 factories to see how they operate.

1907 From our standpoint, there is no industry bashing going
1908 on with CDC in any way, shape, or form. I simply state, as I
1909 stated before, that we are trying to get the answers for
1910 this, we are trying to provide good data.

1911 I, quite frankly, think that the LBNL study that we just
1912 completed and just published should be something that
1913 industry jumps on and looks at very carefully, because I
1914 think it gives a lot of guidance as to what the problems
1915 might be and how they might be solved.

1916 I just want to make that statement.

1917 Chairman WAXMAN. I think that is an excellent point.

1918 The gentleman's time has expired.

1919 Mr. Tierney?

1920 Mr. TIERNEY. No questions.

1921 Chairman WAXMAN. Would the gentleman yield me some of
1922 his time?

1923 Mr. TIERNEY. I certainly yield to the Chairman.

1924 Chairman WAXMAN. I want to point out the situation,
1925 because we have heard complaints about some other witnesses
1926 from other agencies not being here. The manufacturers were

1927 invited, because this is a hearing about the manufacturers,
1928 on June 9, 2008. On July 1, our staffs, bipartisan staffs,
1929 heard from CDC because CDC was doing a study about
1930 formaldehyde levels as a result of our first hearing with
1931 FEMA over a year ago. As a result of our hearing where we
1932 questioned why FEMA didn't do anything about this problem,
1933 FEMA said, Oh, we are going to ask CDC to do an evaluation.
1934 So CDC was ready to report its evaluation and to release it
1935 on July 2.

1936 So when our staffs talked to--I don't know if it was
1937 you, Dr. McGeehin.

1938 Mr. MCGEEHIN. It was.

1939 Chairman WAXMAN. I guess it was--and heard what the
1940 report was, Republican staff said, Well, let's invite FEMA
1941 back, as well as CDC. So we sent an official invitation to
1942 FEMA and to CDC on July 1. This was an official invitation
1943 to come.

1944 Some time later in the week, the minority then said,
1945 Well, wait a second. We ought to have HUD, as well, to come
1946 in and talk about these standards, in order to get all the
1947 relevant witnesses regarding standards. Well, our staff
1948 replied, This isn't a hearing about standards; this is a
1949 hearing about whether the manufacturers had information that
1950 they should have shared with the Government, FEMA, and
1951 whether they should have shared it with the people living in

1952 | the trailers.

1953 | But, nevertheless, we sent an invitation to HUD, NIOSH,
1954 | EPA, CPSC, and OSHA on July 3. Now, that is awfully late,
1955 | and they said they weren't available to come. FEMA said they
1956 | couldn't come at all because they were busy with the
1957 | emergencies that are going on.

1958 | I want to make that point very clearly and yield to Mr.
1959 | Davis if he wants to add anything further.

1960 | Mr. DAVIS OF VIRGINIA. Thank you, Mr. Chairman.

1961 | First of all, let me just note the CDC report was final,
1962 | I think, July 2nd, but we had information July 1, but that
1963 | was the final report. The interim report was in February, as
1964 | I understand, and there wasn't a substantial change, was
1965 | there, between the two?

1966 | Mr. MCGEEHIN. No.

1967 | Mr. DAVIS OF VIRGINIA. So this has been common
1968 | knowledge. We have had plenty of time to plan for this.

1969 | Secondly, I mean, the difficulty here is when a
1970 | contractor responds to standards from the Government and
1971 | doesn't meet those standards they ought to be held
1972 | accountable, because we have standards, we know. in this
1973 | case we didn't have standards. You had conflicting standards
1974 | throughout Government over what, where, and ambient air
1975 | standards between HUD and EPA and everybody else.

1976 | Chairman WAXMAN. But if I could reclaim my time, that is

1977 | an odd issue to raise. It is confusing, because we have so
1978 | many different standards, but when we have different
1979 | standards we can look and see, Well, does that make sense to
1980 | have the standards we have. But what we are concerned about
1981 | is the health and well-being of people living in these
1982 | trailers, and the Centers for Disease Control, which has not
1983 | established standards, is giving us their professional
1984 | judgment about when it is a risk for people living in those
1985 | trailers.

1986 | Even if we took the report from the manufacturers of
1987 | over 100 parts per billion, CDC, Dr. McGeehin, has testified
1988 | over and over again that he think that is an awfully high
1989 | amount of formaldehyde for people to be living with.

1990 | Now, HUD has a different standard, and it is a different
1991 | number that people can live with more formaldehyde than what
1992 | Dr. McGeehin is pointing out. We have heard complaints that
1993 | the manufacturer's study wasn't adequate, it wasn't done
1994 | professionally, it as only a flash study. I don't know. We
1995 | will go into that with the next panel. But what they knew
1996 | from their evaluation, however complete it was, is that there
1997 | was a problem going on; that they were getting very high
1998 | ratings of formaldehyde in these trailers. Knowing that,
1999 | they mislead--I believe actually mislead--FEMA when they
2000 | said, We are not getting complaints, when, in fact, they
2001 | were, and we have done some studies, but the impression was

2002 | it is not a big problem but we will share our studies with
2003 | you. So they had some sense that maybe FEMA wasn't going to
2004 | ask, and they would share it, I presume, if they were asked,
2005 | but FEMA didn't ask, which is not a good point for FEMA, and
2006 | the trailer manufacturer didn't share the information but
2007 | seemed to say we have got some studies but we haven't had any
2008 | complaints.

2009 | If what they knew is that it was more than 100 parts per
2010 | billion, and they knew it was way in excess of that, they
2011 | should have had some suspensions--in fact, I believe they had
2012 | some suspicions--that people were at risk.

2013 | Mr. DAVIS OF VIRGINIA. Mr. Chairman, in the next panel
2014 | the companies can take care of themselves, and we ought to
2015 | ask those questions there, but there is also ample evidence
2016 | that in many of these cases they passed on this information
2017 | to FEMA and FEMA either ignored it or didn't want to address
2018 | the situation.

2019 | As I noted before, almost 99 percent of the temporary
2020 | units that were tested by the CDC in Louisiana and
2021 | Mississippi met the HUD ambient air targets for formaldehyde
2022 | standards. And these standards I think were bad standards and
2023 | we ought to focus on changing these standards.

2024 | Chairman WAXMAN. What kind of an argument is that to
2025 | make that the manufacturers knew they met a standard that
2026 | wasn't a good standard, and therefore it was okay for them

2027 | not to share the information? I don't believe they shared
2028 | the information with FEMA. They invited FEMA to ask them
2029 | further information. FEMA never asked.

2030 | Mr. DAVIS OF VIRGINIA. Well, we can settle that with the
2031 | next panel, but if you are holding contractors to some moving
2032 | standard, I don't think you will ever get anybody to do
2033 | business with the Government again. That is the difficulty.

2034 | Chairman WAXMAN. Whether this is a standard or not, I
2035 | think a manufacturer of a product has a responsible not to
2036 | harm the people using the product.

2037 | Mr. DAVIS OF VIRGINIA. We all agree with that. There is
2038 | no question about that. But the question here is, if you are
2039 | meeting a standard and it is the wrong standard, is that the
2040 | Government's fault for setting the wrong standard or is it
2041 | the contractors' problem for meeting a standard? I think we
2042 | can have that argument, but you seem to want to put ex post
2043 | facto standards into account, and I don't think that is
2044 | appropriate.

2045 | Chairman WAXMAN. There was no standard. We can all
2046 | agree to that. There was no standard for them to meet.

2047 | Mr. DAVIS OF VIRGINIA. Well, there was a HUD standard,
2048 | and they met it 99 percent of the time. But we can have this
2049 | discussion with the next panel. It is not my intention to
2050 | defend anybody.

2051 | Chairman WAXMAN. They have test results over 2,000 and

2052 | 4,000 parts per billion, which is over and above any of the
2053 | standards, all of the standards. It is worse than any of
2054 | the--

2055 | Mr. DAVIS OF VIRGINIA. Mr. Chairman, there was no
2056 | finding of any delivered trailer that had anything close to
2057 | that, as Dr. McGeehin has testified. The highest standards
2058 | they had is I think you had a couple over 500.

2059 | Chairman WAXMAN. I am talking about what the
2060 | manufacturers reported.

2061 | Mr. DAVIS OF VIRGINIA. I am talking about what they
2062 | delivered to the Government. That is what we are talking
2063 | about, not what they found in reports.

2064 | Chairman WAXMAN. Well, Mr. Tierney's time has expired
2065 | and it is now Mr. Clay's opportunity to pursue questions.

2066 | Mr. CLAY. I am so glad I have some time left, Mr.
2067 | Chairman. Thank you. Last winter CDC tested levels of
2068 | formaldehyde in a group of randomly selected travel trailers
2069 | and mobile homes. CDC finalized its report on these testing
2070 | results just last week.

2071 | Doctor, CDC found that trailers manufactured by Forest
2072 | River, Gulf Stream, Keystone, and Pilgrim all had elevated
2073 | levels of formaldehyde; is that right?

2074 | Mr. MCGEEHIN. Yes, sir.

2075 | Mr. CLAY. The CDC study states that formaldehyde levels
2076 | tend to be higher in newly constructed trailers and during

2077 warmer weather; is that correct?

2078 Mr. MCGEEHIN. Yes, sir. That is pretty well accepted.

2079 Mr. CLAY. So, in your expert opinion, would the elevated
2080 levels that CDC discovered in the winter of 2007 been even
2081 higher two years ago in 2005?

2082 Mr. MCGEEHIN. Yes, sir.

2083 Mr. CLAY. And, in your expert opinion, would the
2084 formaldehyde levels that CDC discovered in the winter of 2007
2085 have been even higher during the summer?

2086 Mr. MCGEEHIN. Temperature and humidity are direct
2087 drivers of formaldehyde levels, so I would say yes, sir.

2088 Mr. CLAY. The CDC study provides us with a snapshot of
2089 what families were exposed to last winter, but when we
2090 account for the passage of time and temperature fluctuations,
2091 these families were likely exposed to even higher levels of
2092 formaldehyde than indicated in your report; is that correct?

2093 Mr. MCGEEHIN. Yes, sir. That is in our report.

2094 Mr. CLAY. It is in your report?

2095 Mr. MCGEEHIN. Yes, sir. That exact language is in our
2096 report.

2097 Mr. CLAY. You know, what is so troubling about the
2098 decision by Gulf Stream not to inform the residents of its
2099 testing more than two years ago is the fact that no one was
2100 made aware who lived in these trailers and mobile homes.
2101 Gulf Stream found that every trailer it tested had

2102 formaldehyde levels higher than 100 parts per billion and
2103 found that some had as high as 500 parts per billion. We all
2104 know that FEMA failed miserably in the wake of Hurricanes
2105 Katrina and Rita. But these poor hurricane victims have now
2106 been subjected to a second disaster and years of unnecessary
2107 and harmful exposure to a known carcinogen.

2108 Do you think they should have been notified a little
2109 sooner?

2110 Mr. MCGEEHIN. Again, sir, I will say what I said in the
2111 beginning, that as much information as could be given to
2112 residents about effects that might be harmful to them is a
2113 good thing. I mean, we believe in disseminating that sort of
2114 information. I am not commenting on any of the results that
2115 we are talking about because I haven't seen the testing
2116 methodology, but your question is that sort of knowledge is a
2117 good thing for people to have, yes.

2118 Mr. CLAY. Is there a difference in a family taking a
2119 weekend trip in one of these homes or camping out in the
2120 homes as compared to someone living in the homes for over a
2121 year?

2122 Mr. MCGEEHIN. Dramatically different. Yes, sir.

2123 Mr. CLAY. Dramatically different. And have you
2124 documented any of that?

2125 Mr. MCGEEHIN. No, but, again, when we go back to you are
2126 looking at exposure to environmental contaminants, which I

2127 | have done for the last 25 years, you are looking at two basic
2128 | things: the intensity of exposure and the duration of
2129 | exposure. These units weren't designed or built for people
2130 | to live in for two and a half years. And somebody going with
2131 | their fly rods with their children up to fish for a weekend,
2132 | obviously your duration of exposure is much less, and also
2133 | most of the time those people are spending outside of the
2134 | unit. They are outside. They are hiking. They are camping.

2135 | If we are talking about these units being used on large
2136 | lots where people who are living with their children 24 hours
2137 | a day, both the intensity and duration of exposure is high.

2138 | Mr. CLAY. Thank you for your response.

2139 | Mr. Chairman, I yield back.

2140 | Mr. ISSA. Would the gentleman yield?

2141 | Mr. CLAY. I yield to the gentleman from California.

2142 | Mr. ISSA. Just for full disclosure, since you said it
2143 | would be good for us to know, and I think you are right, I
2144 | want to reiterate that in the room we are in right now we are
2145 | at 80 parts per billion based on measuring with your gold
2146 | standard meter, so please be aware that you are breathing at
2147 | that level, and if you need to leave let us know if anyone
2148 | needs to leave early.

2149 | Mr. MCGEEHIN. What sampling methodology was that?

2150 | Mr. ISSA. I don't know what sampling methodology. That
2151 | was a direct read instrument.

2152 Chairman WAXMAN. What is the sampling methodology that
2153 we are being told--

2154 Mr. ISSA. It was the same methodology as Gulf Stream,
2155 and that was the reason that our staff did it and got the 40
2156 to 80, depending upon what part of the Capitol you are in. I
2157 just wanted everyone to be aware that we could be off plus or
2158 minus 19 percent, but we do want people to know that this
2159 carpet apparently, along with anything else that has been put
2160 in this over the years, that it emits. We apparently are
2161 well beyond the 16. I think full disclosure, you are
2162 absolutely right.

2163 Mr. DAVIS OF VIRGINIA. Mr. Chairman, people in the
2164 anteroom will be relieved they are not here in the main room.

2165 Chairman WAXMAN. The gentleman's time has expired.

2166 All members of the Committee have asked questions, and
2167 Mr. Donnelly is with us, and I want to give him any
2168 opportunity he wishes to take at this point.

2169 Mr. DONNELLY. I want to thank the Chairman for letting
2170 me be present today. I will submit a written statement for
2171 the record. I want to thank the Ranking Member, as well.

2172 [Prepared statement of Mr. Donnelly follows:]

2173 ***** INSERT *****

2174 Mr. DONNELLY. I guess I want to thank the Chairman also
2175 for inviting FEMA. I think FEMA's absence here to explain
2176 their standards and their actions, that they really have
2177 eliminated a part of the answer here. I wish that they were,
2178 in fact, present.

2179 Dr. McGeehin, what I want to ask you is, When you did
2180 your testing for the trailers, did you do any comparison
2181 tests by taking trailers off the lots from places here in
2182 Maryland or Virginia that were built in regular production?

2183 Mr. MCGEEHIN. It depends on which you are talking about.
2184 The occupied trailer study had parts of trailers in it that
2185 were off the lot, and the Lawrence Berkeley National Labs had
2186 two spec trailers and two off-the-lot trailers.

2187 Mr. DONNELLY. Ones that were just being sold at, like,
2188 Maryland Trailer Sales, or nothing special that was built for
2189 FEMA, but, in fact, was regular production?

2190 Mr. MCGEEHIN. Off-the-lot trailers. That is my
2191 understanding.

2192 Mr. DONNELLY. Did you test those?

2193 Mr. MCGEEHIN. We did. They were part of both studies.

2194 Mr. DONNELLY. Did you find any difference between
2195 off-the-lot trailers and trailers that were designed for
2196 FEMA?

2197 Mr. MCGEEHIN. Well, I want to be cautious in this. We
2198 did a study with Lawrence Berkeley that only had four

2199 | trailers, and so therefore I don't want to make any
2200 | generalizations from this. We did look at the two spec
2201 | trailers and the two off-the-lot trailers, and the two spec
2202 | trailers on the whole unit levels of formaldehyde were
2203 | higher, and the two off-the-lot trailers were lower, but this
2204 | study was not designed to look at that difference and I don't
2205 | want that generalized because that would be a mistake and it
2206 | would be taking the science beyond what it was designed to
2207 | be.

2208 | Mr. DONNELLY. Did you know of any different production
2209 | standards for--

2210 | Mr. MCGEEHIN. I don't know that.

2211 | Mr. DONNELLY.--trailers that were used for families in
2212 | Louisiana or Mississippi or trailers that were simply shipped
2213 | to dealers who have been dealers for years of these
2214 | companies?

2215 | Mr. MCGEEHIN. I have no knowledge about any separate
2216 | manufacturing process for the spec trailers versus the
2217 | off-the-lot. I don't know anything about that.

2218 | Mr. DONNELLY. Let me ask you this: 44 components were
2219 | tested.

2220 | Mr. MCGEEHIN. Forty-five.

2221 | Mr. DONNELLY. Forty-five. Forty-four met all HUD
2222 | standards?

2223 | Mr. MCGEEHIN. Right.

2224 Mr. DONNELLY. Okay. And did FEMA provide, as far as you
2225 know, any standards to these companies in regards to
2226 formaldehyde to follow?

2227 Mr. MCGEEHIN. It seems that everybody on the Committee
2228 is more familiar with the correspondence between FEMA and the
2229 manufacturers than I am, so I really can't answer that. I am
2230 not aware of that, and you are all probably more aware of it
2231 than I.

2232 Mr. DONNELLY. So you don't know of any standards that
2233 were violated in any way in regards to formaldehyde?

2234 Mr. MCGEEHIN. I can't really comment on that. I don't
2235 know of anything about that at all.

2236 Mr. DONNELLY. Let me ask you this: in regards to the
2237 Tulane study, do you know anything unique that would have
2238 been about site-built homes that were tested in that study?

2239 Mr. MCGEEHIN. I do not know anything unique about the
2240 site-built homes.

2241 Mr. DONNELLY. And the results of 370 parts per billion
2242 is, in fact, higher than what some of the trailers were at;
2243 isn't that correct?

2244 Mr. MCGEEHIN. Sure. Yes.

2245 Mr. DONNELLY. So I guess one other question is: why
2246 didn't we test site-built homes also?

2247 Mr. MCGEEHIN. Well, there have been a number of very
2248 large studies that tested site-built homes around the

2249 Country, well-done studies.

2250 Mr. DONNELLY. In regards to the Katrina situation?

2251 Mr. MCGEEHIN. Well, it doesn't have to be in regards to
2252 the Katrina situation. There are site-built homes, and they
2253 were tested with the same methodology that we used, and those
2254 results are comparable.

2255 Mr. DONNELLY. Well, what I am asking is, In regards to
2256 homes in the Katrina region at the same time that these
2257 trailers were down there, was there any test done to
2258 compare--

2259 Mr. MCGEEHIN. No.

2260 Mr. DONNELLY.--the levels of those homes as opposed to
2261 the levels of the trailers?

2262 Mr. MCGEEHIN. No. The report is as it was: 519
2263 occupied FEMA-supplied trailers.

2264 Mr. DONNELLY. Okay.

2265 Mr. Chairman, thank you very much, sir.

2266 Chairman WAXMAN. Thank you, Mr. Donnelly.

2267 Dr. McGeehin, thank you very much for your testimony.
2268 We very much appreciate it. If there are further questions,
2269 we may submit them in writing to you for a response for the
2270 record.

2271 Mr. MCGEEHIN. Thank you for the opportunity.

2272 Chairman WAXMAN. Our next panelists will consist of the
2273 following individuals:

2274 | Mr. Jim Shea, Junior. Mr. Shea is the Chairman of Gulf
2275 | Stream Coach and has been with Gulf Stream for more than
2276 | three decades and is responsible for the company's housing
2277 | division.

2278 | Mr. Steve Bennett is the President of Pilgrim
2279 | International.

2280 | Mr. Ronald Fenech is the President and chief executive
2281 | officer of Keystone RV. Keystone RV is a subsidiary of Four
2282 | Industries.

2283 | And then Mr. Peter Liegl is President of Forest River.
2284 | He founded the company in 1996.

2285 | We welcome each of you to our hearing today. Your
2286 | prepared statements will be put into the record in their
2287 | entirety. We will ask each of you to limit your oral
2288 | presentation to five minutes. There is a little device on
2289 | the table that will turn green for four minutes, yellow for
2290 | the last minute, and then turn red when the time is up. When
2291 | you see that it is red, you should realize your time is up
2292 | and try to make your concluding comments.

2293 | It is the practice of this Committee that all witnesses
2294 | who testify before us do so under oath, so please rise and
2295 | raise your right hand and I will administer an oath to you.

2296 | [Witnesses sworn.]

2297 | Chairman WAXMAN. The record will indicate that each of
2298 | the witnesses answered in the affirmative.

2299

Mr. Shea, why don't we start with you.

2300 STATEMENTS OF JIM SHEA, CHAIRMAN, GULF STREAM COACH, INC. ;
2301 STEVE BENNETT, PRESIDENT, PILGRIM INTERNATIONAL, INC. ; RONALD
2302 J. FENECH, PRESIDENT, KEYSTONE RV, INC. ; AND PETER LIEGL,
2303 PRESIDENT AND CEO, FOREST RIVER, INC.

2304 STATEMENT OF JIM SHEA

2305 Mr. SHEA. Good morning, Chairman Waxman, Ranking Member
2306 Davis. My name is Jim Shea and I am Chairman of Gulf Stream
2307 Coach. I appreciate the opportunity to discuss the travel
2308 trailers that our company produced and sold to FEMA. I have
2309 some brief opening remarks, but ask that my full statement be
2310 made part of the hearing record.

2311 Gulf Stream is a small-town American company committed
2312 to manufacturing quality recreational vehicles for its
2313 customers. Our travel trailers are built by hard-working,
2314 dedicated Americans in the heartland of our Nation. Safety
2315 is a key component to our success.

2316 Just two days before Hurricane Katrina hit the Gulf
2317 Coast, Gulf Stream received an urgent call from FEMA to
2318 provide 25,000 travel trailers to house possible hurricane
2319 victims. Gulf Stream was prepared to meet FEMA's critical
2320 request, because at the time we were the only manufacturer

2321 approved for rail shipment of travel trailers.

2322 Almost every year since 1992, FEMA has purchased Gulf
2323 Stream Postal products from independent dealers to respond to
2324 natural disasters. In 2005 for the first time FEMA
2325 contracted directly with Gulf Stream to provide a total of
2326 50,000 emergency travel trailers. It is important to note
2327 that FEMA's specifications did not include any requirement
2328 with respect to formaldehyde emission levels.

2329 The FEMA travel trailers we manufactured followed the
2330 same specifications as those we delivered to hurricane
2331 victims in 2004. In order to meet FEMA's urgent request,
2332 Gulf Stream ramped up its production capacity and realigned
2333 its plant operations immediately upon receipt of the purchase
2334 order. We took special care to provide safe and quality
2335 product for the hurricane victims who temporarily were going
2336 to live in the travel trailers. Our FEMA units had four
2337 emergency egress windows instead of the required minimum of
2338 two. It was Gulf Stream's practice to do additional life
2339 safety systems testing, including electrical, gas supply,
2340 smoke detection, and carbon monoxide detection beyond what we
2341 would do for our regular production for regular customers.

2342 In addition to what was routinely performed on the units
2343 for the manufactured public, and FEMA inspectors were on site
2344 at our Indiana plants during the manufacturing process, and
2345 FEMA performed inspections at the hurricane zone staging

2346 | areas. Furthermore, Gulf Stream had representatives on site
2347 | in Louisiana to do additional inspections after shipment.

2348 | Today, just as when we produced travel trailers for
2349 | FEMA, there are no Federal standards governing formaldehyde
2350 | in the manufacture of travel trailers. The lack of such a
2351 | standard leaves our industry with no clear definitive
2352 | guidance on the issue. Although there are still no
2353 | formaldehyde standards for covering travel trailers, Gulf
2354 | Stream in 2007 voluntarily adopted the stringent product
2355 | standard for formaldehyde emissions proposed by the
2356 | California Air Resources Board. To our knowledge, Gulf
2357 | Stream is the first RV company to receive a third-party
2358 | certification of our applicable wood materials documentation,
2359 | control processes, and related verification testing.

2360 | Even without a Federal standard, Gulf Stream has had a
2361 | longstanding policy to purchase wood products that satisfy
2362 | the HUD low-formaldehyde emissions level for manufactured
2363 | housing, even though HUD standards do not apply to the
2364 | manufacture of travel trailers.

2365 | Several design aspects of our travel trailers also
2366 | increased ventilation beyond what was required by the FEMA
2367 | specifications.

2368 | Gulf Stream received the first complaint regarding
2369 | formaldehyde concerning these FEMA travel trailers in March
2370 | 2006. Obviously, we were concerned about the complaints and

2371 | tried to be as proactive as possible by taking the following
2372 | steps:

2373 | First, we sought information regarding complaints
2374 | received by FEMA;

2375 | Second, we addressed the few complaints Gulf Stream
2376 | received regarding its travel trailers, but were instructed
2377 | by FEMA in May 2006 not to directly contact trailer
2378 | occupants;

2379 | Third, we attempted to gather information on ways to
2380 | identify and reduce ambient levels of formaldehyde through
2381 | better ventilation solutions and processes;

2382 | Fourth, we provided FEMA representatives with
2383 | information related to ventilation of travel trailers and
2384 | other measures to reduce formaldehyde levels for sensitive
2385 | people;

2386 | Fifth, we offered to participate with FEMA in joint
2387 | testing of the travel trailers. FEMA did not accept our
2388 | offer to do so; and

2389 | Sixth, we offered to share with FEMA the results of some
2390 | informal, non-scientific screenings of FEMA-occupied travel
2391 | trailers performed in late March and April 2006. FEMA did
2392 | not accept our offer.

2393 | Gulf Stream has demonstrated its commitment to quality
2394 | and safety for the residents from the beginning. Our record
2395 | shows that we were ready, willing, and able to assist FEMA

2396 | with any resident concerns.

2397 | Mr. Chairman and members of the Committee, on behalf of

2398 | Gulf Stream and our dedicated employees, that concludes my

2399 | opening remarks. I am happy to answer your questions the

2400 | members of the Committee may have.

2401 | [Prepared statement of Mr. Shea follows:]

2402 | ***** INSERT *****

2403 Chairman WAXMAN. Thank you very much, Mr. Shea.
2404 Mr. Bennett?
2405 Mr. BENNETT. I have no opening statement.
2406 Chairman WAXMAN. No opening statement.
2407 Mr. Fenech?

2408 STATEMENT OF RONALD J. FENECH

2409 Mr. FENECH. Mr. Chairman and members of the Committee,
2410 my name is Ron Fenech and I am proud to be here this morning
2411 to represent the 3,000 men and women who work assembling
2412 recreational vehicles for Keystone RV and our thousands of
2413 customers.

2414 After the Gulf Coast hurricanes of 2005, as with all
2415 Americans, our employees sympathized with the hundreds of
2416 thousands of people who overnight found themselves homeless.
2417 Emergency workers were faced with an incredible challenge as
2418 they scrambled to rescue survivors, account for the missing,
2419 to feed those in need, and there was an immediate critical
2420 need for basic shelter.

2421 We have been invited here today to discuss the CDC
2422 finding with regard to formaldehyde in trailers. When it
2423 comes to assessing safe levels of formaldehyde, there is no
2424 consistent Government standards. And, as the CDC, itself,
2425 stated in its February 2008 formaldehyde report, there is no
2426 specific level of formaldehyde that separates safe from
2427 dangerous.

2428 The recreational vehicle industry cannot address the
2429 formaldehyde issue alone. It is much broader. In fact, the
2430 materials that Keystone uses to assemble its trailers are

2431 | generally the same types of materials used in home
2432 | construction and can be found in local home improvement
2433 | stores.

2434 | We are looking to the Government to evaluate the science
2435 | and provide industry with the uniform standard. Once that
2436 | standard has been developed, we hope the home construction
2437 | industry will join us in adopting that standard. Together,
2438 | these actions can lead to a workable national approach to
2439 | this issue.

2440 | We join with others in applauding the recent
2441 | announcement by the EPA that they will conduct a
2442 | comprehensive review and will, we hope, announce a clearly
2443 | articulated standard that our industry and our suppliers can
2444 | follow. Until then, we have not and we will not stand by
2445 | idly. The Recreational Vehicle Industry Association has
2446 | recently announced compulsory standards that require
2447 | manufacturers to build all units using CARB compliant wood by
2448 | January 1, 2009, and CARB certified wood by July 1, 2010.
2449 | And at Keystone we intend to beat those deadlines. We have
2450 | informed our suppliers that as quickly as possible we will
2451 | only purchase supplies that meet CARB standards.

2452 | Hurricane Katrina was the worst natural disaster in
2453 | modern U.S. history. Hundreds of thousands of Americans
2454 | needed temporary shelter, and I am proud to say that our
2455 | industry was part of the solution. I sincerely hope that

2456 | there will never again be another disaster that requires our
2457 | vehicles to be used under such extreme conditions for such
2458 | lengthy periods of time, but if there is, the lessons learned
2459 | from this process will inform both industry and Government to
2460 | ensure a sound response to any need that may arise.

2461 | With that, I thank the Committee for the opportunity to
2462 | appear here today and to answer any questions that you may
2463 | have.

2464 | [Prepared statement of Mr. Fenech follows:]

2465 | ***** INSERT *****

2466 | Chairman WAXMAN. Thank you very much, Mr. Fenech.

2467 | Mr. Liegl?

2468 STATEMENT OF PETER LIEGL

2469 Mr. LIEGL. Thank you, Mr. Chairman and members of the
2470 Committee. My name is Peter Liegl. I am President of Forest
2471 River. On behalf of more than 5,000 employees, thank you for
2472 the chance so we can tell you about what our company does. I
2473 am especially proud to tell you how Forest River workers
2474 pitched in to help the victims of Hurricane Katrina.

2475 We started Forest River in 1996. It began in the part
2476 of Indiana where people of different backgrounds share a
2477 strong work ethic and what we call Hoosier values. We think
2478 that because of what we do lots of American families are able
2479 to get closer to the outdoors and to travel and explore this
2480 great Country. Today, 12 years later, we currently have
2481 5,000 employees who work in more than 60 locations. Forest
2482 River has plants in Indiana, California, Michigan, Texas,
2483 Georgia, and Oregon. Last year we built and sold over
2484 100,000 units. We are still learning and we are still
2485 improving. Our folks still work hard and still care what
2486 they do.

2487 They cared in 2004 when hurricanes hit Florida. Forest
2488 River employees built 800 units to FEMA's specifications, and
2489 our folks were proud. We never received a complaint about
2490 one of them.

2491 They cared in 2005 when Hurricane Katrina and Rita
2492 devastated the Gulf Coast. Like other Americans, Forest
2493 River employees wanted to help, and, again, they did. This
2494 time we were asked to build 35,000 RVs. We had to decide
2495 what made sense for our workers, our suppliers, our dealers,
2496 and our customers, so our team at Forest River came up with a
2497 production schedule that would allow us to build 5,000
2498 trailers to help the victims, and Forest River workers built
2499 those trailers on the same production line using the same
2500 materials, the same components, the same quality standards,
2501 the same inspectors as they do for the product they build
2502 every day. The quality was the same as all the other units
2503 we build.

2504 The units we built for the Gulf Coast received the RVIA
2505 seal because they met RVIA standards.

2506 Of course, our folks couldn't build these 5,000 units
2507 for free. Like every business, we have to pay our workers
2508 and our suppliers. We have to earn enough to keep things
2509 going, but we never thought about charging higher prices. We
2510 sold the FEMA trailers at the same modest profit levels as
2511 our normal sales. Our overall profit that year was about the
2512 same as it was in the years before and the years after
2513 Katrina.

2514 Today's hearing involves formaldehyde. We all know
2515 there is some formaldehyde in wood products, carpeting,

2516 fabrics used in the RVs. It is also used in building homes,
2517 apartments, and office buildings. We all agree we don't want
2518 formaldehyde or, for that matter, any other substance to
2519 reach levels where it is a serious health threat. Most of us
2520 aren't doctors or scientists, and those people who are
2521 doctors and scientists don't agree on the level of
2522 formaldehyde that are safe or not safe. There isn't an
2523 agreement on how to measure formaldehyde levels.

2524 No one has all these answers yet. Certainly I don't.
2525 But what I can tell you is Forest River's experience.

2526 First, formaldehyde has not historically been an issue.
2527 Over the dozen years we have been in business, we have made
2528 and sold over one million units. Out of those million-plus
2529 units, I think we only had three instances where customer
2530 concerns actually required our testing of the vehicles. In
2531 two of the cases, the formaldehyde level tested quite low.
2532 In the third it was pretty clear at the end of the day that
2533 whatever the problem was coming from, it wasn't on the
2534 manufacturer's end.

2535 Given that experience, literally less than a handful of
2536 instances of this sort out of a million units, I think you
2537 can understand why I say that formaldehyde has not
2538 historically been an issue with Forest River products and
2539 customers.

2540 The second point is we have not been sitting idly by

2541 | waiting for doctors and scientists to figure out the answers.
2542 | We may not know the answers, but we know that it can't hurt
2543 | by moving closer to the California stricter formaldehyde
2544 | standard for wood products even before it was recommended in
2545 | the industry, which we have done.

2546 | In closing, I want to thank you again for your allowing
2547 | us to share Forest River's story. Our employees are proud of
2548 | the product we make and the company they have helped build.

2549 | I must also tell you candidly that many of our workers
2550 | are now confused and hurt about the charges about the quality
2551 | of RVs, but they know when it comes to Forest River products
2552 | nothing can be further from the truth. But I think they also
2553 | have the faith, as I do, that responsible people will be fair
2554 | and will make the decisions on fact.

2555 | Thank you, Mr. Chairman and the Committee, for letting
2556 | me tell you my story. I will answer any questions that you
2557 | might have.

2558 | [Prepared statement of Mr. Liegl follows:]

2559 | ***** INSERT *****

2560 Chairman WAXMAN. Thank you, Mr. Liegl.

2561 We are now going to recognize Members to ask questions
2562 for five minutes apiece, and I will start off the questions.

2563 Mr. Shea, I wrote to Gulf Stream on February 14th of
2564 this year and I asked your company's help in understanding
2565 why a Gulf Stream travel trailer sold to FEMA would have high
2566 levels of formaldehyde, and I want to read what Gulf Stream
2567 said in response to my question on March 7th. Here is what
2568 they said: ``Gulf Stream respectfully disagrees with the
2569 premise of the Committee's question, i.e., that formaldehyde
2570 levels in the trailers it sold to FEMA following the Gulf
2571 Coast hurricanes of 2005 were high.''

2572 Given what we know now, I find this response
2573 astonishing.

2574 In March of 2006, trailer occupants began to complain
2575 about formaldehyde. On March 21, 2006, Steven Miller of FEMA
2576 e-mailed your brother Dan Shea and asked him if Gulf Stream
2577 had ``the capability to put this to bed.''. Were you aware of
2578 this e-mail?

2579 Mr. SHEA. Yes, sir.

2580 Chairman WAXMAN. Your brother responded that he would
2581 send a person to Baton Rouge to test units. From the end of
2582 March until May 2006 Gulf Stream Vice President Scott Pullen
2583 tested FEMA trailers. He tested approximately 50 trailers,
2584 including 11 occupied trailers. Mr. Pullen's test indicated

2585 formaldehyde levels at or above 100 parts per billion within
2586 every occupied travel trailer he tested. Four of the eleven
2587 occupied trailers had levels above 500 parts per billion.

2588 Mr. Pullen also tested over 25 new Gulf Coast travel
2589 trailers that had not yet been deployed for displaced
2590 residents, and over 10 of these trailers contained
2591 formaldehyde levels in excess of 900 parts per billion. One
2592 Gulf Stream trailer had formaldehyde levels of 2,690 parts
2593 per billion.

2594 In 2006, Gulf Stream knew better than anyone that
2595 formaldehyde levels in the travel trailers it made for FEMA
2596 were high, and just last week the Centers for Disease Control
2597 confirmed that even in the winter of 2007 and 2008 56 percent
2598 of Gulf Stream's travel trailers had elevated levels of
2599 formaldehyde.

2600 I have one question for you, Mr. Shea. Do you still
2601 disagree that formaldehyde levels in FEMA's Gulf Stream
2602 trailers were high?

2603 Mr. SHEA. Well, Mr. Chairman, when I reviewed the CDC
2604 report, the most recent CDC report on occupied trailers, I
2605 see that our levels of occupied units fell--

2606 Chairman WAXMAN. We cannot hear you.

2607 Mr. SHEA. Yes. I would just like to repeat, sir, that
2608 what we saw in the occupied unit testing that the CDC did was
2609 that our units fell in what they would term the intermediate

2610 level.

2611 Chairman WAXMAN. How about your own testing?

2612 Mr. SHEA. We did not do testing, sir. We used an
2613 informal device, a screening device. It is not a scientific
2614 device. It is not accepted by NIOSH. It is not accepted by
2615 any organization. It could have been used by anyone, any
2616 company, any agency. It is not testing, sir. It is a
2617 screening device that picks up many other components,
2618 chemical components. It is not testing.

2619 Chairman WAXMAN. Whatever the validity was of that test,
2620 it certainly gave you an indication of very high levels of
2621 formaldehyde in your own trailers, didn't it?

2622 Mr. SHEA. Let me tell you, we were a proactive company,
2623 sir. One of the first things we did--in fact, Mr. Pullen, a
2624 long-time technical employee, vice president of this company
2625 went into the field, was in the field on other matters, and
2626 he canvassed and talked to other occupants, to varied trailer
2627 residents. They asked them what their experience was, and
2628 they said they were very happy with their trailers. They
2629 weren't having any problems. They were enjoying their
2630 trailers. There were no issues.

2631 Now, at the time that he did that he did quickly take a
2632 snapshot deployment with this tool. It was not screening.
2633 It was not testing. It was a quick snapshot that would have
2634 reflected anything that the residents would have done in the

2635 unit at the time.

2636 I remind you that they were not complaining. There were
2637 not symptoms. He also--

2638 Chairman WAXMAN. Well, you did have some complaints,
2639 because I just read one of the complaints. In fact, one of
2640 the people said please, please, please help me. I have got
2641 this formaldehyde, and it is causing problems in my
2642 breathing--to paraphrase it.

2643 Mr. SHEA. Yes, sir. I would like to--

2644 Chairman WAXMAN. And, notwithstanding that, you did the
2645 testing and you told FEMA you didn't get any complaints, and
2646 you told them you got some test results, but you didn't tell
2647 them what they were. They didn't ask. You told them if they
2648 asked, then you would share it. But your own test results
2649 showed high levels of formaldehyde.

2650 Mr. SHEA. Yes. I would like to set the record straight
2651 there, sir. We communicated with FEMA. Actually, we asked
2652 FEMA, Do you have any complaints? We wanted to assist. We
2653 wanted to visit people. We wanted to lend whatever we could
2654 for sensitized individuals. We had three complaints come in
2655 directly to ourselves in that March period after the initial
2656 news reports, and we investigated all three of them. Then in
2657 mid-March, after we had asked FEMA for what complaints they
2658 had, which they directed two people to us, two of those
2659 people--none of them had formaldehyde complaints. What they

2660 | had was one complained on odor from an improperly hooked-up
2661 | sewer. The other was concerned about wanting to buy her unit
2662 | and she had security concerns. Those are the two complaints
2663 | that we received from FEMA.

2664 | Chairman WAXMAN. Mr. Shea, my time is up, but I do want
2665 | to tell you that if you have done some kind of testing and
2666 | you see the kind of high levels, even over 2,000 parts per
2667 | billion, in some of your trailers, the response, I think, of
2668 | a responsible businessman should have been to test further,
2669 | to find out what is going on, to take some kind of
2670 | responsible action and not to come before Congress and say
2671 | FEMA didn't tell me they had complaints--of course, they
2672 | didn't know what you knew--and therefore you didn't have to
2673 | do any more testing yourself, even though you got these
2674 | alarming results. That is what you didn't do. You didn't do
2675 | more tests. You didn't tell FEMA there is a problem. And
2676 | you didn't take the action that I would think would be a
2677 | responsible action of a responsible business.

2678 | Mr. SHEA. I would love to respond to that, sir. Sir,
2679 | there is a difference here between testing and screening.
2680 | There is a difference between unoccupied units and occupied
2681 | units. We did unoccupied unit screening to better be able to
2682 | inform FEMA how to properly ventilate units. We also were
2683 | utilizing some optional devices that we were using in the
2684 | unoccupied screenings because we could generally screen for

2685 | how indoor air quality changed. I would remind you there are
2686 | many components, as Dr. McGeehin said, in indoor air. This
2687 | unit would have been sensitive to many of them. So what we
2688 | were unable to do is we could advise FEMA better. Our
2689 | counsel asked us to make sure what we said to FEMA was as
2690 | accurate as possible. We tested the performance of the
2691 | ventilation systems that we provided with the unit, plus some
2692 | optional systems to help with sensitive individuals.

2693 | There is a difference between what we did with occupied
2694 | units versus the screenings of unoccupied units.

2695 | Chairman WAXMAN. My time is over. I am just going to
2696 | say it sounds like you handled it very carefully as a public
2697 | relations and as a legal problem, but I think you had more of
2698 | a responsibility to the health of the people that were living
2699 | in your trailers.

2700 | Mr. Davis?

2701 | Mr. DAVIS OF VIRGINIA. I would yield my five minutes to
2702 | Mr. Souder.

2703 | Mr. SOUDER. And I would ask the Chairman to be generous
2704 | if I go over just a little bit, as well.

2705 | First I want to welcome all of you as fellow Hoosiers
2706 | and having huge facilities in my District and employing lots
2707 | of people who are already hundreds losing their jobs because
2708 | of the gas prices, the mileage restrictions, the ability to
2709 | get vehicles that can tow. Ten percent of Americans of some

2710 | sort of vehicle. Most are from northern Indiana and
2711 | Congressman Donnelly and my Districts. It is the danger of
2712 | how we do something like this is, as our guys try to meet
2713 | these standards, try to follow whatever the Government says,
2714 | you have inspectors on your sites, you just push these kind
2715 | of jobs to China where they don't meet these kind of
2716 | inspections, where there is no conscience, and we wonder why
2717 | we lose American jobs.

2718 | It is incredibly frustrating. We all want to find out
2719 | what the truth is.

2720 | Mr. Shea, wasn't FEMA at the plants all day?

2721 | Mr. SHEA. I am sorry, sir?

2722 | Mr. SOUDER. Weren't they at your facilities all day?

2723 | Mr. SHEA. Yes. During the course of our production, as
2724 | I understand, because we were a direct manufacturer, they had
2725 | an inspector in each plant every day receiving units as they
2726 | came offline and inspecting them.

2727 | Mr. SOUDER. Without getting into confidential
2728 | information, and I am not asking you to disclose this, but
2729 | the type of test you did on these trailers, how expensive was
2730 | it to take the desiccator test that you did that is not the
2731 | gold standard, that has a wide variation of accuracy?

2732 | Mr. SHEA. This is a device that is called a
2733 | formaldemeter. It is not a scientific tool. It is not
2734 | really what they would call a desiccator test, which is

2735 another imprecise type of testing. This is a quick snatch
2736 method, and it is just a screening tool. If you look in the
2737 directions to the piece of equipment, it is a screening tool.
2738 It doesn't claim to be a testing tool. It tells you that
2739 there are other components that it absorbs.

2740 Our individual wasn't experienced in using it. It did
2741 provide some benefit in terms of seeing how indoor air
2742 changes occurred, but it is certainly not testing, and we
2743 didn't employ that. And certainly at our plant location with
2744 FEMA inspectors there was no issue about that. It was never
2745 an issue with FEMA inspectors. This was during the time that
2746 we were producing these units.

2747 Mr. SOUDER. Would this have been an expensive test for
2748 FEMA to conduct?

2749 Mr. SHEA. Well, anybody could have used one of these
2750 devices, any organization. FEMA did OSHA testing in fall of
2751 2005, so they were familiar with closed-up units, unoccupied
2752 units. They did more OSHA testing, I think the record shows,
2753 in March, late March, after this became an issue. I think
2754 those results are available. So they knew what closed-up,
2755 sealed-up units that had been cycled to 80 to 100 degrees of
2756 hot boxes would do. Any structure that was closed up, even a
2757 house that was closed up and sealed up and cycled to 80 to
2758 100 degrees would have decreased indoor air quality. There
2759 is just no two ways about it.

2760 Mr. SOUDER. Well, the scary thing about if we are not
2761 careful in hearings and we aren't trying to look at
2762 fundamental questions with accurate science, one of our
2763 challenges here is that I met with nine of the ten companies
2764 named in the early lawsuit total. They had the three
2765 complaints that you had talked about. Then the lawsuits
2766 started, and all of the sudden legal liability starts. Now
2767 you are being criticized for doing a very simple test that
2768 could have been done by the Government, and the question
2769 comes: what employer or company in America is going to
2770 expose themselves to voluntary cooperation if this is the end
2771 result, that the proliferation of suits all over America
2772 right now--you know, people say, I heard in Katrina, I read
2773 in the newspaper, I heard on TV, not on any science, as we
2774 are learning. The 390 parts per billion, we keep sliding
2775 between parts per million and parts per billion, don't have
2776 any standards. You are trying to cooperate. Instead, you
2777 get your head beat in.

2778 Do you plan to ever deal with the Government again?

2779 Mr. SHEA. Sir, this is an incredible quandary. We have
2780 seen a specification--it is not a standard--put forth by FEMA
2781 in their latest standards. It is 16 parts per billion. Of
2782 course, very recent studies with new technology show that
2783 this is within the range of human breath. This is within the
2784 range of normal human breath, what people normally breathe

2785 | out from their normal metabolism, irrespective of what is in
2786 | the air.

2787 | Well, how can a company, why would a company take on
2788 | that kind of liability? It would be so easy for something to
2789 | occur either naturally or from new sources that would double
2790 | or triple this specification. This company would never take
2791 | that liability on, sir.

2792 | Mr. SOUDER. Within the broad definitions of five minutes
2793 | I have one more supplemental question. You have done FEMA
2794 | before. It has been a significant part of your business.

2795 | Mr. SHEA. Yes. We have provided units through
2796 | dealerships since 1992. FEMA came directly to us and asked
2797 | us for a direct quotation and proposal at the beginning of
2798 | this hurricane before the hurricane actually hit New Orleans.

2799 | Chairman WAXMAN. Thank you, Mr. Souder. Your time has
2800 | expired.

2801 | Mr. Cummings?

2802 | Mr. CUMMINGS. Thank you very much, Mr. Chairman.

2803 | Mr. Shea, you know, I know the Chairman referenced a
2804 | letter from a lady in which she said, ``There is an odor in
2805 | my trailer that will not go away--''

2806 | Mr. SOUDER. Mr. Chairman?

2807 | Mr. CUMMINGS. ``It burns my eyes, and I am getting
2808 | headaches every day. I have tried many things, but nothing
2809 | seems to work. Please, please help me.'' You are familiar

2810 with that, are you not, Mr. Shea?

2811 Mr. SHEA. It would be helpful for me to see the exact
2812 customer that you refer to, sir. That would refresh my
2813 memory.

2814 Mr. CUMMINGS. Well, you heard the words. If that was
2815 your wife, would you be concerned about her living in a
2816 trailer?

2817 Mr. SHEA. I can give you the letter that we responded
2818 to, sir, to FEMA. When we got that report and we
2819 communicated with FEMA, my recollection is it was with regard
2820 to a Mr. Reeser.

2821 Mr. CUMMINGS. Okay.

2822 Mr. SHEA. Here is what we said, if I can quote.

2823 Mr. CUMMINGS. Very briefly, because I have got a lot of
2824 questions and a little bit of time.

2825 Mr. SHEA. Yes, sir. ``I do want to take the opportunity
2826 to reinforce our position previously communicated to FEMA
2827 that Gulf Stream is ready, willing, and able to work with
2828 FEMA with regard to any complaint, including sending a
2829 representative within 24 hours to work with your contractors
2830 to inspect, test--

2831 Mr. CUMMINGS. Good.

2832 Mr. SHEA. ``--or do whatever is reasonably necessary
2833 to--''

2834 Mr. CUMMINGS. Mr. Shea, you are coming right where I

2835 | want you to be, because I want to talk about some of your
2836 | correspondence, not in addition to what you just read. I
2837 | would like to share with you what Gulf Stream disclosed to
2838 | FEMA--and I know you are familiar with this--related to
2839 | formaldehyde in its travel trailers in May 2006. It has been
2840 | referenced quite a bit here. And Gulf Stream sent a letter
2841 | to FEMA and said, ``We want to follow up on our recent
2842 | conversations regarding the travel trailers supplied to FEMA.
2843 | We would like to reiterate our willingness to assist you in
2844 | addressing any concerns about our products. Our informal
2845 | testing has indicated formaldehyde levels of indoor ambient
2846 | air of occupied trailers far below, for instance, the OSHA
2847 | standard of .75 parts per million, 750 parts per billion. We
2848 | are willing to share these informal test results with you
2849 | and, as mentioned during our meeting, if FEMA wishes to
2850 | conduct formal testing protocols on any designated units, we
2851 | are willing to participate in that testing.''

2852 | Now, you spent a lot of time, I am sure, in drafting
2853 | that letter. The documents that we received show that you
2854 | spent over a month getting the wording right. How do you
2855 | interpret your own letter? And are you saying that your
2856 | testing showed a formaldehyde problem, or are you saying that
2857 | your testing did not show a problem?

2858 | Mr. SHEA. Well, sir, going back to the framework of the
2859 | time, there were two regulatory standards that I was familiar

2860 with. One was the OSHA permissible exposure level for
2861 workers that would be exposed for their working life; the
2862 other was the HUD target regulatory level. Those were the
2863 two. Those are the two now. There was one that came up in
2864 the press. That was referenced as a .1 EPA ``safety level``
2865 by some activist groups. But when I looked that up it said
2866 above this level sensitive individuals may experience
2867 symptoms. It wasn't a safety level, and I did ask some
2868 experts did EPA have a standard. They told me that EPA
2869 didn't have an outdoor standard for formaldehyde at the time,
2870 it didn't have an indoor standard for formaldehyde at the
2871 time.

2872 So in terms of how--

2873 Mr. CUMMINGS. You understand that before you sent that
2874 letter that the CDC had said that they thought that the
2875 levels of 100 were dangerous? You knew that, right? You
2876 didn't know that? I see people shaking their heads behind
2877 you.

2878 Mr. SHEA. I have no recollection of--the CDC came out
2879 with their interim report and took a position. The original
2880 ATSDR position was that after the EPA testing that was done
2881 in the fall was that .3 parts per million was acceptable.
2882 They changed that later, but that was well after this time,
2883 sir. That was in 2007. That was in, like, February of 2007
2884 after EPA did testing of unoccupied units in September of

2885 2006.

2886 Mr. CUMMINGS. So this is not the record on April 24,
2887 2006, Gulf Stream's outside counsel sent both Jim and Dan
2888 Shea a 1997 document created by the Consumer Product Safety
2889 Commission entitled, ''An Update on Formaldehyde.'' The
2890 document included the following information: formaldehyde is
2891 a colorless, strong-smelling gas. When present in air at
2892 levels above .1 ppm it can cause watery eyes, burning
2893 sensations in the eyes and nose and throat, nausea, coughing,
2894 chest tightening, wheezing, sick skin rashes, and allergic
2895 reactions. You are saying that is not accurate? Is that
2896 what you are saying?

2897 Mr. SHEA. That is the language that came off of the EPA
2898 sensitivity recommendation. As I recall, sir, that is for
2899 sensitive individuals. And we have always been concerned to
2900 help with any individuals that had sensitivities. We know
2901 that there are sensitive people, sir.

2902 Mr. CUMMINGS. All right.

2903 Chairman WAXMAN. Thank you, Mr. Cummings.

2904 Mr. CUMMINGS. Thank you very much, Mr. Chairman.

2905 Chairman WAXMAN. Your time has expired.

2906 Mr. Burton?

2907 Mr. BURTON. Thank you, Mr. Chairman.

2908 This home test kit, this formaldemeter, how accurate is
2909 that?

2910 Mr. SHEA. Well, sir, it varies. It can be up and down.
2911 if you sprayed an air freshener and then took a screening it
2912 would be eight parts per million sometimes. It is reactive
2913 to ethanol, methanol, phenol, all kinds of things. It is an
2914 indicator of air flows, ventilation, but in terms of absolute
2915 testing, nobody would accept it. NIOSH doesn't accept it.
2916 It is not acceptable in a court of law. Some people may be
2917 more accurate than others. Our individual wasn't well
2918 trained in this or trained in calibrating it.

2919 Mr. BURTON. So it is an indicator, but it is not really
2920 scientific?

2921 Mr. SHEA. It is an indicator that formaldehyde is likely
2922 present.

2923 Mr. BURTON. Now, in these 11 units that were checked
2924 with the formaldemeter, there were four that were above five
2925 hundred, but the other seven were below the five hundred
2926 level?

2927 Mr. SHEA. That is correct, sir.

2928 Mr. BURTON. But that wasn't scientific?

2929 Mr. SHEA. No, it wasn't scientific. Of course, we
2930 recognize that if anybody had smoked a cigarette an hour
2931 before or cooked or something, that influences the level, but
2932 what our main thing was, these people were very happy. One
2933 person was described by Mr. Pullen as being ecstatic that he
2934 finally had a place where he could go to, a refuge, something

2935 | that was air conditioned, a totally self-contained living
2936 | unit, and everyone was happy. There were some people that
2937 | were older people. There were some young children, toddler
2938 | age. They were happy with their units. They were not
2939 | complaining about their units. They were not experiencing
2940 | symptoms.

2941 | We went back in that proximate time--Mr. Pullen did--to
2942 | revisit with these people in that late April period before we
2943 | asked FEMA to come in and talk to them further about these
2944 | canvassing that we did.

2945 | Mr. BURTON. You know, I don't think you can answer this
2946 | question, any of you, but if I took a HUD-produced house or
2947 | HUD-funded house--and there are an awful lot of them around
2948 | this Country right now that are vacant--and you closed it up,
2949 | and you left it closed in very hot weather for, say, a couple
2950 | of weeks or longer, would the parts per billion be equivalent
2951 | to what you saw in a mobile home, manufactured housing?

2952 | Mr. SHEA. I do know this, sir: any structure, if you
2953 | close it up, seal it up, cycle the temperature to 80 to 100
2954 | degrees, you are going to have a reduction of indoor air
2955 | quality. There will be higher levels of chemical
2956 | constituents, especially if you have attached garage with a
2957 | car in it. I just went to a lean building seminar. The
2958 | presenter said one of the best things you could do for indoor
2959 | air quality was to have a detached garage. So any structure,

2960 | if you put it under these kind of conditions, is going to
2961 | have decreased indoor air quality.

2962 | Mr. BURTON. And you used the kind of materials that are
2963 | used in just about any kind of construction in these?

2964 | Mr. SHEA. The highest users of these composite wood
2965 | products, like particle board, MDF, hardwood plywoods, if you
2966 | look at the reports, most of it goes into the remodeling
2967 | industry. If you go into these large remodeling stores,
2968 | these products are stacked to the ceiling. So the RV
2969 | industry and the manufacturing housing industry only use less
2970 | than 1 percent of these kind of products.

2971 | Mr. BURTON. The point I am trying to make is you are not
2972 | using anything out of the ordinary in producing these
2973 | products; you are using what is normal in construction?

2974 | Mr. SHEA. These products are used in furniture making,
2975 | cabinetry, home building.

2976 | Mr. BURTON. Let me just say I am going to yield to my
2977 | colleague, Mr. Issa from California, but I just want to say I
2978 | have known the Shea family probably for 30 years, and I know
2979 | their business, and, Mr. Chairman, I want you to know they
2980 | have impeccable credentials as far as conducting their
2981 | business in an honorable way in Indiana. I don't represent
2982 | that area, but I want you to know that I don't think they
2983 | would ever do anything intentionally to harm the health of
2984 | any individual.

2985 With that I yield to Mr. Issa.

2986 Mr. ISSA. I thank the gentleman.

2987 Mr. Bennett, how many people does your company employ
2988 typically?

2989 Mr. BENNETT. Right now we employ approximately 100
2990 people.

2991 Mr. ISSA. About 100. And, Mr. Shea, how many would you
2992 have had at the peak of production for FEMA? How many people
2993 would you have employed?

2994 Mr. SHEA. I would estimate about 2,000 people, sir.

2995 Mr. ISSA. About 2,000. So we are looking at companies
2996 of 5,000, 3,000, 100, and 2,000, and I noticed that in the
2997 information that I received we only have two people that have
2998 made complaints, both about your company, Mr. Shea, and they
2999 seem to be about only one thing, which is the question about
3000 Norboard being made in China and that being the source of a
3001 lot of these problems. Earlier people talked about imported
3002 Chinese products. Do you know where Norboard is made? And
3003 do you know if it could be the cause of the problem?

3004 Mr. SHEA. Norboard is a product that is made in Deposit,
3005 New York. It is an American product. It is made to what
3006 they call an ANTSY standard, which is equivalent to the HUD
3007 standard for particle board. But we asked this company to
3008 provide testing documentation on their product, and their
3009 product actually tested well below the standard that they

3010 | build to. It is actually about over 30 percent below the
3011 | standard. And it is almost what the upcoming CARB standard
3012 | is for MDF that is upcoming for 2009. It is very close to
3013 | that. So this was good product, good American product, and I
3014 | don't know what this individual was referring to relative
3015 | to--

3016 | Chairman WAXMAN. The gentleman's time has expired. We
3017 | will come back to you, Mr. Issa, in a minute.

3018 | Mr. Danny Davis?

3019 | Mr. DAVIS OF ILLINOIS. Thank you very much, Mr.
3020 | Chairman.

3021 | Mr. Shea, let me try and make sure I understand your
3022 | testimony. How many Katrina-related trailers did your
3023 | company build and supply to FEMA during this process?

3024 | Mr. SHEA. Sir, we had two contracts. Each was for
3025 | 25,000 units, sir.

3026 | Mr. DAVIS OF ILLINOIS. Did you actually build and supply
3027 | or sell to FEMA those 25,000 units?

3028 | Mr. SHEA. Yes, we did, sir.

3029 | Mr. DAVIS OF ILLINOIS. Did I understand you to suggest
3030 | or to say that prior to the CNN new report, that you had only
3031 | heard of possibly three expressions of concern, one which
3032 | turned out to be a faulty connection of a sewer line?

3033 | Mr. SHEA. Sir, I am not sure as far as the CNN report.
3034 | The time frame that I was referring to was a report that came

3035 out of Bay St. Louis on an individual that was in one of our
3036 units, and we contacted FEMA on that individual. They told
3037 us, because we wanted to assist or see what we could do, they
3038 said that they couldn't discuss it for privacy reasons with
3039 us, but that they had addressed his concerns by exchanging
3040 for a different trailer.

3041 Now, I am not including that customer, sir, but--

3042 Mr. DAVIS OF ILLINOIS. Okay. But you had no information
3043 that would suggest that formaldehyde was a problem in any of
3044 these units?

3045 Mr. SHEA. Before the report that came from Bay St.
3046 Louis, this had not been an issue that we had tried to deal
3047 with with agency FEMA units. Our travel trailers had not
3048 been this kind of concern, so this was surprising to us, very
3049 surprising to us when this became an issue in the State of
3050 Mississippi at that time.

3051 Mr. DAVIS OF ILLINOIS. Thank you. Let me ask you, Mr.
3052 Liegl, how many trailers did your company supply to FEMA?

3053 Mr. LIEGL. We supplied 5,000 to FEMA specs, not directly
3054 to FEMA but through a Government-approved purchaser, and so
3055 5,000 to the FEMA specs, but we also know that FEMA had
3056 bought trailers of Forest River off of dealers' lots.

3057 Mr. DAVIS OF ILLINOIS. Let me just ask, did I understand
3058 also that you were actually invited or there was some
3059 discussion that you could supply 35,000?

3060 Mr. LIEGL. That is correct.

3061 Mr. DAVIS OF VIRGINIA. And you decided not to do the 35?

3062 Mr. LIEGL. That is also correct.

3063 Mr. DAVIS OF VIRGINIA. Could you tell us why?

3064 Mr. LIEGL. Well, number one, we couldn't. Doing what we
3065 were told to do by FEMA, they wanted our units to be built in
3066 the same standards that we build our typical RV, and so to do
3067 that we had to use the same plants, the same people, the same
3068 materials, et cetera. The most we could build was 5,000 in
3069 the time period they needed them.

3070 Mr. DAVIS OF ILLINOIS. So you were afraid that you might
3071 have to compromise something if you were to attempt to take
3072 on that contract?

3073 Mr. LIEGL. Yes, sir.

3074 Mr. DAVIS OF ILLINOIS. The 5,000 that you actually built
3075 and sold, did you make any profit different than the profit
3076 that you probably would have made if you sold those to the
3077 Danny Davis Enterprises?

3078 Mr. LIEGL. No. The margin of profit would have been
3079 about approximately the same what we made the year before and
3080 the years after.

3081 Mr. DAVIS OF ILLINOIS. Let me ask each one of you
3082 gentleman if you would answer directly. Last week the CDC
3083 issued a report about the results of its testing, and
3084 ultimately ended up suggesting that people living in any of

3085 | these trailers exceeding 500 parts per billion, that they
3086 | actually ought to be moved out and that they ought to move
3087 | out immediately. Let me ask if you agree with that
3088 | statement, and beginning with you, Mr. Shea.

3089 | Mr. SHEA. Sir, I don't recall that 500--my understanding
3090 | on the CDC was they really didn't define a level of when
3091 | people should move out; they just recommended--

3092 | Mr. DAVIS OF ILLINOIS. Okay. So you couldn't comment on
3093 | the statement that I just made because you wouldn't be aware
3094 | of it.

3095 | Let me go to the next gentleman.

3096 | Mr. BENNETT. I would have to say that until a standard
3097 | is agreed upon, that that is a difficult question to answer.

3098 | Mr. DAVIS OF ILLINOIS. All right. So it is difficult.
3099 | Let me go to the next.

3100 | Mr. FENECH. Please ask the question again, sir, because
3101 | I don't want to--

3102 | Mr. DAVIS OF ILLINOIS. Well, let me just ask this: if
3103 | you purchased an apple and cannot eat it, do you believe that
3104 | you ought to pay for it?

3105 | Mr. FENECH. Great question. No, I would probably not
3106 | want to pay for that apple.

3107 | Mr. DAVIS OF ILLINOIS. Well, my point is this: that if
3108 | there were trailers that people can't live in now, that FEMA
3109 | has purchased, should the taxpayers be paying for those

3110 trailers that cannot be used for the purposes for which they
3111 were purchased.

3112 I thank you, Mr. Chairman, and yield back the balance of
3113 my time.

3114 Chairman WAXMAN. The gentleman's time has expired.

3115 Mr. Issa?

3116 Mr. ISSA. Thank you.

3117 Mr. Davis, I would be interested to know whether or not
3118 we would make more money on your purchase than on FEMA's
3119 purchase. That could be a whole separate hearing.

3120 Mr. DAVIS OF ILLINOIS. But I am selling apples.

3121 Mr. ISSA. Well, and we don't know today, unfortunately,
3122 whether or not this is an example of 50,000, 125,000 apples
3123 being bought and we have a couple of bad apples. I have
3124 several questions, but I would want to make sure we
3125 understand here today there is no test going on in every one
3126 of these trailers in the field. There is no standard if
3127 there was a test. And CDC just told us that, in fact, they
3128 only looked at one item and there is no standard for what
3129 level we should move people out of these trailers or how much
3130 ventilation would be enough to reduce it, and they weren't
3131 familiar with the high levels inside fixed homes in these
3132 areas of the south, particularly Louisiana.

3133 So, having said that, I am going to look at you four
3134 business people and I am going to try and--I am not saying

3135 provide you relief. I think you will provide that for
3136 yourself in due course. But lest you be the last victims of
3137 Katrina--let's just put it that way--today do any of you have
3138 a standard in front of you other than the proposed standard
3139 that would cause you to make your trailers different? In
3140 other words, has FEMA come back to you other than this
3141 adopting of 16 parts per billion and given you any new
3142 guidance on how to make trailers if, in fact, a hurricane
3143 hits today?

3144 [No response.]

3145 Mr. ISSA. I will take no as the answer. I think I saw a
3146 no from everyone.

3147 Mr. Shea, in your case, speaking about trying to hit
3148 this level of parts per billion that is roughly equal to
3149 inhaling and exhaling and dramatically less than if one cat
3150 pees on the carpet, which would be far greater parts per
3151 billion just based on a kitty accident, the only thing you
3152 know of is something that could cause you to say no bid; is
3153 that correct? That if, in fact, 16 parts per billion becomes
3154 the standard, you are going to have to no-bid it because you
3155 can't meet that standard?

3156 Mr. SHEA. No, sir, because even if you tested something,
3157 and where we produce in Indiana, the time you moved it to
3158 Louisiana, totally different atmospherics, much more
3159 humidity, much more heat on a constant basis, there is no

3160 way. And that doesn't even include how residents differ and
3161 their use.

3162 Mr. ISSA. You know, I am an electronics manufacturer, so
3163 my background is one in which we have standards for
3164 absolutely everything, and I was the chairperson of the
3165 Standard and Trade Association, the Consumer Electronics
3166 Association, before I came to Congress. Now, you all four
3167 are, I believe, members of the trade association for travel
3168 trailers; is that correct?

3169 Mr. SHEA. Yes.

3170 Mr. BENNETT. Correct, sir.

3171 Mr. FENECH. Yes.

3172 Mr. LIEGL. Yes.

3173 Mr. ISSA. Okay. And is your association prepared to
3174 participate in standards setting if, in fact, the Government
3175 is willing to set standards?

3176 Mr. SHEA. Yes.

3177 Mr. BENNETT. Absolutely.

3178 Mr. FENECH. Yes.

3179 Mr. LIEGL. Yes.

3180 Mr. ISSA. Okay. Do you know if your association has
3181 reached out to try to have that engagement? Any one of you
3182 that wants to speak?

3183 Mr. SHEA. I think that is very important to the
3184 industry, and they have said so. They are very interested in

3185 | being able to have the kind of standard they can conform to.
3186 | I am sure they will be leading the parade as attaining that
3187 | standard.

3188 | Mr. ISSA. So, again, in the spirit of lest Katrina have
3189 | one more set of victims, all of you are saying today that you
3190 | do not have new standards on which to make trailers
3191 | differently than you made them before and after Katrina, the
3192 | only discussion of a new standard of 16 parts per billion is
3193 | not achievable, and your association stands ready to work
3194 | with, on a uniform basis, meeting these standards both for
3195 | FEMA and for, as a matter of fact, the consumer public. Is
3196 | that all correct?

3197 | Mr. SHEA. Absolutely.

3198 | Mr. BENNETT. Yes.

3199 | Mr. FENECH. Yes.

3200 | Mr. LIEGL. Yes.

3201 | Mr. ISSA. So we have hauled you all in here to talk
3202 | about a standard that didn't exist, that you couldn't meet
3203 | because it didn't exist, it doesn't exist today, and we are
3204 | asking you to defend yourselves because you might have made a
3205 | profit making trailers that in many cases were identical or
3206 | actually were off-the-shelf trailers, because many of what
3207 | FEMA bought were off-the-shelf trailers; is that correct?

3208 | Mr. SHEA. Correct.

3209 | Mr. BENNETT. Yes.

3210 Mr. FENECH. Yes.

3211 Mr. LIEGL. Yes.

3212 Mr. ISSA. Okay. And I yield the remainder of my time to
3213 Mr. Burton.

3214 Mr. BURTON. I just want to ask, I was wondering if we
3215 could ask the EPA to test closed houses in this area down
3216 there to see what the parts per billion are in those houses
3217 compared to these motor homes that were there since Katrina.
3218 I think that would be a very interesting thing, and I would
3219 like to ask you, Mr. Chairman, if we could request that kind
3220 of a study.

3221 Chairman WAXMAN. Well, I will certainly take it under
3222 submission, but certainly you are free to ask for any
3223 information you wish.

3224 Mr. BURTON. I know, but you being Chairman I think it
3225 would carry--I will co-request it with you, Mr. Chairman.

3226 Chairman WAXMAN. The gentleman's time has expired.

3227 Ms. Norton?

3228 Ms. NORTON. Thank you, Mr. Chairman.

3229 Mr. Shea, my question really goes to the duty of the
3230 manufacturer. We have spoken about FEMA here. You don't
3231 have to worry about FEMA. I am Chair of the Subcommittee
3232 with jurisdiction over FEMA. This Committee has, in
3233 addition, had FEMA before us way before we ever got to you
3234 over the past couple of years. My questions really go to the

3235 | duty to disclose in a free democratic free market society
3236 | when a business wants to avoid liability, when a business
3237 | wants to remain in business, when a business wants to
3238 | maintain its reputation with the Federal Government and with
3239 | customers, generally. I am perplexed by your approach to the
3240 | 35 unoccupied trailers.

3241 | I have a letter here from March 2006, a letter from Gulf
3242 | Stream where Gulf Stream was testing 35 unoccupied trailers.
3243 | Leave aside the controversy about now standard, what
3244 | standard, these tests showed levels in some of these trailers
3245 | well over 2,000 to 4,000 parts per billion, and I don't think
3246 | there is much controversy about that level. By anyone's
3247 | standards that is a dangerous standard, and I don't think
3248 | that that is subject to dispute or has been subject to
3249 | dispute even here.

3250 | Now, Mr. Shea, you began testing in March, and FEMA, of
3251 | course, was still in the process of activating its purchase
3252 | of trailers. Indeed, after March 2006 when you were testing
3253 | FEMA actually continued to activate trailers, thousands,
3254 | which, of course, ended up in the Gulf with the results that
3255 | are under scrutiny here today.

3256 | Let me ask you: did Gulf Stream provide FEMA with the
3257 | vehicle identification numbers of the trailers that it had
3258 | tested that had high levels of formaldehyde so that at the
3259 | very least FEMA could ensure that those trailers were not

3260 distributed on the Gulf Coast?

3261 Mr. SHEA. Well, There is various e-mails. I think if
3262 you look in the record you will see discussions between FEMA
3263 and e-mails between FEMA and Gulf Stream.

3264 Ms. NORTON. Well, we have your letter, and your letter
3265 makes no reference to any results from the unoccupied
3266 trailers. Is it your testimony that you, in fact, told FEMA,
3267 e-mailed FEMA, wrote FEMA about the results in the 35
3268 unoccupied trailers? Did you reveal these 2,000 to 4,000
3269 parts per billion in the unoccupied trailers? I am simply
3270 trying to get whether you did or not.

3271 Mr. SHEA. Well, we--

3272 Ms. NORTON. Did you disclose this information or not?

3273 Mr. SHEA. We didn't conclude that it was relevant,
3274 ma'am. We thought that it was irrelevant information.

3275 Ms. NORTON. In what sense?

3276 Mr. SHEA. Well, ma'am, we felt it was irrelevant
3277 information because, first of all, we provided information to
3278 FEMA in that letter relative to what our experience was with
3279 ventilation, what our experience was with looking at
3280 ventilation options for sensitive individuals. That--

3281 Ms. NORTON. That is my point. You provided, indeed, in
3282 this letter you provided only the information that, of
3283 course, would reinforce the continuing purchase and
3284 activation of these trailers. I understand what you

3285 provided. I am asking you why you thought it was
3286 irrelevant--

3287 Mr. SHEA. Yes, I would love to respond to that.

3288 Ms. NORTON.--to disclose any information about the
3289 formaldehyde levels in the unoccupied trailers which you,
3290 yourself, were at that moment testing. Why was that
3291 irrelevant?

3292 Mr. SHEA. First of all, FEMA had information on
3293 unoccupied units, ma'am. They had done OSHA testing and--

3294 Ms. NORTON. I am talking about your tests. You just
3295 said irrelevant.

3296 Mr. SHEA. Yes, we--

3297 Ms. NORTON. And I want to know why it is irrelevant.

3298 Mr. SHEA. It is irrelevant, ma'am, because FEMA knew
3299 about closed-up, tightened-up, heated-up units, what they
3300 would have been testing at, because they had NIOSH-certified
3301 persons that went out and did testing well before this.

3302 Ms. NORTON. This was unoccupied trailers about to be
3303 distributed to actual human beings on the Gulf Coast. If you
3304 had to do it over again, would you disclose the information
3305 on the 35 unoccupied trailers to FEMA?

3306 Mr. SHEA. Anything that would have been helpful to
3307 public health in any kind of retrospect on this, we would
3308 have loved to have been able to shed more light on. We
3309 support public health. But this is looking at it in a

3310 retrospective, and our perspective at the time was--

3311 Ms. NORTON. Well, you haven't been able to tell us why
3312 it was irrelevant. Indeed, you testified that in retrospect,
3313 if I could conclude, in retrospect this could have been
3314 helpful to maintain health. And, you know, my main concern
3315 here is not so much with what appears to be a cover-up, at
3316 least of this information, but with whether or not the
3317 companies have learned anything from this experience. I will
3318 try to conclude that your first answer about irrelevant is
3319 not your final answer, and that if you had to do it over
3320 again perhaps it should have been disclosed. That is giving
3321 you the best veneer I can on your answer.

3322 I yield back the balance of my time.

3323 Chairman WAXMAN. The gentlelady's time has expired.

3324 Mr. Souder?

3325 Mr. SOUDER. Thank you, Mr. Chairman. I have a couple of
3326 points that I want to make, but I want to follow up there.

3327 Mr. Shea, it was not a scientific test; it was a
3328 snapshot, and it was a snapshot of sealed vehicles which
3329 could test at any different range. In retrospect, perhaps it
3330 would have been helpful for CDC to know, but, in fact, they
3331 probably wouldn't have had it be relevant, either, other than
3332 potentially to do more testing, because the test wasn't
3333 accurate. Wasn't that what you were trying to say?

3334 Mr. SHEA. Yes. And, if you will remember, the EPA did

3335 | testing, certified testing, several months after we would
3336 | have done these screenings, in September, and they showed
3337 | levels above these levels, equal to these levels that were
3338 | shown by the screenings, which, of course, picked up all
3339 | kinds of other chemical constituents. But it wasn't treated
3340 | by Government as being relevant. They didn't say because we
3341 | have these closed-up, heated-up, sealed-up units at these
3342 | levels. They didn't come back and say, Well, everybody needs
3343 | to be evacuated from units.

3344 | Mr. SOUDER. Because you have certainly said air them
3345 | out.

3346 | Mr. SHEA. They said air them out, and the ATSDR did a
3347 | report in February 2007. It wasn't until occupied unit
3348 | testing was done 18 months after this approximately letter
3349 | that Ms. Norton is referring to that there was a move to what
3350 | the CDC said, quickly relocate residents. It wasn't after
3351 | this EPA testing that was done well before that showed
3352 | results in these sealed-up units.

3353 | Mr. SOUDER. I wanted to make a comment, and if any of
3354 | you want to add to this, there is kind of a misunderstanding
3355 | in applying the type of industry that has developed
3356 | predominantly in Elkhart County from other industry
3357 | associations and why the industry hasn't been more proactive.
3358 | It is basically a start-up industry that was a collection of
3359 | small companies.

3360 Mr. Liegl, when you started what size was your company?

3361 Mr. LIEGL. Well, when we began it was in 1996 and I
3362 began with 20, 30 people.

3363 Mr. SOUDER. And Forest River is now one of the biggest.
3364 How many acquisitions would you say you have made in the last
3365 24 months?

3366 Mr. LIEGL. Acquisitions?

3367 Mr. SOUDER. Yes. In other words, picking up other
3368 facilities.

3369 Mr. LIEGL. We primarily grew from being organically
3370 grown and not through acquisition.

3371 Mr. SOUDER. Mr. Fenech, Keystone came out of other
3372 companies in the area and was one of the most dynamic young
3373 companies. Four now has bought a whole number of companies
3374 in the District, including yours. Mr. Bennett's historically
3375 has been more typical, fairly small company that, as
3376 Government pressure comes in, and as we have more
3377 accountability, one of the byproducts of this is it is
3378 getting harder and harder for somebody to start a company of
3379 90 employees or harder and harder to do what Keystone did
3380 without the capital, meeting all the different standards, and
3381 there are consequences to our actions. But in the ability of
3382 the association to fund their own R&D, what we have seen is a
3383 consolidation of this industry into larger companies,
3384 because, as you have to do this, you respond differently.

3385 One of the great entrepreneurial counties--Elkhart
3386 County is the highest percent manufacturing in America, one
3387 of the last percent places.

3388 One other thing that has come up, I have seen it in
3389 media reports, are shuttered buildings. I know another
3390 company which is not this, but Utilimaster, when I first
3391 visited them, sometimes operating in two buildings and
3392 sometimes they are operating in nineteen buildings, because
3393 buildings get shuttered because things are cyclical. That
3394 would be the wide range.

3395 Mr. Shea is a little different, because your company
3396 historically has dealt more with FEMA. Has it always been
3397 significant, as opposed to Mr. Liegl is about 5 percent of
3398 yours? Is that what the trailers--

3399 Mr. LIEGL. Correct.

3400 Mr. SOUDER. Mr. Shea, what percent of FEMA would be a
3401 standard and what is your range that the green facilities
3402 tend to be extra cyclical? Could you kind of give an idea of
3403 how you go up and down because of the nature of your business
3404 is somewhat different than some of the others?

3405 Mr. SHEA. Well, some years we provided 500 units to
3406 FEMA, some years we provided 14,000 units to FEMA for
3407 hurricane relief. This was the largest number we ever
3408 produced. Obviously, since that time the industry has gone
3409 downward in terms of its overall production. We have had to

3410 | adjust to that. This is going to be a very difficult year
3411 | for the industry. I have heard five or six companies already
3412 | go out of business, long-term companies, and some of the
3413 | industry segments are down 56 percent. So we do have to make
3414 | that kind of adjustment, but our utmost thing is to try to
3415 | preserve manufacturing jobs and do everything we can to do
3416 | that.

3417 | Mr. SOUDER. I have just a quick follow-up to that. The
3418 | 2,000 figure was used. What would be the range of your
3419 | employment?

3420 | Mr. SHEA. It could range between 1,000 and 2,000.

3421 | Mr. SOUDER. Thank you.

3422 | Chairman WAXMAN. Mr. Jordan?

3423 | Mr. JORDAN. I thank the Chairman.

3424 | I want to thank the panel, too, for coming. I represent
3425 | the Fourth District of Ohio. We have Airstream, part of Four
3426 | Industries, as well, in our District; Norcold, which I assume
3427 | is a supplier for some of you guys. We do appreciate your
3428 | being here and your industry.

3429 | I thought Mr. Issa did a nice summary when we talked
3430 | about the standards. You talk about there is no test, there
3431 | is no standard. In fact, in the previous panel Dr. McGeehin
3432 | even said that, I think, if I got his quote right, the CDC is
3433 | not a standards-setting agency. So it is a tough situation
3434 | that you guys are having to deal with here.

3435 I wanted to go to, I think, Mr. Liegl's reference. I
3436 didn't catch all your opening statements, but Mr. Liegl in
3437 his opening statement talked about his assistance to FEMA in
3438 past disasters. I know Mr. Shea, as well, with Gulf Stream
3439 has done that.

3440 Mr. Bennett and Mr. Fenech, have you guys also assisted
3441 FEMA in past hurricanes or past disasters?

3442 Mr. FENECH. We have never had a contract with FEMA, no.
3443 There have been some products that we have supplied, but it
3444 has been through the dealers.

3445 Mr. JORDAN. And Mr. Bennett?

3446 Mr. BENNETT. We have never had a contract directly with
3447 FEMA.

3448 Mr. JORDAN. Okay. So just Gulf Stream and Forest River.
3449 In your past dealings with FEMA, has there ever been
3450 problems? Have you had any complaints? Have things gone
3451 fine?

3452 Mr. FENECH. Could I go back? We did not have a direct
3453 contract with FEMA.

3454 Mr. JORDAN. You sold off your lots?

3455 Mr. FENECH. No. We sold to American Catastrophe, which
3456 was an approved supplier.

3457 Mr. JORDAN. Okay.

3458 Mr. FENECH. So it wasn't a direct deal with FEMA.

3459 Mr. JORDAN. Okay. But in your past dealings where your

3460 units have assisted FEMA in dealing with disaster relief,
3461 have there been any problems with those units?

3462 Mr. FENECH. In the past, absolutely none.

3463 Mr. JORDAN. And Mr. Shea?

3464 Mr. SHEA. We have had a very excellent relationship with
3465 FEMA over the years. We have had a laudatory letters
3466 relative to our performance, and we have worked closely with
3467 them.

3468 Mr. JORDAN. And the units that went out with Katrina and
3469 Hurricane Rita, the units that were sold there, is it
3470 accurate to say they were the exact same units that you would
3471 send to your dealers and your dealers would sell to any
3472 citizen or any family who came to purchase those?

3473 Mr. FENECH. Yes, sir.

3474 Mr. JORDAN. Mr. Liegl?

3475 Mr. LIEGL. Definitely.

3476 Mr. JORDAN. Mr. Shea, same units?

3477 Mr. SHEA. We were the only manufacturer that was
3478 approved for rail transport, which was important to FEMA, and
3479 I think they shipped about 25,000 of our units by rail, so
3480 our units do have differences beyond what would be normal for
3481 our regular production. There are some differences, but all
3482 the products use composite wood products like particle board
3483 and MDF and hardwood plywood. I mean, that is very much the
3484 same for all of them.

3485 Mr. JORDAN. And then Mr. Bennett and Mr. Fenech, same
3486 units that were part of Katrina, same units you would sell to
3487 any other customer?

3488 Mr. FENECH. Absolutely.

3489 Mr. JORDAN. Okay. Mr. Chairman, I yield back the
3490 balance of my time.

3491 Chairman WAXMAN. Thank you very much.

3492 That concludes the questioning by the Members of the
3493 Committee, and I do want to recognize Mr. Donnelly at this
3494 time.

3495 Mr. DONNELLY. I want to thank the Chairman again for
3496 having the grace to let me be present at this hearing. And I
3497 want to welcome all of the gentlemen here for participating.
3498 There are headquarters located in our District. You have
3499 facilities located in our District. I think the other story
3500 that is here is the story of the number of families of the
3501 Gulf Coast region who were able to receive shelter from your
3502 products when they had nowhere else to put their head at
3503 night and who, because of the workers of your comps, were
3504 able to have their family have a place to stay and be able to
3505 shower and to eat and have somewhere that they could put
3506 their family unit back together.

3507 And that the workers of your companies, the other untold
3508 story is the overtime work that was put in on a constant
3509 basis, the weekend work that was done because of the

3510 | commitment of your workers and your companies to the people
3511 | who live, their fellow Americans, down in the Gulf region.

3512 | I travel the highways of our District, as you know, and
3513 | day after day almost every two or three minutes you could see
3514 | another unit heading down to the Gulf region for another
3515 | family.

3516 | So the one question I have is for you, Mr. Shea, and
3517 | that is that the Government and scientific agencies have not
3518 | seemed to be able to successfully come to a consensus as to a
3519 | formaldehyde level for your products. In that absence, are
3520 | you voluntarily implementing any standards, and what would
3521 | they be?

3522 | Mr. SHEA. Yes, Congressman. In spring of 2007 we
3523 | started implementing products that were equivalent to the
3524 | upcoming CARB standards for product emissions that go into
3525 | effect in 2009, and beyond that we have moved now to actually
3526 | 2011 compliant products. So what we are producing now is two
3527 | and a half years in front of the marketplace, as far as I
3528 | know. That is where we like to be. We like to be ahead of
3529 | the curve. We have been ahead of the curve in terms of using
3530 | LFU products starting in the 1990s. And we also, to my
3531 | knowledge, are the only manufacturer who has a third party
3532 | organization that ensures our material acquisition, our
3533 | supply processes, and does verification testing on products
3534 | that we receive from vendors.

3535 Mr. DONNELLY. Thank you very much.

3536 I have no other questions, Mr. Chairman.

3537 Chairman WAXMAN. Thank you very much, Mr. Donnelly.

3538 Some Members wish a second round, and I see Mr. Welch
3539 has just arrived and he hasn't done his first round, but let
3540 me recognize myself and then we will get to Mr. Welch down
3541 the road.

3542 Last week CDC issued this report and we heard from CDC
3543 this morning in their testimony, and they said to us that
3544 levels of formaldehyde were elevated in these trailers, and
3545 some exceeded 500 parts per billion, which is the level that
3546 OSHA requires mandatory medical monitoring. It is that high
3547 so that they require medical monitoring. As a result of its
3548 testing, CDC recommended everyone currently living in these
3549 trailers be evacuated immediately, not just some residents,
3550 but all of them. CDC said that Government should prioritize
3551 its evacuation first to take out the elderly and children,
3552 those who are most sensitive, but then eventually get
3553 everybody out.

3554 The witnesses on this panel that is before us right now
3555 representing the companies that sold these trailers, I would
3556 like to ask each of you, Do you agree with this Federal
3557 Government decision to evacuate these residents from your
3558 trailers if they exceed this 500 parts per billion? Mr.
3559 Shea, do you agree with that statement from CDC and

3560 recommendation?

3561 Mr. SHEA. CDC recommended that these persons be quickly
3562 relocated despite the levels. The levels were as low as
3563 three parts per billion, sir, and they ranged upwards--

3564 Chairman WAXMAN. No, that is not my question. My
3565 question is we are being told that if people are living in
3566 trailers that exceed 500 parts per billion, that they be put
3567 into some other trailer, that they be relocated. Do you
3568 disagree with that?

3569 Mr. SHEA. I think that there should be all consideration
3570 for the safety of the persons. There are some statistical
3571 outlookers. There are very few of the units that I know were
3572 at that level. They average--

3573 Chairman WAXMAN. But if they are at that level, do you
3574 agree with that recommendation? Yes or no?

3575 Mr. SHEA. Above that level, with the concerns that are
3576 being registered by the CDC, I would agree for public health.

3577 Chairman WAXMAN. Okay. How about you, Mr. Bennett?

3578 Mr. BENNETT. I would agree.

3579 Chairman WAXMAN. And Mr. Fenech?

3580 Mr. FENECH. I think that there are really some unusual
3581 circumstances in Louisiana, and absolutely. I mean, if it is
3582 unsafe they should be moved out.

3583 Chairman WAXMAN. Mr. Liegl?

3584 Mr. LIEGL. Yes, sir.

3585 Chairman WAXMAN. Okay. Now, since you agree with this
3586 statement, let me ask you this: why should the Federal
3587 Government have to pay you for these trailers? The American
3588 taxpayers spent \$2 billion in trailers that can't be used.
3589 Shouldn't we get that money back if those trailers exceed
3590 those very high levels?

3591 I don't see any of you jumping in to say yes.

3592 Mr. SHEA. I would answer that question, sir. CDC
3593 testing totally depends on use. Anybody that would have
3594 smoked a cigarette or otherwise used the unit, it wasn't a
3595 protocol that was universal. They were totally dependent on
3596 what people did, whether they cooked fish, whether they
3597 smoked a cigarette, whether they did other things that raised
3598 these levels higher.

3599 We are in favor not just of a standard, but we need also
3600 a protocol of testing to follow so that we know what we are
3601 comparing it to.

3602 Chairman WAXMAN. Let me interrupt you. Two years ago
3603 you tested trailers and found that 40 percent of them
3604 exceeded that level. Mr. Fenech, CDC found that a trailer
3605 from your company, Keystone RV, had formaldehyde exposures of
3606 480 parts per billion. Do you think that that is safe?

3607 Mr. FENECH. Based on the information that we are hearing
3608 today, you would say that no, that doesn't sound like it is a
3609 safe level.

3610 Chairman WAXMAN. Okay.

3611 Mr. FENECH. Please let me complete my thought, if I
3612 might. But the implication then is that it is all the result
3613 of the way the trailer was built, and that I don't agree
3614 with, to answer your question about the buy-back.

3615 Chairman WAXMAN. But you don't think it is safe.

3616 Mr. FENECH. I am not a scientist.

3617 Chairman WAXMAN. Let me ask Mr. Bennett the question.

3618 CDC found that a trailer from your company, Pilgrim
3619 International, had 520 parts per billion. Do you think that
3620 is safe for people to live in?

3621 Mr. BENNETT. I would have to state that this is long
3622 after the fact and at the time we built these units we had no
3623 standard to go by. We were building them the same way we
3624 build trailers, thousands of trailers. We had no reason to
3625 believe that these trailers were--

3626 Chairman WAXMAN. But you don't think it is safe now.

3627 Mr. Shea, you are the chairman of Gulf Stream company.
3628 You provided the most trailers to FEMA. Your company was
3629 paid over a half billion dollars. CDC found that one of your
3630 trailers had formaldehyde levels 590, the highest level of
3631 any of the trailers that it examined.

3632 The point that I am getting to is I don't think that a
3633 manufacturer of any product should say, well, if there is no
3634 standard I don't have to meet it. I think you have an

3635 obligation to try to find out if your product is going to
3636 harm people. I think that is just the responsibility of any
3637 manufacturer that sells a product, no matter what it is,
3638 whether it is a toy or a trailer. When we hear from CDC that
3639 everyone living in these trailers at that level should be
3640 evacuated as soon as possible, nobody should live in those
3641 trailers with formaldehyde that high, it sounds like the
3642 companies who sold these trailers are not willing to say that
3643 they have some responsibility because there was no standard.
3644 I just don't accept that argument.

3645 My time has expired. Who wishes to be recognized? Mr.
3646 Bilbray?

3647 Mr. BILBRAY. Yes, Mr. Chairman.

3648 Gentlemen, this whole issue sort of is interesting how
3649 it has come around. As the Chairman knows, I served on the
3650 Air Resources Board in California, and we had major concerns
3651 about indoor pollution exposures. In fact, as far as I know
3652 right now in the 1990s we were looking at a different
3653 exposure, and that was the exposure caused by formaldehyde
3654 emissions from new purchased vehicles, new manufactured
3655 vehicles. I question, Does anybody know what the
3656 formaldehyde exposure is on a new automobile in the United
3657 States left in the noonday sun for a few hours?

3658 [No response.]

3659 Mr. BILBRAY. And is there a Federal standard of maximum

3660 exposure for new automobiles?

3661 [No response.]

3662 Mr. BILBRAY. I would say, as far as I know, no, there
3663 isn't. And it is a concern and has been a concern of the Air
3664 Resources Board since the late 1980s. But do we hold
3665 automobile manufacturers responsible for that exposure and do
3666 we now open up the issue that automobile manufacturers should
3667 be held accountable for any exposure over a certain limit to
3668 new car purchasers, because I haven't bought a new car in a
3669 long time and, frankly, that new car smell is something that
3670 people talk about. But at the Air Resources Board we were
3671 addressing it.

3672 My question is this: the formaldehyde emissions in
3673 these trailers--and in my family I was in Mississippi. I had
3674 a family home damaged in Mississippi. I saw the trailers
3675 coming in. The manufacturing products that were put in these
3676 trailers, are they products that are available in the open
3677 market at any Home Depot, at any lumber yard, or are these
3678 unique particle board and materials that are emitting
3679 formaldehyde? Gentlemen?

3680 Mr. FENECH. I would be happy to answer that. It is
3681 off-the-shelf, standard stuff that is used every day in house
3682 building for all intents and purposes. Maybe we might get a
3683 different thickness of that material versus the standard
3684 half-inch versus we might get three-eighths, but it is

3685 off-the-shelf material.

3686 Mr. BILBRAY. Anyone knows when the testing was done, was
3687 there any mitigation done to new construction exposed to the
3688 southern sun basically caused more aggravated emissions
3689 coming out of these particle board and other products, just
3690 like the new automobile left in the sun? In these records,
3691 what kind of application? How old were the units? And what
3692 was the parameters with which the tests were made that came
3693 up with these high numbers? Do you guys have any idea of
3694 what kind of parameters the Sierra Club used in doing these
3695 tests?

3696 Chairman WAXMAN. You said the Sierra Club.

3697 Mr. BILBRAY. Well, the data I had was that the Sierra
3698 Club felt there were evaluations and concerns about the
3699 exposure, Mr. Chairman. Am I wrong on that? The Sierra Club
3700 didn't have--

3701 Chairman WAXMAN. I am misinformed, and I am sorry to
3702 have jumped in. I guess the Sierra Club did some very
3703 preliminary, early studies.

3704 Mr. BILBRAY. And raised the concerns?

3705 Chairman WAXMAN. Yes. The gentleman's question is based
3706 on an accurate statement.

3707 Mr. BILBRAY. There were tests done by the Sierra Club
3708 and raised these concerns. And the testing done, the big
3709 question that is there is do we now go to all construction

3710 material and start addressing the issue of formaldehyde in
3711 all construction material, and is that the way we could
3712 reduce this exposure, and basically say particle board may be
3713 outlawed in the United States or may not be used in
3714 construction where you have the potential for indoor
3715 pollution, which ARB in California has been talking about for
3716 over a decade.

3717 Go ahead, sir.

3718 Mr. SHEA. Yes, ARB is implementing, as I mentioned
3719 earlier, in 2009 new product standards which they say are the
3720 most stringent in the world. And yes, there is going to be
3721 standards certainly for our industry in using these common
3722 wood products. They need to be applied to home building,
3723 remodeling, apartments, furniture. Everyone needs to be on
3724 the same, because it is more difficult to ensure what
3725 products you are getting when there is all kinds of different
3726 products out there, so it would be helpful to have a national
3727 standard for these kinds of products.

3728 Mr. BILBRAY. Okay. And remember, too, that the use of
3729 this particle board has actually been encouraged due to
3730 recycling of waste products from lumber activity so that
3731 waste products that would normally have been burned or thrown
3732 away are now recycled and put into this stream to be able to
3733 use it as construction material rather than using virgin
3734 material and going down and cutting down more trees. Is that

3735 | fair to say that this is how we ended up with so much
3736 | particle board?

3737 | Mr. SHEA. Yes, sir. There is a product that came into
3738 | play well after our products were created. It is called
3739 | environmentally preferable product. It has special
3740 | standards, and they are low formaldehyde, but to be an
3741 | environmentally preferable product it has to be a sustainable
3742 | product and taken from the kinds of products you are talking
3743 | about. In a lot of ways it is a green product.

3744 | Mr. BILBRAY. Mr. Chairman, I would just ask that when we
3745 | look for a minimum standard here for exposure in a travel
3746 | trailer which really does not apply to the mobile home
3747 | because the exposure rate was assumed to be different, and I
3748 | think there is a legitimate argument there that maybe we need
3749 | to look at our own regs. But again, just as we did with
3750 | medical implants and stuff, there has really got to be a line
3751 | drawn here of what is the exposure or what is the
3752 | responsibility of one person as opposed to another and where
3753 | the source of the formaldehyde came from, and was it
3754 | reasonable for somebody to feel that generally available
3755 | construction material that is used universally across the
3756 | construction industries in many different fields was somehow
3757 | not appropriate at this location.

3758 | I think that is a debate, but I think there is a degree
3759 | of back seat driving here, hindsight 20/20 that it is not a

3760 | trailer that was newly constructed that was in Minnesota
3761 | during the winter where there might not have been any
3762 | exposure at all. It happened to be a brand new trailer that
3763 | was produced and then put into the sun in Mississippi and
3764 | Louisiana in the middle of August, which really changes the
3765 | whole dynamics there. That real-life application is
3766 | something that we know now post-script, but to perceive that
3767 | that was going to be a problem somewhere in the future I
3768 | think is really second-guessing people to an extreme,
3769 | especially with the fact that I still would say why are new
3770 | automobiles exempt from the environmental air pollution
3771 | exemption except for the fact that they are in the same
3772 | clause here.

3773 | I say publicly if you own a new car don't jump into it
3774 | after it has been sitting in the sun. Roll the windows down
3775 | and let it air out, unless you want to get a good dose of
3776 | formaldehyde. That is something that I think the consumers
3777 | need to talk about back and forth. But we ought to be
3778 | talking about that before the incident rather than coming
3779 | back now and pointing fingers after the incident.

3780 | I yield back, Mr. Chairman.

3781 | Chairman WAXMAN. Thank you, Mr. Bilbray.

3782 | Mr. Welch?

3783 | Mr. WELCH. I thank you, Mr. Chairman.

3784 | Mr. Shea, I want to ask you a little bit about a CNN

3785 story. In April of 2006 I understand that Gulf Stream became
3786 aware that CNN was going to be doing as story on formaldehyde
3787 in FEMA trailers. You are familiar with that?

3788 Mr. SHEA. Yes, I recollect that, sir.

3789 Mr. WELCH. Well, it was a big deal. This was going to
3790 go to the heart of the quality of the trailers and whether
3791 people in your trailers were getting sick, right?

3792 Mr. SHEA. Sir, I expressed earlier--I don't know if you
3793 were here--the experiences that we had with several
3794 complainants.

3795 Mr. WELCH. Well, let me proceed here. I am saying the
3796 obvious here. As a company, you obviously want to defend the
3797 product that you put out, right? This is going to be a story
3798 raising questions about it, you are going to take that story
3799 seriously and prepare for it, right?

3800 Mr. SHEA. As soon as the initial story came out in Bay
3801 St. Louis in mid-March, we were very much concerned with the
3802 story and the issue. Certainly.

3803 Mr. WELCH. So Gulf Stream, your company, sent a
3804 statement to CNN in April 2006 about formaldehyde, and I want
3805 to quote from a portion of that, where it said, and we will
3806 put this up on the board if we can, ''We are not aware of any
3807 complaints of illness from our many customers of Cavalier
3808 travel trailers over the years, including travel trailers
3809 provided under our contracts with FEMA.'' Did your company

3810 | make that statement?

3811 | Mr. SHEA. And we are speaking retrospectively prior to
3812 | the March issue when it started in March. We were talking
3813 | about our experience with Florida hurricanes, and we had been
3814 | building these since 1992, if you recall.

3815 | Mr. WELCH. Did your company make that statement?

3816 | Mr. SHEA. We did make that statement, yes, sir.

3817 | Mr. WELCH. And did you make it in April of 2006?

3818 | Mr. SHEA. It was made in April of 2006.

3819 | Mr. WELCH. All right. So is it fair to conclude that
3820 | any listener would hear your statement as asserting that your
3821 | company was aware of no complaints prior to the issuance of
3822 | that statement?

3823 | Mr. SHEA. Our intent with the statement was to describe
3824 | our history of experience with this prior to this issue
3825 | becoming about from Bay St. Louis in mid-March. That was our
3826 | intent, sir.

3827 | Mr. WELCH. Let's use English here. You made a statement
3828 | in April, and as of that date I assume that you vouch for the
3829 | integrity of the statement.

3830 | Mr. SHEA. Sir, there were allegations. We are not even
3831 | familiar with the medical aspects of any of these complaints.

3832 | Mr. WELCH. So what you meant to say is that you are
3833 | unaware of any substantiated medical complaints?

3834 | Mr. SHEA. We were aware of allegations; we were unaware

3835 of substantiated medical complaints, and we were speaking
3836 prior to the--

3837 Mr. WELCH. So why, if--

3838 Mr. SHEA. Previous experience in previous years, sir.

3839 Mr. WELCH. So why didn't you say you heard of
3840 allegations but not ``substantiated medical complaints''?

3841 Mr. SHEA. Sir, we were trying to be as expressive of our
3842 history of dealing with this, and we thought that was what
3843 was important, but we were addressing the few complaints that
3844 we received, sir, and the record shows that in that period we
3845 had--

3846 Mr. WELCH. Let me tell you what the record does show. On
3847 March 20 of 2006 on your Gulf Stream interactive website, you
3848 received a statement, you, Gulf Stream, and this is before
3849 you issued the no complaint statement--and I will quote, and
3850 I think we can get that up here, as well--``There is an odor
3851 in my trailer that will not go away. It burns my eyes and I
3852 am getting headaches every day. I have tried many things,
3853 but nothing seems to work. Please, please help me.''

3854 Now, were you able to say that you had received no
3855 complaints because this did not come with a medical
3856 certificate?

3857 Mr. SHEA. Every complaint that we received, sir, we
3858 investigated, we responded to, we asked persons if we could
3859 assist them.

3860 Mr. WELCH. That is not the question I am asking. I
3861 mean, I asked you how you square that statement, your
3862 statement to CNN, ''We are not aware of any complaints of
3863 illness,'' you made in April of 2006 with a statement from a
3864 customer on a website that was a complaint.

3865 Mr. SHEA. Sir, we received three complaints during that
3866 period. We addressed all of them. We were proactive on
3867 them. We asked FEMA to assist on any complaints they had.
3868 And we were--

3869 Mr. WELCH. I don't want to be difficult, but--

3870 Mr. SHEA. I don't want to be difficult, either, sir.

3871 Mr. WELCH. Had you received any complaints before April
3872 2006 when you issued your statement to CNN that you had no
3873 complaints?

3874 Mr. SHEA. The complaints related to this matter that we
3875 received were two for that period.

3876 Mr. WELCH. So the answer to my question is yes, you had
3877 received complaints prior to April, but you told CNN you had
3878 no complaints, correct?

3879 Mr. SHEA. We were speaking of our history with FEMA as a
3880 program, sir.

3881 Mr. WELCH. And that is a convenient way of saying that
3882 is the justification for saying something that was untrue.

3883 Mr. SHEA. Sir, I believe we have been very truthful in
3884 everything that we have done and what we have presented here

3885 | today.

3886 | Mr. WELCH. I will yield the balance of my time.

3887 | Chairman WAXMAN. The gentleman's time has expired.

3888 | Mr. Issa?

3889 | Mr. ISSA. Thank you, Mr. Chairman.

3890 | Mr. Liegl, I think I will switch to you and give Mr.

3891 | Shea a bit of a break here. The Chairman earlier was talking

3892 | in terms of shouldn't people get their money back, shouldn't

3893 | the Government not pay, and so on. And I would like to set

3894 | the record straight, as having been a manufacturer, myself.

3895 | All of your companies--I will ask you to answer for anyone,

3896 | unless they want to pipe in, in particular--all of your

3897 | companies are subject to various State lemon laws, right?

3898 | Mr. LIEGL. Yes, sir.

3899 | Mr. ISSA. Plus, you all have networks of dealer

3900 | distributors, right?

3901 | Mr. LIEGL. Yes. Correct.

3902 | Mr. ISSA. Now, if a customer is dissatisfied, and

3903 | particularly if the customer either litigates or comes in

3904 | with multiple valid complaints, if the distributor sees a

3905 | problem they are going to call you up and say take this lemon

3906 | back, repair or replace it, right?

3907 | Mr. LIEGL. I'd say that is correct.

3908 | Mr. ISSA. Okay. So the industry you are in, including

3909 | the trade association norms for this industry, say if you

3910 | make a product which is substantially defective, such as
3911 | while it was on the trip to its destination somebody let it
3912 | get soaked in water, or anything else that causes it to be
3913 | materially different than the 10,000 other ones produced the
3914 | same year, you take them back, you repair or replace them,
3915 | you make them right; is that correct?

3916 | Mr. LIEGL. That is correct.

3917 | Mr. ISSA. And that is true of most of the sort of
3918 | Elkhart group, if you will, of travel trailer makers. So
3919 | when FEMA started having these problems, was there any doubt
3920 | in any of your mind that if any of your trailers had material
3921 | or workmanship failures in your design or in the materials
3922 | you chose or in the work that your people did, that you would
3923 | make it right by repairing or replacing it? Was there any
3924 | doubt in your mind that you would do that?

3925 | Mr. LIEGL. I believe we would have.

3926 | Mr. ISSA. Okay. Has FEMA ever come to you and said,
3927 | Take back this trailer, it is defective in work that you did?

3928 | Mr. LIEGL. No, sir. Never.

3929 | Mr. ISSA. Okay. Now, you have evaluated trailers that
3930 | had a myriad of problems that have been used and you were
3931 | part of that evaluation of why does it have this level or why
3932 | did mold produce, and so on, and so you are familiar with
3933 | trailers that had a year or two down the road and have
3934 | problems, right?

3935 Mr. LIEGL. Correct.

3936 Mr. ISSA. Okay. So you have cooperated with FEMA, the
3937 Government agency that you sold to. You would take back the
3938 products if they were defective in material or workmanship,
3939 and, in fact, you have not been asked to nor have you been
3940 given a failure or any part of your spec or your material
3941 workmanship; is that correct?

3942 Mr. LIEGL. If it was our problem, we definitely would
3943 stand behind it.

3944 Mr. ISSA. Okay. And I would like just a nod. All the
3945 rest of you agree?

3946 [No audible response.]

3947 Mr. ISSA. So the norm in the industry, particularly when
3948 you are making something that feeds into State lemon laws and
3949 so on, as these things do, the norm is you make it right, you
3950 use your distributor network, your dealer networks to make it
3951 right if it is in the field without bringing it back. And,
3952 in fact, even though we are having this hearing today and we
3953 are talking about people suffering and so on--which I am not
3954 disputing that people have had health problems while living
3955 in these trailers, but in no way, shape, or form has the
3956 Government come to you and said you did this wrong as of
3957 today? No allegations against any of the four of you other
3958 than what you heard from the dias here today?

3959 Mr. SHEA. Correct.

3960 Mr. BENNETT. That is correct.

3961 Mr. FENECH. Correct.

3962 Mr. LIEGL. Right.

3963 Mr. SHEA. Okay. I think, Mr. Chairman, that makes the
3964 case that these are not the wrongdoers. Government may very
3965 well have failed the people of Louisiana and Mississippi.
3966 They may be continuing to fail them by not setting standards
3967 for the travel trailers or living accommodations, by not
3968 having ongoing testing. That may all be very true.
3969 Certainly, as a Californian, you and I share the leading edge
3970 of air quality that California is known for. But none of
3971 that is here today.

3972 So I am not defending anyone, but I would like to thank
3973 all four of you for coming here today, for testifying
3974 honestly, and, in fact, for the fact that nothing has been
3975 said here that causes you to have done anything wrong. You
3976 may have tested and come up with high or low or different
3977 levels, but, again, as we heard from the CDC, these are all
3978 things we would like to do but Government, as of today,
3979 hasn't done it.

3980 So, Mr. Chairman, since we are the Government Oversight
3981 and Reform Committee, now that we have, I think, completed
3982 most of our oversight, I would hope that we would join on a
3983 bipartisan basis to do the reform of making sure that the
3984 Government agencies responsible for air quality, whether it

3985 | is in manufactured items or in the air, itself, do their job
3986 | and set appropriate standards and testing procedures so that
3987 | we don't again haul in four CEOs of companies who, as of
3988 | today, have not had one product returned as defective or
3989 | somehow inappropriate to the design, and rather make sure
3990 | that we have standards for the next one so that these four
3991 | will competitively bid on a product that would be improved
3992 | once we decide what improved means.

3993 | So, Mr. Chairman, I thank you for holding this hearing,
3994 | but I do very strongly hope that on a bipartisan basis we
3995 | will do that second leg and ensure that we set standards that
3996 | people can manufacture to.

3997 | With that I thank you and yield back.

3998 | Chairman WAXMAN. Thank you, Mr. Issa.

3999 | I want to ask Mr. Burton and Mr. Souder if you wish to
4000 | have a second round?

4001 | Mr. BURTON. Yes, I want one.

4002 | Chairman WAXMAN. Okay. Mr. Burton?

4003 | Mr. BURTON. I want to read to you what it says regarding
4004 | the parts per billion and what HUD sets as a target. It says,
4005 | ``HUD set a target of 400 parts per billion for indoor
4006 | ambient air in manufactured homes. HUD's indoor ambient air
4007 | target guideline of 400 parts per billion is based on
4008 | component standards for plywood and particle board.

4009 | In the unoccupied units testing revealed baseline

4010 formaldehyde levels were at 1,040 parts per billion, but fell
4011 to an average of 390 when the air conditioner was turned on.
4012 The averages fell even lower to 90 parts per billion when the
4013 windows were opened. The baseline average is probably
4014 attributable to the fact that unoccupied trailers were sealed
4015 up in storage, they were in the sun, and had little or no air
4016 conditioning or exiting. In all occupied units, the average
4017 level was 77 parts per billion and 81 parts per billion for
4018 travel trailers specifically.''

4019 I kind of am disappointed that we have you four here
4020 beating up on you, because I don't think you have done
4021 anything wrong. You have used standard materials off the
4022 shelf that is used in any kind of home construction or
4023 remodeling. I have had it done in my house. The location of
4024 the mobile homes in question was in an area that was
4025 extremely hot. They were sealed up and nobody was in them,
4026 and so when somebody went in them obviously the parts per
4027 billion would be much, much higher and it would take a while
4028 for them to cool off. And if they didn't open the windows,
4029 it would probably take even longer for them to get all the
4030 parts per billion down to where they should be.

4031 Then you have to take into consideration how the
4032 occupants lived, if they had a dog in the house, if they
4033 bought additional furniture or different kinds of other
4034 things that might have formaldehyde in them. Did they smoke?

4035 How did they cook? Did they like higher temperatures in
4036 their house or lower temperatures in their house? There is
4037 all kinds of imponderables that you have to take into
4038 consideration when you are talking about the parts per
4039 billion.

4040 You know, in all of our houses we have carpet, we have
4041 furniture, we have construction material that you use in your
4042 products. And I am going to go home and try to find out how
4043 much I have got in my house, and when I exercise downstairs
4044 where I have it all closed up I am going to open the doors
4045 because I am concerned about my health.

4046 I just think, you know, there is eight million of these
4047 units in use around the Country, very, very few complaints,
4048 if any, and I just think for us to call you in here and pound
4049 on you and infer that you are lying about your products and
4050 everything, I think is just unconscionable, and I want to
4051 thank you for being here, for being so forthright, and for
4052 providing an industry that helps people when they are in need
4053 and suffering like they did in Florida during the hurricanes
4054 and like they have done in places like Katrina in the south
4055 on the Gulf.

4056 Obviously, the Chairman has a right to call a hearing on
4057 almost anything, but I am disappointed in much of the
4058 questioning that has gone on today, because it questions your
4059 integrity, and I don't think it should have been done.

4060 With that, I yield back.

4061 Chairman WAXMAN. Mr. Souder?

4062 Mr. SOUDER. Is Mr. Welch going to ask any more
4063 questions?

4064 Chairman WAXMAN. Why don't you just go ahead and take
4065 your second round?

4066 Mr. SOUDER. I would like to hear what other questions
4067 are before. I know the Chairman has a right to summarize,
4068 but if Mr. Welch has additional questions I would like to
4069 reserve.

4070 Chairman WAXMAN. Let me ask you this. If I make a
4071 concluding statement, do you want to make a concluding
4072 statement?

4073 Mr. SOUDER. You get to make the concluding statement. I
4074 wanted to know if Mr. Welch had another round.

4075 Chairman WAXMAN. Do you wish to be recognized at this
4076 time?

4077 Mr. WELCH. No.

4078 Chairman WAXMAN. Okay.

4079 Mr. SOUDER. Okay. I will just make my comments.

4080 Mr. WELCH. Thank you.

4081 Chairman WAXMAN. So we will both make concluding
4082 statements?

4083 Mr. SOUDER. Yes.

4084 Chairman WAXMAN. Okay.

4085 Mr. SOUDER. Do you want me to go first?

4086 Chairman WAXMAN. Whatever you want.

4087 Mr. SOUDER. Well, you are the Chairman. You have a
4088 right to summarize. I just wanted to see whether you were
4089 going first.

4090 Chairman WAXMAN. Why don't you wait and hear what I have
4091 to say and you will have the last word about the whole thing.

4092 First of all, I want to ask unanimous consent that the
4093 staffs have discussed the release of documents and have
4094 reached a mutual understanding and so I ask unanimous consent
4095 that these documents be part of the record.

4096 Mr. SOUDER. Reserving the right to object, I merely want
4097 to say that, while I have some concerns, I really appreciate
4098 the majority working with us. I will withdraw my objection.

4099 Chairman WAXMAN. Okay. Thank you.

4100 This is our second hearing on this issue of formaldehyde
4101 in these trailers. I thought it was the second hearing of
4102 the Congress, but it turned out that during the course of
4103 today's hearing we got a phone call, and that phone call was
4104 from a staff person who worked for this Committee in 1981,
4105 and he told us there was a hearing at that time on the
4106 question of formaldehyde in trailers, and at that time, at
4107 the conclusion of the hearing the Members of Congress said to
4108 the FEMA and to HUD and to the Consumer Product Safety
4109 Commission and OSHA they ought to set a standard. They ought

4110 | to set a standard for formaldehyde levels in trailers. That
4111 | was 1981.

4112 | So I agree with my Republican colleagues when they say
4113 | this is a failure of Government. Government should have set
4114 | standards. Government should have protected the public from
4115 | the dangers from formaldehyde, and the Government failed.
4116 | But I also think this is a failure of industry, because some
4117 | of you did testing and you found that there was a problem and
4118 | then that was the end of it. We didn't hear anything more.
4119 | Some of you didn't want to test at all, even though reports
4120 | were coming out in the press about high formaldehyde levels
4121 | in trailers causing people to be sick.

4122 | I do want everyone to understand when we heard about the
4123 | fellow who said the smell is too bad, come and help me, I am
4124 | wheezing and having all sorts of medical problems or
4125 | symptoms, please, please, please help me, that was rare.
4126 | Most people don't smell anything. But suddenly they have
4127 | symptoms. They don't go to the manufacturer and say, I have
4128 | got symptoms, take your trailer back. They don't even know
4129 | what is causing it.

4130 | So Government should know what is causing it, because it
4131 | is well established that formaldehyde can cause these
4132 | symptoms, and I believe industry has a responsibility, as
4133 | well, to know that if they are selling this product that it
4134 | may cause health problems to those who are buying it.

4135 Testing by Mr. Shea's company showed high levels. Some
4136 of these levels were far above even the highest standard
4137 where there was a regulatory standard. They were in the
4138 hundreds and thousands of parts per billion. I think a
4139 manufacturer knowing this information had an obligation to
4140 make the product safer and to understand that perhaps there
4141 was a problem that needed to be corrected.

4142 I think the rest of you also had an obligation to do
4143 some testing, not to act as if you didn't know, therefore
4144 there is nothing required of you.

4145 Now, I am pleased that the four of you are in business.
4146 I am pleased that you have employees that have jobs with you.
4147 I am pleased that you have Members of Congress from your area
4148 that will vouch for you personally. I think you are entitled
4149 to make your profits, and even doubling of your salary in
4150 those two years when you had the FEMA contract, Mr. Shea, for
4151 you and I think it was your brother. You are entitled to
4152 that. I don't begrudge any of that. I want you to be in
4153 business.

4154 But I think that when we have to abandon trailers, that
4155 it is not just the Government that should pay for it. I
4156 think there is some responsibility for the manufacturers, as
4157 well, because these levels should have been of concern.

4158 I know that some Members have acted like you are victims
4159 because you are simply asked to come here and answer

4160 | questions. I think that those that really suffered are the
4161 | people who are getting sick from formaldehyde in these
4162 | trailers. I think they are victims of FEMA's incompetence.
4163 | they were victims of manufacturers who didn't disclose what
4164 | they knew about the formaldehyde dangers, as well.

4165 | We will see where all of this goes. I am willing to
4166 | entertain ideas for legislation. That is the purpose of our
4167 | oversight hearings. But also to find out what really
4168 | happened.

4169 | I think that what happened is a disgrace on the part of
4170 | the Government particularly, but is not an exoneration for
4171 | the manufacturers who know or should have known or, in fact,
4172 | did know that the trailers were not safe for those who were
4173 | inhabiting them, and now the taxpayers have to be stuck with
4174 | the bill.

4175 | So those are my concluding comments. I thank you all
4176 | for being here voluntarily and cooperating with us. I think
4177 | that is to your credit.

4178 | Now any comments you want to make to close off the
4179 | hearing?

4180 | Mr. SOUDER. I thank the Chairman for his generosity. I
4181 | wasn't trying to have the last views, but I appreciate that,
4182 | because this industry is really critical to my Defense, as
4183 | well as to Mr. Donnelly's. I was at the Goshen Air Show
4184 | Saturday and people kept coming up asking, do you think we

4185 | are going to get our jobs back? We really want to work.
4186 | They love working in this industry. We need to keep this
4187 | industry going. They have worked hard to meet the emergency
4188 | demand.

4189 | We clearly today have kind of confused all sorts of
4190 | things, but basically nobody wants to defend somebody getting
4191 | sick. The challenge here is there is no evidence, even
4192 | though it is a carcinogenic, at this point of, beyond
4193 | basically itching, coughing, wheezing type things. This may
4194 | be like peanuts: different people have allergic reactions.
4195 | Clearly we need to be moving towards some sort of a warning
4196 | standard as we do this research that different people react
4197 | differently to this. That is at very minimal that should be
4198 | there.

4199 | HUD had a standard. They met the standard, as far as
4200 | they knew. Questions came up and the company volunteered to
4201 | try to test, even though FEMA could have done those tests,
4202 | even though FEMA was at the plant from morning until
4203 | afternoon. The test was not prohibitively expensive. The
4204 | company tried to engage FEMA and FEMA wasn't interested. The
4205 | incredible justified negative publicity about the
4206 | Government's handling of Katrina and FEMA has now resulted in
4207 | an over-reaction to make it 16 parts, which is not achievable
4208 | for emergency housing.

4209 | I want to reiterate again that the 390 that was tested

4210 | scientifically, not by the type of formaldehyde meter, but
4211 | scientifically to the gold standard. In Louisiana, in
4212 | southern Louisiana, trying to convert the 6.6 milligrams per
4213 | meter, which is their high point, appears to convert to 4,000
4214 | parts per billion for the highest of a site-built house in
4215 | the region. This isn't a question just of manufactured
4216 | housing, of travel trailers. It is a fundamental question
4217 | about the materials, how they interact by region, and we need
4218 | to have a scientific approach to this. Given the fact that
4219 | we do not have that evidence of how much is even in the
4220 | particular wood here versus in other homes in that region,
4221 | given the ambient air standard on the Hancock study, which
4222 | itself was not precisely the same type of thing, it is my
4223 | belief unfair to suggest that the manufacturers bear
4224 | responsibility when the science is, at the very least, very
4225 | conflicted. It is not clear that every home in the region
4226 | isn't hitting--certainly if 390 is the mean, or the average,
4227 | that means that a significant percentage of every house in at
4228 | least, given what we know now, in Louisiana doesn't meet the
4229 | standard. And we aren't asking for all our HUD houses to be
4230 | backed. Private owners aren't asking to be backed. That has
4231 | been my concern with this industry, not that we shouldn't be
4232 | trying to learn the danger to individuals.

4233 | I look forward to working with the Chairman in the
4234 | future.

4235 Thank you.

4236 Chairman WAXMAN. Thank you very much, Mr. Souder. Thanks
4237 for all the witnesses' participation.

4238 That concludes our hearing and we stand adjourned.

4239 [Whereupon, at 1:55 p.m., the committee was adjourned.]