INVESTIGATION OF IMPORTED DRYWALL STATUS UPDATE, OCTOBER 2009

I. Overview

This update describes new developments in the ongoing investigation of imported drywall and supplements the previous reports provided to the Committee. Since the September report, the Consumer Product Safety Commission ("CPSC") has received an additional 309 incident reports related to drywall, including reports from Maryland, South Dakota and West Virginia, raising the total number of incident reports to 1501 from residents in 27 States, the District of Columbia, and Puerto Rico. The majority of the reports (more than 93%) continue to be from Florida, Louisiana, and Virginia.

- Chairman Tenenbaum visited affected homes in Florida and Virginia and met with the families who reside in those homes.
- Chairman Tenenbaum and representatives of our partner agencies met with the Congressional Contaminated Drywall Caucus on September 23, 2009. Chairman Tenenbaum expressed her concerns about the families affected by drywall problems and committed to expediting our investigation.
- CPSC staff visited Lawrence Berkeley National Laboratory and reviewed the status of the on-going chamber studies.

II. Federal, State and International Coordination

We continue to have weekly coordination meetings with our agency partners and are working with the Council on Environmental Quality and the Domestic Policy Council. The CPSC staff is continuing its dialogue with Chinese government officials and will include this issue in the 3rd Biennial United States - China Consumer Product Safety Summit in China October 21 - 26, 2009.

III. Progress in the Investigation

A. Investigation into Scope of Affected Homes and Chain of Commerce

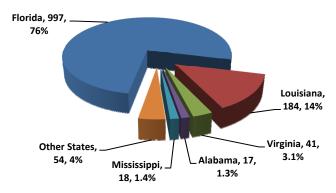
CPSC continues to analyze the information received from consumers, builders, importers, manufacturers and suppliers of drywall to determine how much imported drywall is affected and where that drywall has been installed. CPSC staff continues to investigate all reports of electrical or fire incidents related to drywall, but no fire or electrical hazards related to drywall have been confirmed.

B. Technical Investigation

Engineering, health and safety analyses continue as planned and discussed in earlier reports. A timeline of the status of these studies is attached and was provided at the meeting referenced above with the Congressional Contaminated Drywall Caucus. CPSC staff is committed to releasing our findings with all possible speed while maintaining scientific integrity. Contract work is proceeding with Environmental Health and Engineering, Sandia National Laboratory, Lawrence Berkeley National Laboratory, and the National Institute of Standards and Technology.

Background

In late December 2008, CPSC first received complaints from consumers related to the presence of drywall produced in China. The chief complaints were of noxious, "rotten egg" odors; corrosion of metal items inside the home, especially copper air conditioning coils; and short-term adverse health effects generally involving the upper respiratory tract. State and local authorities have also received similar reports. CPSC staff first contacted the Florida Department of Health about the drywall issue on Jan. 23, 2009. As of September 17, 2009, CPSC had received 1311 incident reports from residents in 26 states plus the District of Columbia. Reports have primarily originated from Florida, Louisiana, and Virginia. Consumers largely report that their homes were built in 2006 to 2007, when an unprecedented increase in new construction occurred in part due to the hurricanes of 2004 and 2005.



Number (and Percentage) of Reports by State

Federal Coordination

CPSC is leading a federal drywall team to investigate the corrosion and health issues presented by the imported drywall. The federal team, which includes the Environmental Protection Agency (EPA), the Centers for Disease Control and Prevention (CDC)/Agency for Toxic Substances and Disease Registry (ATSDR), the U.S. Department of Housing and Urban Development (HUD), and U.S. Immigration and Customs Enforcement (ICE), coordinates regularly with state partners, including state departments of health and attorneys general. CPSC, EPA, CDC/ATSDR, HUD and ICE have weekly calls to discuss and share information about the investigation and to review technical data.

International Efforts

Since the beginning of the investigation, it has been apparent that some answers to the cause of the drywall problem will have to come from sources in China through cooperation with the Chinese government. With that in mind, CPSC staff took steps early on to involve AQSIQ (CPSC's Chinese counterpart) in our investigation to the extent possible. In June 2009, two Chinese experts joined CPSC staff on inspections of homes in Florida and Louisiana, followed by technical discussions at CPSC headquarters and meetings with EPA and CDC. During the week of August 17, 2009, CPSC staff visited China and met with Chinese government officials as well as management from several sites that we believe to be of interest. The team inspected gypsum mines and drywall manufacturing plants in China with Chinese government officials. During the trip, the team collected samples of raw materials and finished products from both mine/manufacturing establishments and retailers and met with the China Building Materials Academy, a state-owned research and development institute. CPSC continues to engage with its Chinese counterpart to exchange information related to the investigation.

Public Information

The combined federal agency team has focused on ensuring that the information disseminated to the public has been consistent, informative, and coordinated to ensure consistency and uniformity of messaging to the public and media. CPSC has developed a <u>Drywall Information Center</u>, linked to the agency homepage, which provides the latest information on technical developments and news about the investigation, including the number of consumer reports received and States involved. The information center has received more than 17,000 visits since its launch. Additionally, an e-mail distribution (listserv) has been established to disseminate noteworthy developments directly to interested parties. This e-mail list has 600+ members and updates have been sent approximately bi-weekly.

Progress in the Investigation

The multi-pronged investigation has concurrent inquiries (1) to diagnose the health and corrosion issues encountered by home owners with imported drywall and (2) to trace the chain of commerce of the drywall from manufacture, through importation, to installation. This investigation includes field measurements in affected homes; chamber studies to isolate the emissions from the drywall; and laboratory studies on the elemental composition of the drywall. At this time, we expect that some preliminary results from these tests will be available by late October 2009, as further detailed on the next page. As the results come in, the CPSC will continue to work aggressively with its federal partners for scientific data that links specific emissions from the drywall to the reported corrosion and health issues.

IMPORTED DRYWALL FACT SHEET



The investigation is proceeding simultaneously on two tracks:		Timeline	Results/ Evaluation
Track 1 Technical evaluation of the relationship between drywall and health symptoms,	Elemental and Chemical Testing (CPSC & EPA's Environmental Response Team) Purpose: to characterize the components of uninstalled drywall, including imported drywall, domestic calcined drywall, and domestic synthetic drywall collected from warehouses, suppliers and manufacturers. The drywall samples will be analyzed for organic and inorganic compounds, metals, and other properties.	EPA to complete testing of 15 samples collected by CPSC by end of Sept. '09	Analysis completed by end of Oct. '09
electrical and fire safety issues.	Chamber Testing (CPSC interagency agreement with Lawrence Berkeley National Laboratory) Purpose: to isolate the drywall's chemical emissions from those of other products (e.g., carpets, cleaners, paint, adhesives & beauty products). Investigations will provide data to model exposure and perform a preliminary health risk assessment. Phase I: screen drywall samples in controlled chambers to identify the chemicals (particularly sulfur-containing but also major volatile organic compounds and other irritant gases) emitted from uninstalled drywall. Phase II: focus on a limited number of higher emitting materials identified in the Phase I studies. The Phase II studies will characterize the factors that affect long-term emissions such as temperature, moisture, ventilation, and wall treatments.	Phase I will be completed by LBNL by mid Oct. '09. Phase II to follow.	Preliminary health risk assessment will be completed by CPSC staff by end of Oct. 2009.
	In-Home Indoor Air Sampling (CPSC contract with Environmental Health and Engineering) 50 homes. The sampling consists of building characterization and indoor environmental measurements. This work will help provide input for future chamber studies and begin to inform on corrosivity on a range of affected and control homes in the most-affected states (Phase II and Engineering Analysis).	In-home testing completed by end of Sept. '09, laboratory analyses completed by mid Oct. '09	Contractor report to CPSC by early Nov. '09.
	Engineering Analyses: Electrical and Fire Safety (CPSC interagency agreements with Sandia National Laboratory and the National Institute for Standards and Technology) Purpose: to determine possible risk of electrocution and fire hazards, via metallurgical analysis of components harvested from affected homes to characterize any damage, and by exposure of new components to elevated levels of gases identified in the drywall chamber studies to determine long- term exposure safety implications. The components of interest include: Electrical - residential wiring, receptacles, switches, circuit breakers, panel boards, ground fault circuit interrupters (GFCIs), and arc fault circuit interrupters (AFCIs). Gas service - flexible connectors and copper piping. Fire safety - smoke alarms and fire sprinklers.	Majority of CPSC engineering sample collection is expected to be completed by late Sept. '09. Staff will continue to collect important samples as discovered.	Studies to commence after chamber study & air sampling (which provide necessary inputs)
Track 2 Tracing the drywall chain of commerce.	CPSC is pursuing a detailed investigation into where the imports The inquiry involves well over 100 manufacturers, importers, dry also gathering detailed information from home owners about the and corrosion effects experienced.	wall distributors and bu	ilders. The staff is