

HELP CORRECT THE CANADIAN FORMALDEHYDE REGULATION (CANFER)

CANFER APPLIES TO YOU

There are very real legal and operational requirements under the recently effective CANFER regulation that impact YOUR business. CANFER responsibilities apply to ANY company that manufactures, distributes, imports, retails, processes or otherwise utilizes composite wood products (plywood, MDF, particleboard and finished goods containing those materials.)

The regulation will make a particularly significant impact on small businesses, unnecessarily increasing both your administrative and financial burdens and your overall liability.

FROM CARB TO TSCA TO CANFER

Many smaller retailers and fabricators may not be familiar with the terms “CARB”, “TSCA Title VI” and “CANFER”. All are regulations that govern formaldehyde emissions from composite wood products. CARB was the first, effective only in the state of California, to be followed by the American national regulation, TSCA Title VI.

The government of Canada then introduced its own regulation, intending harmonization with TSCA Title VI, to create a unified system across the countries for manufacturers, downstream suppliers, retailers, and consumers. The Canadian regulation became known as CANFER and came into effect in January 2023.

Although the vast majority of composite wood products currently produced and sold in Canada already comply with TSCA Title VI, CANFER’s current departure from full alignment with TSCA Title VI will result in **excessive new burdens being placed on every member of the supply chain from the manufacturer to the final retailer.**

INDUSTRY CONCERNS

Unlike TSCA Title VI, CANFER has a chain of custody requirement to pass all certifications from the original panel manufacturer through the entire supply chain to the retailer who must then maintain a physical “library” of declarations at their facilities. A small flooring or furniture retailer might be forced to collect, keep, and update 50 to 100 certificates covering all potential material in their supply chain. A bigger building supply company would have to track every supply chain of every supplier of every

product. And each company supplying these retailers would have to maintain and pass on certifications for their entire supply chain.

This is an unacceptable burden on retail businesses, both large and small. It is a violation of supply chain confidentiality for distributors, importers, and fabricators. It also violates the confidentiality of suppliers who have not given permission to share their supply chain with others, potentially exposing you to litigation. There is a much simpler and more meaningful record-keeping system aligned with TSCA Title VI that would make each part of the supply chain responsible for their immediate business. For the final retailer, the responsibility would be simplified to ensuring a request for compliant material appear on their purchase orders.

In addition to the impractical chain of custody requirement, there are also numerous minor technical conflicts between TSCA Title VI and CANFER; testing and administrative ambiguities that could lead to problems for manufacturers and laminators around the world. *See a list of issues and recommended solutions here.* It is vital we eliminate regulatory confusion.

HOW YOU CAN HELP

The government of Canada has agreed to consult industry on amending CANFER in 2023. Now is the time to make the necessary changes and get this regulation right for industry and the broader public.

We need your support to grow The Right Regulation's coalition and show the government that while the industry supports CANFER in principle, changes must be made to make it work in practice.

Visit *our support page* to learn more about how you can help and to download more information, or contact CANFER@therightreg.ca.

OUR MESSAGE TO THE GOVERNMENT IS SIMPLE

- **The industry welcomes the regulation. The requests are for administrative fixes only, to align CANFER and TSCA Title VI where possible.**
- The regulation as it stands is unduly burdensome, particularly for Canadian small businesses and those doing business in Canada. The burden of maintaining extensive records from complicated supply chains adds no public benefit and will land most heavily on retailers and small laminators, who do not have any experience in this area.
- The technical issues must be fixed to ensure that the regulated industries understand their exact responsibilities under the rules.

Visit *our website* to read more about joining the coalition.

Friendly reminder: the regulation requires every company (manufacturer, distributor, importer, retailer, etc.) doing business in Canada in composite wood products *to register* before March.