

# Japan Machinery Center for Trade and Investment

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Health Canada

September 1st 2017

Dear Sirs

Japan Machinery Center for Trade and Investment is a nonprofit organization established in 1952 in accordance with the Export and Import Transaction Law. It comprises about 250 major and medium-ranked companies engaged in exporting or investing in a broad range of machinery, including manufacturers of electrical and electronic equipment, trading firms and engineering companies.

Our committee handles environmental issues over products for trade and is strongly concerned with overseas environment-related regulations on product. From this standpoint, we would like to comment regarding consultation on the proposed regulatory approach to reduce emissions of formaldehyde from composite wood products.

If you have any questions, please feel free to contact our secretariat.

Sincerely yours,

Chairman  
Environment Law Committee  
Japan Machinery Center for Trade and Investment

**Comments of Japan Machinery Center for Trade and Investment (JMC) regarding consultation on the proposed regulatory approach to reduce emissions of formaldehyde from composite wood products.**

September 1st, 2017

We, Japan Machinery Center for Trade and Investment, would like to express our gratitude to Health Canada for inviting comments regarding consultation on the proposed regulatory approach to reduce emissions of formaldehyde from composite wood products.

<https://www.canada.ca/en/health-canada/services/chemical-substances/other-chemical-substances-interest/formaldehyde.html>

We welcome the efforts underway by your esteemed government to ensure to reduce emissions of formaldehyde from composite wood products in Canada.

We have been vigorously committed to protecting human health and the environment and to complying with formaldehyde regulation for composite wood products by many countries, including Europe, the United States as well as California State. Based on our direct experiences in this field, we examined the proposed regulatory approach to reduce emissions of formaldehyde from composite wood products and would like to give our comments as follows.

1. Comment on general exemptions from the proposed regulatory approach to reduce emissions of formaldehyde from composite wood products

We believe that exemptions should be harmonized with U.S. TSCA (40 CFR Chapter I, Subchapter R - TOXIC SUBSTANCES CONTROL ACT, PART 770 - FORMALDEHYDE STANDARDS FOR COMPOSITE WOOD PRODUCTS) like other requirements in this Canadian proposal.

More concretely, § 770.1 Scope and applicability (c)

<https://www.law.cornell.edu/cfr/text/40/770.1>

gives a list of exemptions as follows:

*(c) Subparts B, C, and D do not apply to the following:*

...

*(Exemptions are listed from (1) to (11).)*

On the other hand, current Canadian proposal has only two exemptions at present, as “3.4 General exemptions”. Comparing with TSCA, only Exemption (1) of Section 770.1(c) is described in it.

We consider that at least “(10) Wood packaging, including pallets, crates, spools, and dunnage” should be exempted also from Canadian formaldehyde regulation.

< Justification for the comment >

Canada and the U.S. forms a North American market, and smooth circulation of goods would contribute to consumer and the industry in both countries.

Generally speaking, in such situation, we believe that legislations which may have effect on circulation of goods should be harmonized as much as possible.

Furthermore, wood packaging does not constitute the products which are to be sold in Canada and are packed by them. Such packaging is used exclusively as packing material to support, protect or carry another product to be sold, and will be removed from the product once it is delivered to the destination. It is not sold to Canadian consumers as product in itself nor used by them.

Strictly speaking, wood packaging may contain hardwood plywood (with a veneer or composite core), particleboard, or medium-density fiberboard, and such wood packaging would be covered by the definition of 'finished good'. However, California Air Resources Board clearly said that it was not CARB's intent to regulate wood packaging already used for packaging other products as 'finished goods'. Please see Q&A 12 of FAQ on CARB at

<https://www.arb.ca.gov/toxics/compwood/implementation/faq.htm>

U.S. Federal EPA follows this CARB's opinion and exempts wood packaging from TSCA.

If only Canada requires for such wood packaging to be tested and labeled, we are afraid that circulation of goods via U.S. may be stopped to comply with this additional legislation.

## 2. Comment on the third-party certification for Testing requirements

We believe that the third-party certification already certified by TSCA should also be accepted in the Canadian formaldehyde regulation.

< Justification for the comment >

In order to keep smooth circulation of goods within the North American market, certification obtained to comply with TSCA should also be accepted.

The current Canadian proposal indicates in 3.5 Testing on page 15 that the Government of Canada is considering a requirement that any analysis or determination is to be performed by a third-party certifier for compliance to the regulations. Currently, many manufacturers of composite wood products have their products tested and obtain certification by third-party certifiers to comply with TSCA. If such certification cannot be accepted in Canada, manufacturers must have their products tested again by another third-party certifier acceptable to the Canadian government, which requires much of time and cost.

Since Canada is going to harmonize emission standards for composite wood products, it is naturally expected that certification obtained by TSCA is to be accepted in Canada, which will lead to smooth circulation of goods within the North American market as well as contribute to the economic growth of the market.

We would greatly appreciate it if you take our comment into consideration carefully.