

February 26, 2009

## Our Industry is at Stake

### State Fire Marshals Proposal Devastating to Our Industry, End Users and Retailers

This is a call to action. A proposal being fast-tracked by the National Association of State Fire Marshals (NASFM) will have serious negative consequences for all wood pallet manufacturers and recyclers. It is a complicated issue with multiple players and motivations, and as such is difficult to address fully in this format. The issue was fully reviewed, discussed and scrutinized from all angles at the NWPCA Annual Leadership Conference held this week. In this call to action report, we will attempt to give you the essential components of this serious industry threat.

**Changes to the Benchmark Standard:** The traditional benchmark wood pallet, around which warehouse sprinkler systems were designed and installed, is being challenged – despite the fact that there is ***no body of evidence to suggest any need whatsoever for such changes***. The NASFM is proposing a two-grade increase for the fire ratings on block pallets and re-examining ratings for stringer pallets. It plans on holding a public hearing March 12 in Chicago and announcing its decision at its June conference. At that conference, NASFM will encourage its membership, which is comprised of all state fire marshals in the U.S., to implement the changes immediately. NASFM has said it will not entertain arguments based on economics, nor will it give industry more time to develop technical justifications for maintaining existing benchmark ratings.

**Costs to Industry:** Wood pallet companies who make, repair or store wood block pallets would have to upgrade sprinkler systems as would all warehouse industries. One safety engineer, with whom NWPCA met on Monday, said the change would cost his company alone an estimated \$2 billion to change the sprinklers throughout his company's warehouse and distribution system to accommodate the new fire ratings.

**Plastic Pallets: The New Benchmark????:** NASFM has given plastic pallets containing the fire retardant Decca Bromine a fire grade equal to the current oak stringer pallet benchmark. This action, coupled with the proposed upgrade on wood block pallets, will likely drive a number of end users to switch to plastic pallets even though there is no scientific reason to do so. NASFM has ignored the fact that five states have banned the use of bromine in furniture and other wood products because of health concerns. It further has failed to consider that those wood products use a few grams of this chemical while the average plastic pallet contains 3-4 pounds of the potentially harmful substance. Bromine has not been approved by the Food and Drug Administration (FDA) and many state officials are troubled by the toxic and potentially carcinogenic nature of this chemical, which has not been adequately tested. Firefighters sent to emergencies involving burning plastic must take extra measures in cleaning equipment following these types of blazes to try to protect first responders from the potential health hazards involved.

**A Proposed New Certification Requirement:** The NASFM proposal makes clear it wants testing and certification of all pallet types by batch, which is not practical with wood. Every pallet configuration and species would need to be tested as a batch. Any changes such as increasing the dimension of components would require that batch to be tested. There are more than 1.2 billion pallets in circulation in the United States, and this would impose a devastating economic burden on the industry. NASFM has not addressed the certification of wood block pallets coming into the U.S. from countries around the world. Will the American wood packaging industry be penalized if it has in its possession uncertified foreign pallets? Will the NASFM have certification procedures for pallets coming in? How will they enforce international pallets? Will they have certification for alternative materials such as corrugated pallets? NWPCA will be asking NASFM these and other crucial questions.

**A Solution Without a Problem:** In researching fire statistics, we have concluded that the majority of fires that result in loss of life are in homes, outdoors (e.g. forests), and vehicles. Commercial fires are primarily in restaurants. Compare this with warehouse fires, which are generally contained to property damage, with extremely few injuries or deaths. The statistics indicate existing fire prevention systems are ample protection for warehouse personnel. The extreme measures being proposed by NASFM, and the excessive costs to industry for implementation, are clearly disproportionate to real world conditions.

## Call to Action

If the NASFM goes forward with their stated intentions and its membership (the fire marshals in each of the 50 states) adopt the enforcement standards for their states, end users will have to upgrade existing sprinkler systems or eliminate the use of wood pallets in favor of chemically-treated plastic pallets.

The time constraints are extremely problematical. The NASFM appears to be committed to its course. Plastic pallet manufacturers and chemical industry lobbyists are doing everything they can to assure adoption of the draft enforcement standard. If we have any hope of defeating this proposal, it will require a full-scale push by our entire industry. NWPCA will be issuing news releases and communicating with end user alliance groups, but we need you to sign-up for the following grassroots activities:

- I will join the NWPCA staff and my industry colleagues for the NASFM public hearing Thursday, March 12, 2009, from 10 am - 3 pm, at Underwriters Laboratories headquarters in Building 5 (Fire Safety Engineering Building), Conference Room 1, at 333 Pfingsten Road, Northbrook, Illinois. (Prior registration is required by NASFM to attend – you may do this through NWPCA.)
- I will invite those of my customers who will be most impacted by the new enforcement standards either to attend the March 12 meeting or send letters to their local/state officials.
- I will meet with my local fire chief to discuss these issues.
- I will meet with my state fire marshal to discuss these issues.
- I will meet with my governor/mayor/city councilman to discuss these issues.
- I will meet with my state legislators to discuss these issues.
- I will send letters and make phone calls to local and state officials to support existing effective fire ratings standards for wood pallets and oppose the use of health-threatening chemicals that have not even been approved by FDA.

Name/Company \_\_\_\_\_

City/State \_\_\_\_\_

NWPCA staff is developing talking points, fact sheets and letters for members to use in communications on this issue. We will distribute them soon. If you have questions in the meantime, contact Bruce Scholnick (NWPCA President), Edgar Deomano (NWPCA Technical Director) or Karen Wanamaker (V.P. Industry & Government Affairs) at 703-519-6104.

## Fax to: 703-519-4720

**National Wooden Pallet and Container Association**  
1421 Prince Street, Suite 340 • Alexandria, VA 22314-2805  
Tel: 703-519-6104 • Fax: 703-519-4720 • [www.palletcentral.com](http://www.palletcentral.com)