

CONSUMER PRODUCT SAFETY

**Moderator: Scott Wolfson
October 29, 2009
10:00 am CT**

Scott Wolfson: Good morning, everybody, thank you for joining us, hopefully everybody has made it through the queue and is on the call now. This is a media conference call among the interagency partners at both the federal and state level. We've been working quite hard on the drywall issue and we are ready to share some information and results from the testing and research that's been going on.

There will be five speakers today; one from CPSC, one from EPA, CDC, HUD and the Florida Department of Health. After a short presentation from each of the speakers, we will open the line to Q&A, to give everybody a chance to pose their question.

At this time, I'd like to turn the conversation over to Lori Saltzman from the Consumer Product Safety Commission.

Lori Saltzman: Good morning to all of you, the media on the line today. CPSC Chairman, Inez Tenenbaum, made the promise that initially fell from a rival investigation

to be shared with homeowners, Congress and the media in October. This media call today is a fulfillment of that promise.

The expansive investigation and scientific work that has been done and continues to be carried out is all aimed at providing answers and solutions to those families deeply affected by this issue.

I am Lori Saltzman, I am the director of the Division of Health Sciences at the US Consumer Product Safety Commission. And joining me today on the call are Dr. Jim Woolford from EPA, who will talk about a special air sampling study conducted by his agency and the Florida Department of Health; Dr. (Mike McGann) from CDC, who will address health issues; Dr. Warren Freedman from HUD, who will address efforts being made to help homeowners; and Dr. David Krause, from the Florida Department of Health, who will discuss the work his agency has done to help effected residence in Florida.

Let me begin by summarizing where we are in our investigations and what actions the Consumer Product Safety Commission has taken with our federal and safe partner agencies. While these studies have discovered certain differences between the drywall, further studies must be completed to determine the (nexus) between the drywall and the reported health and corrosion issues.

So far, an elemental and chemical analysis of drywall samples has found elevated levels of sulfur and (stratium) when comparing Chinese made drywall with non-Chinese drywall. The results are from an analysis of pieces of drywall aimed at discovering what chemicals it contains. The (stratium) found in this drywall does not pose a radiological risk.

So I can tell you with confidence that this study conducted over the summer found no radiation safety risk to families and homes built with manufactured drywall.

Ongoing Chamber and mission studies conducted at the large Berkeley National Laboratory has found the Chinese drywall emits higher levels of total (qualital) sulfur compounds than non-Chinese drywall.

As specific data about chemicals from the Chamber testing, the CPSC staff expects to conduct a comprehensive exposure and risk assessment. Additionally, a joint federal and state team tested the air quality in ten severely effected homes and control homes in Florida and Louisiana. My colleagues on the call will discuss this study.

Data is currently being analyzed from a larger 50-home study conducted over the summer and into September by the environmental health and engineering company under contract of the Consumer Product Safety Commission. The final results of this study will be available in the next few weeks.

We hope that this (Florida) air sampling study combined with more Chamber tests, an analysis of electrical and fire safety associated with corrosion will help us find that nexus that will help in corrosion problems, the problems that are related to us nearly every day.

Although no connections have been made yet, we're working to hard to a close (unintelligible) issue because we know so many families are concerned about this. I can assure that all of our efforts are aimed at trying to help these protected families.

Meanwhile, CPSC is taking action within its statutory authority. To date, we have received nearly 1,900 complaints from residents in 30 states and the District of Columbia about health and corrosion symptoms. We have conducted about 800 telephone interviews with effected home owners and we will be releasing dozens of in-depth investigation reports to the media and the public shortly.

We have launched a drywall information center Web site to provide ongoing information to the public about this issue. To access this site, you need to go to www.drywallresponse.gov.

We're working closely with the Department of Homeland Security to identify and stop imports and we have identified hundreds of thousands of stockpiled (work) and we have sent notice to the warehouses where they are stored.

We want any homeowner who believe their health symptoms and/or corrosion of electrical and metal components is tied to drywall to report to CPS' new hot line. They can reach us at 1-800-638-2772.

As many of you are aware, Chairman Tenenbaum just returned from a week-long product safety summit at China. At that summit, the chairman called upon Chinese manufacturers to do what is fair and just and meet the responsibilities to the consumers of their products, if we prove certain drywall is defective.

The Chinese government assured the chairman that they are taking this issue seriously and will continue cooperating with CPSC on the technical part of our investigation. CPSC and our Chinese partner agency, AQSIQ, also agreed that manufacturers of consumer goods bound for the US and companies that

import the products must adopt higher standards to reduce the number of unsafe goods.

We understand that this problem has literally driven people from their homes. And to those families, we would like to say that we are driving as hard as we can to find out what is causing these health and corrosion problems. I'd now like to turn the mic over to Dr. Jim Woolford from EPA.

Jim Woolford: Good morning, I'm Jim Woolford, I'm the director of the Office of Superfund Remediation and Technology Innovation at the Environmental Protection Agency.

EPA understands the concerns of the homeowners regarding Chinese drywall. That's why at the request of CPSC, the lead agency in this investigation and our other state and federal partners, we analyzed the content of drywall samples and conducted air sampling and monitoring in three Florida homes and in three Louisiana homes.

In each of these states, EPA conducted tests of two homes that contained Chinese drywall and one home constructed with US manufactured drywall. These tests measured the concentrations of various gases potentially associated with emissions from Chinese drywall. These four broad brush tests - and we collected over 1,200 hair samples in conducted these tests and we were in the homes for three days.

The test results have been provided a federal and state technical work group led by CPSC that includes the Florida Department of Health, the Louisiana Department of Health and Hospitals, US Department of Health and Human Services and Center for Disease Control, US Agency for Toxic Substances

and Disease Registries, the US Department of Health in Urban Development and the EPA.

These tests will be used to help establish a federal and state testing protocol that can be used for future drywall testing. The content analysis of the Chinese drywall sample found elevated levels of sulfur and (stratium). Air sampling and monitoring found limited occurrences of concentrations of sulfur gases in the homes of Chinese drywall.

However, the sampling data does not indicate any substances at levels which would be associated with human symptoms or the health symptoms we have been seeing in (male degregation) that have been reported in the homes of Chinese drywall.

In addition, we found through our testing, we - concentrations of formaldehyde in both homes that had Chinese drywall and homes without Chinese drywalls and these concentrations could worsen conditions such as asthma in sensitive populations.

The levels of formaldehyde though were not unusual for new homes and they were (hired) homes that were not air conditioned. The drywall is not a source, as far as we can determine, of the formaldehyde. Formaldehyde comes from pressed wood product, laminates and certain adhesives and other items like that.

Data from the content analysis of Chinese drywall samples and from air sampling and monitoring of the three homes in each of the states can be found at the CPSC Web sites that was mentioned earlier.

And with that, I will turn it over to (Mike McGann) from CDC.

(Mike McGann): Thank you, Jim. This is (Mike McGann), I'm a division director at the National Center for Environmental Health at the Centers for Disease Control and Prevention.

CDC's role in this has been to be support of the lead agency, CPSC and to work with our colleagues at CPSC, EPA and HUD, along with the state health department - primarily Louisiana Department of Health and Hospitals and the Florida Department of Health to try and determine whether or not the sampling results could be associated with the health report that has been coming in associated with Chinese drywall.

CDC has done this along with our sister agency, the Agency for Toxic Substances and Disease Registry and we've been involved in this since earlier this year. And part of our association has been at the request of the Louisiana Department of Health and Hospitals and the Florida Department of Health to look at the symptoms that have been reported to their hotlines.

The symptoms that we have analyzed are in line with what we normally find in indoor air contamination situations and these were people who called into the states complaining that they thought they may have had Chinese drywall and had some of the blackening of the copper wiring and the air condition problems.

And the symptoms across the board have been what we would normally expect to see. They have been headaches, upper respiratory irritation - including dry cough, eye irritation and sore throat. And we have even seen in both the states asthma exacerbation has been reported in some of the cases.

CDC and ATSDR will continue to work with our colleagues at the other agencies at the state and federal level to analyze and interpret the rest of the data as it comes in and to try to get at the bottom of this very perplexing problem. And I'd like to turn it over right to Warren Friedman from the Housing and Urban Development.

Warren Friedman: Thank you, (Mike). My name is...

Scott Wolfson: Operator, are we still in the queue?

Coordinator: I show everyone is still connected.

Scott Wolfson: Thank you.

Woman: However, we're not hearing anything from the room.

Scott Wolfson: I'll send a quick email.

David Krause: Operator, this is Dr. Krause.

Coordinator: Yes, sir?

David Krause: If you can put us into the queue, I can go ahead and give my presentation until the technical problem...

Scott Wolfson: Yes, is everybody back on the line?

Coordinator: You are now live in the conference, sir.

Scott Wolfson: Okay, thank you. This is Scott, let me apologize, we got cut off. So we're back live now, thanks for everybody's patients and we're going to turn the call back over to Warren Friedman from HUD. Thank you, everybody.

Warren Friedman: Thank you, my name is Warren Friedman, I'm senior advisor to the director of HUD's office of Healthy Homes and HUD Hazard Control. The situation we're discussing today reminds me of what HUD's deputy secretary Ron Simms has said, you can't stay healthy if your home is sick.

I want to say we are appreciative of being part of this multi-agency and multi-government team and we're looking forward to the continued generation of scientific results on which to base policy. While we're still learning about the scope of the problem, we have no doubts about the quality of the investigation so far and we look forward to it continuing to be at a high level.

Whatever the results, the implication for HUD are clear; we're prepared to work with our partners across government on remediation on re-housing families impacted by this problem and to help families whose homes have lost value.

The issue of problem drywall is a particular significance to HUD secretary, Shaun Donovan. Earlier this year, he and his family helped a volunteer group rebuild a home in New Orleans that had been affected by problem drywall. And a couple of weeks ago, he met with several families in Florida whose homes have been damaged by problem drywall.

He listened carefully to their concerns and recommendations. They encouraged us to continue working with our other federal and state local partners and we are continuing to do so.

As Scott mentioned, I'm going to talk about efforts within HUD to help homeowners. For those homeowners who have FHA insured mortgages, if they are missing payments or feel they are at risk of missing payments, they should contact their lender for whom they obtained the insurance and see what they can work out with the lender in regard to loan loss mitigation.

HUD also has a foreclosure avoidance counseling program. This may be helpful for families who are living in homes affected by problem drywall. HUD's Web site, www.hud.gov, includes a search tool for finding a non-profit housing counseling agencies in a homeowner's area. And the agencies that are on this list provide free foreclosure prevention services.

In addition, working with jurisdictions which receive funding under HUD's community development block grant program, this is another path in which communities may make decisions in regard to assisting families with problem drywall. The primary focus of these community development block grants are on low and moderate income families.

But there are also funds available for the local community to determine if the problem is an urgent need in their area and if it meets that criteria then they can make funds available for middle income families.

The bottom line at HUD is that we're committed to working with our federal and state partners to get to the bottom of the problem because every family deserves a safe, healthy place to call home. Scott?

Scott Wolfson: Great, we will close our -- the speakers with Dr. David Krause from the Florida Department of Health.

David Krause: Thank you, Scott. Again, my name is Dr. David Krause - that is spelled K-R-A-U-S-E. I serve as the state toxicologist for the Florida Department of Health in Tallahassee, Florida.

What I'd like to let the public know is that the Florida Department of Health takes the issue of drywall associated corrosion very seriously. We realize Floridians are looking into the Department of Health and our federal partners for information on possible health implications and guidance on what to do if they live in homes suffering from this problem.

Although Florida was earlier to recognize this emerging issue, it soon became apparent that problems associated with some imported drywall were common to many states across the country. We appreciate the tremendous efforts put forth by our federal partners to investigate the issue and bring the necessary resources to bear so that we can understand the possible health impacts to affected homeowners.

We worked in close cooperation with the US Environmental Protection Agency, the Centers for Disease Control, the Consumer Product Safety Commission and other state and federal partners to plan and conduct this ten-home study. Florida has provided a broad range of expertise and knowledge to the technical team that has evaluated the data from homes tested as part of this study.

Our results are consistent with those of the EPA and support the conclusions reached by the technical team that are presented in this report. Our evaluation of effected homes did not find levels of chemicals that suggest an eminent or foreseeable health hazard, although we did identify some exposure scenarios that could explain some of the temporary symptoms of upper airway and eye irritation commonly reported by some people living in these homes.

We believe that to generalize these findings, a broader range of effected homes must be studied and more information is necessary. We anticipate the 50-home study will be essential to our understanding of how these results apply to other effected homes.

Florida looks forward to learning from other studies on the material emissions and in-home testing that is currently being performed under the leadership of the CPSC. Thank you.

Scott Wolfson: Great, thank you, Dr. Krause. We will now open the call up to the media. Due to our technical difficulties, we'll try to extend the length of the call another five or ten minutes to take more media questions.

Coordinator: As a reminder, if you would like to ask a question or make a comment, press star 1 on your touchtone phone and record your name at the tone. Again, if you would like to ask a question, press star 1 on your touchtone phone.

And our first questions from (Nervy Shaw) with Miami Herald. You may ask your question.

(Nervy Shaw): I'm sorry, I was actually - (unintelligible) earlier about the (unintelligible).

Scott Wolfson: (Nervy), I don't think you have that good of a connection, we weren't able to hear your question on our end.

(Nervy Shaw): Can you hear me now?

Scott Wolfson: Yes.

(Nervy Shaw): I was just curious, I mean, I don't know how satisfying these results are going to be to the homeowners. I feel like - I don't know that there's a lot of new information that's being announced today. I'm trying - I'm grasping for what the new information is.

Scott Wolfson: Well, what you need to see from our results - and again, all of the specific test results will be on www.drywallresponse.gov as of about 30 minutes ago, you can download those. So we did see an increased level in the (stratium) from the drywall made from China versus the non-Chinese drywall. But we have information that shows that those levels don't pose a human health risk to the homeowners.

We do see, you know, the increased levels in formaldehyde among some of the homes. But as our CDC and EPA colleagues has stated, there are some recommendations of how to address those.

What is still pending is the results from the increased sulfur gases requires additional study by the federal partners here and that is what we are continuing to do through our work of a 50-home study with a (Lawrence Berkeley Livermore Laboratory). And those results are expected in November.

So we want to find that connection, as Lori indicated, to the - to scientific aid that comes in to the health and corrosion effects that have been reported extensively to the agency.

And just to confirm, everything that we've been discussing is on www.drywallresponse.gov, the press statement you have, an executive summary and all of the data results can be downloaded at this time.

Coordinator: Our next question comes from Brian Sokoloff with the Associated Press. Your line is now open.

Brian Sokoloff: Yes, hi, can you guys hear me?

Scott Wolfson: Yes, Brian.

Brian Sokoloff: Okay, great. I've got two questions I was hoping to ask. First for Dr. Friedman with HUD, following up on your statement about being prepared to work with partners on remediation efforts, re-housing of families. Can you elaborate on any possible national remediation efforts that could take place to not only help families affected now but in the future? What exactly could HUD do to help these families?

Warren Friedman: Okay, thank you for your question. The sequence that we're working on now is evaluating the problem, trying to assess what the problem is. And that's a necessary precursor to developing remediation strategies because we want to make sure that if we make a recommendation on doing something in the home, that it responds to the actual source of the problem.

As you know, there are some homes in which (gut) rehabs have been done, where all the drywall is removed and all the electrical wiring is removed and the home goes down to the studs. And that's of course, very expensive, tens of thousands or even over \$100,000 per home have been reported as figures.

And what we want to do is have a focus that is tighter than that, if at all possible. And if we have scientific results that we can use to drive an approach toward a more efficient method of remediation, then number one, we'll be happy because we'll have a sound basis for it. But number two, it may wind up costing less.

So at this point, I cannot answer your question about do we have a remediation strategy because that depends on assessing what the problem is.

Brian Sokoloff: Is there a chance that there would be federal funds available to assist homeowners with any potential remediation that's put forth by the federal government?

Warren Friedman: Well, it depends what the problem is. There are existing approaches as I mentioned in terms of community development, lot grant, activities that could be used. It's up to the local jurisdictions to make determinations on how to deal with the block grants that they have, you know, within the overall parameters of the block grant program.

Brian Sokoloff: Second question - and this can be for anyone. But regarding the formaldehyde and the comparison here that these compounds were found to be irritants but they were found in both homes with and without Chinese drywall. I've received some recent reports from homeowners who say they've had their houses tested after having some health issues and corrosion problems and that they do not have Chinese drywall in their house.

Is anyone looking into the possibility that this could be a broader problem, not just with Chinese drywall but with all drywall that was produced and put into homes during this time period?

Lori Saltzman: Hi, this is Lori Saltzman. I think that we need to be able to identify where the formaldehyde in all the homes is coming from. And one of the things that we are gathering, we are going to be able to get from our chamber studies is looking at the drywall independent from anything else that's in the home.

Brian Sokoloff: Okay, I mean, is - have you guys received any reports of this - of these health conditions being reported or corrosion of the same sorts of Chinese drywall as in homes made with, say, (National Gibson) or other American drywall companies?

Scott Wolfson: Brian, we're not able to touch upon, you know, those sort of brand names...

Brian Sokoloff: Sure, sure.

Scott Wolfson: Company names. We can...

Brian Sokoloff: American made.

Scott Wolfson: We can talk about your question offline and, you know, the means by which you can submit that request to us to try to obtain that information.

Brian Sokoloff: Okay, thank you.

Scott Wolfson: Thank you.

Coordinator: Our next question comes from Mary Wozniak with the News-Press. Your line is now open.

Mary Wozniak: Thank you. The testing results show that you still have not identified a necklace or link between the reported health and corrosive issues. Do you expect to establish this link in November, when the 50-home test comes in? And is the fact that you're calling them reported health and corrosive issues mean that there's a question even as to the fact of drywall causing corrosion?

Scott Wolfson: Mary, thank you for your question. Yes, we are driving towards a second set of results coming out next month. We want to keep that obligation and our responsibility to keep sharing data as it becomes available. And again, the commitment of Chairman Tenenbaum and all our federal and state partners is to do everything we can to really look at the results at an even more intricate level than what we're discussing today to try to find and determine if there is that link, that connection between what has been reported to us and what we're finding in our testing.

It's a commitment that we have to the families and this larger study - the 50-home study that we undertook will allow us to build upon the results we're announcing today and bridge to a larger analysis that we're working on right now.

Mary Wozniak: But the fact that you're calling them reported corrosive issues, does that mean it's still in question whether or not the drywall causes corrosion?

Scott Wolfson: We're just making a reference, Mary, to the fact that, you know, there are homeowners who have reported to CPSC, that we have conducted investigations and we are sharing information based upon analysis done by the agency as well as homeowners sharing their experiences with us.

And we are committed to being able to share some of those in-depth investigations we have conducted. It is that 800 directed telephone calls to homeowners. But we want to disclose to the media, to the public, a kind of a look into more in-depth information and we're going to make that available to you as quickly as possible.

Coordinator: Our next question comes from (Terry Picard) with NBC News. Your line is now open.

(Terry Picard): Thank you, two questions. First for Ms. Saltzman; the phone line gated out, I was not able to hear so I have a question you may have made the point. You said something in your presentation about your working with Homeland Security to do something to additional imports. Could you clarify that point? Are any - are imports of drywall at this point banned into the US and what's in warehouses in the states? Has that been put on hold?

Lori Saltzman: Well, we're working with the Department of Homeland Security to identify and stop any kind of imports. And we've identified a number of the stockpiled boards and we've sent notices to the warehouses where they have kept them and that they aren't allowed to - they have to report to us and they aren't allowed to actually distribute them without notifying us.

Scott Wolfson: (Terry), we're looking at it as kind of a supply chain issue. We went to the source, Chairman Tenenbaum went to China to speak to Vice Minister and AQSIQ officials to let them know that our concerns are taking it seriously, trying to do their part on their end. And then we're going and looking at it as a port issue, specifically as customs and border protections that we're working with, trying to make sure that they're properly informed to be able to look at this issue.

And then we're trying to look at it domestically and we know that there has been stockpiling and we've identified where it is and put those warehouses on notice of our investigation.

(Terry Picard): Okay, but bottom line is, if a builder wants to go to that warehouse and use that drywall to build a house, there's no law or policy prohibiting him from doing that at this point?

Scott Wolfson: Not at this point but we are trying to be as proactive as possible to put the right people on notice of what investigation we're conducting, the seriousness of it and the impact it's had on homeowners.

(Terry Picard): Okay, and my second question for Dr. (McGann) in CDC, could you compare - what is the difference between this formaldehyde that's been found in the testing of the homes with this Chinese drywall and the formaldehyde in the mobile homes and trailers that were utilized post-Katrina that residents there were immediately told get out, it's a health hazard?

(Mike McGann): The difference is - a couple of differences, as a matter of fact. One, the elevated formaldehyde that we found in the Katrina trailers, the testing of that was done under the conditions of a normal operation. We had the set up that the resident that the resident would normally have, you know, the air conditioning going, whatever ventilation was going. And we found levels that were above levels that have been shown in the literature to cause irritation in sensitive individuals.

And some of those levels in some of the makes of the trailers were significantly elevated. So that is why CDC recommended to FEMA to move forward as quickly as possible with relocating these people.

And in this study, the formaldehyde levels that you would considered elevated were found in the homes with the air conditioning shut off and then some of those homes that had been closed up for some time. The levels drop precipitously with the air conditioning on, in other words, normal living conditions.

And the levels were found primarily in the 40 to 70 level when the air conditioning was functioning and normal ventilation was on. That is what has

been found nationally in new homes across the country. So those levels were not stark and were not levels that we would consider to end in acute respiratory - upper respiratory irritation.

It is not surprising in a new home in the United States that we have levels of formaldehyde. The types of wood that emit formaldehyde are frequently found in new homes. Formaldehyde is emitted by new boards more than it is by older ones. And our new homes are very tight. The air exchange can be relatively high but they are tight, they don't leave in a lot of air from the outside unless the air conditioning is functioning.

So I wasn't surprised to see the levels of formaldehyde in newer homes that has this type of wood when they were shut up and when the air conditioning was off, to see that it was elevated. And I was relieved to see that under normal operating conditions, it was found to be at levels that have shown to be in other studies.

Coordinator: Our next question comes from (Eduardo Senal) with ABC News. Your line is now open.

(Eduardo Senal): Hi, thank you so much. I just want to touch again on the comment by NBC about the fact that, you know, that, you know, a year has passed since this problem was first reported. And I just want to know if you guys have recommendations in terms of, you know, suggesting a recall or total ban while these studies continue?

Scott Wolfson: Thank you for that question. All options are on the table at this time. There are conversations ongoing with the White House as well as Congress. We want to be clear that the challenges that a recall would pose, if we're looking at the

issue from a short term solution, we need to realize that a recall could require some legal action. It could take time to be done.

So while we're dedicating a tremendous amount of resources into the science, letting the science drive our approach towards solutions, toward remediation, we have every option on the table. This tremendous group of inner agency partners are utilizing all their resources. But we need to kind of consider the urgency of the need of these families to be helped.

(Eduardo Senal): So what does it need for you guys to make the final decision, that we have to (unintelligible) right away otherwise people in the United States will get sick?

Scott Wolfson: Well, just so you know, recalls have been two ways; either a company voluntarily reports to the agency and says that they seek to do a recall or CPSC has to make a case for it. And what's important right now is we complete our work on the science. That will help drive us in the right direction towards trying to help all these effected families.

Let me just say that we - we've seen this first hand. Secretary Donovan and Chairman Tenenbaum to other members of this team, we've been in dozens in homes. CPSC officials have felt it and we know what these families are going through and we do seek to help them as quickly as possible.

(Eduardo Senal): I just have one last question. When you guys are looking at linking these fumes with health hazards, are you looking at it from a short term exposure of what will happen to these families if (unintelligible), you know, for the coming few years?

(Mike McGann): Yes, this is (Mike McGann). In our assessment of the data that have been gathered so far, we are looking at it from both an acute and a chronic exposure

level, although as you're aware, the symptoms that have been reported across the country have been for acute levels. And we will continue to look at the data as they are generated from both acute and chronic levels. Does that answer your question?

(Eduardo Senal): Yes, that's fine.

(Mike McGann): Okay.

Scott Wolfson: This is Scott. I want to make one additional point coming back to the responsibility that falls upon CPSC in a case like this is that we must secure proof of what is the hazardous substance that's causing the problem. This is why we're going to have another roll out of information. We're continuing to try to gather that proof, gather the evidence. But let it be based on science. If tremendous levels of expertise among these agencies dedicating significant resources to be able to provide the answers, provide the solutions. And we want people to respect what comes out of the work of these agencies. That's what we're driving towards right now.

Coordinator: Our next question comes from Greg Allen of National Public Radio. Your line is now open.

Greg Allen: Thank you, can you hear me?

Scott Wolfson: Yes, Greg.

Greg Allen: I have a couple of question. The first one, Scott, it was a response to an earlier issues that - it seems to me that you're as not ready at this time to say that the Chinese drywall is believed to be causing the corrosion, is that correct?

Woman: Well, the rigorous scientific evidence is needed to make that link as well as it is to make any link to the health effects.

Greg Allen: Right. So you don't have that rigorous scientific information yet. You're not ready yet to say that there is a link.

Scott Wolfson: Not yet, but we are doing everything we can to see if there is that nexus.

Greg Allen: Got it. Okay, good. The other issue is actually I think for either Dr. Krause or Dr. (McGann). It's the issue about the symptoms that we're seeing now. And it wasn't quite clear to me what do you think are causing those symptoms now. You said- I think Dr. (McGann) said that's consistent with indoor contamination. Can you just elaborate on what could be causing those symptoms?

Man: Well, it is consistent with indoor contamination. If I were to look at these symptoms and they were reported from people who were living in homes they felt were contaminated and looking solely at these symptoms, these symptoms are consistent with what you would see with indoor air contamination.

Now please don't ask me to name the contaminants that might be causing that. But these symptoms are consistent with what we see in indoor air contamination. And as was just mentioned, I did go into one of these homes in Florida at one time and I did have similar symptoms to these. I did have upper respiratory irritation and in my eyes. I have no idea which specific chemical could have been doing that but - and that is what we're trying to do?

Greg Allen: Yes, that's fine.

(Mike McGann): Okay.

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(Mike McGann): Well, it is consistent with indoor contamination. If I were to look at these symptoms and they were reported from people who were living in homes they felt were contaminated and looking solely at these symptoms, these symptoms are consistent with what you would see with indoor air contamination.

Now please don't ask me to name the contaminants that might be causing that. But these symptoms are consistent with what we see in indoor air contamination. And as was just mentioned, I did go into one of these homes in Florida at one time and I did have similar symptoms to these. I did have upper respiratory irritation and in my eyes. I have no idea which specific chemical could have been doing that but - and that is what we're trying to do.

It's not enough to say we think we have indoor air contamination. For us to do this properly, we need to try to narrow down the contamination. And everything that's in the air is a mixture. We're not sure it could be more than one compound, it could be two compounds acting together.

The way to get the answer to this, whether it's corrosion or whether it's health is to do the best possible science. And I think what we've done here is we've done the first few steps in this, we're moving very quickly. I think the 50-home study will help us a great deal. I'm very interested in seeing what will come out of the final chamber studies, which will tell us what's exactly coming off of the Chinese drywall versus controlled drywall, a number of

different samples of drywall that's made in this country. This is going to help us too.

But we really do have to get it down to the point of it seems to be this or a combination of these so that the remediation, when it's finally put in place, will be effective and we won't be going down a blind alley on something that important.

I would also ask David Krause if he's got anything to add. David, would you like to add anything to that?

David Krause: Just that the evaluation of chemical mixtures is one of the most difficult things that can be done in evaluating indoor air quality and occupant exposures. It's recognized in the scientific literature and by researchers that chemical mixtures can cause additive or synergistic effects. But there is not a standard way to evaluate those mixtures. And you - that's one of the difficulties we're going to have at looking at the overall effects in these homes.

Greg Allen: Thank you.

Scott Wolfson: This is Scott. I'll just ask the media to just limit your questions to just one at this time because I'm hearing that there's still a lot of reporters in the queue seeking to ask questions. Thank you.

Coordinator: Our next question comes from (Melanie Stropman) with the Wall Street Journal. Your line is now open.

(Melanie Stropman): Yes, hi. Scott, can you tell me what Chairman Tenenbaum, what she asked the Chinese, what their response was with regard to paying for any damage?

Scott Wolfson: When she had talked both privately and publicly during here trip over to China last week and at the beginning of this past week, she talked about the need for the manufacturers to understand their responsibilities, all the way to their end consumers and take a just and fair approach.

And we got a very strong, very positive response from the AQSIQ officials, all the way up to the Vice Minister, recognizing the issue and seeking to work with us, keep the dialog open, work with us as we continue the technical parts of the investigation and making sure that the manufacturers within the country, of those that actually exported to the US, understand that we all have a shared philosophy between the US and Chinese government that they must take a just and fair approach if the responsibility moves up the supply chain.

(Melanie Stropman): So did they say they would help pay if it's found that Chinese companies produced drywall that's found to be tainted?

Scott Wolfson: (Melanie), I can only share with you that, you know, all the way up to the Vice Minister, they took it very seriously, really sought to have a joint message that the manufacturers on their end importers on our end realize their responsibilities and do what is right, do what is fair to these end consumers.

Coordinator: Our next question comes from (Mark Trajum) with Bloomberg News. Your line is now open.

(Mark Trajum): Yes, can you just explain to me how you are blocking imports of the drywall from China? Are there people trying to import it and this is actually illegal and under what statute? And especially now since we don't have any findings today that says this drywall is causing any health problems, how is that possible?

Scott Wolfson: (Mark), thanks for that question. The best information we have is that during this year there have been no imports of the drywall. But in continuing on with that, we have a great relationship with Homeland Security, specifically CBP, and we work really closely with them to kind of look at the codes, what applies to, you know, to drywall, what are we finding, what do they find.

We have a presence at certain ports across the country but CBP is everywhere. So we really want to make sure that there's - that education on their part to know what the problem is, what to look for and we're staying in very close communication.

So we're really - we're looking at the complete supply chain from China to the ports, to the domestic distribution of the product.

Coordinator: Our next question comes from (Carrie Cavanaugh) with ABC TV. Your line is now open.

(Carrie Cavanaugh): Hi, I'm calling from Tampa, Florida, and I've also been in, you know, several homes where people are living with this stuff. A lot of people have moved out and they're paying a mortgage and now they're paying rent, you know, if they can manage to do that somewhere.

So I guess while we can all understand on the one hand the need for the science to be done thoroughly and effectively, what do you say to these homeowners who probably don't have patience to hear that at this point?

Warren Freidman: This is Warren Friedman from HUD. As I had mentioned earlier, we have assistance programs to prevent foreclosure, to work with families, give them advice on how to prevent foreclosure. And we encourage the people to work

with their mortgage lenders, whether they're FHA insured or not. We encourage all of them to work with them.

And we certainly heard the interest that's been expressed by the how-to mortgage lenders where they're also encourage mortgage lenders to be accommodating to the financial needs of families who are picking up rent as well as a mortgage payment.

Coordinator: Our next question comes from (Becky Mulberry) of the (Times Tycoon). Your line is now open.

(Becky Mulberry): Yes, I wanted to pick up with some of the questions on the import area. Can you describe a little bit about what you've found so far about where most of this (unintelligible) has been imported and will you be releasing any sort of a list of warehouses where the drywall has been stockpiled so far?

Scott Wolfson: (Becky), thank you for that question. Unfortunately, we're not able to say the exact locations where those warehouses are that's part of our investigation. But there are hundreds of thousands of boards that have been identified. We've made notice - put them on notice of our investigation. And we're really taking it very seriously. We don't want this issue to continue, we want to be able to really be able to investigate it thoroughly, contain the issue and be able to allow the scientific work to continue on.

Coordinator: Our next question comes from (Harry Solares) with Popular Mechanics Magazine. Your line is now open.

(Harry Solares): Hello, everybody. This is for Lori; are you testing only Chinese - drywall made in China or are you testing (unintelligible).

Lori Saltzman: I'm sorry, I couldn't hear that question.

(Harry Solares): Are you testing domestically manufactured samples?

Lori Saltzman: We have domestically manufactured samples that are - that we are (unintelligible) testing.

Coordinator: Our next question from (Chris Comarro) with FOX. Your line is now open.

Scott Wolfson: And (Chris), yours will be the last question. Thank you.

(Chris Comarro): All right, I'll try and loop as many into it as I can. I am curious initially if you can give us an idea as to the scope of this study with regard to the number of man hours and perhaps the amount of money that has been spent on this and whether you have, based on what you have in front of you now, whether you have adjusted or changed at all the study of the additional homes, the 50-home study? And also whether there's any sense of frustration that you've got all this great evidence, you've got all this great data, you've got all this great analysis and yet you don't have a conclusion.

Scott Wolfson: This is Scott, I can only talk for CPSC, but I can tell you that in the past five months, we have spent over \$3.5 million and really this has become one of the largest investigations in CPSC history. And the reason why it's taking on this scope is that we're just fully committed to helping these families, from the (Dunaways) to the (Winns) to the (Camps), we've spoken to these families many times, we've visited them personally, we know that they are struggling. We want to help them. That's why all resources are being brought to bear at this point.

And I'm sorry, I think you had a second part to your question, if you want to re-ask that.

Man: (Unintelligible).

(Chris Comarro): Samples. I wonder if that has prompted any kind of expansion or change for the 50-home study.

Scott Wolfson: Well, the 50-home study was completed in terms of the in-home work. Now we're at the analysis stage of it. So our commitment is to be able to share those results next month and we will probably do something very similar to make sure all of you receive the information in a timely manner.

(Chris Comarro): Similar methodology then, the same tests, just a broader sample?

Lori Saltzman: You're asking about whether the 50-home was the - similar to the ten home study?

(Chris Comarro): Yes. Yes, I was essentially wondering whether the same tests are applied, whether the same investigation.

Lori Saltzman: Right. We built upon what we learned from the ten-home test and the ten-home sampling. That's actually how science works, is that you learn some information from one study and then you move on to another study. Some of the methodologies are the same, some are different. And that's just how you do an investigation and that's how science progresses.

(Chris Comarro): Would you expect the results in the 50-home study to be different from the 10, based on what you've learned and what adjustments you've made.

Lori Saltzman: I can't give you that answer, I don't have my crystal ball here with me.

(Chris Comarro): And last, I'm wondering if there's any sense of frustration that you work with a scientific process where you generally have good analysis and you can gather a good conclusion but here, like somebody said earlier, that it's a perplexing problem. Is there frustration on your part as a scientist?

Lori Saltzman: It is perplexing, there's no frustration, there's lots of optimism amongst the scientists.

Scott Wolfson: Let me add one point as we draw to a close here. And that is that CPSC truly want to hear from every single homeowner who feels they have been affected by this issue. We want - if it reports to the state, that's great, we also want them to report to CPSC.

So anything you can do at the media level to, you know, get the word out there about www.drywallresponse.gov or our toll-free hotline, 1-800-638-2772. We're standing by to take more reports.

We're at 1,900 right now but we know that's probably an underestimate of the number of cases out there.

So that's going to conclude the conference call today. Thank you all for being on the line and please visit www.drywallresponse.gov to download the specific scientific reports released today. Thank you.

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