



American Home Furnishings Alliance

2016

YEAR IN REVIEW

PLUS 2017 OUTLOOK



The American Home Furnishings Alliance was formed in 1905 to disseminate the newest manufacturing, management and technical information to producers of residential furniture and to act as a watchdog against burdensome regulatory requirements and government intervention.

In 112 years, despite transformative expansion, globalization and technological advancements in all aspects of the industry, AHFA remains the voice of the residential furniture industry, serving more than 350 leading manufacturers, importers, distributors and suppliers worldwide.

Every day, AHFA works to promote the growth and global leadership of its member companies by:

PROVIDING

EXCEPTIONAL ADVOCACY

PROMOTING

**EFFECTIVE PRODUCT
AND SAFETY STANDARDS**

PRESENTING

RELEVANT EDUCATION

SERVING

**AS THE PREEMINENT MEDIA RESOURCE
ON INDUSTRY NEWS AND TRENDS**



In June, Speaker of the House Paul Ryan addressed AHFA board members, including Ron Wanek, Kevin O'Connor and Kurt Darrow.

2016 YEAR IN REVIEW

Throughout 2016, AHFA ensured the residential furniture industry had a seat at the table with policymakers any time regulations impacting our industry in a critical, bottom-line way were on the agenda. Equally important, the Alliance kept its members well-informed on these issues, providing timely updates and unique insights from the front lines.

A review of AHFA's most significant accomplishments in 2016 necessarily begins at the end of the year with the December 12 publication of the U.S. Environmental Protection Agency's Formaldehyde Emission Standard for Composite Wood Products. AHFA's focused advocacy on this issue over many years resulted in the removal of several costly provisions from the final rule. Without AHFA's unrelenting attention, the industry would be looking at a very different regulation with crippling costs impacting every manufacturer and importer of furniture containing composite wood.

Other key achievements in 2016 included adoption of a new "safe harbor" provision for residential furniture within California's Proposition 65 consumer information law, advancement of an industry-wide furniture tip-over awareness campaign, significant growth within the outdoor furniture division encompassing all segments of the industry, and new workforce development initiatives supported by AHFA's Solution Partners Division.

These accomplishments were complemented by both on-demand and in-person education and networking forums throughout the year for all member types. Highlights included the June Government Affairs meeting in Washington, D.C., which included an audience with Speaker of the House Paul Ryan, as well as the September Regulatory Summit in Hickory, North Carolina, that included presentations from more than a dozen regulatory, legal and enforcement experts, among them CPSC Commissioner Ann Marie Buerkle.

2016 also brought many opportunities for AHFA to serve as the industry's representative to the media. From the *New York Times* to *Bloomberg* to NBC's "Today Show" and others, AHFA delivered carefully crafted statements representing industry positions on diverse issues.

In the end, 2016 provided as clear an illustration as ever that our industry's most reliable "defense" against poorly researched or hastily enacted regulation is a widely respected and well-funded watchdog organization. In 2017, AHFA will continue investing in sound research and informed representation on the issues that matter most to you.

AHFA'S 2016 PROFILE

393
MEMBERS

61% manufacture or import
residential furniture

39% are suppliers to the
industry

241
MANUFACTURERS
& IMPORTERS

39% manufacture or import
products primarily
for outdoors

40
NEW MEMBERS
IN 2016

17 suppliers

23 manufacturers
and importers

JANUARY

- › AHFA opens the year by releasing formaldehyde emission test results that counter statements made by short-seller Whitney Tilson, whose widely-publicized claims of unsafe levels of formaldehyde in residential furnishings proved to be unfounded.
- › AHFA receives 59 applications for the 2016 Solution Partners Scholarship, the only scholarship program in the industry dedicated to helping the children of industry workers afford higher education.
- › ICFA initiates a redesign of its website, the first since the 2008 launch of the Association.
- › A new furniture stability “toolbox” is added to the Regulatory Compliance section of AHFA’s website. In addition, new furniture tip-over prevention resources are posted for parents, including a free set of tip restraints upon request.
- › CEO Andy Counts and Vice President of Regulatory Affairs Bill Perdue meet with members of the U.S. Consumer Product Safety Commission (CPSC) in Bethesda, Maryland, to push for action on the industry’s petition for a federal flammability standard based on California’s TB 117-2013.
- › AHFA is quoted on NBC’s “Today Show” in a “Rossen Report” on the role of upholstered furniture in home fires.
- › ICFA surveys American households to explore what items are at the top of consumers’ wish lists for outdoor living in 2016.

FEBRUARY

- › AHFA consults with Senator Robert Casey’s staff on the lawmaker’s interest in creating legislation that would require manufacturers to make furniture more stable to prevent tip-over accidents.
- › ICFA names its 2016 Retail Council, with Jessica Salisbury of Village Green, Rockford, Illinois, at the helm as chairman.
- › The U.S. Center for Disease Control and Prevention reignites the debate over formaldehyde in wood furnishings by releasing erroneous test results for laminate flooring from Lumber Liquidators, then quickly retracting them. AHFA continues issuing statements to both consumer and trade media to correct inaccurate reporting on the formaldehyde issue.
- › AHFA’s Bill Perdue attends a Green Science Policy Institute workshop in Berkeley, California, during which antimicrobials and stain repellents are identified as new targets for environmental and health groups seeking to rid specific chemicals from consumer products.
- › The CPSC adopts an amendment to its 2016 Operating Plan calling for funds to investigate adopting California’s TB 117-2013 as a national flammability standard. Commissioner Ann Marie Buerkle cites an October 2015 petition from AHFA in her support of the amendment.
- › A second AHFA-backed amendment to the CPSC 2016 Operating Plan also is adopted. It requires the commission to prepare a briefing package with data on the level of industry compliance with the ASTM voluntary furniture stability standard.

MARCH

- › AHFA co-sponsors a Manufacturing Summit at the Franklin Furniture Institute on the campus of Mississippi State University. The program addresses issues impacting the future of manufacturing in the State of Mississippi.
- › ICFA creates a Sales Representative Council to provide insight to the Board of Directors. Bryan Echols of Echols Enterprises is named Chairman.
- › While the U.S. House & Senate work to reconcile versions of legislation to reform the Toxic Substances Control Act, AHFA is busy providing information to regulators in various states who are proposing their own regulations to fill the perceived gap in chemicals oversight. By March, AHFA is responding to about two new bills each week proposing to regulate flame retardant chemicals.
- › AHFA signs on as an “advocate” of the CPSC’s “Anchor It!” tip-over awareness campaign.



APRIL

- › AHFA’s Furniture Foundation announces its 2016 grants, including \$18,000 in scholarships for students in Appalachian State University’s furniture design program and \$7,500 in scholarships for the first 30 students in the Alexander County Furniture Academy, which trains sewing operators and upholsterers for skilled labor positions.
- › Aimee Boozer of Sun Delivery, Thomasville, is elected chairman of the Specialized Furniture Carriers for 2016-2017.
- › As part of its support of the CPSC’s “Anchor It” tip-over awareness effort, AHFA launches an ad campaign with the theme, “Tip-Over Prevention Is Everyone’s Business.” The ads encourage retailers, sales reps and designers to help educate consumers about tip-over hazards.
- › The ASTM Furniture Safety Subcommittee chaired by AHFA’s Bill Perdue proposes two changes to the voluntary furniture stability standard. One would alter the warning label to add a pictograph of a child climbing a dresser. The other would change the standard’s preamble language.
- › ICFA announces its 2017 Education Conference with the theme, “Navigating the Future,” will be at the Hotel Valley Ho in Scottsdale, Arizona.
- › The Solution Partners division awards six \$2,000 scholarships to students who are children of employees working for AHFA member companies, including Franklin Corp., Best Home Furnishings, Precedent Furniture, HSM Solutions and La-Z-Boy.

MAY

- › AHFA teams up with the International Wood Products Association to offer an IWPA course on wood trade compliance and the “due diligence” requirements of the Lacey Act.

JUNE

- › The Board of Directors convenes in Washington D.C. for its annual government affairs meeting. Highlights include audiences with Speaker of the House Paul Ryan and CPSC Chairman Elliot Kaye.
- › AHFA teams up with *Furniture Today* for a Logistics Symposium at High Point University.
- › Sen. Robert Casey, Jr. proposes the Stop Tip-overs of Unstable, Risky Dressers on Youth Act – otherwise known as the STURDY Act – requiring the CPSC to promulgate a “tougher” furniture stability standard. AHFA responds to national news media covering the proposal, pointing out the lack of any evidence to suggest that the current stability standard is ineffective.
- › The late Merv Conn, vice president of Mallin Furniture for 25 years, and Joe Watson, owner of Watson’s Fireplace & Patio in Maryland, are named recipients of ICFA’s 2016 Lifetime Achievement Award.
- › IKEA recalls more than 29 million chests and dressers that do not comply with the ASTM furniture stability standard, and AHFA is asked by multiple national news outlets to comment.

JULY

- › ICFA holds a successful “Preview Show” in Chicago.
- › A second furniture academy to train workers for the upholstered furniture industry opens in North Carolina. The Alexander County program will train 30 students at a time. It is an expansion of the Catawba Valley Community College program in Newton, N.C., which opened in 2015 and now has a waiting list of over 200.
- › On July 27, the U.S. EPA releases a prepublication version of its final rule for regulating formaldehyde emissions from composite wood products used as component parts in finished goods sold in the U.S., after nearly six years of debate. AHFA’s advocacy efforts are credited with significant improvements in the final rule versus the agency’s initial proposal in 2013. AHFA announces a January 2017 workshop to help member companies navigate the new rule.

AUGUST

- › ICFA holds online voting among the membership for 10 Manufacturer of the Year finalists and four Sales Rep of the Year finalists.
- › Kids in Danger and Shane’s Foundation – both children’s product safety groups – release a controversial furniture stability report

that includes results of furniture tests the groups describe as simulating “real-world” conditions. National news media once again turn to AHFA for the furniture industry’s response to the report.

SEPTEMBER

- › The Solution Partners division holds its 26th Annual Education Golf Tournament. Sixty golfers participate, raising over \$8,000 for industry educational initiatives.
- › ICFA hosts Casual Market Chicago, along with the ICFA Awards Gala and its fourth annual Industry Roundtables. Gloster Furniture receives the top honor in ICFA’s Design Excellence competition for the second year in a row with its Grand Weave lounge seating. Another repeat winner is O.W. Lee, receiving Manufacturer of the Year for the fifth year in a row.
- › Also at the Casual Market, Village Green of Rockford, Illinois, and ABSCO Fireplace and Patio, with stores in Birmingham and Pelham, Alabama, take home coveted Apollo Awards for retail excellence, and Bryan Echols of Echols Enterprises in Concord, North Carolina, is awarded Sales Rep of the Year.
- › The U.S. CPSC releases a briefing package deeming California’s TB 117-2013 ineffective in addressing the hazard of smolder ignition of upholstered furniture and abandoning the upholstered furniture flammability standard proposed by

CPSC in 2008. In response, AHFA issues a statement stating that it disagrees with the CPSC’s conclusion but pledging to continue working with the agency on a solution.

- › CPSC also releases a briefing package on furniture tip-over, calling for an increase in the test weight, changes to the warning label, and test methods for multiple types of tip restraints. AHFA leads the way on establishing stakeholder task groups to research each proposal.
- › AHFA holds a Regulatory Summit in Hickory, North Carolina, attended by more than 160 industry executives. Key presenters include CPSC Commissioner Ann Marie Buerkle; Todd Sax, enforcement division chief for California’s Air Resources Board; and Dr. Meredith Williams, deputy director of California’s Department of Toxic Substances Control, among others.

OCTOBER

- › A childhood safety-themed supplement in the October 27 edition of *USA Today* includes an article on furniture tip-over safety prepared by AHFA staff.
- › Dwayne Welch, managing director of Welch Diversified, Conover, North Carolina, is elected to a second term as chairman of AHFA’s Solution Partners Board of Directors.
- › Stefanie Lugar joins the ICFA staff as director of membership.

NOVEMBER

- › John Bray, chairman and CEO of Vanguard Furniture, receives AHFA's highest honor, the Distinguished Service Award, at the Annual Meeting in Kiawah Island, South Carolina.
- › Richard Magnussen, CEO of Magnussen Home of Ontario, Canada, is elected 2017 Chairman of AHFA.
- › ICFA finalizes the program for its February 2017 Education Conference in Scottsdale and announces ICFA retail members will receive complimentary registration as a new member benefit.

DECEMBER

- › On December 12, the U.S. EPA publishes the final version of the Formaldehyde Emission Standard for Composite Wood Products in the Federal Register. It will be on the books exactly 39 days before President Trump signs an Executive Order that puts it temporarily on hold.
- › ICFA closes the year with the most significant membership growth seen in years, tallying 18 new manufacturers, 21 new retail companies, 14 sales reps and 9 suppliers.



2016 Distinguished Service Award recipient John Bray (center) of Vanguard Furniture with AHFA's Andy Counts (left) and award presenter Farooq Kathwari of Ethan Allen

A GLOBAL PRESENCE

AHFA member companies
operate factories in

31 STATES
and
7 FOREIGN
COUNTRIES

They employ over

50,000

production workers in the U.S.

THE 15 LARGEST

domestically-owned
manufacturers/importers
of residential furniture for
the U.S. market are AHFA
member companies.

Together these companies claim a

29% SHARE

of the U.S. market, with shipments
totaling more than

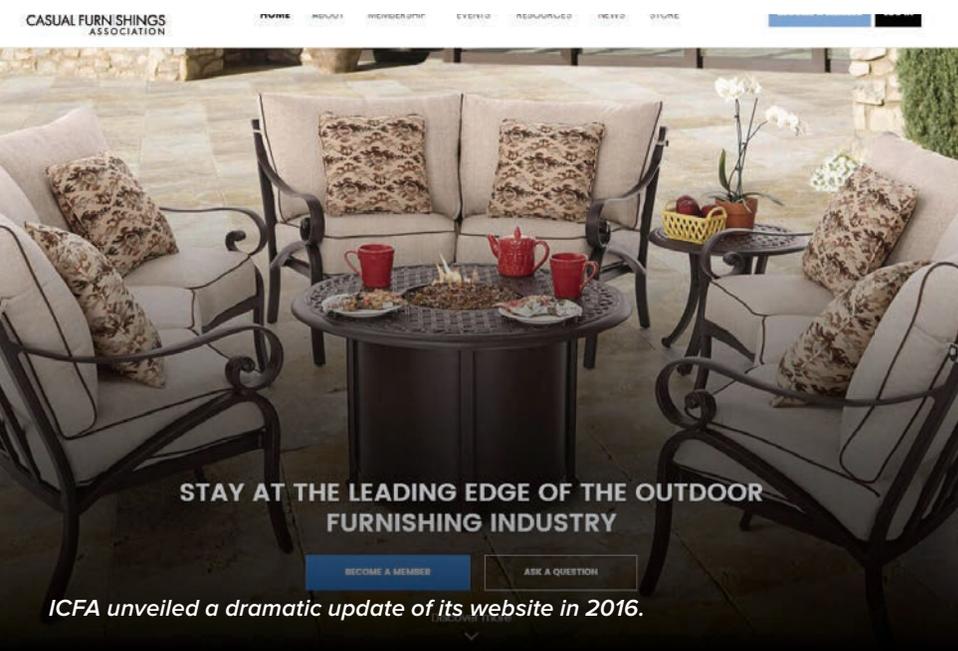
\$9.7 BILLION



Joanie Schlunt and Marcia Blake of Sunbrella, and sales representative Todd Crandall, at the Casual Market Chicago Backyard Barbeque.



Debbie and Tom Stegman, Elegant Outdoor Living, Bonita Springs, Fla., at the Casual Market Chicago Backyard Barbeque.



STAY AT THE LEADING EDGE OF THE OUTDOOR FURNISHING INDUSTRY

ICFA unveiled a dramatic update of its website in 2016.



ICFA 2015-2016 Chairman Gary McCray, Klaussner Outdoor, addresses members at the September Annual Meeting.



Patti Frye, Lane Venture, shares product details with Russell Bienenstock, Furniture World, and Christopher Lombardo, Cottages & Gardens, as part of the ICFA-sponsored Editor's Tour of Casual Market Chicago.

ICFA ENJOYS RECORD GROWTH IN 2016

ICFA closed 2015 with a productive membership meeting in New Orleans that identified a wide range of priorities for 2016 and put volunteer leadership in place to propel those initiatives forward. Success was achieved throughout the year on all fronts:

A **Membership Committee** created a series of plans to attract retailers, manufacturers, sales representatives, designers and suppliers. Six manufacturers participated in the “Pride in Membership” campaign that sponsored membership for 10 retailers. By year-end, the division added 18 new manufacturer members, 21 retail companies, 9 suppliers and 14 sales representatives to its membership ranks in 2016.

A **Marketing Committee** led a major redesign of the ICFA website, enhancing presentation of information and resources plus improving navigation. A rotating slide show now features member company products, the home page includes links to member company blogs, and an online store offers ICFA logo merchandise. In addition, ICFA surveyed American households in January for the fifth year, identifying the most desired outdoor enhancements for 2016. In addition to giving ICFA retail members a heads-up on what consumers will likely be shopping for, ICFA used the survey results to generate media coverage of new outdoor products and trends.



The **Member Benefits Committee** reviewed programs and activities that would harness the power of the entire membership to bring group discounts to member companies.

An **Awards Committee** reviewed and updated criteria for honors presented by ICFA with the goal of expanding member participation in each program.

The **Philanthropy Committee** researched several charitable organizations with the goal of launching “ICFA Cares” as a group giving opportunity. The Board of Directors approved this committee’s recommendation to support City of Hope as its new philanthropic beneficiary.

The **Roundtable Committee** successfully hosted the fourth annual ICFA Industry Roundtables on September 19 in advance of Casual Market Chicago. Key marketing, sales and financing topics combined with door prizes in an educational and networking event.

The **Conference Committee** worked throughout the year on the program and marketing of the 2017 Education Conference, “Navigating the Future,” held early in 2017 in Scottsdale, Arizona. Conference co-chairs Marcia Blake of Glen Raven Custom Fabrics and Debbie Stegman of Elegant Outdoor Living of Bonita Springs, Florida, combined expert speakers with ample networking opportunities for a packed three-day program. By year’s end, some 144 members had signed up to attend.

In addition to these committee efforts, the Retail Council and Sales Representative Council each hosted activities at the July Preview Show in Chicago to engage current members and continue attracting new.

Strong attendance at Casual Market Chicago and the ICFA’s annual Awards Gala in September reflected the industry’s robust 2016 sales and strong outlook for 2017. The year closed with the Board of Directors and membership meeting in Nashville, where the final touches were added to the 2017 Education Conference plan, including complimentary registration for all ICFA retailers, and where Doug Sanicola of Outdoor Elegance in La Verne, California, was named the first retail chairman of the ICFA Board of Directors.



SOLUTION PARTNERS DIVISION PROVIDES BROAD BASE OF INDUSTRY SUPPORT

AHFA's Solution Partners division dedicated 2016 to broadening its base and continuing to work toward creative and effective solutions to industry issues.

In September, the division held its 26th Annual Education Golf Tournament at Lake Hickory Country Club in Hickory, North Carolina, raising more than \$8,000 for scholarships and industry education initiatives. In addition to six \$2,000 scholarships presented in the spring to the children of industry workers, the Education Fund supported the expansion of the MadelnCatawba.com jobs website.

Throughout the first half of the year, the MadelnCatawba website generated hundreds of applicants for skilled labor positions in upholstery plants in and around Hickory, North Carolina, where many companies have estimated up to 10 percent of their workforce is retiring annually. Anticipated new and expanded manufacturing facilities in the area have only intensified the competition for qualified workers.

By fall, the success of the MadelnCatawba site, coupled with the growing need for upholstery workers in other parts of the country, gave rise to plans for a broader website to educate prospective workers about the range of job opportunities available within the upholstered furniture industry and a growing number of training and apprenticeship programs under development. By year end, the expanded website had been commissioned.

Members of the Solution Partners division also helped support AHFA's 2016 Regulatory Summit by providing sponsorships and an exhibitor hall that featured Leggett & Platt, Benchmark International, Intertek, The Downs Group and the Sidley law firm.

Within the Solution Partners division, the Specialized Furniture Carriers have 40 members dedicated to handling, warehousing and transporting home furnishings. These companies provide premium services, including in-home delivery and set up. The group held its Board of Directors meeting during the April High Point Market and elected Aimee Boozer of Sun Delivery its 2016-2017 chairman. In June, the group held its annual meeting at Grandover Resort in Greensboro, North Carolina, and also co-sponsored a logistics symposium with *Furniture Today* at High Point University in High Point. SFC members participated in several panel discussions on topics ranging from improving the customer experience to the challenges of shortening delivery times.

The year closed with a change in staff leadership of the Specialized Carriers from David Purvis, who retired from AHFA in December, to Mary O'Keeffe, who also heads the Solution Partners division.



Hundreds of prospective job applicants clicked on "Get Recruited Now" after visiting the MadelnCatawba.com jobs website created by AHFA's Solution Partners division.



2016 Chairman of the Solution Partners, Dwayne Welch of Welch Diversified (center), attended the AHFA Board of Directors meeting in Washington, D.C., in June, along with Jeb Bassett (left) and Richard Magnussen (right).



Roy Calcagne (front) and Alex Reeves (behind), both of Craftmaster, were among golfers in the 2016 Solution Partners Education Golf Tournament.



Specialized Furniture Carrier members Ray Kuntz, Watkins Shepard, and Mark Fierek, Orion Air Ride, were among panelists at a Logistics Symposium in June.



At the Specialized Furniture Carriers Annual Meeting, Aimee Boozer of Sun Delivery and David Purvis of AHFA honored Joe Wade (center) of Shelba. D. Johnson Trucking, for his years of service to SFC.

REGULATORY AFFAIRS:

AHFA ADVOCATES ON ISSUES CRITICAL TO THE RESIDENTIAL FURNITURE INDUSTRY

AHFA is the voice of the home furnishings industry on Capitol Hill and throughout the United States. We advocate on a wide range of legislative, regulatory and trade issues that affect your company's bottom line. We are frequently at the table in the early stages of policymaking ... and remain integrally involved, even when regulations take decades to reach the point of promulgation. AHFA's government affairs leadership means member companies have much greater influence over the issues that matter most to their businesses and to the industry overall. These were the top issues for 2016, followed by the Alliance's agenda for 2017:

Federal Formaldehyde Rule

On December 12, 2016, the Formaldehyde Emission Standard for Composite Wood Products was finally published in the Federal Register after an arduous, six-and-a-half-year rule-making process. AHFA's impact on the final rule was significant – a result of the Alliance's sustained commitment to ensuring federal officials had a sound understanding of our industry's products and how they are manufactured. Over the course of the debate, AHFA mobilized teams of industry executives to meet with lawmakers in Washington, D.C., submitted hundreds of pages of technical comments, participated in dozens of EPA public hearings on behalf of the industry, and hosted EPA officials on plant tours. AHFA's 2016 Chairman, Kevin O'Connor, remarked in September: "Without our (membership's) combined support of AHFA, we would be looking at very different rules, excessive costs and a very different future for our industry." By year's end, AHFA already had a January workshop scheduled to help members navigate the new rule.

AHFA's 2017 Agenda: Shortly after his inauguration on January 20, President Trump issued an Executive Order postponing for 60 days the effective dates of regulations that have been published but have not yet taken effect – which included the formaldehyde rule. However, the delay was only expected to impact the deadline for accrediting bodies and third-party certifiers to register with the EPA. The December 12, 2017, implementation date for all panel producers and fabricators to comply with the regulation's emission limits

and other requirements was not expected to change. Therefore, AHFA's 2017 agenda is to continue its advocacy efforts, in conjunction with a broad industry coalition, to smooth out some of the ambiguous details within the rule's implementation guidelines and to provide ongoing direction to member companies seeking to comply with the new law.

California Proposition 65

AHFA stayed busy throughout 2016 keeping members up-to-date on significant changes being made in California's Proposition 65 regulation. A webinar in January spelled out more specific guidance for manufacturers on required warning labels, as well as the more specific assignment of responsibility for retailers in making sure those warnings get into the hands of consumers. One proposed new provision that failed – thanks to sharp criticism from a diverse group of stakeholders that included AHFA – featured a list of 12 chemicals nicknamed "the dirty dozen." Manufacturers would have been required to identify these chemicals by name on Prop 65 warning labels if any of the 12 were present in a product sold in California. More directly tied to AHFA's advocacy was adoption in August of a new furniture-specific "safe harbor." This provision stipulates that a separate Prop 65 label is not required for furniture. Instead, manufacturers may include the Prop 65 warning on an existing product label – like the manufacturing label. Thanks to another 2016 update, the warning must list at least one specific chemical believed to cause cancer and reproductive harm, or two specific chemicals with one believed to cause cancer and a second believed to cause reproductive harm. The warning must contain a hazard "pictograph," along with the Prop 65 web address, www.p65Warnings.ca.gov/furniture.

AHFA's 2017 Agenda: The new warning labels adopted by California's Office of Environmental Health Hazard Assessment (OEHHA) in 2016 must be in place on products by August 30, 2018. AHFA will provide online guidance, as well as a Regulatory Summit session in 2017, for answering any remaining compliance questions on the new label requirements, as well as the furniture "safe harbor" provision.

AHFA'S 2016 ADVOCACY

Chemical Regulation

After years of uncertainty and nearly a decade of debate in Congress, manufacturers secured a much-needed overhaul of our nation's chemical laws in 2016 with the June passage of the Frank R. Lautenberg Chemical Safety for the 21st Century Act. It amends the Toxic Substances Control Act (TSCA), the nation's primary chemicals management law. Improvements include mandatory requirements for EPA to evaluate existing chemicals with specific deadlines; a new risk-based safety standard with deadlines imposed for action when chemicals that pose "unreasonable risks" are identified; and a new requirement for pre-market review of new chemicals that requires EPA to determine a chemical is safe before it is allowed into the marketplace. In December, EPA announced the first 10 chemicals it will evaluate under the new law. For each risk evaluation it completes, the law requires EPA to start another from its list of 1,000 chemicals in need of review.

AHFA's 2017 Agenda: While the EPA begins its evaluation of "chemicals of concern," environmental and health groups continue their own crusades to eliminate specific types of chemicals from everyday consumer products, increasingly pressuring major retailers to lead the charge. In July, Wal-Mart announced it had asked suppliers to remove formaldehyde, triclosan and six other substances from their products. Manufacturers must list the targeted ingredients on packaging by 2018 and work to find alternatives. About 90,000 items made by 700 manufacturers are impacted by the move. In February 2017, AHFA attended a workshop sponsored by the Green Science Policy Institute in Berkeley, California, titled, "Beyond the Flame Retardant Dilemma: What's Next?" The workshop focused on antimicrobials and water and stain repellents. AHFA will continue tracking the work of environmental and health groups in 2017, along with ongoing efforts by individual states to regulate chemical disclosure and labeling of consumer products.

\$335,000

AHFA's 2016 government
affairs budget

22% HIGHER
than 2015

6.5

Number of years AHFA
worked on the
EPA Formaldehyde Rule

AHFA tracked

31 POLICIES

to regulate flame retardants in

13 STATES

168

Number of executives
attending the 2016 Regulatory
Summit in September



CPSC Chairman Elliot Kaye (above and top right) addressed the AHFA Board of Directors in June.



CPSC engineers demonstrate an IKEA dresser tip-over.



In January, AHFA provided a statement on upholstered furniture flammability for NBC's "Today Show."

PRODUCT STANDARDS:

AHFA LEADS DEVELOPMENT OF EFFECTIVE AND RELIABLE STANDARDS

AHFA leads the industry in development of consensus-based standards that ensure home furnishings products are safe and reliable for the greatest number of American consumers. As the industry's liaison with the U.S. Consumer Product Safety Commission, AHFA works to keep the country's top safety officials apprised of our industry's challenges, innovations and insights related to our products. Conversely, AHFA's top-level interaction with legislators and regulators allows it to share authoritative knowledge of safety initiatives with its member companies. Often, AHFA is able to offer technical guidance and compliance resources long before these are available to the industry as a whole.

Once again, furniture stability and upholstered furniture flammability were the top issues in 2016. Here is a summary of AHFA's activity on these issues in 2016, followed by the Alliance's agenda for 2017.

Furniture Stability

Throughout 2016, CPSC Chairman Elliot Kaye pushed for significant changes to the voluntary furniture stability standard, ASTM F2057-14. While the industry has embraced many updates to the standard in the past, AHFA has always advocated that such updates be supported by incident data. Changes that are not based on actual tip-over incidents and their causes may have little impact on consumer safety and, may, in fact, falsely convey an "improvement" in safety. Despite supporting the industry's position in February when the Commission amended its 2016 Operating Plan to fund research into the effectiveness of the current stability standard, Kaye later called for changes to the standard that were not linked to any incident data.

The CPSC staff's briefing package, released in September, estimated that less than 50 percent of the industry's manufacturers comply with the voluntary ASTM stability standard. The report recommended increasing the test weight in the standard from 50 to 60 pounds; developing new tip restraint testing methods to allow for alternative tip restraint devices; modifying the permanent warning label; and defining more clearly where the label must be placed on the product.

AHFA's 2017 Agenda: AHFA will continue urging all companies to fully comply with ASTM F2057-14. AHFA does not oppose making the current voluntary standard a mandatory standard, which would level the playing field by forcing all companies to comply. But AHFA will continue opposing changes to the voluntary standard absent any data pointing to deficiencies in that standard. To date, recalled products have been non-compliant.

Upholstered Furniture Flammability

The CPSC's 2016 Operating Plan directed its staff to evaluate the feasibility, benefits and costs of adopting California's Technical Bulletin 117-2013 as a national flammability standard. At the same time, staff was asked to conduct a similar evaluation of the proposed flammability rulemaking initiated by the CPSC in 2008. The request was a direct result of an AHFA petition filed in October 2015 on behalf of a joint industry coalition. The petition proposed that the standards and test methods in TB 117-2013 be adopted as a national flammability standard. While TB 117-2013 focuses on smolder ignition, the 2008 rulemaking addressed both smolder and small open flame ignition. But the CPSC staff's report released in September deemed both measures inadequate for addressing upholstered furniture flammability. Commenting on the report at AHFA's 2016 Regulatory Summit, just days after its release, Commissioner Ann Marie Buerkle described the commission's work on upholstered furniture flammability as "a long, tortuous road" and said she had hoped the agency would finally make a decision. The report recommended the commission pursue "alternative approaches that address the hazard through a combination of research, education and outreach, and voluntary standards efforts." Buerkle said she would be relying on AHFA for its input as the CPSC figures out what direction to take next on this unresolved issue.

AHFA's 2017 Agenda: AHFA disagrees with the conclusions CPSC staff reached with regard to the effectiveness of TB 117-2013 in addressing the hazard of smolder ignition of upholstered furniture. Nevertheless, the Alliance is committed to working with the commissioners and their staff as they consider possible alternatives for moving forward in 2017.

2017 AHFA CALENDAR OF EVENTS

JANUARY 18-19 **AHFA Joint Industry Formaldehyde Workshop**
The Conference Center at Guilford Technical Community College
Colfax, NC

FEBRUARY 14-16 **ICFA Educational Conference: Navigating the Future**
Hotel Valley Ho
Scottsdale, AZ

MAY 16-17 **AHFA Board of Directors Meeting**
The Ritz-Carlton, Pentagon City
Arlington, VA

JUNE 7-8 **Furniture Today Home Furnishings Manufacturing Expo**
Georgia World Congress Center
Atlanta, GA

JUNE 13-14 **Specialized Furniture Carriers Annual Meeting & Logistics Conference**
High Point, NC

JULY 11-13 **ICFA Preview Show**
Chicago

SEPTEMBER 12-15 **Casual Market Chicago**
Merchandise Mart, Chicago

SEPTEMBER 27 **AHFA Solution Partners Education Golf Tournament**
Hickory, NC

OCTOBER 25 **AHFA Regulatory Summit**
The Conference Center at Guilford Technical Community College
Colfax, NC

NOVEMBER 2-5 **AHFA Annual Meeting**
Montage, Laguna Beach, CA

This is a partial listing of events.
Please check the **EVENTS** page at www.ahfa.us frequently for updates.