



QUESTIONS AND ANSWERS ABOUT CHINESE DRYWALL

Between 2004 and 2008, drywall imported from China was used in home construction in the United States, with the majority imported between 2006 and 2007. Some of this drywall is alleged to contain high levels of sulfur and/or other contaminants, which it is emitting or off-gassing. You might receive calls from members about Chinese drywall use in your area.

The following talking points will guide you in telling members what we know about the when and where the drywall was imported, what we currently know about problems reported and what members can do if they are confronted with a complaint from a homeowner.

Key message point in responding to questions about Chinese drywall:

We are very concerned about those home owners and builders who appear to have been victimized by the use of Chinese drywall.

How do I know if I have Chinese drywall?

Markings on the back of the board may say "China," "Made in China," include the name of one of the drywall manufacturers "Knauf," or have Chinese characters or letters; some affected drywall may not be marked.

How do I know if I have a problem?

It is our understanding that not all Chinese Drywall is off-gassing but homes with affected drywall are alleged to have a rotten egg smell and air-conditioning coils, copper components, and certain electrical and plumbing components might have a blackened appearance.

Is it dangerous to the health of the occupants?

According to the [Florida Health Department](#) available data has not identified levels of corrosive gasses that exceed those recognized as posing a risk to health. The Virginia Department of Health published a

Frequently Asked Questions document on its web site in which it stated, "current health data do not suggest any immediate or chronic health problems associated with Chinese drywall. The Virginia Department of Health (VDH) continues to collect and assess data as it is made available." Currently, there are two bills and one resolution involving drywall from China that have been introduced at the federal level. On March 30, 2009, Senator Nelson of Florida introduced [S. 739](#) with co-sponsor Senator Landrieu of Louisiana. At the same time, Senators Nelson and Landrieu submitted [Senate Resolution 91](#) calling on the Consumer Product Safety Commission (CPSC), the Treasury Secretary and the HUD Secretary to take action on issues relating to Chinese drywall. Both pieces of legislation require the CPSC, in junction with the National Institute for Standards and Technology to conduct a study to study certain imported Chinese drywall (Section 1).

Is there a known treatment to deal with suspect drywall emissions?

According to its Web site the Florida Department of Health is not currently aware of any proven and effective treatment method other than removal and replacement of the suspected or known source material. Claims of treatment involving ozone, coatings, and air cleaners should be scrutinized for evidence of proven effectiveness. The Department recommends against the use of ozone generators in occupied spaces, since ozone is a highly reactive and irritating molecule and is considered hazardous to people and pets. See U.S. Environmental Protection Agency report "[Ozone Generators That Are Sold as Air Cleaners](#)".

How widespread is the problem?

Based on data collected from the [U.S. Commerce Department](#)'s International Trade Administration (ITA), import records indicate Chinese drywall entered the U.S. through ports in Alabama, California, Florida, Georgia, Louisiana, Mississippi, Missouri, New York, North Carolina, Pennsylvania, Texas, Virginia, Washington, and trace amounts in Hawaii. The scope and extent of the problem with this product is hard to determine as most of the news articles and cases filed involve southern Florida. In addition, ITA did not begin collecting data on imports of drywall from China until December 2005. Based on ITA data, the peak imports entered the U.S. from 2006 to 2007 and totaled approximately 300 million square feet. Of that, a little more than half, or approximately 188,267,730 square feet, entered through ports in Miami and Tampa. It is not known how much of the Chinese drywall imported was used in residential construction, how much of the imported Chinese drywall is off-gassing sulfur, and what caused the sulfur emissions. For example, the Florida Department of Health reported that it observed at least one home with marked Chinese drywall with none of the associated corrosion or odor problems. In

addition, the extent of the problem on housing components in homes that do contain the affected drywall is unknown.

Have lawsuits been filed regarding Chinese Drywall?

To date, there are 32 separate class-action suits filed by homeowners against distributors and manufacturers in federal and state court, and 2 suits filed by builders - one in state court and one in federal court, for a total of 34 lawsuits. Suits have been filed in Alabama, Florida, Louisiana, Ohio, and Mississippi. The Ohio suit involved a home located in Florida. Common claims include negligence, breach of express and implied warranties, breach of contract and personal injury.

Defendants named in the suits include: Knauf Gils KG, Knauf Plasterboard (Tianjin) Co. Ltd., The Knauf Group, Knauf Plasterboard (Dongguan) Co., Ltd., Taishan Gypsum Co. Ltd, f/k/a Shandong Taihe Dongxin Co. Ltd., Rothchilt International Limited, and Taishan Gypsum Co. Ltd. (f/k/a Shandong Taihe Dongxin Do. Ltd.).

Additionally, the Florida Attorney General's Office has opened an investigation.

What steps can a builder take to address Chinese drywall concerns?

Builders should keep in mind the following key points when developing a response to the Chinese drywall situation:

- Consult with qualified legal counsel.
- In anticipation of potential claims gather, construction contracts, insurance policies, subcontract agreements, and warranty documents.
- A builder or one of the builder's staff should try to become knowledgeable about Chinese drywall in order to answer questions from concerned home owners.
- A builder or staff person should be accessible to home owners associations and individual owners to respond to concerns about the Chinese drywall issue. An appearance of evasiveness will make efforts to deal with consumers more difficult.

- A builder should weigh the financial, legal and customer relations considerations when developing a policy to respond to the Chinese drywall situation. Obviously, the more responsibility that builders assume, the more effective their customer relations efforts will be.
- The sooner a builder makes a decision about the Chinese drywall situation, the better. Nonetheless, a builder should never announce a policy before considering all of the financial, legal, and customer relations implications.
- If you are called to investigate a home owner's complaint, it is better to simply investigate the situation and let the home owner know that you will get back to them after you have had the opportunity to think about what you saw and formulate a proper and reasoned response.
- Any policy should be implemented in a consistent manner.

NAHB Resources

- For assistance in developing strategies for local media calls or if you receive media calls from reporters who are seeking general information about Chinese drywall, contact Donna Reichle in the NAHB Public Affairs Department at 800-368-5242, ext. 8473.
- For builders with legal questions or questions about customer relations issues about Chinese drywall, refer them to David Jaffe on ext. 8317 of the toll-free number above. For consumers with legal questions, suggest that they contact their own legal counsel.

Please Note: This is an internal NAHB resource and should not be shared with external parties such as homeowners or reporters. This Q & A is not a substitute for considered professional advice. If specific legal advice or professional assistance is required, the services of a qualified professional should be sought.