

STATEMENT OF RON FENECH

KEYSTONE RV

Mr. Chairman and Members of the Committee:

My name is Ron Fenech, and I am proud to be here this morning to represent the 3,000 men and women who work assembling recreational vehicles for Keystone RV and our thousands of customers.

After the Gulf Coast hurricanes in 2005, as with all Americans, our employees sympathized with the hundreds of thousands of people who, overnight, found themselves homeless. Emergency workers were faced with an incredible challenge. As they scrambled to rescue survivors, account for the missing, and feed those in need, there was an immediate and critical need for basic shelter.

To address the housing crisis, the government turned to the recreational vehicle industry. This was not the first time FEMA used travel trailers to solve a temporary need to shelter hurricane victims. Travel trailers, including some from Keystone, were used in Florida after Hurricane Charlie in 2004.

No matter whom the end user may be – vacationers, campers, or those in need of short-term housing – we take great pride in producing a quality product. Keystone’s travel trailers are designed and intended to be attached to a SUV or pick-up and towed by a family or outdoor enthusiast as they travel to campgrounds, trailer parks or other vacation spots. In more than a decade of producing recreational vehicles, our customers have consistently found Keystone products to be safe and reliable vehicles to serve their recreational needs.

After the Gulf Coast hurricanes, FEMA purchased temporary housing from a number of sources. Although Keystone did not sell directly to FEMA we do know that FEMA purchased a number of our vehicles from existing inventories available on dealers’ lots. In addition, after the storms, some of our dealers purchased trailers in anticipation of vehicle requests from FEMA, insurance companies and others.

Because we had no contract with FEMA, the only way we can verify how many Keystone units reached victims of the hurricanes is through the vehicle warranty registrations we have received. Based on an examination of our records, we can only verify that FEMA purchased from dealerships approximately 2,700 Keystone recreational vehicles that may have been used for temporary housing.

We have been invited here today to discuss the CDC's findings regarding levels of formaldehyde in trailers provided by FEMA to victims of the Gulf Coast hurricanes. When it comes to assessing safe levels of formaldehyde, there are no consistent government standards.

It is my understanding that formaldehyde is emitted by wood products that are used in homes, offices, buildings and vehicles. However such products are not the only source of formaldehyde. Formaldehyde is also found in household cleaners, antiseptics, cosmetics, medicines, and cigarette smoke. In fact studies have shown that it is present in outdoor air. As the CDC itself stated in its February 2008 formaldehyde report, "There is no specific level of formaldehyde that separates 'safe' from 'dangerous.'"¹

The recreational vehicle industry cannot address the formaldehyde issue alone; it is much broader. In fact the materials that Keystone uses to assemble its trailers are generally the same types of materials used in home construction and can be found at your local home improvement store.

¹ Interim CDC Findings—Formaldehyde Levels in FEMA-Supplied Travel Trailers, Park Models, and Mobile Homes, p. 15.

We are looking to the government to evaluate the science and provide industry with a uniform standard. Once that standard has been developed we hope the home construction industry will join us in adopting that standard. Together, these actions can lead to a workable national approach to this issue.

We join with others in applauding the recent announcement by the EPA that they will conduct a comprehensive review and will, we hope, announce a clearly articulated standard that our industry and our suppliers can follow.

Until then, we have not and will not stand idly by. The Recreational Vehicle Industry Association has recently announced compulsory standards that require manufacturers to build all units using CARB-compliant wood by January 1, 2009 and CARB-certified wood by July 1, 2010. And at Keystone we intend to beat those deadlines. We have informed our suppliers that, as quickly as possible, we will only purchase supplies that meet CARB standards.

Hurricane Katrina was the worst natural disaster in modern U.S. history. Hundreds of thousands of Americans needed temporary shelter, and I am proud to say that our industry was part of the solution. And I sincerely hope that there will never again be another natural disaster that requires our vehicles to be used under such extreme conditions for such lengthy periods of time. But if there is, the lessons learned from this process will inform both industry and government to ensure a sound response to any need that may arise.

I thank the Committee for the opportunity to appear today and to answer any questions you may have.