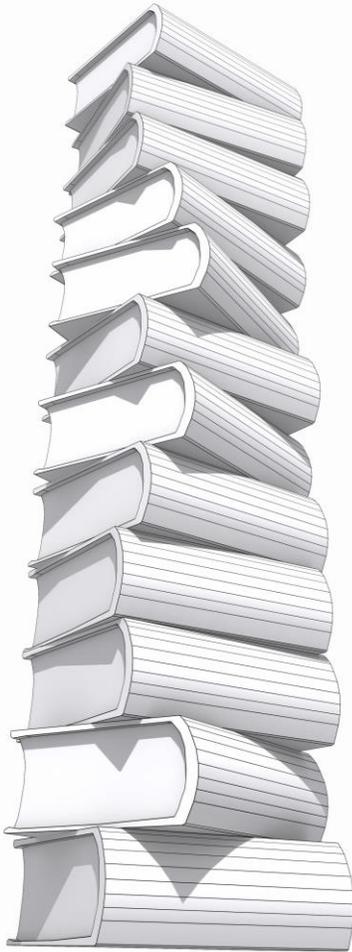




January 26, 2015



If you stack up all the pages in the Code of Federal Regulation, it would reach roughly 24 feet high.

Dear Colleague:

According to the Small Business Administration, regulations now cost businesses in the United States \$1.75 trillion – that’s *trillion*, with a “t” – each year. This equates to over \$10,000 *per employee*.

If you stack up all the pages in the U.S. Code of Federal Regulations, it would reach roughly 24 feet tall, according to regdata.org. How can individual companies make sense of all these regulations?

This regulatory burden impacts you regardless of whether you manufacture in the U.S. or source from overseas.

The events of 2014 clearly illustrate how important it is for our industry to maintain a strong and constant presence in Washington and throughout the United States – wherever over-regulation threatens the viability of individual companies and our industry as a whole. Here is a recap:

- Upholstery manufacturers around the world that sell products in California spent much of 2014 transitioning to the testing methods prescribed in the state’s new flammability regulation, known as TB 117-2013. But what should have been a smooth transition became mired in confusion in September, when the state legislature passed a supplemental measure altering the TB 117-2013 compliance label and requiring a new flame retardant chemical disclosure statement, effective January 1, 2015.
- While California laws were in the limelight much of last year, our industry also was keeping an eye on potential *federal* flammability regulations. The National Fire Protection Association began shoring up its arguments for a federal open flame standard that would require widespread use of barriers. Several other states are also considering flammability standards.
- The crusade against the use of flame retardant chemicals in household products continued throughout 2014. The Children and Firefighter Protection Act, introduced by New York Senator Chuck Schumer in September, would ban 10 flame retardants in upholstered furniture and direct the CPSC to set up a process to examine additional FRs that “may cause substantial personal injury or illness.” It remains to be seen whether this legislation will gain traction in 2015.

- The furniture industry continues waiting for the U.S. Environmental Protection Agency to release its long-awaited ruling on the federal formaldehyde emissions standard. The details of the rulemaking – anticipated early in 2015 – could prompt legal action from the home furnishings industry and other interested stakeholders.

The wave of interest in flame retardant chemicals illustrates how quickly momentum can build behind an issue. With a wind of fear behind them – easily fueled today by social media – these initiatives can turn into ill-conceived regulations that do little to improve consumer safety and saddle industries like ours with crippling expenses and turmoil.

Unless we make our voices heard, Congress will continue to implement regulations that harm our industry's ability to grow and prosper.

As CEO of the American Home Furnishings Alliance, it is my duty to ensure that the voice of our industry is heard loud and clear. And our primary means of influencing Congress on your behalf is through our federally-registered Political Action Committee, **FurnPAC**.

FurnPAC is committed to fighting for the home furnishings industry in Washington, D.C. Simply put, we cannot sit idly by while harmful regulations are enacted. We must educate our elected leaders, and past efforts have proven this to be a successful strategy.

To achieve positive results, it is vital that we support men and women in Washington who are on the side of the home furnishings industry. *FurnPAC is non-partisan. Support is not based on party affiliation but on a candidate's ability to impact issues of importance to the industry.*

Your support of FurnPAC is absolutely crucial to ensuring that we are, indeed, effective. Protecting our rights as an industry is exactly why the American Home Furnishings Alliance was founded in 1905. And, ensuring that our voice is heard on Capitol Hill is why we founded FurnPAC to be the legislative activism arm of the industry.

The bottom line is this: There are plenty of special interests working hard to gain tighter restrictions on the home furnishings industry, as well as many other industries. All we are looking for is the assurance that our industry will continue to have a “voice at the table.”

Will you do your part? I would like to ask you to make a donation of at least \$100 today. However, because so much is at stake, perhaps you will consider an even greater donation of \$500, \$1,000 or more, up to the legal contribution limit of \$5,000.

To contribute, please complete and return the enclosed contribution form or contribute online at www.furnpac.org. Do it today. Help us maintain a voice of reason in Washington, a voice speaking out for the home furnishings industry. The future of our industry depends on it.

Sincerely,



Andy S. Counts