



Submitted electronically via CARB Comment Portal

December 8, 2025
Dr. Steven Cliff, Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments to Embodied Carbon Reporting Technical Meeting October 30, 2025 | California Air Resources Board

On behalf of the Gypsum Association (GA) and our member companies, we appreciate the opportunity to provide comments following the October 30, 2025 Technical Meeting on Covered Building Material Reporting. GA represents our manufacturer members who supply more than 95% of gypsum panels within North America, and especially throughout California. Our members strongly support transparent, technically sound embodied-carbon reporting; however, several elements of the current CARB staff concepts raise substantial concerns related to feasibility, clarity, fairness, and statutory interpretation.

We respectfully submit the following comments for CARB's consideration.

Burden and Frequency of Facility- and Product-Specific EPD Requirements

CARB proposes that facility- and product-specific Environmental Product Declarations (EPDs), using CARB-approved rules, primary data less than 2 years old, and A1–A3 results disaggregated, be the only allowable reporting method starting in 2030 (slide 33).

Gypsum panel manufacturers are concerned that:

1. Requiring biennial EPD updates is unrealistic and unnecessarily costly.

The industry norm is a five-year validity period, consistent with ISO 14025, ISO 21930, and all major North American program operators. Because EPDs need 12 months of data and 9–12 months to develop and verify, manufacturers would be locked into a continual cycle of updates. Updating every two years would dramatically increase the cost and administrative burdens.

We also request clarification on:

- The requirement of using data that is less than 2-years-old and whether CARB wants data that is always less than 2 years old, or just less than two years old when the EPD is published, and
- Gypsum reports under the PCR Part B which does not require separating renewable energy credits in reporting. However, CARB specifies they are looking for EPDs that are “disclosed with and without any environmental attributes, such as renewable energy credits or carbon offsets.” This misalignment would likely force the industry to republish many EPDs to comply. Would current EPDs be grandfathered in?

2. **Verification bottlenecks already exist in the LCA/EPD market.** CARB's own slides acknowledge challenges with "consistency, transparency, outdated data, and insufficient coverage" across current EPD systems (slide 32)
3. **A1–A3 system boundaries should be explicitly confirmed as the only required stages.** This ensures alignment with Whole Building Life Cycle Assessments and existing Product Category Rules (PCR) frameworks.

GA Recommendations:

1. Allow EPD validity of at least five years, with earlier updates only when material process changes occur.
2. Explicitly confirm that reporting remains A1–A3 for all product carbon-intensity calculations.

Use of Method 1 (EPDs), Method 2 (MRR/S253-Based Reporting), and Financial Data Disclosure

CARB proposes two pathways for generating carbon intensities (CI): (1) through Environmental Product Declarations (EPDs), and (2) through a formula based on facility emissions from the MRR and, eventually, S253, combined with revenue data. CARB further proposes eliminating Method 2 after 2030, requiring all manufacturers to rely exclusively on EPDs.

Manufacturers are concerned with both the planned sunset of Method 2 and its current design. Method 2 aligns with existing federal reporting systems and may be the only practical path for facilities with non-continuous operations or complex supply chains. However, the revenue-based calculation approach raises significant confidentiality concerns, particularly for private companies that do not publicly disclose financial information. Requiring revenue disclosure, even indirectly through CI calculations, could create competitive and confidentiality risks.

GA Recommendations:

1. In addition to retaining Method 2 beyond 2030, CARB should revise its design to address confidential financial disclosure concerns.
2. Regulations under both AB 2446 and AB 43/S253 include explicit language stating that companies using CARB-approved EPDs to generate carbon intensities shall not be required to provide financial information.

This exemption preserves data transparency through EPDs, avoids the disclosure of sensitive financial information, and maintains participation in California's embodied-carbon program without unnecessary risk or burden.

Importer Definition, Supply Chain Clarity, and “Doing Business in California”

Slides 15–19 describe extensive importer responsibilities and supply chain disclosure, but gypsum manufacturers have major concerns with responsibility allocation, particularly for companies not located in California.

Key issues include:

- **Out-of-state manufacturers should not be treated as “importers” simply because their products arrive in California.**

GA members ship gypsum wallboard nationwide. For California shipments:

- Products are sold to independent distributors,
- Delivered using common carriers, and
- The manufacturer does not control the final project destination.

The statute targets materials used in California, not manufacturing facilities two or more states away. As written, the CARB staff concept risks treating an out-of-state wallboard plant as a regulated entity simply because a distributor later resells that product in California.

- **Only the California-based distributor or entity that purchases the material for sale in the state should bear reporting responsibility.**

This is aligned with CARB’s own statement that “for building materials used in California sourced from out-of-state manufacturers, staff suggests that the importer is the entity that should report.” (slide 15)

- **Overreach and extraterritorial enforcement concerns.**

California cannot meaningfully influence the Scope 1 or Scope 2 emissions of a manufacturing facility located two states away. Requiring an out-of-state gypsum plant to create CARB-specific EPDs or disclose data beyond federal reporting obligations risks regulatory overreach.

- **Potential unintended market consequences.**

Several GA members expressed concern that the proposed rule could discourage shipping products to California altogether to avoid the compliance burden, particularly for gypsum manufacturers with low California sales volumes. This could reduce supply, disrupt construction markets, and increase costs for California consumers and homeownership.

- **Foreign import clarification is needed.**

We also recommend adding explicit language confirming that foreign imports will receive a conservative default carbon-intensity (CI) value when product-specific data is unavailable. This is referenced in slide 17 but requires clearer regulatory text.

GA Recommendations:

1. Clearly define “importer” as the entity purchasing material for sale or use in California, not the out-of-state manufacturer.
2. Clarify that common-carrier deliveries do not create importer responsibilities for manufacturers.
3. Add explicit language stating that CARB’s jurisdiction does not extend to out-of-state manufacturers unless they voluntarily opt in to Method 1 reporting.
4. Confirm that foreign imports are assigned a conservative CI value unless an EPD is voluntarily supplied.

Use of 2026 as the Baseline Year for Achieving 40% GHG Reductions by 2035

Slides 5–6 describe statutory timelines for adopting the framework (2026), developing the strategy (2028), and achieving a 40% reduction by 2035. Manufacturers are concerned that:

- **Using 2026 as the baseline year is problematic.**
AB 2446 uses 2026 as the baseline year, but many manufacturers began reducing emissions as early as 2019. Ignoring these reductions penalizes early adopters and creates misalignment with statutes like SB 596, which recognizes 2019 as the starting point. CARB should provide a mechanism to account for pre-2026 reductions, through early-action credit, transitional flexibility, or alignment with existing programs.
- **Baseline volatility in a single year** (e.g., fuel price fluctuations, supply chain disruptions, temporary plant shutdowns) could distort reduction calculations.

GA Recommendations:

1. Consider baseline averaging across several years prior to 2026 and account for early adopters, or
2. Allow manufacturers to substitute the first fully compliant reporting year as their baseline.

This would improve fairness and accuracy in determining achievable reduction pathways.

Need for Streamlined, Practical Reporting

Manufacturers strongly support reporting simplification. Opportunities include:

- Reducing duplicative submissions across CARB, EPA’s GHGRP, and existing EPD programs.
- Aligning NAICS- and HS-code reporting with well-established federal emission inventories to avoid conflicting methodologies.
- Ensuring that importer and manufacturer tools remain simple, automated, and compatible with standard Enterprise Resource Planning systems.



Slides 69–71 request feedback on mechanisms for simplification, and GA encourages CARB to ensure:

- Minimal manual data entry,
- Consolidation of reporting fields,
- Clear default assumptions, and
- Harmonization with existing federal data sources.

Alignment with Other California Emissions Programs

GA supports greater alignment of CARB's embodied-carbon program with:

- The Mandatory Reporting Regulation (MRR),
- The GHGRP,
- Low-carbon procurement programs such as Buy Clean, and
- CALGreen embodied-carbon provisions.

Alignment would reduce duplicative reporting burdens and improve data quality. Slides 14 and 30 highlight overlaps with MRR, but further harmonization is needed, especially regarding methodology, emission factors, and reporting schedules.

We appreciate your consideration of these comments and welcome continuous interaction and participation with the industry as the plan develops. Please feel free to contact us for further technical input or discussion.

Sincerely,

A handwritten signature in black ink, appearing to read "S. H. Meima", written over a large, light gray "DRAFT" watermark.

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