

Problems with Chinese Drywall

July 15, 2009

Drywall manufactured in China and exported to the United States is receiving a great deal of negative attention on several fronts. Government regulators, consumer advocates, class action lawyers, and investigative reporters, among others, are investing substantial amounts of time and money on this topic. At issue are allegations that Chinese drywall can cause health problems and damage mechanical components in buildings and homes.

To date, the Consumer Product Safety Commission ("CPSC"), the lead investigative agency on this issue, has received over 600 reports from residents in 21 states alleging that exposure to Chinese drywall installed in their homes has caused or contributed to certain health symptoms. Consumers publicly complain that Chinese drywall corrodes metal components in their homes, such as copper piping, electrical wiring, and air conditioning coils.

The CPSC currently is investigating three aspects of this issue: 1) the relationship between Chinese drywall and the reported health symptoms; 2) the relationship between Chinese drywall and the electrical and fire safety issues in the home; and 3) the origin and distribution of Chinese drywall.

In conjunction with the CPSC, the Environmental Protection Agency has conducted an initial analysis of Chinese drywall compared to drywall manufactured in the United States. A preliminary analysis has reportedly found potentially significant differences among the products. The investigation is continuing and the CPSC estimates that it could be months before it can confidently address the scientific relationships between Chinese drywall and the alleged health and property damage issues.

The lack of scientific evidence, however, has not stopped consumer advocates and lawyers from mounting a full frontal assault on manufacturers, exporters, importers, sellers, and installers of Chinese drywall. Class action lawsuits have been filed in many jurisdictions and there currently is a Multi-District Litigation pending in U.S. District Court for the Eastern District of Louisiana. These actions generally allege negligence, strict liability, breach of express and implied warranties, fraudulent misrepresentation, fraudulent concealment, and violation of various consumer protection acts.

If you or your company are anywhere in the chain of manufacture, distribution, or installation of Chinese drywall, Miller Canfield can help you. Our expertise in commercial class action litigation, product safety, environmental law, and international law can guide you through the litigation and regulatory process. In addition, our presence in China and knowledge of the Chinese legal system can add a critical dimension to your defense.

Addressing these issues may be critical to your ability to successfully navigate the complicated U.S. legal and regulatory environment. Waiting is not an option. Please contact your Miller Canfield lawyer or Robert J. Haddad at 248.267.3293 or haddadr@millercanfield.com or Thomas G. Appleman at appleman@millercanfield.com or 248.267.3241.