



**NEWS**  
**FOR IMMEDIATE RELEASE**

## **PECO Pallet's Statement on the Tylenol Recall and the Safety of PECO's Pallets**

**January 29, 2010 (NEW YORK)** ... PECO Pallet, Inc., issues the following statement regarding the recent Tylenol recall and the safety of PECO's pallets.

As you are aware, the recall by McNeil Consumer Healthcare, a subsidiary of Johnson & Johnson, of Tylenol and other products was initiated voluntarily in November 2009 and extended during the following two months.

Published reports have indicated that consumers reported an unusual moldy, musty or mildew-like odor that was associated with a variety of temporary stomach problems. The odor and the associated health concerns are attributed to trace elements of a chemical called 2,4,6-tribromoanisole (TBA). TBA was discovered in drugs manufactured at a plant in Puerto Rico. Although no definitive cause has been determined, one possible source of contamination examined was packaging materials shipped to the plant on white wood pallets by a supplier in the Dominican Republic.

TBA can result from the breakdown of a chemical called 2,4,6-tribromophenol (TBP), which is applied in some parts of the World as a fungicide to wood used to build wood pallets. However, TBP is not used in the U.S.A., and has not been legal for use or sale in the U.S.A. for some 15 years. TBP is not related to methyl bromine, which is sometimes used in the U.S.A. to treat pallets to eliminate pest infestations, and which is not implicated in any product contamination.

As the emerging preferred pallet supplier, PECO Pallet places great emphasis on ensuring the quality, safety and integrity of our pallets. We have studied the facts relating to the Tylenol recall, and have reviewed our pallet manufacture, inspection and repair processes in light of those facts. We can completely assure the public that TBA is not and has never been used for the treatment of PECO's pallets or repair lumber. And because our customers are solely in the grocery industry, we do not have any customers that handle hazardous material or chemicals.

PECO consistently implements rigorous inspection standards and processes to ensure the quality of our pallets and to eliminate any contamination. PECO employs a tightly controlled, well-managed network of certified new pallet manufacturers, repair centers and lumber suppliers. Specifically, PECO does not use TBP or any other chemical treatment for our pallets or for lumber used in the manufacture or repair of pallets, at any point in the supply chain.

PECO uses entirely domestic lumber and incorporates kiln drying or heat treating for all new pallets and repair lumber in order to eliminate pests, reduce platform weight, and prevent mold formation. PECO pallets are always in a controlled loop from consumer goods manufacturer to retailer to PECO depot.

PECO has developed and adheres to strict specifications defining our raw material requirements. We regularly check supply stocks at use points to ensure compliance by highly experienced third party lumber inspectors. Our repair and inspection centers inspect each pallet to ensure that it is free of defects and visible contaminants. These facilities are closely monitored by PECO's field operations personnel to ensure conformance to our prescribed processes.

PECO continues to enhance our quality testing program to audit incoming material and to certify that it is free of TBA or TBP. We can demonstrate our process controls as they relate to chemical use. PECO is on a mission to maintain our quality advantage, and we are continuously improving and maturing our processes to support that quality mission and our growing role in the industry.

PECO's signature red pallets stand out in color and quality. PECO is proud to serve the needs of the food and consumer goods manufacturing industry, with repair and inspection service depot centers and manufacturing plants throughout North America.

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