

STRUCTURAL BUILDING COMPONENTS MAGAZINE

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Legislative Hot Topics by Leslie Lord

Recent feedback from membership surveys show that legislative issues are topping the list of manufacturer concerns. Legislatively, 2002 is going to be a very active year and we have several issues on our radar screen that will have a direct effect on you.

CANADIAN-U.S. LUMBER DISPUTE

This will be the hottest issue in 2002:

- 1) WTCA supports all actions that will result in systemic changes so that there is free and fair trade and all U.S. companies, including U.S. wood structural component manufacturers, are able to compete in their marketplaces on a completely fair and equitable basis.
- 2) To enable U.S. component manufacturers to compete fairly with Canadian component manufacturers, if a duty is imposed on softwood lumber coming from Canada, it will become necessary to impose tariffs or duties on trusses, wall panels and related structural components imported from Canada. The tariff or duty imposed will need to reflect the lower lumber price paid by Canadian component manufacturers and the fact that lumber comprises 40 to 50 percent of the cost of a manufactured component.

ITC 332 Evaluation in Progress: In an effort to protect our industry, Senator Trent Lott (R-MS) submitted a letter on our behalf to the U.S. International Trade Commission (ITC) requesting an in-depth study of the global competitiveness of the structural building components industry. In accordance with federal law, we have formally asked Senator Max Baucus (D-MT), the Chair of the Senate Finance Committee, and Senator Charles Grassley (R-IA), the Co-Chair, to sign the letter and officially get the investigation underway.

The study will gather information and provide a detailed report including:

- An overview of the North American market for structural building components, with a description of the principal structural wood components in production and trade, and their nonwood counterparts.
- A description of the U.S. industry and those supplying the U.S. market by investigating the recent trends in production, capacity, employment and consumption.
- Import and export trade patterns affecting the competitive conditions of U.S. production and trade.
- The views of industry and other interested parties on future developments in the supply and demand of U.S. structural building components. This will also include the effects of imports and nonwood substitutes on U.S. production.
- Comparisons between the strengths and weaknesses of U.S. industry and its major suppliers in areas such
- as raw materials, technological capabilities, plant and equipment modernization, and the

present and potential capacity for expansion.

We will advise as progress of this study is made.

Negotiation Proceedings: It looks as though the negotiations between the Canadian and U.S. governments will continue to move at a very slow pace. Insiders are saying that this could potentially drag out until the Department of Commerce (DOC) announces its final countervailing duty and anti-dumping petition determinations on March 25, 2002, or even as late as the ITC's final injury determination scheduled for May 9, 2002.

Both the U.S. and Canadian governments appear to want to make an agreement. Unfortunately, several barriers have made consensus difficult. One barrier is that British Columbia (BC) has 50 percent of the lumber market in Canada. They have the most to lose/gain from a settlement. The BC government further complicates the issue by having established 20 to 30 year tenure agreements with individual lumber companies. These tenure agreements set lumber prices and adjustments over time, which provide stability and profit margins for both the BC government and the lumber companies.

Another barrier is the fundamental differences between the U.S. market in which free trade/market sets prices, and the Canadian market in which the government "manages" trade.

OSHA

Ergonomic Standard: As of press time, OSHA has not publicly announced its new Ergonomic Standard. Once the announcement is made, we will inform our members and help them comply with the new standard.

Recordkeeping Rule: (effective January 1, 2002) We have created recordkeeping binders to help manufacturers comply with the implementation of the new rule. The binders include the new forms plus easy to understand instructions. To purchase the recordkeeping binder contact us at 608/274-4849 ext. 28.

MOLD

Mold will continue to be a hot topic in 2002. In October 2001, the California legislature passed a bill calling for the formation of a task force whose mission will be to consider the feasibility of adopting acceptable mold exposure standards. If the task force determines that this is feasible, they will have the duty of developing guidelines for the identification and remediation of "toxic" molds.

To help component manufacturers communicate effectively with their customers about the issues surrounding mold, WTCA has added a new fact sheet to its Truss Technology in Building series entitled "Facts Regarding Mold on Lumber."

ECONOMIC ISSUES

We are keeping a watchful eye on various economic issues that could have a direct effect on, or are of great interest to, our industry. Since March 2001, the nation's economy has moved into a recession. Typically, residential construction has led the economy out of recessions. We will continue to promote timely economic stimulus efforts (on our own and with the help of NAHB) to help reverse the downward trends in the economy and increase opportunities for home ownership. We will continue to monitor construction and housing trends as well as various tax credit issues, and report on their effects to the structural building components industry.

SMART GROWTH

Smart Growth is another issue that is on the radar screen in many state and local areas. For example, Kentucky Governor Paul Patton has commissioned a Smart Growth Task Force in his state. This task force released a draft report in November 2001 that outlined several goals aimed at establishing policies and funding to increase public awareness, and created educational initiatives for Smart Growth planning.

In an effort to combat negative building initiatives, we have created a position paper on Smart Growth. Special recognition goes to Keith Kinser and the Kentucky Chapter for their input on this position paper. Our position is to support growth that:

- is timely and predictable in manner;
- removes barriers to innovative land use techniques;
- plans appropriate infrastructure and funding sources;
- ensures the approval process of new housing is efficient, predictable and fair; and
- recognizes the market forces affecting growth patterns, such as the overwhelming desire of most homebuyers for single-family, detached homes.

FIRE PROTECTION & BUILDING LABELING

In response to efforts to legislate building labeling for trusses and components, we will continue to support universal building labeling provided that the law does not discriminate against any structural elements, whether wood, steel or concrete-based.

For example, in 2001 the state of New York implemented legislation that requires all new commercial and industrial structures that utilize "truss-type construction" to have a sign warning emergency personnel that the building was built with trusses. The bill defined "truss-type construction" to include all fabricated components made of wood and steel. One concern Governor Pataki raised was that labeling of residential structures was not addressed. Because of this, he has directed the New York legislature to address this issue in their next session, which will begin January 9, 2002. We will continue to monitor this situation, and if needed, will take the appropriate steps to educate and protect the interests of the structural building components industry.

2002 IS AN ELECTION YEAR

Action at all levels of government can have a huge impact on how your business will be able to operate. It is our job to make sure that the structural building components industry's interests are protected. You can help us by becoming active in all aspects of the political process and by making contacts with legislators, local officials and candidates, who support and understand how your business operates. This will help to build and maintain a strong presence when decisions affecting the structural building components industry are made.

Here are a few ways that you can become involved in the political process:

- Work on a campaign of your choice by helping with mailings, participating in literature drops or planning fundraising events.
- Invite local officials to chapter meetings, or your local Rotary or Lions Club meetings.
- Invite local officials to your plant for a tour.

We are planning to build a strong grassroots network to help further our goal of staying apprised of changing economic and technical advances in the structural building components industry. As the elections draw closer, we will provide more detailed information about getting involved in the political process.

If you would like more information on the issues raised in this article, please contact WTCA at 608/274-4849.

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