Eco-Label Offers Viable Chain of Custody Alternative

by Libby Maurer

Encourages sustainability—maximizes material efficiency—lowers energy costs—reduces impact on the environment. These are the primary objectives of building green. But some component manufacturers are beginning to wonder what transporting certified lumber over 1,000 miles has to do with any of these principles.

One thousand miles you say? That's the distance FSC-certified lumber would have to travel to reach a component manufacturer's operation located near the east coast. We had an interesting conversation with this component manufacturer (CM) who asked not to be identified. We'll call him John.

This particular CM recently reviewed a project specification that called for trusses built with FSC-certified wood. Since it was the first time John had seen certified wood in a spec, he did some research. Here's what he found.

"A couple months ago I didn't really know what 'green' was in the context of our industry. After reviewing the mission statement of FSC, I think it's a noble intention that needs ma-jor reform to be economically viable in the lumber and component industry," he said.

First John located the closest source for FSC-certified southern yellow pine: a mill in Arkansas. Lumber being shipped from Arkansas to his shop on the east coast would have to travel 1,200 miles. "Getting material shipped from across the country doesn't sound very green to me," John commented.

Next he costed out the job in two ways. In the first bid, he plugged in numbers for the FSC wood as specified. He used non-certified SYP in the second bid. (See Figure 1 for an example.) "For us to have done the job as specified, it would have been double the cost of a normal job using non-certified southern yellow pine," John said. "There's not much of a chance that anyone's going to pay another 50 percent of the cost for something that's designated 'green.' Not in this market."

His company never did the job. "Turns out we couldn't do it anyway because we're not FSC-certified," he said. This type of certification, known as chain of custody, is essentially a strict, if tedious, set of documentation procedures that track material from the forest to the jobsite. It typically applies to companies that manufacture, process or trade timber, and it is administered by forest management organizations like the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). In order to establish chain of custody, one of the things CMs are required to do is separate certified lumber in their yards and inventories. "Just as lumberyards would be required to do, we would have to double our storage size and double our SKUs to have green lumber. And we can't afford it in this market!" he exclaimed.

John revealed another detail about chain of custody. Lumber can be considered "green certified" from the time a seedling is planted until it is milled, but the moment a non-certified component manufacturer (or any other secondary manufacturer) takes possession of the product, the chain of custody is considered broken. This is the case even though the lumber properties haven't been altered.

The more he read about the cost of providing certified green components, the more hypocrisies became apparent to John. Expending fuel to send lumber on a 1200-mile journey, implementing costly and cumbersome chain of custody procedures, and purchase costs that are far higher than what the current market will support.

All this red tape for an industry that is, at its very core, green. "I'm all for [sustainable building practices], but our industry is just about the greenest of all industries. Our goal is to be able to hold the amount of scrap generated from building a truss in the palm of your hand."

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at a glance

- One component manufacturer found out that supplying green-built trusses can be very costly.
- Eco-certifiers like FSC and SFI impose strict chain of custody requirements on secondary lumber product manufacturers like CMs.
- A stamp placed on lumber that meets sustainable forestry criteria may be an ideal way for our industry to supply green-built products affordably.

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The Eco-Label Option

What can be done to address the severity of chain of custody but continue to serve the market and the end user with an affordable green-built product? Some manufacturers believe that the inefficiencies of certifying green building materials must be substituted with a common sense approach to providing affordable green options. Unless this is accomplished, green building may not be broadly accepted within the building components industry.

One idea is to develop an "eco-label," or an additional "green" designation that would identify lumber from sustainable forests. LBM Institute, an arm of NLBMDA, along with folks from all sides of the lumber industry, recently proposed the eco-label idea to FSC and SFI representatives at a forum in Kansas City (see sidebar on page 61 for more information about eco-labeling). "Someone with some business acumen has to get involved in determining how lumber is classified as green. This is why I found the eco-label concept so appealing," said John.

If implemented, this eco-label or lumber grade stamp enhancement would be similar to the grade stamps that now exist for lumber, with oversight provided by the American Lumber Standards Committee (ALSC) through a Department of Commerce standard, in a standard similar to the PS-20 lumber standard. The presence of an eco-label would make green-certified lumber instantly identifiable. It would permanently imprint the chain of custody at the point that the lumber leaves the mill, and could eliminate the need for downstream paperwork retention. It would also successfully integrate the needs of all eco-certifiers (FSC, SFI, PEFC, STFS, CSA among them) to promote sustainable forest management with the needs of the marketplace (affordable green-built buildings) for an easily understood approach that already exists—the lumber grade stamp.

Such a label or stamp would streamline the chain of custody requirements currently enforced by eco-certifiers on component manufacturers and lumberyards. This, of course, would make green-built components more affordable. "[Chain of custody] is just driving up costs needlessly in a time when we need to make houses more affordable," said John. Eco-labeling would have made it possible for his company to take the job, get lumber locally and sell component packages affordably. "It would really open up the supply side of the equation, which would lower costs and make green much more economically viable," John commented.

In the Meantime...

While eco-labeling is evaluated by the lumber industry and the eco-certifying community, there are a couple things component manufacturers can do when faced with the decision to pursue chain of custody certification. First, understand that green building is largely misunderstood. The notion of being green and building green is still pretty subjective, even though certifiers like FSC and SFI would have you believe otherwise. Your customers probably don't have a grasp of it, and neither do some of the people specifying green-built products. The education process of green building is young, and rife with confusion and misinterpretation.

Next, know your facts. The next time you see a spec calling out certified wood, do a cost analysis and share it with your customer. You could even include it with your bid (see Figure 1 for sample bid). Unless you're working on a commercial job for the government, chances are good he'll choose the cheapest option, which will almost always be the non-certified route.

Third, if green building certification is the builder's ultimate goal, research the requirements of the certification whether it's LEED, NAHB, Green Globes or any other program. You may be able to suggest other areas in which components can fulfill credits toward certification, even if they're not built with certified lumber. The resources at

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Figure 1. Sample Bid or Invoice.

The purpose of this chart is to demonstrate the costing of various value-added options that can be added to a bid. It is not meant to reflect prices with complete accuracy.

*Prices were omitted due to the numerous variables that exist in estimating truss cost (size, grade, takeoff method, etc).

**Prices given are based on rough estimates of certified Southern Yellow Pine derived from sources in Arkansas and Wisconsin, delivered to CMs on the east coast and the Midwest respectively.

PERFECTO TRUSS

Customer: Big Green Builder, Inc.
Contact: Dave
Job No.: 1280
Date: 8/11/2008

QUANTITY	DESCRIPTION	PITCH	OVH	UNIT PRICE*	TOTAL Regular Truss Package*
39	30' Common Truss	6	12/12	xx	$xxxx.xx
2	30' Hip sets	6/8\6	12/12\12	xxxx	$xxxx.xx
2	20' Scissor Gable	8/4	12/12	xx	$xxxx.xx
8	20' Scissor Truss	8/4	12/12	xx	$xxx.xx
2	20' Girder truss	8	0/0	xxx	$xxx.xx
2	20' Valley Sets	8	0/0	xxx	$xxx.xx
1	Jobsite Package				
				TOTAL:	$6,400.00
			FSC-Certified Package (east coast CM)**:		$9,050.00
			FSC-Certified Package (Midwest CM)**:		$7,700.00
			(Add other value-added options, e.g., mold-free package):		

Exposing the Truth about Chain of Custody

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www.sbcindustry.com/greenbuild will help you interpret the language in each of these programs.

Finally, learn how to make the case about why components were, are and always will be green. Arguably the most important thing we can do as an industry is to spread the word that structural building components are the embodiment of green—raw material efficient and optimum value engineered for maximum waste reduction, all wrapped up in a very valuable and affordable product line. Remember, "Structural Building Components: Green Since 1952." The more we spread this message throughout the green building community, the quicker we will overcome the economic roadblocks of green building acceptance within the lumber industry.

Our industry must keep a running dialog about the following:

1. The true value of green building if it does not present the most affordable building option.
2. We need to find a way to work together to make the process as cost-efficient as possible, with the overarching goal of meeting the two very beneficial public policy goals of sustainability and affordability.
3. Whether the "chain of custody" concept be made effective and cost-efficient.

The bottom line? "Green building and chain of custody in its present state needs reform. It adds cost without adding value at a time when we all need more value for each dollar we spend," John said. "'Green' is a great concept and I hope that it is here to stay. Like all new ideas, we just need to refine it into its most productive form and help make it more accepted and viable for all." SBC

Summary of Proposed Eco-Forest Management Labeling of Softwood Lumber

WTCA component manufacturers attended a July forum in Kansas City to talk about an alternative to eco-certifiers' chain of custody requirements. They were joined by other purchasers and resellers of dimension lumber products like lumber mills, wholesalers, retailers, and manufacturers to discuss a LBM Institute (LBMI) program for labeling softwood lumber with two of the most recognized eco-certifiers—FSC and SFI.

In a written proposal distributed at the forum, the LBM Institute, WTCA members and the lumber group argued that eco-certifiers' current chain of custody requirements are "administratively complex and expensive to implement, and, conceivably, may soon actually threaten the competitive sourcing of dimension lumber."

To address the expense and inefficiency of such requirements, the lumber industry group has petitioned the American Lumber Standards Committee (ALCS) to consider an eco-labeling program that would parallel PS-20 grade-stamping. It also provides permanent documentation of whether the product meets design specification and/or building code. LBMI's "eco-label" option would fit into the current PS-20 grade-stamping procedures. It would essentially attach the chain of custody to the product itself and the lumber could come from any of the major forest certification programs (FSC, SFI, PEFC, STFS and CSA).

On August 27, LBMI will present its proposal to the ALSC Administrative & Finance Subcommittee meeting, after which point ALSC will evaluate if the "eco-label" approach is compatible with its present operations and what the ultimate impact on industry is likely to be. If acceptable to its full committee, ALSC will consider adopting a policy or rule governing authorization of accreditation groups to implement eco-labeling of dimension lumber at production, and before entry to a commerce channel.

WTCA believes that the adoption of an "eco-label" would be highly beneficially to component manufacturers as a way of simplifying chain of custody procedures. SBC

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