

Edward G. Elias

Vice-President, Corporate Secretary

February 6, 2013

Mr. Kirk Grundahl, P.E. Qualtim, Inc. 6300 Enterprise Lane Madison, WI 53719 This APA letter was generated by a January 3, 2013 meeting between APA and the Structural Building Component Association (SBCA) and a January 24, 2013 follow-up letter to APA from SBCA.

In this letter Qualtim, Inc. and SBCA are referenced. Qualtim is the management company that serves as staff for SBCA. Under contract, Kirk Grundahl, P.E. serves as SBCA's Executive Director.

Re: APA-The Engineered Wood Association

January 3, 2013 Meeting Follow-Up

Kirk.

First, we would like to thank you for participating in the meeting with Messrs. Hardy Wentzel and Kevin Blau (Tolko Industries) and APA staff on January 3, 2013. The meeting provided an opportunity for our two organizations to review one another's testing capabilities and philosophies regarding the development of design information on lateral loads. From our perspective, several conclusions that can be drawn from this meeting include:

- As more of the home building industry moves from traditional on-site stick-built
 construction towards prefabricated building component construction, technical
 information will be developed to support product selection, increased building
 efficiencies and through that evolving computer aided design software. A large portion
 of this new software may be proprietary but will require generic product data. The
 generic data will be used by the system-specific algorithms that quantify load resisting
 elements, designed either singularly or as assemblies.
- The technical information required should support or be used to modify existing code supported provisions such as established systems or risk factors related to product equivalency. This information would most likely be used to support the introduction of new materials and systems, as opposed to challenging existing products. For example, existing OSB design properties are not the target; but currently recognized systems and product equivalency procedures are.
- The relationship between three dimensional testing and three dimensional design procedures also requires further quantification. Qualtim is requesting APA's assistance and resources (financial and/or personnel) to develop these engineering mechanics.
- Both organizations are in agreement, that ultimately, the resulting testing, analysis and design protocol needs to be accepted by the regulatory and engineering communities.

However, you have expressed concern that committee structure, through which the standards and regulatory bodies currently operate, is slow and ponderous.

APA staff has reviewed the information that was shared with us and we have the following comments and concerns:

- We believe that a major goal for the SBCA position is to provide a cost-effective
 engineering solution to their membership and as such this goal serves the SBCA
 membership well. However, by establishing standard factors in which product
 equivalency or system performance are applied generically, an unintended consequence
 may be that non-wood products (e.g. foam sheathing) gain an advantage and supplant
 traditional OSB market share. This is not in our Association member's best interests.
- Additionally, APA cannot commit human and financial resources towards development of any proprietary computer assisted design software (e.g. MITEK). But, we are prepared to provide generic material property and technical information that has application and aids in the development of new emerging building design software and procedures.
- We also recognize that new product and systems testing under traditional two dimensional as well as three dimensional design needs to be completed and vetted by the design community. While this is a process that requires time to complete, it is an obligation from the standpoint of building durability and life safety. APA is already participating in both the testing standards arena and the building regulatory theaters. Our staff is prepared to critically review and support technically justifiable programs brought forth by Qualtim through this process.
- APA continues to support the international design community with APA product performance against recognized testing and design procedures and is prepared to share our technical information with Qualtim as appropriate.

Please review our above stated concerns and we look forward to any further clarification that you can provide.

Regards,

EGE/ege

Cc: Hardy Wentzel, Tolko Industries Ltd.

Edward & Elias