



October 20, 2011

Submitted to the Board of Review of the American Lumber Standards Committee

Proposed Design Values for Southern Yellow Pine

The National Lumber and Building Material Dealers Association urges the Board of Review to defer action on the recently proposed design values for visually graded Southern Yellow Pine as recently submitted by the South Pine Inspection Bureau.

We fully support the role of the Board, the ALSC and the various inspection bureaus to ensure that lumber grades and design values are accurate and appropriate based on accepted testing procedures. That includes periodic review and revisions as appropriate and necessary. Lumber and building material dealers are committed to the use of graded dimensional lumber in construction, properly designed lumber products and their appropriate application as building elements.

NLBMDA has heard from many dealers across the country who have raised concerns about the potential impact of this fast-moving and less than transparent process of revising the design values for Southern Yellow Pine. All express concern that the revisions have been made based on testing that did not exceed the accepted trigger point, and although we do not question the trends that we understand that the Southern Pine Inspection Bureau has seen, we believe a complete battery of tests should be conducted before any action is taken by the Board.

Furthermore, all note that, should a revision be required, there is a compelling need for a reasonable phase-in period to avoid: 1) a decline in the value of the Southern Pine inventory currently in production in dealer yards and at job sites, and 2) an adverse impact on existing building components such as roof trusses that have been manufactured to design values that will be rendered inadequate by the proposed changes.

Our members are also concerned that without a phase-in there will be significant and immediate spikes in demand for higher grade lumber that will lead to inflated prices for those sources. Finally, NLBMDA, a strong advocate for the recovering construction sector, believes that without a transparent and clearly stated course of action for the entire market place to understand and endorse, approval of the proposed design values could not be worse timed. Projects under construction could be forced to suspend until new sources or new design calculations are made. It is very possible that projects will be required to dismantle previously installed components. This level of disruption in the current fragile economic conditions could spell ruin for many involved in these projects and will most certainly cost jobs in lumber and building materials sector and the construction sector that it serves.

Knowing that the Board has heard from many interested parties, we respectfully submit our recommendations in brief:

The process to date has created uncertainty in the market place. Over the past 2 weeks since the proposed changes were made known, we have learned a considerable amount about the process undertaken to date relative to Southern Yellow Pine. However, the lack of a deliberate and intentional communications and education effort has created significant uncertainty in the market place. This uncertainty is exacerbated by the very short period of time the market place will have to adjust to the proposed changes for Southern Yellow Pine. The lack of a clearly defined road map for the review of design values for all species will now add to this uncertainty.

A more thorough testing is warranted before any action is taken. We also have concerns with the conclusions reached by the SPIB based on its sample testing. We understand that no previous monitoring had reached the accepted trigger level for additional testing. Furthermore, we understand that there have been no reported failures of products in the marketplace. We also understand that recent testing of No.2 2X4 specimens prompted the SPIB to conclude that new design values are required across all SYP dimensional lumber. This suggests an opportunity to more thoroughly test all dimensions of SYP and revisions to be made based on tests rather than extrapolated from the 2X4 test to date. SPIB has indicated that those tests will be completed by Spring 2012.

Greater clarity on the process going forward is needed. While the testing of species and review of design values is a necessary and important activity, at this point there seems to be a lack of a single, comprehensive plan or road map to allow species to be reviewed, all data to be made available to interested parties, and clear timeline for the adoption of any changes in values. With such a plan, producers, dealers, suppliers, all those involved in the supply chain, and end users, could all anticipate accurately the timing of review and revision. Appropriate business decisions could be made. Without such a plan, where we are left with uncoordinated testing of the various species, with potential species specific changes occurring independent of other species reviews and revisions, uncertainty and potential market disruptions remain.

Given that SPIB has immediate plans to undertake a more complete set of tests, NLBMDA urges the Board to delay action at its October 20, 2011 meeting. Once all testing is complete on all SYP dimensions and data is available for all to review and comment on, the Board would be in a position to review any recommendations.

In the meantime, the action we would urge upon the Board is that it establish a program, timetable and transparent means for stakeholder participation relative to the review of species, the review of data from all appropriate tests, and the consideration and revision of all design values.

Respectfully submitted,

NATIONAL LUMBER AND BUILDING MATERIAL DEALERS ASSOCIATION