

Executive Director's Message



KIRK GRUNDAHL

"Laying a Solid Foundation for the Future - Risks & Opportunities" by Kirk Grundahl, WTCA Executive Director

In January we held meetings with key lumber industry supplier members to discuss, among other issues, the pending expiration of the Softwood Lumber Agreement. We have dealt with this topic extensively in our Legislative Alerts. Following is a summary of what could possibly occur based on the information provided to us at these meetings:

- There will not be a renewal of a quota-like agreement.
- There will be no bridging agreement, e.g. a temporary extension of the quota.
- The Coalition For Lumber Imports (CFLI) believes they have no choice but to file a countervailing duty (CVD) suit on Monday, April 2, immediately following the expiration of the quota. The initial litigation will take place and it will be at least 90 days before any preliminary duty is imposed. Thereafter, the International Trade Commission then commences work and will do its research on the CVD. This is a process that will take at least eight months. Customs will only begin collecting a duty once the preliminary duty is ruled acceptable, which could be as early as 90 days. Any preliminary duty will be held in escrow until a final ruling is made.
- The truss industry cannot be included in CFLI's planned CVD action as this will be limited in scope to softwood lumber. Other trade groups would need to be litigated separately.
- It is highly unlikely a negotiated settlement will be reached before the existing quota agreement expires.
- The Southern forest products industry views the outcome of this dispute as a matter of survival.

As we near the end of the existing quota, we are working diligently to ensure that our voices are heard. We view a negotiated settlement as the key to protecting truss manufacturers along border-states that can get caught in two-tiered pricing when lumber trade barriers are imposed. This translates into a significant competitive advantage for anyone producing trusses in Canada and shipping into U.S. markets. If there is not a free and open market or if trusses are not included in the agreement, border-state truss manufacturers run the risk of having their businesses fail or, at the very least, face a difficult environment in which to operate them. We are doing our best to ensure fairness to all of our WTCA members. However, as we have discovered, in the realm of politics, logic does not always see the light of day.

The unanimous approval of two new WTCA Policies, which provide a foundation to advance the wood component industry well into the future, have resulted from our January lumber meetings and our most recent winter Board meeting. These policies are:

Development of the Lumber Promotion Committee:

This is a concept that came as a result of our individual meetings with the Southeastern Lumber Manufacturers Association (SLMA), East Coast Lumber, International Paper, Georgia-Pacific, Temple Inland, Potlach and Weyerhaeuser, and which was warmly embraced through the discussion process as having the potential to greatly improve the effectiveness of both industries. This group's committed participants include: Jim Watson and Jim McGhin of International Paper; Lee Ashburn of East Coast Lumber; Al Hopkins of Georgia-Pacific; Pat Patranella of Temple Inland; Kerlin Drake of Anthony Forest Products; Dave Gromala of Weyerhaeuser and a to-be-determined representative from Potlach. Any lumber company representative who would like to help advance the interests of the wood component industry are welcome to join. The objectives of the committee are to:

- Attend WTCA committee meetings in specific interest areas as often as is reasonably possible.
- Seek out ways that the lumber industry and its associations can assist each WTCA committee in meeting their objectives.
- Entertain opportunities for assistance on a specific issue that WTCA is tackling based on WTCA committee discussion and definition of its importance to WTCA by the WTCA Committee Chair.
- Become advocates and representatives of WTCA committee activities within their individual companies and within the lumber trade association they are active in, to aid in facilitating WTCA marketplace positions and objectives, and collective industry testing and research initiatives.

We view the Lumber Promotion Committee as having the potential to make a significant difference on behalf of the wood component industry.

Relationship Between WTCA and the newly formed Wood Promotion Network (WPN): This WTCA policy came as a result of discussions between WTCA and the WPN over the first few weeks of 2001. Tom Rogers, of Weyerhaeuser, eloquently summarized these discussions as:

1. Identification of Messages & Channels: WPN includes in its campaign communications reinforcement of the value of wood components in construction today (facts that demonstrate wood as a superior building material). Where wood components are involved, WTCA would appreciate being able to provide the WTCA Marketing Committee's perspective and endorsement, so we ensure a united message all can believe in. WTCA and its membership are willing to then support message delivery, with one support channel discussed being through providing WPN information to WTCA members' salespeople to deliver to their direct customers and local constituents, like schools & colleges, building officials, specifiers, etc. WTCA needs guidance and direction and tools from WPN on what to deliver, how to do it and to whom the products are targeted.

2. Development of a Wood Component Industry Strategic Blueprint: WTCA will undertake the responsibility of pulling together a small group of key lumber industry suppliers and a small group of component manufacturers. The goal of the small group will be to develop a roadmap that identifies what we collectively (the lumber industry and the component manufacturing industry) need to do to enhance/create future value for wood structural components. This will be developed with a full understanding of mutual business constraints and opportunities, and most importantly, end-users needs. We will use this process to build a bridge between the end-use technology and lumber supply and production. The goal is to help ensure that lumber production and grading evolution is undertaken with truss industry needs in mind. The outcome will be a set of objectives with associated tasks, costs and timelines. This will then be provided to the WTCA Board of Directors for review, comment, endorsement and implementation of the WTCA tasks. Progress will be made on each of the tasks in priority order as funding allows. The Carbeck Structural Components Institute, a non-profit research and testing organization owned by WTCA, can also enhance our ability to facilitate this program through grants and other funding opportunities.

3. Implementation: WPN will obviously be the lead organization on coordinating the work and any working sessions needed for the projects defined in #1 above. WTCA will be the lead organization on getting the players together to discuss/formulate a new component industry strategic blueprint and implementing the plan as defined in #2 above.

Our industries have never before developed a strategic blueprint for the future. Our goal is to lay a foundation based on the fact that we do not know each other's point of view as well as we should. The one sure way to improve this is with the session outlined above. This session will begin with a small group so we can more easily accomplish our objectives. Our plans will then be broadly disseminated for comment and refinement. Once this is completed, we will integrate TPI, our other significant ally, into this process and get their valuable input. This will complete the first cut of our blueprint. After this, we'll continue to refine the blueprint as our industry evolves.

This is an exciting time to be involved in WTCA. Many of us never thought that we would see a concerted effort to fully understand these issues, much less, the development of a systematic plan to work together to ensure that we draw all the value out of our industry. If we do this well, everyone involved—all suppliers, component manufacturers, builders and other customers—should reap the benefits of this hard work with greater profitability.

[SBC HOME PAGE](#)

Copyright © 2001 by Truss Publications, Inc. All rights reserved. For permission to reprint materials from SBC Magazine, call 608/310-6706 or email editor@sbcmag.info.

The mission of Structural Building Components Magazine (SBC) is to increase the knowledge of and to promote the

common interests of those engaged in manufacturing and distributing of structural building components to ensure growth and continuity, and to be the information conduit by staying abreast of leading-edge issues. SBC will take a leadership role on behalf of the component industry in disseminating technical and marketplace information, and will maintain advisory committees consisting of the most knowledgeable professionals in the industry. The opinions expressed in SBC are those of the authors and those quoted solely, and are not necessarily the opinions of any of the affiliated associations (SBCC, WTCA, SCDA & STCA).