

STRUCTURAL BUILDING COMPONENTS MAGAZINE (FORMERLY WOODWORDS)

August 1999

Letters from Our Readers:



10/26/99

Kirk Grundahl
Wood Truss Council of America
One WTCA Center
6425 Normandy Lane
Madison, WI 53719-1133

Re: NAHB Fall Board Meetings

Dear Kirk,

In my visit to this year's NAHB Fall Board Meetings, there were plenty of opportunities to see the current key priorities and moods of U.S. builders. Although some of these were expected, I was particularly surprised by the intense focus of this organization and its president around the issue of lumber prices.

In short, the situation is that builders are tired of the volatility and significant price peaks in lumber. They view this as opportunistic pricing on the part of the lumber producers. To help give themselves options, they are aggressively working with steel as an alternative. They intend to send a strong message to the big five lumber producers that they will not tolerate huge spikes in price during times of "market opportunity." They will also strongly oppose the renewal of the Canadian softwood lumber agreement and any other similar legislation that impairs free trade and generates "additional income for U.S. producers," from their perspective.

It was especially disturbing because we at TJM (and engineered lumber in general) are almost an afterthought, or are grouped in with the lumber folks by default (despite the fact that engineered lumber prices

have been virtually flat for the last few years). Why? I think it's because they view engineered lumber as being produced by the big lumber producers, and they want to find an alternative to doing business with *them*. So their closest available alternative and weapon of choice is steel. It was particularly surprising to see the substantial developmental work that has been done through the NAHB Research Center with funding provided by the North American Steel Framing Alliance (NASFA), American Iron and Steel Institute (AISI) and private steel companies.

The bottom line? The builders are the key decision-makers when it comes to what product will be used for framing in the future. They hold the checkbook in their hands. They will use the systems that provide them the best performance, value and efficiency overall. If they decide as an organization to move one way or the other, the market will have to find a way to shift. As manufacturers and suppliers, our mission must be to understand and anticipate their needs, and to find ways to more effectively respond to them. It is obviously also vital that we communicate effectively with them—two-way communication—or risk losing our position of today.

Wood-based options have been the dominant source of residential framing for centuries. But they won't necessarily be tomorrow if we fail to respond effectively to the changing needs and to provide the most effective overall alternative. This session was a tangible reminder of that.

As the engineered wood products industry, we can be much more effective if we deliver a consistent value message to the market, and not one based on a fragmented, price-oriented approach. We must stay focused on listening, developing, communicating and delivering the value of the engineered system to the builder and their customers, the homebuyers.

Thanks for asking for my views, and for your contributions to improving the standards in the building industry.

Gregg Renner
Marketing Manager, Residential Operations
Trus Joist MacMillan

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LETTER SENT TO 1000 BUILDERS FROM NAHB PRESIDENT CHARLES RUMA REGARDING LUMBER

Dear {{Builder}},

As we move forward into the next century, our industry will continue to face many hurdles. Perhaps none are as critical to our businesses as the availability and price stability of lumber.

The NAHB membership and staff have worked hard to ensure an ample supply of affordable lumber for our industry. However, considering recent activities to restrict the availability of affordable softwood lumber from Canada, we need to re-double our efforts to seek out cost-effective alternatives to building our homes. I personally want to invite you to take a leading role in this area.

I have been working with the other NAHB Senior Officers, HUD and the manufacturing community to find ways to improve the way we build our homes. One of the most promising efforts is the Partnership for Advancing Technology in Housing (PATH). In summary, PATH was set up to be a partnership between industry and government to identify, research and demonstrate technologies that can improve our housing.

You may be wondering how PATH relates to the lumber situation. Basically, PATH offers us the opportunity to evaluate and improve new technologies. For example, the NAHB Research Center has been working closely with the steel industry over the past few years to develop an innovative floor joist. This system overcomes the issues that have kept steel out of our market—it is easier to install, appears competitive with current costs of lumber floors, and it accommodates large holes for plumbing and ductwork. I have attached a HOMEBASE NEWS article that describes this system in more detail.

The next step is to incorporate this floor system in homes around the country. The Research Center is available to provide technical assistance to you in the design and construction phases of the project. They will assist as needed in code approval, work with your design staff, coordinate with the manufacturers of the innovative steel floor joist, and document your experience with the product. We can then begin to get this information out to others in the industry. I think you will find that these new systems make good business sense.

I urge you to get involved by trying the steel floor joist or other innovative PATH technologies. Please contact Mark Nowak at the Research Center (Phone: 800/638-8556 ext. 607) to discuss your involvement in more detail, or fax this form back and we will get in touch with you. Thank you in advance for your commitment to our industry.

Sincerely,

Charles J. Ruma

President, National Association of Home Builders

NAHB RESOLUTION: RESEARCH ON ALTERNATIVES TO LUMBER SEPTEMBER 23, 1999

Original Sponsor: Building Materials Task Force

WHEREAS, the members of the National Association of Home Builders are committed to building quality affordable homes for American consumers;

WHEREAS, well over 90% of the walls, elevated floors and roofs in U.S. homes are built with dimensioned lumber or other wood-based products;

WHEREAS, lumber prices continue to undergo large and unpredictable swings and have nearly doubled since the early 1990s, making it increasingly difficult for NAHB members to build affordable homes;

WHEREAS, the U.S. government annually provides millions of dollars in research and business development activities for wood and wood-based products through the Department of Agriculture and its Forest Products Laboratory and other Federal Agencies, which has been successful in helping to develop engineered wood products;

WHEREAS, the shortage of funding for research and development of non-wood-based alternatives is delaying or preventing the introduction of new building systems;

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urges the Congress to provide significant funding for research and development of alternative building materials and systems in order to provide consumers affordable housing through a wider variety of choices of building materials, and

BE IT FURTHER RESOLVED that NAHB work with Congress and HUD to insure that the research on alternative building materials meets the needs of the housing consumer.

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