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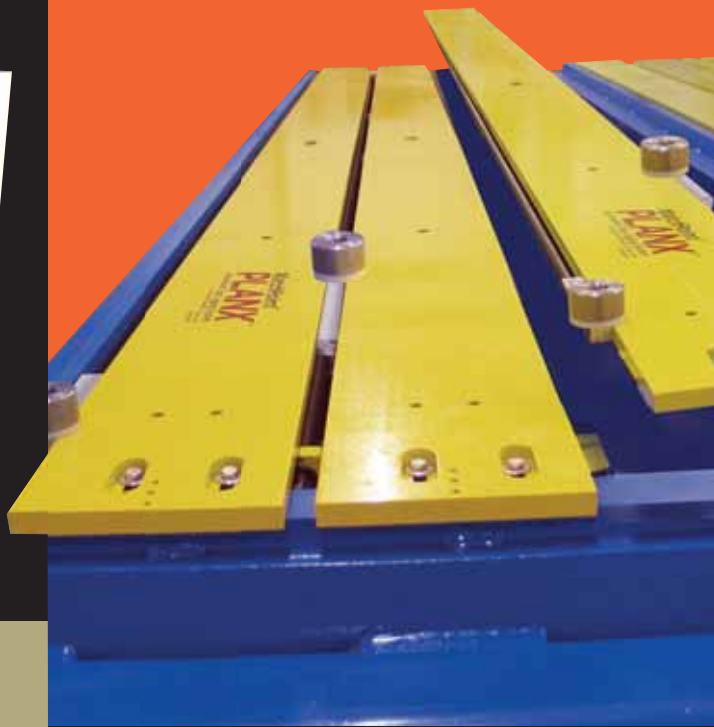
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Deltec Homes Builds Green

by Emmy Thorson-Hanson & Libby Maurer

Read about what makes one WTCA member eco-friendly.



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2008 SBC Legislative Conference Recap

by Sean D. Shields

The housing crisis topped the list of topics at this year's conference. Find out what we learned.

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Reduce Risk & Increase Revenue: Pricing Wall Panels (Part 5 of 6)

by Jim Boyle

Learn the components for successful material take-offs and pricing in your wall panel plant.

On the cover: North view of U.S. Capitol Building, Washington, DC

Photo courtesy of Joe Kannapell, MiTek Industries, Inc., Charlottesville, VA.

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Editor's Message

Keep After 'Em

by Bob Becht

When was the last time you invited an elected official into your component plant? I'll never forget the last time a legislator came to Chambers Truss, because, well...it was quite a month!

An example of why you should get to know an elected official.

Back in September 2006, six-term Republican Representative Mark Foley came to our plant to take a tour and meet our staff. At the time, Foley represented Florida's 16th Congressional District and was outspoken on immigration and child protection issues. One of our employees told Foley his wife was about to be deported to Haiti. Foley promised to help prevent her deportation (and followed through). He talked to most of our employees. The two-hour visit went great, and I felt like we had done the right thing by reaching out to him.

A common misperception is that you have to understand everything going on in the world in order to engage an elected official. Wrong.

About two weeks later, news broke that Foley had been having inappropriate communication with a young page on Capitol Hill. We were all shocked, alarmed, disappointed. But I had to laugh—the one government official we invited in resigned from the House that same month.

Even though our experience with Foley didn't turn into a long-standing relationship where we communicate on issues that affect the business, it reminds me how he became familiar with Chambers in the first place. Through repeated visits to Foley's DC office, I developed a relationship with his top aide. Granted, I never met Foley himself until he came to our plant. But in the end, getting to know his staffer paid off because it got Foley to our plant. This is why I keep coming to the Legislative Conference each year. You never know when those relationships will come in handy, as our employee and his wife discovered.

A common misperception is that you have to understand everything going on in the world in order to engage an elected official. Wrong. In fact, you don't have to know anything about government, politics or even current events to talk intelligently with one of these people. They want to know what your company does or makes. They want to know how the people you employ and the product you make impact the local economy. They want to know about the issues—like immigration or health care—that concern you as a business owner. They want to know because it's their job. And if they're doing their job right, they care about you and your business.

And you don't have to go to the Legislative Conference to get in touch with a legislator from your district. (It's really fun though.) It helps to have an issue to talk through with them. Once you make that critical connection with them, invite them out to discuss the issue further. If you're like me, a truss plant is a truss plant. But for people like Foley, they love to get out into the community and see what goes on at local businesses. It's good exposure for them, and it helps to

Continued on page 8

correction:

We regret that Tom Zraggen's name was inadvertently left out of the project committee list in the May 2008 article, "New & Improved: ANSI/TPI 1-2007." We apologize to Mr. Zraggen for this oversight.

at a glance

- ❑ Florida Representative Mark Foley visited Chambers Truss for a plant tour in 2006.
- ❑ Bob Becht got to know Foley's top aide after attending several WTCA Legislative Conferences.
- ❑ Foley's visit was very helpful for one of Chambers' employees whose wife was facing deportation.

Editor's Message

Continued from page 7

make them more informed about the issues that hit close to home. The best way for them (or anyone else for that matter) to learn about the industry is by seeing it first hand. So contact their office and extend an invitation.

I think we can all take away from my experience the concept of reaching out to these folks. The most important thing is to keep visiting or calling their offices and talking to them about our industry. I hope your next experience with a government rep becomes a long-lasting beneficial relationship...unlike the very unfortunate experience that I had! **SBC**

SBC Magazine encourages the participation of its readers in developing content for future issues. Do you have an article idea for a future issue or a topic that you would like to see covered? Email your thoughts and ideas to editor@sbcmag.info.



2008 Legislative Conference Recap

- Page 43** • Conference Overview: Housing Crisis, Green Building Standards, Immigration, Trade, Energy
- Page 46** • Senator Grassley's Perspective Exclusively for the SBC Industry
- Page 48** • Agency Meetings: U.S. Trade Representative U.S. Department of Labor U.S. Department of Housing & Urban Development
- Page 50** • Capitol Hill Calls
- Page 52** • Perception Versus Reality: A Closer Look at the Housing Crisis

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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 structural building components. Further, *SBC* strives to ensure growth, continuity and increased professionalism in our industry, and to be the information conduit by staying abreast of leading-edge issues. *SBC's* editorial focus is geared toward the entire structural building component industry, which includes the membership of WTCA – Representing the Structural Building Components Industry. The opinions expressed in *SBC* are those of the authors and those quoted, and are not necessarily the opinions of Truss Publications or WTCA.

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Publisher's Message

A Look at Legal & Legislative Issues

New legislation, legal provisions and green building are some of the hot topics covered in this issue.

by Libby Maurer

2008 has been quite a year for keeping up with the happenings of the U.S. government. From the presidential race to plans for stimulating the economy and addressing the nation's lending practices, our friends in Washington have been very busy! In fact, you could make the case that developing long-standing relationships with legislators has never been more important for component manufacturers and their suppliers. For these reasons and many more, we're fortunate to have the opportunity to go to Washington, DC each spring with our peers to sit down with our elected officials. Now in its eighth year, the **SBC Legislative Conference** took place May 14-16. Turn to page 42 for a look back at some of the top issues discussed at this year's conference.

Our industry, like many others, is in the midst of "green building," a movement that has great potential to change our approach to business. There is opportunity for those who choose to embrace it and bring green building products to the marketplace. Over the last several years, countless municipalities across the nation have passed legislation calling for new government buildings to become certified under one green building standard or another. Since both wood and steel components contribute to such certification programs, this provides component manufacturers with the ability to participate, whether through a governmental mandate or because a building owner or architect desire to build green. However, the country's focus on going green could prove damaging to our industry if we aren't careful. One emerging issue is recent talk in Congress about developing new policies to address climate change. Referred to as "cap and trade" climate bills, the legislation (if passed), would set a limit on carbon dioxide emissions from fossil fuel use and require businesses that exceed their limit to purchase their way to carbon neutrality. This is a concept that is very important for business owners in our industry to understand. Check out **The Big Picture** on page 30. Hopefully we and others will be able to work together with our elected officials to come up with a reasonable approach to this very challenging issue.

While green building is an obscure concept to many component manufacturers, Deltec Homes, Inc. of North Carolina has been practicing sustainable building techniques for almost 40 years. Both in the component shop and on the jobsite, Deltec makes every effort possible to minimize its impact on the environment. Find out about what drives their commitment to going green on page 36.

Can you name seven of the most dangerous contract provisions to watch for when reviewing your customer's contract forms? On page 24, Kent Pagel makes it easy for you by identifying seven potential deal breakers. From indemnity to pay if paid clauses, you'll want to make sure the contract reviewers at your company know to raise a red flag when they're found in contracts.

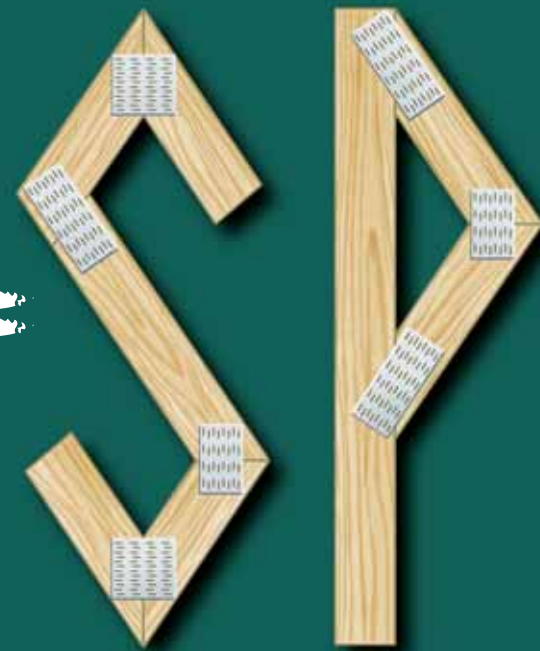
You don't have to participate in the SBC Legislative Conference to be involved in the legislation and issues that affect your business. Some of the most important advocacy work happens at the local level, in your community and your backyard. Tell us about your experience rallying for our industry at editor@sbcmag.info, whether it is being active in a local campaign, giving a truss plant tour or knowing a legislator. **SBC**

at a glance

- This issue is devoted to Legal and Legislative topics. View a recap of the 2008 SBC Legislative Conference on page 42.
- Turn to page 30 for The Big Picture on "cap and trade" climate legislation.
- Don't miss the seven most important contract provisions to look for when reviewing your customer's contract forms on page 24.

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The differences between L/360 and L/720 for deflection criteria.

by Ryan J. Dexter, PE.

There are two basic objectives with respect to the design of all structural building components, including trusses. First, they must be strong enough to safely carry the loads they are designed to support. Second, they must be stiff enough to limit deflections, vibrations and any other deformations to comply with building codes and to satisfy the end user. Making sure a truss is designed for adequate strength is extremely important since any mistakes in this area could potentially result in structural collapse, injury, and even death. But stiffness and deflection concerns are often not given the same level of scrutiny because they tend not to have an impact on life/safety issues. Instead, serviceability and quality of performance issues are the most common and time-consuming problems encountered when components are not designed to account for the specific application and loading conditions. This article provides a basic review of deflection criteria to consider when designing floor trusses to be covered with natural stone flooring.

Question

We recently worked on a large residential job in which marble tile was to be installed on portions of the floor. The construction documents did not indicate any special deflection requirements. We designed the floor trusses in these areas for a total load deflection of L/360 based on our previous experience with ceramic tile floors. However, we have recently become aware that the Marble Institute of America requires a deflection limitation of L/720. Since this information is not in the building code is there another source (besides the specific material supplier) that has this information?

Answer

Floor deflection issues are not unique to trusses or wood construction. However, because of the structural nature of wood and the longer spans and depths made possible with metal plate connected wood trusses, deflection, vibration and camber can become noticeable. When one of these conditions occur, customer satisfaction can become an issue even though structural performance meets the building code and adequately transfers all the applied loads.

Chuck Muehlbauer, Technical Director of the Marble Institute of America (MIA), answers questions in the association's newsletter. He addressed this very topic just recently:

Q: In the MIA's Dimension Stone Design Manual it calls for floor deflections of L/720 in some places, but in other places it lists L/360. Why are these not consistent? Is this just a typo? Which one is correct?

A: It is not a typo. Both are correct, but they are specific to particular substrate types. **Deflections not exceeding L/720 are recommended when installing stone flooring over wood frame construction.** Deflections not exceeding L/360 are recommended when installing stone flooring over concrete substrates. While this seems illogical, there are two reasons for the difference in requirements. Concrete floors tend to have a different behavior under load, in that they don't have the linear pattern to their deformation as is found in wood framing members. It is not necessarily the total deflection in wood frames that causes a problem. Oftentimes it is the differential deflection between adjacent members or the "hinge effect" at regions of subfloor discontinuity. Secondly, concrete floors tend to have longer spans. A given deflection in a short span actually creates a sharper curvature in the floor than the same deflection in a longer span.

Although the L/720 total load deflection is not referenced in the building code it is referenced in the TPI 1 Commentary. ANSI/TPI 1 -2007 Table 7.6-1 outlines the deflection limits for non-cantilevered portions of trusses.

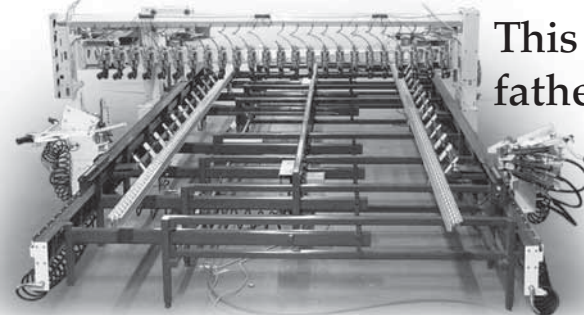
The following text is from the TPI 1 Commentary:

The deflection limits in **Table 7.6-1** are consistent with typical minimum building code requirements where specified. In addition, certain floor coverings require more restrictive deflection criteria than the typical limit on floor trusses of L/360 in order to prevent cracking of the flooring materials. While **Table 7.6-1** includes one common floor covering requiring more restrictive deflection criteria, namely ceramic tile, the Truss Designer should be aware of possible other deflection criteria associated with specific floor coverings (e.g., L/720 total load deflection for marble tile). Maximum on-center spacing of floor joists supporting certain floor materials may also be required by some material standards.

TPI 1-2002 explicitly referenced a 16-inch on center spacing limit for some floor coverings. TPI 1-2007 now just references ANSI A108/A118/A136 for truss spacing since there are a number of available systems that allow 19.2- and 24-inch on center spacing of supporting joists. More restrictive deflection requirements for increased stiffness and improved serviceability, particularly of floor trusses, may be desired and may be specified as such by the Building Designer for any particular building. If floor vibration is a concern (and since the probability of vibration problems increases as floor spans increase in size), using a more restrictive deflection limit like L/480 or even L/600 will help to prevent floor vibration. It may also be desirable to limit the truss deflection to a finite amount (e.g., maximum number of inches) depending on the truss span or load, or building usage. But remember that establishing the deflection limits is not the responsibility of the Truss Manufacturer, Truss Technician or Truss Designer.

The Building Designer should establish what deflection and on center spacing requirements apply to any particular floor covering at the time of design. All parties in the design process should keep in mind that as truss spans and material weight increase (i.e., marble or stone tile), the greater the risk for serviceability and performance issues. If no building design information is given, truss technicians should not assume deflection criteria of L/360. Rather, get the information from the Building Designer in writing so the trusses are designed stiff enough to limit deflections, vibrations and any other deformations to acceptable levels. **SBC**

To pose a question for this column, call the WTCA technical department at 608/274-4849 or email technicalqa@sbcmag.info.



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Member	Deflection due to LL only	Deflection due to total load (LL + DL)
Roof truss supporting plaster ¹	360	240
Roof truss supporting drywall ¹	240	180
Roof truss not supporting ceilings ¹	180	120
Floor trusses ^{2,4} (See footnotes for trusses supporting ceramic tile)	360 or 480 ³	240
Top chord panel ⁵	180	120 (600 ⁶)
Habitable spaces in trusses ⁷	360	

Table 7.6-1. Deflection limits for non-cantilevered portions of trusses.⁴ Values given in the table are divisors that are applied to the clear span length, L_s, to establish a deflection limit (limit = L_s/specified value).

¹ Roofs not having sufficient slope or camber to assure adequate drainage shall be investigated for ponding.

² Certain floor coverings require more restrictive deflection criteria. For ceramic tile, truss spacing and appropriate dead load for the installation method, and other aspects of design per ANSI A108 / A118 / A136 shall be such that the system passes the requirements of the Building Designer per Chapter 2 of this Standard.

³ Floor trusses with ceilings attached that meet L/480 criteria shall not require strongbacks to meet deflection criteria.

⁴ Cantilevered and overhang portions of trusses are subject to deflection limits using the values shown above applied to twice the length of the cantilever, L_c.

⁵ Span length for top chord panel limits shall be the panel length.

⁶ Where required by ACI530 / ASCE5 / TMS402 for trusses used as a beam or lintel providing support of vertical masonry veneer.

⁷ Limit is for panel deflection of the loaded panel when loaded with 30 psf (14.4 KPa) or greater of live load.



Safety Scene

Lightning Safety

Don't let lightning strike you out.

by Molly E. Butz

It might surprise you to be reading about lightning safety and structural building components; however, lightning can affect any and all of your business operations, inside and out. And, with more than 100,000 thunderstorms a year, it's a good idea to be prepared for the hazards lightning can present.

Lightning can strike anywhere. As a matter of fact, the National Weather Service estimates that there are 25 million lightning flashes each year. Annually, these numerous flashes cause property damage in excess of one billion dollars and are also responsible for an average of 73 deaths and countless injuries. In addition, lightning can develop at any time during the year, even though many of us associate thunderstorms, the main source of lightning, with spring and summer. In southeastern states like Florida, where it's warm and humid much of the time, lightning strikes even more frequently.

Staying Safe Outside

It's likely that at least part of your daily operations require some of your employees to go outside, even if your main manufacturing areas are located inside. From stacking bundles of finished trusses to retrieving lumber for the next job, if your employees leave the safety of their shelter, a lightning strike is possible. So whether your employees spend the majority of their time outside or only leave the building every now and then, it's important to monitor weather conditions. And if you live in a particularly storm-prone area, you might consider purchasing a portable weather radio. They are often inexpensive and provide the most up-to-date storm information for your area. (Several websites also offer regular weather updates, see inset.)

The Weather Channel
www.weather.com

Weather Underground
(also offers Wunder Radio, a listing of online NOAA Weather Radio stations):
www.wunderground.com

National Weather Service
www.nws.noaa.gov/

Intellicast
www.intellicast.com

AccuWeather
www.accuweather.com

It's also important to remember that lightning doesn't only strike where it's raining! The National Weather Service reports that lightning can strike up to ten miles away from an area of rain. Thunder and lightning, however, usually go hand-in-hand. And, since most humans can hear thunder roughly ten miles away, encourage your employees to report thunder when they hear it closing in.

Most importantly, if someone at your facility gets struck by lightning, get emergency medical help immediately! Several very serious medical conditions can occur when lightning strikes a person including burns, nerve damage, cardiac arrest and other cardiac irregularities. And, contrary to some old wives' tales, people who have been struck by lightning do not carry an electrical charge and are safe to touch.

Power to the People

Beyond the potential for structural damage to the outside of your building, lightning can also wreak havoc on the inside! A direct lightning strike to your building (or an indirect strike to a power source nearby, such as a transformer) may cause a power surge. These instantaneous spikes in voltage travel rapidly through electri-

Continued on page 16

at a glance

- The National Weather Service estimates that there are 25 million lightning flashes each year.
- Burns, nerve damage and cardiac arrest can happen when lightning strikes someone.
- Invest in surge protectors to protect computers and other electronics for power surges.



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Safety Scene

Continued from page 14

cal wiring, cable and phone lines and can damage or destroy your phones, computers, manufacturing equipment and other electronic devices.

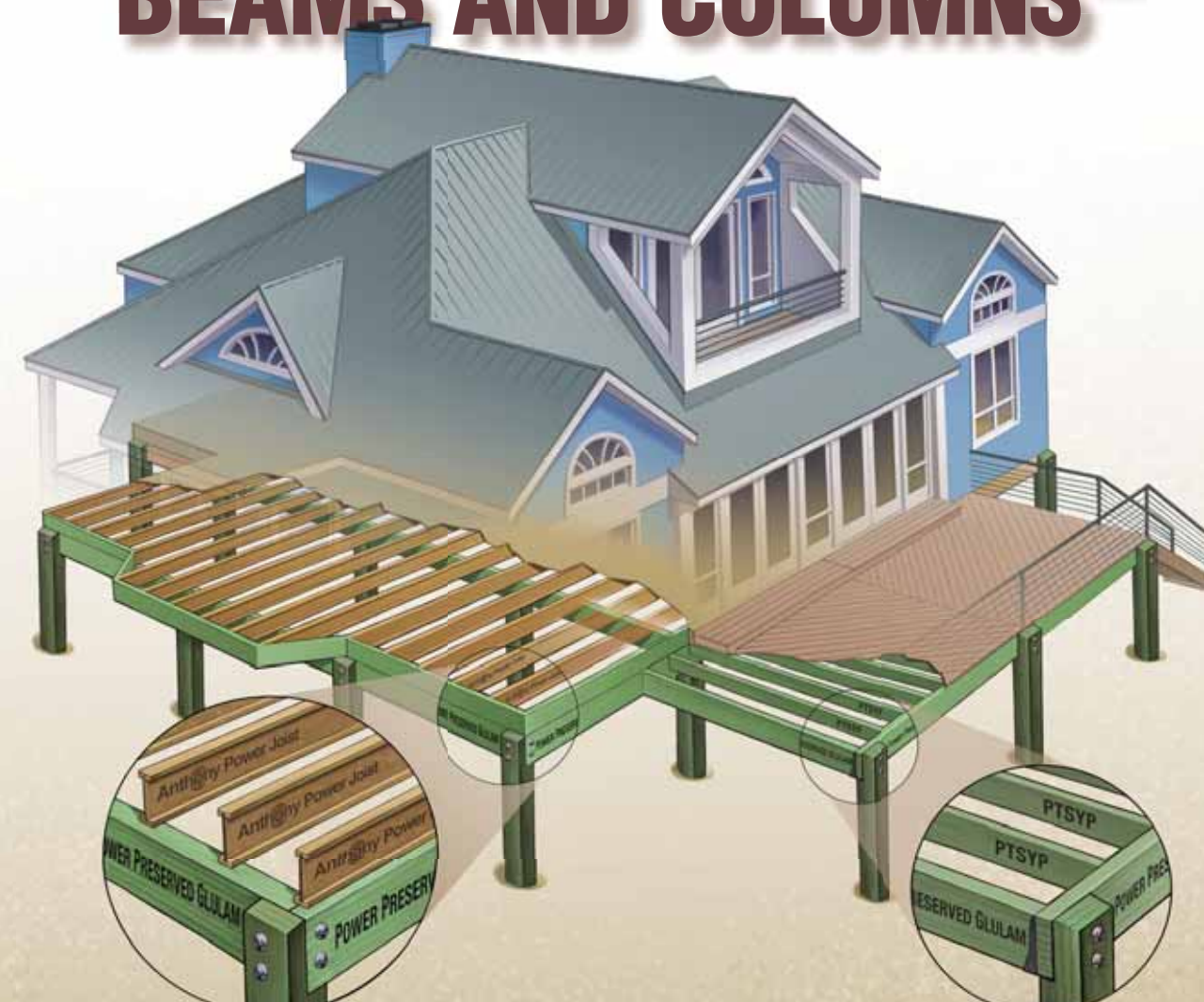
Thankfully it's fairly easy, and in the long run inexpensive, to protect your equipment! An effective surge protector will "divert" the excess voltage created by the power surge away from your equipment and prevent it from becoming damaged. A common misconception is that all "power strips" are also surge protectors. Unfortunately, not all power strips are cre-

ated equally. Here are few things to look for when purchasing a surge protector for your company's various electronic devices:

- Price: If it's cheap, say, less than \$10, it's probably not going to offer very much protection. Plan to spend at least \$25 or \$30 for minimum capabilities.
- Function: You won't need all of the bells and whistles to ensure you're protected, but look for a model that has an indicator light so you know if/when your surge protector is functioning correctly.
- Underwriters Laboratories (UL) Ratings: Look for surge protectors that have a UL listing. Specifically hone in on the models listed as "transient voltage surge suppressors"; these surge protectors have to meet UL's "minimum performance standard" and offer much better protection than non-UL listed models.
- Multiple plug-ins: Surge suppressors may also include a phone jack or cable plug-in. Specifically for computers, this kind of unit makes it easy to protect your PC from every angle.

Experts estimate that there are as many as 2,000 thunderstorms occurring around the world at any one time. Moreover, there are roughly 100 lightning strikes every second! For a business, a lightning strike can be a costly natural disaster, from property damage to personal injury. The best protection? Be prepared. Safety first! **SBC**

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Bcmc & Your Business Plan

Denver on a Budget: Keepin' It Real

by Libby Maurer & Molly Butz

When you break it down,
BCMC is worth every penny!

Many businesses are tightening their purse strings these days, finding new, creative ways to cut expenses. Business is down for many, so the cost of traveling to BCMC in Denver may have you questioning whether your company can afford the trip. Perhaps the more important question is whether you can afford not to go.

When was the last time you weighed the value of attending against the cost to attend? Use this guide to set your team's budget and implement fund-friendly tips to cut down on expenses during your BCMC experience. (Plus a whole slew of reasons why it's worth every penny.)

Airfare

Book early! This is an area in which you can definitely save. Here are some very reasonable sample round-trip fares from a variety of cities (as of 4/25).

- From Boston: \$340
- From Chicago: \$238
- From Cincinnati: \$242
- From Dallas: \$244
- From Orlando: \$320
- From Phoenix: \$238
- From Raleigh: \$219
- From Portland, OR: \$159



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You can also use resources like Expedia's Fare Alert to give you updates on the best fares to Denver. (Many other travel websites have helpful tools similar to this one.) Input your target price for a roundtrip ticket, and the tracker alerts you when fares from your pre-selected departure city fall near that number. Check it out at www.expediaguides.com/farealert.

Transportation

Since there are plenty of restaurants and attractions within walking distance of the Convention Center, you won't need a rental car. No parking fees either!

If you're staying at one of the downtown Hyatt hotels, Super Shuttle offers a \$34 round-trip (per person) from the airport to your hotel.

Also check out the various ground transportation options available in downtown Denver. On 16th Street, free buses run throughout this central business and entertainment district of downtown Denver. The city also offers an affordable light rail system that travels throughout Denver. A light rail station located near the Convention Center provides access to three different rail lines, and the cost to ride is under \$2 per trip!

Lodging

A double occupancy room at one of the Hyatt hotels near the Convention Center will run between \$185 and \$189 per night, so the cost of your team attending can be as low as \$93 per night. Consider asking them to double up this year. Sharing a room with a coworker is a good way for them to get to know each other outside the office!

Continued on page 20



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- CADWORK
- Canadian Engineered Wood Products Ltd
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- Carbeck Structural Components Institute
- Clark Industries, Inc.
- Cold-Formed Steel Council
- Commercial Machinery Fabricators
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"It's a good place to go to find out what makes the industry tick."

—Charles Ballard, Ballard Truss, Eloy, AZ

Attendance

Again, the early bird gets the worm! Sign your team up by August 25 to take advantage of BCMC's lowest registration fee. WTCA component manufacturer members pay \$175 for their first full registration and \$140 for each additional. Keep in mind this fee covers entrance to the exhibit hall, educational seminars, several drawings and plant tours. Speaking of plan tours, sign up early because they fill up fast!

Meals

As you know, eating out on the road can be extremely expensive. This is the area that can easily break the bank if you're not mindful of the budget limits. So prepare in advance; let your team know that they'll need to choose their dining options carefully, and possibly stick to a per diem allotment.

To provide a benchmark, the U.S. General Services Administration defines \$49 as the per diem cap for meals and incidentals for someone traveling to Denver.

The good news is that there are many affordable dining options within walking distance of the Convention Center. Now's the time to get creative—remember that a good meal doesn't have to be expensive. Ask the concierge at your hotel about the best, most affordable restaurants in town; chances are you'll find delicious food and decent prices off the beaten path.

For an attendee who spends Tuesday night through Friday afternoon at BCMC, there are only five meals to plan for. Only five, you say? That's right; see below:

Tuesday dinner

Wednesday breakfast: **FREE** continental breakfast before the Kickoff Speaker!

Wednesday lunch: **FREE** lunch ticket for every attendee!

Wednesday dinner: **FREE** hors d'oeuvres at the Welcome Reception!

Thursday breakfast: **FREE** hot breakfast served at the WTCA Annual Meeting!

Thursday lunch & dinner

Friday breakfast: **FREE** continental breakfast before the Economic Speaker!

Friday lunch

Not bad for four days on the road!

So, what's the bottom line on a trip to BCMC? On average, it's between \$830 and \$1200 per person! Roughly \$1181 gets one attendee to and from the show, housed, fed and much more. Bring two or more people and the cost per person decreases! (See Table 1 above.)

Cost to Attend BCMC If...	1 person attends	2 people attend	3 people attend	4 people attend
Airfare	\$250	\$500	\$750	\$1,000
Transportation	\$54	\$54	\$54	\$54
Hotel	\$555 (1 room)	\$555 (1 room)	\$1,110 (2 rooms)	\$1,110 (2 rooms)
Attendance	\$175	\$175+140	\$175+140+140	\$175+140+140+140
Meals	\$147	\$294	\$441	\$588
TOTAL	\$1,181	\$1,718	\$2,810	\$3,317
COST PER PERSON	\$1,181	\$859	\$936.67	\$829.25

Table 1. The average cost for 1, 2, 3 or 4 component manufacturers to attend BCMC. Based on 3 nights, double occupancy.

More Bang for Your BCMC Buck

Do you get \$1181 worth of value from attending BCMC? It's hard to put a price on value, but consider the fact that there aren't a whole lot of places you can go to meet face-to-face with 2000 of your peers. And it's not every day that you can be in a room with 150 other component manufacturers and share your opinions about the direction of the industry, or consult with each other about new machine purchases, ideas for changing the way you do business in your market, hammer out changes to your business plan, or just learn that you're not the only person in the world going through the things you're experiencing. You won't get that kind of feedback and exposure at home going to the hardware store or the golf course.

Plan to attend any education sessions? The costs of hiring a professional speaker or planning an in-house training session can be steep. Go to one or many of the seminars BCMC offers, and you'll walk away with new ideas and renewed enthusiasm to bring home.

Say you want to look at 12 pieces of new equipment. If not for BCMC, you'd have to travel to 12 different component shops to see, touch and demo 12 different machines. Save yourself the time and expense; shop and compare equipment in one place at BCMC.

Beyond networking, educational and equipment value at BCMC, don't overlook the one-of-a-kind entertainment value. We're fortunate to work in an industry full of talented and colorful characters, and the sheer amusement of watching them all converge in one place is nothing short of entertaining. It's better than TV, better than a movie, better than YouTube! (Face it, so little is better than YouTube.) And it's real.

So is BCMC worth \$1200 and three days away from work? That's up to you. We think that even in a down year, there are too many reasons you can't afford not to be there. **SBC**

For more details and to register online, go to www.bcmshow.com.

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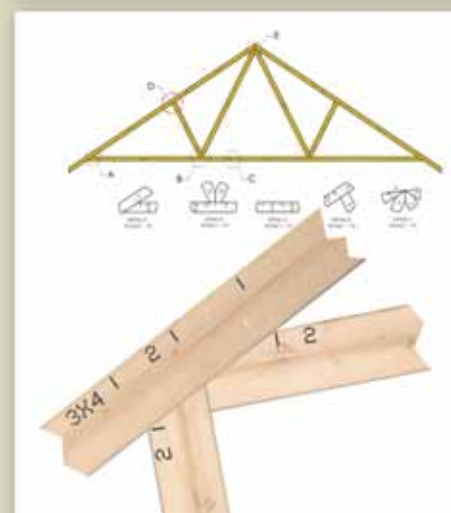


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Wtca Update

Case In Point: True House Educates, Motivates with SCORE

CEO says SCORE makes his manufacturing plant "top shelf."

by Marisa Hirsch

T rue House, Inc. in Jacksonville, FL, views SCORE as a long-term goal. While the company has no reservations about participation, they believe that moving up through the levels of certification is a process, and they don't expect it to happen quickly.

"We're looking at it like a 'You don't sprint a marathon' type of deal," said Barry Dixon, CEO. "We're nipping away at it a little bit at a time. We're using [SCORE] as continuing education and a teaching tool for everyone in the company. It's making a huge difference throughout our company in morale and education."

True House, a certified SCORE Achiever company since May 2007, has been working toward Elite certification. Dixon learned about the program through his participation on the WTCA Board and committees, and getting True House certified was a pretty straightforward decision. After all, the company has long been a firm believer in WTCA programs. Dixon said they saw getting certified as a challenge, a way to encourage WTCA program participation, and a possibility for a unique advantage in the marketplace.

Though there weren't any doubts at True House about the value of becoming SCORE certified, working toward it taught management and employees about how extensive some WTCA programs are—and the need to have a real plan to implement them.

The biggest benefits Dixon sees in participating in WTCA programs is that they're professionally done, kept up to speed with the latest technology, and well organized. One of the hardest things about implementing company-developed programs is keeping track of them, said Dixon.

"You type [a program] and print it, put it in a drawer and then you can't find it," Dixon said by way of example. "Things change and the words stop making sense; they're not kept up to date with the latest codes and systems. You know WTCA programs are always going to be up to date, professional, clean, and you know where to access everything."

When True House decided to get SCORE certified, the company was participating in Truss Technician Training courses but was not In-Plant WTCA QC certified. That was a process the plant went through while preparing to get SCORE certified. They also switched from sending out their in-house jobsite packages to sending out WTCA's preassembled JOBSITE PACKAGE. At that point, they had fulfilled the three requirements needed to become an official SCORE Achiever company.

Since then, True House has been working toward its goal of Elite certification by implementing Operation Safety. The next steps will include sending the required employees through ORisk, and getting familiar with In-Plant Basic Training so they're prepared to send new employees through that program.

Dixon said that participating in SCORE has brought huge advantages to True House, thanks to the individual programs' benefits. "SCORE really just links all the programs together," he said. "It has helped us identify who our team players are



Structural Component Operations Reaching for Excellence

and who really cares about our company. It also shows our employees that the company cares about our product. When you implement programs, it's a change in attitude."

Talking with other members who are using the programs is also beneficial, and something True House did when they were getting accustomed to the QC program. "I've found that other members and staff are good [resources] to help keep everything going smoothly," Dixon said.

Since getting SCORE certified, True House has saved thousands of dollars in quality and safety issues, and back charges have become rarer, said Dixon. In the marketplace, people know True House products are high quality because of the company's TTT and QC participation. "Being SCORE certified is more of a badge of honor for us," Dixon said. "It's kind of 'Hey, we're top shelf.'"

With things being slower for some CMs in the current market, Dixon said this is a good time to take a look at SCORE and the programs that fall under it—especially because of the heavily discounted SCORE packages that are now available. (Visit www.sbcindustry.com/score.php for more information about SCORE package subscriptions.)

"This is a time to learn more about your products, sharpen the saw, and reengineer the processes from the inside out," Dixon said. **SBC**

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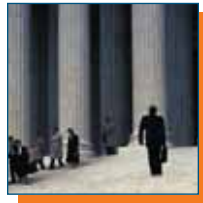
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at a glance

- ☐ True House views SCORE certification as an opportunity for continuing education.
- ☐ The company has reached the Achiever level and continues to pursue Elite.
- ☐ By taking part in the programs that make up SCORE, there have been culture changes and fewer back charges.



Legal Edge

7 Contract Provisions to Never, Ever Overlook

by Kent J. Pagel

The most dangerous contract provisions revealed.

From a legal perspective, there seems to be a recurring theme when it comes to selling components. The same holds true if you are selling installed components (or turnkey). The homeowner gets the home. The builder makes a profit. The suppliers and subcontractors take all the risk. The “take all the risk” part is absolutely the case if the supplier or subcontractor sign without changes, the builder’s very one-sided customer contract form.

While some sales are still being done verbally or perhaps on one page contract forms, the norm, especially when selling to big builders, is to be presented a complex contract form. The contract form will cover payment, firm pricing, scope of work, insurance, indemnity, default/delay/back charges, warranty and many other issues in excruciating detail. It is not atypical for a builder contract form to exceed 25 pages with schedules and attachments. One-sided and unfair only begins to describe these contract forms.

Too often we seem mystified by the complex language and overwhelmed by the length of these contracts and sign them without review. This practice is extremely dangerous. With some training our hope is that all of us can recognize the most significant risks readily and have a modest degree of control over the contract terms to which we agree.

In this article, our goal is to help you be more informed as to the meaning of seven of the most problematic provisions that I find in these builder customer contract forms. Please keep in mind that these customer contract provisions are not ranked in order of degree of risk.

1. SELLING PER PLANS AND SPECIFICATONS

Supplier shall furnish the materials and all necessary labor, equipment, supervision, services, taxes, and licenses with regard to the materials as required of Builder and as set forth in the exhibits and in strict accordance with the Contract Documents, including the plans and specifications.

This type of provision is not uncommon to find in a big builder’s customer contract form. Here’s what you need to understand: it is the intent of the builder to impose EVERY requirement contained in the specifications on its suppliers, including component manufacturers, REGARDLESS of whether the supplier has seen or read the specifications. Issues that may be addressed might include: bracing, installation of bracing, lumber grade and species, inspection, unloading, storing, mold, engineering, and sealed placement plans.

2. DELIVERY & TITLE

Supplier shall commence delivery immediately upon receipt from Builder of a notice to proceed or as otherwise directed by Builder. Supplier’s deliveries shall be performed in accordance with those schedules as may be determined by Builder. Title to the materials shall pass to Builder at time of Builder’s approval.

I see three major problems with this type of provision. First, the Builder can unilaterally dictate the delivery schedule or changes to such delivery schedule. If the CM is unable to comply, delay damages could be asserted. Second, if the Builder has the right to dic-

tate the schedule, and it delays acceptance of deliveries for some time, what right does the CM have if its lumber costs increase significantly? Third, if title to materials passes only at such time the Builder approves them and not at time of delivery, who bears the risk of loss if the materials are damaged, destroyed or stolen on the jobsite? If the CM is expected to bear such loss, does the CM have insurance in place for such loss?

3. PAYMENT

On or before the 25th day of each month, Supplier shall submit to Builder an application for payment substantial-ly in the form that Builder may require. Supplier agrees that Builder shall never be obligated to pay Supplier under any circumstances, unless and until funds are in hand received by Builder in full, less any applicable retainage. This is a condition precedent to any obligation of Builder, and shall not be construed as a time of payment clause.

We lawyers refer to these types of provisions as “pay-if-paid” or conditional payment provisions. Simply, they mean if the Builder is not paid by a project owner for example, the CM is not entitled to be paid. This is the case even if the CM provided conforming materials and has no responsibility for the Builder not being paid. If the CM has likewise waived its lien rights, (not uncommon in many Builder customer contract forms), the CM has lost every bit of leverage it may have in getting paid. There is only one consolation to CMs in California, New York, North Carolina and Wisconsin, where these pay-if-paid provisions are invalid—although you may have to go to court to prove that fact.

4. WARRANTY

Supplier warrants to Builder that all materials shall be of good quality, free from faults and defects and in conformance with the Contract Documents. Supplier agrees to guarantee the materials against all defects, materials or workmanship for the same period of time as Builder is obligated to guarantee or warrant its work to any project owner or homeowner.

While this is a bad provision altogether, two things bother me the most. First, there is no duration of warranty stated. That means the CM could be providing a warranty for as many as ten years assuming the Builder provided the homeowner with a 10-year structural warranty. Second, the CM is warranting



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even those products it is simply re-selling and not manufacturing, so why should the CM take on that kind of risk?

5. DISPUTE RESOLUTION

Any dispute between Builder and Supplier and/or its sureties shall be decided by arbitrators in arbitration by the American Arbitration Association (the “AAA”) in the city of Builder’s office at the sole election of Builder. Otherwise all litigation shall be in the courts in the state of Builder’s office and due to the specialized nature of construction litigation, each party hereby waives its right to a trial by jury.

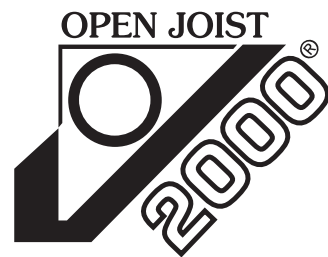
Okay, you figure, “I will make the sale (and hopefully get paid)

Continued on page 26

at a glance

- ❑ Being aware of the big, bad seven is a step toward establishing a fairly-worded contract instead of a one-sided contract.
- ❑ “Pay-if-paid” or conditional payment provisions mean if the Builder is not paid by a project owner, the CM is not entitled to be paid.
- ❑ You are likely to see many lengthy insurance requirement provisions in most Builder contract forms.

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Legal Edge

Continued from page 25

and never hear about the project again." Now assume there is a nasty dispute. Guess what, with this type of provision, the Builder decides whether to arbitrate or litigate the dispute. If the Builder chooses litigation, it might be because they know the judge(s) as the lawsuit will be decided by the judge and NOT a jury. Plus, the Builder gets absolute home field advantage whether there is arbitration or litigation.

Our firm recently became involved in a hotly contested arbitration in Florida where the Builder's contract provided, before it was reviewed, revised and signed by the CM, that the Builder had the choice to litigate or arbitrate and if it chose litigation, the trial was to be held in an obscure Florida county where the lawyer for the Builder officed. Plus, there was a waiver of all rights to a jury. You can guess what the outcome of that dispute would have been had we not obtained through contract negotiation the right to arbitrate in the city of the largest population in Florida.

6. INDEMNITY

Supplier agrees to indemnify, defend and hold harmless Builder from and against all claims, damages, losses and expenses including, but not limited to, attorneys' fees arising out of or resulting from the materials or the performance of the Supplier's Work under this Agreement, provided that any such claim, damage, loss or expense (i) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, and (ii) is caused in whole or in part by any negligent act or omission of the Supplier, anyone employed by Supplier or anyone for whose acts the Supplier may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph. With respect to any claim resulting from injury or loss to an employee of Supplier, Supplier agrees to indemnify and hold harmless Builder from the entire amount of such claim, including liability for injury or loss caused by the negligent acts or omissions of Builder which result in harm to such employee (unless Builder was solely negligent) and Supplier hereby expressly waives any provision of any applicable workmen's compensation act which would otherwise provide to Supplier immunity from such indemnity.

Ah, my favorite—the indemnity clause. With this type of language, the Supplier is assuming a great deal of risk. Imagine selling roof trusses. I know sales are down dramatically, but just humor me. The Builder hires its own installer. A person is injured on the jobsite. The person injured was climbing through the roof trusses using the webs as a ladder and a web pulled away laterally from the truss, causing the person to fall to the ground. His injuries resulted from the fall. The injured person sues only the Builder for his injuries and claims the Builder allowed and even encouraged that the trusses be used by jobsite laborers this way. If the Supplier agreed to this type of indemnity provision, the Builder would demand that the manufacturer defend the Builder from the lawsuit and pay whatever sums are required to resolve the lawsuit. If the manufacturer refuses, the Builder would file its own lawsuit against the manufacturer. This is the case even though the manufacturer is without fault as the trusses were being used for other than their intended purpose. Truss webs are clearly not designed for this kind of lateral force. By agreeing to the indemnification provision the manufacturer now becomes directly involved in defending and resolving the injured person's lawsuit filed against the Builder. In fact the builder may be the only party at fault and may be 99% responsible for allowing and encouraging the trusses to be used in the manner that leads to the fall and injury. Nevertheless because of agreeing to the broad indemnification provision, the manufacturer now essentially becomes the responsible party instead of the Builder.

Continued on page 28

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7. INSURANCE REQUIREMENTS

Supplier agrees to carry and provide Builder with an insurance certificate setting forth Commercial General Liability coverage of not less than:

Each Occurrence: \$1,000,000

Products/Completed Operations Aggregate: \$2,000,000

General Aggregate Per Project: \$2,000,000

The Commercial General Liability policy must include:

- An Additional Insured Endorsement (equivalent to ISO form CG 20 10 11 85) naming Builder as additional insured and shall be endorsed to be primary and non-contributory to any insurance which may be maintained by or on behalf of Supplier. In addition, Commercial General Liability Insurance Coverage, including additional insured coverage for Builder, shall be maintained in force until expiration of the applicable statute of limitations for claims related to latent defects and construction improvements for real estate.
- Supplier warrants that the design and engineering of its product is covered by Commercial General Liability insurance.
- Supplier agrees to carry and provide Builder with an insurance certificate setting forth Professional Liability insurance in the amount of \$1,000,000 for each occurrence.

Let me count the ways that this insurance requirements provision is problematic, and keep in mind this is only part of what you will typically see in terms of insurance requirements in most Builder customer contract forms. First, the language that the Supplier will maintain "General Aggregate Per Project" limits under its Commercial General Liability (CGL) policy, a provision we are seeing more and more, is bad news as CMs don't have this type of coverage. The others relate to

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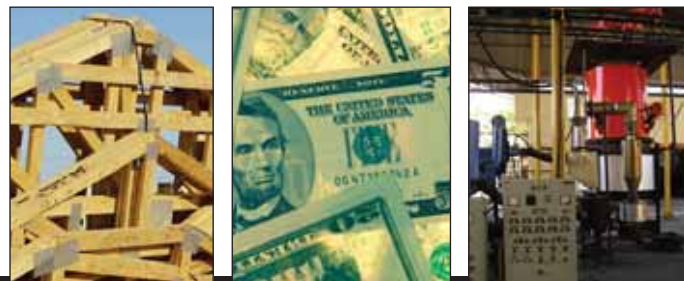
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the type of additional insured endorsement that is required and the length of time the Supplier will maintain such additional insured coverage. Last, warranting that the design and engineering of its products is covered by the CGL policy is dangerous as I wrote in an SBC article published in Jan/Feb 2008. Similarly, most Suppliers do not carry Professional Liability insurance and to agree to do so in a contract could lead to a breach of contract claim.

My intent is not to scare you. Rather, I hope to empower you to be watchful of these provisions the next time you have a 25+ page contract in front of you. Being aware of the big, bad seven is a step toward establishing a fairly-worded contract instead of a one-sided contract. **SBC**

Kent J. Pagel is the President and Senior Shareholder of Pagel, Davis & Hill, a professional corporation. He also serves as the outside counsel for WTCA.

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The Big Picture

Global Warming "Cap and trade" Regulation

Why this type of legislation should be discouraged by members of our industry.

by Kirk Grundahl, PE.

Lawmakers on Capitol Hill are beginning to look at ways to legislate an end to global warming. One leading concept is called "cap and trade." Under a cap and trade system, the government would set a limit on carbon dioxide emissions (which are considered one of the leading causes of global warming) and allow companies to buy and sell rights to emit carbon dioxide.

The cap and trade system was originally designed, tested and shown to be somewhat successful here in the U.S. as a sulfur dioxide limiting program within the 1990 Clean Air Act. In the 1990s, the U.S. acid rain cap and trade program achieved 100% compliance in reducing sulfur dioxide emissions. In fact, power plants participating in the program reduced SO₂ emissions by 22%—7.3 million tons—below mandated levels.¹ This success convinced countries of the European Union to adopt a similar cap and trade system for carbon dioxide (CO₂) in 2004.

One big difference between the two programs is, of course, the emissions they are trying to control. Controlling CO₂ emissions is much different than reducing sulfur dioxide because CO₂ is produced naturally by many living things. For example, carbon dioxide is produced by all animals, plants and microorganisms during respiration and is used by plants during photosynthesis. Carbon dioxide is generated as a byproduct of the combustion of fossil fuels or vegetable matter, among other chemical processes.²

The CO₂ released in fossil fuel combustion is the type of CO₂ that is the target of the cap and trade proposals. Fossil fuel currently provides 85 percent of America's energy, and 98 percent of its transportation fuel.³ Creating caps will impose immediate restrictions on the use of coal, oil and natural gas for American businesses and consumers.

The leading proposal currently in Congress, America's Climate Security Act of 2007 (S. 2191), sponsored by Senators Joseph Lieberman (I-CT) and John Warner (R-VA), would establish a permit cost of \$30 per ton of carbon dioxide emissions in 2015, which would add \$0.25 to each gallon of gas.⁴

We are currently witnessing the detrimental effect of increased costs caused by fuel price spikes, from food to gasoline to manufactured goods. Further, independent firms like Charles Rivers Associates (CRA), have estimated that the cap and trade system will significantly increase energy prices by 36 to 65 percent by 2015 and by as much as 80 to 125 percent by 2050.⁵ According to CRA, a 15 percent reduction in carbon dioxide emissions through this measure would result in the 60 million Americans with the lowest incomes paying an additional \$800 to \$1,300 per household by 2015, rising to \$1,500 to \$2,500 by 2050.⁶

Continued on page 32

¹ Environmental Protection Agency, "Sulfur Dioxide Emissions Reduction Program, Analyzing the 1990 Clean Air Act," September 19, 1997, p. 4.

² http://en.wikipedia.org/wiki/Carbon_dioxide

³ Lieberman, Ben. Beware of Cap and Trade Climate Bills. The Heritage Foundation, Dec. 6, 2007.

⁴ Environmental Protection Agency, "EPA Analysis of The Climate Stewardship and Innovation Act of 2007," July 16, 2007, p. 2.

⁵ Margo Thorning, "The Impact of America's Climate Security Act of 2007 (S. 2191) on the U.S. Economy and on Global Greenhouse Gas Emissions," Testimony before the Committee on Environment and Public Works, United States Senate, November 8, 2007, p. 3.

⁶ Ibid., p. 6.

at a glance

- Carbon dioxide emissions are believed to be a major contributing factor to global warming.
- Congressional proposals to limit carbon dioxide emissions of businesses are called "cap and trade" energy bills.
- Cap and trade policies would increase energy costs for companies and possibly even residences.
- United States' businesses would be at a competitive disadvantage to nations not operating under CO₂ regulations if cap and trade legislation is passed by Congress.

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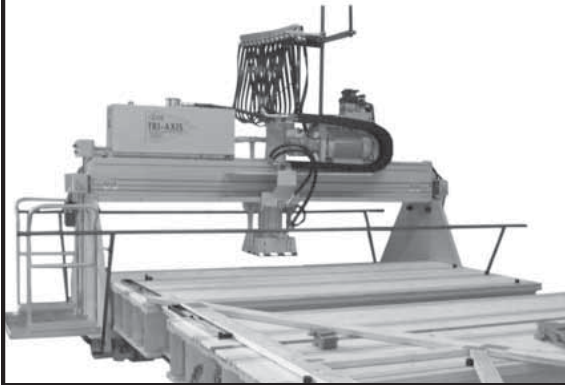
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The Big Picture

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The European Union is already experiencing significant problems with their CO₂ cap and trade system. Electricity has already become so expensive in some countries, it has forced some manufacturers to negotiate energy prices daily and shut down during the day when energy prices spike. French cement workers are losing their jobs because workers in nearby Morocco don't have to meet the EU restrictions, and energy prices in Germany are nearly 25 percent higher than before the cap was put in place.⁷

Analyzing S. 2191 further, CRA estimates that net job losses will be between 1.2 million and 2.3 million in 2015, directly caused by implementation of this legislation. In addition, the stringent cap on carbon emissions will create a competitive disadvantage for U.S. manufacturers against their foreign competitors, much like that faced by the French cement workers.

What's more, if other developing nations fail to pass similar restrictions, it is likely that many domestic manufacturers will relocate their facilities to other countries, taking away jobs while not limiting global production of carbon dioxide. When considering the structural building components industry, if restrictions are only put in place in the U.S., without reciprocal participation by Canada and Mexico, component manufacturers will be forced to compete at a competitive cost disadvantage.

Finally, hasty and piecemeal adoption of a cap and trade system in the U.S. could have disastrous unintended consequences on the current residential housing industry. Here is a scenario that could easily happen:

There appear to be very real unintended consequences with respect to solving global warming through governmental regulation.

Businesses will move their manufacturing to locations that do not have cap and trade regulations to remain competitive. This means more U.S. jobs will move offshore, resulting in less demand for domestic housing and less taxes. We have already seen a similar shift in software and manufacturing jobs moving to Southeast Asia due primarily to lack of ability to immigrate to the U.S. to provide these jobs and lower operating costs.

Higher fuel and energy costs will likely alter residential construction due to rising transportation costs, pushing home buyers toward more urban single-family homes that are high-rise/high-density oriented.

These higher costs will also make housing construction materials more costly to produce and will make it harder for the average American family to buy a home. The higher downstream home ownership costs will also affect the percentage of families that can afford to purchase a home.

In addition to the impact it would have on U.S. home ownership and manufacturing, an entire cap and trade economy will be created that will essentially be a separate currency. For instance, an entirely new CO₂ accounting system will need to be created. This may have great value to those that have CO₂ credits, but it will be costly for those that do not, particularly if the supply of CO₂ credits is at all constrained. You can also expect that there will be speculators buying and selling CO₂ credits creating supply/demand imbalances and generating profits by manipulating this imbalance. We may also see hedge funds and futures markets, created with unknown consequences. An entirely new economy is sure to emerge in very interesting and diverse ways. Hang on!

In the end, legislation like S. 2191 will probably prove extremely costly to U.S. consumers because it creates a very difficult goal to attain (15 percent reduction in overall carbon emissions below 2005 levels by 2020, even as the population increases), while diverting scientific research dollars toward short-term fixes instead of long-term solutions. Meanwhile, our nation risks losing millions of real jobs, faces spiraling energy prices, and a potential exodus of U.S. industry overseas. In addition, without adoption of reciprocal restrictions in other nations like India and China, our reductions in emissions will simply be replaced by theirs.

There appear to be very real unintended consequences with respect to solving global warming through governmental regulation. We will do our best to closely watch cap and trade legislation unfold and provide perspective as early as we can so that needed business adjustments can be made. **SBC**



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⁷ Mufson, Steven, "Europe's Problems Color U.S. Plan to Curb Carbon Gases," Washington Post, April 9, 2007, p. A01.

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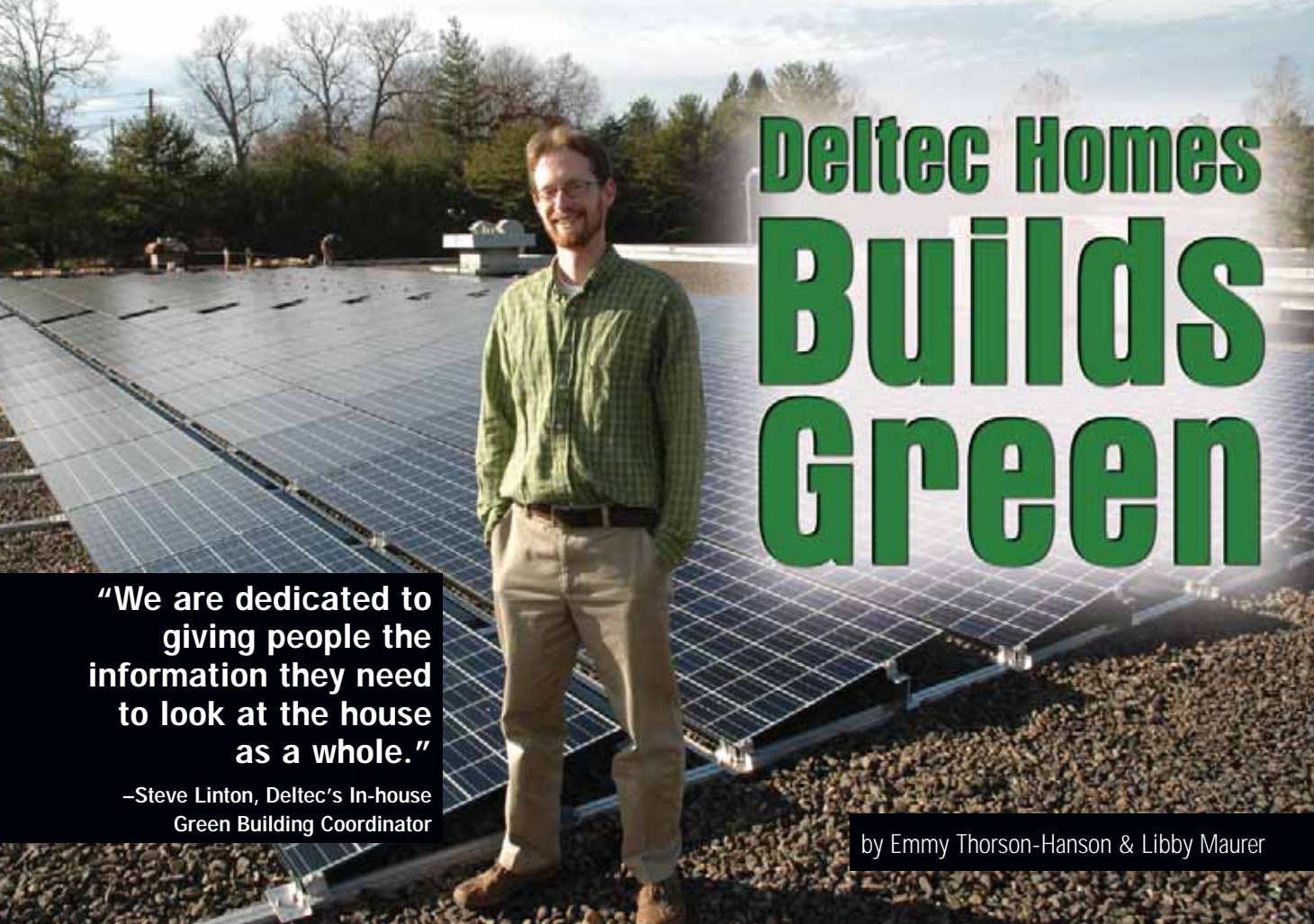
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Deltec Homes Builds Green

"We are dedicated to giving people the information they need to look at the house as a whole."

—Steve Linton, Deltec's In-house Green Building Coordinator

by Emmy Thorson-Hanson & Libby Maurer

Find out the unique elements in one component manufacturer's equation for success.

A component manufacturer focusing on material handling efficiency is old news these days. Automation's your thing? No surprise there either. But imagine a company that differentiates itself by...observing green building practices? Deltec Homes, Inc. based in Asheville, NC has been doing it for over 40 years.

A Green Beginning

In operation since 1968, Deltec's signature circular-style homes are known for their hurricane resistant qualities. One was recently built on an episode of *Extreme Makeover: Home Edition* for a New Orleans family who lost theirs to Hurricane Katrina. But what makes this home particularly unique is not its wind-resistant strength; it was the 25th Platinum LEED-certified home in the country.

"Deltec has been a green company from the start," said President David Hall. But when Hall joined the company in 2002, he was determined to take Deltec to a new green level. "We were really able to green up our company," he said. Hall said a heart and soul commitment from employees, management and stockholders helped Deltec reach its goal. It might surprise you to hear this: "And our customers wanted it." The result is a company that has sworn off paper cups and posts lists in the breakroom of employees' addresses so they can carpool to work.

Continuing to develop green building solutions meant creating a full time position one year ago, when they hired Steve Linton as the in-house green building coordinator. Linton says the company has listened carefully to what their customers need. "The biggest driving force was seeing our customers asking questions about green building and being interested in it," Linton explained. "We saw lots of potential to help our customers with this aspect and offer them more."

Linton spends much of his time educating customers about their options for building

Continued on page 38



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Deltec Homes Builds Green

Continued from page 36

sustainable homes. "I answer their green building questions," shared Linton. He said the company approaches new products from a whole house perspective. "My department is focused on making customers aware of the other areas of green building and how we can help them make their house green as an entire system, not just through materials and energy efficiency," said Linton. "We are dedicated to giving people the information they need to look at the house as a whole."

Shades of Green

Hall noted that Deltec caters to many levels of "green." "We will make our components and home packages green to whatever extent our customers want," said Hall. This means complying with the principles defined in residential green building standards like LEED for Homes or NAHB's National Green Building Standard. He clarified that employing these green concepts doesn't necessarily mean Deltec Homes are certified under one of the standards. Hall said the green certification marketplace can be confusing: "It's easy to get distracted and confused about all the different green building initiatives in the market."

The company uses certified lumber whenever possible. Linton says finding a source that can provide a specific grade and species of certified lumber can be a challenge, especially a when the goal is to find a local source. "We avoid shipping certified lumber across the country due to the environmental impact it has," explained Linton. Instead, he said, they try to purchase locally and encourage their lumber dealers to become certified.

"We try to align ourselves with business partners who already share our vision." Linton continued, "For example, one of the tree farms we use in Georgia already had some green practices in place, but they never had gotten certified. And so we talked about the importance of that certification to us, and now they are in the process of becoming certified."

Linton encourages his suppliers to consider it a way to differentiate themselves. "I ask, 'what products do you have that distinguish you from your competitors?' And then I tell them that offering green products is a great way to stand out in the market." In order for green lumber to be more accessible and affordable, Linton believes more lumber suppliers need to become certified.



Deltec's signature circular-style homes are known for their hurricane resistant qualities. One was recently built on an episode of *Extreme Makeover: Home Edition* for a New Orleans family who lost theirs to Hurricane Katrina.

"As more home builders ask their suppliers to go green, the more readily available [certified lumber] will be. Even over the last year I've seen a difference in what they are carrying because they are realizing the demand for it," observed Linton. "In another five years we hope to be able to get all certified lumber locally." Hall believes that home builders will drive the demand for certified lumber. "Right now [certified lumber] is perceived as such a new and costly material, which means that the purchasing and distribution channels for this type of lumber have not been defined yet," he said.

Waste Not, Want Not

Not only does it strive to make the process of building an eco-friendly home affordable for their customers, Deltec also takes great measures to ensure that its operation has as little impact on the environment as possible. For starters, the company is determined to produce as little waste as possible.

"We currently recycle aluminum, cardboard and plastic," stated Linton. "Soon we will be able to recycle foam and plastic wrap. Our end goal would be to produce zero waste, and we are making great strides to get there."

They have computer-based material optimization saws, advanced production techniques and extensive material recycling and reuse to help reduce wood waste. "Our saws limit the amount of saw waste," Linton explained. "One of the biggest challenges we face is what to do with the leftover wood we produce. When we cut, anything bigger than nine inches can be reused as blocking for floor trusses. And the smaller leftover doesn't go to a landfill; it is either ground up and used as fuel, or used in some other way." And with what little plywood waste they have, they ship it to a charity in Nicaragua to help supply building projects. Hall said it costs no more than sending it to a landfill.

"Zero Energy" Manufacturing

Deltec practices what it calls "zero energy" component manufacturing/home construction. This means using 100 percent renewable energy in their operations.

The 273 power producing photovoltaic solar panels on the roof of Deltec's manufacturing facility are probably the most noticeable. "The solar panel installation that we have here is one of the biggest in the state," stated Linton. "We generate approximately 66,000 kW-hr annually at our facility." To put this into perspective, that's the equivalent amount of power needed to run five conventional houses or ten energy efficient

houses for a year.

Hall said his company is striving to become 100 percent carbon neutral. This means that the amount of carbon dioxide (CO₂) released from the company's business and manufacturing operations is balanced or "offset" by engaging in practices that create a similar amount of non-CO₂ producing energy. "CO₂ is recognized as one of the main greenhouse gases, so what we're doing is limiting the amount of CO₂ that we put into atmosphere," explained Linton. One-third of all power consumed by Deltec comes from its solar roof panels, while they purchase the remaining two-thirds (about 130,000 kW hours) from other renewable energy producers. Deltec estimates that its renewable energy commitment offsets approximately 208 tons of CO₂ each year.

As for the renewable energy it purchases, Linton explained that it is produced in a variety of forms: solar, wind, geothermal and others. It is sold to utility companies or environmental agencies, who in turn sell it to businesses. Deltec, for example, buys its renewable energy from NC Green Power, a brokerage for green energy producers. "Most likely this is what will happen: you pay them a premium, and then they go purchase renewable energy to meet that demand." It's true that renewable energy comes with a price tag. "Renewable energy is anywhere from 20-40 percent more than what you would pay for regular power," Linton estimated.

Although purchasing renewable energy is an option, the company's long-term goal is to install additional energy generating capacity to eventually achieve 100 percent on-site generation. Deltec recognizes it will be a long, expensive process. "When we were looking at the solar panel system, we understood that it would be a nine-year financial cycle," shared Linton. "After nine years, it will be paid off; we will be using a lot less energy and earning revenue by selling the excess energy."

The company is also focused on reducing its electric bill. "Lighting is our single biggest electric source, so we are currently replacing all of the light fixtures with energy efficient fluorescent lighting." Their new lighting is projected to reduce their electric consumption by 12 percent annually.

Green Is Golden

Linton is proud of the progress Deltec has made. "Now that we have made some strides in how we manufacture the house, it adds another level to our services, since the whole cycle of where materials come from to how they are produced is all green."

The company's hard work has paid off in spades. "Our corporate philosophy is to reduce the mark that our business and our homes leaves on the environment," Hall said, "and it's also proven pretty darn good for our bottom line." **SBC**

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How Solar Panels Work

The photovoltaic (PV) cells shown at left, or solar cells, convert the sun's energy directly into electricity. PV cells are made of special semiconductors that absorb

a certain amount of sunlight when it strikes the cell. Through a process of electron activation and flow, an electric current is formed within the cell. This current is then drawn off the PV cells and used for power in both homes and businesses.

Lasting more than 30 years in some cases, PV cells are best mounted on unshaded south-facing roofs. PV cells come in many different sized "systems," depending on the amount of electricity a facility requires. (Factors like average monthly sunlight levels for different geographical areas, rainfall, number of cloudy days, and altitude will determine this average monthly sunlight level.) You'll also want to know the facility's average annual energy demand (reference last year's utility bills or talk to your utility company). For instance, Deltec's annual manufacturing demand is roughly 200,000 kW hours.

Of course, even if you live in the sunniest place on earth solar cells can't convert sunlight to energy 24 hours a day. An energy storage system involving batteries can be added to the system in order to supply 100%

of your own energy. Although generating all of its energy is Deltec's goal within the next nine years, the company is currently connected to NC Progress Energy's utility grid, which allows them to buy power when they need it (say, at night). Connecting to this grid will also allow them to sell back the excess energy they produce when the time comes. Deltec's Steve Linton points out that the company has not chosen the battery route because being grid-tied offers the most favorable economic solution.

As far as the installation of a PV system, CEO David Hall believes it's best to be done by a licensed electrician who has experience with them.

As for the cost of its PV system, Deltec says it spent approximately half a million dollars to install this first phase of their solar energy initiative. The installation took more than eight weeks from beginning to completion, but no interruption in business took place. The "cutover" took place on a Saturday morning and was seamless.

As a result of the 2005 Energy Policy Act, your company may be eligible for a tax incentive for installing a PV system. The energy bill specifies the Energy Efficient Commercial Buildings Deduction amounting to 30 percent of the cost of the system for businesses installing photovoltaic cells by December 31, 2008. For instance, Deltec took advantage of the standard federal credit of 30 percent and an additional North Carolina state tax credit of 35 percent. Based on these credits, Linton anticipates a less than nine-year ROI for their PV system.

Visit www.energytaxincentives.org for more details on tax incentives for businesses. **SBC**

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Legislative CONFERENCE



"People in government only know what they see on TV or on the Internet. They don't know about our industry and our concerns unless we bring them to their attention. That's why I go; I love it."

**—Chris Lambert,
Southeastern Materials, Inc.**

by Sean D. Shields

During Bill Clinton's 1992 Presidential campaign, James Carville (who we happened to see at the Palm restaurant on Wednesday evening—May 14) turned a phrase that would not only get the Democratic candidate elected to the White House, but would continue to be used by political pundits today: "It's the economy, stupid!"

With the general election in November fast approaching, almost every lawmaker, bureaucrat and political pundit in Washington, DC is considering that well worn quotation closely, trying to figure out who has the upper hand in ultimately controlling our federal government once the election is over.

Within this context, component manufacturers and suppliers from 22 states visited our nation's capital last week to discuss one of the most critical aspects of our faltering economic condition, the housing crisis. Annual single-family housing starts have fallen from their peak of 1.84 million in January 2006 to 954,000 in April 2008, representing a 52 percent decline in just two years. According to the National Association of Realtors, the national housing inventory has climbed to 4.1 million units, representing a 9.9 month supply.

During the WTCA Legislative Conference, the structural components industry conducted 97 individual meetings with members of Congress to remind them how bad the housing economy is, and provided perspective on what lawmakers can do to provide relief. It was timed perfectly, as both the Senate and House were currently debating the merits of the "American Housing Rescue and Foreclosure Prevention Act" (HR 3221). This omnibus housing measure contained a little bit of everything to help out various aspects of the housing industry, from builders to current homeowners.

The only real question on most lawmaker's minds when our industry members visited them was what could remain in the bill and still have enough votes to pass both the House and Senate and receive approval by the White House. Some of the key elements of the bill that our industry supported and pushed for were:

Continued on page 44

2008 Legislative Conference Recap

Continued from page 43

- A first-time homebuyer tax credit (of up to \$7,500), enabling potential homebuyers to make a purchase and thereby eliminate excess inventory.
- A \$10 billion temporary increase in mortgage revenue bonds (MRB) to be used for either home purchase or debt refinancing on existing homes that will help financially struggling homeowners refinance mortgages.
- An extension of the net operating loss carry-back for losses occurring in tax years 2008 and 2009. These losses could be carried back (to profitable years where taxes were paid) from two years to four years (back to 2004 and 2005, respectively).
- Modernization of the Federal Housing Administration (FHA), which would enable the FHA to better provide affordable down payment mortgages to millions of homeowners who otherwise couldn't qualify for conventional loans.
- Reforming the housing "government-sponsored entities" or GSEs (Fannie Mae, Freddie Mac and the Federal Home Loan Banks), which are a vital part of America's housing finance system. These reforms would allow Fannie Mae and Freddie Mac to provide loans above the conforming loan caps in areas of the country where high home prices have made it impossible to utilize GSE funding sources.

In addition to the housing crisis, component manufacturers and suppliers also spoke to their lawmakers about the following issues:

Green Building Standards

The structural building components industry supports the concepts of green building, sustainable development and energy efficiency. Our industry supports congressional efforts to promote and enhance all credible green building standards that are voluntary and consensus-based as methods to accomplish green building goals. According to the National Association of Home Builders (NAHB), green built homes will account for up to 10 percent of new construction by 2010—and two thirds of all home builders expect to be involved in green building to some degree by the end of 2008.

Congress has considered numerous proposals in the past year that would require the use of green building standards in new residential construction. However, green building design and construction is still a relatively new science and market practice, and there is a great deal that has not been researched or quantified with regard to the factors that constitute "green building."

Our industry believes it would be unwise for Congress to enact legislation that would mandate the use of any single green building standard because this would immediately define and limit implementation of green building and create a green building monopoly for the standard that Congress

enacts. It would also reduce the effectiveness of alternative green building standards development that would allow for greater marketplace adoption of green technologies.

Immigration

In addressing the enormous challenges confronting our nation's immigration system, the structural building components industry believes Congress, not states or local governments, should be the one to establish employer obligations. Our industry supports comprehensive immigration reform that will provide tools for employers that are easy to use to ensure compliance with the law, and avoid unfairly penalizing employers

The Census Bureau estimates a net increase of 500,000 illegal immigrants annually. For example, in 1999 Immigration and Naturalization Service (the INS has since been rolled into the Department of Homeland Security) estimated that 968,000 new illegal immigrants settled in the U.S. that year alone. In addition, the increased availability of forged citizenship documents makes illegal immigration a more significant problem for employers because it is so difficult to determine who is eligible for legal employment.

Congress, as well as state and local governments, are considering proposals requiring employers to utilize the Department of Homeland Security's E-Verify program, which allows employers to verify a person's work authorization online. However, the structural components industry has some serious concerns regarding the accuracy of this program and the federal government's current ability to keep its databases updated. Our industry believes that if Congress decides to make this program mandatory, it should ensure that the E-Verify system is capable of handling requests from the nation's seven million employers, as opposed to the 30,000 who currently utilize it on a voluntary basis.

Trade

The structural components industry supports efforts to promote free trade. An unfortunate aspect of current U.S. trade policy is, in the two cases that affect our raw material supply — steel and lumber — countervailing and anti-dumping duties have been imposed with no consideration of the adverse impact on component manufacturer consumers or on the overall housing market.

Our industry believes Congress should enhance current U.S. trade law to require an analysis of the total impact of any decision on the overall economy. An analysis should always be performed that addresses "downstream" market impacts. This analysis should allow U.S. trade representatives to predict and proactively resolve potential unintended supply-demand consequences to consuming industries. Unintended cost increases, like the ones our industry has experienced, can easily create an economic hardship on businesses that need raw materials and other imported goods to transact



Eleven conference participants toured Shelter Systems Limited in Westminster, MD before the conference kicked off Wednesday evening.

business. Any changes to U.S. trade law should allow industrial consumers of a product to have an equal standing with domestic producers and importers in trade cases.

Energy

In considering various proposals to reduce the emission of greenhouse gases to address global climate change issues, the structural building components industry believes Congress should closely consider how legislation to implement a cap and trade system will:

- Impact U.S. jobs
- Affect the U.S. economy
- Alter where U.S. housing is built
- Create new regulatory requirements at a significant cost to business that must be passed on to consumers.
- Create a new cap and trade economy that will be ripe for speculation, fraud and abuse.

Under a "cap and trade" system, lawmakers would set a limit on emissions and allow companies to buy and sell rights to emit carbon dioxide. Carbon dioxide is produced primarily from fossil fuel combustion, which currently provides 85 percent of America's energy, and 98 percent of transportation

fuel. Independent firms like Charles Rivers Associates (CRA), have estimated that the cap and trade system will significantly increase energy prices by 36 to 65 percent by 2015 and 80 to 125 percent by 2050.

Net job losses are estimated by CRA to be between 1.2 million and 2.3 million by 2015, directly caused by implementation of this type of legislation. Skyrocketing fuel and energy costs will likely alter the make up of urban construction due to rising transportation costs, and move buyers away from single-family residences to more urban high-rise/high-density homes. These higher costs will also make homes more costly to produce and maintain, making it harder for the average American family to buy a home.

Conclusion

Several component manufacturers and suppliers reported that they were pleasantly surprised and encouraged by how many of their lawmakers were supportive of the industry's positions on the issues outlined above. Yet, given the realities of the election year, it remains unlikely Congress will tackle much more this year than a comprehensive bill to address the housing crisis. For they truly are focused on the economy, which will likely help them the most in their efforts to get elected in 2008.

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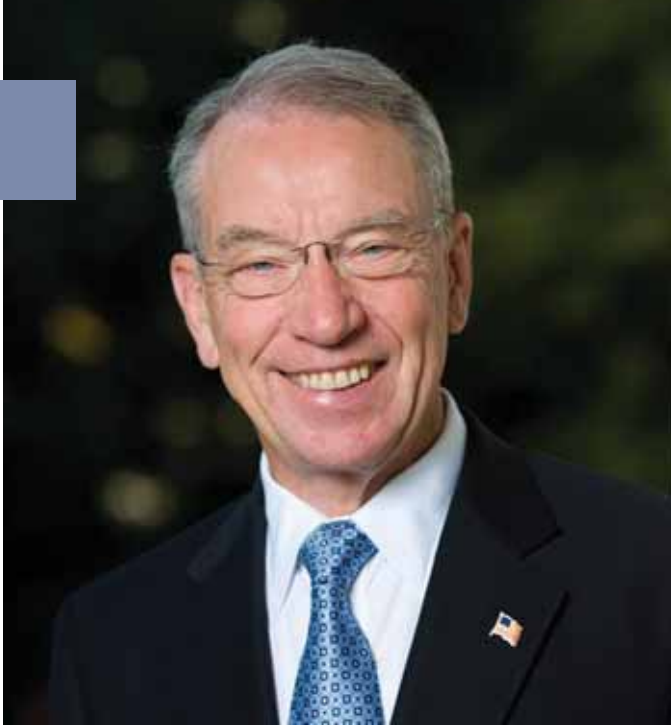
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Senator Grassley's Perspective Exclusively for the SBC Industry



With the U.S. Senate poised to debate possibly the largest, most expensive agricultural omnibus legislation—fondly referred to as “The Farm Bill”—in our nation’s history, the senior Senator from one of the United States’ most important farm states entered our meeting room in the Washington Court Hotel to talk to the component manufacturing industry. The fact Senator Charles “Chuck” Grassley (R-IA) was willing to take time to speak with the industry at such a crucial moment speaks volumes about the value of relationships.

Senator Grassley has done a lot for the structural building components industry over the years. When component manufacturers first started going to Washington, Rick Parrino (Plum Building Systems, Des Moines, IA) helped the industry forge a relationship with one of the Senator’s top legal counsels, Everett Eissenstat. Eissenstat and Senator Grassley were instrumental in helping manufacturers raise awareness of the negative impact of softwood lumber dispute on U.S. component manufacturers and all downstream lumber purchasers.

The Senator helped to successfully repeal the Byrd Amendment, a trade law that was making the dispute much more difficult to resolve.

The relationship built with Mr. Eissenstat has proved invaluable, particularly after he assumed his present position as Assistant U.S. Trade Representative for the Americas in the White House. In this position, he has kept the structural

building components industry well informed of developments in the softwood lumber issue (see this year’s recap of the meeting with Eissenstat on page 48).

Senator Grassley began by talking about the first economic stimulus package passed by Congress last year as a way to boost domestic consumer spending. He felt only time would tell whether it would be effective at staving off a recession. Grassley stated the United States was currently not experiencing a recession because first quarter growth was positive, although he conceded the country’s economic growth is very weak. He also touched upon the idea that the negative drumbeat we all hear every day and the consequent negative public perception is a key factor driving the economy toward a possible recession (a topic discussed on p. 52-53).

Then he turned to the massive housing bill (H.R. 3221) currently being considered by Congress (the details of this legislation are discussed on p. 54). Grassley said he felt a lot had gone wrong in the housing industry over the past six years, from over-construction to unscrupulous lending. He blamed a breakdown of the checks and balances that should have prevented the current situation from occurring.

Grassley then touched upon one provision in the upcoming Farm Bill offered by Senator Max Baucus (D-WY), who took over for Grassley as Chairman of the Senate Finance Committee in 2006, that would create a mechanism to ensure

“I want to thank WTCA staff for bringing in Senator Charles Grassley to speak with us at the conference. He did a wonderful job going over key bills and I loved his assessment of the Liberal Movement. He is quite an impressive lawmaker, to say the least.”

—Ron Groom, General Manager/Finance, Stark Truss Co., Inc.

Bio: Senator Grassley

When it comes to making public policy, Senator Grassley is known as a workhorse, not a show horse. He’s earned a reputation as an honest broker and has achieved great legislative success.

Senator Grassley is the Ranking Member of what he calls the “Quality of Life” committee because it’s responsible for the issues affecting virtually every American from cradle to grave. The Finance Committee is responsible for tax policy, Social Security, Medicare, Medicaid, welfare policy, pensions, worker’s compensation, and job-generating international trade. Senator Grassley also uses his other key committee assignments -- Agriculture, Judiciary and Budget — to gain the best advantage for Iowans.

While Chairman of the Senate Finance Committee in 2001 and from 2003 to 2007, Senator Grassley guided through Congress seven international trade agreements covering 12 countries and nine major tax bills, including the biggest income tax cut in a generation, which Alan Greenspan said was key to helping the economy recover after 9-11. The 2001 Grassley tax

cut made the tax code more progressive by creating a 10-percent marginal rate for the lowest-income worker, expanding the child tax credit, and reducing the marriage penalty. By spurring economic activity, the tax policy also resulted in record-breaking revenues collected by the federal Treasury.

As Chairman, Grassley succeeded in making tax-free savings plans for college a permanent part of the tax code, creating the deduction for tuition, and securing the tax deductibility of interest on student loans. In 2006, he shepherded through Congress the first major overhaul of pension guarantee legislation that was enacted in 1974. It is designed to prevent Enron-type scandals from happening again and includes broad new incentives to help Americans save more for retirement. Chairman Grassley made sure that millions of American families were held harmless from the unintended consequences of the Alternative Minimum Tax. And, Grassley fought for tax fairness by shutting down tax shelters and closing tax loopholes used by corporations and wealthy individuals to avoid taxes owed.

that the export charges on softwood lumber from Canada would be enforced. The export charges are part of the quota system included in the current softwood lumber agreement that is a point of contention between the two countries currently (this issue is also discussed further in the meeting with Eissenstat, p. 48)

After his formal remarks, Senator Grassley answered a number of questions asked by conference attendees. His passion for many of the topics was evident as he mixed humor, experience and facts in response to many of the questions.

On of these questions was a legislative topic that is little known, but very important aspect of our constitution and Congressional structure—the “Rule of 41.” In the U.S. Senate, it takes the vote of 60 Senators to force consideration of a bill. The Republicans currently have 49 Senators, and Senate Minority Leader, Mitch McConnell (R-KY) was quoted in the Wall Street Journal recently saying, “the good news is that 49 is not a bad number in a body that requires 60. The United States Senate is the only legislative body in the world where a majority is not enough.” McConnell also said in that article, “Really bad ideas die in the Senate, and in that sense it has protected America from extremes throughout our history.”

Grassley expounded upon these sentiments as he talked about the internal workings of the current Congress, the upcoming election and how essential it is for the minority party to retain at least 41 Senators in order to preserve this vital check on actions that can prevent unintended public policy consequences. The last thing he noted is that he expects the Rule of 41 to be maintained in the 2009 Congress. Senator Grassley noted, “The fact that our minority voice can still be heard is the greatest comfort we all can have going into the November elections.”

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Agency Meetings

United States Trade Representative (USTR) Office of the Americas

Everett Eissenstat, Assistant U.S. Trade Representative
John Melle, Deputy Assistant U.S. Trade Representative

Representatives from the structural building components industry have visited with Mr. Eissenstat each of the last three years to discuss trade issues facing the industry. The first topic discussed was the status of the current softwood lumber agreement with Canada. At issue is the fact that U.S. softwood lumber producers alone cannot meet current domestic demand. Today, Canadian softwood lumber imports account for approximately 36 percent of the entire supply available in the U.S.

In the midst of its second year, the current 5-year agreement is already showing signs of wear. From USTR's perspective, there remain serious concerns regarding the Canadian government's subsidization of their softwood lumber industry, primarily due to the fact that the forest products industry is a significant source of employment in Canada. When combined with the extensive beetle kill harvesting in British Columbia, imports into the United States remain at a high level given the very low market prices for lumber today.

Per the agreement, imports at a given price or above a provincial quota are subject to a Canadian tax. Apparently, collection of these taxes and the entire Canadian tax collection process has not gone as efficiently as the U.S. had originally hoped. The U.S. had argued before the London Court of International Arbitration (the dispute resolution body created by the agreement) that Canada was violating the 2006 treaty by not imposing a so-called "surge tax" on Canadian lumber companies during the first six months of 2006 when lumber shipments to the U.S. were strong.

This perceived noncompliance has apparently spurred Senator Max Baucus (D-WY) to add an amendment to the Farm Bill that would create an improved mechanism to ensure that the export charges on softwood lumber from Canada would be collected. The amendment would require lumber importers to declare that their U.S.-bound shipments meet the terms of the agreement. It would also require the U.S. government to verify compliance with the agreement and impose penalties on importers who knowingly violate the trade rules.

Before the current agreement was signed, price volatility in the lumber market made it difficult for component manufacturers to successfully bid jobs over a month out and remain accurate in their cost estimates for raw materials.

Once the current agreement ends, there will again be market-place uncertainty if no enduring resolution is created in the meantime. Fortunately, the negotiators at USTR recognize that only a long-term solution will allow U.S. companies the ability to compete in their marketplaces on a fair and equi-

table basis. Based on the comments made by Eissenstat and Melle at this meeting, it appears that both countries are committed to reaching a long term agreement. The real question remains: what will that agreement look like? The details will likely be subject to heavy scrutiny by lumber producers on both sides of the border.

The conversation then switched to the domestic supply of steel. Since early 2004, connector plate prices have escalated on average 50 percent, just to cover the rising cost of steel, and by as much as 200 percent for some specialty products. The components industry delegation explained to USTR that the continued and frequent price increases for steel has made it difficult to manage costs in a time when demand for structural components is remaining low.

Eissenstat and Melle explained that U.S. steel prices have risen due to continuing high demand here and abroad, and higher prices for steel raw materials. U.S. steel production is at high levels and new steelmaking capacity is coming online soon due to market demand. However, they expressed concern that some foreign government actions to restrain exports of the raw materials needed for domestic steelmaking are contributing to high prices and reduced availability of steel. In some cases, measures such as export quotas and export duties have been placed on raw material by foreign governments.

They said the USTR is working with Japan and the EU in the Doha non-tariff barrier talks on industrial goods to improve transparency when members use these measures, to ensure they are consistent with GATT norms. They are also working through the WTO to reduce export duties on key globally-traded raw materials such as ferrous scrap from Russia and Ukraine.

Finally, they addressed China, which maintains restrictive export quotas on 13 key raw materials used in steel production and many other industries including coke, antimony, bauxite, fluorspar, manganese, silicon carbide, tin and tungsten. They assured us that USTR has raised concern about these measures bilaterally with the Chinese government, at the WTO and will do so again in late May at the WTO Trade Policy Review of China.

U.S. Department of Labor (DOL) Employee Benefits Security Administration

Alice Joe, Deputy Assistant Secretary for Policy
Thomas Alexander, Assistant Secretary's Chief of Staff

The structural building components industry has visited with the DOL's Office of Employee Benefits Security Administration each of the last three years arguing that unless the high costs of health insurance premiums are quickly brought under control, many manufacturers within the structural building

components industry will be unable to provide their employees with adequate health benefits, and may be faced with the difficult choice of dropping health benefits entirely.

This year, we argued that the ongoing increase in medical and insurance premium costs in this country is continuing to create a significant barrier to high-quality, accessible health care. While Congress appears less than willing to address this complex issue in an election year, unfortunately the situation is only getting worse. According to several government studies, health care spending in America has increased from 5 percent of GDP in 1960 to 16 percent in 2004, and is expected to increase to 18.7 percent in 2014.

Approximately 75 percent of the structural building component industry is made up of small business owners who average less than \$5 million in annual sales and have less than 50 employees. Nationally, small businesses are less than half as likely as large employers to offer health benefits to their workers. While 95 percent of employers with more than 50 employees offer health benefits, only 43 percent of employers with fewer than 50 employees do so. In addition, Small businesses pay as much as 30 percent more than large employers for similar health benefits.

In this context, a group of component manufacturers met with Assistant Secretary Joe to discuss what measures Congress may be considering to address this serious problem. Unfortunately, the short answer was: not much. The one issue that Congress does appear close to passing is a strengthening of the Employee Retirement Income Security Act (ERISA) law, which establishes federal standards for health coverage and helps create uniform health coverage between the states. Due to past Congressional inaction, many state legislatures have passed their own health coverage plans that are inconsistent with ERISA.

However, even though Congress is not tackling this issue this year, the representatives at the meeting did learn something very valuable about a statistic we have referred to in the past. One commonly used statistic in reference to the uninsured is: forty-seven million Americans do not have health insurance. This statistic is very misleading. This figure comes from the U.S. Census Bureau. What most people don't know, however, is that the Bureau counts anyone who went without health insurance during any part of the previous year as "uninsured." So if you weren't covered for just one day in 2007, you're one of the 47 million.

That figure also includes 10.2 million illegal immigrants, and about 14 million people who are eligible for public health-care programs like Medicaid or the State Children's Health Insurance Program but haven't enrolled. And nearly 10 million of the "uninsured" have household incomes of more than \$75,000, meaning they can probably afford to buy health insurance but consciously choose not to. So to say that 47 million Americans do not have health insurance because of the cost is not an accurate assessment of the situation. It does not take away from the fact that there still are roughly 13

million people who cannot get coverage in the current environment and still need it. This is an issue Congress cannot afford to ignore for much longer.

U.S. Dept. of Housing & Urban Development (HUD)

Dr. Darlene Williams,
Assistant Secretary, Policy Development & Research

The first thing we learned at HUD was that they have a really nice view of the FedEx Field, the new home of the Washington Nationals baseball team. The second thing we learned was that HUD, and the Bush Administration, was not in support of the way in which the "American Housing Rescue and Foreclosure Prevention Act" (HR 3221) aimed at modernizing the Federal Housing Administration (FHA). The third thing we learned was that the Policy Development & Research Office at HUD has a new senior management team committed to affordable housing and bringing better technology to bear on home construction.

During this meeting, representatives of the structural building components industry spent a great deal of time discussing the Partnership for Advancing Technology in Housing (PATH) program. Many members of the new senior management team, including Assistant Secretary Williams, was not aware of how intimately WTCA has been involved in this program in the past.

The PATH program's mission is to accelerate the development and use of technologies that radically improve the quality, durability, energy efficiency, environmental performance and affordability of homes constructed in America. It is primarily intended to be a conduit for private-public partnerships for the federal government to leverage the innovations of private enterprise to build better houses

Discussion ranged from exploring the PATH Industry Steering Committee structure, including past performance and current expectations; the direction the Structural Building Components industry is headed in, including areas of common interest such as affordable housing through optimum value engineering; the testing being done at the Structural Building Components Research Institute (SBCRI), and, how that will affect industry engineering concepts; as well as areas of HUD interest that align with structural building component industry interests.

Everyone in attendance benefited from the frank and open discussions on industry issues that took place, and there is great potential for meaningful collaboration in the very near future. Industry representatives also gave the senior management of HUD an open invitation to take a tour of the SBCRI whenever their schedule would allow.



Capitol Hill Calls

At the Eighth Annual SBC Legislative Conference, component manufacturers and suppliers from 22 states conducted 97 visits with their members of Congress in a little less than eight hours! Armed with state maps, talking points and extensive knowledge of their businesses, these members ensure that the concerns of our industry had a voice in the process of lawmaking. As the summaries below illustrate, in some cases these meetings were simply a refresher, in others they were a confirmation, and in others still, they were an important eye opener on issues the lawmaker may have previously been unaware of.

The lawmaker visits are the bread and butter of each Legislative Conference. These meetings open up a dialogue that not only gives our industry an opportunity to voice its concerns, but it also fosters local connections, allows participants to gather good information about governance from the source, and may result in better understanding of our industry through a truss plant tour. Of course, discussing the issues is very important, but in actuality lawmaker visits are really simply tools to help component manufacturers and suppliers begin building relationships with the most well-connected individuals in their communities.

Bob Becht, Florida: I felt that all my meetings went really well, and I felt they were productive. My meeting with Sen. Bill Nelson was a really positive experience, and Rep. Tim Mahoney is a blue dog Democrat, so he was in full support of our industry's views.

Clyde Bartlett, Kentucky: I strongly pushed my lawmakers to take a tour of our facility. We've had to lay off a number of employees over the past year, and many of our production employees left are ex-convicts. When I told them that, their ears perked up; these are individuals who would have a hard time finding a job somewhere else in the district if we had to close.

Joe Kannapell, Virginia: I was impressed that Rep. Virgil Goode, Jr. knew about the truss plant that had recently closed in his district. My congressman is pretty conservative, and

he explained that the Republicans don't want to do anything with the housing issue that will reward those who made bad decisions.

Glenn McClendon, Nevada: I've been coming here for years, and I don't remember it ever being so hectic in my lawmakers' offices. My lawmakers, both Democrats and Republicans, supported the housing bill, but they all thought the extension of the net operating loss carrybacks would be too expensive.

Tawn Simons, California: My lawmakers expressed sympathy with our position and were impressed with the statistics we provided to them. We were also able to tentatively set up a tour of our facility with our representative.

Dave Motter, Washington: The entire Washington legislative delegation seemed in tune and supported our position on the housing bills. The funny thing was that both my senators and representative expressed frustration at the other chamber for not working faster on the housing legislation. Overall, it was really nice to be in tune with them.

Steve Cabler, Missouri: Rep. Todd Akin knows our industry very well. He's extremely conservative, however, and subsequently is not in favor of anything that would bail out the housing industry.

Rick Parrino, Iowa: When I talked to Rep. Steve King, his office really seemed to respond to how bad our numbers were. They were thinking housing was off by only 25 percent, but when they found out it was more like 60 percent [for my company], that made quite an impression. Rep. Tom Latham didn't like the idea of a bailout to bankers or lenders, but more importantly, he didn't want Congress to make a mistake and create an even bigger problem down the road.

Scott Arquilla, Illinois: When I met with Sen. Richard Durbin's office, his aide said the Senator was very engaged in housing, so much so that he was thinking of adding his own amendments to the housing bill (HR 3221). My next meeting was with Rep. Bobby Rusch's office, where the aide recognized me and was familiar with our issues.

Armed with state maps, talking points and extensive knowledge of their businesses, these members ensure that the concerns of our industry had a voice in the process of lawmaking.

Jim Finkenhofer, Georgia: I met with the aides for both of my senators, and they seemed to think that the housing legislation would ultimately not pass. I did have an excellent meeting with my congressman, though. After seven years of coming to the Legislative Conference, I was finally able to meet with him; we realized we have mutual friends! I feel like through that 45-minute meeting I have a new relationship with him now.

Keith Azlin, Arizona: I met my congresswoman, and aides of my two senators. My congresswoman initially had to leave for a vote, but her office called and asked me to come back an hour later. We ended up having a great conversation, and she committed to taking a tour of our truss plant when she is back home.

Mike Karceski, Illinois: I talked with Rep. Donald Manzullo, and he is very proud of what they have been able to put together in the housing bill (HR 2331). We also talked about the price of steel, which he believes is a global issue.

Dean DeHoog, Michigan: I started off meeting with Rep. Peter Hoekstra's aide, but in the end I got to meet with Hoekstra briefly. He is spending a lot of time on fuel prices and trying to find a solution. I also met with Rep. Vernon Ehlers, who is really engaged in the green building and energy issues.

Carl Schoening, Texas: Most of the Texas legislative delegation seemed to agree there would be no significant legislation passed before the election. Our lawmakers also didn't really want to support the housing bill because they saw it as a bailout.

Chris Lambert, North Carolina: I had a great meeting with Rep. Robin Hayes. Being from North Carolina, fuel and steel were big issues with him. We had a great conversation.

David Horne, North Carolina: My meetings with my members of Congress went really well, even if it was a little like preaching to choir on most of the issues [because their views are in line with our industry]. However, Sen. Richard Burr does not support the mortgage revenue bonds because he sees too much ability for abuse, but he did support the FHA modernization and GSE reforms.

Keith Lindemulder, Texas: I had a great meeting with Rep. Michael Burgess, who is on the House Energy and Commerce Committees. Rep. Burgess invited us to participate in an industry advisory committee to help him craft language to amend the cap and trade portion of the Global Warming bill being sponsored by Senator Joe Lieberman. He also just recently went to China, which now produces as much steel as the rest of the world combined, and he feels that the rising cost is a real problem.

Michael Schwitter, Texas: This was my first Legislative Conference, and I must say it was much better than I expected. I was impressed with the talking points, and I think it will be very interesting to see what happens after the election.

Brian Johnson, Virginia: In my meeting with Rep. Eric Cantor, he agreed to take a tour of our plant. I was surprised by how little was known about the green building issues, because this is big issue for us.



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Perception versus Reality



By Sean Shields & Joe Kannapell, P.E.

Perception and reality. One would argue that these are two different things. Perception is created by the events or actions we can observe, and we make assumptions about the rest to create our own view of reality. Reality is the more elusive true nature of things: "It is what it is." However, in our world where electronic information is at the tips of our fingers, 24-hour news cable channels inundate us with data and commentary, and every interest group and governmental agency polls the populous regularly, one could begin to argue that our perception of things is what drives and determines reality.

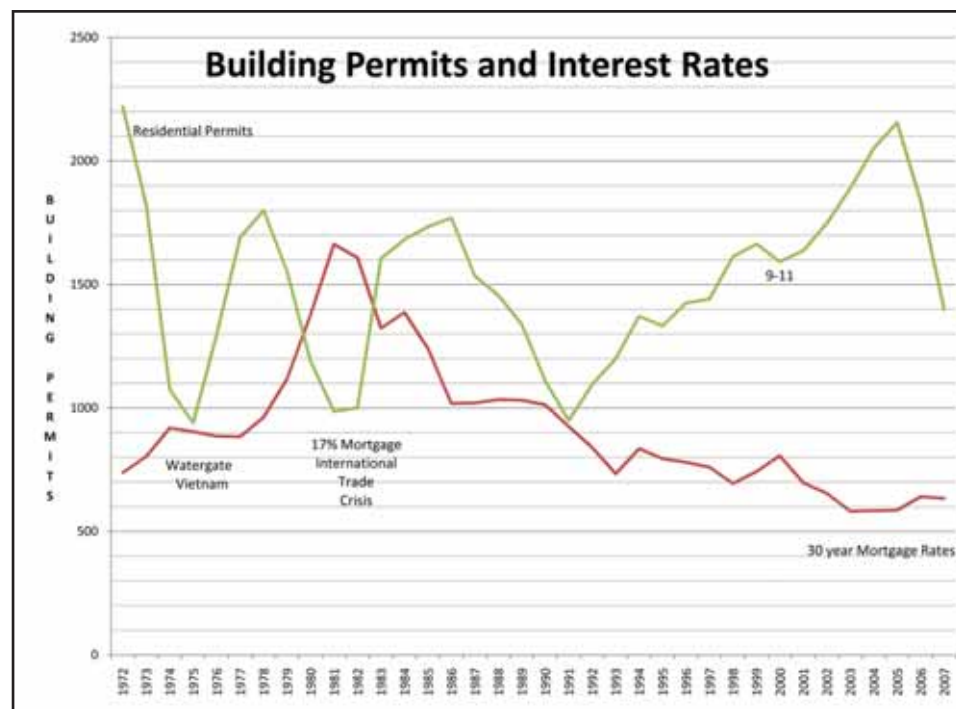
The reality of housing construction is that it has been subject to an up and down cycle, clearly illustrated above. From 1972 to 1986, young component businesses rode a roller-coaster or W-shaped curve, with uncomfortable valleys coinciding with the post-Vietnam malaise and sky-high interest rates. Component manufacturers may have enjoyed the surge of the mid-80s, but they had been conditioned by nine down years out of the previous 15 to expect that it wouldn't last. Those who correctly perceived the next difficult five years had to survive a housing market that reached the lowest level (1991) in the previous 20+ years.

In retrospect, 1970 to 1990 was a difficult period for most component manufacturers. The largest manufacturers, National Homes, Boise Cascade (Kingsberry) Homes, and Wickes closed dozens of plants. Many lumber yards who dabbled in components as a sideline got out of the business. In slow growth areas of the country, there was considerable attrition as the market continued to adjust.

To put this in the context of our current national economy (and the housing market), after the tragedy of September 11th, 2001, the national perception of national security and strength diminished significantly. This change in perception burst the high-tech stock bubble, which had a negative impact on markets worldwide. However, even as fear and this negative perception

of the future inundated the populous from media outlets and governmental spokespeople, annual housing permits began a steep climb upward.

By the end of 2001, approximately 1.5 million building permits were issued, but in 2005 almost 2.2 million permits were granted. The last time permits saw such a meteoric rise over such a short time period was 1982-1985, two decades earlier. This boom in housing starts was driven in part by historically low mortgage interest rates, combined with a perception that real estate was a much better investment than the highly volatile stock market after the tech bubble burst.



Source: U.S. Census Bureau

During the first half of this decade, home builders couldn't buy land fast enough for development, component manufacturers couldn't build trusses fast enough, and mortgage lenders were falling all over themselves to offer loans to anyone with a pulse interested in buying a home. Life was good for the structural building components industry. Practically everyone knew it couldn't last, but no one knew when it would stop, and virtually no one could sit on the sidelines while times were so good.

The end came, on a national scene, during the last quarter of 2005 and first quarter of 2006. Single-family housing starts fell from their peak of 1.84 million to just 680,000 in March 2008. We all knew it would end, but almost no one expected the decline to be as rapid and deep as it has been. As Senator Charles Grassley (R-IA) told component manufacturers in a speech during the 2008 SBC Legislative Conference, the cause of this contraction was due in large part to the failure of several checks and balances in government and the marketplace that should have arrested the building frenzy that preceded the fall.

The virtual collapse of the housing credit market has only served to exacerbate the situation, causing the decline to sharpen further. As the waves of foreclosures gained momentum, more and more financial institutions capsized. Those that remained severely tightened their lending restrictions, making it that much more difficult for the average homeowner to buy a house.

We now find ourselves in a situation where the reality is bad, but the perception is worse.

In technical terms, our country is not in a recession (signified by two consecutive quarters of negative GDP growth). According to the U.S. Dept. of Commerce, Gross Domestic Product (GDP) grew at a meager 0.6% annual rate in the first quarter of this year. However, while this equaled 2007 fourth quarter performance, the reasons behind the first quarter growth were considered to be less favorable. As a result, most national economists perceive that negative GDP growth is likely to emerge in the second quarter of the year.

The reality is that growth has been, and will likely continue to be slow. Very slow. Bart van Ark, Chief Economist of The Conference Board, recently stated, "[The 0.6% GDP growth] is far from the worst headline in this continuing period of bad news, but it still doesn't signal any rapid recovery underway."

The Conference Board, which publishes the Consumer Confidence Index, indicated that the April CCI fell 3.6 points to 62.3, deepening into its lowest point since a 71.3 low in 1993. While the Expectations component was virtually unchanged, the Present Situation component declined sharply (from 90.6 in March to 80.7 in April), van Ark noted: "This suggests there may be even further economic softening to come." The reality is that growth is occurring; the perception is that the economy is probably going to get worse.

This perception is reflected in the attitudes of home builders. Home builders remained considerably downbeat, according to the NAHB/Wells Fargo Housing Market Index (HMI), released in mid-May. The 23-year-old HMI fell a single point to 19, bringing it within one point of the record low 18 set in December 2007. "With the HMI hovering in the historically low two-point range that's prevailed over the past nine months, the message is very clear: The single-family housing market is still deteriorating and Congress and the Administration must move immediately to enact legislation that will help reverse the trend," said NAHB President Sandy Dunn.

NAHB's Chief Economist David Seiders, echoed this senti-

ment, saying, "The latest HMI shows that even fewer builders now foresee market conditions improving over the next six months compared with our April survey, and builder ratings of buyer traffic through model homes also have dropped off over the past month on a seasonally adjusted basis."

As the perception of a poor economy and a potential or actual recession permeates the airwaves, consumer and builder confidence has eroded, driving a reality where no one wants to buy a home, and no one wants to build one either. Driving this condition is another reality: there are far too many empty homes. The National Association of Realtors reported in April the national housing inventory had climbed to 4.1 million units, representing a 9.9 month supply.

The bad news is the imbalance in housing markets between supply and demand appears to be worsening. The heavy excess supply is also putting strong downward pressure on house prices, driving national expectations of further price declines. According to the Department of Commerce, the median price of a home dropped 13.3% in March compared to a year ago. In reality, this decline in home prices is eroding the actual wealth of millions of Americans who have sunk their worth into their houses.

In reality, Residential Fixed Investment contracted at a 26.7% annual rate in the first quarter and reduced the overall GDP growth rate by 1.23 percentage points just by itself. According to the NAHB, employment in residential construction (builders and specialty trade contractors) decreased again in April, recording a loss of 33,100 jobs for the month and a cumulative loss of 477,900 thousand from its height in early 2006. It has also led to significant layoffs and approximately 180 manufacturing plant closures in the structural building components industry.

Regardless of whether the economy's poor performance or the housing crisis is perception or reality, the good news is that it doesn't really matter to Congress which it is. As long as the perception exists, in an election year no less, swift action must be taken. Consequently, Congress passed an economic stimulus package early in the year to help spur consumer spending and hopefully encourage overall growth. Now Congress is putting the finishing touches on a measure to help out the housing industry (see page 44) and create more security in the credit markets.

Their actions will likely give Americans more financial incentives to buy a home and a better ability to find and qualify for a mortgage loan (reality), while simultaneously giving greater confidence to home builders and mortgage lenders (perception). Historical trends point to a recovery that is swifter than current estimates and an unwavering population growth will also continue to drive the need for housing. However, it is likely that the perceptions of hope and growth will likely be the greatest factors in driving the reality of recovery in the housing market. **SBC**

For more graphical representation of the concepts discussed in this article, go to **Support Docs** at www.sbcmag.info.

Reduce Risk & Increase Revenue: Pricing Wall Panels

by Jim Boyle

(Part 5 of 6)

An accurate pricing method is crucial for a successful wall panel plant.

In this part of the series, we will discuss Estimating and Pricing Wall Panels. Most wall panel company estimators use similar approaches to doing wall take-offs from a set of plans. It goes something like this.

Start by quickly reviewing the floor layout sheets by level to determine stud size and sheathing requirements if indicated. Next, review the elevation sheets to determine stud height and wall panel type. Then move to the structural notes for header sizes, bearing point sizes and locations, beam pockets, king/trimmer assemblies, arched openings and sub-sheathing/shear sheathing requirements. Finally, check the nailing schedules.

The next step is to review the floor joist layout—particularly around the entry area and stair sections—to determine the location of any balloon walls. Then look at the section sheets for rake (angled) walls or in some cases compound angled walls. If the building is multi-family or mixed commercial, review the “detail notes” for manufacturing parapet walls and party/chain walls.

Once you have a basic understanding of the plans, you can scale or measure the lineal footage of each wall type: 2x4 or 2x6, exterior walls, interior wall, balloon walls, rake walls, party/chain walls, garage face walls, any special walls, and single or double sheathed walls.

When working with many walls types, a good tip is to make a color key and mark each wall type with a different colored pen for easy reference. Finally, mark and count all header types, and any additional studs, beam pockets or posts required for bearing points and multi-stud king/trimmer assemblies. If you manufacture pre-assembled arched rough openings, measure and record them also.

Once the wall take-off is completed, you can manually determine the type, size, and quantity of materials required for a particular panel job, which can take several hours. However, it is much more efficient to use a customized computer pricing program to produce material, labor and final wall panel quotes. It will save you untold hours and costly mistakes.

As an example, I'll describe a program I used when working with a roof truss/wall panel company in the Pacific Northwest. We used a two-part computer pricing model for quoting wall panel jobs.

Estimating—Part 1

The first part is the Wall Panel Material Price Sheet. You enter the total lineal footage of each wall panel type and the program automatically calculates the required number of pieces, sizes (including waste and loss), studs, plates and sheathing. Then you input the lineal footage of all header types, bearing point types, and miscellaneous wood or material. The program will provide a total piece count, and/or the total lineal footage, and cost. The program also allows you to easily adjust the price per thousand in each material category to get a total material cost for the job. Additionally, you can add as many material categories as you need. It only takes about 10 or 15 minutes to cost out virtually any size job, once the wall take-off is completed.

The next step is to accurately determine the labor cost and total job cost. What is meant by total job cost? Every wall panel manufacturer should have a method of pricing wall panels that provides for direct labor costs (with burden), and plant overhead costs before adding a material markup and profit margin.

Amazingly, a lot of companies use what I like to call the “fly-by-the-seat-of-your-pants” method of pricing and quoting a job. This method requires minimal analysis, and usually ends up costing you money in the end.

The one method which I do recommend requires knowing, having, accumulating and updating the following data and information:

- Wall panel or labor type
- Number of personnel typically required to manufacture each wall panel or labor type
- Total number of plant employees (direct labor)
- Average direct labor wage (with burden), i.e., \$15.00/hour
- Plant labor cost per hour
- Plant labor cost per day
- Number of hours in a production shift/day
- Lineal feet of production for each wall panel or labor type
- Labor cost per lineal foot for each wall panel or labor type
- Man-hours per lineal foot for each wall panel or labor type
- Monthly (average) plant Break Even Analysis

I realize this seems like a lot to keep track of, but it's pretty important stuff! The really successful wall panel plant owners and/or managers need to have this information. Realistically, how can any plant manager provide an accurate quote without knowing their direct labor costs and monthly operating expenses?

Estimating—Part 2

The second part of the pricing model, Wall Panel Pricing Worksheet, combines the lineal footage of each wall panel or labor type with the material and cost information previously calculated from the Wall Panel Material Price Sheet.

Additionally, there are areas in the worksheet where you can input nails, fasteners and other miscellaneous hardware and material costs that we would normally mark up. You also have the option of inputting delivery and other random costs that you wouldn't typically attach a margin to.

A really neat feature with this pricing model is that the mark-up of wood materials, nails, fasteners and other hardware can be adjusted to fit the volume of work expected from any customer. The total margin on labor costs (with burden) can also be adjusted accordingly. Other costs as required (which would normally be marked up), can be noted as a separate line item. Items with no mark up or margin added, like delivery costs, can be added as a separate line item.

In addition, (now this is really cool), the program has what is called a Difficulty Factor for the job. This number can be adjusted up or down (1.0 is the average). When adjusting the Difficulty Factor in increments of 0.1 (up or down), the program will automatically increase or decrease the overall margin! This becomes desirable when there are substantial non-machined or special wall panel types being quoted (i.e., balloon or rake walls).

When using this pricing program, estimating wall panel types and producing finished quotes are easily calculated and adjusted (usually in just a few minutes). I've personally unrolled as many as eight sets of plans in a single day (it was a long day), completing each of the wall take-offs, material pricing and finished quotes. As you can see, having a detailed, informative, and easy-to-use computer pricing model will save hours of labor and costly mistakes, provide you with a wealth of information and have a very quick return on investment.

Next month I will cover Marketing and Sales of Wall Panels. See you then! **SBC**

Boyle is a wall panel business startup and process improvement consultant. He can be reached at 541/771-7075 or jmb@jmb-panelman.com.

at a glance

- When doing a material take-off for wall panels, identify the different wall types for each level.
- Wall panel manufacturers should have a pricing method that accounts for direct labor costs and plant overhead costs before adding a material markup and profit margin.

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Chapter Corner

For more information about WTCA Chapters and how to become more involved, contact Anna L. Stamm (608/310-6719 or astamm@quallim.com) or Danielle Bothun (608/310-6735 or dbothun@quallim.com). Contributions to Chapter Corner, including pictures, are encouraged. Submissions may be edited for grammar, length and clarity.



Chapter Spotlight Building Relationships with WTCA-NY

by Anna L. Stamm

In December's *SBC*, we reported on the success our New York Chapter was having building relationships with the New York State Building Officials Conference (NYSBOC). Now we are pleased to report that those relationships are continuing to thrive!

Following up on its successful truss plant tours and demonstrations for the NYSBOC—Capital District and NYSBOC—Rockland County groups in 2006 and 2007, now our chapter can add another very well received tour for Rockland County in January and a great educational presentation for the Westchester Fire Marshals & Inspectors Association in April.

Now that the word is out—WTCA—New York provides excellent plant tours and seminars—the requests keep coming in. More plant tours are in the works, including one for NYSBOC—Tri County, and the chapter is eager to pursue additional groups as its members make contact with them. There is no end in sight for building relationships and increasing understanding of structural building components in the state. Great work, New York! **SBC**

Chapter Highlights

Alabama Component Manufacturers Association

In April, the Alabama Chapter gave its members a unique choice—attend the chapter meeting in person or online via **SBC Connection**. For those members who preferred to get together socially and have dinner, a meeting room was available that included a speaker phone, internet connection, laptop and projector. For members and speakers unable to travel to Birmingham, the chapter meeting was held online with a teleconference number and website link. Everyone in the meeting room could watch the web-based presentation and participate along with everyone attending via **SBC Connection**.

The meeting delivered a full agenda of topics, too. By request, a presentation was created for the chapter meeting on the new WTCA QC for Wall Panels program. Delivered by WTCA Executive Director Kirk Grundahl, the presentation demonstrated how, like In-Plant WTCA QC for trusses, QC Wall acts as a management information system that helps wall panel manufacturers monitor their wall panel production and quality, and it provides the plant with benchmarks to monitor. Kirk led an open forum discussion on the marketplace and current economic conditions. Members discussed how they are dealing with the eco-

nomie climate and were given tips on thinking strategically in these challenging times.

The second guest speaker for the meeting was WTCA Legal Counsel Kent Pagel. Asked to discuss credit and collections issues, Kent reviewed how the stakes for component manufacturers have never been higher when it comes to how to extend/investigate a builder's credit and getting paid fully and on time. The members appreciated his insight on these matters.

Mid South Component Manufacturers Association

The Mid South Chapter held its first chapter meeting online using **SBC Connection** in April. Attending through a teleconference line and internet connection, neither chapter members nor WTCA staff had to move from their desks to attend.

Because no travel was required, staff member Ryan Dexter, P.E., was able to answer members' technical questions and deliver two presentations. Ryan's first presentation focused on the newest Truss Technology Workshop (TTW), "Today's Wood Framing Systems—Problems and Solutions." Giving an overview of framing issues commonly seen in the field, key problem areas, and field examples, this TTW demonstrates how traditional framing practices simply may not meet the structural demands of modern residential construction whereas using components has many benefits. Members were encouraged to use this tool when encouraging potential customers to switch from stick framing to components.

In addition to the TTW, Ryan covered the key changes in the latest version of The National Design Standard for Metal Plate Connected Wood Trusses. The revisions to the 2007 edition of TPI 1 primarily impact standard design responsibilities (Chapter 2), in-plant quality control (Chapter 3), evaluating connector plates (Chapter 5), materials and general design considerations (Chapter 6), designing truss members' procedures (Chapter 7), and designing connector plate joints (Chapter 8). TPI 1-2007 will be referenced in the 2009 International Building Code and International Residential Code, so this was a great opportunity to learn more about this important industry document.

North Florida Component Manufacturers Association

Chapter President Dan Morris took on the presentation duties at the North Florida Chapter's spring meeting. Beginning a meeting series on the components of a healthy business, he kicked things off by focusing on a healthy plant. His presentation highlighted production: teach the basics and make a quality product. With WTCA's new In-Plant Basic Training program, Dan reviewed how this program can help component manufacturers improve efficiency, reduce training costs, streamline new hire training and expand production management knowledge. Bringing In-Plant WTCA QC into the equation, members considered how this can be a valuable tool for tracking quality, establishing benchmarks and

Continued on page 58



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Chapter Corner

Continued from page 56

signifying a commitment to quality in the marketplace.

At the meeting, the members discussed ways to increase attendance and involvement. A survey would be prepared to collect feedback on meeting times and locations as well as groups in the marketplace to which the chapter would like to provide education. The results of the survey will be discussed at the next chapter meeting on July 17.

Wood Truss Council of the Capital Area

This spring, the Capital Area Chapter was pleased to sponsor a presentation of "Leadership Landmines," a workshop from WTCA's Professional Leadership Academy. Leadership landmines are 100%-controllable leadership actions, inactions, behaviors, words, signs and

signals which negatively impact a leader's ability to profitably grow their business through others. This workshop, presented by Randy Goruk of The Randall Wade Group, provided an eye-opening look at leadership landmines and their impact on time and profitability. Using real life personal, business and sports experiences, Randy demonstrated how to easily apply and benefit from the solutions offered to steer attendees toward exceptional leadership and improved profitability. The Capital Area Chapter provided the workshop for free to its members, and 100% of the respondents to the workshop evaluation stated that they enjoyed it and believed the leadership concepts developed at this session would help them as good reminders of how to be most effective.

WTCA-Kentucky

The Kentucky Chapter held its first meeting of 2008 in early April. Using SBC Connection, members called in from across the state to discuss hot topics in the state and make plans for chapter activities. Central to the discussion was building relationships with code officials. With the economic slowdown, inspectors have more time to devote to each job, so it is more important than ever to provide them with educational literature and conduct seminars on Building Component Safety Information (BCSI). The chapter is following up with contacts in Louisville and Lexington as well as considering additional avenues for information exchange. It is also pursuing structural engineering groups and responding to requests for the Carbeck CD from fire officials. With a lot on its plate, the chapter plans to have an active educational schedule this year.

WTCA-Northeast

Education was the watchword at the Northeast Chapter's spring meeting. The members were given an update on the chapter's recent educational efforts including: a truss plant tour and barrel burn demonstration for the Acushnet, MA Fire Department in March; a presentation for the Eastern States Building Officials Federation Conference in Sturbridge, MA in April; truss plant tours being arranged for the Laconia, NH Fire Department and the MA Call/Volunteer Firefighters Association; and the chapter's upcoming booth at the big New England Fire, Rescue & EMS show in June. Members were encouraged to contribute any additional names or groups that should be contacted to offer tours and seminars.

Under legislative issues, it was reported that the chapter and staff are looking into a building labeling placard on commercial buildings built in Vermont and providing educational materials to members of the fire service. As for Massachusetts, there were no new developments to report on House Bill 2331 proposing a special commission to investigate the use of structural building components in construction.

Under building code issues, WTCA staff member Ryan Dexter, P.E., was on hand to discuss current technical and code issues as well as deliver

Continued on page 60



Calendar of Events

Check out WTCA's web site at www.sbcindustry.com for the most current calendar information.

June

- **19:** Truss Manufacturers Association of Texas (TMAT) Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- **24:** 45-Minute Webinar from WTCA's Professional Leadership Academy: "A Slow Market is EXACTLY the Time for a Sound Succession Plan" 2:00 pm EDT/1:00 pm CDT/12:00 pm MDT/11:00 am PDT. Go to www.wtcalco.com/leadership.php for details.

July

- **8:** Tennessee Truss Manufacturers Association (TTMA) Chapter Meeting. For more information, contact Chapter President Ted Kolanko at 615/355-6517 or kolanko2@yahoo.com.
- **10:** Alabama Component Manufacturers Association (ACMA) Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- **10:** Wood Truss Council of Michigan (WTMCM) Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- **15:** Central Florida Component Manufacturers Association (CFCMA) Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- **16:** WTCA-Arizona Chapter Meeting. For more information contact Chapter President Perry Lowe at 623/584-8151 or perryll@sunstateaz.com.
- **16:** Georgia Component Manufacturers Association (GCMA) Chapter Meeting. For more information, contact Chapter President Jim Finkenhofer at 770/787-8715 or jf8515@trussystemsinc.com.
- **16:** WTCA-Northeast Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- **17:** North Florida Component Manufacturers Association (NFCMA) Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.

- **17:** South Florida WTCA (SFWTCA) Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- **17:** Southern Nevada Component Manufacturers Association (SNCMA) Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- **17:** WTCA-Indiana Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- **17:** WTCA-New York Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- **29:** Mid South Component Manufacturers Association (MSCMA) Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.

August

- **7:** West Florida Truss Association (WFTA) Chapter Meeting. For more information, contact Chapter President John Goley at 813/887-3664 or johngoley@westcoasttruss.com.
- **7:** Wisconsin Truss Manufacturers Association (WTMA) Annual Golf & Fishing Outing, Town & Country Golf Club, Sheboygan, WI. For more information, contact Chapter President Steve Johnson at 608/884-6141 or sjohnson@nelsontruss.com.
- **13:** Southwest Florida Truss Manufacturers Association (SWFTMA) Chapter Meeting. For more information, contact Chapter President Joe Falis at 863/385-8242 ext 207 or joef@scostacorp.com.
- **20-22:** WTCA Open Quarterly Meeting, Chicago City Centre Hotel & Sports Club, Chicago, IL. Call staff for details, 608/274-4849. All are welcome to attend.
- **21:** Minnesota Truss Manufacturers Association (MTMA) Chapter Meeting. For more information, contact Chapter President Tom Nomeland, 507/872-5195 or tnomeland@ufpi.com.

Continued on page 60



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his presentation on the updated ANSI/TPI 1-2007. At members' request, following the meeting a comparison between Sections 2.3 (Responsibilities where the legal requirements mandate a registered design professional for the building) and 2.4 (Responsibilities where the legal requirements do not mandate a registered design professional for the building) was prepared and distributed to all.

At the meeting, John Goodrich was awarded a plaque for his service as Chapter President from 2004 to 2007. His outstanding efforts in the job were greatly appreciated. **SBC**

For more information, about WTCA Chapters, contact Anna L. Stamm (608/310-6719 or astamm@qualtim.com) or Danielle Bothun (608/310-6735 or dbothun@qualtim.com).

September

- **9:** Colorado Truss Manufacturers Association (CTMA) Chapter Meeting. For more information, contact Chapter President Dennis Wilson at 303/307-1441 or DWilson@HomeLumber.com.
- **9:** WTCA-Illinois Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- **12:** Missouri Truss Fabricators Association (MTFA) Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- **16:** Central Florida Component Manufacturers Association (CFCMA) Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- **17:** North Carolina/South Carolina Joint Chapter Meeting. For details, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- **18:** South Florida WTCA (SFWTCA) Chapter Meeting. For details, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- **18:** Truss Manufacturers Association of Texas (TMAT) Chapter Meeting. For details, contact Anna at WTCA, 608/310-6719 or email astamm@qualtim.com.

October

- **1-3:** 2008 Building Component Manufacturers Conference (BCMC), Colorado Convention Center, Denver, CO. For information contact staff at 608/268-1161, ext 9 or visit www.bcmcsow.com.
- **2:** Iowa Truss Manufacturers Association (ITMA) Chapter Meeting. For more information, contact Chapter President Tom Lambert at 515/283-7100 or tlambert@robertsdybdahl.com.
- **2:** West Florida Truss Association (WFTA) Chapter Meeting. For more information, contact Chapter President John Goley at 813/887-3664 or johngoley@westcoastruss.com.
- **7:** Tennessee Truss Manufacturers Association (TTMA) Chapter Meeting. For more information, contact Chapter President Ted Kolanko at 615/355-6517 or kolanko2@yahoo.com.
- **8:** Southwest Florida Truss Manufacturers Association (SWFTMA) Chapter Meeting. For more information, contact Chapter President Joe Falis at 863/385-8242 ext 207 or joef@scostacorp.com.
- **9:** Wood Truss Council of Michigan (WTCM) Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- **15:** Georgia Component Manufacturers Association (GCMA) Chapter Meeting. For details, contact Chapter President Jim Finkenhoefer at 770/787-8715 or jf8515@trussystemsinc.com.
- **15:** WTCA-Arizona Chapter Meeting. For details, contact Chapter President Perry Lowe at 623/584-8151 or perry@sunstateaz.com.
- **15:** WTCA-Northeast Chapter Meeting. For details, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com. **SBC**

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In Memoriam

Raymond J. Noonan Sr.



On April 22, 2008, the industry lost a beloved member and veteran. Raymond J. Noonan Sr., founder of Cascade Lumber Co., passed away peacefully at the age of 90 in Cascade, IA.

A native of Chicago, Ray graduated with a B.A. in English from St. Ambrose College (Davenport, IA) in 1939. He served as a communications

officer in the Navy during World War II, and was discharged with the rank of lieutenant in 1945. He married the love of his life, Mary, in 1947, and they moved to Cascade. "He had more of a liking for the Iowa area," explained son Mike Noonan. "He liked the people, he liked the topography, and he liked the lack of traffic jams."

Ray saw the shortage of building materials that followed WWII and decided to start Cascade Lumber Company in 1953, to which he would dedicate the next 55 years of his business career.

"His was an innovative and pioneering spirit with which he grew the business," Mike said. Selling and installing building materials was the company's focus, but he soon saw prefabricated building components as an opportunity to speed up the building process. "Dad was always the kind of person looking to see what he could do to [fill] a need that wasn't being filled," shared Mike.

His entrance to the structural building components industry soon followed; the company started building wood roof trusses and wall panels. When the roller press was invented, it allowed Ray's company to mass produce components at a lower cost. In 1963, Ray established Cascade Mfg Co to manufacture, market and sell prefabricated wood trusses. Soon Cascade tapped into what would become its largest area of business: selling components to lumber yards. "It was a seamless and natural transition from making components for our own use and resale to making them for the use of other lumberyards," recalled son Ray Noonan Jr. "As other lumberyards became aware of this 'new' product, they asked us to provide trusses for their jobs, so we responded to their needs."

Ray worked tirelessly to ensure the business' success during a time when prefabricated components were not yet embraced by the construction industry in the Midwest. "Back then our trusses were mostly used in agriculture buildings, since we could make a then unheard of 40-foot long span," noted Ray Jr. Ray also was an early proponent of colored steel roofing panels, wood foundations and post framed building packages.

Ray's hard work paid off. Today, Cascade Manufacturing Company has four plants (one each in Eldridge and Pleasantville, and two in Cascade) and has grown to over 275 employees. The growth was beyond what Ray Sr. had ever imagined. In 2003, he told the Dubuque Telegraph Herald that he was taken aback at how expansive the company had become. "I never thought it would be as big or as comprehensive as it is today," he said.

The company's success was likely due to Ray being the kind of businessman everyone loved to work with. "He was always making fun of himself as a way to make other people feel better about themselves," recalled Mike. His generosity in giving credit where it was due was also a well known trait. "He would say that we all, as a team, have made this business do well," Mike said. While he had a great deal of pride in the accomplishments he made over the past 55 years, Ray remained to the very end a modest and unassuming man. Like most people he appreciated positive comments, but was never blinded by his own successes. "In that sense he was a great role model for me as a business owner and a father."

His humility was an impression Ray made on all of his children. Eventually all four sons (Ray Jr., Mike, Pat and John) and his daughter (Mary Beth and her husband John) came to work in the business. This interest has even been passed onto several third generation family members who have joined the family business.

Throughout his career, Ray was involved in several professional organizations including the National Lumbermen's Association, the Northwestern Lumbermen's Association and the Iowa Lumbermen's Association (which awarded him Lumber Dealer of the Year in 2003.) Ray Jr. recalled, "He had a deep love for the industry that served him and that he served. Our involvement in WTCA has its roots in his lumber association involvement."

He was also active in his community currently serving on the boards of the Cascade Communications Company and Tri-County Historical Society. In addition he was a member of the Knights of Columbus.

Ray unofficially retired from Cascade in 1989, although he continued to serve as a chairman of the board up until his passing. For those who knew Ray, it was a well known fact that if he wasn't at 7 a.m. mass, he was most likely at the lumberyard.

Mike described his father as a devoted family man who was very active in his community and in his industry, and he said that Ray's interests were pretty straightforward. "His hobbies were basically his family, his work and raising cattle on his farm."

Ray Sr. is preceded in death by Mary, his wife of 53 years. He is survived by five children, 19 grandchildren and 19 great-grandchildren, his sister and several nieces and nephews. **SBC**

Submissions to "In Memoriam" can be emailed to editor@sbc-mag.info. Photos are encouraged and will run as space allows. Submissions may be edited for grammar, length and clarity.



Industry News & Data

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Consumer Price Index

[an index measuring the change in the cost of typical wage-earner purchases of goods and services expressed as a percentage of the cost of these same goods and services in some base period - called also cost-of-living index]

Expenditure Category	Changes from Preceding Mo.			Compound annual rate 3-mo. ended Apr 08
	Feb	Mar	Apr	
All Items	.0	.3	.2	2.3
All Items Less Food & Enery	.0	.2	.1	1.2

Source: Bureau of Labor Statistics

Unemployment Rate

Jan	4.9%
Feb	4.8%
Mar	5.1%
Apr	5.0%

Source: Bureau of Labor Statistics

Producer Price Index - Customized Industry Data

An inflationary indicator published by the U.S. Bureau of Labor Statistics to evaluate wholesale price levels in the economy.

Engineered Wood Mem. (exc. truss) Mfg.	Feb	Mar	Apr	Truss Mfg.	Feb	Mar	Apr
Eng. Wood Mem.	90.4(P)	89.5(P)	89.5(P)	Truss Mfg.	108.4(P)	108.9(P)	109.8(P)
Primary Products	107.1(P)	106.1(P)	106.1(P)	Wood Trusses	104.1(P)	104.8(P)	105.5(P)
Other	107.3(P)	105.9(P)	105.9(P)	Primary Products	104.1(P)	104.8(P)	105.5(P)
				Secondary Products	100.4(P)	100.2(P)	100.4(P)

Source: Bureau of Labor Statistics

Producer Price Index General

% changes in selected stage-of-processing price indexes

Month	Total	Ex. Food & Energy
Jan	1.1(r)	0.5(r)
Feb	0.3	0.5
Mar	1.1	0.2
Apr	0.2	0.4

Source: Bureau of Labor Statistics

U.S. Prime Rate

Month	2008	2007	2006
Jan 1	7.25%	8.25%	7.25%
Feb 1	6.00%	8.25%	7.50%
Mar 1	6.00%	8.25%	7.50%
Apr 1	5.25%	8.25%	7.75%
May 1	5.00%	8.25%	7.75%

Source: Federal Reserve Board

Consumer Confidence Index

The Consumer Confidence Index is a measure of consumer optimism toward current economic conditions. The consumer confidence index was arbitrarily set at 100 in 1985 and is adjusted monthly on the basis of a survey of consumers.

The index considers consumer opinion on both current conditions (40%) and future expectations (60%).

Sept	Oct	Nov	Dec	Jan08	Feb	Mar	Apr	May	% +/-
99.5	95.2	87.3	90.6	87.3	76.4	64.5	62.8	57.2	-8.9%

Source: www.consumerresearchcenter.org

APRIL 2008 ISM BUSINESS SURVEY AT A GLANCE

	Series Index	Direction Apr vs Mar	Rate of Change Apr vs Mar
PMI	48.6	Contracting	Same
New Orders	46.5	Contracting	Same
Production	49.1	Contracting	Slower
Employment	45.4	Contracting	Faster
Supplier Deliveries	54.0	Slowing	Faster
Inventories	48.1	Contracting	Slower
Customers' Inventories	45.0	Too Low	From Too High
Prices	84.5	Increasing	Faster
Backlog of Orders	51.5	Growing	From Contracting
Exports	57.5	Growing	Faster
Imports	48.0	Contracting	Slower

For an in-depth explanation of this summary, go to <https://ism.ws/ISMReport>.

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-W. Edwards Deming, American Statistician



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Industrial Production Index

The industrial production (IP) index measures the change in output in U.S. manufacturing, mining, and electric and gas utilities. Output refers to the physical quantity of items produced, unlike sales value which combines quantity and price. The index covers the production of goods and power for domestic sales in the United States and for export. It excludes production in the agriculture, construction, transportation, communication, trade, finance, and service industries; government output, and imports. The IP index is developed by weighting each component according to its relative importance in the base period. The information for weights is obtained from the value added measures of production in the economic censuses of manufacturer and minerals industries, and from value added information for the utility industries in Internal Revenue Service statistics of income data. The weights are updated at five-year intervals to coincide with the economic censuses. The current index base year is 1992. (r=revised)

	Jan	Feb	Mar	Apr
Industrial Production Total Index (% change)	0.1(r)	-0.7(r)	0.2(r)	-0.7
Capacity Utilization Total Industry (%)	81.0(r)	80.3(r)	80.4(r)	79.7

Source: Federal Reserve Board

according to the NAHB/Wells Fargo Housing Market Index (HMI), released on May 15. The HMI fell a single point to 19, bringing it within one point of the record low 18 set in December 2007 (the series began in January of 1985).

"With the HMI hovering in the historically low two-point range that's prevailed over the past nine months, the message is very clear: The single-family housing market is still deteriorating and Congress and the Administration must move immediately to enact legislation that will help reverse the trend," said NAHB President Sandy Dunn, a home builder from Point Pleasant, WV. "A temporary home-buyer tax credit is just the incentive that many prospective home buyers need to go forward with a purchase and help kick-start a housing and economic recovery."

Both the House and Senate have approved bills creating a temporary home buyer tax credit of up to \$7,500 for qualified buyers, but the legislation has yet be crafted into a comprehensive bill that can be sent to President Bush for his signature.

"Despite the Federal Reserve's concerted efforts to lower short-term interest rates, free up credit

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News

BUILDER CONFIDENCE EDGES DOWNWARD IN MAY

Home builders remained considerably downbeat as market conditions continued to erode in May,

Housing Market Index 2007-08 (HMI)

The HMI is a weighted, seasonally adjusted statistic derived from ratings for present single family sales, single family sales in the next 6 months and buyers traffic. The first two components are measured on a scale of "good" "fair," and "poor," and the last one is measured on a scale of "high," "average" and "low." A rating of 50 indicates that the number of positive or good responses received from the builders is about the same as the number of negative or poor responses. Ratings higher than 50 indicate more positive or good responses.

June	July	Aug	Sept	Oct	Nov	Dec	Jan08	Feb	Mar	Apr	May
28	24	22	20	19	19	18	19	20	20	20	19

Source: National Association of Home Builders

Housing Starts

The downswing in the single-family housing market deepened in April while a bump up for the month in the extremely volatile multifamily market lifted total housing starts 8.2% to a seasonally adjusted annual rate of 1.032 million units, according to figures released by the Commerce Department on May 16. Total starts were down 30.6 percent from a year earlier.

U.S. Housing Starts

Millions - Seasonally Adjusted Annual Rate (SAAR)			
U.S. Totals	Apr	Mar(rev.)	% Change
Starts	1.032	0.954	8.2%
Permits	0.978	0.932	4.9%
Single Family			
Starts	0.692	0.704	-1.7%
Permits	0.646	0.621	4.0%
Multi Family			
Starts	0.340	0.250	36.0%
Permits	0.332	0.312	6.8%

Single-family housing starts dropped 1.7% for the month to a seasonally adjusted annual rate of 692,000 units, the lowest monthly production rate since January 1991 and 42.2% below April 2007.

"It's no surprise that the single-family housing market continues to deteriorate since our surveys of builder confidence and market expectations have been hovering in a historically low range for the past nine months," said NAHB President Sandy Dunn, a home builder from Point Pleasant, WV. "Congress and the Administration must act now to kick-start housing and lift the overall economy."

"The demand for new homes still is quite weak, the overhang of vacant housing units on the market is at record proportions, consumer sentiment continues to fall and the economy has been losing jobs since the end of last year," said NAHB Chief Economist David Seiders. "The fundamentals point to further deterioration of single-family housing production over the balance of this year, and the condo component of the multifamily sector also is destined to lose more ground."

Multifamily housing starts rose 36.0% to a seasonally adjusted annual rate of 340,000 units in April after dropping 35.1% to a 250,000-unit pace the month before. The pace of multifamily construction was 17.6% above April 2007.

Total building permits rose 4.9% in April to a seasonally adjusted annual pace of 978,000 units. Total permits were down 34.3% from a year earlier. Single-family permit issuance rose 4.0% to a pace of 646,000 units for the month. The pace was marginally lower than the first quarter average of 647,000 this year and 40.1% below April 2007. The rate of multifamily permit issuance was up 6.8% to 332,000 units for the month. The pace was 19.2% below a year earlier.

Regionally, starts of new homes and apartments were up in the Midwest, South and West by 24.4%, 3.6% and 18.5%, respectively. Housing starts were down in the Northeast by 12.7%. All four regions reported a pace of construction substantially lower than a year earlier. **SBC**

Source: NAHB Press Release, 5/16/08, www.nahb.org. **SBC Economic Environment** columnist Al Schuler will be back in August with more Housing Starts analysis.



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BMHC WILL COMBINE SELECTBUILD & BMC WEST

Building Materials Holding Corp. (BMHC) announced a net loss of \$33.9 million for the three months ended March 31, compared to a \$5 million loss for the same quarter last year. The company also announced it will be unifying its two major business units, BMC West and SelectBuild companies, in order to streamline operations. The company estimates the move will reduce expenses by \$20 million to \$25 million. Net sales for the quarter were \$355 million, down 37 percent from \$599 million from last year.

“Challenging industry conditions continued across U.S. home-building markets during the first quarter,” said Robert Mellor, chairman and CEO. Mellor also said that the company is working to realign its business to meet the current market conditions, which included reducing its work force by 20 percent during the quarter.

According to BMHC, the realignment will flatten the company's organizational structure by reducing its existing 13 regions to seven: Intermountain (Colorado, Idaho, Montana, Utah), Midwest (Illinois), Northwest (Oregon, Washington), Pacific (California, Northern Nevada), Southeast (Florida), Southwest (Arizona, Southern Nevada) and Texas. Company president and COO Stanley Wilson said the company intends to maintain the two unique brand identities, while taking advantage of the new synergies created by the realignment.

BMHC also said that, upon the completion of the evaluation, it expects to shut down a number of underperforming business units, as well as consolidate some business units into other operations. “With the centralization of administrative functions, the regional realignment and the closure or consolidation of certain business units we expect to be better positioned to focus our unified

vision on maximizing operating efficiencies and growth opportunities for our core businesses,” said Mellor. [Source: www.homechannelnews.com, 5/12/08]

BCMC REVEALS GUEST SPEAKERS

The Building Component Manufacturers Conference (BCMC) is excited to welcome two talented speakers to this year's show, October 1-3 in Denver, CO. Jim “The Rookie” Morris will kick-off the show on October 1, and Dr. Stanley F. Duobinis of Crystal Ball Economics will deliver the Economic Forecast on October 3.

Morris had a rough childhood and his dreams of becoming a professional baseball player were interrupted by multiple injuries. Eleven years after retiring from baseball, Morris was coaching a high school baseball team. They made a deal with him: If they won the District Championship, he would try out for a major league team. The team indeed won, and Morris threw 12 consecutive 98mph fastballs at his tryouts. The rest is history, a story that was made into a blockbuster Disney movie, *The Rookie*, starring Dennis Quaid. The film won Sports Film of the Year from ESPY and was voted one of the five greatest baseball films ever made by *Sports Illustrated*.

Audiences are inspired by Morris's storytelling, sense of humor and humility. The main themes he discusses are lessons we can all learn from such as: Never Giving Up on a Dream, Finding a Mentor and Becoming a Leader, Taking Advantage of Second Chances, Remembering Who You Are, Keeping Your Promises, and Learning How to Laugh at Yourself. Attendees are sure to be inspired by this charming speaker, and invigorated to make the most of their time at BCMC.

A perennial BCMC favorite, Duobinis specializes in analyzing and forecasting the economy as it relates to the construction industry. This will be his sixth Economic Forecast at BCMC, and attendees always find his presentation invaluable.

Chris Carruthers of Production Engineering attended the 2007 Forecast. “Duobinis is so well versed in the field of construction economics that his presentation plays like a Hollywood action movie,” he said. Charles Ballard of Ballard Truss also was present: “I always enjoy [Dr. Duobinis'] well defined outlook on the industry.”

Each year structural building component manufacturers gather at BCMC to see the latest technology, walk the elaborate show floor, attend multiple educational sessions and visit with their peers. For details, please visit www.bcmcshow.com or call BCMC at 608/268-1161. **SBC**



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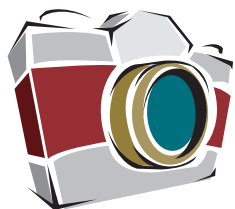
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Parting Shots

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Hats off to goofy American traditions! Unbelievably large "things" are staple roadside attractions in the U.S., and rural Missouri just became home to one of them. The world's (newest) largest rocking chair was recently erected on the grounds of the Fanning US 66 Outpost & General Store on old Route 66 in Fanning, MO. Pioneer Truss Company, a component manufacturer from nearby Owensville, MO, built the floor trusses pictured above that make up the seat of the 42'4" rocking chair. The trusses measure 18' in length and were set individually at 16" on center. They were built with treated ACQ lumber and treated truss plates. A moisture barrier of composite decking sits on top of the trusses to form the seat.

Pioneer owner Chris Lenauer said Robert Judson Lumber Company proposed the project. The lumber company coordinated the building of the chair. Outpost owners Dan and Caroline Sanazaro said they considered selling gas to draw customers off the highway to their new general store, but then Dan got came up with the idea to build the gargantuan rocking chair. It turned out to be a great idea; they report that business has tripled since the rocking chair was erected! In the past, cities such as Penrose, CO, Gulfport, MS and Lipan, TX have also held claim to "world's largest" giant rockers. However, none of them topped 42' or were constructed with building components. Dan Sanazaro joked that he may commission the World's Largest Picnic Table next. Coming to a highway near you.... **SBC**



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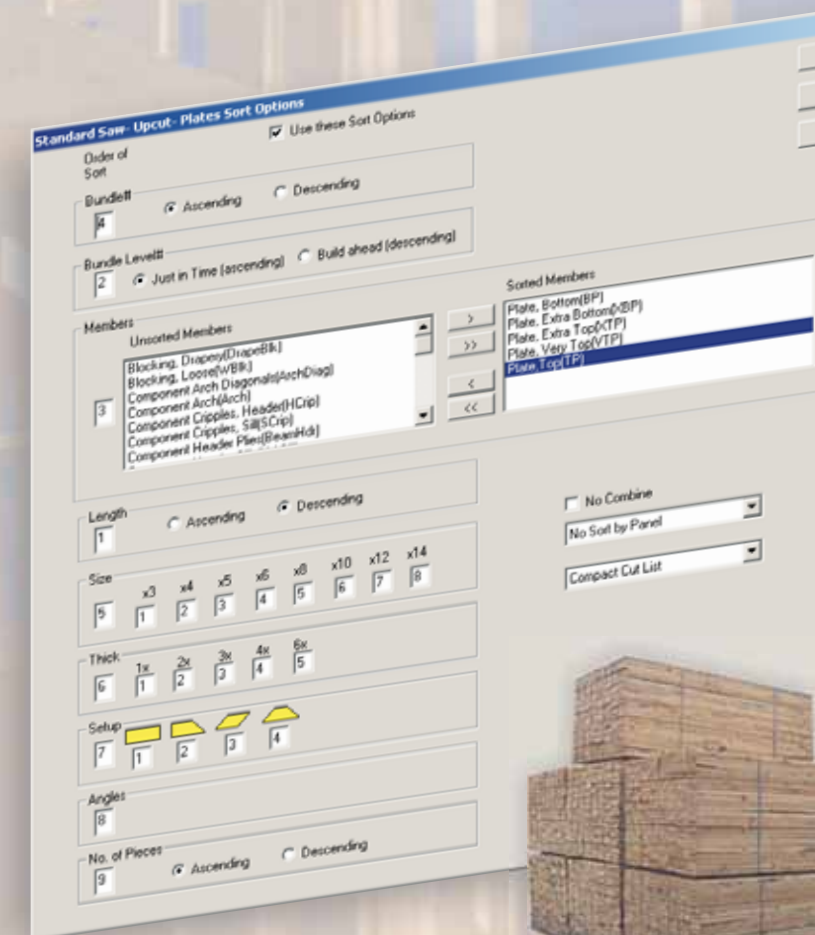
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