

Chair Taylor, Vice Chair Bonham, members of the committee, my name is Jeff Fantozzi, President of the Pacific Lumber Inspection Bureau, headquartered in Federal Way, Washington. I am here in opposition to SB 1061.

Pacific Lumber Inspection Bureau was formed in 1903 and is the oldest lumber grading and inspection agency in North America. We provide lumber grader training and qualification services as well as third-party lumber inspection and monitoring services to over 150 sawmills and lumber remanufacturers in the U.S., Canada and Europe. The Board of Review of the American Lumber Standard Committee (ALSC) accredits us as a rules writing agency for softwood lumber and we are approved as an inspection agency to provide mill supervisory services under the Voluntary Product Standard PS 20 lumber system. We have over approximately 40 sawmills and lumber remanufacturers in the State of Oregon that we send our inspectors to each month as required under this system. Importantly, and most relevant to this bill, we also provide on-demand, or transient, grading services to portable sawmill owners, small woodlot owners, and the general public that need lumber grading services on an infrequent or even one-time basis.

In addition to the written comments we have submitted in our two letters, I would like to comment on some specific items.

First, the process of becoming a proficient lumber grader is essentially a journeyman process similar to what we find in other trades. Accurate lumber grading depends not only on “book” knowledge of the lumber grading rules, but on experience gained only by continuous, hands-on application of those rules over large sample sizes of lumber coupled with third party verification of the grading accuracy. SB 1061 might supply the book knowledge but it is missing critical ingredients of the recipe that allow a would-be grader to hone and refine their trade by repeated application of the rules over the course of time on thousands of

samples. The graders that receive the certificate from the state do not have the same experience, expertise, training, and most importantly the oversight and monitoring that the ALSC system provides.

A key component of the building code inspection and approval process involves verification that products used in a structure meet required standards, and a key element of that verification relies on product labeling. Product labeling allows the buyer, the user and the inspector to readily identify and verify that the product meets the relevant safety and performance standards. This bill as amended neither includes a requirement nor a mechanism for product labeling. This would be like allowing other building materials such as electrical wire, plumbing materials, electrical outlets, fire suppression systems, etc. that were not certified by Underwriters Laboratory (UL) or another certification body to be used in structures. The codes rely on product certifications to attest to the safety of the product. A UL certification provides assurance that the product is up to the task, passes the test, and can be used with confidence. We do not waive these requirements because doing so would undermine public safety. The ALS system provides the same type of product certifications and product labeling while the bill as amended does not.

Finally, as I mentioned in my opening remarks, PLIB provides transient inspections to small portable sawmill operators and woodland owners throughout the state. We conduct approximately 75 of these transient inspections each year. Last year we conducted about 30 of these transient inspections in the state of Oregon alone. As a 501c6 not for profit organization, we are compelled to keep our rates as reasonable as possible. The average invoice for our Oregon transient inspections was about \$430, and 40% of the invoices were for \$250 (the minimum fee). Surely these are not numbers that would be considered a barrier to economic development. To further illustrate how the current system would cost the state much less than what has

been estimated as the fiscal impact of this bill, let us examine the math. Let's assume that most of our 30 Oregon transients last year were near the I5 corridor, and let's also assume that a transient inspection in a remote part of the state would take two days, with travel, and the cost would be \$2,000 instead of the average \$430 because of the extra travel and extra day. If we double the amount of inspections from 30 to 60 per year and assume that the additional 30 inspections are all in remote areas costing \$2,000, the total cost to conduct the 60 transient inspections would be approximately \$75,000. That is far less than the estimated \$212,000 fiscal impact that the bill will have if enacted. Rather than establishing a parallel system at an annual cost of \$212,000, the state could instead fully subsidize all transient inspections in the state through a grant program and do it for less than half the estimated cost of this bill.

For these reasons and those expressed in our letters, we oppose SB 1061. We believe that establishing a grant program to partially or fully subsidize small portable mill operators and landowners would likely be less expensive than the cost of creating a new parallel system while at the same time addressing providing financial relief to the operators and insuring that the lumber that is used in construction in the state of Oregon is properly and accurately graded under the ALSC system and does not jeopardize public safety.

Thank you for the opportunity to comment. I am happy to address any questions the committee might have.