

## **Full Testimony of Jeff Fantozzi, PLIB, S.B. 1061**

Co-Chairs Helms and Owens, Vice Chair McDonald, 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.

Background on our organization's 120-year history of providing lumber grading services to this region and detailed rationale for opposing this bill are provided in the letter that I submitted and I encourage the committee representatives to read and consider them, along with those submitted by ALSC, WWPA, WWPI and AWC.

The arguments supporting this bill include:

- opening new rural markets,
- the sense of pride for the user and community when using local timber,
- the environmental advantages of lumber, its ability to sequester carbon, reduce greenhouse gases, etc.,
- addressing the affordable housing crisis by allowing local lumber to be used in structures, and
- reducing fire hazards.

We wholeheartedly support all these objectives. They are honorable and positive for the economy, community, and environment, but they distract from the legitimate public safety concerns the bill introduces. More importantly, you do not need this bill to achieve the stated goals. They can all be realized right now through transient lumber grading services. Transient grading service results in lumber that is properly graded and labeled by ALSC accredited agencies, as required by the building code. There is a good reason the building code has this requirement - it protects public safety and allows code officials to identify the grade of the lumber to confirm it meets the code requirements.

This lumber can be used in any market and structural application. We conduct 75 to 100

transient inspections each year that achieve all the goals and ensure that the lumber meets the building code.

Transient grading service:

- can be provided anywhere, at the portable mill, jobsite, the treating facility, etc.,
- eliminates the need for a small mill operator to hire a full-time grader which is impractical when the mill needs lumber grading infrequently,
- allows the small mill operator to sell their grade stamped lumber direct to the homeowner or local distribution yard, rather than finding a mill willing to purchase small quantities.

The truth is, people don't want to pay for transient grading service, and this bill sounds great to small mill owners because it eliminates this nominal cost. But it comes at the expense of public safety. Is that really in the best interest of the end user?

Keep in mind that this is not the same thing as starting a new cottage industry like craft beer. We are talking about the structural integrity of buildings and public safety.

For these reasons and those expressed in our letters, we urge the committee to vote against this bill and consider alternatives like a grant program or other solutions that assist the small mill operators while maintaining public safety. Thank you for the opportunity to comment. I will address any questions the committee might have.

### **Additional Comments to Address Questions Raised During the Hearing**

We appreciate the time allowed to present our comments and the excellent discussion and questions that were raised after our testimony. I would like to take the opportunity to add additional context to some of the points raised.

- 1) “Zero-mile lumber” – We 100% support the use of local lumber; it is a responsible and worthwhile goal. However, like the other goals, it can be achieved without this bill under the current ALSC system using the transient lumber grading services. We do not oppose nor do we want to restrict local lumber from being used and small mills from expanding their markets – we are simply advocating the lumber is graded by ALSC accredited graders and/or agencies.
- 2) Canadian lumber – It is a fact that Canadian lumber is very popular in the PNW due to our proximity to British Columbia. This bill is not going to reverse that. The U.S. imports about 25% of the construction lumber we consume from Canada. This has been declining for the past decade from a high of around 35%, but that is due primarily to the BC beetle kill. We absolutely should encourage and support the use of locally grown and sawn lumber, and the transient system does just that without having to reinvent the wheel and create a parallel grading system.
- 3) Lumber quality - Several testimonials pointed out that the quality of lumber produced from the small mill can be better than what is available “off the shelf” in retail lumber yards and our experience inspecting lumber at small mills would back this up. But we have also seen situations where the lumber did not meet the grade needed by the homeowner because the small mill was not familiar with sawing for structural grades. Reference was also made to the familiar piles of rejected lumber that accumulate after people have sorted through them looking for “good” pieces. What this really shows is an incomplete understanding of what makes a piece of lumber “good” in terms of structural integrity. When the average person looks at lumber, they are looking for pieces that have the best appearance, which usually means the least amount of wane and the fewest number of knots. They aren’t paying attention to slope of grain, or density or knot location, all of which can affect the structural capacity of the piece. Basically, the prettier it looks, the better. The truth is that when it comes to grading lumber for

structural integrity, the things that most people would reject as defects (wane, twist, number of knots) don't really matter. That's the misconception we fight all the time. Structural lumber grades are concerned primarily with those characteristics that affect the strength of the piece, not the appearance of the piece. In short, a pretty piece does not necessarily mean a strong, high structural grade piece of lumber.

- 4) Examples of using recycled and/or unstamped lumber were provided as proof that this type of wood can be used and has been approved by building inspectors. This is very true. A building inspector has the latitude to approve/accept variances from what is specified in the code. If an inspector feels that the product being used in an application is equivalent to what the code requires, they can choose to allow it. But that choice is up to their judgement and if they aren't comfortable taking that liability, they can fall back to the code language. This bill would make it more difficult for a code official to use their discretion because they would be put in the difficult position of having to go against what has been legislated by this bill, even if they weren't comfortable with it.
- 5) PLIB fully supports the idea of exposing students involved in the trade programs to the lumber grading side of the lumber business. We would welcome the opportunity to work with those high schools and trade programs by making our lumber inspectors available to provide classes or workshops on the basics of lumber grading. We are always looking for ways to expose young people to our industry and the many benefits and opportunities it provides.
- 6) Liability – In short, if there is a structural failure with a piece of lumber and it is determined that it was the result of the lumber not meeting the grade, the liability rests with whoever graded and stamped the lumber, whether that be the mill or, in the case of transient inspections, the agency. Lumber that has been grade stamped under our current system provides traceability whereas this bill

does not require that self-graded lumber be labeled. If there were a claim involving self-graded lumber, there would be no way to trace it back to the producer. I believe this would result in the liability falling to the building inspector since they approved and signed off on the framing and made the judgement call that the unlabeled lumber was good enough to use. Grade stamps provide this evidence and relieve the building inspector of that liability.

- 7) Training time – The time it takes to qualify a grader varies based on the aptitude of the grader trainee, the number of grades, species and sizes that are being qualified, and the variety of pieces available to the inspector to use as training pieces. A good amount of grader training can be done in the classroom, but the classroom does not provide the exposure and practice that come from grading on the line between training sessions, and the follow up the trainee gets when the inspector comes back to review their grading. This is why I said it can take from two to five months to qualify a grader – we are not in the facility every day for this period of time, but that’s how long it takes to schedule enough practice/review sessions. Each agency has its own qualification process, but they all typically involve a certain number of grade checks and a certain performance requirement. Depending on the factors cited above, in our case, this is typically a minimum of three sessions, often more, spaced out over several months.

As stated in my verbal testimony, we support the production of lumber from small local mills and welcome the opportunity to work with state legislators to promote and increase opportunities for these rural economies, small mill owners and forest owners. We believe it should be done in a way that maintains public safety and does not open the door to unmarked and untraceable lumber. We already have a system in place to do it. Oregon can do better than what other states have done by supporting the small mills financially while protecting public safety and limiting liability.