

2023

NATIONAL POLICY AGENDA





About NLBMDA

The National Lumber and Building Material Dealers Association (NLBMDA) is the recognized voice and resource of the Lumber and Building Material industry to federal legislators and regulatory agencies in Washington DC. NLBMDA provides its members the resources and education to comply with federal laws, codes and regulations. NLBMDA identifies challenges and growth opportunities to the industry and collaborates with its Federateds to develop solutions that require national implementation.

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DEAR POLICYMAKERS:

As you work to craft solutions that promote economic growth in the wake of the COVID-19 pandemic, the National Lumber and Building Material Dealers Association (NLBMDA) presents a policy framework that addresses the numerous challenges confronting America's small businesses in the housing industry. NLBMDA is a premier trade organization for educating policymakers and our 2023 National Policy Agenda identifies priorities and offers solutions that will strengthen the U.S. economy, improve the national supply chain, and bolster America's housing industry. NLBMDA continues its commitment to supporting the housing sector by working with Congress and the Administration on policies that will provide sustained economic growth and opportunity.

In 2022, NLBMDA worked with Congress and the White House to develop sensible and effective policies on issues ranging from housing and trade policy to workforce development and workplace safety. As an influential part of the national building and housing supply chain, NLBMDA is focused on addressing economic challenges while working to ensure that federal action supports America's lumber and building material dealers with pro-growth policies and favorable regulatory conditions.

Home ownership remains the cornerstone of the American dream, but our nation is facing an affordable housing crisis that is mounting under fears of a looming economic recession, rising interest rates, and record inflationary pressure. Congress and the White House should prioritize housing affordability to ensure that hard-working Americans have a practical path to home ownership. Furthermore, disruptions to the national supply chain and volatility in building material prices are creating uncertainty for lumber and building material dealers across the country and we urge Congress and the Administration to work with stakeholders to ease the supply chain challenges and labor shortages that continue to impact the U.S. economy and housing markets.

Significant changes are needed to reduce the regulatory burdens and costly compliance measures that are imposed on America's small businesses. NLBMDA supports the periodic update of federal laws and regulations, but caution is needed to avoid a one size fits all approach that often has unintended consequences and constrains opportunities for businesses to grow. We encourage Congress to exercise its authority and eliminate rules that have placed unnecessary stress on small businesses and pass legislation that brings common sense reforms to the regulatory rulemaking process.

NLBMDA's 2023 National Policy Agenda serves as a guide and resource for policymakers to address the biggest challenges impacting small businesses and improve the national economic climate for housing markets. We look forward to continuing our work with Congress and the White House to develop and implement meaningful policies that grow the economy, reduce unnecessary regulatory red tape for small businesses, and fortify the national supply chain for the lumber and building materials industry.

Sincerely,

Jim Bishop

Chair, NLBMDA

President, Vesta Lee Lumber Company



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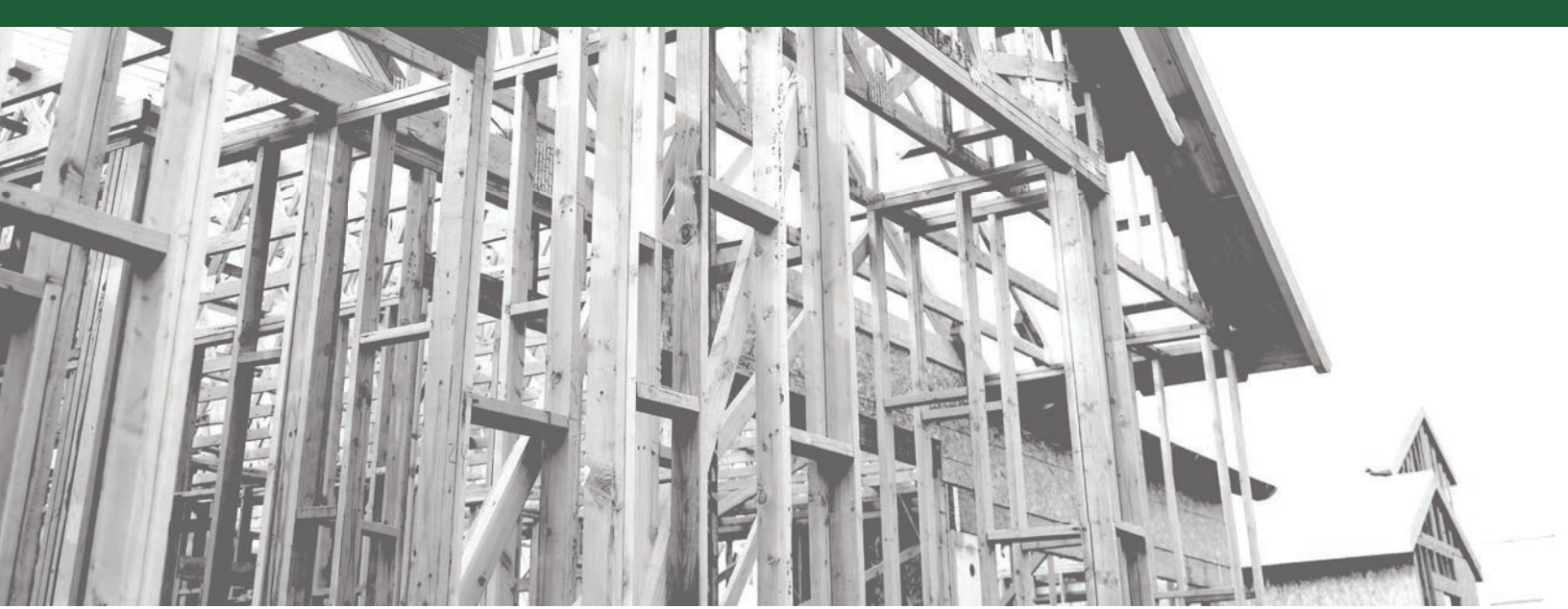
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HOUSING & CONSTRUCTION

HOUSING

As suppliers to the building and construction industry, lumber and building material dealers play a critical role in promoting home ownership and advancing affordable housing. With housing markets facing uncertainty across the country, it is imperative that government intervention not jeopardize our economic viability. Sound fiscal policies are needed to ensure homebuyer confidence and to spur lending that will facilitate new construction activity. Incentives for energy-efficient home improvements can be a powerful tool to save energy. NLBMDA will continue to work with policymakers to support responsible lending practices that promote and preserve the value of home ownership. NLBMDA supports reinstating higher conforming loan limits for Fannie Mae, Freddie Mac and Federal Housing Administration-insured home loans to ensure greater mortgage liquidity and to provide greater certainty for the housing market. We support efforts to improve housing affordability for credit-worthy borrowers. NLBMDA believes that the Department of Housing and Urban Development (HUD) must continue to provide support for struggling and prospective home buyers, and supports adequate funding for its grant and loan programs. We continue to advocate for disaster recovery assistance to help homeowners and businesses recover from national disasters.

Principles:

- NLBMDA supports sound fiscal policies to maintain housing as the cornerstone of our national economy.
- NLBMDA supports policies to promote responsible home ownership and to improve and streamline oversight of the nation's credit and mortgage entities.
- NLBMDA believes any reform of the housing finance system must maintain a federal backstop to ensure that 30-year, fixed-rate mortgages and reliable mortgage financing remain readily available and affordable.
- NLBMDA supports affordable housing programs that make the dream of home ownership available to more Americans.
- NLBMDA believes any strategy to promote economic growth must include a robust small business component that allows entrepreneurs access to capital and credit while retaining existing cash flow from operations in order to grow and expand their enterprises.
- NLBMDA supports disaster recovery assistance that returns displaced residents to their homes



and encourages the timely rebuilding of disaster-impacted areas.

- NLBMDA supports changes to the National Flood Insurance Program to reflect a slower increase in actuarial rates and to allow sufficient time between the publishing of the new maps and their adoption by local jurisdictions.
- NLBMDA supports recent proposals that would reform the federal housing finance system, including government-sponsored enterprises, while preserving a federal backstop to ensure stability in the residential housing market.

TALLER WOOD BUILDINGS

The flexibility of wood makes it an ideal building material for earthquake safety and high wind requirements. Recent advances in technology, engineering, and safety have made it possible to build taller wood buildings using newly-developed mass timber products. When harvested responsibly, wood is arguably one of the best tools architects and engineers have for reducing greenhouse gas emissions and storing carbon in buildings.

Principles:

- NLBMDA supports reauthorizing the Timber Innovation Act to establish a performance-driven research and development program to advance tall wood building construction in the U.S.
- NLBMDA supports building codes that allow for the construction of wood-frame buildings that are more than six stories.

GREEN BUILDING & BUILDING CODES

Building material dealers strive to bring the latest product innovations to market and must maintain knowledge of the latest developments in homebuilding technology and building codes.

Dealers occupy a unique place between product manufacturers, builders, and homeowners, and are well-situated to bring new technologies and environmentally preferred products into the supply chain. NLBMDA supports responsible forestry practices and our members are committed to sourcing products from sustainably managed forests. We believe that the various, commonly recognized forest management certification bodies for North America serve as exemplary standards and support the development and use of an “eco-label” on wood products to more readily identify them as responsibly sourced and appropriate green building products. Green building provides an opportunity to promote wood as the most sustainable and “green” choice for construction and rating systems play an important role. We believe that the market will determine which programs are preferable for certain applications and are concerned that stifling competition could have unintended consequences of limiting further innovation. NLBMDA urges Congress to continue supporting green building without imposing mandates that give preference to only one green rating system. NLBMDA will work with the International Code Council (ICC), National Institute of Building Sciences (NIBS), and other relevant bodies to provide feedback on building codes that impact housing affordability. It is important that code and policy changes provide meaningful safety or environmental benefits and reflect sound science and industry best practices

Principles:

- NLBMDA supports voluntary programs and incentives to increase energy-efficient retrofitting of existing homes and buildings and increased use of environmentally preferable building materials in new construction.
- NLBMDA seeks to increase the use of wood products in residential and commercial construction, and will work to encourage green building standard-setting entities to recognize the preferability of wood

as an inherently renewable resource.

- NLBMDA supports the inclusion of all credible forest management certification schemes in green building standards and programs, including the recognition of those most-widely employed in North America. NLBMDA believes that each standard setting body must employ open, transparent and true consensus-building processes and procedures.
- NLBMDA supports the consensus-based model in the code development process, and maintains that any building code supported by the Department of Energy (DOE) must be cost-effective and establish

guidelines that increase transparency while ensuring an open and fair process.

- NLBMDA supports the rights of individual states to adopt or amend codes specific to their jurisdictions.
- NLBMDA believes code development should balance safety and/or environmental benefits with the impact on housing affordability.



TAX & ECONOMIC POLICY

Any changes to the tax code should restore and sustain the competitiveness of America's small businesses. NLBMDA supports the mortgage interest deduction and its role in encouraging home ownership. With many building material dealers organized as pass-through entities, such as S-Corporations, partnerships and sole proprietorships, NLBMDA opposes increases to personal income tax rates and changes to the section 199A qualified business income deduction included in the 2017 Tax Cuts and Jobs Act. NLBMDA

opposes limits to the state and local tax (SALT) deduction that increases taxes for individuals in high-cost areas and makes it more difficult for dealers to retain quality employees. NLBMDA opposes changes to estate tax laws and advocates for reform proposals that recognize the high-asset base of lumber and building material dealers' businesses and sets the exemption level high enough to adequately cover the value of non-cash assets such as land, inventory and equipment. NLBMDA believes that tax incentives should be made permanent to reduce the lingering

uncertainty for business owners. Building material dealers are also concerned that the looming Social Security crisis and growing national debt could undermine economic growth and increase the tax burden on employers.

Principles:

- NLBMDA supports the mortgage interest deduction and opposes efforts that would eliminate or substantially modify it.
- NLBMDA supports a tax code that levels the playing field for small businesses and does not unfairly disadvantage S-Corporations and/or family-owned companies. In addition, NLBMDA opposes unreasonable employment taxes that disadvantage small businesses.
- NLBMDA opposes increases to personal income tax rates that also serve as tax hikes on many small businesses that are structured as pass-through entities (S-Corporations, partnerships, or sole proprietorships), and supports measures to improve small business access to capital and competitiveness.
- NLBMDA supports the section 199A qualified business income deduction included in the Tax Cuts and Jobs Act.
- NLBMDA opposes limits to the state and local tax (SALT) deduction that harm individuals living in areas with higher local and state taxes, and make it more difficult for businesses in those areas to retain and attract workers.
- NLBMDA supports federal tax policy that lowers corporate income tax rates and makes U.S. businesses more globally competitive.
- NLBMDA supports a full and permanent repeal of the estate tax and opposes proposals to remove legitimate valuation discounts for estate, gift, and generation skipping taxes, which businesses have used for the past two decades in order to prevent the Internal Revenue Service (IRS) from overvaluing their businesses at death. Moreover, NLBMDA supports increases to the estate tax exemption.
- NLBMDA supports the “step-up in basis” tax provision which protects family-owned businesses from the imposition of capital gains taxes at death when passing down their business to the next generation.
- NLBMDA supports the current capital gains tax rate to help small businesses create jobs, contribute to economic growth and invest in their future.
- NLBMDA opposes any attempts to implement a mandatory vehicle miles-traveled tax (VMT) on American drivers.
- NLBMDA supports the business deduction for net interest expense supports making permanent business tax incentives, such as bonus depreciation, to provide certainty for business owners.
- NLBMDA supports tax credits and incentives to encourage consumer purchases of energy-efficient products, materials and construction.
- NLBMDA supports upholding Last-In First-Out (LIFO) accounting practices. Repealing LIFO accounting would cause companies using LIFO to report their LIFO reserves as income, resulting in a massive tax increase on many building material dealers.
- NLBMDA supports the Low-Income Housing Tax Credit as an effective means to expand the supply of affordable rental housing and promote job creation in the construction industry.
- NLBMDA supports legislative and executive efforts to reduce the annual federal budget deficit and address the national debt to preserve the long-term economic health of the nation.
- NLBMDA supports legislative efforts to provide employers with tax incentives, access to low-interest loans, and other financial relief measures during national health emergencies.



LEGAL REFORM & CONSUMER PROTECTION

LEGAL REFORM

While significant legal system reforms have been enacted over the past two decades, there are still several areas where lawsuit abuse continues to threaten legitimate business activity, such as the sale of products at the retail level. In these instances, unfounded and unfair lawsuits are increasing and crippling the ability of dealers to run their businesses. Surveys of NLBMDA members have found that more than one in four dealers has been the subject of a lawsuit over a product they sold but did not manufacture, alter, or install. Under current law, sellers can be equally and wholly liable for damages regardless of any wrongdoing. According to the Small Business Administration, it can cost as much as \$100,000 to defend against a predatory lawsuit, which often forces dealers to settle the suit regardless of the merits of the case. These frivolous claims drive up the costs of insurance and force small business owners to spend time away from their daily operations. While some states have enacted product seller protections, a federal standard would be helpful in providing uniformity and protecting building material dealers and other similar businesses who operate across state lines. Frivolous lawsuits can be reduced by strengthening Rule 11 of the Federal Rules of Civil Procedure to ensure the adequate enforcement and levying of sanctions

against attorneys who repeatedly file baseless claims that clog up our courts and waste defendants' time and resources. Moreover, NLBMDA opposes any efforts to repeal previously enacted legal protections, including class action reform, or subvert the legislative process to create new or expanded causes of action.

Principles:

- NLBMDA supports liability reform legislation that would preserve victims' access to courts while holding sellers harmless when they have not acted negligently in the design, manufacture, sale or installation of a legal product.
- NLBMDA supports the Lawsuit Abuse Reduction Act, which would modify Rule 11 of the Federal Rules of Civil Procedure and allow judges to sanction attorneys for filing frivolous lawsuits.
- NLBMDA supports efforts that limit frivolous lawsuits and that penalize those who file baseless claims as a means to extract settlements from innocent parties.
- NLBMDA opposes attempts to create new causes of action through the regulatory process or to repeal previously enacted legal protections.

- NLBMDA supports legislation to ensure employers are protected from frivolous lawsuits when making good-faith efforts to follow applicable public health guidelines during national health emergencies.

CONSUMER PROTECTION

NLBMDA supports reasonable protections for consumers and homeowners. Identity theft is a legitimate concern for consumers and businesses alike. Building material dealers have established relationships with contractors and customers in their communities, and as businesses, they have traditionally been identified as “low-risk” entities in relation to identity theft. Yet increased regulations often impose costly and time-consuming administrative burdens. Identity theft prevention measures should be flexible and easy for small businesses and building material dealers to administer. Bankruptcy reforms enacted in 2005 must not be undone in a misguided attempt to enable judges to alter the terms of mortgages during bankruptcy proceedings. Prior to the 2005 Bankruptcy Abuse Prevention and Consumer Protection Act, building material dealers were frequently left with uncollectable accounts after a homeowner or builder filed for bankruptcy. Allowing judges to alter mortgages after the fact would cause greater instability in the mortgage market and make it even more difficult for prospective buyers to obtain

favorable mortgage terms. Consumer protection also extends to the convenience of electronic commerce. Building material dealers also oppose efforts to increase the cap on credit and debit card fees, which have helped both retailers and consumers save money.

Principles:

- NLBMDA understands and supports the need to protect the privacy of customers’ financial information and other personally identifiable information. NLBMDA believes that attempts to mandate safeguarding or other measures to prevent identity theft should not impose unnecessary administrative and paperwork burdens on low-risk businesses.
- NLBMDA opposes efforts to repeal or weaken the bankruptcy reforms of 2005.
- NLBMDA supports the continuation of debit card swipe fee reforms that have created real economic savings for building material dealers and their customers, and supports similar swipe fee reforms for credit card transactions.
- NLBMDA supports the 2014 voluntary international safety standard for table saws, as it provides reasonable protections to consumers from injuries.





WORKFORCE POLICY

HEALTHCARE

The Patient Protection and Affordable Care Act (ACA) imposes significant mandates on employers who already struggle to provide affordable healthcare benefits to their employees. A survey of building material dealers found that a majority are less likely to hire new employees as a direct result of the healthcare mandate. Unfortunately, the small business relief contained in the ACA is only targeted to the smallest of businesses, leaving out the majority of building material dealers. NLBMDA will work with the broader business community to repeal or reform the more onerous portions of the law. NLBMDA also supports efforts to repeal annual limits on flexible spending accounts (FSAs) and other valuable pre-tax savings options for employees.

Principles:

- NLBMDA remains concerned about meeting the burdensome requirements of the Affordable Care Act and supports reforms that reduce its impact on employers' ability to provide required benefit levels to employees.

WAGES AND WORKER CLASSIFICATION

NLBMDA opposes regulatory changes that would cause workers to be erroneously reclassified as non-exempt employees when under the duties test, within

the context of the lumber and building material sector, they clearly qualify as exempt employees. Salary thresholds for determining exempt and non-exempt employees should serve as a bright-line test and should take into consideration the variations in compensation, geographic region and industry sector. NLBMDA will continue to use the economic realities test in determining whether someone is an independent contractor or an employee.

Principles:

- NLBMDA opposes proposals that would increase the federal minimum wage. Due to the vast differences in economic and employment conditions experienced across the country, NLBMDA believes that any adjustments to the minimum wage should be addressed at the state level rather than the federal level.
- NLBMDA opposes any increases to the overtime pay eligibility threshold that does not fully consider regional variations in wages and cost of living, would decrease workplace flexibility, or make it more difficult to develop future managerial talent.
- NLBMDA supports official adoption of the economic reality test to distinguish between employees and independent contractors under the Fair Labor Standards Act. The current patchwork of sporadic Labor Department guidance and legal

proceedings is unacceptable as dealers navigate worker classification issues.

- NLBMDA supports reasonable limitations on expanded unemployment insurance during national health emergencies. Supplemental unemployment insurance should provide for the needs of workers during these emergencies while simultaneously ensuring employers are not negatively affected.

WORKFORCE DEVELOPMENT

Workforce development programs are needed to give individuals the skills required to access employment and advancement opportunities. As the gap between the number of jobs posted and the number of people hired grows, policymakers must examine ways to help individuals gain the knowledge and skills needed to compete for in-demand jobs. In recent years, Congress has enacted reforms to improve K-12 education and modernize the nation's workforce development system. However, more must be done to help all Americans access the education they need to earn a lifetime of success.

Principles:

- NLBMDA is concerned about the growing “skills gap” in the nation's workforce and the negative effects it is having on residential construction.
- NLBMDA supports the Perkins Act that provides federal support to state and local career technical education (CTE) programs.
- NLBMDA supports proposals that expand vocational training, apprenticeships and work-based learning.
- NLBMDA supports laws that provide vocational training for prisoners in an effort to fill in-demand jobs and reduce recidivism rates.

DEMOCRACY IN THE WORKPLACE

NLBMDA continues to oppose any efforts to roll back workers' rights to secret ballot elections in determining union representation. NLBMDA supports the standards in place for more than 50 years that limit the instances when an employer must report a business relationship with a labor attorney or consultants concerning employees and their rights to organize and

collectively bargain. NLBMDA also opposes labor interests' efforts to seek mandatory, binding arbitration in union contract negotiations that will restrict the ability of employers and employees to negotiate mutually acceptable employment terms.

Principles:

- NLBMDA opposes regulatory efforts to reduce the amount of time employers have to communicate with their employees between the time they learn that a union is trying to organize the workforce and the election.
- NLBMDA supports legislation guaranteeing an employer's ability to participate in a fair union election and ensuring employees are able to make fully informed decisions about joining a union.
- NLBMDA opposes the dramatic expansion of the traditional test for joint employer status in which a company must exercise “direct and immediate control” over an employment relationship.
- NLBMDA believes that secret ballot elections should be preserved and are the fairest way to guarantee the rights of employees to freely choose whether or not to be represented by a union.
- NLBMDA opposes efforts to institute mandatory binding arbitration in union representation disputes and other efforts that would restrict employers' ability to freely communicate with their employees regarding union representation.
- NLBMDA opposes federal regulations requiring private employers to post notice in the workplace advising employees of their right to join a union.
- NLBMDA supports long-held disclosure standards concerning communications with outside consultants regarding labor union activities.

IMMIGRATION REFORM

At the heart of the immigration debate is the proper balance between protection of national security and the need to ensure that employers continue to have access to a steady pool of available workers. Recent reform proposals could impose significant time and paperwork costs on employers and lead to extreme labor shortages, posing a threat to the strength of the construction sector. While NLBMDA believes that our nation's immigration system is in critical need of reform, we are also concerned that policies could place an undue burden

on employers and would expose them to significant liability by forcing them to certify the work eligibility of their employees without government-provided tools that ensure accuracy. Sanctions against employers should be reserved for intentional violations of the law, and employers should be provided adequate resources to assess their hiring practices and comply with all current and future requirements.

Principles:

- NLBMDA supports the protection and enforcement of U.S. borders.
- NLBMDA supports a robust pipeline of legal immigration for qualified people into the U.S. who are law-abiding.
- NLBMDA supports immigration policies and employment verification procedures that are reasonable and do not create unfair employment standards or impose financial hardship through costly fines or mandates for small businesses.
- NLBMDA supports simplifying the worker visa application process for employers with proven records of compliance to reduce processing times and paperwork burdens on employers, employees and the government.
- NLBMDA supports a robust temporary guest worker program to recruit legal, foreign-born individuals when there is a shortage of domestic workers to fill available positions.
- NLBMDA supports policy reforms that prioritize America's workforce needs by increasing employment-based immigration to meet the labor demands of America's small businesses.

- NLBMDA supports mandatory use of E-Verify by employers to ensure that undocumented workers do not displace American workers and provides employers' confidence in hiring workers while reducing paperwork burdens, but believes that any requirement should have an appropriate phase-in period for small businesses.
- NLBMDA supports establishing work authorization and a transitional pathway for citizenship for undocumented individuals who were previously brought to the United States as children. Additionally, NLBMDA believes that this eligibility should not apply to future arrivals.

FAMILY & MEDICAL LEAVE POLICIES

The lumber and building material industry is composed of many small and family-owned businesses who seek to provide the best possible work environments to retain employees in today's competitive environment. Proposals to expand the Family Medical Leave Act (FMLA) and/or impose mandatory paid sick leave would create considerable burdens on small businesses in the lumber and building material industry. Government mandates take away employers' and employees' ability to negotiate flexible benefits packages and increase the time, paperwork and cost of complying with labor laws.

Principles:

- NLBMDA opposes government mandates that eliminate employers' ability to negotiate flexible leave policies with their employees and will oppose policies that drive up the costs of doing business.

ENVIRONMENT, HEALTH & SAFETY

ENVIRONMENTAL REGULATION

NLBMDA and the lumber and building material industry understands the need to reasonably ensure the safety and health of our customers, homeowners,

and contractors. Moreover, we are concerned about the increased use of "sue and settle" tactics that circumvent the traditional rulemaking process and force overly burdensome regulations onto businesses. Unfortunately,

federal agencies have undertaken aggressive rulemakings that over-regulate our businesses with little or no demonstrated health benefits.

For example, the Environmental Protection Agency's rush to promulgate and enforce the Lead Renovation, Repair and Painting (RRP) Rule in 2010 significantly hampered the lumber and building material industry. Lack of training opportunities, unreasonable requirements such as the removal of the "Opt Out" clause after the rule took effect, and a lack of accurate test kits have all severely impacted dealers, whether they have installed sales operations or not. Dealers lost business at a time when the economy most needed home remodeling to help add jobs and economic activity. Dealers were also forced to educate their customers about the RRP Rule in the absence of adequate education by the EPA. Moreover, EPA's failure to identify accurate test kits that comply with the RRP Rule exposes building material dealers to undue liability. NLBMDA continues to monitor implementation of the RRP Rule to ensure that the impacts on the lumber and building material industry and home remodeling sector are considered and addressed. NLBMDA will also work with the appropriate oversight committees to seek legislative assistance when needed to reduce the compliance burden on the industry.

Principles:

- NLBMDA will work with Congress to reduce the regulatory compliance burden posed by existing and proposed regulations on the lumber and building material industry.
- NLBMDA supports restoring the "Opt-Out" clause to the Lead Renovation, Repair and Painting Rule and believes EPA should renew its efforts to identify a lead-paint test kit that meets the RRP Rule's standard for false positives, and suspend enforcement of the rule until a test kit meeting the false positive standard is identified and commercially-available.
- NLBMDA opposes "sue and settle" tactics that circumvent the traditional rulemaking process while imposing significant economic costs on businesses.

SAFETY & TRAINING

The Small Business Administration Office of Advocacy estimates that our federal regulatory system costs employers \$1 trillion annually, with a disproportionate share of that burden falling on small and medium-sized businesses. The lumber and building material industry is closely regulated by the Occupational Safety and Health Administration (OSHA) and NLBMDA will continue to provide the latest compliance materials to dealers to help them meet the various requirements under OSHA regulations. Dealers are primarily small businesses that have a vested interest in protecting the health and safety of their employees at their yards and on the road, as lost time due to injury impacts the employee and employer alike. The recordkeeping and training requirements mandated by OSHA and other agencies can pose significant cost burdens on employers. NLBMDA believes that federal mandates must be carefully reviewed to ensure new regulations balance the need to promote safety with the time and cost burden of proper compliance. NLBMDA continues to work in partnership with OSHA to improve communication and provide compliance assistance with the lumber and building material industry.

Principles:

- The safety of employees is of utmost importance. NLBMDA will support workplace safety regulations that effectively enhance health and safety conditions and are cost-effective and technologically attainable without imposing excessive costs or recordkeeping requirements on lumber and building material dealers.
- NLBMDA encourages policymakers to refrain from the promulgation of overly broad or "one-size-fits-all" rules and regulations. In order to allow employers to provide appropriate training and protections to employees, NLBMDA believes policymakers should clearly frame all issues and fashion appropriate remedies.
- NLBMDA supports the material delivery exemption under the OSHA crane rule, which relieves dealers who deliver material to construction sites under certain circumstances from operator certification requirements, and supports the immediate repeal of the 2016 letter of interpretation on the material delivery exemption.



PRODUCT SUPPLY & TRADE

PRODUCT SUPPLY

Lumber makes up the largest single product category supplied by building material dealers, and NLBMDA has long had an interest in supporting a stable supply of domestic and foreign wood products needed to supply our nation's homebuilders and construction sector. NLBMDA supports responsible forest management policies that promote the environmental sustainability of wood as a resource and maintain the health and viability of our nation's federal forests. While we support the goals of the Endangered Species Act, the Clean Water Act, and other major environmental programs, we believe that private property rights must be protected and balanced with environmental objectives. We support cooperative efforts between industry and governmental agencies that proactively work to ensure the environmental and ecological health of forests and private lands. We believe the carbon capture potential of appropriately managed forest lands is a strong endorsement for an increased emphasis on certified wood use in green construction.

Design values for dimensional lumber have long played an important role in ensuring safe and lasting construction. NLBMDA supports appropriate, established, and timed design value changes that do not threaten the current use or inventory of any lumber species or dimension. Sudden changes in

these design values without an open, consistent, and transparent process can lead to great uncertainty in the marketplace and unanticipated liability for dealers. A change in design values without an appropriate period of time for the marketplace to adjust threatens to devalue the lumber inventory and creates unnecessary stress on all parts of the supply chain.

Principles:

- NLBMDA supports policies that encourage responsible federal forest management that maintains access to domestic wood and supports the health and viability of our public forests.
- NLBMDA supports best practices based on science, including fuel reduction, which ensure these forests continue to be available for use as a renewable resource.
- NLBMDA supports greater sustainable harvesting of federal forests to meet long-term demand for lumber as part of a comprehensive plan that does not place U.S. private forests at a competitive disadvantage.
- NLBMDA supports free market efforts to increase the availability of domestically produced wood products and building materials, and supports

measures to increase the competitiveness of U.S.-based wood products manufacturers.

- NLBMDA supports non-regulatory relief efforts by the federal government that coordinates with stakeholders during national emergencies to ensure drastic lumber price fluctuations do not negatively impact dealers.
- NLBMDA supports efforts to revise the design values of species of lumber that adhere to an open, consistent and transparent process that assures participation of all parties in the supply chain and allow the marketplace a reasonable period of time to plan for any changes.
- NLBMDA supports legislation clarifying the regulatory guidelines and enforcement rules of the Lacey Act to include the establishment of an “innocent owner” provision.

TRADE

Restrictions on access to domestic timber has made lumber and building material dealers increasingly reliant on imports from Canada and other nations, with as much as one-third of the framing lumber used in the U.S. coming from Canada each year. The species of wood imported from Canada, and required for framing in many parts of the U.S., is not available in sufficient quantities domestically. Likewise, materials must be imported from Europe and Central and South America to meet our builders’ demand and homeowners’ expectations. Even in challenging economic times, we cannot meet this demand with domestic products alone. While we believe that fair trade policies should be followed, to ensure a reasonably level playing field for domestic and foreign manufacturers, we oppose excessive tariffs and other restrictions that decrease product availability and increase costs to U.S. consumers. We also continue to oppose attempts to reinstate the Continued Dumping and Subsidy Offset Act (CDSOA), which provides

a cash incentive for the filing of trade actions was previously ruled in violation of the North American Free Trade Agreement (NAFTA) and the World Trade Organization, and would be in violation of the United States-Mexico-Canada Agreement (USMCA).

Principles:

- NLBMDA supports reaching an agreement on the longstanding U.S.-Canadian softwood lumber dispute that brings stability and predictability to the pricing and availability of softwood lumber without the imposition of duties. Additionally, we strongly urge the United States Trade Representative and the Secretary of Commerce to consult with all stakeholders, including retailers and consumers of lumber products, in future discussions regarding any terms of trade in softwood lumber between the U.S. and Canada.
- NLBMDA supports a tariff exemption for cedar shakes and shingles manufactured in Canada and imported to the U.S.
- NLBMDA supports trade agreements that help meet domestic demand for softwood lumber, do not put U.S. lumber producers at a competitive disadvantage, unnecessarily restrict the availability of products, or increase the cost of housing to the detriment of prospective homebuyers and U.S. consumers.
- NLBMDA opposes tariffs on steel and aluminum imports as it increases construction costs, decreases housing affordability, and can cause an unnecessary trade war that harms consumers.
- NLBMDA supports the U.S. suspending further tariff actions on Chinese imports and engaging the foreign government on making meaningful, sustainable, and significant changes to trade policies that disadvantage U.S. economic interests.



ENERGY

Building material dealers rely on access to affordable fuels to transport products and make deliveries to customers and job-sites. Volatility in the price of fuel is an additional burden the industry can ill afford. Any new emissions regulations should fully consider all associated costs and should not kill jobs, negatively impact housing affordability, or create additional costs that will ultimately be passed on to consumers. NLBMDA believes that Congress must pragmatically increase the availability of our domestic energy resources to stabilize fuel price fluctuations that undercut the nation's economy.

Moreover, comprehensive energy legislation should emphasize the energy efficiency gains that can be achieved through voluntary incentives for homeowners, commercial building owners, and builders, and not through federal mandates that infringe upon the current consensus-based model code process.

As Congress explores alternative fuel sources, NLBMDA encourages Congress to provide favorable tax treatment for forest products biomass initiatives, which support maximum utilization of national

timber resources and reduce our reliance on fossil fuels. NLBMDA continues to support policies that promote energy-efficiency in residential and commercial construction, along with tax credits and other incentives for consumers who purchase energy-efficient appliances and materials.

Principles:

- NLBMDA supports efforts to increase our domestic energy supply and voluntary access to alternative fuels to provide relief from volatile fuel costs.
- NLBMDA supports free market approaches to developing alternative fuels and opposes government mandates that eliminate choice or further drive up the cost of fuel.
- NLBMDA opposes a national energy tax that would cripple our economic recovery and supports efforts to rein in EPA activities to regulate greenhouse gas emissions absent congressional authority.



TRANSPORTATION & FLEET SAFETY

TRANSPORTATION

The lumber and building material industry relies on the ability to receive inventory in a timely manner and to make on-time deliveries to our customers. The deteriorating infrastructure and heavy congestion on our nation's roads and rail network is a growing threat to the industry. In many small towns and regions of the country, rail service is not an option, which forces more building material freight onto federal highways and local roads. Nearly 90 percent of NLBMDA members report that congestion is a significant burden to their operations. The current size and weight restrictions for commercial trucks often results in partially filled vehicles on the road, costing time and money, and increasing the amount of pollution per vehicle miles traveled. NLBMDA believes that the federal maximum weight limit for tractor trailers should be increased, coupled with an additional axle to improve safety, in order to more efficiently move freight on our roads. Currently, the patchwork of various state weight limits, and higher limits for trucks in Canada and Mexico, makes shipping logistics unnecessarily complex.

Principles:

- NLBMDA supports increased infrastructure funding to reduce congestion on our roads.
- NLBMDA supports increasing the gross vehicle weight to 91,000 pounds on federal interstate highways for vehicles equipped with an additional axle as a way to address the environmental, economic, and safety challenges facing our nation's freight transportation network.
- NLBMDA supports efforts to improve rail competitiveness for the timely and cost-effective receipt of goods by rail.
- NLBMDA is concerned about costly delays and increased fees in obtaining imported products due to increased inspection activity at U.S. ports and borders, and will support efforts that streamline reporting requirements to ensure timely flow of goods across the border.
- NLBMDA supports workforce development initiatives to address the availability of labor in the transportation sector.

FLEET SAFETY

The Federal Motor Carrier Safety Administration (FMCSA) does not always differentiate between long haul and local carriers when drafting or enforcing safety regulations, which requires building material dealers to expend considerable time and effort to ensure they are in compliance with all relevant regulations. While building material dealers place considerable emphasis on driver training, drivers are also salespeople and product experts for whom driving is often only a portion of their job responsibilities. Compliance information must be made more readily available and user-friendly to support non-trucking businesses in understanding their obligations. Likewise, new training requirements and safety regulations must be developed with consideration of their applicability to short haul carriers.

Principles:

- NLBMDA supports a more rational approach for addressing highway safety issues for long haul and local carriers and recognizes the need for more effective and common language “plain English” guidance for non-trucking businesses.
- NLBMDA supports the original 34-hour restart requirement as part of the FMCSA’s Hours of Service rule.
- NLBMDA believes motor carrier safety regulations, such as requiring the use of electronic logging devices to track drivers’ hours of service, must promote safety without imposing unnecessarily high cost and compliance burdens on employers and small businesses.
- NLBMDA supports an exemption for short-term truck rentals from the electronic logging devices requirement.



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