

# THE LUMBER LOG

A PUBLICATION OF THE LUMBER ASSOCIATION OF CALIFORNIA & NEVADA

December, 2011

**HAPPY HOLIDAYS FROM LACN AND HERE'S THE BEST FOR A PROSPEROUS NEW YEAR!**

**- Charlene, Jean and Ken**



## NLBMDA announces 2012 national policy agenda

The National Lumber and Building Materials Dealers Association (NLBMDA) has released its draft “2012 National Policy Agenda,” identifying the subjects of interest to the industry at the federal level. NLBMDA is composed of 18 regional organizations, including LACN, and represents more than 6,000 member firms operating single or multiple lumber yards and component plants. It represents its members in the national public policy arena, with emphasis on efforts to promote the industry and educate legislators and public policy personnel, as well as to assist legislative, regulatory, standard-setting and other government or private bodies in the development of laws, regulations and policies affecting lumber and building material dealers, its customers and suppliers.



**Housing and Economic Policy** is the association’s top issue in 2012, with the goal of “.....continuing to work with policy-makers to support responsible homeownership and lending practices that promote and preserve the value of home ownership”.

NLBMDA opposes efforts to repeal the mortgage interest deduction, and support reinstating higher conforming loan limits for Fannie Mae, Freddie Mac and Federal Housing Administration insured home loans to ensure greater mortgage liquidity and provide certainty for an already fragile housing market. It believes that the Department of Housing and Urban Development (HUD) must continue to provide support for struggling and prospective home buyers, and receive adequate funding for its grant and loan programs. It will also continue to advocate for disaster recovery assistance to help homeowners and businesses recover from national disasters.

**Tax Policy** is another critical issue for NLBMDA. While it is noted Congress temporarily extended the 2001 and 2003 tax cuts at the end of 2010, comprehensive tax reform is still needed to restore the competitiveness of America’s small businesses. Many building material dealers are organized as S-Corporations, whose ability to access capital is severely impaired by our current tax code. Allowing individual tax rates to increase in 2012 would have

a severe impact on the many small businesses in the building supply industry that function as pass-through entities.

NLBMDA continues to maintain that various business incentives must be made permanent to reduce the lingering uncertainty for business owners. The industry is also concerned about proposed accounting changes and the looming Social Security crisis that could undercut our economic recovery and increase the tax burden on employers.

**Legal Reform & Consumer Protection** continue to be a priority. While significant legal system reforms have been enacted over the past decade, there are still several areas where lawsuit abuse continues to impede the competitiveness of our industry. Unfounded and unfair lawsuits are increasing and are crippling the ability of dealers to run their small businesses.

**Workforce Policy** focuses on national health care proposals. The Affordable Care Act of 2009 imposed significant new mandates on employers who already struggle to provide affordable health benefits to their employees. NLBMDA will work with the broader business community to identify and seek to repeal the more onerous portions of the law. NLBMDA also supports efforts to restore flexible spending accounts (FSAs) and other valuable pre-tax saving options for employees.

Other areas of concerns include **Product Supply, Environmental and Trade** issues focusing on federal agencies undertaking aggressive rulemaking that over-regulates business with little or no demonstrated benefits.

Energy concerns including access to affordable fuels and transportation concern about a deteriorating transportation infrastructure round out the national agenda list.

## **Matt Petersen named to LACN board position**

Matt Petersen, Vice President/Treasurer of Mead Clark Lumber in Santa Rosa, has been appointed to the LACN Board of Directors to fill the position of representative to the National Lumber & Building Materials Dealers Association (NLBMDA) and will sit on the national board of directors.

The position opened up when LACN Past President JD Saunders, who held the national position since 2007, was recently elected Second Vice Chair of the national organization. Petersen had previously served in the national position prior to Saunders for several years.

NLBMDA's board of directors is composed of representatives of the 15 regional lumber and building materials organizations making up the national group, plus elected and appointed national officers.

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## FROM THE PRESIDENT

Richard McArthur, Ojai Lumber Company  
2012 LACN President



## What is happening?

This year the board has reorganized the LACN committees. We have added the following committees: Marketing, Government Affairs and Safety/HR. These and continuing committees are starting to work on their duties. Look for information from the committees in future Lumber Logs. If any of you have an interest in serving on a committee please Ken or me know. The work done by these committees is critical for the association to function, grow and promote our industry.

When I started in the lumber business in the late 70's I attended the second summer conference of Second Growth and all the following until I aged out. Then a few more when that old was not that old. But that ended as I continued to thankfully have birthdays. For some unknown reason someone thought it would be a good idea for me to be on the Second Growth panel at the 1980 convention.

The crash in the lumber market and building that started in late 1979 was still going strong. This was the longest down turn that anyone could remember since WWII. 'These things usually only last six months what is happening' was a very common comment. Many old seemingly well established companies closed. The keynote speaker's topic that year was how to make your banker to lend you more or delay your payments. One of his pieces of advice was to take your banker to lunch and give him the keys to the business if he would not help out. I do not know if any one tried that. Many more yards closed over the next two years.

One of the convention sessions at that time was a panel discussion presented by four Second Growth members. There we were in front of people, most of whom had more years in the lumber business than we were old. I was shocked by the attention they gave us; they were looking for solutions and answers. Did we have any? We thought we did but knew we really didn't. Many factors contributed to major slowdown that no one in any business could control. The only thing the panel really offered was hope. We were optimistic about what the future.

The title of our presentation was; 'Do you want to make it happen, watch it happen or go what happened?' At one of our planning meetings we met at a large company. They had their sales and profitability charted on the wall in the room. I notice it took three months for corrective action to take effect. It showed me the importance of being close to what is going on. Being able to hear what your customers and suppliers are saying about their business is critical in being able to take action before the reports come out.

**MAKE IT HAPPEN !**

## IN THE NEWS

Information from LACN Members

Have news items? E-mail them to Ken Dunham at [kend@lumberassociation.org](mailto:kend@lumberassociation.org)



■ U.S.-based **Spruce Computer Systems, Inc.** and Canada-based **OGC Inc.** have signed a comprehensive agreement to enter into a long-term strategic partnership. The new agreement gives St-Laurent, Québec-based OGC exclusive Canadian rights to market, implement and support Spruce's SpruceWare.NET business management software. Founded in 1985, Spruce Computer Systems, Inc. is a provider of retail business management software to lumber and building material dealers, home centers, and hardware stores. OGC is a Canadian supplier of information management solutions in the retail and distribution industries, particularly for the hardware and building material sectors.

■ **Federated Insurance** has produced a new distracted driving safety program: "*In the Blink of an Eye.*" Distracted driving continues to be a public safety issue that costs business owners millions of dollars each year. A 2011 study by Federated Mutual Insurance Company revealed that 50 percent of commercial driving accidents included distraction as a contributing factor—more than weather, failure to yield, and following too closely combined.

Federated has created a new, comprehensive program called "Distracted Driving—In the Blink of an Eye" to help businesses address the risk exposure distracted driving can have on their companies. The program is designed to help Federated clients reduce claims and the related costs of distracted driving by setting high standards for driving company vehicles.

This program includes a compelling DVD and packet of materials with everything a business needs to conduct an impressive employee distracted driving safety meeting and new employee orientation. Federated marketing representatives will deliver a copy of the DVD and support materials to insured clients beginning in early 2012.

## NLBMDA Applauds Restoration of Higher FHA Loan Limits

The National Lumber and Building Material Dealers Association (NLBMDA) has congratulated Congress for reinstating the higher conforming loan limits for the Federal Housing Administration (FHA) through 2013, helping reduce uncertainty for an already fragile housing market. By increasing the loan limits guaranteed by FHA to \$729,750, Congress has taken a step to stabilize home values while enabling creditworthy consumers to get home loans with the best mortgage rates, lowest fees, and better down payment requirements.

Despite the action by Congress on FHA loans, the lower Fannie Mae and Freddie Mac conforming loan limits of \$629,500, which went into effect on October 1, remain in place. NLBMDA thanks Congress for its work on FHA loans and will continue its efforts in restoring the higher conforming loan limits for Fannie Mae and Freddie Mac.

"We thank the Republican and Democratic leadership in Congress for backing legislation that supports the recovering housing market, creates jobs, and allows access to affordable and reliable financing to responsible home buyers and owners," said Michael O'Brien, NLBMDA President and CEO.

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## **The Lumber Log**

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[www.lumberassociation.org](http://www.lumberassociation.org)

Contact LACN for password to "members only" section.

# **SAFETY & RISK MANAGEMENT**

## **INFORMATION YOU CAN USE**

Erik Plantenberg, Regional Marketing Manager



## **Do you have a plan?**

Do your employees know what their duties would be if a disaster were to occur that affected your business? Help them understand your expectations and the procedures they should follow by answering these questions:

- \_ Do you have a written disaster plan that is communicated to all employees?
- \_ Do you have a designated risk manager and a safety team who know how to react in various situations?
- \_ Do your employees understand their individual roles and priorities to help secure their work areas without endangering themselves?
- \_ Do employees know what to do if evacuation is necessary?
- \_ Do you have alternative communication methods in case of a power outage?
- \_ Do you have a list of employees' and vendors' addresses and phone numbers stored away from the premises?
- \_ Do employees know how to report their whereabouts and account for themselves after an event?
- \_ Do you have a disaster recovery plan to minimize business interruption after an emergency?
- \_ Do you encourage employees to have personal disaster plans for their homes and families?
- \_ Do you hold periodic safety meetings to help remind employees of their responsibilities in a disaster?

Take advantage of the *Open for Business*® tool that helps small businesses plan for and recover from disasters. *Open for Business*® is an Internet-based disaster recovery and risk assessment tool developed by the Institute for Business & Home Safety (IBHS) and Federated that is available online on Federated's Shield NetworkSM.

Small businesses can do the kinds of disaster analysis and recovery planning normally undertaken by much larger organizations and greatly improve their chances of staying in business after disaster strikes.

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### **Need a small meeting room for a meeting in the Sacramento area?**

LACN's new offices has a conference room that will accommodate up to about 18 people easily. This is available without charge to any LACN member – Dealer, Affiliate, Associate. Perfect for small sales meetings, client meetings, or for smaller office meeting when you just need to get away. Free coffee! We've also got a refrigerator for your soft drinks and water, copier and fax availability. Lots of free parking. Small service kitchen with a microwave. Many choices for meals within a mile of the office and we're easily found at Exit 23 on Hwy 50, north on Folsom Blvd 1.8 miles and left onto Parkshore Dr.

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## 2012 Advertising rates and information

The **LUMBER LOG** is published electronically monthly by LACN and is the organization's official publication. With a mix of industry news, political and government affairs information, business advice, safety and management articles and industry opinion, the **LUMBER LOG** is an excellent choice for advertising. The **LUMBER LOG** is regularly e-mailed to nearly 1,000 LACN members and others, and often e-mailed to an additional 300+ in the industry.

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AD Size	1 Month	3 Months	6 Months	12 Months
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