

NAWLA Bulletin

Efficient Forest Products and Building Materials Distribution

Mortgage Loans May Set New Record

U.S. mortgage lenders are expected to issue a record \$3.4 trillion in new loans this year, a 36.5 percent increase over the prior record set last year, an industry group said July 14.

Falling mortgage rates, recently at lows not seen in more than 40 years, have fueled torrid home sales and refinancing. The housing and refinancing booms have been the twin bright spots in an otherwise sluggish U.S. economic recovery. With a gradual pickup in economic growth and mortgage rates in the first half of 2003, the record volume of mortgage demand will begin to subside after this year, the Mortgage Bankers Association of America said.

In their three-year forecast, the industry group's economists forecast that the mortgage industry will issue \$1.94 trillion in new loans in 2004, a 43 percent drop from 2003's expected volume. By 2005, new originations will total \$1.46 trillion, falling 25 percent from 2004 and to its lowest level since 1998.

Source: Reuters

Wholesale Inventories Fall in May

Wholesale inventories fell 0.3 percent in May, to \$289.34 billion, according to a government report released on July 14. The decrease matched April's decline and reflected fewer supplies of automobiles, machinery and electrical equipment, the Commerce Department said in Washington.

Economists surveyed by Bloomberg Business News had forecast a 0.2 percent increase in wholesale inventories for May. May wholesale sales fell 0.5 percent after dropping 2.5 percent. Relative to sales, wholesale inventories remained at 1.24 months' worth in March. Companies have been reluctant to fill their warehouses and shelves until demand improves.

Source: Bloomberg Business News

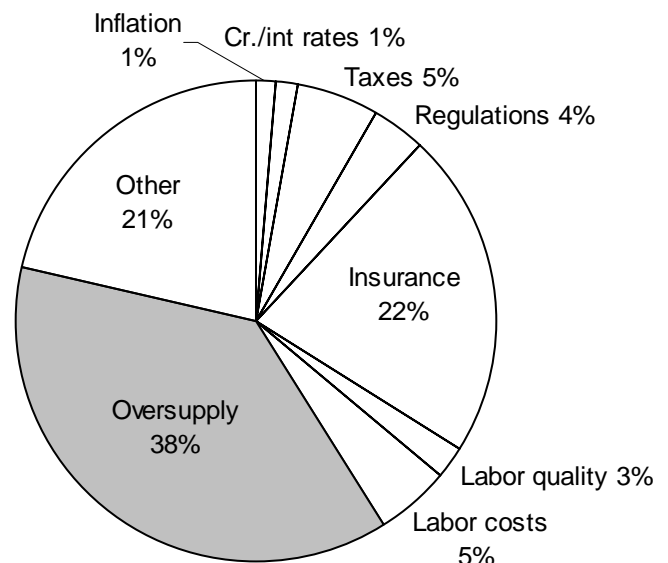
Bulletin 07-03

July 17, 2003

Oversupply Still a Major Concern

In the April NAWLA *Bulletin*, NAWLA published survey results regarding its members' biggest business concerns. Respondents were to rank their concerns in order of importance, with 1 being the the greatest and 9 being the smallest. Topics included: Inflation, Availability of Credit, Taxes, Regulations, Insurance, Labor Quality, Labor Costs, Oversupply and "Other." 41% of respondents ranked oversupply as their chief concern, with inflation and interest rates being the items they were least concerned about.

NAWLA did its second quarterly survey addressing those business concerns. As of press time, NAWLA had received 207 replies, with the results essentially mirroring the April survey. See the chart below for overall preliminary results from the July survey:



NAWLA will continue to survey results on a quarterly basis for comparison with previous quarter results. This will be a timely indicator of shifts in our industry.

NAWLA Member News

Anthony Forest Products recently announced that *Kristi Huffstetler* has been added to their Engineered Wood Products sales team.

Boise recently opened a new distribution center in Lakeville, MN, replacing a smaller facility in Minneapolis.

Stora Enso Timber U.S., Portland, OR, has recently added *Albert Bruinsma* to its sales staff. He will handle industrial and specialty products.

Gary Tragesser, vice president, marketing, at **Bennett Lumber Products**, Princeton, ID, will retire August 1 after 24 years with the company. *Jim Vandergrift* will become sales manager.

Capital Lumber Company has hired three new account managers: *Asa Johnson*, Denver office; *Bobby Mahan*, Lubbock, TX; and *LeeRoy Montoya*, Albuquerque.

Gary McPherson, *Scott McPherson*, and *Tyce McPherson*, all formerly with Cascade Empire, are now with **MFP of Oregon**, Lake Oswego, OR.

Power Wood Corp. recently opened their doors to a new five-acre yard in Surrey, B.C.

Southeastern Forest Products has opened a new manufacturing facility in Cordele, GA.

Weyerhaeuser recently announced a major restructuring of its Dryden, Ontario operations. The sawmill will close permanently and the pulp and paper mill workforce will be reduced, affecting about 330 hourly positions.

Canadian Housing Starts Rise

Canadian housing starts were at a seasonally adjusted annual rate of 210,400 units in June, up 6% from the May rate, according to Canada Mortgage and Housing Corp. Analysts cited low mortgage rates, tight labor markets, and high consumer confidence for the increase.

Source: Canada Mortgage and Housing Corp.

NAWLA Regional Meeting Schedule Set to Begin in August

NAWLA will be holding several one-day regional meetings throughout North America starting this fall and running through spring 2004. The first meeting will be held in Winnipeg, MB on August 27, with subsequent meetings to be held in southeastern Michigan; Fort Worth, TX; Greensboro, NC; Birmingham, AL; Orange, CA; Sacramento, CA; Vancouver, BC; Portland, OR; and New York.

The meeting format includes cocktails, dinner, and an evening program which will consist of a discussion of industry issues and "hot topics." Non-members are encouraged to attend as well. **Watch your mail in the coming months for more details!**

WPN Secures Op-Ed in *Wall Street Journal* and a Segment on Fox News

The WPN and Patrick Moore secured an opinion piece in the *Wall Street Journal* on Wednesday, July 9 which focused on many positive wood and forest messages. The story hook was current forest news — fire season in the West along with recent forest legislation in the U.S. Congress - but WPN's forest abundance and "use more wood, grow more trees is good for the environment" message was well represented.

A copy of the article is available at: <http://www.wpnupdate.com/wsjop-ed/>. The text of the article is available for use but MUST include the following copy line: Reprinted with Permission of the *Wall Street Journal*, Copyright 2003. Dow Jones and Company. All Rights Reserved. **Please contact WPN for specific usage requirements.**

As a result of the *Wall Street Journal* article, Patrick Moore was interviewed live via satellite for the nightly news show, "Hannity and Colmes." The focus was on the science and ecology surrounding the current debate over forestland. The segment can be viewed with a media player online at www.wpnupdate.com/June24foxnews.html.

New U.S. Cargo Securement Regulation – NAWLA Initiates Action

Submitted by Nick Kent, NAWLA President and CEO

No, we're not talking about security, as in terrorism. We're talking about a complex set of regulations taking effect in January, 2004, created to prevent cargo shifting accidents.

Promulgated by the US Department of Transportation (DOT) and the Federal Motor Carrier Safety Administration, these new rules will have a direct impact on the lumber and building materials sector. Any wholesaler who operates trucks will need to have drivers trained in the new cargo securement policies. Likely declines in efficiency will also occur when drivers, making multiple stops, will be compelled to shift cargo and readjust restraints in accordance with the new regulations.

NAWLA is teaming up with National Industrial Transportation League's Paper and Forest Products Industry Logistics subcommittee to develop industry specific information, training and education vehicles.

Watch for future details. We will continue to keep you posted on developments. In the interim, you may download a copy of the new rules by going to <http://www.fmcsa.dot.gov/contactus/cs.htm>. The PDF document is 25 pages long.

Engineered Wood Construction Guide Now Available

APA--The Engineered Wood Association has issued their 2003 "Engineered Wood Construction Guide," the reference manual for using engineered wood products in residential and commercial construction. Major changes include:

- Moisture exposure recommendations
- Section on laminated veneer lumber (LVL)
- Section on APA EWS Rim Board
- New 1-Hour I-joist single-ceiling-layer floor/ceiling system from the 2003 International Building Code

Contact the APA--Engineered Wood Association at (253) 565-6500 or visit their web site at www.apawood.org for more information.

Canadian Building Permit Value Drops

The value of building permits in Canada declined in May, as insitutional intentions plummeted and construction intentions for single-family homes hit a 17-month low. Builders took out \$3.9 billion worth of building permits, according to Statistics Canada, down 2.0% from April. Municipalities issued \$24 billion in permits for housing, as demand for the single-family component fell for the fourth straight month. In the non-residential sector, the value of permits fell 6.2% to \$1.5 billion, as declines in permits for government and commercial products offset an increase in industrial intentions.

Source: Statistics Canada

Oregon Leads States in Lumber Output

Oregon's output of 6.2 billion board feet of lumber placed it first among U.S. lumber-producing states in 2002, according to preliminary totals from an annual survey by the Western Wood Products Association. Oregon's output was its highest since 1991. Production in Washington, the second-ranked state, totaled 4.6 billion feet, up 8.6% from 2001. Through April 2003, lumber production in the U.S. totaled 11.7 billion board feet, off 2.5% from the same period last year.

Source: WWPA

Harvard Publishes 2003 Housing Report

Harvard University's Joint Center for Housing Studies recently published a comprehensive report entitled "The State of the Nation's Housing." Topics in the 42-page report include Income and Housing Costs, Homeownership Trends, demographic information, and much more.

Downloadable copies of the report are available in Adobe PDF format at <http://www.jchs.harvard.edu/publications/markets/son2003.pdf>. You may also contact the Joint Center for Housing Studies directly at (617) 495-7908 and request a copy of the report.

Canadian Non-Residential Building Investment Hits Record in Second Quarter

Investment in non-residential building construction by governments and businesses reached a record \$6.5 billion in the second quarter, mostly the result of an all-time high in institutional projects. The gain of 3.0% from the first quarter was the fourth straight quarterly increase.

For the first time in two years, investment in all three components - institutional, commercial and industrial - increased simultaneously.

Governments pumped a record \$2.3 billion into institutional construction, up 4.3%. Investment in commercial construction incurred its first increase in two years with a 1.9% gain to \$3.0 billion. Investment in industrial construction ended the second quarter with a 3.3% increase to \$1.2 billion.

Source: Forestweb

PALCO Suing Tree-Sitters

NAWLA member **The Pacific Lumber Company (PALCO)** recently sued more than 110 tree-sitters and other protesters for civil damages during the last two years. The litigation is part of an aggressive response to the environmentalists who have used civil disobedience to disrupt its operations. **PALCO** has a long history of being under pressure from protester groups for logging coastal redwoods. Since the beginning of this year, the company also has forcibly removed tree-sitters and launched advertising campaigns against them.

Source: WPN News Service, July 15, 2003

Included in this month's NAWLA Bulletin:

- **NAWLA Mold Update--**Supplmental article to the recently distributed white paper, "Measures for the Prevention, Suppression and Mitigation of the Growth of Mold on Lumber"
- "Truckers Beware," an article reprinted with permission from the June 16, 2003 issue of *Traffic World* magazine. Read about the growing number of states that are demanding business taxes from out-of-state truckers

U.S. China Build Trade Mission Rescheduled for Late September

The World Health Organization and the U.S. State Department recently lifted the travel ban on China.

As such, the U.S.-China Build Program, the American Forest & Paper Association, and APA-The Engineered Wood Association, with forest industry association partners and support from the U.S. Department of Commerce and the Foreign Agricultural Service, are organizing a one-week sales mission to China on September 22-26, 2003. This will be accompanied by one-day seminars in Shanghai, Shenzhen, and Beijing to present information about building with wood and using U.S. building materials.

The seminars will also feature brand specific presentations by ten U.S. mission participants, participation by company representatives in panel discussions, and mini-trade shows for companies to display products. Ample time will be included for seminar participants to meet with U.S. company representatives.

For more information go to:

<http://www.uschinabuild.org/Events/missionflyer7.02.03.pdf>

Source: APA - The Engineered Wood Association

Wood Producers Weigh Anti-Dumping Trade Action

A group of U.S. case goods manufacturers met in Washington the week of July 7. Discussion included the possibility of anti-dumping trade action against bedroom furniture made in China.

The meeting took place at the offices of King & Spalding, the law firm that started a study late last year for the American Furniture Manufacturers Association to examine whether conditions existed for anti-dumping measures. Some manufacturers took part via conference call.

The number of companies participating was not available, and the AFMA itself did not take part. There was no word on when a decision would be made on pursuing any measures.

Please Welcome NAWLA's Newest Members!

Clearwood Industries Ltd. (M)

20142 -113B Avenue
Maple Ridge, BC V2X 0Y9
Contact: Frank Girard
Phone: 604-460-8323 Fax: 604-460-8877
Website: www.clearwood.net

Recruited by Steve Power, **Power Wood Corp**, Coquitlam, BC and Steve Parkinson, **Taiga Forest Products**, Burnaby, BC.

Clearwood Industries Ltd. is a manufacturer of value-added specialty millwork products, including 1" C&BTR boards, stair parts and mouldings, and industrial components for window and door manufacturers. Products are available in clear Hemlock, Douglas Fir, Pine and Western Red Cedar.

Floragon Forest Products (M)*

P.O. Box 1309
Molalla, OR 97038
Contact: Ahren Spilker
Phone: 503-829-9122 Fax: 503-829-7324
Website: www.floragon.com

Floragon Forest Products is a manufacturer of studs in Douglas Fir and Hem Fir. They produce 2 x 4's and 2 x 6's up to 120" in length. Custom trims are available.

GRK Fasteners (M)

1499 Rosslyn Rd.
Thunder Bay, ON P7E 6W1
Contact: Angie Whittington
Phone: 807-474-4300 Fax: 807-475-9625
Website: www.grkfasteners.com

Recruited by Doug Britton, **Britton Lumber Company**, Fairlee, VT and Pino Pucci, **Buchanan Lumber Sales**, Thunder Bay, ON.

GRK Fasteners designs and distributes construction fasteners. All products are unique and proprietary.

Hyster Company (SA)

1400 Sullivan Dr.
Greenville, NC 27834
Contact: Dave Hoehn
Phone: 252-931-5692 Fax: 252-931-5682

Recruited by Lamar Buffington, **Buffington Corporation**, Monroe, LA.

Hyster Company is a manufacturer and marketer of fork lift trucks, electric, gas, LPG and diesel powered capacity 2,500-10,500 pounds capacity. Full line dealer support, for parts, services, rentals and used equipment throughout North America.

Moore Software Solutions Inc. (SA)

211-3030 Lincoln Ave.
Coquitlam, BC V3B 6B4
Contact: Kevin Moore
Phone: 604-464-0434 Fax: 604-468-0435
Website: www.mooressi.com

Recruited by Peter McCracken, **Patrick Lumber**, Portland, OR.

Moore Software Solutions Inc. provides the Moore Log and Moore Lumber systems to companies to help with log procurement and inventory processes.

Nexwood Industries Ltd (M)*

1327 Clark Blvd.
Brampton, ON L6T 5R5
Contact: Harold Fry
Phone: 905-799-9686 Fax: 905-799-3663
Website: www.nexwood.com

Nexwood is a manufacturer of composite building products, including decks, docks, fences, and railings.

The Weiss Group (SA)*

1703 Lum Road
Centralia, WA 98531
Contact: Chris Weiss
Phone: 888-810-9240 Fax: 360-807-9108
Website: www.weissinc.net

The Weiss Group is a manufacturer for machine applied coating systems with plants in LaPorte, IN and Centralia, WA.

**Indicates a reinstated NAWLA member*

Don't Forget To Mark Your Calendars For These Upcoming Industry Events

July 20-23, 2003

North American Wholesale Lumber Association (NAWLA)

Moscow, ID
(800) 527-8258 www.nawla.org
NAWLA Wood Marketing Seminar

August 6-9, 2003

NAWLA/Temperate Forest Foundation

Escanaba, MI
(800) 527-8258 www.nawla.org
Lake States Teachers' Tour

August 9-12, 2003

Window & Door Manufacturers Association

Silverado Country Club & Resort Napa, CA
(847) 299-5200 www.nwwda.org
Summer Meeting

August 10-12, 2003

American Hardware Manufacturers Association

McCormick Place Chicago, IL
(203) 840-5622 www.ahma.org
National Hardware Show

August 20-23, 2003

NAWLA/Temperate Forest Foundation

Mattawa, ON
(800) 527-8258 www.nawla.org
Eastern Canadian Teachers' Tour

August 22-23, 2003

Florida Building Materials Association

Renaissance Orlando Resort
Orlando, FL (352) 383-0366
Annual Convention

August 28, 2003

North American Wholesale Lumber Association (NAWLA)

Manitoba Club Winnipeg, MB
(800) 527-8258 www.nawla.org
Regional Meeting

September 3-4, 2003

Florida Forestry Association

World Golf Village St. Augustine, FL
(850) 222-5646 www.floridaforest.org
Annual Meeting

September 11-13, 2003

Architectural Woodwork Institute

The Arizona Biltmore Resort Phoenix, AZ
(703) 733-0600 www.awinet.org
Annual Meeting

September 13-16, 2003

APA--The Engineered Wood Association

Loews Coronado Bay Resort San Diego, CA
(253) 565-6600 www.apawood.org
Annual Meeting

September 14-17, 2003

Hoo-Hoo International

Honolulu, HI
(870) 353-4997 www.hoo-hoo.org
Annual Meeting

September 17-19, 2003

Hardwood Plywood & Veneer Association

Fairmont Scottsdale Princess Resort
Scottsdale, AZ
(703) 435-2900 www.hpva.org
Fall Convention

September 17-20, 2003

National Hardwood Lumber Association

Marriott Marquis Hotel Atlanta, GA
(800) 933-0318 www.natlhardwood.org
2003 Annual Convention

GOT NEWS?

Contact us at:

NAWLA

3601 Algonquin Road, Suite 400
Rolling Meadows, IL 60008

Tel: 847-870-7470 or 800-527-8258

Fax 847-870-0201, Email: info@nawla.org

Website Address: www.nawla.org

Editorial ideas go to bstephens@nawla.org

