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PROGRAMS CERTIFY ECO-FRIENDLY LUMBER PRODUCERS

by Charles H. Smith

Whether or not you care about the long-run future of the world's forests, ecology issues probably haven't had any impact on your business up until now. But that is likely to change. Increasingly, customers are asking questions about the environmental impact of using wood products in building projects.

To answer such concerns, builders can now locate "certified lumber" and other ecologically sound wood products in the commercial marketplace. Small suppliers such as San Francisco's EcoTimber

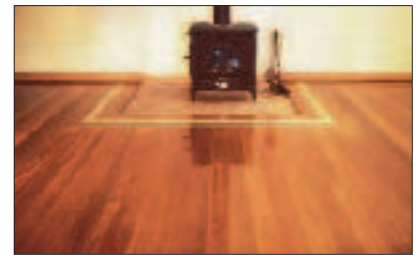
International are offering lesser-known woods like Narra, a subtropical hardwood, as substitutes for mahogany in finish work and

furniture. Eco-friendly wood is going mainstream: Home Depot, the giant Atlanta-based home center chain, is stocking "environmental"

pine in a specially marked section of its stores.

Independent certification.

In the past, it has been hard *continued*



To receive environmental certification, timber companies must use approved harvesting methods to preserve the forest ecology (left). Underutilized tropical hardwoods can provide beautiful products like this prefinished floor made with New Guinean malas (above).

Congress May Demo Multifamily Tax Shelter

Contractors who depend on multifamily construction should keep a close eye on this year's budget battles. One of the many changes proposed by the GOP-led House of Representatives is the elimination of the tax credit for investment in low-income housing. When the Democratic-controlled Congress voted to make the credit "permanent" last fall, the result was an immediate upsurge in multifamily construction (*Eight-Penny News*, 11/94). If the new Republican Congress eliminates the credit, an equally sudden drop in the multifamily market is a real possibility as big investors pull their money out of projects for low- and moderate-income

renters. Many contractors and workers displaced from the multifamily sector might then move into single-family construction, toughening the competition in that sector.

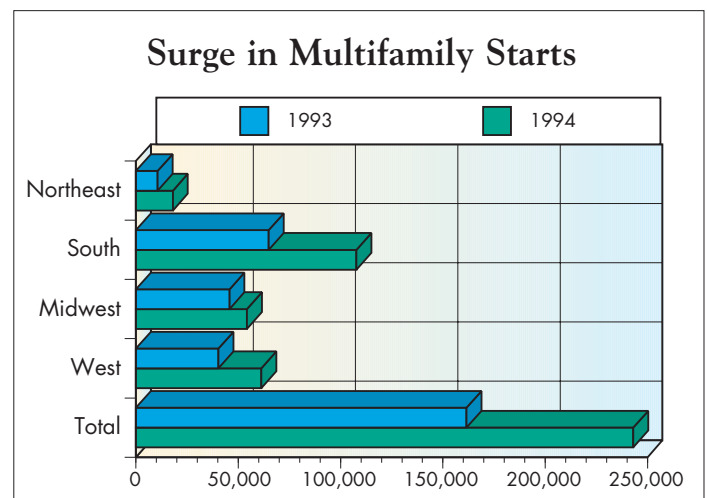
Currently, the credit allows taxpayers to subtract from their annual tax bill amounts invested in funds that finance low-income housing. This makes such investments more attractive and compensates for the generally modest rates of return earned by low-income housing investments. Banks and wealthy investors have been quick to take advantage of the credit: According to figures from the National Association of Home Builders (NAHB), the tax credit stimulated \$12 billion in private investment in 1994 and

accounted for the construction of 114,000 housing units — nearly all of the low-income housing built that year.

In addition to providing

housing for poor Americans, NAHB economists estimate that low-income multifamily construction aided by the

continued



Last year, Congress made the low-income rental housing tax credit "permanent," pushing multifamily starts up sharply. This year, the "permanent" credit is slated for elimination.

STATE BY STATE

New York. Norwest Mortgage Inc. has become the first mortgage provider in the state to qualify buyers of NY-Star certified homes for higher mortgages. The decreased energy bills paid by owners of the efficient homes allow them to finance a larger mortgage or construction loan under the program. For more information, contact NY-Star at 518/465-3115.

Rhode Island. General contractors will no longer be responsible for comp coverage of subcontractors' employees if the sub has fewer than three employees. General contractors will have to cover subs' employees when the sub employs more than four people and does not carry insurance, but those subs are required by law to cover their own employees anyway. Employers who have three or fewer employees are not required to carry comp insurance.

Connecticut. A law signed by Governor Rowland in July sharply increases the penalties for employers who do not carry workers compensation insurance. The new law also requires local building officials to get proof of insurance for all workers employed on projects worth more than \$100,000. In addition, the law puts into effect the recommendation of a governor's commission by closing the state's "Second Injury Fund" to any new claims.

CAD for Hire

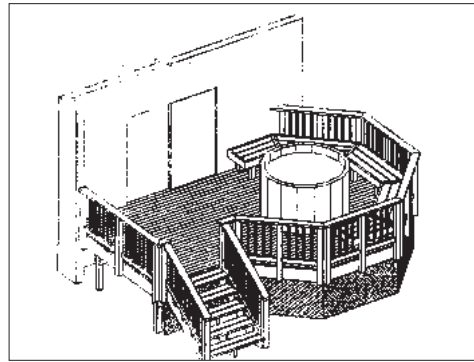
Most contractors today use computers in their businesses, mainly for word processing and money management. Fewer small companies use their computers for design or estimating. Although the computer is a powerful tool for those tasks, the programs are expensive and hard to learn. Builders hesitate to make the investment of time and money to go high-tech with an occasional chore like a lumber takeoff.

One alternative is to purchase computer-aided design, drafting, and estimating as a service. A good example is the deck-design service provided to contractors and homeowners by 84 Lumber, a building materials retailer with 375 outlets in 34 states. Each 84 Lumber outlet is in touch by fax or modem with the company's central computer location, where full-time CAD specialists are ready to turn vague

ideas into specific plans. Contractors who bring a rough sketch of their proposed project to the lumberyard are handed back a computer-generated scale plan of the deck, complete with posts, joists, decking, railings, and stair details. Plan views are turned into elevations and perspectives with the click of a button. Better yet, the computer also generates a detailed materials takeoff, including hangers, bolts, and nails, with an itemized cost estimate. Of course,

the contractor still has to estimate his own labor costs and management time.

Modifications are a snap for the computer system — adding a planter box, moving the stairs, or even changing post and girder sizes and locations takes only moments — and the computer updates the take-off and estimate automatically. Because of the high volume of plan requests, 84 Lumber currently takes about 24 hours to return complete plans to the customer. □



84 Lumber's CAD service turns rough sketches into 3D views and generates a detailed material list in only 24 hours.

Keeping Cool Downtown

Researchers at the University of Southern Mississippi recently cut a school building's energy use by 21% by coating its flat roof with a reflective white elastomeric membrane.

But some community planners say we should take the technique one step further: They favor building whole communities that combine reflective roofing and paving materials with natural shading by trees.

The aim is to lower the temperature, not just of the buildings but of the whole surrounding area.

A Miami project by Habitat for Humanity is providing the first large-scale test of the "cool community" concept. Reflective steel roofing, white concrete pavement, and natural shading from tree plantings are key features of the 200-unit Jordan Commons neighbor-

hood now under construction by Habitat's volunteer labor force. Community planners hope Jordan Commons will average five or six degrees cooler than the rest of the city, increasing comfort and cutting electric bills for the new homeowners.

Most contractors don't have the opportunity to cool a whole piece of the city. But on a smaller scale, incorporating natural shade and reflective roofing can cut cooling costs for individual home buyers, says Homestead Habitat director Robin Adair. The Florida Solar Energy Center has estimated that the 75% reflectance on the Miami project's roofs provides the energy-saving equivalent of R-19 ceiling insulation, he said. □



This scale model of Habitat for Humanity's latest project shows the reflective materials and natural shading designers say will keep the entire community cooler.

Carpet Comes Unglued

Concerns about off-gassing by carpet products have attracted a lot of media attention in recent years. In response, carpet makers have been working to reduce the levels of volatile organic compounds (VOCs) the carpets release. The most progress has been made in the area of carpet adhesives, which are a bigger source of VOCs than the carpets themselves. Old, solvent-based adhesives gave off a lot more VOCs than newer adhesives, which are virtually VOC-free.

But installers have found that the new water-based adhesives take longer to set up

Velcro, TacFast can be easily peeled back and refastened, but it holds the carpet firmly in place.

TacFast offers a solution to a variety of carpet problems. Carpet can be installed in sections so that worn pieces in high-traffic areas are easily removed and replaced. The ease of repositioning also makes matching patterned carpet sections simpler. In offices or other commercial spaces that often change occupancy, TacFast makes carpet an easily modified element of interior decor.

But eliminating carpet adhesive may not solve car-



On humid days, carpet installers sometimes wait for hours while low-VOC water-based adhesives dry.

pet's problem with the health issue. There is little medical basis for attributing health problems to carpet VOCs, but a host of real and imagined ailments may be blamed on carpet because of its characteristic odor. The smell of new carpets comes mainly from 4-Phenylcyclohexene, or 4-PC, which is released by the fresh latex in virtually all carpets. While some chemicals, like carbon monoxide, are odorless even at lethal quantities, 4-PC has the opposite problem: It is easily detected by the human nose at concentrations far too small to be a serious health concern. □

than the old ones did. On humid days, installers can wait hours for the adhesive to become tacky before laying down the actual carpet — and in the competitive world of carpet installation, lost time means lost money. If the carpet is laid too soon, the adhesive will never dry out and the carpet won't stay put.

An answer may be at hand in the form of TacFast, a hook-and-loop carpet backing system recently introduced by 3M (*For What It's Worth*, 7/95). The TacFast backing holds tightly to strips of tape installed at floor perimeters and carpet seams. Like

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FROM WHAT WE GATHER

A home can get heat, hot water, and electricity from a single unit with the \$7,900 Alpha-550 from Intelligent Energy Systems of Hopkinton, Mass. The device consists of an 11-horsepower, two-cycle engine that runs on #2 fuel oil, driving a 5-kilowatt, 120-volt AC generator. Heat exchangers draw off surplus heat from the engine and generator to heat water and air for the home, while an electric heating element boosts the hot water to required temperatures for hydronic heat. The generator also supplies most of the power needed by a typical home. In some areas, surplus power produced by the Alpha-550 can be sold back to the power company. For details, contact Victor Carta at 508/435-9007.

If you think you have sitework problems, be thankful you're not trying to develop property in County Tipperary, Ireland. According to a report in New York City's *Irish Echo*, residents in the Tipperary town of Thurles are complaining that a developer released a banshee by cutting down a haunted tree on the site. Residents report hearing the banshee wailing at night, a sound believed to presage a death. The developer counters that he has spent nights at the site without hearing the wails. He says the spirits involved in the reported haunting may be whiskey and brandy rather than banshees.

Prework physicals may cut your comp payouts. An injured worker may have been in less than 100% physical condition before getting hurt, but without a record of the preinjury status, doctors will continue treatment even after the worker has reached his or her preinjury condition. Protocol Work Systems Inc. (508/996-1188), of New Bedford, Mass., says some employers have cut comp claims by over half with prework physicals.

Producers and consumers of usable "waste" byproducts can get together via the National Materials Exchange Network (NMEN), now on the World Wide Web at <http://www.earthcycle.com/nmen/>. For information, contact Bob Smee of Earthcycle/NMEN at 509/466-1532 (e-mail: nmen@earthcycle.com).

Are you a man who has trouble selling to women? Women play a big part in many purchase decisions, according to sales consultant Sharon Roberts. Her book, *Selling to Women: What Every Salesman Should Know*, explains the way women approach decisions: for instance, asking lots of questions, consulting others, and thinking out loud. Learning to listen rather than rush the customer is key to making the sale, says Roberts. Her book is available for \$12 from Roberts & Roberts, 3400 Dartmouth, Plano, TX 75075; 214/596-2956.

Call before you dig: That's the message of the American Public Works Association (APWA), publishers of an annual One-Call System Directory. The book lists dig-safe hot lines covering most of the United States. You can order a copy for \$7 from APWA, 106 W. 11th St., Suite 1800, Kansas City, MO 64105; 816/472-6100.

Multifamily Shelter, *continued*

credit produced 96,000 jobs, \$3 billion in wages, and \$1.5 billion in tax revenues in 1994.

Under a budget measure that Republicans pushed through the House Ways and Means Committee, the credit will expire in 1997. If the full House approves the measure, the more moderate Senate would still have to agree to the change, which would then require the President's signature before becoming law.

If the credit is put on a track for elimination in two years, some investors may pull their funds out immediately, while others may hold on in case Congress reverses itself again. But in the long run, predicts NAHB, the elimination of the credit would mean the loss of 300,000 units of housing between 1998 and 2002. □

TAX TALK

Year-End Tax Planning

by Martha Myron

You've got until April to file your federal income tax return. But there are some details you should take care of now, before the end of the calendar year.

It's time now to check your withholding and estimated taxes. A home purchase, a change of jobs, a change in your number of dependents, or a marriage or divorce could mean you're over- or under-withheld. If you hold more than one job, double-check — too little tax is usually withheld in such cases.

If you're self-employed, some tax-saving steps are best done before the new year to earn deductions from this year's income:

- You can donate old equipment (computers, tools, and so on) and usable materials to charity at their fair market value. Be sure to get a receipt. Note, however, that the donated goods must be appropriately

usable by the charity.

- Think now about deferring taxation through tax-free pension plans. Keogh plans must be set up by December 31, but can be funded anytime before the fully extended due date of your return (April 15, August 15, or October 15). SEP-IRAs, however, don't need to be set up until the due date.

- If you hire subs, file accurate 1099s on time. Keep adequate documentation that they are genuine subcontractors: a signed contract, evidence that they work for other companies, and documentation of their insurance coverage. The IRS is heavily challenging this category, and will reclassify your subs as employees if you can't prove the contrary. The back taxes, penalties, and three years of interest can be punishing, so don't push your luck.

Martha Myron is a certified public accountant practicing in Concord, N.H.

Eco-Friendly Lumber, *continued*

for the consumer to verify how wood was produced. But now it's possible to buy lumber that has been independently certified as ecologically sound. At the request of forest owners, certification firms visit timber operations and rate their forest-management practices. If the operation gets a passing grade, its wood products are "eco-labeled" for the benefit of consumers.

Two main organizations, the Rainforest Alliance's "Smart Wood" program and the Scientific Certification Systems's (SCS) Forest Conservation Program, are responsible for most of the "eco-labeled" lumber on today's market. The Rainforest Alliance is a nonprofit operation that tends to work with smaller companies, while SCS is a for-profit corporation whose clients include large manufacturers. Both are respected by environmentalists. Along with two British-

based certification groups, Smart Wood and SCS have formed an international Forest Stewardship Council (FSC), establishing common minimum criteria for acceptable forest practices.

It's the forestry, not the tree. Satisfying your clients' desires for eco-friendly wood may require teaching them something — and learning something yourself. You may have to get beyond the notion that one species of wood is "good" and another is "bad." For instance, a customer may believe that domestic lumber is preferable to foreign lumber on ecological grounds or that using oak is better than using teak.

But as EcoTimber's Jason Grant says, "There are no good or bad tree species. What matters is the good or bad forestry behind the lumber." Grant says even species like teak that have been overharvested by huge companies may be available from small community-based suppliers who carefully

harvest the trees using sustainable forestry practices.

However, Grant points out that sustainably managing a woodland means harvesting more than one kind of tree. EcoTimber has invested time and money in kiln-drying lesser-known hardwoods like T'zalam and Chechem, which the company now supplies in the form of a laminated, pre-finished flooring that rivals the beauty of teak.

Green goes mainstream.

For years, the big companies in the U.S. timber industry have been battling negative publicity from environmental activists. Now, the industry is trying to get out in front of the sustainability issue by promising its own commitment to environmentally friendly forestry: The American Forest & Paper Association (AF&PA) has just published its own "Sustainable Forestry Principles and Implementation Guidelines." While the AF&PA's guidelines are more permissive than

the FSC's requirements, the big companies that have endorsed them account for most of America's forest production. EcoTimber's Eugene Dickey says that if the industry follows through on its promises, forest health will improve.

Under the AF&PA program, evaluators need not inspect company operations — outside auditing is strictly voluntary. So far only one AF&PA company, Maine's Seven Islands Land Management, has asked to be independently certified. And it remains to be seen whether the big timber companies can satisfy the expectations of forest ecologists.

For now, certified lumber dealers are reserving judgment, but the gap in understanding remains large. "One of the biggest fallacies we have to deal with is the belief that if you're replanting, you're practicing sustainable forestry," says EcoTimber's Dickey. "If you have to replant, you're doing something wrong." □