

In the News

Softwood Lumber Deal Announced

U.S. to return \$4 billion of duties;
Canada may face taxes, quotas

The U.S. and Canada held a joint news conference on April 27 to announce a framework for an agreement to resolve the long-standing lumber trade dispute between the two countries.

Lumber has been a sticking point in trade relations for more than 20 years. The Canadian government owns much of the country's timber and charges a stumpage fee based on forest-management costs to log the public land. The Coalition for Fair Lumber Imports, an alliance of U.S. lumber producers, maintains that since the fees aren't market-based, Canadian lumber companies are dumping subsidized lumber on the U.S. market at unfair prices. Prompted by this politically powerful lobby, the U.S. has been collecting duties since 2002 on the lumber it imports from Canada.

However, a U.S. federal court ruled early in April that the duties had been collected illegally — and NAFTA trade panels have repeatedly determined that Canada's lumber industry is not subsidized. Though the U.S. continues to appeal to NAFTA (despite the framework, the U.S. has filed another extraordinary challenge), pressure has increased with each ruling to cease the expensive litigation and come up with a compromise.

When the new seven-year plan is finalized, both sides must drop ongoing legal action. Of the \$5 billion collected in disputed tariffs, the

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The Rhode Island Builders

Association launched a nonprofit program in January for soldiers involved in combat since Sept. 11, 2001. "Builders Helping Heroes" gives construction assistance to wounded veterans and the families of those killed in action. The first project actually began a few weeks before the official opening ceremony; in December volunteers began renovating the Tiverton home of Terri Potts, whose husband was killed in Iraq in 2004.

It's not enough to keep up with the Joneses anymore; now homeowners want to keep up with the Sopranos. A study released in February by Therma-Tru Doors, "Driving Design: From the Front Seat to the Front Porch," looks at how American homeowners find inspiration for new homes and renovations. While many folks still rely on home magazines and neighbors for ideas, more than half of the survey's respondents said they wanted a house they

had seen on television or in a movie. The hottest properties were Martha Stewart's farmhouse, Tony Soprano's domicile in "The Sopranos," the house in "Home Alone," and the homes in "Desperate Housewives."

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higher than \$355 per thousand board feet. But if the index — which was \$377 on April 27 — drops below \$355, quotas and export taxes will come into play.

Canadian provinces will then choose whether lumber producers will pay higher taxes with no export quotas, or pay a lower tax and limit their exports to their share of 34 percent of the U.S. market. The taxes will be paid to the province, not to the U.S.

On the day the framework was announced, President Bush said in a statement that he was “pleased,” and Prime Minister Stephen Harper declared, “Today is a great day for Canada.”

Members of the opposition party in the Canadian Parliament, though, asserted that the U.S. should honor

U.S. has agreed to return about \$4 billion to Canada. The U.S. will pay half the remaining billion to members of the Coalition for Fair Lumber Imports; the U.S. and Canada will use the other \$500 million for marketing North American lumber, and for “meritorious initiatives.”

There will be no restrictions on future Canadian exports as long as the Random Lengths Framing Lumber Composite Price remains

the NAFTA rulings and return *all* the duties. The opposition also questioned how this deal, with its taxes and volume restraints, can be considered free trade.

Still, the Canadian lumber industry has given its conditional support — pending negotiation of the final details — to an agreement widely reported as being inevitable. Seth Kursman, a spokesman for Abitibi, a large lumber firm in Canada, told Canada's *Globe and Mail*, “We've known from the beginning that we must have a negotiated settlement so that we can bring some finality to the issue.”

South of the U.S.-Canada border, the Coalition for Fair Lumber Imports released a statement supporting the deal. Remarked chairman Steve Swanson, “All we have ever asked is that Canadian timber and logs be sold in open and competitive markets.”

But Jerry Howard, executive vice president and CEO of NAHB, charges the U.S. lumber industry with obstructing a free market and criticizes the negotiations: “For an administration that espouses free trade, there is no logical reason to ignore repeated NAFTA rulings and to engage in one-sided negotiations that would provide a massive subsidy to the U.S. timber industry at the expense of millions of American consumers.”

As the U.S. housing market continues to cool, Howard notes, lumber demand and market prices may well drop. Yet home buyers won't see the benefits, because export taxes and quotas will kick in to keep consumer prices up. “In short,” he says, “this is one bad deal for American housing consumers.” — *Laurie Elden*

A sand shortage in Maui, Hawaii, could mean trouble for the booming Honolulu construction industry. Most of the 318,000 tons of sand mined each year in Maui ends up in concrete used in Honolulu. But because of heavy mining and development on top of dunes, the supply may run out within the next seven years. With no Maui sand,

builders will have to use alternative mixes or imported sand. In either case, the texture quality is expected to go down as the price goes up.

Construction is off-limits in Park Ridge, Ill., before 7 a.m., due to an ordinance passed in February by the city council. Monday through

Friday, construction is allowed between 7 a.m. and 7 p.m., and on Saturdays between 8 a.m. and 5 p.m. Construction activity that requires the site to be fenced off may not be performed on Sundays and holidays. For construction that doesn't require a fence, Sunday and holiday hours are the same as Saturday hours.

FEMA Tells New Orleans to Raise Houses 3 Feet

The Federal Emergency Management Agency released long-awaited guidance in April for rebuilding homes and commercial buildings in flood-soaked New Orleans. A FEMA document posted on both the agency's Web site (www.fema.gov) and the city's Web site (www.cityofno.com) recommends that homes with repair costs exceeding 50 percent of the structure's value be elevated to one foot above the existing base flood elevation established by the U.S. Army Corps of Engineers for the city in 1984, or to 3 feet above the nearest adjacent grade, whichever is higher.

Homeowners who comply with the requirements will be eligible for coverage under the FEMA-managed National Flood Insurance Program and will receive significant breaks on private-sector homeowners' insurance. Louisiana state officials say compliance will also be required to qualify for rebuilding grants of up to \$150,000 per building from the Louisiana Reconstruction Corp. when those become available.

In New Orleans, reaction to the new guidelines was mixed. Some property owners expressed relief that the new guidance rests on existing established flood-plain maps rather than on some new assessment of risk. And by removing lingering uncertainty about insurance eligibility, city officials say the new rules will clear the way for work to begin on repairing or replacing the city's thousands of damaged or ruined homes.

But complaints about the new guidelines broke out as soon as they were released. FEMA did not explain the reasoning behind its requirement to raise buildings by 3 feet even in areas that were high and dry during last fall's flooding, which led one HBA official to term the 3-foot rule an "obvious political decision." Many homeowners said that insurance and grant money will be insufficient to cover the estimated \$50,000 to \$100,000 cost of elevating damaged structures. And local newspaper accounts reported that the news that damage exceeding 50 percent of value would be the threshold for compliance triggered a rush to New Orleans building department offices, where property owners petitioned to have estimates of damage to their buildings lowered to 49 percent.

Perhaps most unsettling, however, are hints that the guidance may be changed if FEMA's assessment of the flood risk or the levees' integrity changes. The agency's announcement of the new rules contained a warning that flood zone boundaries and flood elevations could change, depending on the outcome of an ongoing Army Corps of Engineers modeling study of potential storm surges and a further analysis of the levees' flood protection capacity.

The corps' existing analysis of the levees' capacity has been sharply questioned by a peer review committee of the American Society of Civil Engineers tasked with evaluating its plans for levee repair. In a letter now posted on the New Orleans city Web site, the review committee warns that the corps has not adequately examined whether the unexpected mechanism of failure that led to the breach of the 17th Street Canal flood wall could recur elsewhere in the city.

The reviewing engineers also raise concerns about the assumed strength of soils underlying the levees, the factors of safety used in the original levee design, and the lack of statistical analysis in the corps' predictions of the extent of flooding likely to result from any future hurricane storm surge. "Decisions made during the original design phase appear to reflect an overall pattern of engineering judgment inconsistent with that required for critical structures," note the review panelists. "These findings present significant implications for the current and future safety offered by the levees." — *Ted Cushman*



FEMA/Robert Kaufman

The yellow line on this New Orleans residence shows how high floodwaters rose last fall. The homeowner, who has flood insurance, is raising his house above the base flood elevation.

Immigration Agency Shelves OSHA Ruse

When workers at a North Carolina commercial job site gathered one morning in July 2005 for what was purportedly a mandatory OSHA safety-training session, they got an unwelcome surprise.

According to the *New York Times*, after the government officials passed out coffee and doughnuts, one man stood up and announced, “I got good news and bad news. The good news is we are not from OSHA, and the bad news is we’re from the immigration office.”

At that point, immigration agents burst in and arrested 48 workers from Mexico, Honduras, El Salvador, and Ukraine on illegal immigration charges.

Plenty of builders may find it difficult to

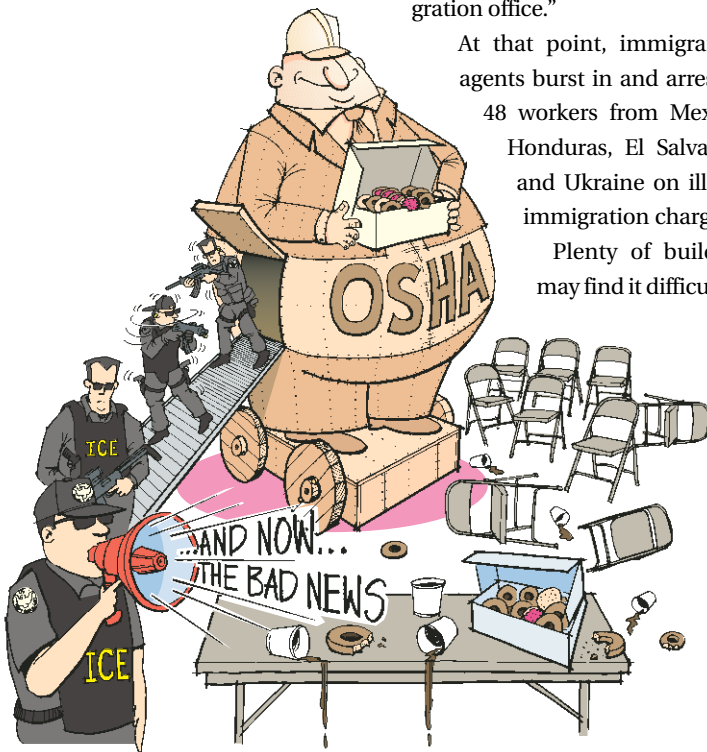
muster much sympathy for OSHA. But in the North Carolina case, the job-site watchdog was itself the victim of a zealous federal agency. As Immigration Customs Enforcement (ICE) officials soon admitted, the sting operation had been planned and carried out without OSHA’s knowledge or consent.

The raid raised a storm of protest from labor unions, groups promoting workplace safety, and OSHA itself. The entrapment operation was especially galling in light of OSHA’s ongoing effort to reduce the high death and injury rates among Spanish-speaking workers in the construction industry and elsewhere. “OSHA can’t afford to let this become a pattern,” says Jim Papian, spokesman for the United Food and Commercial Workers Union. “They’d lose all credibility.”

For the better part of a year, the ICE tried to gloss over the issue by admitting that the phony meeting had been a bad idea — while still reserving the right to run more such operations in the future if it deemed them necessary.

But in March, the agency threw in the towel. ICE director Marcy Forman announced that the agency’s “use of ruses involving health and safety programs administered by a private entity or a federal, state, or local government agency for the purpose of immigration work-site enforcement will be discontinued by ICE.”

For builders, that’s good news and bad news. The good news is that the next OSHA inspector to appear on your job site won’t be an undercover immigration agent. The bad news, of course, is that he’ll be an OSHA inspector. — *Jon Vara*



Salvaged Millwork Presents Lead Threat

In February, an inspection prompted by the routine blood screening of a Montgomery, Vt., child revealed an unexpected source of lead contamination: the front door of a newly built home. The child’s parents, Mary Niles and Jacob Racusin, had purchased the door — originally part of an 1800s farmhouse — at a salvage yard, where it had been stripped of its old paint.

Unaware that a significant amount of lead is often left behind after wood is chemically stripped, Racusin sanded the door in an upstairs room of the family’s house before installing it.

After the one-year-old child was diagnosed with an elevated blood lead level, Niles contacted the Vermont Housing & Conservation Board’s Lead Hazard Reduction

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& Healthy Homes Programs. Robert Zatzke, program coordinator and licensed lead inspector and risk assessor, went to the Montgomery house and took dust samples.

Analysis of dust from the room where Racusin had sanded the door three months earlier indicated high levels of lead — and samples from the door itself, says Zatzke, exceeded the lead-hazard level for floors by almost seven times.

“This story has probably been repeated dozens of times,” says Zatzke, “except other families don’t happen to get their child tested, so they never know of the contamination and poisoning.”

There are other documented cases. As early as 1998, the Centers for Disease Control — also tipped off by the high lead level of a child who had undergone routine blood screening — investigated a company specializing in antique-furniture restoration. Though the furniture was chemically stripped before entering the shop, testing of the child’s father and other carpenters revealed blood lead levels that exceeded OSHA limits. The CDC concluded that enough lead was left behind after stripping that the shop needed to implement lead-safe work methods.

Once precautions such as respiratory protection and HEPA vacuums were put into place, the woodworkers’ lead levels dropped.

No federal standards or laws specifically regulate the reuse of wood products containing lead-based paint. Thus, salvage yards and other companies that strip wood don’t have to post warnings or educate their customers, and often even employees of these businesses have no idea that items stripped of lead-based paint should be handled using lead-safety precautions.

Racusin, the father in the Vermont case, had an elevated level of lead when he had his own blood tested in February, three months after he had sanded the door.



Although only a small amount of paint is visible, enough lead was left behind on this stripped door to create a hazard when the homeowner sanded it.

Although children are most susceptible to the health problems associated with lead, adults too face risks from exposure. Ill effects include high blood pressure, digestive problems, nerve disorders, memory and concentration problems, and muscle and joint pain.

Zatzke recommends that builders who work with salvaged items like doors and windows follow the lead-safe practices outlined in the EPA/HUD/CDC publication “Lead Paint Safety: A Field Guide for Painting, Home Maintenance, and Renovation Work” (www.hud.gov/offices/lead/training/additional_training.cfm).

As for the lead-contaminated door, Racusin and Niles returned it to the salvage yard and followed Zatzke’s instructions “to meticulously wipe down the walls and surfaces where dust collects, and HEPA vacuum and mop the floors.”

The results from the following round of dust analysis came back clean. — *Laurie Elden*

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For couples remodeling their homes, disagreements are bound to be part of the process. Rachel Cox, a marriage and family therapist in Northern California, learned that lesson while working at her husband's construction company. She now specializes in counseling couples as they deal with the stresses of renovation. The most

common arguments stem from money issues, she says, though she has also had to mediate conflicts over bathtubs and paint.

An Ohio jury awarded a retiree \$700,000 after a developer filled the man's lake with silt and mud. When Dr. Stephen Luczek planned his lakeside retirement back in

1982, he didn't foresee a housing boom. Twenty-four years later, though, his fishing oasis was on the edge of Granite Development Partners' Thornberry neighborhood. Luczek told the *Cleveland Plain Dealer*, "I hope this will serve as a warning to the builders that are not respecting the regulations governing the ecosystem."

RESOURCES

Housing Design for Narrow Lots

As part of an overall strategy to encourage thoughtful infill housing on narrow urban lots, the city of Portland, Ore., held a design competition in 2004 and published the winners in two monographs. More than 400 architects submitted plans for homes no wider than 15 feet to be placed on 25-foot-wide lots.

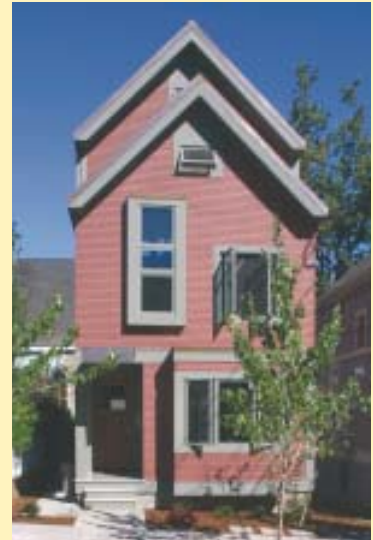
Jurors in the first phase of the competition selected 49 "designs of excellence," which are compiled in "Living Smart: Big Ideas for Small Lots." Judges in the second phase whittled the field down to 23 designs, now featured in the "Portland Catalogue of Narrow House Designs."

City planners have taken the results of the competition one step further. As of April 24, two of the winning home designs (see images) became part of an expedited permit program. Since the "Living Smart" house plans already comply with the building code, anyone wanting to use them in Portland can skip the house-plan review and go straight

to having a site plan approved. The plans aren't for sale, but are given out with the building permit, after payment of approximately \$14,800 in permit and related charges. The total fees include a discount for using the approved plans.

Both monographs are available at no charge; order them by mail from the Bureau of Development Services at 1900 SW Fourth Ave., Portland, OR 97204, or online at www.livingsmartpdx.com.

Floor plans, elevations, and specifications for the two Living Smart homes can also be viewed at the Web site.



Portland architect Bryan Higgins lives in the home he designed for the Living Smart competition.



Roxana Vargas-Greenan and Trent Greenan of Berkeley, Calif., created plans for two versions of this house: one with a garage (shown) and the other with an office.