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December 20, 2011

VIA EMAIL AND REGULAR MAIL

Thomas D. Searles, President
American Lumber Standard Committee, Inc.
19715 Waters Road
Germantown, MD 20874

Re: Southern Pine Inspection Bureau's Proposed Changes in Design Values for Visually Graded Southern Pine Lumber (the "SPIB Proposal") and Immediate Requested Action for the ALSC Board of Review ("Board")

Dear Mr. Searles:

I am writing on behalf of the Structural Building Components Association ("SBCA"), which as you know is an organization representing thousands of manufacturers of structural building components and other industry participants, such as engineering and service companies, lumber mills, inspection bureaus, lumber brokers and distributors and related marketing and management providers. SBCA has previously provided both testimony to the Board on October 20, 2011 and follow-up written submissions, and will be providing additional written submissions later this week in anticipation of the upcoming Board hearing date of January 5, 2012. SBCA also plans to attend the January 5 hearing as it strongly opposes the SPIB Proposal, which requests ALSC approval allowing SPIB to publish new design values for all Southern Pine based on a sampling and testing of a mere 360 pieces of 2x4 #2 Grade Southern Pine.

The purpose of this letter is to request the Board take a relatively simple yet important action before the end of this week. Assuming the Board has determined to go forward with the January 5, 2012 hearing and act within 30 days after that hearing pursuant to Section 10.11 of the *American Softwood Lumber Standard* (the "Standard"),¹ SBCA requests the Board establish a set of written processes or procedures that fully set out how parties who may be affected by either an approval or disapproval of the SPIB Proposal can have a further hearing before the Board approval or disapproval becomes final. This request is clearly supported by the language of Section 10.10 of the Standard, which was obviously designed to enable aggrieved parties the opportunity to fully and effectively appeal any Board decision before such decision becomes final.²

¹ Section 10.11 of the Standard reads: *The Board shall within 30 days following an official action make such official action public.*

² Section 10.10 of the Standard reads: *Any party affected by a decision or action of the Board shall have the right to require the Board to hold a hearing at which such party may appear personally or be represented by counsel to present supporting evidence and argument of the party's position in accordance with procedures established by the Board.*

To accomplish the goals of Section 10.10, SBCA would suggest that the most appropriate procedure for the Board to adopt would be to plan to announce a “proposed” rather than “final” decision following the January 5, 2012 hearing. The “proposed” decision and the reasoning behind such decision would then be subject to the appeal or re-argument provisions of Section 10.10. Under a specific set of written procedures announced by the Board, a subsequent appeal hearing could then be requested by a certain date and scheduled where additional arguments could be heard and submissions made, either through counsel or otherwise. An appeal could therefore be asserted by SBCA for example (or some other party) assuming the Board approved the SPIB Proposal, or by SPIB assuming the Board rejected or otherwise postponed action on the SPIB Proposal.³ During the pendency of any appeal right or actual appeal, the Board’s procedures should further establish that SPIB hold in abeyance any publication of a change of Southern Pine design values until after the parties had exhausted their rights of appeal as established by the Standard. We believe this action is absolutely required as SPIB seems poised to publish new design values immediately upon an approval by the Board of the SPIB Proposal; see for example, <http://www.southernpine.com/new-design-values.asp>.⁴ Assuming new design values are published (and further assuming an appeal right or actual appeal was pending), borrowing from an idiom, it will be hard if not impossible to “put this genie back in the bottle.”

Based on the above, SBCA and its members request that the Board adopt the processes or procedures we have outlined and announce the application of same by the close of business on December 23, 2011.

Should you have any questions regarding our request, please feel free to contact me.

Very Truly Yours,



Kent J. Pagel

³ It does not appear that any party other than SPIB supports the SPIB Proposal, and thus no other party can be expected to appeal a rejection on the part of the Board of the SPIB Proposal. On the other hand, multiple parties can be expected to appeal a Board approval, in whole or in part, of the SPIB Proposal.

⁴ SBCA believes that upon an approval on the part of the Board of the SPIB Proposal, that SPIB will in turn immediately publish new design values through *Supplement No. 9 to the Southern Pine Inspection Bureau Grading Rules 2002 Edition*, which has already been prepared. This belief is based on the previous actions taken by SPIB as Supplement No. 8 was published effective August 1, 2011 and Supplement No. 10 was published effective October 26, 2011. It is clear that SPIB anticipated that the Board would approve the SPIB Proposal at the hearing held on October 20, 2011 as Supplement No. 9 was prepared following approval of Supplement No. 8 (i.e., after August 1, 2011) and prior to preparation and approval of Supplement No. 10 (i.e., before October 26, 2011).