



Softwood Export Council Newsletter

JANUARY / FEBRUARY 2003

Sick house report

With new Sick House regulations to go into effect on July 1, 2003, the AFPA office in Tokyo has prepared a situation bulletin to provide an overview of the issue.

It is important to note that there are still many unknowns and specifics that have not been addressed to date. Complicating the issue is the web of jurisdiction by the various ministries and the staggered, seemingly uncoordinated timelines.

The Ministry of Land, Infrastructure, & Transportation (MLIT), for example, is responsible for overseeing the enforcement of the Building Standards Law (BSL), yet certain products, such as plywood, Oriented Strand Board (OSB), and flooring fall under the jurisdiction of the Ministry of Agriculture, Forestry, and Fisheries (MAFF) because they are classified as Japan Agricultural Standards (JAS) products.

The JAS standards on formaldehyde emissions are to be revised on March 20. It seems that mechanisms are in place in the regulations that

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SEC / APA to merge Tokyo office

Spurred by the announcement of immediate reductions in APA international activities, the staffs of APA, SEC and SPC have been working to create a new administrative structure in Japan, which will combine the product-specific information and promotion functions of all US softwood products.

Industry consensus was that a combined softwood products office would send a much stronger message to the Japanese marketplace rather than the complete closure of this long time US wood products fixture.

APA would join SEC and SPC within the ASJO office structure. Each organization would be a one-third partner, combining product promotional efforts at every opportunity, while still maintaining selected species and product specific activities. Technical and Code activities for APA would continue to be handled by Charlie Barnes, now

of the Tacoma staff, with on-ground assistance from the current AFPA technical representatives and contractors in Tokyo.

A new Japan Representative and a Program Manager will staff the ASJO office. These two positions will handle the basic technical and promotional needs for all three of the participating cooperator organizations. The new set of job descriptions and expected performance requirements will require a new level of general representation.

APA, SEC, and SPC have begun a personnel search for the best-fit candidates for the new positions. Outgoing APA Tokyo staff will be the contact point in the staffing search process. The complete transition is targeted for April 1, 2003.

SEC will be the primary activity coordinator, contract holder and accounting administrator for the ASJO office.

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EPA issues Methyl Bromide rule

EPA recently finalized regulations implementing an exemption from the phase-out of methyl bromide used for quarantine and pre-shipment.

The final rule establishes a pre shipment exemption for the application of methyl bromide to a commodity before international shipment because of official phytosanitary requirements of the

destination country.

The quarantine exemption applies to both domestic and international controls to prevent introducing, establishing and spreading pests into defined geographical areas.

The complete 18 page ruling as published in the Federal Register is available from the EPA website at www.epa.gov key word search "methyl bromide".

Markets

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anticipate problems and questions. The wood industry will be working closely with the various ministries to provide as much information and direction as possible. The BSL Manual for Measures Against Sick-House, due to be published in April, should clarify many of these issues.

Categories Affected

The new Sick House regulations, lists 15 categories of building materials that relate to formaldehyde emissions. The regulations require that a formaldehyde label be applied if the product is deemed to fall under the new regulations designation. The three categories specifically of interest to the wood industry are

- (1) Plywood
- (2) Flooring, and
- (3) Structural panels

The categories are applicable to interior finishing materials of habitable rooms.

This regulation does not apply to structural (linear) members such as posts and beams, nor does it apply to veneer-overlaid glulam posts. It does not apply to plywood and Oriented Strand Board (OSB) used as

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Japan reform market

With the continued attrition in the new home market in Japan, many builders and materials suppliers are joining the upward trend to the reform or remodeling market. One reason is the changing housing policy by the Japanese government which has shifted its focus from the production of new housing to the better use of used houses.

Major retailers are opening special reform corners in their stores which function as a show room where they can display kitchen systems, bath

room fixtures, and other reform materials. Orders for the remodeling jobs are also processed at the corner.

Building supply companies are entering the market on a different approach. They are teaming with regional smaller builders, who may be operating their own reform business, and supplying them with products, sales tools and opportunities for promotional events. Their target customers are the Japanese baby boomers whom they try to reach through magazines and mass media advertising, show rooms and regional trade fairs, and study tours of reform.

web-stock for I-joists.

The regulations are not applicable to unfinished casings and moldings. The regulations do not apply to railings and banisters, but it does apply to stair treads. If glue laminated lumber or laminated veneer lumber (LVL) is used as a substrate of the overlaid product in a panel type

The proposed timeline for enforcement of sick house related regulations are:

- Amendment of Notifications incorporating JAS and JIS revisions - *Late March 2003*
- Publication of Manual for Measures against Sick-House - *April 2003*
- Seminars throughout Japan under the provisions of the Kenchikushi Law - *May / June 2003*
- Enforcement of measures against Sick-House - *July 2003*

The complete report can be accessed through the SEC website, www.softwood.org

Information from the Ministry of Land, Infrastructure and Transport (MLIT) show that the market in 2001 was nearly \$45 billion dollars (US). While the total number of housing units in Japan is more than 50 million, with 50 % over the age of 20 there are only 44 million current households. Housing units less than 20 years old are considered to be suitable for remodeling.

The action plan from the MLIT for the improvement of the housing market in Japan includes proper maintenance and improvement by remodeling of current housing stock. MLIT has also prepared a system for performance indicators for existing homes under the Housing Quality Assurance Law, which could help the market for existing homes expand.

The \$45 billion dollar reform market sectors break down as follows; hot water supply and air conditioning upgrades at 25%, Kitchen remodels at 18%, and new doors and windows at 16%.

Programs

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Website users

The SEC website, www.softwood.org continues to draw users from around the world. Latest monthly statistical information shows that there were more than 155,000 hits and 18,228 page views.

6,818 individual users were recorded, giving an average of 3 pages per visit and 1,159 coming back to the site more than one time. USA was the source of 49.2% of the known users. Japan lead the overseas sources with 854 sessions, followed by Spain, 442, Mexico 264, and the United Kingdom with 176 sessions.

The top features of the site continue to be publications pages, with the Species and Grade guide the top destination. Other popular pages are the Sourcing page, and the Calendar of Events with internet links to trade show information.

Reps tour mills

SEC field representatives from Europe and Mexico will be touring the western US, visiting mills and talking with sales staff, the first week of March 2003. The overseas staff will be visiting Pacific Northwest mill operations who have a keen interest or who are currently participating in the European and Mexican export markets.

Eddie Pearce from the United Kingdom, Ignacio Martinez from Spain, and Ramón Echenique from Mexico will begin the tour by attending the WWPA annual spring meeting and giving a presentation on their respective markets and the upcoming activities planned for the remainder of 2003.

WoodMac 2003—China

Members of the three major softwood lumber grading agencies will be part of the SEC team representing the US softwood lumber industry at the upcoming Wood Mac trade show in Shanghai China. Representatives of the Pacific Lumber Inspection Bureau, the West Coast Lumber Inspection Bureau and the Western Wood Products Association are joining SEC staff at the trade show.



Softwoods Booth background at WoodMac CHINA

The four day event is combining three major trade sectors into one venue. WoodBuild, FurniTek, and WoodMac targeted major wood users all over China.

The SEC will be unveiling its new trade show look in China with its own booth featuring US softwood specie samples and secondary products. A special sample board of various grades and species has been produced to give the Chinese target audiences something to see, and touch first hand and to compare grades

In addition, SEC staff will be rolling out the first of many information and grading seminars on western US species. The seminar introduces the western US forests, covers all major western species, and introduces the general grading system used for lumber destined for furniture and interior fittings markets.

The SEC presentation will be combined with presentations by AFPA on structural wood applications, and the State of Idaho on treated lumber selection and usage to provide a full seminar event during the show.

Japan Home Show recognition

A recent article in the Japan Lumber Journal recognized the high quality of SEC activities in Japan.

“ American Softwoods Japan Office participated in the show with the main theme of Southern Pine and Douglas fir. Their presentation in a wide booth, which was popular among the visitors, well expressed the excellence of Southern pine flooring, Douglas fir Lumber and other products.”

The ASJO representative was quoted as saying, “Douglas fir has already been a well-known species in Japan, but we wanted the Japanese user to take another look at its beauty and quality through our exhibition”. It was noted that there were various brochures for the two species for the end users.

The Home show booth contained a long leaf Southern Pine floor and sections of Douglas fir Hirakaku.

Events

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SEC MEMBER ORGANIZATIONS

Alaska Manufacturers Association

American Institute of Timber Construction

California Redwood Association

Center for International Trade in Forest Products

Evergreen Building Products Association

OSU Forest Products Department

Pacific Lumber Exporters Association

Pacific Lumber Inspection Bureau

Washington State Office of Trade and Economic Development

West Coast Lumber Inspection Bureau

Western Wood Products Association

Wood Moulding and Millwork Producers Association

China Directory

U.S. housing and building material manufacturers and exporters are invited to promote their companies in USChinaBuild's 2003 Chinese Language Directory of US Housing & Building Materials Companies, a publication listing suppliers of wood construction materials.

USChinaBuild is a project of the Evergreen Building Products Association. The Directory is an industry publication for Chinese buyers, specifiers and end-users of building materials in residential and light commercial construction. For more information contact Rose Braden at www.uschinabuild.org

Second quarter trade shows — 2003

The second major China event in 2003 will be SEC participation in the Dalian Furniture Fair trade show in Dalian, China in early June. The show is a major wooden furniture and interior fittings venue. Combined into this trip will be the AHEC China conventions in Qingdao where more than 600 Chinese furniture and interior fittings manufacturer are in attendance.

Japan continues with two more combined trade show efforts with participation by SEC and APA. The Osaka Building Products show is in May and the Housing Trade

Fair in Sapporo is in June. EBPA and OTED will be sponsoring another regional technical seminar and trade mission series in the spring.

European trade show activities continues with the bi-annual Interzum furniture supplier show in Köln Germany in May. The show will feature SEC/SPC a trade booth and member participation.

Any organization or company member wishing to participate in any of the listed shows should contact Allan Czinger at SEC Portland.

Upcoming Events

KY Housing Fair, Seoul, Korea; February 21-27, 2003
WoodMac China, Shanghai, China; February 25-28, 2003
West Japan Total Living Show, Kitakyushu, Japan; March 2003
Architecture and Construction Show, Tokyo, Japan; March 2003
SAIE Due, trade show, Bologna Italy; March 19-23, 2003
HOMEDEX, trade show, Seoul Korea; March 26-30, 2003
Softwood Trade Mission, Northern Mexico; April 2003
Interzum, trade show, Köln, Germany; May 18-22, 2003
Ligna-Interholtz, Hanover, Germany; May 26-30, 2003
Mexican Distributor Seminars, Tijuana, Juarez, Mexico; May, 20-22, 2003
Dalian Furniture Fair, Dalian, China; June 6-9, 2003
AHEC China Convention, Qingdao, China, June 10, 2003
TECHNOMEUBLE, Guadalajara, Mexico; July 2003
EBPA Summer Gateway, trade mission, Seattle, WA; August 2003

For links to information on these events go to www.softwood.org/calendar



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