IMMIGRATION

Industry Position

Having safe and secure borders should be a top priority. However, the strong foundations of this nation and its robust economy have always depended on a vibrant immigrant population. In order for the structural building components industry to continue providing the components for affordable structures, there must continue to be a legal way for our industry to hire immigrant workers.

SUPPORT: H.R. 1645 (Gutierrez, D-IL), S. 340 (Feinstein, D-CA), H.R. 371 (Berman, D-CA), S. 795 (Obama, D-IL) and **H.R. 1379 (Gutierrez, D-IL)** because they address much needed reforms while providing for expanded visa or guest worker programs.

OPPOSE: H.R. 1430 (Goodlatte, R-VA) and **H.R. 138 (Gallegly, R-CA)**, because they are overly punitive to employers while lacking any provision for legally hiring immigrant workers.

IMMIGRATION

Illegal Immigration a Concern

- The Census Bureau estimates a net increase of 500,000 illegal immigrants annually. For example, in 1999 Immigration and Naturalization Service (the INS has since been rolled into the Department of Homeland Security) estimated that 968,000 new illegal immigrants settled in the U.S.
- The increased availability of forged citizenship documents makes illegal immigration a more significant problem for employers because it is becoming exceedingly difficult to determine who is eligible for legal employment.
- Our industry believes the U.S. Department of Homeland Security should receive additional funding for the purposes of increasing border security, providing more extensive criminal and background checks on visa applicants, and identifying undocumented workers and foreign individuals living in the United States.

Immigrant Labor Relied Upon

- The opportunities for young people to move up the career ladder within the structural building components industry are tremendous. Yet, according to studies done by the National Association of Manufacturers (NAM), the number of young people entering the skilled trades continues to diminish.
- Young workers are not being attracted to and entering these types of manufacturing jobs as a valuable career choice. Alternatively, immigrant populations are generally eager to fill these types of jobs, perform them well, and are finding that the career opportunities are valuable to them.

Need Guest Worker Program

- Our industry pays competitive living wages, provides benefits to its employees, and presents many opportunities for career advancement and long-term job security.
- Our industry is an integral part of the building construction industry, and we provide efficiently-built, cost-effective structural solutions for builders. Without a viable workforce we will be unable to assist builders in meeting the public demand for housing and commercial construction.
- It is essential that employers in the structural building components industry be able to legally hire immigrant workers to ease the nationwide manufacturing and building construction labor shortage.

For additional information, along with sources for data contained in this document, please refer to our 2007 SBC Legislative Positions & Policies Handbook.

HEALTH CARE: ASSOCIATION HEALTH PLANS

Industry Position

Unless the high costs of health insurance premiums are quickly brought under control, many manufacturers within the structural building components industry will be unable to provide their employees with adequate health benefits and may be faced with the difficult choice of dropping health benefits entirely.

SUPPORT: H.R. 1012 (Buchanan, R-FL) and **H.R. 241 (Johnson, R-TX)** because they address much needed reforms in the health care system by creating association health plans.

Control High Costs

- The ongoing increase in medical and insurance premium costs in this country is creating a significant barrier to high-quality, accessible health care.
- Nearly 27 million of our nation's uninsured are small business owners, employees or dependents of small businesses with less than 100 employees.
- Government studies indicate health care spending in America has increased from 5 percent of GDP in 1960 to 16 percent in 2004, and is expected to increase to 18.7 percent in 2014. This increasing burden of health spending on the U.S. economy is unsustainable.

Association Health Plans (AHP)

- Nationally, small businesses are less than half as likely as large employers to offer health benefits to their workers. While 95 percent of employers with more than 50 employees offer health benefits, only 43 percent of employers with fewer than 50 employees do so.
- Small businesses pay as much as 30 percent more than large employers for similar health benefits. According to the Government Accountability Office (GAO), insurers incur higher marketing, underwriting and administrative costs when providing health care coverage to small employers than to large employers—costs that insurers pass on to small firms.
- Approximately 75 percent of the structural building components industry is made up of small business owners who average less than $5 million in annual sales and have less than 50 employees.
- Currently, they are experiencing annual health insurance premium increases averaging nearly 20 percent, which is capital that alternately could be used to expand their businesses, add new staff and develop new products.
- The Congressional Budget Office (CBO) has estimated that small businesses obtaining insurance through AHPs should experience average premium reductions of up to 25 percent, because they enable small businesses to take advantage of the same regulatory status, purchasing clout, economies of scale and administrative efficiencies that many large corporations currently utilize.

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HEALTH CARE: HEALTH SAVINGS ACCOUNTS

Industry Position

Unless the high costs of health insurance premiums are quickly brought under control, many manufacturers within the structural building components industry will be unable to provide their employees with adequate health benefits and may be faced with the difficult choice of dropping health benefits entirely.

SUPPORT: S. 298 (McCarthy, D-NY), S. 334 (Wyden, D-OR), S. 173 (Inhoffe, R-OK), S. 46 (Ensign, R-NV) and **S.1019 (Coburn, R-OK)** because they address much needed reforms in the health care system by enhancing individual Health Savings Accounts (HSAs).

HEALTH CARE: HEALTH SAVINGS ACCOUNTS

Control High Costs

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Health Savings Accounts (HSA)

- More and more American workers are using HSAs and taking advantage of pre-tax dollars to pay for their out-of-pocket medical expenses. As of September 2006, one percent of the privately insured U.S. population ages 21–64 were enrolled in a plan with an HSA.
- The structural building components industry applauds the work of Congress in passing legislation in 2006 that allows dollars saved in HSAs to roll over from year to year, enabling employees to better afford high-deductible health insurance in combination with these pre-tax savings accounts.
- Expanded HSAs will allow more workers to choose "catastrophic" insurance plans for major medical events, which are more affordable and will reduce the financial burden currently carried by employers and various government and non-profit entities.
- Our industry supports allowing employees with HSAs and their employers to make annual contributions to HSAs up to the maximum amount that their insurance policies require people to pay for out-of-pocket health care expenses, not just their deductible.

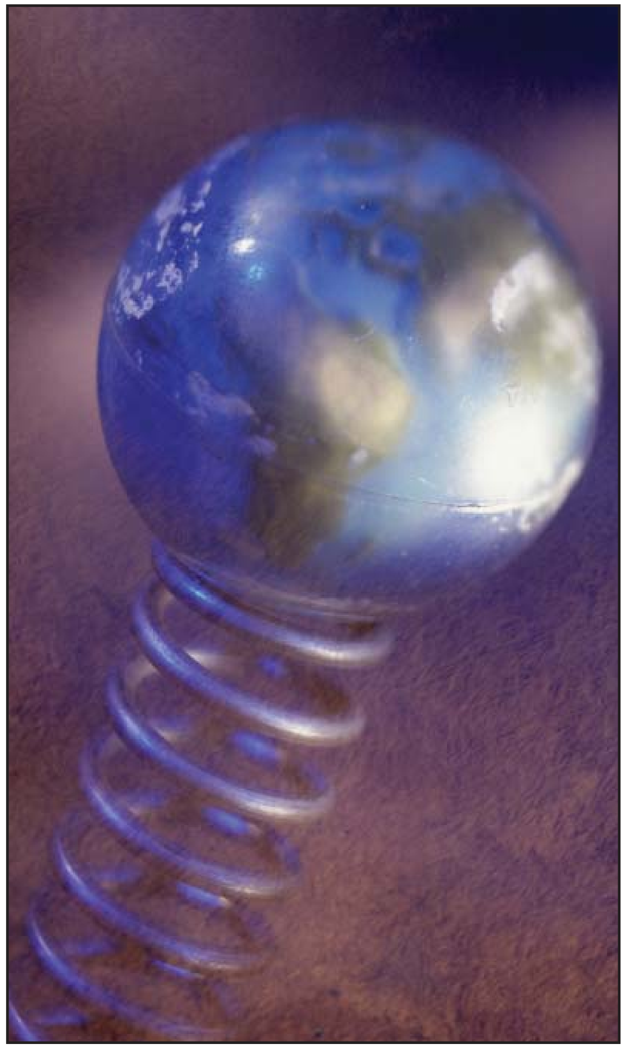
For additional information, along with sources for data contained in this document, please refer to our 2007 SBC Legislative Positions & Policies Handbook.

GREEN BUILDING

GREEN BUILDING

Industry Position

The structural building components industry supports the concepts of green building and sustainable development and strongly believes that structural components play an important role in green building. Our industry also supports the complete "life-cycle assessment" approach to determine the total environmental impact of a building material from resource extraction to demolition and disposal as the most effective way to quantify the total environmental effects associated with using a specific building material.



SUPPORT: H.R. 121 (Doyle, D-PA) because it promotes a consensus based approach to the creation of green building standards.

OPPOSE: S. 506 (Lautenberg, D-NJ) because it limits green building standards to only one of the current established standards, which will significantly inhibit future development of a more inclusive standard.

Green Standard Growing

- According to the National Association of Home Builders (NAHB), green built homes will account for up to 10 percent of new construction by 2010—and two thirds of all home builders expect to be involved in green building to some degree by the end of 2007.
- Given the fact that structural building components are used in at least a portion of all residential and much of the light commercial construction in the United States, green building standards will have a significant impact on our industry and its customers.

Standard Development

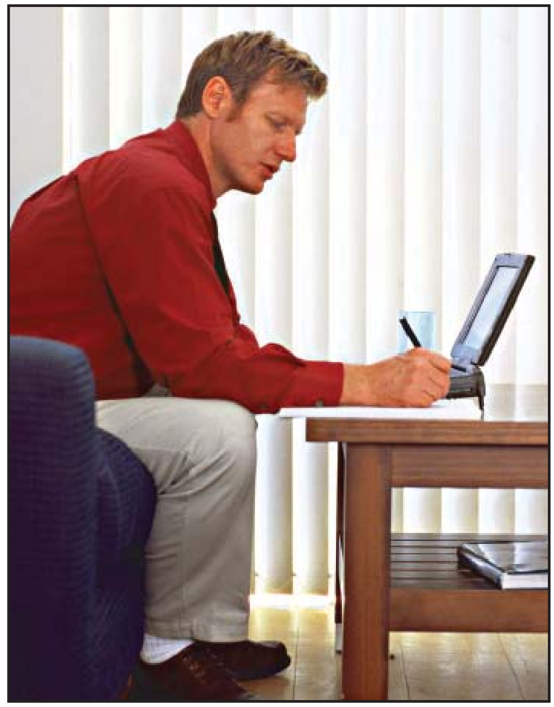
- However, green building design and construction is still a relatively new science and market practice, and there is a great deal that has not been researched or quantified. As a result, no single green building rating system is currently able to offer a comprehensive and conclusive rating system that has been thoroughly evaluated.
- If Congress wants to develop a national green building standard, it should be done through a voluntary, consensus-based process that provides transparency, ensures meaningful opportunities for participation by all groups that are affected by the standard, and has procedures to ensure balance, consideration of dissenting views, and appeals procedures such as the American National Standards Institute (ANSI).

For additional information, along with sources for data contained in this document, please refer to our 2007 SBC Legislative Positions & Policies Handbook.

WORKFORCE TRAINING

Industry Position

The structural building components industry believes that to remain competitive in the global economy, America needs to do more—both publicly and privately—to educate and train the workforce of today and tomorrow.



<u>SUPPORT:</u> S. 761 (Reid, D-NV) S. 26 (Cantwell, D-WA), S.833 (Coleman, R-MN) and **H.R. 224 (Weller, R-IL)** because they provide additional funding and programs for training America's workforce. Also, the structural building components industry supports immediate reauthorization of the Workforce Investment Act of 1998.

Workers Are Key Resource

- American workers, through the initiative, creativity and energy they exhibit each day, are what have made American companies so competitive and our nation's economy the strongest in the world.
- However, our nation's economy is rapidly evolving due to the pressures of global competitiveness, where many skilled but relatively easy to train manufacturing jobs are departing the U.S., leaving a strong demand for service sector jobs that require an entirely different skill set.
- According the National Association of Manufacturers (NAM), more than 80 percent of manufacturers say they are having trouble finding qualified employees.
- Our workers need to have the support and resources to improve their skills in order to keep up with advancements in technology and manufacturing processes.

Additional Training Needed

- Solutions need to come from business, government—and from American workers. Our industry would like to thank Congress for taking the first step by consolidating a system of overlapping and ineffective government training programs into the Workforce Investment Act of 1998. Reauthorization of this landmark legislation is long overdue.
- American manufacturers have become concerned about lagging graduation rates (as compared with our international counterparts) in math, sciences and engineering—academic areas the structural building components industry relies upon heavily due to the engineering and design requirements of its products.

Career Advancement Accounts

- Our industry believes ideas like Career Advancement Accounts will empower individuals by significantly increasing workers' resources and training opportunities. It will enable nearly 800,000 American workers to use their accounts for training and other services to help them advance their careers.
- Finally, the structural building components industry supports federal and state efforts to shift spending for workforce training away from expensive or duplicative agency administration and toward more streamlined, efficient training program delivery.

For additional information, along with sources for data contained in this document, please refer to our 2007 SBC Legislative Positions & Policies Handbook.

WORKFORCE TRAINING

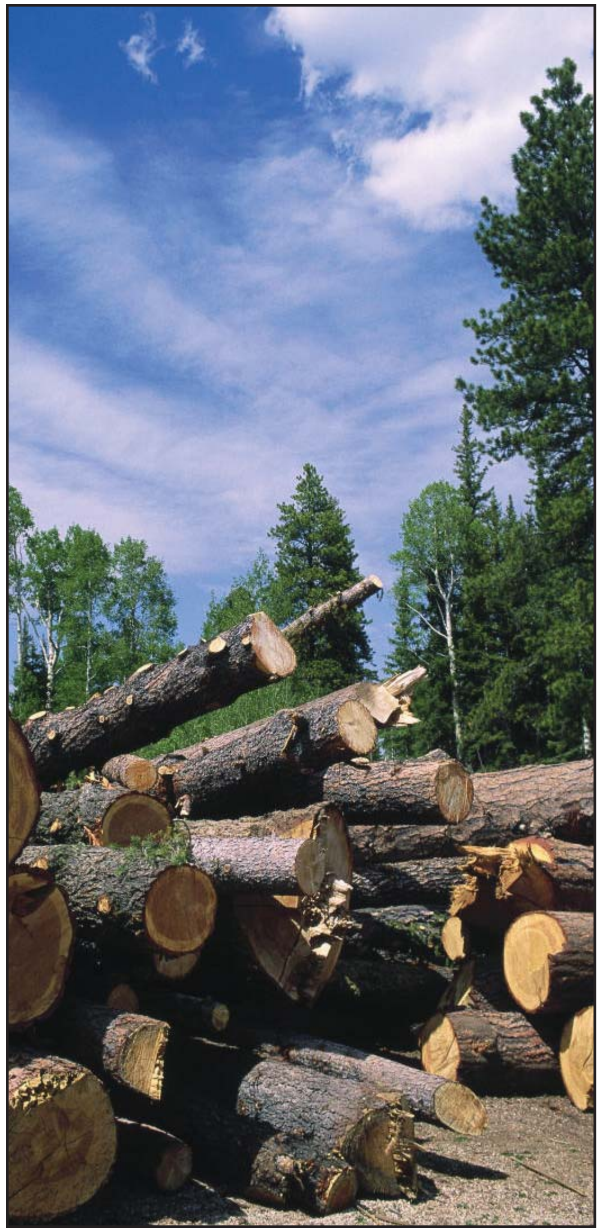
TAXES: TIMBER TAX

TIMBER TAX

Industry Position

The structural building components industry relies heavily on U.S. sources of lumber for manufacturing their products. However, the current U.S. tax code puts the U.S. timber industry at a distinct disadvantage against international competition. Our industry believes this situation poses significant negative consequences on us as customers and, ultimately, on the American consumer of forest products.

SUPPORT: S. 402 (Lincoln, D-AR), H.R. 721 (Davis, D-AL) because they will improve competitiveness, help insure the future availability of wood fiber, encourage investment in forestry, and yield a more abundant supply of the materials that help build the American dream.



U.S. Timber Vital

- Our industry relies on American private landowners to supply a significant portion of the timber our industry uses in its structural components.
- American forests provide a great benefit to the environment—preventing soil erosion, cleansing streams and waterways, absorbing carbon dioxide from the atmosphere, and providing habitat for a wide range of species.
- Unfortunately, the U.S. forest products industry is facing significant overseas competition and increased risk of the loss of jobs.

Change Tax Policy

- U.S. tax policy should provide an internationally competitive foundation for all industries.
- However, the U.S. corporate timber and forest products industry is subject to significantly higher income tax than their overseas competitors.
- A recent PriceWaterhouseCoopers study showed the U.S. domestic corporate forestry tax burden to be second highest compared with its seven major competitor nations—16 percentage points higher than the median of the other countries.

Unintended Consequences

- The structural building components industry believes internationally uncompetitive tax policies have the unintended consequence of raising the cost of timber and, therefore, causing downstream products like structural components to cost more.

TREE Act of 2007

- By reducing the cost disadvantage faced by timber growers here in the U.S., the Timber Revitalization and Economic Enhancement (TREE) Act of 2007 can help reverse the trend of decreasing U.S. competitiveness in the forest products industry.
- The TREE Act of 2007 provides a 60-percent deduction for qualified timber gain, modeled after legislation introduced in the 109th Congress (H.R. 3883, S. 1791), which results in a maximum tax rate on such gain of 14 percent for both individuals and corporations.

For additional information, along with sources for data contained in this document, please refer to our 2007 SBC Legislative Positions & Policies Handbook.

TORT REFORM: INNOCENT SELLERS FAIRNESS ACT

Industry Position

Product liability court cases are part of a growing litigation burden on America's small businesses. According to a 2003 study by the U.S. Chamber Institute for Legal Reform, small businesses bear 68 percent of business tort liability costs. Therefore, the structural building components industry supports passage of the Innocent Sellers Fairness Act.

SUPPORT: H.R. 989 (Boren, D-OK) because it holds sellers responsible in proportion to their wrongdoing and frees sellers from liability who have done nothing wrong.

Product Liability

- Current U.S. law imposes liability on manufacturers and sellers of products irrespective of responsibility or lack of wrongdoing.
- The Small Business Administration estimates that defending product liability lawsuits can cost anywhere from $50,000 - $100,000, which force many defendants to pursue a settlement, regardless of the merits of a case.
- Product liability lawsuits are increasingly impacting building material dealers, an industry closely affiliated with the structural building components industry. A winter 2005 survey of dealers found that more than 1 in 4 has been the subject of a product liability lawsuit within the past 5 years; 65 percent of those have been involved in more than one.

Innocent Sellers Fairness Act

- ISFA is necessary because current law imposes liability without wrongdoing by sellers and exposes them to all of the damages allegedly suffered by a plaintiff, even though other defendants may have played a much greater role in causing the damages.
- According to the 2004 WTCA Financial Performance Survey, the sale of non-manufactured products, such as joists, beams, headers and related building materials, accounted for up to 10 percent of overall sales volume for component manufacturers.

For additional information, along with sources for data contained in this document, please refer to our 2007 SBC Legislative Positions & Policies Handbook.

TRANSPORTATION: RAILROADS

Industry Position

From a bulk commodity perspective, shipping raw materials for building via rail is generally the most economically efficient alternative. In a recent industry survey, two-thirds of respondents indicated they utilize rail for their lumber shipments—just over 50 percent said they own and use their own rail spur. Therefore, the structural building components industry supports legislation that will encourage investment in rail infrastructure and revitalize competition.

SUPPORT: S. 953 (Rockefeller D-WV) would create greater efficiency in rail transportation through increased competitiveness and responsiveness to rail customers.

Legislation like the Freight Rail Infrastructure Capacity Expansion Act of 2006 would provide tax incentives to railroad companies to purchase land and construct additional rail infrastructure and intermodal transportation facilities.

Lack of Infrastructure

- Declining national reliance on rail has created a host of interrelated problems that are having an impact on component manufacturers utilizing rail. One half of the equation is infrastructure—not enough track or railcars to meet current demand. The other half is how the railroads have addressed this problem—consolidation, constructive placement and demurrage fees.
- The increasing need for commodity shipments to growing population centers has created horrible congestion on the tracks. To make matters worse, many companies have fled the railcar manufacturing and/or leasing business, creating an overall shortage of cars to carry the goods. The result has been slow or unreliable rail delivery service.

Lack of Competition

- As of 1978, there were 41 Class I railroad companies operating in the U.S.; today there are eight. This consolidation, which was particularly heavy in the 1990s, has left most markets with only one railroad company to choose from.
- This lack of competing rail companies effectively takes market-based competition—a cornerstone of our economy—out of the equation. To that end, component manufacturers are effectively left with two choices: accept the terms, conduct and demands of the available railroad company, or use trucks.
- The lack of choice is evident in the component manufacturing industry; over eighty percent of the respondents to that same WTCA survey indicated they use rail for raw material shipments and are serviced by only one Class I railroad company.

For additional information, along with sources for data contained in this document, please refer to our 2007 SBC Legislative Positions & Policies Handbook.