

LABOR

Industry Position

The structural building components industry opposes current efforts by organized labor to convince Congress to change national labor laws through the "Employee Free Choice Act of 2009."

OPPOSE: H.R. 1409 (Miller, D-CA) and **S. 560** (Kennedy, D-MA) because it will undermine our nation's right to work laws, erode worker privacy, infringe on basic voting rights in our democracy, and provide an avenue for the federal government to control the wages and benefits of private companies.

Eliminates Traditional Private Voting Process

- The "Employee Free Choice Act of 2009" (EFCA) would replace the current process of private ballot union representation elections with a system called "card check," which allows union organizers and their peers to publicly gather support for the creation of a union.
- The card check process increases the likelihood that employees will only hear one side of the story before deciding to sign the card instead of hearing each side of the argument to unionize.

Eliminates Privacy in Decision Making

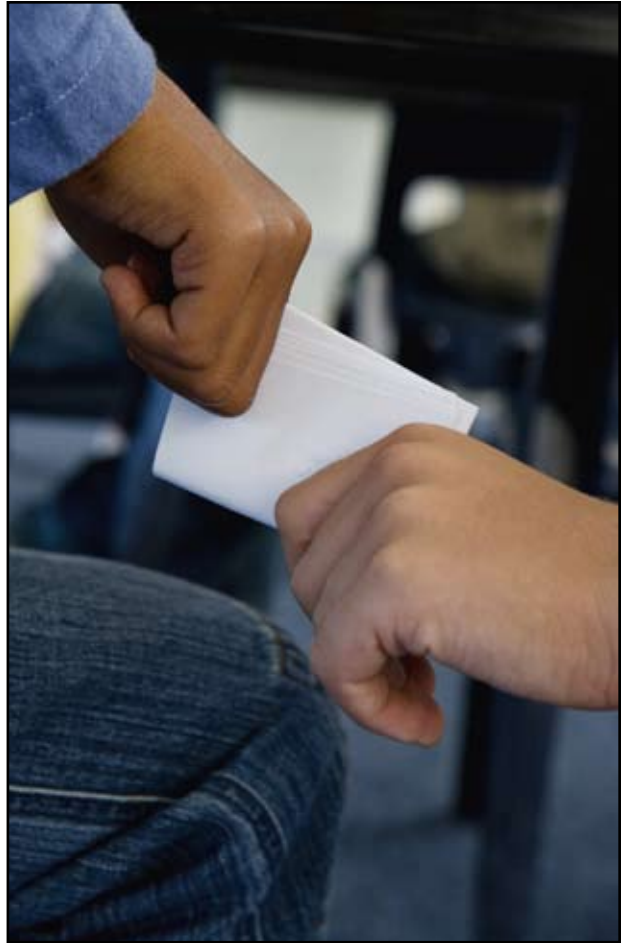
- This public process can also invite intimidation and threats in the workplace as well as harassment because an employee's decision for or against unionizing is public to everyone.
- When making the important decision to form a union, employees should be able to retain their right to privacy and freedom from undue and coercive influence, these have always been rights protected under our Constitution.

Allows Government Control

- This bill would also impose an artificial timeline (90 days) for when the first labor contract must be reached upon union certification. If no contract is reached, a federal arbitrator could dictate the terms of the contract, including wages, benefits and work rules.
- In practice, this eliminates any incentive for collective bargaining for initial contracts because of the promise of binding government arbitration. Under this new system, unions are encouraged to make extreme demands and take hard line positions knowing the federal arbitrator will likely split the difference between those demands and business' competitive interest position.

Inclusive of Small Businesses

- As it is currently written, EFCA has no meaningful small businesses exemption. As a consequence, this measure has the potential to allow federal control of up to 4 million small businesses employing 39 million Americans. Government arbitrators, who may have no management experience, would effectively control these small businesses.
- It also empowers the federal government to impose contracts on newly organized companies. The government would set wages, benefits, work assignments, promotion procedures and any major changes to business operations.



■ IMMIGRATION

Industry Position

There has never been a better time to fix our nation's immigration system. The current economic downturn has significantly decreased the existing population of immigrants and has curtailed the tide of illegal immigration into the U.S. Our industry supports comprehensive immigration reform that will:

- provide tools for employers that are easy to use to ensure compliance with the law.
- provide additional pathways to legal immigration, which will expand home purchases while ensuring U.S. employers can meet ongoing employment demands.

SUPPORT: Legislation that provides comprehensive immigration reform that will strengthen the system, without placing an unfair or costly burden on employers, and expands legal options for immigrants who want to enter the country to work.



Congress Must Act

- In addressing the numerous challenges confronting our nation's immigration system, the structural building components industry believes Congress, not states or local governments, should be the one to establish employer obligations.
- Only federal mandates will provide uniformity on important issues, such as employee verification, documentation requirements, employer fines and eligibility for visas.

E-Verify Program Concerns

- Congress, as well as state and local governments, have considered proposals requiring employers to utilize the Department of Homeland Security's E-Verify program, which allows employers to verify a person's work authorization online.
- However, the structural building components industry has concerns regarding the accuracy of this program and the federal government's current ability to keep its databases updated.
- If Congress decides to make this program mandatory, it should ensure that the E-Verify system is capable of handling requests from the nation's 7 million employers, as opposed to the 30,000 who currently utilize it on a voluntary basis.

Expand Legal Immigration

- Willing workers—with a reasonable path to obtain a work visa—make our overall economy stronger because they pay taxes, and buy houses and related goods and services.
- In addition, it is essential that employers in the structural building components industry be able to legally hire immigrant workers once demand for construction labor returns to levels witnessed during the first half of this decade.
- 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.
- If labor is unavailable to produce and deliver structural building components, the cost of construction for both commercial and residential buildings will increase dramatically.

■ TRADE

Industry Position

The structural components industry supports efforts to promote free trade. An unfortunate aspect of current U.S. trade policy is, in the two cases that affect our raw material supply — steel and lumber, countervailing and anti-dumping duties have been imposed with no consideration of the adverse impact on us as consumers or on the overall housing market.

SUPPORT: Legislation that would:

- limit the definition of foreign subsidies and dumping.
- change government policy to eliminate quotas, tariffs, export taxes and other barriers to the importation of building materials.
- require consideration of the product buyers' economic interests when establishing trade policies.

Trade Policy

- U.S. trade policies should encourage trade that increases resource availability, free-market-based costing and increased quality of imported materials. This approach will provide the best overall value for the purchaser of manufactured products.
- Products from foreign countries deemed subsidizing or dumping their exports to the U.S. are subject to countervailing (CVD) and anti-dumping (AD) duties. The criteria used to define and measure “subsidies” and “dumping” needs to be applied in concert with our international agreements, U.S. law and common sense.
- Domestic companies should be required to show actual financial harm from the importation of similar goods, and be able to prove that imported goods are being sold at prices below their cost to produce them.

Softwood Lumber

- U.S. softwood lumber producers alone cannot meet domestic demand. Currently, Canadian softwood lumber imports account for 30 percent of construction lumber used in the U.S. As a raw material, lumber makes up 40 to 50 percent of the cost of a manufactured structural building component.
- It appears the current 5-year agreement is already unraveling, and once this agreement ends there will once again be marketplace uncertainty if no enduring resolution is created in the meantime. Only a long-term solution will allow U.S. companies the ability to compete in their marketplaces on a fair and equitable basis.

Steel

- From 2004-2007, steel connector plate prices rose an average 50 percent, to cover the rising cost of steel, and by as much as 200 percent for some specialty products. During this period of strong economic growth, the continued increase and erratic change in the price of steel made it very difficult to conduct business in the structural building components industry.
- This price fluctuation was due in large part to tariffs imposed on imported steel beginning in 2003. Domestic steel producers have a capacity to generate approximately 100 million tons of steel annually. At its height in 2007, the U.S. demand for steel was more than 130 million tons. The U.S. has historically been an importer to accommodate this domestic shortfall.
- Even though the current U.S. steel market is depressed—reflecting the overall economy—since domestic sources alone will not be able to meet projected demand once the economy improves, the structural building components industry believes it is vital the federal government should do everything within its authority to maintain adequate sources of foreign steel and zinc in combination with domestic sources to ensure a constant and predictable supply once the economy improves.

Reforms Needed

- Our industry believes Congress should enhance current U.S. trade law to require an analysis of the total impact of any decision on the overall economy.
- Unintended cost increases, like the ones our industry has experienced, can easily create an economic hardship on businesses that need raw materials and other imported goods to transact business.
- Any changes to U.S. trade law should allow industrial consumers of a product to have an equal standing with domestic producers and importers in trade cases.

HEALTH CARE

Industry Position

As Congress considers reforming our nation's health care system, the structural building components industry urges lawmakers to consider solutions that will focus on preserving both employers' and employees' free choice in health care, as well as maintaining the incentives for businesses to offer health care coverage.

SUPPORT: Legislation that works in cooperation with the private sector to lower the costs associated with health care and provides additional opportunities for employers to affordably insure their employees.

Health Care Spending Out of Control

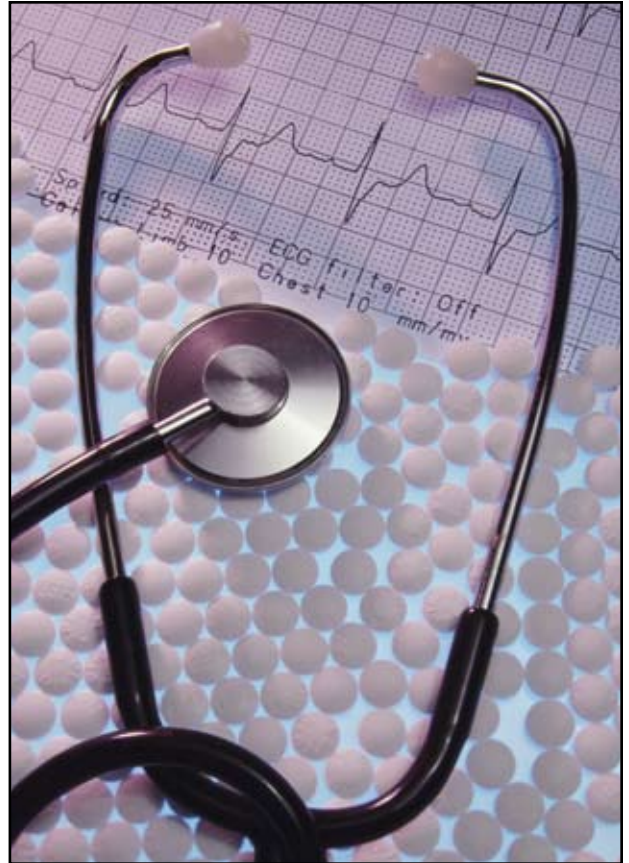
- The ongoing increase in medical and insurance premium costs in this country is creating a significant barrier to high-quality, accessible health care.
- According to the National Association of Manufacturers, since 2000 employment-based health insurance premiums have increased 87 percent, compared to cumulative inflation of 18 percent.
- 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.

Small Business Affected

- Nearly 27 million of our nation's uninsured are small business owners, employees or dependents of small businesses with less than 100 employees.
- Approximately 75 percent of the structural building component industry is made up of small business owners who average less than \$5 million in annual sales and have less than 50 employees.
- Our industry supports innovative programs that will reduce the administrative and cost burdens for small manufacturers who wish to provide health care benefits for employees.

Private Sector Must Be Part of the Solution

- Health care reform should remain committed to public/private partnerships in delivering medical coverage. The federal government should not be the sole provider of health care.
- Our industry's manufacturers have expertise when it comes to efficiency, effectiveness and assessing the economic impact of rising costs. Private sector innovation, efficiencies and fiscal responsibility should remain the cornerstone of health care reform.
- Health care tax policy should continue to promote employer-sponsored health care coverage for employees and their families. The individual tax exemption and employer deduction for employer-sponsored coverage should be maintained.



ENERGY

Industry Position

In considering various proposals to reduce the emission of greenhouse gases to address global climate change, and to increase efficiency in energy consumption and generation, the structural building components industry believes Congress should review the effect of changes to energy policy on:

- citizens' free choice of where they can live and work
- affordable housing.
- the quality and quantity of domestic jobs.

SUPPORT: Legislation that focuses on energy efficiency solutions and avoids changes to energy policy that will have a negative impact on residential, multi-family, and light-commercial construction.

Support for Energy Efficiency

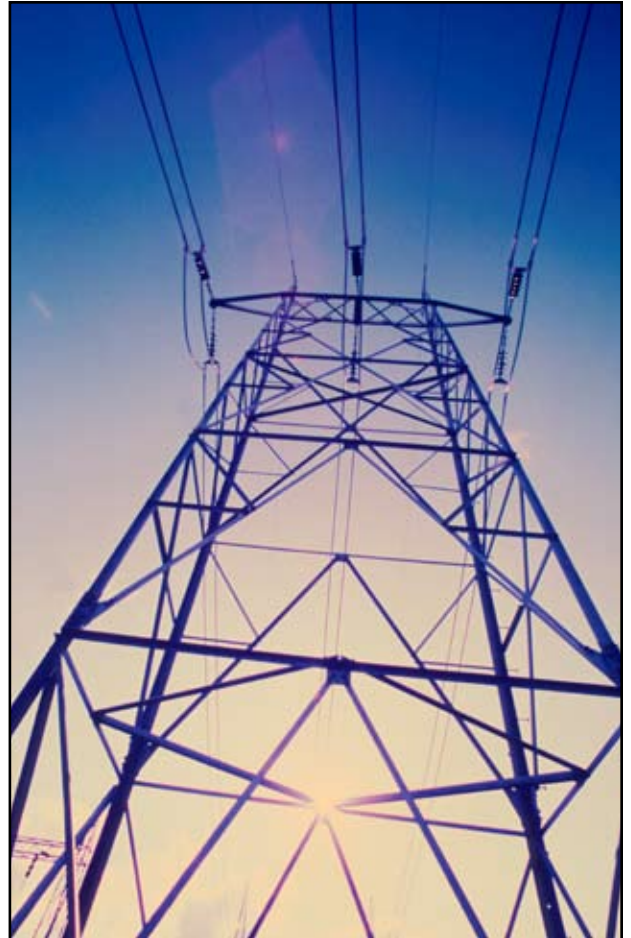
- Structural building components are the most environmentally responsible building method available, due to their ability to use optimum value engineering and allow architects and engineers to design buildings that minimize material consumption and maximize energy efficiency.

Impact on Residential Housing

- An energy policy shift that results in higher fuel and energy costs will likely alter the make-up of construction projects due to rising transportation costs. This move will result in a shift away from urban residential and commercial development, the lifeblood of the structural building components industry.
- These higher costs will also make homes more costly to produce and maintain, making it harder for the average American family to buy a home.

Uniformity of Enforcement

- If restrictions on energy consumption are only put in place in the U.S., without reciprocal participation by Canada and Mexico, it is very likely structural building component manufacturers;
 - will relocate, taking jobs with them, or
 - be forced to compete at a competitive cost disadvantage.
- In border states, there would be significant pressure to move their businesses to remain competitive.
- As a result, overall energy consumption concerns will not be addressed without uniform enforcement throughout North America, and environmental concerns will not be addressed without global participation and enforcement.



■ DUST

Industry Position

The structural building components industry is committed to providing a safe work environment for all its employees. We support OSHA's current efforts to address workplace hazards attributable to combustible dust, but believe further legislation is unnecessary and potentially harmful to the rulemaking process.

OPPOSE: H.R. 849 (Miller, D-CA) because it will undermine OSHA's current rulemaking process on combustible dust and reduce the ability of stakeholders like us to participate meaningfully in the process to establish these new workplace standards.

Congressional and Regulatory Actions

- The Worker Protection Against Combustible Dust Explosions and Fires Act was introduced on March 4, 2008 in response to a large combustible dust explosion at the Imperial Sugar refinery in Georgia.
- On March 11, 2008, OSHA reissued an expanded National Emphasis Program (NEP) on Combustible Dust. Under this NEP, OSHA significantly increased the number of combustible dust inspections it conducts annually.
- The inspection criteria and combustible dust requirements established under this NEP adhere to the standards developed by the National Fire Protection Association (NFPA).
- On February 4, 2009, H.R. 849 was reintroduced by Representative Miller, and on April 30, 2009, OSHA announced it will begin working on new rules governing facilities that produce combustible dust.

Rulemaking Process is Important

- OSHA has indicated it will convene stakeholder meetings in the near future to evaluate possible regulatory solutions to combustible dust issues in the workplace.
- The rulemaking process allows OSHA the flexibility to request data and comments on issues related to combustible dust such as hazard recognition, assessment, communication, defining combustible dust and other concerns of stakeholders.
- Passing legislation imposing deadlines, standard-creation methodology and actual standards, without the collaborative input of the industries affected, will weaken the current rulemaking process and result in less effective rules.

Preserve Industry's Ability to Respond

- This legislation makes no allowance for industries like ours that have proactively created solutions to address combustible dust in the workplace.
- We have developed an industry-specific housekeeping training program for employees to effectively and efficiently collect and dispose of combustible dust in our manufacturing facilities.

