



May 10, 2025

Oregon House Committee on Agriculture, Land Use, Natural Resources, and Water
Honorable Ken Helm
Oregon State Capitol
900 Court St. NE, H-490
Salem, OR 97301

Sent via email to: Rep.KenHelm@oregonlegislature.gov

Subject: Opposition Arguments for Amended Senate Bill 1061

Dear Chair Helm and members of the House Committee on Agriculture, Land Use, Natural Resources and Water:

On behalf of the Pacific Lumber Inspection Bureau (PLIB), I submit the following comments in opposition to Senate Bill 1061 with the proposed amendments. First, allow me to provide a bit of background on PLIB.

Pacific Lumber Inspection Bureau was formed in 1903 and is the oldest lumber grading and inspection agency in North America. We provide lumber grader training and qualification services as well as third-party lumber inspection and monitoring services to over 150 sawmills and lumber remanufacturers in the U.S., Canada, and Europe. We are accredited by the Board of Review of the American Lumber Standard Committee (ALSC) as a rules writing agency for softwood lumber and we are approved as an inspection agency to provide mill supervisory services under the Voluntary Product Standard PS 20 lumber system. We work with approximately 40 sawmills and lumber remanufacturers in the State of Oregon that we send our inspectors to each month as required under this system. Importantly, and most relevant to this bill, we also provide on-demand, or transient, grading services to portable sawmill owners, small woodlot owners, and the public that need lumber grading services on an infrequent or even one-time basis.

We oppose SB 1061 as amended and recommend that the committee vote against moving the bill forward for the following reasons:

- 1) SB 1061, even with its amendments, is an unnecessary bill trying to solve a non-existing problem. The supporters of the bill have made the point that there used to be nearly 70 mills in Eastern Oregon and now there are less than 10, and this bill is needed to a) provide needed lumber to the rural communities, b) promote economic development, and c) assist with wildland fire management efforts.
 - a. Regarding a): the reduction in the number of mills in Eastern Oregon does not equate to less lumber being available to the area. Oregon produces ample volumes of lumber to satisfy the construction needs for the State, and a drop in production from one region does not mean a reduction in availability. Lumber distribution is not directly linked to

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lumber production as is demonstrated by the vast majority of the country that does not produce lumber yet has plenty of lumber available through thousands of distribution channels.

- b. Regarding b): the argument that passage of this bill will lead to economic growth in rural communities is unsupported. Yes, there are many small portable mill operators in rural communities, but we question the idea that passing this bill will pave the way for new markets for these operators. The lumber they saw can be sold and used right now under the current building codes.

The primary function of the building code is to protect public health and safety, and specifically for structures, to establish minimum requirements for structural integrity. When it comes to using lumber in code regulated structures, the code requires that the lumber is graded and labeled by a producer that has been qualified and is regularly monitored by a grading agency accredited by the American Lumber Standard Committee (ALSC) according to Voluntary Product Standard PS 20 recognized by the U.S. Department of Commerce. The reason for this is to protect lives. Portable sawmill operators and forest landowners can produce construction lumber right now under the current code, it simply needs to be graded and labeled by an ALSC accredited agency, and there already exists a pathway to achieve this through transient lumber grading services. These services are readily available at reasonable cost. Transient lumber grading services not only provide a means for small portable mill operators to produce code recognized graded lumber while at the same time protecting public safety. Using the transient inspection services keeps the judgement on whether lumber meets the published grade requirements with the appropriate expert lumber graders rather than transferring this assessment and liability to the novice grader, code official, and county. There is no need to create a parallel system.

- c. Wildland fire control is of immense importance and local, portable sawmill operations can be of great benefit in assisting with the removal and productive use of trees that could otherwise contribute to wildfire spread. We encourage and support this. However, opening a loophole in the law that circumvents the building code is not necessary to accomplish this. Portable mills can saw and produce lumber from fire hazard zones now, without restrictions, and the resulting products can be used in construction and meet the code requirements through the transient lumber grading services that are currently offered.

- 2) Section 1.(1)(c)(A) requires a minimum of eight instructional hours including hands-on practice with physical lumber samples. This is insufficient time to become proficient at grading lumber. Becoming a certified grader requires not only book knowledge of the characteristics allowed in the grade, but also hours of practice grading a wide variety and quantity of lumber samples. This practice is only possible when large quantities of lumber are available to review and practice





- with, as at a lumber mill, not a classroom setting. In addition, proficiency must be demonstrated over multiple sessions, not based on a one-time sample. The ALS system and the accredited grading agencies are constantly monitoring the performance of graders each month. Those that receive the certificate from the state will not have the same experience, expertise, training, and most importantly the regular oversight and monitoring that the ALSC system provides.
- 3) We appreciate the amendments to Section 1 that have eliminated the exemption to certain individuals and have refined the requirements for instructor qualifications. However, Section 1.(1)(d)(A)(ii) and (iii) still provide two pathways for being considered qualified to serve as an instructor that may include persons who have no direct experience grading lumber. People meeting either of these two sections may, in fact, have little expertise grading lumber yet still be considered qualified to be an instructor. It should be a basic requirement that any instructor be certified as a grader by an ALSC accredited agency.
 - 4) Section 1.(3) states that individuals holding a certificate must be recertified every five years. This is far too long to wait to verify the proficiency of the certified grader. Under this bill, a person could become certified but might not grade their first stick of lumber until a considerable time has passed, years even, without having any further exposure to grading lumber than what they received in the initial class. Or their grading could be extremely infrequent. In addition, grading rules change from time to time and there is no mechanism that would exist to inform the state certified grader that rules have changed. It would be a mistake to assume someone who infrequently grades lumber should be considered proficient on the basis that they passed an eight-hour class alone. Regular reassessment and monitoring are essential and the five-year period the bill requires is inadequate.
 - 5) We appreciate the inclusion of new language in Section 2.(1)(a) and (b) and 2.(3) that better defines the difference between self-graded and third-party graded lumber and the requirements concerning disclosure and recording when self-graded lumber is used. However, the previous language that required the department to design standardized certification forms has been removed and there is no language that references how the self-graded lumber is to be identified. A key component of the building code inspection and approval process involves verification that products used in a structure meet required standards, and a key element of that verification relies on product labeling. Product labeling allows the buyer, the user, and the inspector to readily identify and verify that the product meets the relevant safety and performance standards and will perform as intended. How is a code official supposed to determine the grade of lumber being used without some kind of labeling of the individual pieces? An interior wall may require a different lumber grade than a roof rafter or floor joist, but without any requirement to include a label identifying the grade, there would be no way for the code official to know what grades were used in different applications. This could result in the wrong grade of lumber being used where it is not intended and could result in structural failure.





- 6) The bill opens a legislative loophole that circumvents the code and opens building code officials and the state to unnecessary liability and puts public safety at risk. There is simply no need for this. Building code officials can approve products and construction practices that deviate from the code. Right now, a code official, at their discretion, can approve lumber that is self-graded or not ALSC grade stamped. The code official can choose to accept this liability. S.B. 1061 will codify the use of self-graded, unmarked lumber and force the liability on the building code official.
- 7) Finally, as mentioned previously, PLIB provides transient inspections to small portable sawmill operators and woodland owners throughout the state. We conduct approximately 75 of these transient inspections each year; about 30 of these were in the state of Oregon alone. As a 501c6 not for profit organization, we are compelled to keep our rates as reasonable as possible. The average invoice for our Oregon transient inspections was about \$430, and 40% of the invoices were for \$250 (the minimum fee). Surely this cost cannot be considered a barrier to economic development.

The fiscal impact of this bill has been estimated to be \$212,000 annually. If we increase the average transient inspection cost from \$430 to \$2,000 just to be conservative and account for remote locations, and double the number of transient inspections from 30 to 60, it would cost \$120,000 to conduct all transient inspections in the State of Oregon. This is a very conservative (over-estimated) number considering less than half of the transient inspections would be in rural areas but would be along the I5 corridor. Rather than establishing a parallel system at an annual cost of \$212,000, the state could instead fully subsidize all transient inspections in the state through a grant program and do it for less than half the estimated cost of this bill. Other ideas have been raised that could make transient services more accessible and we would be happy to work with the State to consider these.

We recognize that the amended bill is an improvement over the original bill, but the amendments fall far short of addressing the bill's core inadequacies. Further, we stand by the fundamental premise that this bill is not needed and satisfactory remedies already exist. For these reasons and those stated above, we strongly oppose the adoption of S.B. 1061 as amended.

We appreciate the opportunity to provide our comments and strongly encourage the sponsor and the committee to consider a grant-based approach. We will make our staff available to work with the State.

Sincerely,

A handwritten signature in black ink that reads 'Jeffrey A. Fantozzi'.

Jeffrey A. Fantozzi
President

cc: Members of the House Committee On Agriculture, Land Use, Natural Resources, and Water

