

# SB 87

# Local Lumber Grading

## Senate Resources Committee



Presented by:

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March 15, 2023



# Grade Stamped Lumber



- Grade Stamped lumber allows the purchaser to know the wood meets a quality standard
- Grading agencies such as Western Wood Products Association (WWPA) publishes the Western Lumber Grading Rules for appearance grading
- Grading rules are accredited by the American Lumber Standards Committee (ALSC)
- Members of WWPA receive mill training, quality assurance (QA), market analysis, and professional development
- Small mill operators find it economically challenging to become a member of these types of associations



# Cost of grading agency membership in Alaska



- Membership Dues + Monthly Site Inspections + Inspector Travel Costs ≈\$2200/month
- Membership options for small mill operators:
  - Only pay for membership fees during active periods
  - Stockpile milled material and bring in an inspector when there is enough to justify the travel costs
- Difficult for small mills to produce enough volume to justify these costs and remain profitable



# What is a Local Use Lumber Program?



- It is state law/regulation in seven states allowing non graded/stamped locally produced dimensional lumber in some construction applications
- It is often an exemption to a building code that requires grade stamped lumber
- It is focused on small mill operators providing opportunities for them to enter home construction markets



# What is a Local Use Lumber Program?



- It includes a training program for small mill operators on grading their own lumber and includes a recertification schedule
- Because of the code exemption, it allows for traditional home construction financing
- Gives building inspectors an opportunity to inspect and reject the wood if necessary



# What is a Local Use Lumber Program?



- Local use lumber must be sold to the end user or the contractor building the home
- Most states only allow residential (1 – 3 family home) construction as well as outbuildings
- Mill operator must take and pass a grading course
- Certification only lasts for 5 years
- Mill operator provides a certificate with the local lumber
- Only applies to softwood



# Why is this program needed in Alaska?



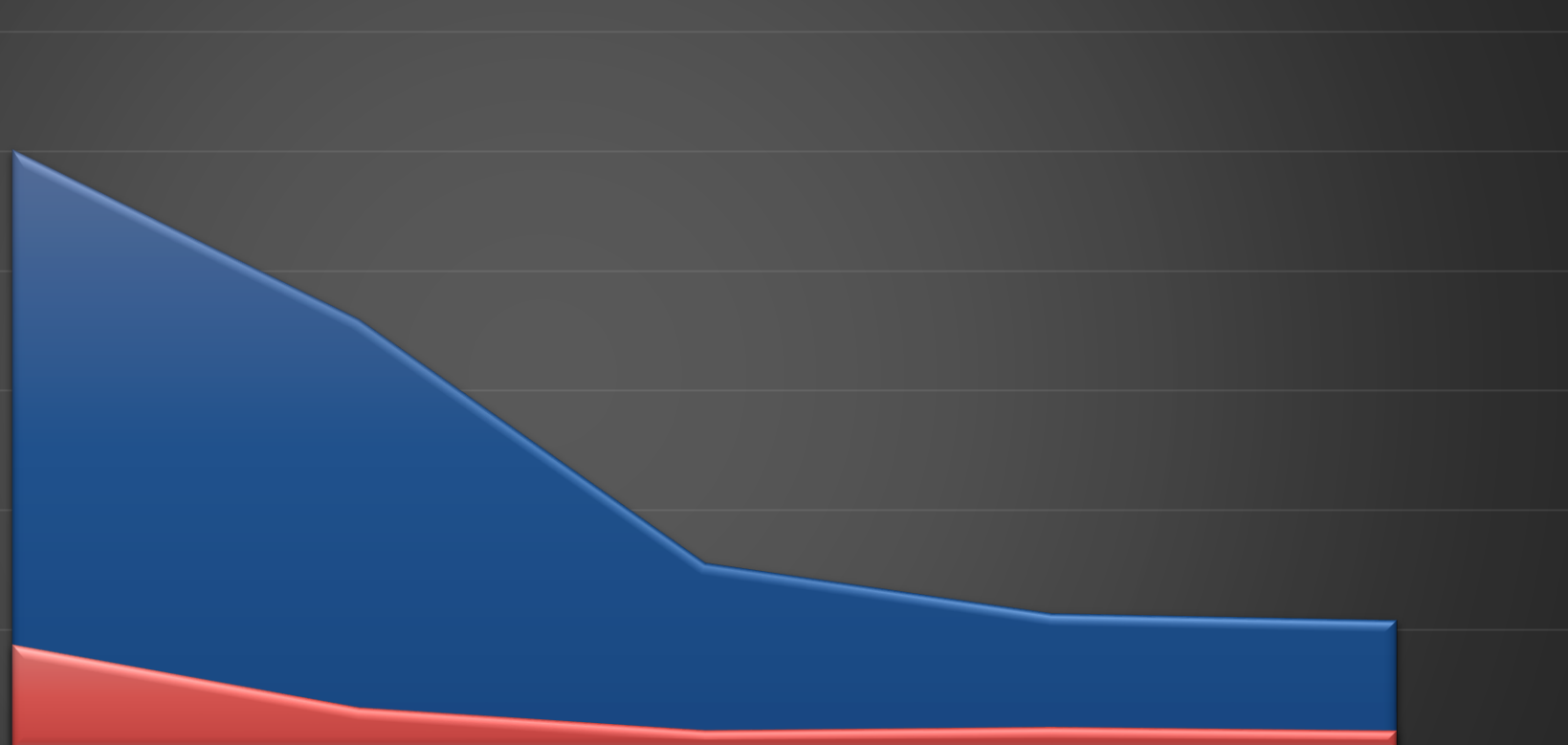
- Wood prices have increased dramatically for home construction
  - National Association of Home Builders notes wood prices add \$36k to new single family home construction
  - Alaska Housing Finance Corporation cites high cost of construction as a reason new building permits fell 15%
- Canadian import tariffs on softwood were raised to 17.99% in early 2022
  - Alaska imports ~\$20 million annually in wood products from Canada (Canadian Trade Commission)
- Forest Management
  - Salvage harvest of beetle-killed trees less than 4 years past mortality
  - Increase forest management opportunities for private landowners
- Increase economic activity in rural communities
- Increase milling capacity

# Mill Capacity and Production in Alaska



**Dimensional Lumber Production  
Capacity in Alaska Thousand Board Feet (MBF)**

600,000  
500,000  
400,000  
300,000  
200,000  
100,000  
0



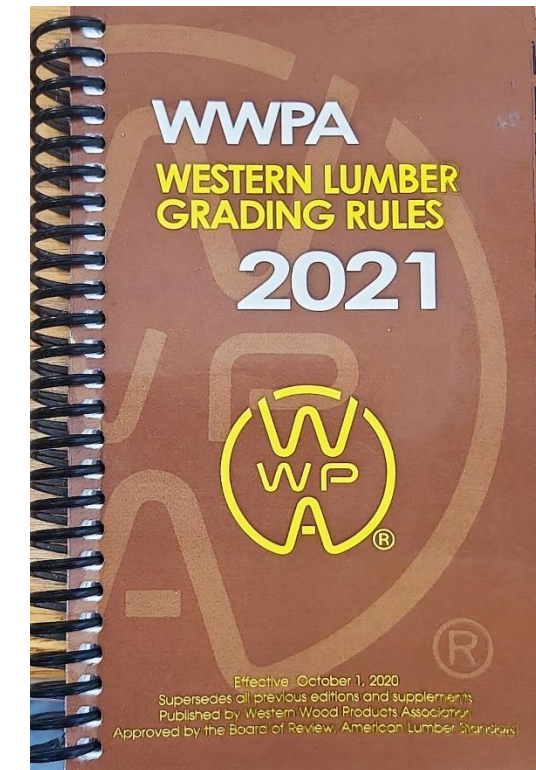
	2000	2005	2010	2015	2020
■ Sawmill Capacity	501,850	359,850	155,850	113,650	107,900
■ Estimated Production	87,117	34,695	15,807	18,540	15,544



# Grading Agency lumber standards



Category	Grades
Selects and Finishes	B & Better, Clear, C Select, D Select
Boards	Common (1, 2, 3, 4, 5), Knotty (Sel 2 Com, Sel 3 Com) Select Merch (Const., Std., Util.)s
<b>Light Framing</b>	<b>Construction, Standard, Utility, Economy</b>
<b>Stud</b>	<b>Stud, Economy Stud</b>
<b>Structural Light Framing</b>	
	<b>Sel Struc., No. 1, No. 2, No., 3 Economy</b>
<b>Joists and Planks</b>	<b>Sel Struc., No. 1, No. 2, No., 3 Economy</b>
Timbers	Beams & Stringers (Sel Struc. No. 1, No. 2, No., 3), Posts & Timbers (Sel Struc. No. 1, No. 2, No., 3), Mining Timbers (No. 1, No. 2)
Special Dimension Grades	Dimension Pullouts (C & Btr., D Dim.,) Foundation Lumber, Decking (Sel., Com.,) Patio (1, 2), Scaffold (1, 2) Struct. Laminations (L1, L1-C, L2, L2-D, L3 E)
Factory Lumber	Box Lumber (No. 1, No. 2), Moulding, Pencil Stock (No. 1, No.2, No. 3), Shop Lumber (5/4 Shop, 4/4 Shop) Door Stock (No. 1, No. 2) Jamb and Head Stock (Clear, Fact Sel., No. 1., No. 2 No., 3)



# Alaska Local Use Lumber Substitute Equivalent Grades



Alaska Grade	Description
Number 2 and Better	Substitute equivalent to <b>Number 2 Grade</b> of Structural Light Framing, Joists and Planks and <b>Standard Grade</b> of the Light Framing use categories
Stud	Substitute equivalent to <b>Stud Grade</b> used in residential construction
Number 3	Substitute equivalent to <b>Number 3 Grade</b> of Structural Light Framing, Joists and Planks and <b>Utility Grade</b> of the Light Framing use categories

# Alaska Training and Certification



- One day free class focusing on visually grading lumber to the three Alaska grades.
  - Issuance of Alaska Local Use Lumber handbook
  - Issuance of Air-Drying Best Practices document
- Offered at least annually in Southeast, Southcentral and Interior
- Recertification required every five years
- Certification issued to the person, not the mill



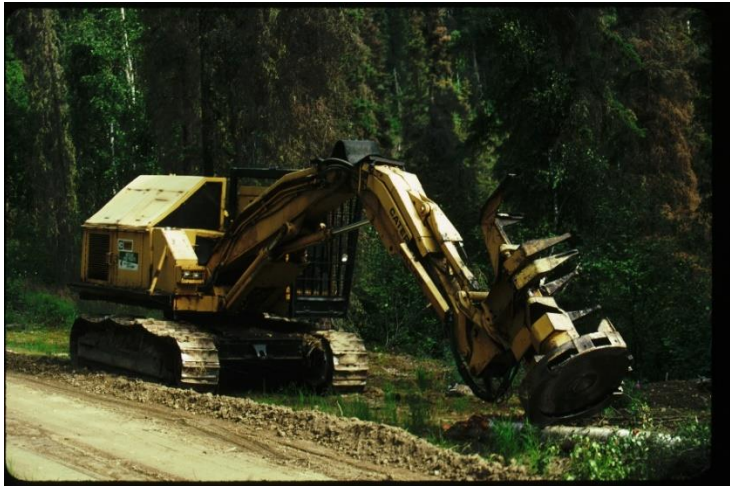
# Selling the lumber (special conditions)



- Mill owner/operator sells the lumber directly to the end user or to the contractor building the home
- Lumber sale must include documentation that describes the 5 designations (grade, species, moisture content, surface condition, size)
- Lumber sale must include a copy of the mill owner's certification with the Alaska Local Use Lumber program
- Building inspector may refuse the lumber



# Thank you!



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