

2017 NLBMDA YEAR IN REVIEW

NLBMDA Celebrates its 100th Anniversary!

NLBMDA celebrated its 100th anniversary throughout the year including at our Spring Meeting and Legislative Conference in Washington D.C. and at the ProDealer Industry Summit in Phoenix, Arizona.

NLBMDA has had a long and successful history of representing the interests of independent dealers from across the nation on federal regulatory and legislative issues that significantly impact the Lumber and Building Material industry.



To commemorate our 100th anniversary, NLBMDA launched a new effort to support its advocacy efforts and the Lumber Dealers Political Action Committee (LuDPAC). When members made a contribution of \$50 or more to the LuDPAC, NLBMDA sent a limited edition 100th anniversary commemorative pin, as well as a commemorative car decal.

With these items, you can proudly display your continued commitment to the LBM industry and NLBMDA. These pins serve as a clear statement recognizing the leadership and endurance of NLBMDA.



A century of building greatness

On behalf of SmithBucklin, Jim McNeil (BTBU) presented the board members of the National Lumber and Building Material Dealers Association with years of service tribute posters for the association's 100th anniversary.

NLBMDA Membership in the Manufacturers and Service Council Continues to Grow



- NLBMDA had another great year of membership growth in 2017 and brought in 7 new Manufacturers and Service Council members.

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| 1. Buildinggurus | 5. Sales-i |
| 2. Centennial Woods | 6. SRS Distribution |
| 3. DMSI | 7. Stock Systems |
| 4. GAF | |

NLBMDA Continues to lead the way in Educating the LBM Industry on Compliance Activities

- NLBMDA launched the *Workplace Safety & Risk Management Update* newsletter in 2016 to feature regulatory issues affecting the LBM sector. It is a monthly executive summary of noteworthy articles focused on occupational safety and health topics for lumber and building material dealers and industry professionals nationwide. It also features unique compliance material developed specifically for and by NLBMDA. NLBMDA continues to push out tailored compliance and guidance material, and in 2017 launched a true-false format that can be used for compliance education and training, including material on forklifts, ladders, portable fire extinguishers, and working in hot weather conditions. NLBMDA continues to build out material under the brief *The Bullets* format and the more in-depth *Good to Know* format.



- NLBMDA launched its OSHA Compliance Toolkit, one of the 2016 objectives set by the Board of Directors. NLBMDA will continue to build out content for the toolkit, including material on working in hot weather, duty to report certain injuries, and compliance material related to forklifts. The toolkit contains material on portable fire extinguishers, walking-working surfaces, general electrical, methods for temporary wiring, forklifts and injury and illness reporting. NLBMDA also updated the data on the top 10 violations of applicable OSHA standards cited for during OSHA inspections in the LBM sector. Complementing our focus on the unique OSHA citations levied in the LBM sector, the toolkit is developed for health and safety personnel to help reduce member risks of citations during an OSHA inspection.
- NLBMDA launched its Transportation and Fleet Safety Toolkit, one of the 2016 objectives set by the Board of Directors. NLBMDA continues to build out content for the toolkit, including material on safe driver resources and cargo securement. The toolkit focuses on the specific Federal Motor Carrier Safety Administration's regulations that are used in the Compliance-Safety-Accountability (CSA) points system to measure performance of each motor carrier. These include the BASIC elements of Unsafe Driving, Driver Fitness, Hours of Service and Vehicle Maintenance. The toolkit elements are developed for fleet safety personnel and drivers to improve performance in the CSA points system and increase safety.
- NLBMDA launched a regulatory report for its state and regional associations called, *Regulatory & Compliance Notes* that summarizes the top issues for our members to be aware of. NLBMDA's first issue covered an update to the OSHA crane rule relating to a relook at the operator certification requirements, the new Form I-9 that employers must now use, an update to the Department of Labor Overtime Rule, and an update on the FMCSA's ELD rule. The *Regulatory & Compliance Notes* will be issued as needed, but at least once a quarter.

- NLBMDA issued a *Regulatory Update: Federal District Court Judge Puts Hold on Labor Department's Implementation of the Final Overtime Rule; Employers May Choose to Wait and See*, and followed up with a communication when the same court determined the rule to be invalid. These followed our previous efforts to understand the Department of Labor Overtime Rule. Our previous efforts included a webinar as well as a Regulatory Guidance document regarding the new Department of Labor Overtime Rule. The guidance document, which outlines what changes have been made for determining exempt status and provides scenarios presented by NLBMDA members, may be found on our Regulatory Affairs page at www.dealer.org



- NLBMDA filed comments with the Department of Labor regarding its reconsideration of the 2016 Overtime Rule. The Department posed a series of questions touching on salary thresholds for determining overtime eligibility as well as duties tests applicable to overtime exempt employees. NLBMDA argued that the current regime of salary levels and duties tests have worked and need not be altered. In terms of the salary levels, given the fact that they have not been increased since 2004, NLBMDA argued for a significantly smaller increase in the salary levels compared to the 2016 rule because the salary level does not have to be an exact measure of where hourly worker compensation ends and exempt worker compensation ends.
- NLBMDA re-issued its Regulatory Guidance: Duty to Report Fatalities, Hospitalizations, Amputations, and Losses of an Eye as a Result of Work-Related Incidents to OSHA, which may be found in the OSHA Compliance Toolkit on the NLBMDA website. Our research showed that OSHA has issued citations for failure to do so within the time-frame required by the rule. NLBMDA also produced *A Summary of the Fatality and Severe Injury and Illness Reporting Requirements*, also posted in the toolkit.
- NLBMDA developed guidance material on the new Electronic Logging Device requirements from the Federal Motor Carrier Safety Administration (FMCSA). A good summary may be found in the Transportation and Fleet Safety Toolkit: Hours of Service Compliance BASIC Regulations (NLBMDA 2016), on the NLBMDA website. NLBMDA reviewed the phase-in periods and emphasized the short-haul exemption. NLBMDA also filed comments with FMCSA in support of a request for an exemption for short-term rentals. The FMCSA subsequently granted an exemption for rentals not exceeding 8 days.
- NLBMDA issued a regulatory update, New FMCSA Entry-Level Driver Training Rule (Effective Date February 7, 2020, which may be found on the Regulatory Affairs webpage.
- NLBMDA issued guidance on grade stamps certified by the American Lumber Standard Committee following the report of a non-certified stamp found in the marketplace. The NLBMDA Poster: ALSC Typical Agency Grade Stamps (January 2017) may be found on the Regulatory Affairs webpage, along with information from the ALSC.
- NLBMDA filed comments in response to OSHA's reconsideration and NPRM on crane operator certification under the 2010 Crane Rule. NLBMDA argued that our material delivery exemption must be preserved if not expanded and that our safety record under the current requirements that employers ensure their crane operators are properly trained and competent to safely operate their equipment. Our comments were also in favor of OSHA's proposal to delay any operator certification requirements for an additional year in anticipation of a new rulemaking on the matter.
- NLBMDA analyzed and issued guidance on the federal court opinion in *Fuchs v Menard's Inc.* which dismissed a class action lawsuit claiming deceptive labeling and advertising under an Illinois state consumer protection statute as well as under theories of implied warranty and express warranty.

NLBMDA Continues to be on the Front Lines to Advocate and Respond to Burdensome Regulatory Activities

- NLBMDA worked with groups, including the National Association of Manufacturers, to repeal an Occupational Safety and Health Administration (OSHA) rule that extended the statute of limitations from six months to five years as to when the agency can issue a citation for failing to record an injury or illness.
- NLBMDA has worked with the National Association of Manufacturers in opposing a proposed rule requiring active injury mitigation (AIM) technology in table saws. NLBMDA signed on to industry comments sent to the Consumer Products Safety Commission in opposition to the proposed rule. In addition, industry groups, including NLBMDA, were influential in having the U.S. Small Business Administration (SBA) Office of Advocacy ask the CPSC to perform a supplemental analysis of the rule.
- The U.S. Treasury Department withdrew a proposed rule that would amend Section 2407 affecting the ability of family-owned businesses employing valuation discounts for lack of marketability and lack of control (IRS Reg. 163113-02). The proposal specifically targets intra-family transfers of closely-held partnership or corporate entities. In December 2016, NLBMDA attended a hearing in Washington, D.C. on the issue and submitted comments opposing the changes.
- NLBMDA responded to the new LEED alternative compliance path for sustainable forest management certifications other than the program of the Forest Stewardship Council (FSC). NLBMDA has long argued that all green building rating programs should recognize all of the various and well-recognized forest management certification programs offered in North America. While the LEED program had previously resisted such calls, this new alternative compliance path represents a positive step forward.
- NLBMDA submitted comments to the Environment Protection Agency (EPA) regarding the ongoing challenges with the Lead: Renovation, Repair, and Painting (RRP) rule. The comments were submitted as part of the Trump Administration's effort to review burdensome regulations. NLBMDA also attended a public meeting in Washington, D.C. expressing concern with implementation and enforcement of the RRP Rule.



NLBMDA Pursues an Aggressive Legislative Agenda & Educates Members on Critical Issues



- NLBMDA through its work with the American Wood Council, helped the House of Representatives pass the Resilient Federal Forests Act (H.R. 1380). NLBMDA supported the legislation and met with staff from Rep. Bruce Westerman (R-AR), the sponsor of the legislation, regarding its passage. It helps protect the national forest system by implementing best practices intended to reduce and eliminate the threat of wildfires. In addition, the legislation includes a provision from the Timber Innovation Act that will establish a performance driven research and development program for advancing tall wood building construction in the United States.



- NLBMDA continues to work with congressional offices, Canadian government officials, and U.S. Department of Commerce staff on a resolution to the ongoing softwood lumber dispute between the U.S. and Canada.
- NLBMDA conducted two legislative webinars updating its members about the latest developments on Capitol Hill.
- NLBMDA continues to fight for legal reform that protects retailers from unfair and unfounded lawsuits. In February, the NLBMDA-led Innocent Sellers Fairness Act (H.R. 1118) was introduced by Rep. Blake Farenthold (R-TX) that provides to product liability protection in certain circumstances for wholesalers and retailers—such as lumber dealers—that merely sell products, and do not manufacture or alter them. Additionally, in March, the House of Representatives passed the NLBMDA-backed Lawsuit Abuse Reduction Act (H.R. 720) restoring mandatory sanctions for frivolous lawsuits.
- NLBMDA through its participation in the Prior Approval Reform Coalition continues working to repeal the prior approval requirement for trade association political action committees. The two-part strategy involves temporarily suspending the requirement through the appropriations process, and then to permanently repeal the requirement.
- NLBMDA provided legislative and advocacy updates—as well as detailed analysis—to members on issues such as health care reform, softwood lumber dispute between the U.S. and Canada, and tax reform.
- NLBMDA created a Grassroots Advocacy Guide to make it easier for dealers in engaging and interacting with their lawmakers.

NLBMDA's Political Action Committee (LuDPAC)

- For the 2017-2018 Election Cycle, LuDPAC has raised over \$30,000 in personal contributions from lumber dealers. In addition, \$7,000 has been contributed to candidates running for reelection next year.
- NLBMDA delivered LuDPAC checks to lawmakers back in the district or state in 2017. The local delivery of LuDPAC contributions to federal candidates also supports a larger objective for NLBMDA's Strategic Plan for Advocacy in identifying critical Members of Congress to the lumber and building material industry and working to engage them with the Board of Directors, LuDPAC Board of Trustees and general membership.
- NLBMDA published a LuDPAC e-News every month.

NLBMDA Continues to Bring Value to Manufacturers & Services Council Members

- NLBMDA rolled out a new program which provides MSC members the opportunity to lead a 45-minute breakout session at the ProDealer Industry Summit for all attendees to attend. MSC members first submit a session proposal to the Summit Advisory Board who in turn select 4 presentations to be part of the program. NLBMDA will continue to offer this new member benefit for the 2018 ProDealer Industry Summit to be held in Chicago from October 17-19.

NLBMDA Conferences Continue to Provide Attendees with a Valuable Networking and Educational Experience

- NLBMDA held its Annual *Spring Meeting & Legislative Conference* in Washington, D.C. from March 27-29. It was yet another successful conference with record attendance, wherein members from across the nation came to Washington D.C. to lobby and educate members of Congress on 4 key legislative priorities:



regulatory reform, estate tax repeal, preservation of the mortgage interest deduction, and resolving the softwood lumber dispute between the U.S. and Canada. Conference attendees also heard from 3 featured speakers: Congressman Ted Budd (R-NC); Congressman Morgan Griffith (R-VA); and Matt Lewis, a columnist for The Daily Beast.

- The 2017 NLBMDA ProDealer Industry Summit was another success with over 40 first time attendees and over a dozen new exhibitors. Industry leaders from across the country came together to discuss and learn about the trends that will shape the lumber and building materials industry over the coming year at NLBMDA’s ProDealer Industry Summit, held at the Wigwam Resort in Phoenix, Arizona, from October 17 to 19, 2017.
 - NLBMDA was thrilled to witness the participation of its membership at the summit. Attendees had the chance to hear from a wide variety of informative speakers and the opportunity to interact with and learn from their fellow members. Speakers ranged from Ivy Zelman, Chief Executive Officer of Zelman & Associates, who spoke about housing market trends and what to expect beyond 2018; to Trooper Dan Voelker, Arizona Department of Public Safety, Commercial Vehicle Enforcement Program, who shared what he sees and what he looks for in transportation safety and compliance; to Meagan Johnson, Generational Humorist, who spoke on the dominant generational forces in the workplace and how each generation's "signpost" drives motivation, influences company loyalty, delivery of customer service and communication between coworkers; to Dr. Robert Dietz, NAHB Chief Economist who addressed the pace of the housing recovery to date and provided evidence of where it will go next year along with details on what is being built; to the closing keynote speaker, Jessie Atencio, Assistant Director for the Arizona Division of Occupational Safety and Health, who engaged the audience in conversation surrounding issues relevant to dealer yards and warehouses and helped members understand what really peaks an investigator's interests and what employers can do for better compliance and for better investigation outcomes.
 - The 2017 ProDealer Industry Summit witnessed the introduction of 4 new concurrent breakout sessions presented by the following MSC members: Rikka Branndon, Chief Executive Recruiter, Building Gurus; Jason Niemi and Jason Bolstad, Co-Founders of Building Results CRM, DMSi; Neil Faulkner, Technical Sales Representative, MiTek and Jack West, National Account Executive, Federated Insurance. These sessions covered valuable topics that are relevant to the LBM industry and each speaker discussed what their company is doing to benefit the industry.
 - NLBMDA would like to sincerely thank all of our generous sponsors and exhibitors; without our sponsors these conferences would not be possible. In addition, we would like to sincerely thank all of our exhibitors, speakers, panelists, and attendees. Thank you to all for a great conference and we look forward to seeing you at the 2018 ProDealer Industry Summit in Chicago from October 17 to 19.

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