THE STANDING SENATE COMMITTEE ON AGRICULTURE
AND FORESTRY
EVIDENCE

OTTAWA, Thursday, May 6, 2010

The Standing Senate Committee on Agriculture and Forestry met this day at 8 a.m. to study the current state and future of Canada's forest sector.

Senator Percy Mockler *(Chair)* in the chair.

The Chair: Welcome, honourable senators and guests to the Standing Senate Committee on Agriculture and Forestry. The committee is continuing its study on the current state and future of Canada's forest sector. The meeting this morning will hear two witnesses separately.

Our first witness is Mr. Robert Glowinski. Thank you for accepting our invitation. It is an honour for us to have you make your presentation. Robert Glowinski is President & CEO for the American Wood Council. He will give us the perspective of the American market on wood and engineered wood products.

Before asking Mr. Glowinski to make his presentation, I would like to recognize Ms. Diana Blankhorn from the Maritime Lumber Bureau who is sitting in the public gallery. Thank you for coming this morning as an observer and also a special guest.

(French follows -- The Chair continuing – J'aurai l'occasion de présenter…)

(après anglais) (président)

J'aurais l'occasion de présenter M. Arsenault un peu plus tard.

(Président: Mr. Glowinski, we invite you to...)

(anglais suit)

(Following French -- The Chair continuing -- à plus tard.)

Mr. Glowinski, we invite you to make your presentation, which will be followed by questions and answers. Please proceed.

Robert Glowinski, President, American Wood Council: Good morning. My name is Robert Glowinski. I am currently the President of the American Wood Council. I thank the committee for inviting me to join you today. I look forward to sharing with you my observations and thoughts on the industry that has employed me for the last 32 years and the strong relationships we enjoy with our counterparts in Canada.

Today, you have asked me to speak about the U.S. market from a number of standpoints: the outlook for residential construction; the prospects for wood and engineered wood products; and technical cooperation between our two countries. As you further requested, I am also prepared to share with you comments on American building codes and standards regarding wood construction in non-residential buildings.

The American Wood Council, AWC, is both an old organization as well as a brand new one. For 15 years, we have been part of the American Forest & Paper Association, the U.S. trade association representing the broad forest products industry. Prior to that, we were part of the National Forest Products Association, which is independent from the paper side of the industry.

Recently, the wood products segment of the industry has decided to again return to its roots to create a separate corporation only for wood products, similar to what you have in Canada with your Canadian Wood Council. The new and independent AWC

was launched on January 1 of this year. We expect it to be a separate corporation by the end of June.

As well, AWC is a very old institution. With its predecessors in name, the functions of AWC were first established in the United States by the industry in 1902. AWC is and always has been the technical arm of the U.S. wood products industry.

Our mission is to increase the use of wood by: assuring the broad regulatory acceptance of wood; developing design tools and guidelines for wood construction; and influencing the development of public policies affecting the use and manufacture of wood products. As a result, our program focuses on building codes and regulations, engineering and standards support and technology transfer to ensure that our principal audiences of building officials, architects and engineers are aware of the opportunities and requirements for greatest wood use. Rather than an organization marketing or promoting specific wood products, through our advocacy and technical representation, AWC seeks to "grow the pie" or expand the opportunity for all wood products without favour to any one in particular.

Our recent organizational changes, however, will bring some new and additional responsibilities to the American Wood Council. The industry has also asked us to provide leadership in the areas of green building and environmental regulation that affects U.S. wood products manufacturing.

These two issues are by no means new to us. In fact, AWC staff began monitoring the green building issue as far back as 1992, when the issue was just emerging, and have been heavily involved in policy and strategy development since approximately 2005, when green building rating systems began to gain market traction.

Our industry is inextricably linked to housing. In the U.S, we think we are now just beginning to emerge from the worst U.S. housing downturn since the Second World War. Our data shows that new, private owned housing starts took place at an annual rate of 617,000 units in the first quarter of 2010, up from 527,000 annualized units in the initial quarter of 2009.

These depressed numbers compare with a high point of over 2 million units started during 2004-2005, and 1.8 million housing starts as recently as 2006. By comparison, housing starts averaged 1.6 million units a year from 1970 through 2006.

We expect that several factors will impact the near term outlook for U.S. housing starts, some positive and some negative. Included among the positive factors are big improvements that have taken place in home affordability, due to lower prices and mortgage rates. In addition, inventories of unsold homes have declined appreciably. On the other hand, U.S. unemployment and home foreclosure rates both remain high and government incentives to buy homes expired at the end of April.

The consensus view of economists is that housing starts will total 690,000 units this year and 960,000 units in 2011. The longer term fundamentals for housing appear reasonably sound, with consensus forecasting 1.75 million units a year from 2011 through 2020.

All in all, while times have been challenging for our industry, and likely will remain that way in the short term, prospects are good for housing over the next decade. However, it remains to be seen how long it will take to fully recover from this recession.

What about the impacts on wood products? Overall, U.S. production of wood products – principally lumber, plywood, engineered wood products, oriented strand board, particle board and medium density fibre board – declined 44 per cent between early 2006 and mid-2009 as the industry's predominant end use market, home construction, sank. However, if the U.S. were to hit just an average of 1.35 million single family and 130,000 manufactured homes for 2012 through 2020, industry economists tell us the opportunities for wood products should be quite good.

Let me comment, as was requested, about our technical cooperation with Canada. For many years, the American Wood Council has enjoyed a strong relationship with Canadian industry. In fact, through your Canadian Wood Council, Canada has been a long-time member of the American Wood Council. A Canadian representative, Diana Blenkhorn, has consistently served on the governing committees of AWC, and the bylaws of the new American Wood Council are expected to reserve a spot on the board for Canada as well. Through CWC, Canada is a significant contributor to our program.

As you can imagine, for an organization like ours, which is focused on technical and engineering issues, there is really nothing magical about the border between our countries. For example, engineering design for timber is essentially the same both north and south, providing us with many opportunities for technical collaboration. Similarly, our regulatory approaches to construction share this common engineering basis, even though our political systems may enact our respective regulations in differing ways.

This also presents opportunities to us, and we are sometimes able to share best practices in engineering design and regulatory adoption with each other. In fact, I think if you compared the staff and organizational structures of the Canadian Wood Council and the American Wood Council, you would find more similarities than places of departure.

In addition to our direct relationship, AWC and CWC work collectively on a number of industry wide issues. Most notable are the current efforts of the wood products council and its signature woodworks non-residential promotion program. Our AWC staff of engineers, architects and former building officials provide technical support to that effort.

This high level of cross-border cooperation does not stop with the staff. As noted, representatives of Canadian industry have long served on my board; and I am in Canada to later today participate in the annual meeting of the Canadian Wood Council, something I have done twice a year for most of my 32 years. In concluding my remarks on this relationship, I am pleased to share with you that it has always been and continues to be very sound.

Finally, let me touch briefly on U.S. building codes and standards for non-residential construction. Although we do not have a single building code like the national building code of Canada, we have something similar in our international building code or IBC.

The IBC is a model code developed by the private, non-profit International Codes Council, and includes volunteer participants from across our construction sector. This includes not only building officials, but engineers, architects, energy experts, industry representatives and a myriad of other affected interests. Together they produce not only the IBC every three years, but 12 other codes such as plumbing, fire protection, mechanical and energy conservation, to name a few, and their newest, just released green building code.

The tallest wood building currently permitted by the IBC is five storeys without sprinklers, and six storeys with. As for area or footprint, in some cases, wood buildings are permitted to be unlimited in area if they do not exceed one storey. There are restrictions on the use of wood buildings in occupancies that have high density of occupants or have occupants that need special care, such as jails or medical care facilities.

The U.S. industry does believe wood should be used more. There are certain parts of the country that have a strong tradition of concrete, masonry or steel construction, often due just to the local availability of those materials. Similarly, there are regions of the country that have access to high-quality timber. One goal of our industry is to remove the traditional geographic barriers to wood and make wood the first choice of building designers, irrespective of location.

As noted, our IBC is a model code with no compliance obligations until adopted by an enforcing jurisdiction. Adoption is often through the states – and in some cases, local jurisdictions. Most of them do amend the building code in some manner during the adoption process, customizing the model code to their own local conditions.

Historically, some states, such as Florida, have tried to maintain more restrictive local limits on the use of wood, but lately those restrictions are losing the support of Florida building officials. AWC policy is to challenge any local amendment to the model code, particularly if it makes the codes more restrictive.

As development of our model building code is a unique blend of the private and public sector working together to produce a reasonable, risk-based building code, proposed local modifications that would make the code more restrictive are seldom driven by expected risk reduction, but rather are sought by local special interests. Just as a jurisdiction could make the code more restrictive, in some places like Seattle, Washington, multi-family buildings are permitted to be taller than allowed by the model building code.

Accordingly, we do not believe the codes are an impediment to the use of wood. Our last study on the issue suggests that only about 11 per cent of the buildings in the U.S. permitted to be of wood construction by the code are actually built with wood. The question is, why not the other 89 per cent?

We believe a leading reason is that owners and their designers do not appreciate the value they are receiving with a wood building, both environmentally and economically. There are those few instances when a wood building is simply not practical, but we believe those are the exception and not the rule. We are regularly and consistently looking for opportunities to show building regulators how the codes can be improved and expanded to allow greater use of wood – properly, safely and expediently.

In closing, let me say that we are at the vanguard of great things in our industry. The new focus of the American Wood Council, our close relationship with and support from our Canadian counterparts, indicators of a conclusion to a long period of economic uncertainty and its concomitant effects on construction, but especially the opportunities that are emerging on the positive role wood can play for the construction sector to offset global warming, all hold out hope of a much stronger industry tomorrow. We have used the assistance of my government and yours to get us there, and we may need some more of it before we are really over the top, but I do see great promise ahead.

Thank you again for inviting me to be here with you today. I would be glad to answer any questions you might have.

Senator Robichaud: You mentioned that people do not really know the value they get environmentally when they use wood. Is there any kind of public campaign to show how environmentally friendly wood is?

Mr. Glowinski: No campaign is focused exclusively on the environmental characteristics of wood. However, a number of campaigns are under way in the United States that more broadly focus on all the aspects of wood that would make it economical and valuable in construction. The notable one is the WoodWorks program to which I referred which is a pilot program in three areas of the United States that tries to bring to local architects and designers the value, the characteristics and I will call it the environmental bona fides of wood products, but that is part of a larger, non-residential promotion program.

I think our industry has in fact been a little behind in raising the issues with respect to environmental performance, particularly carbon. We can talk more about carbon sequestration, but the ability of wood to sequester carbon, removing potential greenhouse gases, is a positive attribute. We just have not said enough about it.

Senator Robichaud: Will you be going in that direction at some time?

Mr. Glowinski: I hope so. Right now, our mandate in the new American Wood Council does not include promotion and marketing, but to the extent that the issue you raise is seen or characterized as a technical issue, it would be appropriate for us to do what we can to communicate or transfer the technology around the environmental performance of wood, so I am hoping we will get more into that area. In a way, we are still finding our sea legs as what the American Wood Council is to be.

Senator Eaton: Can you talk a bit more about your WoodWorks program? We, in Canada, are very siloed. When we listened to the concrete and steel people, they go into engineering and architectural schools; they give seminars and symposiums. The observer was telling us about getting the municipalities together in her region to promote wood. Are you doing those things or other things?

Mr. Glowinski: Our WoodWorks program actually is modeled on the Canadian program, so there are many similarities to what we are doing. Unfortunately, perhaps, our program is limited in its geographic scope. We have programs under way in California; the southeast United States, which covers Georgia, South Carolina and North Carolina; and I would call it the central Midwest, an area around Wisconsin, Illinois, Minnesota.

The idea was that the industry, given its limited resources three years ago, would start with pilot programs hoping to expand those programs to the country nationally to get the word out on wood construction. As part of the economic downturn, we have not had the resources to fully implement a nationwide program, but I think the regional programs, the three pilot programs, are running very strong, are vibrant programs and are effective.

I do not know if anyone has given a presentation about them, but the metrics that they have used in terms of buildings that previously were going to be built out of competing materials but have actually switched to wood are pretty impressive for a new organization.

I will admit to one jealousy I have, though, of Canada. The ability of your Wood *WORKS!* program to go in and get communities to engage, to get the community, the people living there, to really see wood as part of your heritage is something I would love to have, love to find in the United States. Unfortunately, we have not identified that community.

When I think of our most wood-friendly communities, places like Portland and Seattle, we run into problems with environmental groups who, for reasons I think are related to the forestry side of our business, prevent the wood industry from stepping up and taking a major role. I think some of those groups will have an interesting debate within their own groups as the recognition of the ability of wood to have a positive impact on greenhouse gases emerges as a well-known concept. When you look at the principal materials, concrete and steel, with which we compete, there is just no comparison in terms of being carbon sequestering or carbon contributing. There is opportunity there, but again, I am envious of what you are able to do in Canada.

Senator Eaton: Just a quick follow-up question. Have you considered or do you go into schools -- architectural or engineering? Do you provide any kind of postgraduate or curriculum seminars on the use of wood in buildings?

Mr. Glowinski: I apologize, that was part of your first question. We do. The WoodWorks program is in universities in the United States. As well, the American Wood Council has continuing education programs for engineers and designers. We have approximately 40 programs for which designer, engineers, architects can receive continuing education credit, and these are web-based courses. We are an accredited provider of continuing education by the American Institute of Architects and the American Institute of Building Designers, so we can provide CEU credit through these classes. You take an exam on our website.

There was a time when the American Wood Council was more involved in promotion and marketing. When that took place, we had programs directly involved with the Association of Collegiate Schools of Architecture, and we used to hold a design competition every year for all schools of architecture in the United States for which a prize was awarded for a winning design. These were not just fantasy designs; these were practical designs of buildings that needed to take place.

The last one we did, for example, was a train station for the Southeast Pennsylvania Transportation Authority, SEPTA. They were building a new suburban station and asked if we would partner with them to do this competition. I recall we had somewhere in the neighbourhood of 200 entries. The transit authority was the judge of the competition, selected the winner, did all promotion around it and actually built the station out of wood as a result.

Those kinds of partnership opportunities are out there. We know they are out there, but I think there have been some resource constraints that have forced us to choose between some difficult priorities over the last couple of years.

Senator Mercer: The main part of my question was about the education end. If you snooze, you lose. Senator Eaton pretty much covered that. I will feebly try to follow up.

One of the interesting things you said, this may be more of a statement than a question, is that the environmentalists, particularly you mention in Oregon and Washington state, have not seemed to cotton on to the idea that using wood is green, that it is environmentally sound. What is the separation between groups of environmentalists and public perception in Oregon, Washington state and in British Columbia who, from my observations, have thought similarly on the development? A group of people have constantly opposed the development and cutting of large numbers of trees in those two states and that one province.

However, we do not have that push back in British Columbia now the way we used to. We now have the opposite in British Columbia. People are talking about the harvesting of trees and obviously the planting of trees as being good for the environment as opposed to the opposite. That is my observation.

Have you noticed that difference between your observations of the west coast of Canada and the northwest coast of the U.S., that there is a difference between the attitudes of environmentalists?

Mr. Glowinski: I am really not qualified to say about British Columbia, but I have not noticed in Oregon and Washington that kind of sudden change in the attitude of the environmental groups. Up to now, I have been able to speak with you about what I know. I am about to launch into what I think.

The environmental groups in the United States are focused on the concept of forestry. They see cutting of trees as problematic.

When we talk to them about wood products and we do not take it back into the forest, we have a very different dialogue with them from when we do. It is almost as if the forestry part of it, the source of our products, is the great unsaid, we are okay, but as soon as we start, from a life cycle basis, going back into the woods, the dialogue changes. I have never understood that because obviously these groups are intelligent groups, they know the source of the material, but if we leave that out of the dialogue we have a much better conversation.

As an industry, we have actually talked through this and said that we are the wood products industry; maybe that is where we should be focusing our effort, in having the dialogue start with the product. What is it that the product can bring to the table from an environmental standpoint, and let that be where the dialogue takes place?

This is somewhat of a new concept, because for us in the industry the extension into the forest is very natural. Cutting that off is an interesting concept but one I think we will try. We will start focusing more on the product aspect, the product contribution;

the environmental benefit from wood products, and let others have that forestry debate. I do not know whether that will be successful. It almost seems like a hide-the-canary kind of approach, but it is one that seems to allow us to engage the environmental groups that would not be willing to engage us before.

Senator Mercer: It is interesting. We do not want to surprise these people by telling them that wood comes from trees.

What you have struck on is similar to what we have seen with a number of our witnesses when we talk about the end product and building houses. Then, in talking about the environmental benefit of using wood, people say yes, but their eyes gloss over when you try to do the connect with cutting trees down in the woods.

The other issue, to continue on with Senator Eaton's line of questioning, your success with education and the competition, the transit station in Pennsylvania, is that nationwide or is it restricted to the northeast since it was in Pennsylvania?

Mr. Glowinski: I will answer the second part and then go back to the first.

The transit station was just the example in the last year. The assigned project for the student architects has been nationwide. It just has to be somewhere because we wanted to give the students a real experience. We did not want to tell them to design a house somewhere. We always tried to focus the students on an actual project that they, a year later, could go back and actually see the building that they designed built. Therefore no, there is no restriction to the northeast. In fact, the greatest concentrations of wood construction are in the areas where Wood WORKS! now is, the three regions of the United States; no geographic restriction.

Touching back on the environmental issue, I would like to chat with you a moment about the green building rating systems in the United States. LEED is the predominant one. It has come to Canada more recently, and you have it here as well. The LEED rating system does not look at wood as a product at all. The only thing LEED looks at from a wood standpoint that really focuses on wood is the forestry aspect. Unlike concrete and steel, LEED requires us, and only the wood products industry, to certify its source. LEED further restricts in the U.S. that certification to only one of the three or four certification programs that exist.

SFI, Tree Farm System, CSA, your Canadian certification system, none of those three are recognized in the United States by the pre-eminent green building system. As an industry, we have supported alternative green-building rating systems to try to move the debate away from being just LEED focused, LEED-centric.

We have had some success, but LEED is promoted by the environmental groups and they have done a terrific job spreading the word and spreading the gospel. There are believers behind LEED in the United States, yet LEED does not focus on what it needs to focus on, which is, in my opinion again, energy performance. It focuses on things like whether you put in a bike rack. If you put a bike rack in, that is equivalent in points to putting in a multi-million-dollar energy control system in your building.

While I think LEED is well-intentioned, while I endorse the concept of green building rating, the system that is predominant in the United States is misguided. We are doing a lot to try to change that. Our advocacy program, our lobbying – if that is a permitted word in this chamber – is focused on getting the U.S. Green Building Council to recognize that they have to change. They are just not with the times. They have to change their attitude towards wood. They cannot require us to do chain of custody certification, but yet let the steel industry slide by making in mill claims that we used recycled steel so do not worry. You get two points for that, which is twice as many as you get for wood.

I am hopeful that some of our advocacy with the U.S. Green Building Council will bear fruit this year. We have had some discussions with them about switching their concept of prescriptive restrictions, things like bike racks, to the concept of life cycle analysis. Again, I am hopeful, but LEED now has I think two million members and

100,000 LEED-accredited professionals. It is a juggernaut and one that our industry needs to continue to advocate with.

Senator Mercer: The examples of winners of the competition, it would be interesting if there was a catalogue of that so you could demonstrate the success of that competition and use it to promote the use of wood in various places. Do you keep a catalogue?

Mr. Glowinski: We did. We stopped this program in 1995. We had done it for 18 years in a row and the industry ran out of money. There is a group in the U.S. that has picked up the concept of the competition, which is the Wood Promotion Council. I do not know if someone has spoken to you about WPC, but they are holding a competition annually for practising architects, not for the student architects. We used to run both competitions. One was for students and one was for practising architects. We at AWC had to drop both. One was picked up by the WPC and I believe the Canadian Wood Council is spearheading that competition, which does continue. I would be glad to send you an older book of the winners, but I have nothing recently.

Senator Eaton: You said there is one system in the U.S. that does not recognize the Canadian certificate. Why?

Mr. Glowinski: We are back to my opinion side rather than my factual side.

The LEED system, which is the one that discriminates against a number of the certification programs, has as its founders the Natural Resources Defence Council and the Sierra Club; two strong environmental organizations that for years prior to the development of LEED fought the industry on cutting of any trees.

Senator Eaton: I think you have said enough. As soon as you said Sierra Club, I knew what you would say. Thank you.

Senator Plett: I want to also start, as my friend Senator Mercer did, with an observation, further to what Senator Eaton was speaking about earlier, and that is education.

I am a strong believer that education in this particular case is better than legislation, if at all possible. We have heard from witnesses here, architects, engineers, people from the wood industry, who are saying there is not enough being done in the schools -- schools of architecture and schools of engineering.

I know there are X number of hours that are spent on different types of products, as there are in any other trade school. I would encourage universities to set aside more hours that architects and engineers need to spend on studying the benefits of wood. Architects have told us here that when these young men and women finish school they just want to make money in a hurry, because they have been at school for a long time. That is one of the drawbacks. I would strongly encourage universities and colleges to spend more time teaching architects about the benefits of wood. I believe that would solve many of our problems in that area.

That is merely an observation and you do not need to respond to it.

I have a couple of questions about building codes, but before doing so I want to ask you about what you said in your presentation about incentives for buying houses that had been stopped in the U.S. I believe you said that in April an incentive program came to an end. Were those incentives for existing homes or new homes? Could you tell me a bit about that incentive program for housing in the United States?

Mr. Glowinski: I am not an expert on it, but I will tell you what I know. There were two tax incentive programs, a $6,500 tax credit and an $8,000 tax credit, both of which expired at the end of April. One was for new houses and one was for existing houses. There was a sudden blip in housing sales in the United States in April as a result of the recognition that the programs were coming to an end. Beyond that, I do not know the mechanics of the tax law.

Senator Plett: That is not what I am interested in. They were for both existing houses and new homes?

Mr. Glowinski: Yes.

Senator Plett: Was the spike more in new homes or existing homes?

Mr. Glowinski: I believe it was in existing homes.

Senator Plett: You mentioned the height of buildings allowed by building codes. Did you say that five-storey buildings do not need sprinklers?

Mr. Glowinski: Yes. You can build certain occupancies in the United States unsprinklered. If the building is fully sprinklered, you can add a storey. That is the maximum height.

Senator Plett: Is the code for sprinklers based on square footage or only on height of buildings?

Mr. Glowinski: It is based on a combination of height, area and occupancy type of building.

Senator Plett: I find it strange that they would allow a building of five storeys to be unsprinklered.

Mr. Glowinski: Why is that?

Senator Plett: I am concerned about safety. I do not think that in Canada you can build anything two storeys or higher unsprinklered.

Mr. Glowinski: It sounds like you would be uncomfortable in a five-storey unsprinklered building because it was built out of wood. Would you be more comfortable if the building were constructed of steel?

Senator Plett: I would be uncomfortable in any five-storey building that was unsprinklered.

Mr. Glowinski: That is a good answer.

Senator Plett: Thank you. We can change places.

Mr. Glowinski: We sometimes see a misguided concept of safety. Some think that just because a building is constructed of wood it has inferior fire performance as compared to some of the competing materials. In fact, wood, as compared to light-weight steel, for example, which is its comparable product in the building arena, performs better because steel loses its tensile strength at about 600 degrees.

As long as people say that they do not want to be in any unsprinklered building, I understand and respect that.

Senator Plett: I fully agree about the steel. I would feel more comfortable in any storied building that was made of concrete, and even there, there are problems. Witnesses have told us, and I agree with this, that more people die due to smoke and things in apartments than do due to the building burning. I understand that entirely. The need for sprinklers is not only in buildings constructed of wood.

Are any hospitals in the United States built of wood? I believe that in Canada we cannot build hospitals out of combustible materials.

Mr. Glowinski: I do not know definitively. We can build smaller urgent care facilities of up to two storeys out of wood, but they do have to be sprinklered. I am not sure of the footprint size for which we can do that, but urban hospitals of six or more storeys cannot be built of wood.

There is recognition that there are proper places to use wood and there are places where wood is not the appropriate material. In the United States, we want to ensure that where it is proper to use wood it is allowed to be used. That is the focus in the building code.

Senator Ogilvie: I was interested in your comment that you believe that in Canada we have a much better attitude toward the forest industry. Yet, your description of the situation is exactly what I encounter in my area, that is, that it is almost immoral to cut a tree and it is certainly dangerous to the environment to haul it out of the woods. However, the very same people want to go to the local supply store and buy wood products of a considerable variety for their renovations. There is certainly a disconnect in parts of our country at least. It is not universal that we have a different view.

At the outset you said that your association is interested in looking at the broad range of use of wood in the commercial arena. We know that different fibres have different utilities and different applications. Is your association also actively interested in research and development at the fibre production level, that is, attempts to identify and produce what are generally in the industry called elite species that have unique fibre qualities that give enhanced construction capabilities or enhanced construction characteristics?

Mr. Glowinski: I will answer the question in two parts.

On the view about wood, Ms. Blenkhorn and others remind me frequently about the success you have had in some of your provinces with an initiative called Wood First. I tell our lobbyists in Washington that I want one of those laws, and they look at me like I am from another planet. I ask why we cannot have that, and they point to the politics at play in the United States and the strength of the environmental groups and say it is just not in the cards.

I say that something is not in the cards once that is proven to me, but these people know our political system as that is what they are paid to do.

Despite the same environmental push-back that you say you receive, you have been successful in Canada in passing those provisions to look at wood as an option first. With the number of buildings that we build in the United States, if every one of them had to consider wood first, we probably would not be having this hearing. We would probably all be rejoicing.

Second, on the broad use of wood in R&D on elite species, I want to emphasize that the AWC does not focus on any particular species of wood, even elite species. Our job is to grow the pie for everyone. We leave to the organizations how that pie is divvied up. We want to ensure that those organizations can compete openly and freely. We would never promote or, hopefully, allow a law that favoured an American species over a Canadian, or a Canadian species over an American. The market in the U.S. is big enough for all of us to enjoy. What really matters is having wood used and into the project.

In regard to new products coming into the marketplace -- you have perhaps heard about laminated timber -- the opportunities are such that, as an organization, we need to ensure that the marketplace recognizes and allows those products. A nine-story CLT building was recently built in London. With respect to Senator Plett, I am sure the building has sprinklers. It sequesters an amount of carbon that is probably unparalleled by any other nine-storey building in the world. These are new products using the fibre qualities that wood can offer.

There are also wood fibre plastic and cement composites that can be used.

Senator Duffy: Mr. Glowinski, you mentioned that Florida is an area where there seems to be resistance to wood and, in fact, some local councils or the state have enacted measures that restrict its use. Please tell us more about that.

I am interested in the question of non-tariff or regulatory barriers to the use of wood.

Mr. Glowinski: I think the barriers are coming down. Historically, the south Florida building code for Dade and Broward counties, the two southernmost counties in Florida, was very restrictive; it was concrete-centric. Florida has now switched to the International Building Code, the IBC that I referred to. The IBC allows wood much more broadly than did that south Florida building code. We are beginning to see, from a regulatory stand point, a sea change in Florida to allow wood buildings.

The problem we have in Florida is the psyche of the builders. There is a history of builders having built with concrete. They say they are a high-wind area, and they simply like those heavy, massive concrete buildings. Florida's buildings are expensive. I do not wish to denigrate the concrete industry, but I do not think they construct

particularly good-looking buildings. However, that is what the builders know and it is what they build.

What we need to change in Florida is not the regulatory restrictions -- we have been successful in implementing the IBC state wide -- but the mentality and thinking of designers who only know one material. That change is tougher to make than to change regulations.

Senator Duffy: You discussed laminates. We were told during our hearings that some imports of finished products from Asia, such as kitchen cabinets, actually off-gas. What has been your experience with imports that do not meet normal safety regulations? Is there a gap in Canadian and American rules in this area?

Mr. Glowinski: I do not know if that is true for Canada. There is a gap in this regard for the U.S.; it is one we are working to close.

The California Air Resources Board, CARB, instituted a formaldehyde limit on non-structural panels that go into products like cabinets, such as particle board and medium-density fibreboard. The CARB rule limits formaldehyde -- I am unsure of the specifics.

We, as an industry, recognize there is a problem that sullies our reputation. We asked Congress to pass a law to restrict the amount of formaldehyde off-gassing in wood products that would extend the CARB regulation nation-wide. We are optimistic, but the bill has not yet passed Congress.

Senator Duffy: Have domestic products similar problems or is the problem only with imported products?

Mr. Glowinski: The problem is only with offshore imports. Canadian and American products already comply with the most stringent restriction in California.

Senator Duffy: Would you explain the acronym LEED?

Mr. Glowinski: It stands for Leadership in Environmental and Energy Design, LEED.

Ms. Blenkhorn asked me to point out that LEED has been adopted in Canada as well. LEED's adoption in Canada does not recognize CSA as a certification for timber -- your own system does not recognize your own system.

Senator Duffy: Has LEED been adopted by the Canadian federal government?

Mr. Glowinski: May I defer to my colleague?

Diana Blenkhorn, President and CEO, Maritime Lumber Bureau: LEED is advocated by the federal government in many instances and is promoted or has been adopted in many municipal and provincial jurisdictions in Canada.

Senator Duffy: Environment Canada on one hand and NRCan on the other --

Mr. Glowinski: Get them in here.

Senator Duffy: -- need to resolve what appears to be a contradictory set of regulations.

An. Hon. Senator: The right hand does not know what the left hand is doing.

Senator Duffy: Anything is possible with a new government.

The Chair: The committee has a mandate.

Senator Robichaud: Mr. Glowinski, you are mostly concerned with the promotion and use of wood as a building material. Is that a fair statement?

Mr. Glowinski: I would not use the word "promotion," but yes, the use of as a building material.

Senator Robichaud: Have you looked at other uses for wood, such as for the production of energy, and how that could enter into the mix?

Mr. Glowinski: The American Wood Council has not. The American Forest & Paper Association has a number of large advocacy programs regarding biomass, but that is the AFPA side of the equation, not the AWC side.

The wood industry created another association, National Alliance of Forest Owners, NAFO, one year ago in the United States to look at issues like biomass from the realm

of wood products. AFPA has both paper and wood. To the extent there is potential for conflicts there between the two industry viewpoints, NAFO has an exclusive timber owner viewpoint regarding biomass.

Senator Robichaud: We heard some country in Europe -- I do not know which country -- built a demonstration building made almost entirely of wood to promote the green side of wood. Even the insulation in the walls was wood fibre.

How would your organization consider such a project?

Mr. Glowinski: We need more of those kinds of buildings. I believe the building you refer to is the nine-storey CLT building in London, which has cellulose fibre insulation and also the mass of the wood acts as insulation.

I think such a project would be terrific. We have had discussions with our Canadian counterparts about how to start constructing buildings like that in the United States. Nine stories is considerably higher than our building code allows, but we have strategies. We think we can get a building or two like that built as a demonstration, as you point out, to show the world what we can do.

Senator Robichaud: Or show the environmentalists what can be done with wood and how friendly wood is.

Mr. Glowinski: We have learned to only talk about wood only as a product, and not to tell them where the wood came from.

The Chair: Mr. Glowinski, have you any additional comments you want to make before we conclude?

Mr. Glowinski: Thank you for allowing me to appear. This has been great.

I do not like the LEED green building rating system. When the concept of green building rating systems first came out in the 1990s, we thought this would be the greatest thing since sliced bread. What industry would benefit more from green building rating? The wood industry has products that are perfect for such a system. Perhaps, we were asleep at the switch.

What happened is those programs became dominated by the environmental groups, who had an agenda, as do we all. They used their agenda very successfully to limit rather than to expand the use of wood, and we are playing catch-up now.

I think we are being successful, but to the extent your group has an opportunity to do something for your own country, look at those green building rating systems. They should be doing a lot more for wood. If you are sincere about wanting to do something for the environment, if you are sincere about wanting to do something about greenhouse gas – Copenhagen, Kyoto, all of that – wood offers you that opportunity. You have to use more of it, not less, because that is what will sequester the carbon.

The Chair: On behalf of the Standing Senate Committee on Agriculture and Forestry, we want to thank you. There is no doubt you will have, in Ms. Diana Blenkhorn, a true partnership. There is no doubt in our minds that you will lead many innovations when it comes to wood in the future.

(French follows – the Chair: Nous allons prendre deux minutes