

NHLA FACILITY GRADE CERTIFICATION PROGRAM REGULATIONS



PURPOSE

The purpose of the NHLA Facility Grade Certification Program is to establish a voluntary quality assurance program (QAP) for NHLA Members who manufacture, sell or purchase hardwood lumber. The following regulations outline the requirements to qualify under the program and the benefits to the Member. These requirements and benefits may be changed by the Association from time to time.

REQUIREMENTS FOR GRADING CERTIFICATION

- The NHLA Facility Grade Certification Program is a voluntary quality assurance program available only to NHLA Members. Inquiries can be directed to NHLA headquarters.
- Approval of a Member's grading practices will be made from the NHLA Chief Inspector's office after the appropriate evaluation has been conducted.
- The NHLA member is required to sign a license agreement to qualify under the NHLA Facility Grade Certification Program.
- To qualify under the program, the member must satisfy the following conditions:
 - 1 – An initial site visit by a NHLA Inspector at each facility.
 - 2 – The site visit must include comparison grading for money value of at least 7,500 board feet of lumber selected by the NHLA Inspector. The money value of all lumber checked must be within 4% total money value of the NHLA Inspector's findings to receive a "passing" grade for the site visit.
- The Member facility that qualifies for the program agrees to submit to two follow-up visits from a National Inspector to spot check lumber quality annually.
- Total cost to enroll in the NHLA Facility Grade Certification Program is \$1,200 per year – which includes all services and fees.

QUALIFICATION UNDER THE PROGRAM

After the initial inspection of the Member facility by a NHLA Inspector, the facility is issued a formal License Agreement indicating that their lumber inspection procedures qualify under the NHLA Facility Grade Certification Program.

Upon signing the agreement, the facility is formally licensed to use the Association's registered Facility Grade Certification logo under the following terms and conditions:

- Licensee may use the official logo of the NHLA Facility Grade Certification Program on hardwood lumber of the standard grades.
- Licensee may only mark or represent lumber produced or received at facility certified under the program.
- The license may be withdrawn by the Association for violation of the terms of this agreement or for failure to remain in good standing.
- No action to withdraw the license will be taken by the Association until the Member has received written notice within thirty (30) days of the alleged violation of this agreement.
- If a facility fails to meet the 4% value differential; the facility must agree to up to 2 days of in-house inspector training as determined by the inspector. Training must take place within 90 days of noncompliance and will be billed at \$650 per day.
- The licensee, upon receipt of notice of intent to remove eligibility, will have ten (10) days to request an appeal.
- On appeal, the Chief Inspector or National Inspector may perform a re-inspection at the facility in question at the expense of the licensee. The Chief Inspector's determination after re-inspection shall be final.
- If the Chief Inspector determines that the licensee is no longer eligible under the NHLA Facility Grade Certification Program, the licensee may reapply to the program after six months.

SETTLEMENT OF CLAIMS

- The Association accepts no responsibility for settlement of claims. Settlement of claims is strictly between the seller and buyer.
- The Association accepts no responsibility for financial losses as a result of claims.
- The Association is not responsible to enforce agreements between the buyer and seller.

NHLA Sales Code including Settlement by Mutual Agreement

By entering into this agreement, the licensee agrees to settle claims resulting from shipping or receiving lumber under the terms of the current version of the NHLA Sales Code, including settlement by mutual agreement between buyer and seller.

LOSS OF ELIGIBILITY

- Only the Chief Inspector's office has the authority to withdraw eligibility from a licensee participating in the program.
- The conditions for removal from eligibility include:
 - 1 – Representing sales of lumber not eligible for the NHLA Facility Grade Certification Program as "certified."
 - 2 – Failure to reach a satisfactory quality level in money value comparisons after two successive site visits.
 - 3 – Failure to settle claims on certified lumber shipments under the NHLA Sales Code, including settlement by mutual agreement.