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December 3, 2002

Charles James
Assistant Attorney General
Antitrust Division – Room 3109
United States Department of Justice
950 Pennsylvania Avenue
Washington, DC 20530

**SUBJECT: Request for “Business Review”
Woodwork Institute of California**

Dear Mr. James:

I am writing on behalf of the Woodwork Institute of California, a California not for profit mutual benefit corporation (hereinafter referred to as “WIC”). WIC seeks a Business Review by your office of a proposed cost survey it wishes to have conducted within its industry, as described below. WIC’s purpose in conducting the survey is to identify objective performance measures and best practices within its industry.

Background

WIC is a voluntary membership association in the architectural millwork industry, an industry comprised of manufacturers of exposed woodwork, cabinetry, wall paneling, trim and countertops primarily for commercial and institutional applications. WIC estimates there are approximately 800 manufacturer participants in this industry nationwide, and approximately 600 suppliers to those manufacturers. WIC membership consists of approximately 270 manufacturer members and 190 supplier members located mostly in California and the Western United States. Members range from sole proprietorships to large companies, with a majority of members being very small (less than \$600,000 in sales per year). More information concerning WIC is available online at www.wicnet.org.

Competition in the industry is believed to be relatively strong. WIC estimates that the top ten architectural millwork firms nationwide represent in the range of five percent (5%) of the total market. Entry into the architectural millwork industry is relatively easy, particularly for small competitors, since capital requirements are low and regulatory barriers are minimal. Architectural millwork is generally purchased locally to minimize shipping expenses and to accommodate local/regional millwork preferences.

The Proposed Cost Survey

WIC proposes a cost survey as set forth on the attached form. As noted above, the purpose of the survey will be to identify objective performance measures and best practices within its industry. The survey would be conducted by an independent third party, TOC Management Services, located at 668 Azalea Avenue, Redding, California, 96002, telephone (866) 846-3500, contact: Frank Sanderson. TOC Management Services is a not-for-profit human resources association that conducts labor market surveys, among other things. More information on TOC Management Services is available online at www.TOC.org.

The survey would relate to cost data from 2001. Any architectural millwork manufacturer located in the United States may participate in the survey, regardless of WIC membership status. Participation is voluntary. The conducting of the survey will be publicized through the WIC website. No primary survey information would be available to WIC personnel or members; only the survey report would be released. The data in the report will list participants and regions, but (in order to prevent connection of data to a particular survey participant) will not include reports or analysis in regions where fewer than five (5) surveys have been received.

The resulting cost survey report will be copyrighted by WIC, but available to anyone for purchase. WIC members participating in the cost survey will receive a copy at no charge. WIC members who do not participate in the survey may purchase a copy for \$99. Nonmembers who participate in the survey may purchase a copy of the survey for \$25; nonmember non-participants will be charged \$199.

Conclusion

WIC appreciates your review of this proposal, and welcomes any recommendations you may be able to provide concerning it. WIC believes that the cost survey will have a pro-competitive effect, and will help all industry members achieve higher levels of performance and effectiveness.

Should you have any questions concerning this request, please do not hesitate to contact me at this office any time.

Cordially,



Mark D. Alcorn
Attorney at Law

c: Stanley R. Gustafson, CEO/Secretary
Woodwork Institute of California