



**September 2016**

### **An addition to HMA's Membership roster**

Welcome to new member, **Menominee Tribal Enterprises**, Neopit, Wisconsin. Plant Manager Pershing Frechette will serve as the company's main contact. And we look forward to seeing him and others from Menominee at HMA's upcoming Northeast Regional Meeting in Binghamton. If you would like to extend a personal welcome, please give Pershing a call at 715.756.2311.

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### **More than just talk**

*By Linda Jovanovich*

*HMA Executive Vice President*

It's September, and you know what that means. Yellow school buses on our highways again. Cooler mornings, earlier sunsets, colorful hardwoods and a change in mindset as we 'get into gear' for what remains of 2016! WOW! Where has the time gone?

For HMA, it is full speed ahead for our October 19-20 Northeast Regional Meeting in Binghamton, New York. If you've reviewed the meeting agenda – and I hope that you have - you know that this time around, we're doing things a little differently. And I thought it important to let you know why.

If you've been a tour host for a past HMA Regional, you know first-hand that having 100+ visitors traverse your operation, all at the same time, can be a daunting experience. Limitations in available parking, personnel, scheduling, shift changes all come into play, and often are the determining factors that make or break our efforts.

So for the October meeting, we will be visiting the facilities of some of our gracious tour hosts in smaller groups. Thus, the "Round Robin" approaches Wednesday. And for those tours especially, I encourage you to take full advantage of the bus transportation that we are making available.

Your eyes are **NOT** deceiving you. To lessen parking issues, bus transportation is available to all meeting participants – HMA members and industry suppliers. So, if you plan to 'hop on the bus,' be sure to indicate your preference when you register to attend.

If you've yet to finalize your plans, do so today. I'd really like to spend time with you in Binghamton.

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## Northeast Regional schedule of events

Planning to meet up with HMA members and industry associates in Binghamton, New York for HMA's 2016 **Northeast Regional Meeting**? The clock is ticking. So how about a quick look at the meeting agenda.

### Wednesday, October 19

6:30 a.m. Breakfast Buffet  
7:30 a.m. Depart hotel for first tour location  
8 a.m.–3:30 p.m. **"Round Robin"** tours of:  
**Greene Lumber**, Davenport, NY  
**Unalam**, Sidney, NY  
**Wagner-Nineveh**, Nineveh, NY

**Prior to the event, all attendees will be assigned a 'personalized' Wednesday tour agenda.**

4 p.m. Arrive DoubleTree Hotel  
6 p.m. Reception/Dinner

### Thursday, October 20

6:30 a.m. Breakfast Buffet  
7:45 a.m. Depart hotel for Owego, NY  
8:30 a.m. Tour **Wagner Lumber**, Owego, NY  
11 a.m. Depart Wagner Lumber  
11:30 a.m. Arrive Binghamton Airport  
11:45 a.m. Arrive Doubletree Hotel, if necessary

And don't forget. **DoubleTree by Hilton**, 225 Water Street, Binghamton, New York 13901, is our base of operation. **Reservations** can be made by calling **607.722.7575**. Be sure to request the **group rate of \$134** for the **Hardwood Manufacturers Association Fall Regional Meeting**.

The special, discounted room rate ends **September 26**, so don't delay. And yes, the hotel offers a complimentary shuttle from the Binghamton Airport. Call 607.722.7575 upon arrival.

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## Look who's going the 'extra mile'



"Hop on the Bus, Gus" and be sure to thank **Gold Sponsor** Taylor Machine Works, Inc, Louisville, Mississippi, for going the extra mile. Their generous sponsorship is helping to provide bus transportation to the Wednesday tour locations. Thanks for going the 'extra mile' for the HMA. ([www.taylorbigred.com](http://www.taylorbigred.com))

### If you would like to sign on as a meeting Sponsor, here's what's available:

- At the \$1000 **Gold** Sponsorship level – which includes one complimentary Registration - your company could help host Wednesday's Cocktail Reception, help provide bus transportation to the Wednesday tour sites, or help host Wednesday's lunch.
- At the \$500 **Silver** level, sponsorship opportunities include hosting Bus Refreshments or the bus for Thursday's tour.

Call the HMA office, 412.244.0440, to learn more.

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## Recognizing the need for skilled industry professionals

It's that time again - time to be on the look-out for eligible candidates for the Susan M. Regan Memorial Scholarship. If you need a memory refresher, several years ago, the Hardwood Manufacturers Association established **two** annual scholarships - *in memory of former HMA Executive Vice President, **Susan M. Regan*** - to provide financial assistance to qualified students enrolled in an accredited forestry and/or wood products program.

- One scholarship will be awarded to an incoming junior or senior enrolled in a four-year institution. Applicants must be enrolled in an accredited Forestry/Wood Products program for the full school year, and not graduating mid-term.
- One scholarship will be awarded to an incoming second-year student enrolled in a two-year institution. Applicants must be enrolled in an accredited Forestry/Wood Products program for the full school year, and not graduating mid-term.
- Each award is in the amount of \$1000.

### Eligibility Requirements:

- Minimum GPA requirement: 3.0
- Applicant must provide one reference from an HMA member company representative or industry supplier.
- Applicant must have held at least one job/internship in a wood related business.
- Applicant may reapply multiple years, provided all eligibility requirements have been met and a new application is submitted.

**Applications** are available for download, [here](#). Completed applications must be received by **January 14, 2017**. Mail or fax to:

**Hardwood Manufacturers Association**  
**665 Rodi Road, Suite 305**  
**Pittsburgh, PA 15235**  
**Fax #:412.244.9090**

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## Recognizing one of our own

Congratulations go out to Millennial Council Coordinator, **Julio Alvarez**, Bill Hanks Lumber Company, Inc., Danbury, North Carolina, winner of the "2016 Wood Industry 40 Under 40" recognition program. Julio, along with other Next-Gen leaders, received formal recognition during the 2016 International Woodworking Fair in Atlanta, on August 25<sup>th</sup>.

Launched by *Woodworking Network*, "Wood Industry 40 Under 40" salutes young superstars involved in the wood manufacturing industry who are "making a special contribution to their organization, or to the industry as a whole, in areas like: productivity, profitability, social good (locally, or globally), ingenuity, innovation, peer inspiration, product development and organizational leadership."

Julio has been the Accounting Manager at Bill Hanks Lumber Company, Inc. since 2005. When asked to comment on the award, he very quietly said that he felt "honored." Bill Hanks Lumber Company president, Jeff Hanks however, had more to say on the subject.

"Julio has been a great success story for our company," Jeff said. "He came to us through an apprenticeship program at the local high school, worked part-time through his college years and has become an important part of our management team. We are pleased to see him receive this industry recognition and look forward to his continued contributions to our company and to the industry."

From all of us at the HMA – Congratulations, Julio!

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## The return of wood as a go-to building material

"A number of governments are promoting greater wood use because of its recognized environmental benefits and economic development potential. In the U.S., building codes allow wood construction up to 6-stories in some regions, but no more than four in others. However, specific tall wood building projects have recently been granted exemptions to code in several municipalities. Structures of up to 12-stories are planned for Portland, Oregon and New York City."

In a publication entitled, "**Modern Tall Wood Buildings: Opportunities for Innovation**," Minneapolis-based Dovetail Partners, Inc., discusses Cross Laminated Timber as a material choice and "explores tall-wood buildings, including developments globally, opportunities in the U.S., potential economic and environmental benefits, concerns that need to be addressed, and the future outlook for use of wood in tall structures."

- "Renowned Canadian architect Michael Green views wood as a key to creating more sustainable cities, and his designs are reshaping the way wood is viewed within the architectural community."
- "Seattle-based architect Joseph Mayo recognizes wood as a more sustainable choice, explaining that it is not only renewable, but also less carbon-intensive to produce than other materials like steel, aluminum and concrete."
- "The continued evaluation, testing, and reporting on tall-wood building research is a key component to ensure the safe and responsible realization of this innovation and its full suite of potential benefits."

**Bottom line:** "The extent to which tall wood buildings will be developed in the U.S. remains to be seen, but there is little doubt that wood use will increase in high-rise structures."

Visit [Dovetail Partners](#) for the full report.

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## Global Economic webinar set for September 8

Join **ITR Economics' Economist, Connor Lokar** for ITR's outlook regarding the major economies around the world and the global forecasts for 2017.

- **Date:** Thursday, September 8, 2016 at 2:00pm EST
- **Cost:** \$75 less the HMA discount (Call the HMA office, 412.244.0440, to receive the discount code.)

Detailed regional coverage will include **North America:** US, Canada, Mexico, **South America:** Brazil, Argentina, **Europe:** Germany, France, Spain, Italy, UK, Eastern Europe, Nordic States, Russia, **Asia:** China, Japan, South Korea, Southeast Asia.

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## Why my Father could outsell today's Salesperson

*By John Chapin*

I'm amazed by the lack of sales skills I encounter, and the notion that today's salespeople are superior to those of the past. As you can gather from the title, I don't agree. Here's why.

Knowing the Basics

When my father began his training at IBM in the early 60's, "Big Blue" made sure he knew everything about selling. Yes, he learned their products. But his training was primarily sales training. They made sure he knew how to get beyond the gatekeeper to the decision maker, how to present their product, overcome objections, close the sale, customer follow up, how

to build solid, long-term relationships. Everything was scripted and he role-played until he could recite it all verbatim.

IBM also covered the basics regarding how to dress, the right way to shake hands, and the importance of popping a breath mint before a sales call. All important stuff! But that was then.

These days I find that many salespeople, when faced with objections, stalls, and “I can get it cheaper down the street,” are unprepared to respond effectively. They stammer and trip over their tongues as if hearing these objections for the first time. Seems they lack the “basics” of selling. And too many are lax with dress, manners, and etiquette in general. Sadly, a firm handshake and other common sense practices are more the exception than the rule in today’s selling world.

### **An awesome work ethic**

My father and those like him were tough to beat when it came to living up to promises and keeping their word. They felt an obligation to the company that hired them, their bosses, and the families for whom they needed to provide. And they had an immense sense of accountability.

My father’s generation would never consider fudging a call sheet or hiding out in a coffee shop or movie theatre when they were supposed to be making sales calls. He was responsible. He tracked his calls and used the call sheets as tools to monitor his success.

Putting in an honest day’s work for an honest day’s pay, along with taking care of the company, the customers, and his family, was all the motivation needed. It didn’t matter how you felt on a given day, the question was about the obligation and commitment you signed up for, and the work ethic that dictated - if you were taking a paycheck from a company, you owed them your best.

And like so many of his generation, his objective was to help and serve other people. His “the-customer-is-always-right” mentality made him the best of the best for over 30 years.

### **What about today?**

If a good salesperson is hard to find, cultivate one. Start with someone who cares about people, is ‘hungry’ to make his mark in the world, has a thick skin and a blue-collar mentality, and isn’t afraid to show up early, leave late, and pound the pavement making more calls than anyone else. Work with them to ensure that they know their product and have studied their craft. Then combine all of that with today’s technology, especially social media, and you just may have a winner. Time to get to work!

*John Chapin has over 26 years of sales, sales management, customer service and business-building experience. He can be reached for comment at [johnchapin@completeselling.com](mailto:johnchapin@completeselling.com).*

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## **Hardwood Federation Update**

*By Dana Lee Cole*

*Hardwood Federation Executive Director*

The industry is looking towards the future. That’s my take-away from a number of hardwood industry meetings I’ve recently attended. Seems we’re all spending a lot of time thinking about what the future holds for the wood products industry. What will the next big thing be?

At the top of nearly everyone’s list is the potential for **tall wood buildings**. And for quite some time now, ‘Building Tall with Wood’ has been on the lips of architect Michael Green. He’s been called the Pied Piper of the tall wood building movement. He’s passionate about

the potential for wood buildings. And he's working closely with the industry to make it happen. (To see and hear him, click [here](#).)

Congress is also getting into the act. Before breaking for the long summer recess, the House and Senate introduced nearly identical "**Timber Innovation Act**" (TIA) bills - S. 2892 and HR. 5628. Senators Debbie Stabenow (D-MI) and Mike Crapo (R-ID) introduced S. 2892; Representatives Suzan DelBene (D-WA), Glenn Thompson (R-PA), Derek Kilmer (D-WA) and Cathy McMorris-Rodgers (R-WA) introduced the House companion version of the bill. -Hardwood Federation (HF) was instrumental in securing the co-sponsorship of Congressman Thompson.- The bills would create opportunities to use wood products, including mass timber, in the construction of tall wood buildings. The TIA would do the following:

- Establish performance driven research and development program for advancing tall wood building construction in the United States.
- Authorize the Tall Wood Building Prize Competition through the U.S. Department of Agriculture (USDA) annually for the next five years.
- Codify the Forest Service's Wood Innovation Grant program and expand it to facilitate Centers of Excellence and provide grants to states to fund education, outreach, research and development, including education and assistance for architects and builders, which will accelerate the use of wood in tall buildings.
- Additionally, the House bill (H.R. 5628) has a provision which would incentivize retrofitting existing facilities located in areas with high unemployment rates.

TIA would have the most direct impact on softwood and **Cross Laminated Timber** (CLT) interests, as it is focused on internal structures. But HF is supportive, as the bills' intentions are positive overall for the entire wood products industry, promoting the message that wood is a safe, sustainable and environmentally friendly building material. And what goes better in a tall wood building than beautiful flooring and moulding made from American hardwood!

**Lower grade hardwoods** are also potential raw materials for CLT technology, and this potential should be explored and supported. But the real benefit from this legislation could be the development of new building codes that recognize the potential of wood buildings and the resilience of wood as a primary building material. (Due diligence is being done regarding the material's fire resistance and ability to withstand significant earthquakes.)

TIA is not without its detractors. Sensing the growing interest in using wood as a primary building material, the [concrete industry](#) has launched a strategic initiative to push back on the movement. Already developed is a \$20 million campaign, to be waged over the next 5 years, casting doubt on the benefits of wood products and promoting the sustainability and safety of concrete. Concrete manufacturers have also targeted the TIA in recent fly-ins to Washington D.C., putting it at the top of their list of talking points for congressional visits.

TIA is a good first step. And it has strong bipartisan support. With our forest products allies - American Forest Foundation, American Wood Council, Southeastern Lumber Manufacturers Association - leading the charge in Congress, HF is working closely on efforts to push this legislation forward. However, if a standalone bill is not possible, this could very well be included into the 2018 re-authorization of the Farm Bill.

I'd like your take on all of this. Let's talk more at the Fly-in. **See you in D.C., September 20-22.**

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### **AHEC update on China's Zika requirement**

On August 19, AHEC participated in a conference call with the USDA Foreign Agricultural Service (FAS) and received the following update regarding the 8/18 meeting in Beijing

between Chinese officials and U.S. government officials from the USDA and the Department of Commerce.

- All U.S. – origin vessels that departed the United States after August 5 must comply with the new requirements as follow:
- All shipments (air and sea vessels) originating from the United States are required to provide some of proof of disinsection at the Chinese port.
- Disinsection does not require fumigation. Disinsection can be carried out by physical or chemical means. For physical, this could include trapping, air curtains, or other integrated pest management techniques. For chemical, this could include surface spraying, space spraying, or fumigation. It is the shipper's choice, but should take into account human health and safety.
- **The disinsection requirement (and therefore the proof of disinsection) applies to the container or vessel, NOT to the goods being shipped. Therefore, if the entire vessel can provide proof, in the form of a certificate, that the vessel is free of mosquitoes, then no additional inspection needs to be carried out.**
- Local CIQ inspectors will continue with their selective examination procedures and there will not be a separate Zika-related inspection process. However, if live mosquito eggs, larva, or mosquitoes are found during the inspection, disinsection will be required.
- There is no disinsection certificate required for shipments that are chilled below 15 degrees Celsius (59 degrees Fahrenheit). But, if live mosquito eggs or larva are found by local CIQ inspectors at port, then disinsection will be required.
- If there has been previous disinsection of the vessel (including fumigation) for other purposes (e.g., phytosanitary workplan), then proof of that treatment is sufficient proof for this Zika-requirement
- Proof of disinsection does not need to be provided by a governmental body, or a government-approved body.
- The disinsection treatment can be carried out at any point during the shipping process. For example, if the containers are disinfected before loading and certified as mosquito free, then loaded in a mosquito free environment, then this is sufficient.

Because the fumigation requirement is for the container and/or vessel and **NOT** the cargo (I.e. NOT for the lumber itself), AHEC recommends that you communicate clearly with your shipping company to avoid duplication. AHEC also recommends that you speak with your customers, as it has been reported that in many cases the importer of record has been paying the fumigation costs in order to minimize/eliminate demurrage charges.

The Chinese government also estimates that charges for fumigation at the port of entry will be 200 RMB (approximately \$30) for a 20ft container and 400 RMB (\$60) for a 40ft container. However, it has been reported that these fees vary by port of entry. The USDA/FAS is interested in hearing from U.S. exporters if the fees charged are out of line with Chinese government estimates.

- [Click here](#) for a "template" provided by the Chinese government of the information to be included on the eradication certificate.
- [Click here](#) for an update from FAS with background information and notes from the August 18th meeting.
- [Click here](#) for an "unofficial" translation of the Chinese requirement.

Please direct questions or concerns to AHEC Executive Director, Mike Snow, 202.492.0540 (mobile) or 703.435.2900 (office).

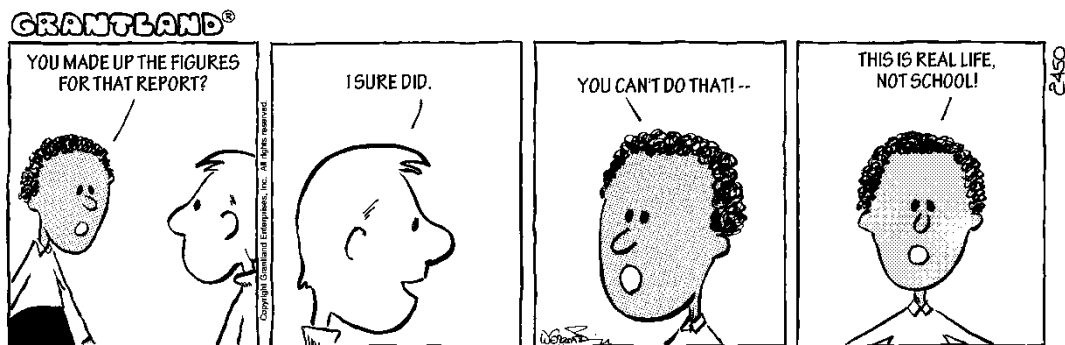
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## Mid-year hardwood stats from AHEC

Representing U.S. hardwood exporters and the major U.S. hardwood product trade associations, the American Hardwood Export Council (AHEC) is the leading international trade association for the U.S. hardwood industry. The June 2016 statistics for agriculture exports were recently released and Tripp Pryor, AHEC's International Program Manager shared the following hardwood overview:

- Total hardwood lumber exports are up **\$60,904,060** so far this year, an **increase of 6 percent** from 2015.
- **Lumber exports to China are a record \$578 million**, even higher than the 2014 level – which means we could be on pace for the highest lumber export total ever to one country.
- Exports to the UK are up on the year so far, but bear in mind we are still seeing the results of "Brexit," and most people in the industry **expect U.S. exports to the UK to drop in the second half of the year**.
- Most markets are showing significant recovery from a slight drop in 2015 besides our North American partners: **exports to Canada and Mexico are slightly down** so far this year.

To receive the complete report, which includes value totals, quantity totals, and "June-to-June" comparisons, please contact Tripp Pryor at [tpryor@ahec.org](mailto:tpryor@ahec.org) or 703.435.2900, ext. 115.



HMA Link is published each month exclusively for members of the Hardwood Manufacturers Association. Views expressed are not necessarily those of the HMA. HMA Link welcomes comments and questions.

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