

The Link



The Newsletter of the Hardwood Manufacturers Association

Regional Meeting full of Southern hospitality

A great dose of Southern hospitality was enjoyed by HMA members and industry friends at HMA's recent Central Regional Meeting. As always, it was action-packed.

In total disregard of extremely warm temperatures, over 100 hardy participants trekked the terrain of central Tennessee to tour six amazing facilities and to participate in the valuable networking opportunities that only an HMA Regional Meeting can provide.

To all of our hosting facilities – Cumberland Lumber and Manufacturing Co., McMinville Manufacturing Co., Mayfield Lumber Co., Thompson Appalachian Hardwoods, Inc., Brown-Forman Cooperage Stave Mill and Hermitage Hardwood Lumber Sales – thank you for allowing us to 'invade your space' and experience technology at work in your facilities.

A special shout out to Brewco Inc. for helping us gain entry into Brown-Forman Cooperage Stave Mill, not to mention providing those icy cold bus refreshments for the



ride back to our hotel. Whew, it was warm!

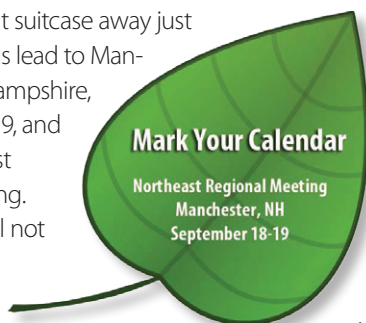
But despite the heat, a good "old-fashioned" time was had by all, especially those who arrived early for Tuesday's optional Tennessee Distillery Tours and delicious BBQ dinner. And the camaraderie continued at Wednesday evening's reception and dinner which provided yet another venue for even more networking and information exchange.

To learn about Jeff Hanks' presentation plus the details of HMA's fall Northeast Regional Meeting, September 18-19, in Manchester, N.H, please keep reading.

Mark your calendar for September's meeting

Don't put that suitcase away just yet! All roads lead to Manchester, New Hampshire, September 18-19, and HMA's Northeast Regional Meeting. This is one you'll not want to miss.

As we go to press, confirmed tours include HHP, Inc., Henniker, N.H., Cersosimo Lumber Company, Inc., Brattleboro, Vt., and Keiver-Willard Lumber



Corp., Newburyport, Mass. And that's just the HMA member companies.

The Best Western Plus Executive Court Inn will serve as our base of operations. And talk about convenient. The recently refurbished facility is literally located 1000 yards from the Manchester-Boston Regional Airport (MHT).

Please visit www.HMAmembers.org for the final details – tour schedule, hotel information, event registration and more.

We're heading to the Granite State! Let's make it a date!

Speak up, Get Involved

At the Central Regional Meeting, Jeff Hanks of Bill Hanks Lumber Company, Inc., updated attendees regarding proposed North Carolina legislation titled, **Protect/Promote NC Lumber**. Being tagged anti-LEED by certain proponents of the LEED program, the bill asks that public projects use recognized environmental building rating systems that do not disadvantage materials or products manufactured or produced in North Carolina.

"[LEED] requires FSC wood if you're going to get wood points in the building process," Hanks said. "The state of North Carolina has 18 million acres of timberland. About 100,000 acres are under FSC certification. And half of that is public agency land. So how are you going to get FSC lumber from North Carolina for a North Carolina product? You can't do it. Why should North Carolina products be disadvantaged in that building process?"

Hanks said the "proposed" bill would require that state funded buildings seeking certification use a rating system that recognizes wood certified from any of the three third-party programs – the Sustainable Forestry Initiative (SFI), Forest Stewardship Council (FSC) or the American Tree Farm System. The legislation passed the NC House, but continues to face headwinds in the Senate.

In the lively discussion that followed, an enthusiastic Chris Taylor, Baxley Equipment Company, asked, "Does everybody in here know who your state and federal representatives are? You ought to. You

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Members' Bulletin Board and Events Calendar

Of course you visit www.HMAmembers.org to learn about HMA upcoming meetings. But did you know that the website also provides a platform where you can stay in touch with other HMA members? And how about this?

When you have some equipment you'd like to sell, why not post it in the **Members Only** section at www.HMAmembers.org? That's where other members will be looking to find used equipment and where all HMA members can join in the Discussion Forum, view 2013 National Conference and Expo Meeting Presentations, download HMA Member logos and browse the Equipment Center.

Login credentials are required to gain access to this **Members Only** info. (If you've requested them already, you know just what to do.) So if you'd like to sign-up for your Members Only Log-in, [click here](#). Complete the User Registration information – all fields marked with red are required – click **Register** button at the bottom of the page and wait until the system responds. Registration may take several minutes.

Once your information has been approved, you'll receive an email confirmation authorizing your access to this secure "Members Only" section. It's just that easy.

Speak up, Get Involved

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need to be on a first name basis with them and you ought to have their numbers in your cell phone."

"One thing I've learned – if you raise enough hell with these people, they'll listen! But you need to call them and you need to say, this is how I feel about this. They're listening to the other side," he said. "That's why they vote like they do. **You** need to go see them, sit down in their office and you need to talk. Money and people make the difference. And they're going to vote the way they hear the most people talking."

Dana Lee Cole, Executive Director of the Hardwood Federation, agreed and suggested members invite legislators to tour their facilities. "If they come to your facility, you'll make that connection and they'll see exactly what



The 45th Annual **Dry Kiln Operator's Short Course** will be held July 16-19 at Haywood Community College, Clyde, N.C. Interested parties should contact Phil Mitchell, (919) 515-5581 or phil_mitchell@ncsu.edu, Associate Professor and Wood Products Extension Specialist, Department of Forest Biomaterials, North Carolina State University.

Please mark your calendar for these upcoming events:

- HMA Fall Regional Meeting
September 18-19, Manchester, N.H.
- Hardwood Federation Fly-In
October 30-31, Washington, D.C.
- HMA National Conference and Expo
March 12-14, 2014, Savannah, Ga.

you do, how well you do it and how environmentally friendly it is," she said.

Bottom line

Speak up and get involved! "If you have something going on in your state, I would encourage you to get involved in it and try to support it," Hanks concluded. "If you don't have it, try to start it."

Latest News

As we go to press, *The Charlotte Business Journal* reports that the NC Senate approved a revised bill which "allows for the use of LEED or another rating system as long as it doesn't disadvantage 'building materials or furnishings, including masonry, concrete, steel, textiles, or wood that are manufactured or produced' in North Carolina."

More than just talk

by Linda Jovanovich

HMA Executive Vice President

You are well aware that we refer to the need to embrace change often. Working to provide over-the-top member benefits requires evaluating past and current services through a magnifying glass – continuing with some, improving others and leaving outdated ones behind.

What better time to switch things up a little than the recent Central Regional Meeting. Before visiting member facilities in central Tennessee, we decided to include a short, optional "trek" down the Tennessee Whiskey Trail and then end the day with a relaxing barbeque.

While walking through the George Dickel and Jack Daniels distilleries, in 95 degree weather I might add, I was struck by the parallels of that storied industry and ours. Both are steeped in tradition, and both proudly carry on the expert craftsmanship of those that came before them.

Jack Daniels lived by the motto, "**Every day we make it, we'll make it the best we can.**" I thought of each of you and the companies that you represent and knew that same mantra could hang in your respective facilities – American manufacturers, the backbone of this great nation, continuing a tradition and proudly sharing their technology with others.

It was enjoyable spending time away from the back drop of a mill or board room, discovering common interests and forging new friendships with industry acquaintances. And the camaraderie didn't stop with the tour. The evening's barbeque provided an even greater venue for networking and friendly conversation. It was a good feeling – all the energy in that room. What a great way to kick-start the 2013 Regional Meetings!

One final quote that brought a smile to my face that day: "Without the fire, Jack just isn't Jack!" Hmmm, was *she* referring to the whiskey, the barrel or a missing Tennessee Gentleman named Jack?

Enjoy the Fourth! "Live Freely, Drink Responsibly!"

Hardwood Manufacturers
Association
March 2013

Make Your Move: 2013-2014



Alan Beaulieu
ITR Economics™



Now is the time to “Make Your Move: 2013-2014”

The final business session of HMA's 2013 National Conference and Expo was a presentation by well-known economist and business analyst, Alan Beaulieu. As a principal and Managing Partner of the Institute for Trend Research (ITR), and certainly no stranger to HMA events, Alan has been providing workshops and economic analysis seminars to business owners and executives for over 20 years.

Entitled, “**Make Your Move: 2013-2014**”, the presentation began with a short recap of ITR's 2012 forecasts versus actuals – with almost all indicators tracking as forecasted – and went on to include an action plan for the remainder of 2013 and a forecast for the next five+ years, the factors behind ITR's forecasted Recession of 2019, and looking forward, tips to survive the Great Depression that's anticipated for the 2030's.

For the near-term

2013 economic indicators are pointing up. Manufacturing is coming back to the U.S. Exports are up. Construction spending is improving. Employment is rising as are retail

sales. Banks are lending and consumers want to borrow. Yes, it's all good news, and the rest of 2013 should be “busy” as the economy continues to grow.

For 2014 however, Beaulieu forecasts a mild, consumer-led recession, nothing like the fiscal collapse of 2009, but a hit to housing and construction in general, that will end the growth mode enjoyed in 2013.

Looking Ahead

2015-2018 are forecasted to be ‘Boom’ years. And to make ready to meet the anticipated demand in goods and services, Beaulieu advised business owners to take advantage of the current and favorable economic conditions and suggested that **Now** is the time to:

- Deal with inefficiencies.
- Hire and train ‘key’ management staff.
- Invest in capital improvements.
- Cultivate and enhance banking relationships.
- Identify what will ‘differentiate’ you and your business.
- Evaluate your Marketing plan.
- Prepare your Sales force for what's ahead.

2019 is another matter. ITR forecasts **recession** (but NOT the ‘biggie’ yet) as the full brunt of the expense related to the Affordable Care Act, and healthcare reform in general, is coupled with the implementation of the anticipated capital lending restrictions of Basel III, the global banking regulatory standard.

“Make Your Move”

Preparation will make all the difference, and Beaulieu emphasized the importance of using the remainder of 2013 to position, borrow, train, and plan. He also urged that business plans be shared with the entire work force.

Positive communication will help neutralize the fear-inducing “noise” from Washington and the media, as well as address the negatives that often come with uncertainty – loss of productivity, loss of customer service, loss of profits.

Advice to the Millennials

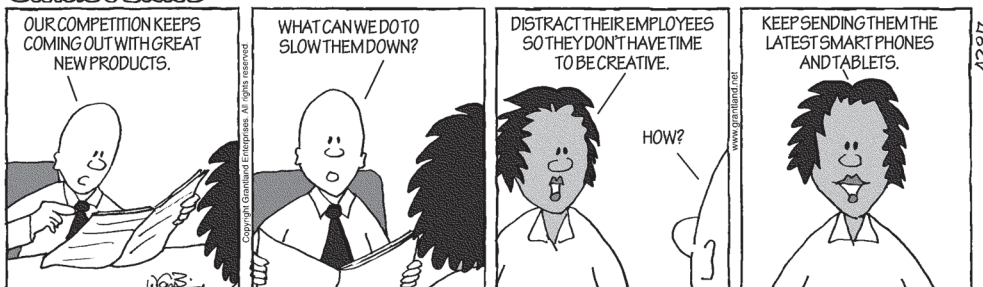
ITR forecasts that the U.S. is on track for a ‘Great Depression’ in the 2030's. How should our Millennials prepare for the extremely serious economic challenges that are anticipated?

- Be Debt Free.
- Save, Save, Save.
- Invest in businesses that sell into government services.
- Invest in food and food processing.
- Gold “holds up well.”
- Have multiple sources of income into the household, from different segments of the economy.

Visit www.itreconomics.com for additional economic “snap shot” information.

JUST FOR LAUGHS

GRANTLAND®



Biomass Attack - Hardwood Federation Update

by Dana Lee Cole

Hardwood Federation Executive Director

Recently, you may have read articles regarding the rising exports of American-produced wood pellets to Europe as part of the European Union's renewable energy requirements. This is an emerging issue that the Hardwood Federation (HF) will be closely tracking and discussing at both the Policy Committee and Board Levels.

Part of the debate will no doubt be driven by opponents of the pellet industry, including a new campaign called "Our Forests Aren't Fuel," launched by the Dogwood Alliance and the Natural Resources Defense Council (NRDC). The campaign is seeking to end biomass production in the southern United States.

Dogwood grew to prominence in the 1990s and 2000s with their aggressive anti-chip mill campaign. They partnered then with NRDC and the Rainforest Action Network to fight what they saw as a threat to southern forests from chip mills. The groups were quite successful in stirring up controversy about forest industry practices, often relying on "facts" strongly disputed by many members of the forest products industry.

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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It appears they are now reviving this campaign, focusing on biomass, bioenergy and pellets. Well-funded and skilled communicators, the Dogwood Alliance and their partners have demonstrated they will fight fiercely to sway people to their side. **HF is sitting up and taking notice**, and the entire industry should as well, because as with any grassroots activism campaign, **Dogwood doesn't have to be right, they just have to be persuasive.**

Ramped up campaigns calling into question the environmental benefits of any wood product, including wood pellets and other biomass products, or the ability to rely on wood as our own fuel source need to be carefully monitored and responded to accordingly. To be sure, the entire industry must be constantly in tune to how the forest products industry is being portrayed, not only by special interest groups, but also the media, customers, local, state and federal governments and members of the general public.

As you know, HF supports efforts to promote sustainable forestry practices **AND** those that support a robust forest products industry. (HMA does a terrific job of promoting the beauty and sustainability of hardwood products, as do the HF's 24 other wood products association members that work on the same or similar issues.)

The Dogwood Alliance and their allies all too often work in direct opposition to those efforts. Dogwood views markets for forest products as a threat to the forest resource. **We** view it as the engine that drives the forest growing cycle and keeps our working forests working!

While the Hardwood Federation is currently engaged in a number of efforts on Capitol Hill to open more doors for wood products in federal procurement programs, including expansion of the U.S. Department of Agriculture's Bio-Preferred Program and the Department of Defense green building initiatives, we will continue to monitor the emerging pellet issue, as well as the developing Dogwood campaign in opposition to its growth.

We'll need your help. Keep your eyes and ears open for any misinformation being spread about our industry. It often starts as a whisper, but can quickly grow and spiral out of control. Stay tuned in. We are.

Important news from AHEC

by Michael S. Snow

American Hardwood Export Council
Executive Director

At Interzum Cologne in May, the American Hardwood Export Council (AHEC) introduced our **American Hardwood Environmental Profiles (AHEPs)**. This unique LCA data and modeling system will be used to develop a customized environmental profile "tool" that will combine: **legality** information (EUTR "due diligence" requirements), **sustainability** data from the US Forest Service and **LCA impacts** from the AHEC research.

After much discussion, we had decided against doing full Environmental Product Declarations (EPDs) for lumber since they are of limited value for an intermediate product like lumber (which is not "consumed" as lumber and thus has a "life cycle" which is difficult to measure).

We've focused on creating **American Hardwood Environmental Profiles (AHEPs)** instead, which will provide the manufacturers of downstream products that will have EPDs – such as furniture, flooring, doors, windows – with fully ISO-compliant data on the U.S. hardwood, which they can then incorporate into their own product-specific EPDs.

The aim is to make it possible for all AHEC members to produce – at virtually the push of a button – a two-page profile specific to every container of U.S. hardwood exported.

Once the licensing agreement with PE International has been finalized, individual U.S. hardwood companies will be provided access to the "Gabi-Envision" software tool to allow preparation of the profiles necessary to cover wood export consignments.

To learn more, [click here](#) to read the press release that announced the AHEP project. Also, sample "AHEPs" for hard maple, red oak and tulipwood, delivered to a fictional customer in Germany, can be made available by contacting the HMA office at (412) 244-0440.

The American Hardwood Export Council (AHEC), an international trade association for the U.S. hardwood industry, represents exporters among U.S. hardwood companies and all the major U.S. hardwood production trade associations, and provides technical information on the range of species, products and sources of supply to international architects, designers and end-users. Visit www.americanhardwood.org for more.