



July 2014

Another Regional Meeting under our belt

HMA's Lake States Regional Meeting is a wrap and it's back to "business as usual" for almost 100 HMA members and industry suppliers. Thank you **all** for making the event "one for the books!" Yes, we know. It was a crazy, hectic, super busy 36 hour event. But as always, a great source of information for every participant.

HMA sends special thanks to all of our hosting facilities – Tigerton Lumber Co., Kretz Lumber Co., Menominee Tribal Enterprises, Wood Technology Center of Excellence, and McDonough Manufacturing Co. We hope you found the event as beneficial as we did. Thank you for opening your doors to us. Seeing technology at work is the best teacher.

For a closer look at what the Wisconsin-based meeting had to offer, visit the photo gallery at www.HMAmembers.org. Then be sure to check out all of the details - agenda, tour locations, hotel and registration - for HMA's **Northeast** Regional Meeting, September 24-25, in Williamsport. That's right, Pennsylvania in September. The scenery should be fabulous!

A message from HMA's President

*By Skipper Beal
Beal Lumber Co., Inc.*

I trust that all of you are enjoying a relaxing start to the summer.

In this, my first message to our membership, I want you to know that I am humbled and honored to be entrusted as President of the HMA. Our premier organization is a reflection of the hardwood industry. We have weathered the storm. And to those who have served before me, I thank you for taking the steps necessary to keep us strong.

As we move forward, it will be my pleasure to work with my fellow HMA Officers, Richard Wilkerson, Bob Miller, and of course, Linda Jovanovich. Certainly, over the next several years, "things" will indeed arise that none of us could have ever planned. No matter what lies ahead, it is my intention to be as accessible as possible and I encourage you to contact me should you have questions, concerns, and/or information pertinent to the HMA and our fine membership. (FSBeal@BealLumber.com)

HMA's recent Lake States Regional Meeting provided me the opportunity to spend time with many of you, and many of the industry suppliers that work hand-in-hand with us. I was especially pleased that a great number of HMA member companies sent their "younger generation" to participate in and benefit from this valuable HMA member service. The

facility tours were exceptional! They offered an up-close look, and in more than a few cases, different approaches to the challenges we all face, daily. And from where I sit, that's value to the nth degree.

As we look to the future, the hope for us all is our youth. That's why HMA's Millennial Council is such a great initiative, and I look forward to working with them and many others at HMA's next Regional Meeting and all upcoming HMA events. Participation in these events will broaden their knowledge base and ultimately bring added value to each of their family businesses. As an Association, we are growing them as our future leaders, and we are also looking to them to help grow us, as an Association.

If at all possible, I urge you to clear your calendar (and the calendars of your young employees) and make every effort to participate in the Northeast Regional set for September 24-25, in Williamsport.

I'll wrap things up, now, because it's time to complete my HMA Facility & Wage Cost Survey. Yes, I know, I missed the deadline, but Joe Denig is still accepting our information. So get cracking and see you in Williamsport.

Mark your calendar for September Regional

Hop on the "pike!" We're heading to Pennsylvania, **September 24-25**, and HMA's Northeast Regional Meeting in **Williamsport**. It's been a while since we've toured the scenic Keystone State. Make plans now for this members' only event.

Confirmed tours include Wheeland Lumber Company, Liberty; Cummings Lumber Company and Barefoot Pellet Company in Troy; Lewis Lumber Products, Picture Rocks; Patterson Lumber Company, Inc., Wellsboro and Koppers, Inc. in Montgomery, PA.

Two adjoining Williamsport hotels are opening their doors for us. Reservations can be made by calling either the **Holiday Inn**, 100 Pine Street, at 570.327.8231 OR the **Holiday Inn Express**, 90 Pine Street, 570.327.5292. Call now. HMA's room rate of \$109 (single/double) ends **August 23**.

Don't miss this. Visit www.HMAMembers.org for all of the meeting details.

Make use of this valuable industry 'tool'

Picture it It's 9 a.m. in your city. The fresh coffee, pastries and more have just arrived and you're sitting with a roomful of architects and designers who are waiting to hear about "**American Hardwoods and Their Role in Carbon Neutral Design.**"

No, you're NOT dreaming. You're participating in an American Institute of Architects (AIA) and Interior Design Continuing Education Council (IDCEC) approved continuing education presentation about the material and product that we love. And the audience is that ever critical group of specifiers who so importantly need to understand how our magnificent products can assist them in their efforts.

Think that architects and designers are not interested in our message? **Nonsense!** Just ask the 80+ that attended two recent presentations in Atlanta.

Think that an event like this is too difficult to arrange? **Not at all!** Just ask the folks at Atlanta Hardwood Corporation. (And Linda at the HMA office.) They've been successfully talking with the greater Atlanta specifying community for quite some time now, and just recently began presenting HMA's AIA, IDCEC approved Continuing Education Learning Unit. (Special thanks to Jim Howard and Hal Mitchell. Let's keep going. We're on a roll.)

You can make this happen, too. Call us, 412.244.0440, and let's get the conversation started.

Hardwood "travelogue" getting lots of mileage

There's much to be said about "out-of-the-box" thinking! Here's what we mean.

The **American Hardwood Information Center's** most recent news release took a different approach to promoting American Hardwoods. We presented a travelogue of Hardwood "hotspots," eye-opening architectural delights to be toured while vacationing in the USA.

Entitled "Seeing the USA? Summer travel that includes unique Hardwood 'hotspots,'" the release was distributed by content-based marketing expert, Brandpoint. (They loved the approach and knew the American public would, too.) Within days of being released, it was picked up by the online publications of the *San Francisco Chronicle*, the *Chicago Tribune* and the *Houston Chronicle*. At last count it realized a 25.2 million available audience in 1020 online placements. That translates into a 60 to 1 return on investment. Here's some of what we said.

Wharton Esherick Museum

About twenty five miles west of Philadelphia, in Paoli, Chester County, rests the residence and studio of renowned sculptor, Wharton Esherick. The house museum, now a National Historic Landmark for Architecture, displays over 200 Esherick creations - walnut furniture, cherry walls, walnut and apple wood flooring, even a hand carved red oak spiral staircase – showcasing Esherick's creativity and love of all things hardwood. Experience these astonishing creations. Tours are by reservation only.

The Summit Bechtel Family National Scout Reserve

If you'd like to experience a treehouse reaching 125 feet skyward and providing 3,360 square feet of interior space as well as terraces and landings, then head south from the Laurel Highlands and motor toward Beckley, West Virginia and the award-winning **Sustainability Treehouse**. Designed by Seattle-based firm, Mithun, the site is the new home of the National Scout Jamboree and an impressive showcase of site-harvested Oak and Black Locust ceilings and flooring, and Black Locust cladding and interior walls. The educational venue is open to visitors June through August.

And for those lucky golf enthusiasts that have been awarded 2015 Masters Tournament tickets, the **Augusta National Golf Club** awaits. American hardwoods abound there – from the 60 Magnolia trees that line the main driveway, to the magnificent Oak nestled on the course side of the clubhouse. Each hole is named after a tree or shrub and "insiders" report that the locker room is a virtual display of Georgia grown Ash.

So Pack your Bags

Visit www.HardwoodInfo.com, the American Hardwood Information Center, and learn more about American Hardwood products. Then by all means, head for the door. Magnificent Hardwood "hotspots" are just around the bend.

"Ahead of the Curve 2014-2017"

Brian Beaulieu, ITR Economics™

HMA's 2014 National Conference and Expo came to a close on a bright note thanks to the positive economic forecast of economist and business analyst Brian Beaulieu, CEO of ITR Economics™. In his presentation entitled, "Ahead of the Curve 2014-2017," Beaulieu encouraged everyone to keep smiling and to enjoy the "good times" forecasted for the next four+ years. He also advised them to use the time wisely.

Are you ready?

Economic indicators are favorable, Beaulieu reported. Manufacturing continues its return to the U.S. Housing and Industrial Markets will continue to grow. Employment is rising. Our country's increasing energy independence, a significant factor to our economic long term well-being, will drive growth. Beaulieu asked attendees, "**Are you ready to be busy?**"

Aggressive planning for the next 4-5 years will be key. Action items should include:

- **Positive** leadership modeling – culture turns into behavior
- **Invest** in Customer Market Research – know what "they" value
- **Invest** in Training Programs – people, process, internal metrics
- Review and **uncover** Competitive Advantages
- **Spend** on new products, marketing, advertising
- **Improve** efficiencies with technology/software investments
- **Hire** top people and **add** Sales staff
- **Lock in** costs and judiciously **examine** credit
- **Don't stop changing** and work on "what's next"

Beaulieu suggested taking advantage of current interest rates. "Borrow as much as possible," he said. Use the cash to buy wealth creating assets like business equipment; buyout a competitor; move into a new market – consider Mexico as a market, an opportunity and a serious place to do business. In anticipation of the tremendous need for multi-unit housing, Beaulieu encouraged investing in real estate, specifically urban areas, and properties near water and with a view.

Areas of Concern:

- "Not so great times" are forecasted for late 2018 and 2019. This recession will not be as severe as the '08-'09 event, and ITR foresees it to be a more manageable event.
- Labor pool is getting shallower. (Employers must constantly invest in increasing the skill levels of their employees.)
- ITR feels there is nothing affordable about the Affordable Care Act. (Employers will eventually "draw their line in the sand," and increased insurance costs will slow consumer spending.)
- U.S. has a spending problem. (Increased taxes will not resolve the issue but rather, slow consumer spending.)

ITR continues to forecast a '**Great Depression**' in the 2030's. How to help prepare future generations? Educate them in mathematics and languages, Beaulieu said. Knowing "proper

English" is a given. And Beaulieu suggested fluency in French, the second language of Africa, "the" place to be in the next 25 years because of its abundant natural resources. For those looking to retire sooner than later, Beaulieu suggested investing in non-callable Canadian, Australian and Swiss government bonds.

Beaulieu's best news!

The U.S. is and will be the number one economy on the planet for the next 50 years. "Stop worrying so much about your kids and grandkids," he said. "They'll have a better economy than we do. Trends are in place that will give them a better life."

For the entire presentation, visit the Members Login section of www.HMAmembers.org.

Hardwood Federation Update

By Dana Lee Cole

Hardwood Federation Executive Director

So far this year I've attended eight hardwood association meetings, including HMA's National Conference and Expo in Savannah. I'm pleased because I very much appreciate talking with members of the industry and it's been very encouraging to hear you say, "We're busy."

I'll say the same for those of us in Washington. Government may appear to be moving very slowly, but in reality today's lawmakers are facing a high number of issues in a fast-paced and ever changing world. Our job is to keep hardwood industry concerns top-of-mind with them, and not a week goes by that the Hardwood Federation (HF) isn't in contact with Members of Congress. As you can imagine, it's a big job. You can augment our efforts by participating in the HF annual **Fall Fly-in**, slated for **September 8-10**.

The Fly-in provides the opportunity to put "real" faces – **constituent** faces – to the challenging issues our industry grapples with every day, like environmental regulations, green building standards, immigration, tax reform and more. Yes, members of Congress and their staffs appreciate HF's accurate, reliable and timely information, but when a constituent puts work and family on hold to come to Washington to be heard, that speaks volumes!

As in years past, our Fly-in will connect industry leaders with key lawmakers in Congress, Congressional staff thought leaders, and important policymakers from the current Administration. (Last year we facilitated more than 60 meetings that informed elected officials of issues of interest to our industry, including important Farm Bill components, the significance of including wood in federal green building guidelines and many more. Participants made solid connections with staff members. Some led to formal or informal advisory positions and even invitations to testify before powerful Committees on behalf of our industry.) Don't miss this opportunity.

Members of Congress tell us time and again how impressive it is that HF has such active and passionate members. And if a Congressional staffer has said it once, it's been said fifty times, "Hearing right from a constituent about how [a particular piece of] legislation is going to help or hurt his business is memorable and worthwhile."

As industry stakeholders, I urge you to clear your calendar and come to Washington, September 8-10, to put your face to our issues. You can freely ask questions, discuss your

businesses; share industry experiences, and simply “tell it like it is” to our lawmakers and their staffs. It’s worthwhile. I wouldn’t ask you to do it if it wasn’t.

Visit www.hardwoodfederation.com to register to attend and to review the Fly-in agenda. I look forward to seeing you in Washington!!

Update – Northern Long Eared Bat Briefing

The Hardwood Federation (HF) participated June 12 in a Congressional Briefing regarding the proposed listing of the Northern Long Eared Bat (NLEB) as an endangered species. Over 50 individuals from congressional and administration offices attended. Ray Moistner, Executive Director of the Indiana Harwood Lumbermen’s Association spoke on behalf of the Federation, drawing on his experience working with U.S. Fish and Wildlife Service and the state of Indiana to address similar concerns regarding the Indiana bat. In addition to Ray Moistner, panelists included David Bernhardt, former Department of Interior Solicitor, Ryan Yates of the American Farm Bureau, John Anderson of the American Wind Energy Association, and Andrew Morrison of Markwest Energy Partners. The panel was moderated by Mary Martin of the U.S. Chamber of Commerce.

The proposed listing of the NLEB has emerged as a top priority of the HF. The listing is based on the anticipated impact of white nose syndrome, a deadly and swiftly spreading disease on the bat population. Proposed guidelines for designating and protecting the NLEB population could have a significantly negative impact on **logging** activities in key states between April and October. The bat has an unprecedented 39 state range and is 15-20 times more common than non-listed bats in some areas.

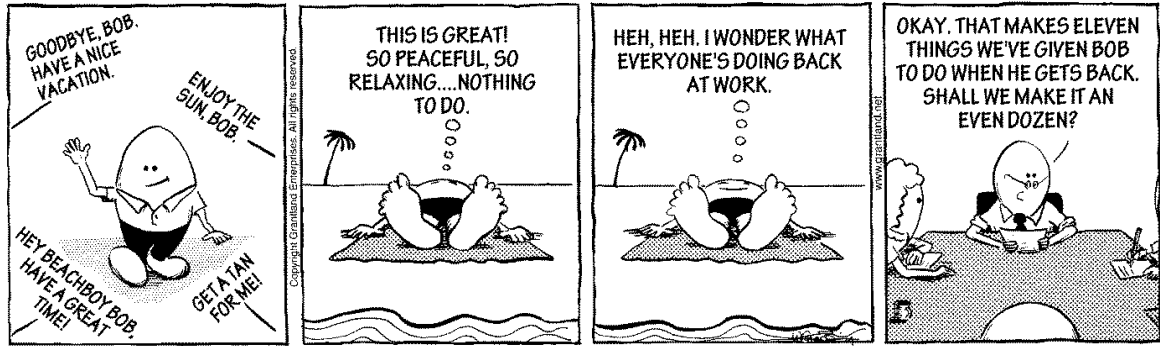
The Federation is actively engaged with other impacted trade associations to push the U.S. Department of the Interior and the Fish and Wildlife Service to develop more reasonable and economically responsible guidelines that offer science-based protections to the bat population, without placing undue hardships on our industry. In addition to participating in the Congressional briefing, we have been briefing individual Congressional Offices and working with them to develop letters to the Interior to express concern and ask for a more pragmatic approach to addressing the impacts of White Nose Syndrome on the Northern Long Eared Bat.

Our efforts have been fruitful. In late June, the U.S. Fish and Wildlife Service announced they have **extended** the deadline on their decision until April 2, 2015, and will soon be accepting additional comments from all stakeholders on the Federal Register.

The additional time will enable the HF, along with our coalition members, to continue to educate industry members, Congress and U.S. Fish and Wildlife staff about the negative impacts to the industry if proper designations and guidelines are not developed.

We will keep industry members updated on our progress.

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