More than just talk
By Linda Jovanovich
HMA Executive Vice President

Well, it’s officially Summer! And I’m hoping that you are enjoying great weather, perhaps some fun in the sun, and most of all, peaceful times. For those of us here in the ‘burgh,’ it’s been crazy exciting and very eventful.

Our Pittsburgh Penguins recently brought home the coveted Stanley Cup. (Many of you know that I’m a hockey fanatic, and proud of it!) Our Pirates are approaching the All-Star Break struggling, but forever hopeful that once October rolls around they’ll be in the final mix. And later this month, Steelers Training Camp kicks off with its first public practice. Its great living in a city filled with crazed, sports enthusiasts. Never a dull moment, to say the least!

Several weeks ago, our younger son, Mark, was married to the love of his life. (That’s three down and one to go.) Our grandson, Gabriel, came to visit wearing a “Big Brother” t-shirt. Yes, it took me a few moments to realize that a new baby is on its way. And since the end of May, I’ve attended no less than ten graduation parties, baby and bridal showers, and weddings. And it’s only the beginning of July.

My HMA calendar of events is no less busy. We’re dotting the I’s and crossing the T’s on the details for HMA’s Northeast Regional Meeting slated for October. With the help of many members, we’ve gotten a handle on the theme and learning sessions for HMA’s 2017 National Conference and Expo in Charleston. (Now the real work begins.) Later this month I’ll be joining up with industry colleagues for AHMI’s Summer Conference at The Greenbriar in West Virginia. And if we miss each other there, look for me in Washington, for the Hardwood Federation’s fall Fly-In in September. And remember, HMA’s Millennials will be co-hosting the opening Reception.

In between all of that, it’s business as usual for the HMA. But I’m never too busy to speak with you. You’ll find me at ljovanovich@hardwood.org. I hope to hear from you.

Northeast Regional in the works for October 18-20
Planning to meet up with industry associates and friends at HMA’s fall Regional Meeting? Hope so. We’re anticipating a great turnout. The location is central to many HMA member companies. Plus, there will be an HMA Board of Directors meeting the afternoon of October 18, and members are welcome to listen and observe. Here’s a snapshot of the ‘when and where’ of the event.


- **Location/Date** - Binghamton, New York, October 18-20, 2016
- **Hotel** – *Doubletree* by Hilton, 225 Water Street, Binghamton, New York 13901. For reservations, call **607.722.7575** and be sure to request the **group rate of $134** for the *Hardwood Manufacturers Association Fall Regional Meeting*.
- **Tours** include the sawmill locations of HMA members Baillie Lumber Company – Davenport, Wagner Millwork LLC – Owego, Wagner – Nineveh.
- **Registration** for HMA members and 2016 National Conference Sponsors and Exhibitors is up and running at [www.HMAmembers.org](http://www.HMAmembers.org).

So don’t delay. **Mark your calendar**, then make plans to participate in this **Members Only**, action packed networking and sawmill tours extravaganza. All of the meeting details can found at [www.HMAmembers.org](http://www.HMAmembers.org).

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**Welcome to the Fold**

Welcome to new member, **Robinson Lumber Company**, New Orleans, Louisiana. Mallory Robinson and Andy Nuffer will serve as the company’s main contacts. Many of you spent time with Andy at HMA’s National Conference and Expo, so how about giving these fine folks a call, 504.895.6377, to personally welcome them into the HMA fold.

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**HMA’s Re$ource Purchasing Power**

Looking to simplify the healthcare journey? Then your next call should be to **Digital Benefit Advisors (DBA)**. A division of Digital Insurance, and in coordination with **BB&T Insurance Services-National Forest Products Practice**, Digital Benefit Advisors offers a powerful, new approach to employee benefits brokerage and consulting.

A part of HMA’s Re$ource Purchasing Power program, DBA’s complete spectrum of employee benefit administration products and services makes managing employee benefits easy. Its network of senior-level market advisors will work closely with you to devise creative and strategic solutions to meet current needs and to control long-term risks and challenges.

To learn more about this program designed to streamline daily operations and increase profitability, visit [www.HMAmembers.org](http://www.HMAmembers.org) or contact Michelle Reynolds, (877) 904.1713 x 6283 – mreynolds@digitalbenefitadvisors.com

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**Millennials’ Activity Update**

**HMA’s Millennial Council**, established in 2013 with the purpose of engaging the next generation of leadership in HMA member companies and the industry, is proving to be an awesome group of young professionals. They are bright, talented and proof positive that the future of our industry is resting in very capable, imaginative and strong hands. And they’re busy.

At the top of this year’s project list is a **video production** promoting U.S. hardwoods to the ‘consumer’ audience. As they are finding out, it’s a daunting endeavor. But they’re up to the challenge, rolling up their sleeves and digging in. Of course, it doesn’t hurt to have the HMA as a mentor and information source.

The evening of September 20, they will be co-sponsoring the Opening Reception of the Hardwood Federation’s annual **Fall Fly-In** in Washington. This is the perfect opportunity for you, and the Millennials working alongside you, to meet these bright, vibrant and engaged young leaders. They are our future.
And if you can't be in Washington, but plan to attend HMA's Northeast Regional Meeting, October 18-20, in Binghamton, New York, you're in luck. Anticipate crossing paths with many of these 2016 Millennial Council members:

- **Thomas Battle**, Battle Lumber Co., Inc., Wadley, GA
- **Tim Brownlee**, Brownlee Lumber, Inc., Brookville, PA
- **Matt Fisk**, Baillie Lumber Company, Hamburg, NY
- **Jamey Hurst**, Linden Lumber, LLC, Linden, AL
- **Kirby Kendrick**, Kendrick Forest Products Inc., Edgewood, IA
- **Seth Netterville**, Fred Netterville Lumber Company, Woodville, MS
- **Ben Pierce**, Holt & Bugbee Company, Tewksbury, MA
- **David Platt**, Kuhns Brothers Lumber Company, Inc., Lewisburg, PA
- **Derek Wheeland**, Wheeland Lumber Company, Liberty, PA
- **Trent Yoder**, Yoder Lumber Company, Inc., Sugarcreek, OH
- **Julio Alvarez**, Council Coordinator, Bill Hanks Lumber Company, Inc., Danbury, NC

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**Taking a closer look at HardwoodInfo.com**

The American Hardwood Information Center at [www.HardwoodInfo.com](http://www.HardwoodInfo.com) is our industry’s authoritative resource for consumers and professionals seeking information about American Hardwoods. So, when was the last time you, or your marketing team, took a closer look? How about right now? Because here’s what you’re missing, and it just may be the information you’ve been searching for!

**From the most recent news release**

*“Taking a closer look at Natural and Healthy American hardwood products”*

“As home improvement projects take center stage, the search is on for products that will enhance, rather than jeopardize the health and well-being of our families and loved ones. Products made from American hardwoods have been the natural choice for healthy home and work environments for generations. Today is no different.” Continue reading ...

**Insights from the Experts – Wendy Silverstein**

*“White Oak Floors Fit for a Museum”*

“One of my favorite small art museums, and one in which hardwood plays a crucial role, is the Barnes Foundation in Philadelphia. Contributing to the galleries’ serene atmosphere is the extensive use of white oak for the windows, millwork and, especially, the extraordinary floors. In fact, most of the museum—the galleries, library, lower lobby, and 150-seat auditorium—features quarter-sawn white oak floors.” Continue reading ...

**From the Pros**

*“Appealing to the Senses”*

“In a book entitled, “100 Contemporary Wood Buildings,” internationally known writer, Philip Jodidio, pays tribute to the building and design masters opting to “warm things up” with their use of wood, rather than concrete, steel or glass. In a wide variety of innovative and aesthetically appealing contemporary structures ranging from privately owned, small cabins to large, awe-inspiring public structures, the book showcases the natural feel of wood, perhaps the oldest building material.” Continue reading ...

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**Cypress Promotion going High Profile**

In case you haven’t heard, the Southern Cypress Manufacturers Association (SCMA) is in high gear for a big year of cypress promotion. And we’re sticking with the plan because as the adage goes, “if it ain’t broke, don’t fix it!” Take a look at these high profile projects.
For Your Home
SCMA is collaborating with designer Vicki Payne on a new home that will be built in Charlotte, North Carolina, and featured on her TV show, *For Your Home*. Payne envisions the home as a cypress spectacle and plans to incorporate cypress inside and out as ceilings, beams, soffit and siding.

NextGen Home TV
Look for lots of cypress in the second season of the online video series, NextGen Home TV’s *First to the Future Home*. Host Ty Pennington will be showing viewers how to build an energy-efficient, healthy, and smart home using the latest products and technologies, as well as traditional building materials. The project home, which will feature cypress siding, soffit, and interior ceilings, will be built in Palm Coast, Florida.

Also, SCMA is partnering with NextGen Home TV on another project, the “U.S. DOE Zero Energy Ready Home.” The high-performance, modular home will showcase how resource-efficient materials, such as cypress siding, can complement high-tech products to ensure comfort, health, durability and outstanding levels of energy savings. The home will be on display at the joint International Builders Show + Kitchen & Bath Industry Show in Orlando, Florida, January 1–12, 2017, and will be donated to a disabled veteran, following the expo.

Visit [www.CypressInfo.org](http://www.CypressInfo.org) for more on these exciting projects. And if you’d like to get onboard with cypress promotion, email us at [member-services@cypressinfo.org](mailto:member-services@cypressinfo.org).

Uses of Sawmill Residues
The opening learning session of HMA’s National Conference and Expo in Fort Worth was a dual presentation addressing, “Revenue & Profit Centers: Are you Leaving Money on the Floor?” Charlie Niebling, founding chair of the Biomass Thermal Energy Council, former General Manager of New England Wood Pellet LLC, and Principal of Innovative Natural Resource Solutions LLC, conducted the first half of the session with information regarding, “Value-Added Uses of Hardwood Sawmill Residues in Bioenergy.”

Mankind has always burned wood for warmth. Why not use hardwood sawmill residue for large scale heat production? Bioenergy markets are lucrative and applications include:

- **Bark** - in large-scale industrial boilers for heat/electricity.
- **Green chips, Green sawdust, Kiln-dried sawdust, chips, shavings, grindings** as Industrial boiler fuel for heat/electricity, Commercial/Institutional heating, Wood pellets, Briquettes and bricks for residential heating

Growth opportunities for use of sawmill residues in heating exist in areas of the country – **Northeast, North-Central, Pacific Northwest** - that experience cold winters and where:

- Electricity is expensive; natural gas distribution is limited; and dependence on heating oil is high.
- A ‘healthy’ forest products industry is part of the local economy.
- A “wood burning” culture already exists.

And the benefits of biomass use are many. Historically, it has been a less expensive fuel source. By using a local fuel source, fuel dollars stay within the local economy. Using wood biomass supports “energy” independence. It is a renewable fuel. And it supports good forestry and the forest products industry.

Niebling, drawing on his years of experience in the pellet industry, also presented a brief visual tour of the pellet manufacturing process. And for those in attendance entertaining thoughts of entering the pellet business, he provided the following ‘Words of Wisdom:’
- Know and secure your wood supply.
- Optimize your facility site and size – proximity to wood supply, proximity to market.
- Build a top-notch facility and plan on 1+ years to get operational.
- Anticipate 3 years of market development to get to capacity.
- Diversify your market channels – bagged and bulk, specialty retailer and mass merchant, export.
- Take combustible dust seriously!

Visit the Members Only section of www.HMAmembers.org to listen to the audio recording and to download the PowerPoint presentation.

Financial Return for Biomass Products
If you produce chips for the pulp industry, please keep reading. The second portion of learning session, “Revenue & Profit Centers: Are you Leaving Money on the Floor?” was conducted by Greg True of The Chip Doctors, LLC. His presentation, “In Search of Chip Quality & Financial Return for Biomass Products,” discussed the importance of understanding customer needs, and the steps to take in order to provide “the” quality product that will exceed customer expectations.

Since the early 90’s, The Chip Doctors have been providing assistance to the forest products industry to ensure optimal mill efficiency and ideal chip quality. Their 4 step methodology and internet-based system known as Chip MACS - Measure, Analyze, Corrective Action, Sustainability - is one of their significant tools that enables them to accomplish this. Here’s how it works.

During steps 1-3, specific procedures and protocols are developed to ensure optimal efficiency, from log intake to digester feed. Step 4 collects chip quality data, and then uses the data to sustain perfect chip quality.

- **Measure** – A chip doctor performs an onsite, 2-4 day audit to detect, identify, measure, document all areas where efficiency can be improved and chip size/quality improved. (Examples: debarking, drum improvements, chipper infeed modifications, chipper set-ups)
- **Analyze** – Measurements, observations, pictures, and data are collected and analyzed, followed by an explanation of the efficiency problem(s).
- **Corrective Action** - A solution to rectify each issue is provided.
- **Sustainability** – Via Chip MACS, all the representative chip quality data is used to make proactive changes to systems and equipment, before chip quality degradation occurs.

**Bottom line**: To maximize financial return for biomass products, ensure optimal mill efficiency and ideal chip quality.

Mr. True’s PowerPoint presentation and audio recording are available via the Members Only section of www.HMAmembers.org.

Hardwood Federation Update
By Dana Lee Cole
Hardwood Federation Executive Director

As we are all painfully aware, the Environmental Protection Agency (EPA) has been dragging its feet on how to treat biomass combustion in the context of various clean air regulatory programs. The Hardwood Federation (HF), along with advocates representing forest landowners and pulp and paper mills, has been working hard making the case that any
carbon released as a result of combusting forest-based biomass, should not be regulated, as it does not represent a net new carbon contribution to the atmosphere.

At long last, it appears that headway has been made. The U.S. Senate Appropriations Committee recently approved a 2017 spending bill for EPA that binds the Agency to recognize the **carbon neutrality of forest-based biomass fuels and energy.** The essence of the provision that made its way into the appropriations measure is that unlike coal and other fossil fuels, biomass energy harvested from sustainably grown forests represents a balanced carbon cycle.

- Trees grow and while they do so they are continually siphoning carbon from the air.
- When a timber stand is managed and biomass generated from a timber harvest is used for energy, the carbon that has been sequestered in that material is released.
- However, what differentiates biomass from coal and natural gas is that our forests continue to absorb carbon as they mature.
- As long as our forest stocks are stable or increasing, the carbon cycle as it relates to forests is in balance.

Thank you to those who voted for final passage, and a special thank you to Senator Jeff Merkley (D-OR) and Senator Susan Collins (R-ME) who worked tirelessly, with the forest products industry, to craft the bipartisan language included in the final Senate bill. What's next?

Senate Appropriations Committee passage of this provision is a **positive first step.** In addition, the U.S. House Appropriations Committee also approved a bill containing favorable biomass language, although not as strong as the Senate language. If the full Senate and House pass their respective bills, a Conference Committee will be named to reconcile the differences and produce final Appropriations language. Here comes the ‘but.’

In an election year, and especially with appropriations measures dealing with the EPA, the appropriations process is complicated. With Congress’ abbreviated schedule due to the mid-July conventions and the August recess, enacting this provision through the appropriations process will likely come down to a year end negotiations, as part of a comprehensive spending package.

Additionally, we also have a provision in a Senate-passed energy bill that directs EPA to recognize biomass carbon neutrality. While it is not as forceful and legally binding as the Senate Appropriations Committee-approved language, it is still good policy. A Conference Committee has not yet been convened to reconcile the Senate and House versions of the energy bill, but if that process is initiated, we’ll have another opportunity to move the ball on this critical issue.

**Bottom line:** A great deal of work remains before we can declare victory on biomass, but these are very important steps in the process. During HF’s Fly-In in September, this issue will be front and center. I hope you are planning to be in Washington to assist us in reaching our final goal.