



September 2015

Susan M. Regan Memorial Scholarship

Recognizing the need for skilled industry professionals, the Hardwood Manufacturers Association has established **two** annual scholarships - *in memory of deceased HMA Executive Vice President, Susan M. Regan* - to provide financial assistance to qualified students enrolled in an accredited forestry and/or wood products program. Each award is in the amount of \$1000 and **applications** are available for download at www.HMAmembers.org.

- One scholarship will be awarded to a 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 a 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.

Eligibility Requirements:

- Minimum GPA requirement: 3.0
- Applicant must provide one reference from an HMA member company representative.
- 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.

Completed applications must be received by **January 15, 2016**. Mail or fax to:

Hardwood Manufacturers Association

665 Rodi Road, Suite 305

Pittsburgh, PA 15235

Fax #:412.244.9090

HMA membership roster growing longer

Member net-working opportunities just increased significantly with the addition of the following three new member companies. A hearty HMA welcome goes out to:

- **East Ohio Lumber Company, Inc.**, Salineville, Ohio - George Bach will serve as the company's main contact and he's ready to get involved. He and Travis (Bach) are already registered to attend the Central Regional Meeting! Be sure to look for them in Dayton and make them feel welcome.

- **New River Hardwoods, Inc.**, Beckley, West Virginia - David Bailey, their Vice President of Operations, will serve as main contact to the HMA. Send your 'welcome aboard' greeting to Dbailey@newriverhardwoods.com and perhaps point him in the direction of the Central Regional.
- **Northern Hardwoods**, South Range, Michigan - General Manager, John Kantola, will serve as the company's main contact. And we hope to see him in Dayton in October. 'Welcome to the fold' greetings can be sent to Jkantola@northernhardwoods.com

Checkoff comment deadline approaching

The comment period on a supplemental notice to amend the 2013 proposed rule for a Hardwood Lumber and Hardwood Plywood Promotion and Information Order (Order) will soon be ending. **Comments must be received by September 7, 2015.**

Comments may be submitted on the Internet at <http://www.regulations.gov> or faxed to 202.205.2800. All comments should reference Document Number AMS-FV-11-0074; PR-A2 and the date and page no. in the Federal Register.

The comment period is also extended for the supplemental notice to amend the 2013 proposed rule on procedures for conducting a referendum to determine whether issuance of a proposed Order is favored by manufacturers of hardwood lumber and hardwood plywood. **Again, comments must be received by September 7, 2015.**

Schedule of Events for October meeting

Calling all members! HMA's Central Regional Meeting is heading to the "Gem City" and we hope you've finalized your plans to participate. Don't miss this. Five great companies will be opening their doors for a close-up look at them and their unique operations. Here's a quick look at the agenda.

Wednesday, October 21

6:15 a.m. Breakfast Buffet
 7:15 a.m. Depart hotel for Wellston, OH
 9:15 a.m. Tour **Superior Hardwoods of Ohio**, Wellston, OH
 11:00 a.m. Tour **Brown-Forman Cooperage**, Wellston, OH
 12:30 p.m. Lunch at Rowdy's Smokehouse
 1:45 p.m. Tour **Ohio Valley Veneer, Inc.**, Piketon, OH
 4:45 p.m. Arrive Crowne Plaza Dayton
 6:00 p.m. Reception/Dinner

Thursday, October, 22

6:15 a.m. Breakfast Buffet
 7:15 a.m. Depart hotel for Piqua, OH
 7:45 a.m. Tour **Hartzell Hardwoods**, Piqua, OH
 10:15 a.m. Tour **Frank Miller Lumber Co., Inc.**, Union City, IN
 12:30 p.m. Depart Frank Miller Lumber Co., Inc.
 1:30 p.m. Arrive Dayton International Airport
 1:45 p.m. Arrive Crowne Plaza Dayton, if necessary

And remember, the hotel reservation deadline is **September 25**. Reservations can be made by calling the Crowne Plaza Dayton at **855.914.1429**. Mention the **Hardwood Manufacturers Association Fall Regional** to secure the \$119 discounted room rate. Then visit www.HMAmembers.org for **all** of the meeting details.

Staying in the game, well sort of ...

By Darleen Licina-Tubbs

We're mixing it up this month, and instead of some powerful words of wisdom from Linda, I'd like to share **my** really great news! My **Five-Year Plan** is coming to fruition, and after forty years of very interesting work, this young-at-heart Baby Boomer is joining the ranks of the "semi-employed," beginning September 1st.

I think many of you will identify when I say that it seems like I've be working forever. And so, I'm excited to begin this new chapter of my life. The plan is to stress less and enjoy more. And to write my memoirs, rather than talk about doing so!

I've enjoyed being part of HMA and pleased that I won't be totally 'out of the game.' (Linda won't be rid of me that easily!) My work status will be part-time, and I'll be kept quite busy, producing the *Link* and many of the other 'written' projects created and distributed by the HMA.

And so, as my semi-Swan Song nears its end, I'd like to thank you and hope that you will continue to wish me well. The extreme spinal issues that took me out of the game and onto a new path several years ago, continue to rear their ugly heads. But a merciful Creator and the best husband a woman could ever have get me through and keep me positive. And I am forever hopeful that one day soon, my wonderful husband, Raymond, and I will be gracing the beach at Waikiki, not as annual tourists, but as residents!

Until then, I'm still in the game - just on an abbreviated schedule - and living each day as if it's **Aloha Friday!**

Tools designed to \$ave

For members looking to better manage shipping, telecommunications and administrative costs, HMA can help. Three **Re\$ource Purchasing Programs** are available to streamline daily operations and increase profitability. Take a look. Then get on board and start saving with one or all of these significant, business management tools.

The **HMA Shipping Program**, managed by PartnerShip[®], is a comprehensive inbound and outbound shipping program that combines simplicity, savings, and value. PartnerShip works with UPS Freight, YRC Freight, Con-way Freight and other reputable carriers to provide unparalleled customer service and significant savings on every freight shipment – including flatbed, LTL, truckload, expedited, and tradeshow shipping needs! Visit PartnerShip.com/HMA for complete program details.

Schooley Mitchell, the largest independent telecom consulting organization in North America, specializes in managing and reducing telecommunications and credit card processing costs. The provider acts as a single point of contact for all management issues, and for those eligible to participate, savings can usually be achieved without changing service providers. For a risk-free evaluation, contact **Sean Fox**, sean.fox@schooleymitchell.com.

Lastly, HMA and **BB&T Insurance Services-National Forest Products Practice** have partnered to offer HMA members an extraordinary business management tool called **PEO – Professional Employer Organization**. It's an extremely cost-effective and efficient way to manage Human Resource and employee management details, and other administrative functions. For qualifying members, the realized savings can offset monthly HMA membership dues. For all of the details, contact Robin Little, ARLittle@bbant.com.

Managing your Insurance Portfolio

By Dan Berkwitt

Connor & Gallagher Insurance Services, INC

The past several years have seen a major increase in wood products property losses. Why? Perhaps it's that mills that had been operating on a skeleton crew in 2007-08 are now running at 100 percent. Perhaps it's because some mills, desiring to 'make hay while the sun is shining,' are pushing production over safety and taking short cuts on procedures. Perhaps it's just bad luck! Nonetheless, the reality is that all of this has hardened the insurance industry for wood products. Every stakeholder is being affected, and far too many are having to ask, **"Why am I being cancelled?"**

Carriers & Pricing

Due to the large quantity of losses, several carriers have exited the industry, putting a strain on the remaining carriers. With competition between the major players - one of which has merged with another carrier, one has exited the wood industry, and two are on the fence - the pricing of insurance has been lowered to an unreasonable range where a carrier cannot afford to write this line.

Some carriers will continue to come into the market and provide very low rates, until they have some losses, then they'll pull out, as we've seen in the past. With the lack of competition for this industry, terms will change and pricing will inevitably increase. And there has also been constricting of capacity, which inhibits the remaining carriers' ability to write accounts over a certain size.

What can you expect?

If you've already had your renewal this year, you've most likely experienced a drastic change in how you purchased your commercial insurance. Going forward, and depending on your size and what you do, you may experience any one or more of the following:

- **Layered programs** - two or more carriers join together to write your coverage
- **Stop Losses** - a carrier may only offer up to a certain limit of exposure on the property, such as 25 million or less
- **E&S Carriers** - these are not admitted by the state and may provide limited coverage, compared to an admitted carrier
- **Splitting coverage** with several carriers - Property with one, Workers Comp with another
- **Separate policies** for each location/facility
- **Premium increases** - as much as 4 times more than last year
- Increasing Deductibles, and other **changes in terms**
- Working through **wholesalers**
- **Cancellation letters**, even if you've not had any major losses

How to get the Best results?

Begin your insurance renewal process early, especially if you are a sizeable operation with over 10 million in Property/ Business interruption values. (Starting your renewal process 30 days from your expiration date is a mistake.) Be sure to:

- **Budget** for impending changes. And ask your carrier what their intentions are for the renewal.
- **Find an agent** that understands and works within your industry; offers options, and works with more than just one carrier.
- Get creative and **make your property insurable**. Installing sprinklers or a fire pump can add protection to your property and result in lower costs and better terms.

If there is a bottom line to be had from all of this, here it is. Be knowledgeable and think long term. Going with the cheapest price isn't always the best decision.

*Connor & Gallagher Insurance Services, INC is an Illinois-based insurance agency offering commercial insurance, risk management services and much more. Contact **Dan Berkwitz** – 630.737.9357 or dberkwitt@congains.com – to learn more.*

Hardwood Federation Update

By Dana Lee Cole

Hardwood Federation Executive Director

I thought it important to provide a recap regarding **federal forest reform** efforts. As you may remember, this summer the full House passed H.R. 2647, the Resilient Federal Forest Act of 2015. If adopted, the bill will facilitate much needed management improvements, and provide the U.S. Forest Service (USFS) with the opportunities and flexibility to manage federal lands for both economic and environmental strength and viability.

Provisions of the bill include:

- Increasing Categorical Exclusions under the National Environmental Policy Act (NEPA). This improvement will allow the USFS to more quickly prepare, analyze and implement routine projects that reduce forest pests, disease and hazardous fuels; create and maintain critical habitats for threatened and endangered species; recover damaged timber and protect water quality. Categorical Exclusions also help create early successional forest habitat for the various wildlife inhabitants of the national forest system.
- Disbursing timber revenues from Stewardship contracts to engaged counties in needed restoration work. This will not only address fiscal management issues which have impeded the program, but will encourage more local governments to get involved with efforts to improve forest health.
- Allowing retained receipts to be used to complete necessary NEPA analysis on management projects and the creation of a revolving fund to develop forest management projects.

The campaign now shifts to the **Senate**, where Sen. Steve Daines (R-MT) is expected to introduce a bill that will mirror the provisions of H.R. 2647. The challenge in the Senate is that we need 60 votes to move the legislation. Meeting with Senate Democrats will be a major focus of our upcoming **Fly-In**.

Additionally, the Forest Service released a report about the effects of wild fire suppression costs on the Forest Service budget. According to officials that briefed stakeholders prior to the report's release, fire suppression costs are now consuming over 50 percent of the Service's budget. The report goes on to project that if the situation is not addressed through Congressional action, in 10 years fire suppression costs will represent two-thirds of the Forest Service budget.

Fire borrowing is addressed in H.R. 2647, but in a manner that is not supported by the Administration. In early August, just as Congress was adjourning for the summer break, Senate Budget Chairman Mike Enzi (R-Wyo.), and 10 other Western senators from both parties, pledged to work across party lines to reform how the nation budgets for wildfires - a sign that lawmakers are hoping to coalesce around a solution.

While only Western state Senators made the pledge to work towards resolving this issue, it is a problem that Eastern legislators are also concerned about. Underfunded fire suppression budgets drain dollars away from essential programs in the east, including timber harvests, reforestation, and wildlife habitat protection. Solutions to appropriate forest fire funding will

be an ongoing point of negotiation in our efforts to move the forest management bill forward.

Bottom Line: We envision that key committee staff and Forest Service officials will be invited to participate in coalition meetings to provide their perspective. And so, to ensure that our advocacy efforts are appropriately targeted, your team here in Washington helped form a lobbying coalition to coordinate the collective efforts of all the organizations that have been active on this issue. We look forward to a busy... and productive fall!

We are All Advocates

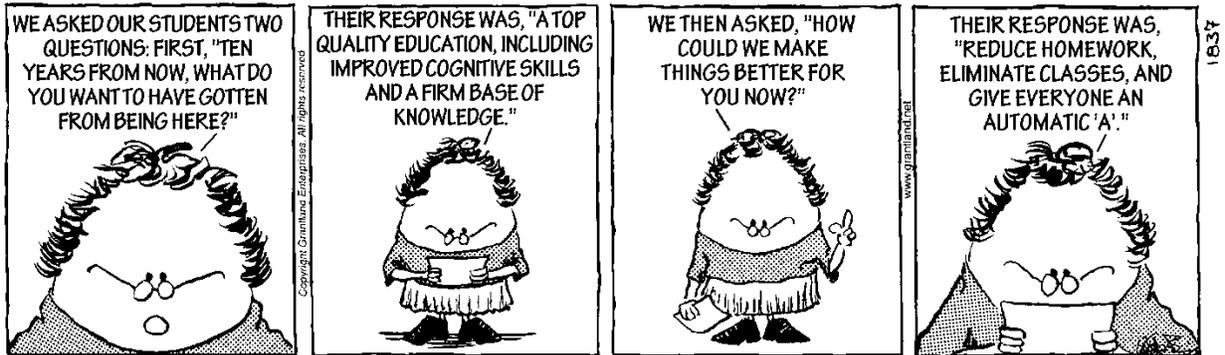
The efforts of the Hardwood Federation staff successfully reach a significant number of federally elected representatives, but there are many state and local officials that they simply cannot connect with. That's where **YOU** can take an active role, and here's what the Federation suggests.

- Make every effort to get in front of your elected representatives - local, state and federal - and let them know what's going on in our industry and what it takes to run your business. Visit their local offices. Attend meetings. But most of all ...
- **Invite them to tour your facility!** A first-hand look at the operations of their constituents will speak volumes.

Sound like something you'd like to make happen, but haven't a clue as to where to begin? Not to worry. Step-by-step instructions for planning a tour for officials - start to finish - are provided in the Hardwood Federation's "**Facility Tour Guide.**"

Remember, interacting directly with you, the business executives in their districts, is an effective way to reinforce our hardwood message and the best kind of reminder that they work for YOU!

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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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