Paul Bunyan is Dead, and Some of His Descendants Are Down with the Flu
Logging Business Investment Snapshot

- $100,000-$250,000: 20%
- $250,000-$500,000: 12%
- $500,000-$750,000: 11%
- $1 mil.-$2 mil.: 14%
- $2 mil.-$3 mil.: 8%
- $3 mil.-$4 mil.: 7%
- $4 mil.-$5 mil.: 3%
- more than $5 mil.: 5%
Total U.S. Timber Harvest

2014: 411 Million Tons
2005: 497 Million Tons

<table>
<thead>
<tr>
<th>Year</th>
<th>Hardwood</th>
<th>Softwood</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>132 Million Tons</td>
<td>279 Million Tons</td>
</tr>
<tr>
<td>2005</td>
<td>171 Million Tons</td>
<td>326 Million Tons</td>
</tr>
</tbody>
</table>

Source: RISI, Inc.
2014 Harvest Consumption

Hardwood: 132 Million Tons

- 37% Lumber
- 32% Pulp
- 26% OSB
- 12% Plywood
- 5% Bioenergy
- 2% Other

Softwood: 279 Million Tons

- 49% Lumber
- 25% Pulp
- 7% OSB
- 5% Plywood
- 2% Bioenergy
- 1% Other

Source: RISI, Inc.
Fewer Loggers, Reduced Logging Capacity
Soaring Operating Costs

- Supplies
- Parts
- Regulations
- Equipment
- Labor
- Insurance
Skidder Tire: $4,000 Unmounted
Low Emissions Tier 4f Engine
Rising Insurance Costs
2011 LOGGING BUSINESS SURVEY: BIG SQUEEZE
Estimated 2010 Logging Business Pre-Tax Profit

- Lost money: 31%
- Broke even: 20%
- 1-3%: 21%
- 4-6%: 12%
- 7-10%: 10%
- 11-15%: 2%
- More than 15%: 4%
COMPENSATION: HEAVY IMPACT

Conditions That Have Heavy Impact On Logging

- Weather: 43%
- Load quotas: 37%
- Labor: 24%
- Thinning vs. clear-cutting: 12%
- Product separations/specs: 15%
- Timber quality/availability/costs: 42%
- Trucking/related DOT regs: 46%
- Insurance: 50%
- Equipment downtime: 30%
- Debt: 35%
- Compensation: 55%
- Environmental compliance: 24%

Amount Loggers Say Is Needed To Sustain Their Business

- $1/ton: 4%
- $2/ton: 17%
- $3/ton: 25%
- $4/ton: 14%
- $5/ton: 13%
- More than $5/ton: 28%
Transportation: 800 Lb. Gorilla
Many Trucks Inefficient, Generate Public Ill Will
Transportation: 800 Lb. Gorilla
<table>
<thead>
<tr>
<th>State</th>
<th>GVW Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL</td>
<td>88,000</td>
</tr>
<tr>
<td>AR</td>
<td>85,000</td>
</tr>
<tr>
<td>CA</td>
<td>97,000</td>
</tr>
<tr>
<td>FL</td>
<td>88,000</td>
</tr>
<tr>
<td>GA</td>
<td>84,000</td>
</tr>
<tr>
<td>ID</td>
<td>105,500</td>
</tr>
<tr>
<td>KY</td>
<td>88,000</td>
</tr>
<tr>
<td>LA</td>
<td>86,600</td>
</tr>
<tr>
<td>ME</td>
<td>100,000</td>
</tr>
<tr>
<td>MI</td>
<td>164,000</td>
</tr>
<tr>
<td>MN</td>
<td>90,000</td>
</tr>
<tr>
<td>MS</td>
<td>84,000</td>
</tr>
<tr>
<td>NH</td>
<td>99,900</td>
</tr>
<tr>
<td>NY</td>
<td>102,000</td>
</tr>
<tr>
<td>NC</td>
<td>90,000</td>
</tr>
<tr>
<td>OH</td>
<td>86,000</td>
</tr>
<tr>
<td>OR</td>
<td>105,000</td>
</tr>
<tr>
<td>PA</td>
<td>78,280</td>
</tr>
<tr>
<td>SC</td>
<td>84,272</td>
</tr>
<tr>
<td>TN</td>
<td>88,000</td>
</tr>
<tr>
<td>TX</td>
<td>84,000</td>
</tr>
<tr>
<td>VT</td>
<td>99,000</td>
</tr>
<tr>
<td>VA</td>
<td>84,000</td>
</tr>
<tr>
<td>WA</td>
<td>105,000</td>
</tr>
<tr>
<td>WV</td>
<td>80,000</td>
</tr>
<tr>
<td>WI</td>
<td>97,000</td>
</tr>
</tbody>
</table>
AMERICAN LOGGERS COUNCIL

RIGHT TO HAUL ACT
Would Legalize Existing State Weight on Interstate Highways Within a Given State
SAFE & EFFICIENT TRANSPORTATION ACT
Would Legalize 97,000 6-axle Weight on Interstate Highways Nationwide
A Silent Crisis

Adding More Weight a Big Question
AMERICAN LOGGER:
Average Age
56 and Climbing
Labor a Major Issue for Many
Few Young Loggers Emerging
Future Logging Careers Act
Offers Primary Logging Contractors
Broad Suite of Beneficial Services
What Can Your Company Do To Help Strengthen Loggers?

- Never Take Them For Granted
- Treat Them With Respect
- Visit Their Turf
- Cultivate Partnership Culture
- Encourage Higher Standards, Measure Them, Reward Those Who Excel
- Provide for Steady, Year-Round Production
- Turn Trucks Around, or Provide Contract Trucks
- Communicate, Communicate, Communicate!
18000 Members
24 Stations in 7 States
29 Million Gallons Sold in 2014
Substantial Savings to Members