



June 2016

### Another Regional Meeting under our belts

If you were among the 100+ participants in HMA's recent **Central Regional Meeting** in Louisville, you know that it exceeded the expectations of both newbies and seasoned veterans. We'd like to recognize those responsible for making it so successful. Thank you to:

- Our tour hosts - **Canton Wood Cooperage, Brewco, Inc., Dunaway Timber Co., Salem Hardwood Lumber Co., Koetter Woodworking, Inc.**- for opening the doors of their facilities to the HMA, and for recognizing that we are all industry stakeholders working to advance the interests of the hardwood industry.
- Our meeting sponsors - **Baillie Lumber Company, Linden Lumber, LLC, UPG/Unified Purchasing Group** - your generous support kept everyone well fed and most satisfied. (Wednesday's box lunch was compliments of Baillie Lumber Company. And Wednesday evening's cocktail reception was co-hosted by Linden Lumber, LLC and UPG/Unified Purchasing Group.) Thanks so much for your generosity and extra measure of support.
- The **industry suppliers** who shared the microphone following our delicious dinner on Wednesday evening – **DMSi Software, Froedge Machine & Supply Co. Inc., Industrial Vision Systems, SII Dry Kilns, Stringer Industries, TS Manufacturing, U-C Coatings, USNR**. Never a dull moment when it comes to all of you. Thanks for the great information about your products and services, not to mention the entertainment!

Coming up next is HMA's **Northeast Regional Meeting**. We're heading to what used to be known as "the Valley of Opportunity." Join us **October 19-20, in Binghamton, New York**. Don't miss it.

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### Mark your Calendars, please

Membership in the HMA provides access to a steady stream of industry information and a body of colleagues and friends ready, willing and able to openly share their experiences and wisdom. Take full advantage. Make plans to meet up with industry associates at these 'future' HMA events:

- **Northeast Regional Meeting**, October 19-20, 2016, Binghamton, New York. Registration, Schedule and other meeting details will soon be posted to [www.HMAmembers.org](http://www.HMAmembers.org).

- **2017 National Conference and Expo**, March 22-24, at the Francis Marion Hotel, Charleston, South Carolina. Conference details forthcoming at [www.HMAmembers.org](http://www.HMAmembers.org).
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## More than just talk

By Linda Jovanovich

HMA Executive Vice President

Did you see it? *The Wall Street Journal* recently ran a short article announcing that more Americans “are preparing to renovate their homes this year....” Their information source was a study done by Harvard University’s Joint Center for Housing Studies which estimates “that spending on remodeling and repairs will climb 8.6 percent.” I like good news. Lord knows our industry can certainly use a hearty dose of it! And so, if consumers are indeed opening their wallets and looking to add curb appeal to their homes, let’s keep the momentum going!

HMA’s **American Hardwood Information Center** at [www.HardwoodInfo.com](http://www.HardwoodInfo.com), the authoritative resource for consumers and professionals seeking information about American Hardwoods, will soon be issuing a news release addressing the **Fact vs Fiction** surrounding products made from American hardwoods. It was not a knee-jerk reaction to the misinformation that continues to rear its ugly head, but rather a slightly different approach to our hardwood message.

With so many options available in today’s marketplace, health-conscious and environmentally responsible consumers are challenged to recognize products and materials that will enhance their living spaces, but will not harm the health of their loved ones. So we simply told them how and why hardwood products made in the U.S. are **safe**.

It’s my opinion that this release will be the litmus test as to whether or not the American consumer really wants the facts, or if lip service and material bashing are more to their liking. I’ll keep you posted on the release’s pick-up.

As a final thought, I’d like to remind you to “Like” us on Facebook and get ‘social’ with HMA members and other industry colleagues. It’s a great way to keep in touch, see what’s happening in the industry, and connect with those who share your interests and concerns. Take a look.

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## 2017 National Conference planning call

If you would like to participate in a June conference call regarding **topic selection** for the learning sessions at HMA’s 2017 National Conference and Expo in Charleston, please call the HMA office, 412.244.0440, for the date/time/details of the call. Your input matters and we hope you’ll want to join the conversation.

And while we’re on the topic of the 2017 National Conference & Expo, please take note of these Conference details. The dates for the event are **March 22 – 24, 2017**. The venue will be the **Francis Marion Hotel** in the heart of historic Charleston. Sophisticated and meticulously restored, this grand lady of the South “combines 1920’s style and grace with 21<sup>st</sup> Century comfort and convenience.” Click here to take a quick look.

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## **We asked for your help, and you responded!**

HMA would like to recognize and thank the member companies who have so graciously committed to provide product for ***The American Hardwoods Collection*** species kit. Special thanks go out to:

### **Anderson-Tully Company**

Cottonwood, Hackberry, Sycamore, Gum

### **Baillie Lumber Company**

Poplar, White Oak

### **Brownlee Lumber, Inc.**

Cherry

### **Edwards Wood Products**

Basswood

### **Kendrick Forest Products, Inc.**

Elm, Walnut

### **Northland Forest Products, Inc.**

Aspen, Birch

### **Northwest Hardwoods, Inc.**

Alder, Pacific Coast Maple

### **Prime Lumber Company**

Hickory/Pecan, Soft Maple

### **Thompson Appalachian Hdwds**

Ash

### **Tigerton Lumber Company**

Hard Maple

### **Turn Bull Lumber Company**

Cypress

### **Wheeland Lumber Co, Inc.**

Red Oak

Also, **J.T. Shannon Lumber Company** has volunteered to process all of the species through their Memphis facility. And the **Indiana Hardwood Lumbermen's Association** and the **Southern Cypress Manufacturers Association** have made monetary donations to help defray project costs.

The project is in production and we'll be sharing it with you all, very soon. You're going to like it!

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## **Collaborating with ITR Economics®**

For decades, business executives have been relying on the economic acumen of New Hampshire-based, **ITR Economics®**. And now, HMA members will have the opportunity to regularly hear from and interact with these experts, via ITR's monthly webinars. Here's what we mean.

- Each month, an ITR economist will present and discuss a particular economic issue or topic.
- The sessions typically last 45 minutes to one hour, and include time for Q&A.
- HMA members registering for the webinar(s) will receive an "association discount."

ITR's next webinar will be conducted in July. As soon as HMA receives the specifics – topic, registration portal, etc. - we'll forward all information, along with the HMA discount code, to each HMA Main Member Contact. Please share it with the members of your staff, so they might tune-in and take advantage of this new, HMA-ITR collaboration.

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## **Safety Culture starts at the Top**

A learning session entitled, "**The Critical Role of Leadership in Promoting Safety,**" kicked off the final day of HMA's National Conference and Expo in Fort Worth. Making the presentation was aviator, author, aviation/aerospace consultant, and current Member of the National Transportation Safety Board (NTSB), the Honorable Robert L. Sumwalt. His bottom line takeaway - **A Safety culture starts at the top of every organization.**

## How strong is your Safety Culture?

Most accidents are multicausal - a tragic combination of human error, inadequate maintenance, lack of a safety culture, organizational issues, inadequate oversight. Merely making safety a "priority" item is not the answer to managing the risks of organizational accidents. What's required is a **safety culture**, an organizational mindset supported by action.

"Safety culture is the core values and behaviors resulting from a collective commitment by leaders and individuals to emphasize safety over competing goals, to ensure protection of people and the environment." It starts at the top and permeates the entire organization. Company leaders, front line employees and everyone in between, must share and practice the same safety values and goals.

## Leading by Example

Influential leaders are to ensure that their organizations have '**safety as a core value**' and then most importantly, that they are doing everything possible to live those values. Lip service will not work. Rather, set the example every day, because "the safety behaviors and attitudes of individuals are influenced by their perceptions and expectations about safety in their work environment, and they pattern their safety behavior to meet demonstrated priorities of organizational leaders, regardless of stated policies."

## As a Leader - Are you living your Values?

In a successful organization, everything you do is run through the filter of your core values to make sure you are being true to them.

- Successful organizations are led by owners and managers who ensure that their values are aligned and lived throughout the organization.
- They lead by example and truly care about the safety and health of their employees and customers.
- This commitment to values and caring greatly increases the potential to perform well, financially.

**Bottom Line:** A Safety culture starts at the top of every organization. There must always be a leadership obsession for Safety and its continuous improvement. Be vigilant. A lack of accidents does not mean that you are 'safe.'

Visit the **Members Only** section of [www.HMAMembers.org](http://www.HMAMembers.org) to listen to the audio recording and to download the PowerPoint presentation.

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## Managing your Insurance Costs

Looking for ways to lower your insurance rates? At HMA's National Conference and Expo in Fort Worth, a presentation by risk management expert, David R. Leng, entitled, "**Improving Your Risk Profile to Slash your Rates**," provided insight on and a different approach to marketing your insurance needs.

Improving your **Risk Profile** will make your organization more attractive to insurance companies. And that's not marketing hype. Insurers offer the best rates to companies they determine least likely to incur claims. It all starts with the agent, and how accurately he/she will convey your risk factors to the underwriter. Make it happen for you by ...

**Knowing your agent(s)!** And most importantly, be sure that the agent(s) knows You! Invite them into your operation to ensure they understand the quality of company that you are. Ask them to identify your risk factors, and to also be specific as to what they are capable of doing for you.

## **Manage Your Risk Profile**

The best way to reduce your rates is to positively impact an underwriter's perception of your risk. Actively managing your risk profile puts you in the driver's seat. Begin by identifying your risk factors, then prioritize on how to improve or lessen them. Reduced risk and improved safety are demonstrated by fewer and less severe injuries and accidents. Document your improvement, and each year convey those results to your agent/underwriter. Then watch your rates go down.

## **"Inspect what you expect"**

Underwriters look at a variety of factors.

- What is the quality of ownership/management and how engaged are they, really?
- Is there a true Safety Culture?
- What is the nature and caliber of employee screening, hiring, training and mentoring? All are key to quality control and safety.
- Quality and proactive Housekeeping, DUST, Facility/Equipment Maintenance practices relate directly to insurance premiums.
- Are Fire Protection practices in place? Annual fire company inspections and drills, well maintained sprinkler systems, water retention ponds lower premiums.

## **Injury/Accident Claims Management**

An insurer will be more aggressive with your rates if you can demonstrate your management of injury/accident claims. How completely was the occurrence investigated? Was it truly an on-the-job injury? Were witness statements taken and documented? What corrective action has been taken to eliminate future occurrences? Is the recovery of the injured employee being monitored by medical professionals, and are return-to-work options available and known to all monitoring parties?

**Bottom Line:** As a business owner looking to manage operational costs, do everything in your power to prevent accidents from occurring. If/when they do, take steps to minimize them. And at policy renewal time, be ready and able to convey all of your risk management efforts to your agent-underwriter-insurance company. Your efforts will be reflected in your bottom line.

*Mr. Leng's PowerPoint presentation and audio recording are available via the **Members Only** section of [www.HMAmembers.org](http://www.HMAmembers.org).*

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## **Hardwood Federation Update**

*By Dana Lee Cole*

*Hardwood Federation Executive Director*

I encourage all hardwood industry stakeholders to meet up with the Hardwood Federation (HF) for our annual **Fall Fly-In, September 20-22, 2016**. As I hope you know, this is the Federation's biggest, most anticipated and most important event of the year. We'll be storming the halls of Capitol Hill, and we hope you will take the time to join us in Washington.

I'm very pleased to welcome HMA's Millennial Council as co-sponsors of the Fly-in. They'll be co-hosting the event's Opening Reception the evening of September 20, and this is the perfect opportunity for you, and the Millennials working alongside you, to meet them. These bright, vibrant and engaged young leaders will be guiding our industry into the future.

## **Storming the Halls of Capitol Hill**

Our goal for the September Fly-In is clear: to have industry leaders again walk, and perhaps even run...the halls and tunnels of Congressional office buildings, meeting with important Representatives, Senators and staff officials, and sharing our hardwood story, specifically how our industry is impacted by what Congress does or does not do.

This is a big election year, and it is important to make our voices heard. Many of the elected officials we will encounter will be back in 2017 and with a new Administration and many new faces in Congress, it will be important that returning members have a clear understanding of our issues.

Over the summer, HF will closely monitor the current issues affecting the hardwood industry and begin to craft suggested verbiage on the 2-4 most critical issues. We will almost certainly be continuing to discuss:

- the importance of bringing common sense management to our national forest system.
- how the federal government regulates biomass. - Will it be viewed as carbon neutral or considered as a toxic fuel that requires additional regulatory oversight?

As other pertinent issues emerge, we'll focus on adding them to our discussion topics in order to most effectively leverage the time that Fly-In participants have with the Members of Congress and their staff.

Remember, face-to-face, constituent accounts resonate loud and clear, and help to inform the policy debates on issues that affect everything from access to fiber that feeds our mills, to energy use in our facilities, to promoting and keeping open end markets for our products. After directly hearing from **you**, our hardwood message takes on a special significance.

You may register for the Fly-In at the following link: [HF Fly-In 2016](#). And remember, HF's special room rate at the host hotel expires on August 15. We hope that you will join us in Washington.

### **This closing note**

Most likely you are aware that on April 25, the U.S. Fish and Wildlife Service determined that designating critical habitat for the northern long-eared bat under the Endangered Species Act (ESA) is not prudent. Doing so would increase the risk of vandalism and disturbance to bats at hibernation sites and could hasten the spread of white-nose syndrome, the deadly fungal disease impacting the species.

In a statement to the *Associated Press*, the Service said the decision will allow them to "focus on finding a solution to the disease." The Service's determination however, will not affect the bat's threatened status, or the 4(d) rule for conservation of the species, announced earlier this year.

If you have any questions or would like more information, please contact the Hardwood Federation staff at 202-463-2705 or [dana.cole@hardwoodfederation.com](mailto:dana.cole@hardwoodfederation.com).

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### **On the "wood dust" regulation front**

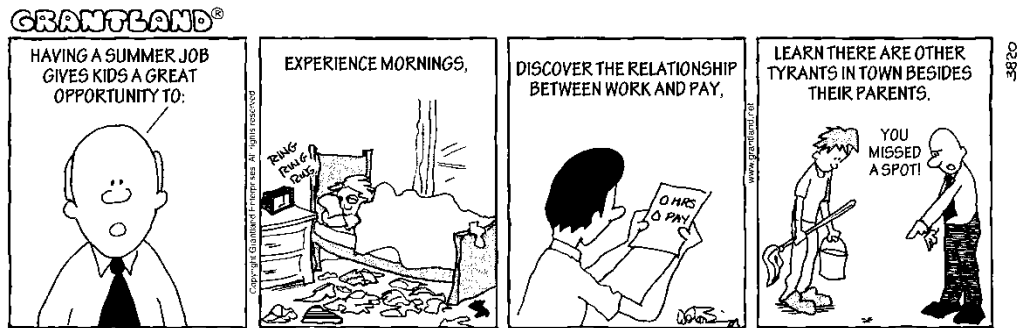
The Hardwood Federation and its members believe it is critical to keep American companies operating and our citizens employed. And so, on behalf of industry stakeholders, a response letter was presented to the California Occupational Safety and Health Standards Board



regarding its proposed revision to the state's Permissible Exposure Limit (PEL) standard. (The rule seeks to lower PEL from 5 mg/m<sup>3</sup> or higher levels down to 1 mg/m<sup>3</sup> total dust.)

Signed by Hardwood Federation member associations and supported by sound, scientific information, the letter questioned the feasibility and reasonableness of the proposed rule, and illustrated the dramatic economic burden to industry stakeholders, should the rule become law.

HF will stay current with this situation. Should you have questions, please contact us at 202-463-2705 or [dana.cole@hardwoodfederation.com](mailto:dana.cole@hardwoodfederation.com).



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