



Since 1928

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

Demand the Appalachian Standard

January 2005



Meeting Offers Insight On Hardwood Markets

KIAWAH ISLAND, SC - New markets for Appalachian hardwood lumber will be a topic of discussion at the 2005 Annual Meeting of Appalachian Hardwood Manufacturers, Inc. Feb. 24-27.

The meeting is set at The Sanctuary, Kiawah Island, SC. The activities begin with a Welcoming Social on Thursday, Feb. 24, and conclude with the Chairman's Reception on Saturday night, Feb. 26.

Lumber markets will be discussed during business sessions planned for Friday and Saturday mornings, said AHMI President Mark Barford. The sessions include an overall state of the industry and then specific reports on the cabinet industry and the impact of lumber imports.

"Our meetings always include timely reports on trends in the industry and this year we will look at markets," Barford said. "We have industry experts committed who will discuss what we can expect in 2005 and beyond."

Speakers for the business sessions are:

Rick Lovorn, plant manager Merillat Cabinets, Atkins, VA, who will speak on lean manufacturing and the future of the cabinet industry.

Stewart Sexton, DLH Nordisk, Greensboro, NC, who will speak on lumber imports.

Judd Johnson, Hardwood Market Report, Mem-

phis, TN, who will speak on "The State of the Hardwood Lumber Industry."

Ernie Doud, consultant, who will speak on "Breaking the Barriers of Family Owned Business." This will be followed by a breakout session sponsored by Southmark Consulting, Charlotte, NC, on Successful Family Succession.

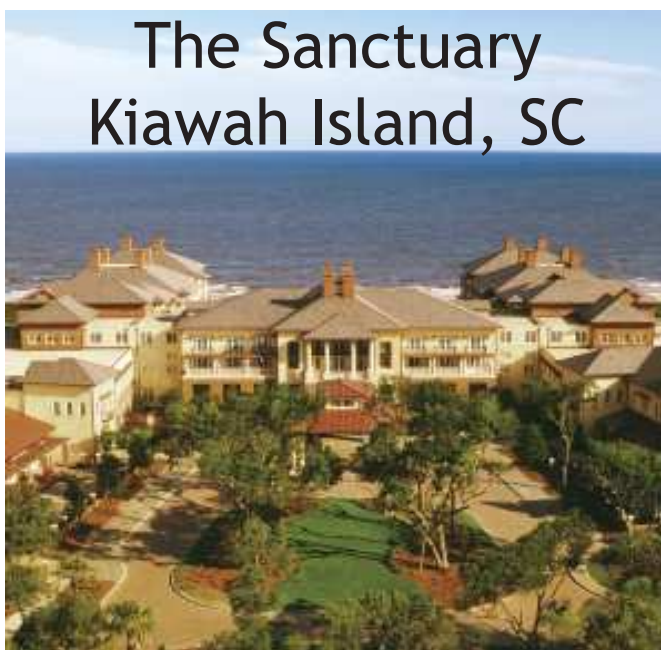
There will also be breakout meetings for both

the Producer and Distributor divisions. The Producers session is open to producer member only and will be an informal talk about sawmill issues. The Distributors Division meeting will include a guest speaker on the trucking industry and its impact on hardwoods lumber distribution in 2005.

The weekend will include an array of social receptions and a shopping/sightseeing trip to nearby Charleston, SC, on Saturday afternoon. Sports tournaments are set for golf, tennis and sport clays.

The Sanctuary offers a stunning location on the beautiful and charming Kiawah Island, less than 20 miles from Charleston, SC. The property has 255 gracious guestrooms and suites, two elegant restaurants, and its unique nature-based luxury spa to soothe the mind, body and soul with 12 treatment

(See Meeting page 3)



The Sanctuary
Kiawah Island, SC

AHMI, P.O. Box 427, High Point, NC 27261
phone: 336-885-8315 fax: 336-886-8865
e mail: ahmi@northstate.net
web: www.appalachianwood.org

APPALACHIAN Future Meetings

2005 Annual Meeting

Feb. 24-27 - The Sanctuary, Kiawah Island, SC

2005 Summer Meeting

July 24-26 - The Nemaquin, Farmington, PA

Mark my words.....

By **Mark A. Barford, CAE, CF**
President

Happy New Year! I hope all of our members and friends had a restful vacation and are ready to go back to work refreshed for what should be a good year. My review of the various outlooks for 2005 is that the year should be OK compared to 2004, but good compared to the two years previous to that... everything is relative.

I used my vacation to read the new best seller by Michael Crichton... "STATE OF FEAR." Crichton is the author of Jurassic Park, and has quite an interest in things scientific. He raised the ire of environmentalists when he gave a speech on the predictions of disaster that some groups have made that have never come true.



Mark A. Barford

One of his subjects was Global Warming. He responded to his critics by studying the issue in detail and writing an action story based on the facts. The results are fascinating.

The book clarifies that Global Warming is not a fact, but still a theory. He footnotes his facts that the polar ice sheet is expanding, not melting, and that despite the small increase in earth temperatures, the sea level has not changed. And as far as tying together carbon dioxide emissions from our SUV's to increased temperatures, he notes that temperatures actually decreased during the 1950s, 60s and 70s during which time carbon dioxide was increasing.

The determination shown by the environmental groups promoting their cause is chilling. Crichton documents their efforts to hide science that does not agree with their beliefs and to interpret possibilities as facts. Maybe the scariest part is the vigilance that these groups are willing to put into their cause.

Vigilance is what our industry needs. We are fortunate to have a President and Congress that seem to understand the importance of our industry, but we need to continue our efforts. We need to ensure our forests are kept open, the industry remains profitable, and the general public understands the importance of wood. In his story, Crichton demonstrates that the environmental groups will go to any extreme to satisfy their agenda. Let's be just as dedicated to fighting back. Ever vigilant!

2005 Meeting Agenda

Thursday, Feb. 24

4-6 p.m. Registration *Terrace Ballroom Foyer*

6:30 p.m. Welcoming Social *Terrace Ballrm. A&B*
Dinner on your own

Friday, February 25

7:30 a.m. Registration Opens *Ballrm. Foyer East*

8 a.m. Producers Mtg. *Grand Oak Ballrm. C&D*
(open to producers only)

General discussion

8 a.m. Distributors Mtg. *Grand Oaks Ballrm. A*
(open to all meeting attendees)

Chairman Fred Blackmon - presiding.

Trucking issues in the hardwood industry

9:15 a.m. General Session *Grand Oaks Ballrm. B*

Annual Meeting and 2005 Plan of Work

Speaker: Ernie Doud - "Breaking the

Barriers of Family Owned Business"

Speaker: Judd Johnson, Hardwood Market

Report - "State of the Industry"

10:30 a.m. Breakout Session *(by invitation)*

Grand Oaks Ballrm. A

Speaker: Alex Shumate, Southmark

Consulting - "Successful Family Succession"

12:30 p.m. Golf Tournament *Turtle Point*

Shotgun Start - Medal Play

1 p.m. Sporting Clays Tournament *TBA*

2 p.m. Tennis Tournament *The Sanctuary Courts*

6:30 p.m. Reception *The Legends at Turtle Point*
Clubhouse

Dinner on your own

Saturday, February 26

7:30 a.m. Board of Trustees Breakfast

Calhoun Room

9:15 a.m. General Session *Grand Oaks Ballrm. B*

Rick Lovorn, Merillat plant manager - "Lean

Manufacturing and the Cabinet Industry"

Stewart Sexton, DLH Nordisk - "Lumber

Imports"

12 p.m. Charleston Trip *(optional)*

Van transportation from Main Entrance

Join group for shopping, tours, dining and relaxing

in historic Charleston. Van returns at 5 p.m.

6:30-8 p.m. Chairman's Reception

Terrace Ballroom A & B

Special entertainment planned

Dinner on your own

Sunday, February 27

NO FORMAL BUSINESS - HAVE A SAFE TRIP

Meeting from page 1

rooms, fitness room, indoor pool and jacuzzi.

"Our members and guests should note that the room block deadline is Jan. 25 so they should make reservations as soon as possible," Barford said. Rooms are available by calling 1-800-654-2924.

A meeting registration form is on page 6 of this newsletter. Please return this form and your check to the AHMI office at your earliest convenience.

Thanks Meeting Sponsors

AHMI would like to thank the following companies for their commitment to sponsor events at the 2005 Annual Meeting:

Business session speaker: **Pennsylvania Lumbermen's Mutual Insurance; Southmark Consulting; Hardwood Market Report**

Friday reception: **Corley Manufacturing**

Saturday reception entertainment: **USNR**

Coffee breaks: **Forestry Systems Inc.; USNR**

Golf tournament prizes: **Aurora Timberlands**

Wholesale Hardwood Lumber

Golf tournament refreshments: **SII Dry Kilns**

Tennis tournament: **U*C Coatings**

Other meeting sponsorship opportunities are available. Please contact the AHMI office at (336) 885-8315 for more information.

AHMI Seeks Leg. Issues

With the elections now behind us and the formation of the Hardwood Federation now complete, 2005 will be an important year for legislative activity for the hardwood industry. The Hardwood Federation has planned a legislative issues session in early February and the AHMI Executive Committee is seeking input from AHMI members.

What legislative and regulatory issues do you believe the industry needs to follow? Are there specific bills the industry should support or oppose? Staff will compile your responses for the Executive Committee to review and forward to the Federation Board. Please take a moment to respond via email at ahmi@northstate.net, or phone to (336) 885-8315.

'04 Review Enclosed

Included with this newsletter is the 2004 Review for Appalachian Hardwood Manufacturers, Inc. "We are pleased with our successes last year and look forward to a great year in 2005," said Mark Barford, AHMI president.

Justices Limit Liability Of Companies For 2001 WV Flooding

CHARLESTON, WV - The West Virginia Supreme Court ruled in December that timber and coal companies are not necessarily responsible for creating a high risk of flash flooding by the way operations changes the land.

The ruling is the first major action on lawsuits filed in 2002 by 3,500 landowners against more than 90 defendants, including timber and coal companies, railroads and gas companies.

Landowners say the companies should be responsible for damage that occurred during heavy flooding in southern West Virginia on July 8, 2001. The plaintiffs contend the way the companies changed the terrain for their businesses contributed to the flooding.

"This court simply does not believe that the day-to-day activities of defendants necessarily create a high risk of flash flooding," Chief Justice Spike Maynard wrote for the court. "Also, we are convinced that any increased risk of flooding which results from defendant's extractive activities can be greatly reduced by the exercise of due care."

The Supreme Court's ruling is meant to provide legal guidance for a three-judge panel presiding over the common aspects of the flooding lawsuits. The panel asked the court a number of questions that likely will shape the way the cases proceed.

The court ruled that the coal and timber companies are responsible only for the damages their activities caused, not for damage caused by unusual and unforeseeable rainfall.

The Supreme Court ruled that following federal regulations does not necessarily shelter companies from state court rulings, but the court said companies may use compliance with federal regulations as evidence in their favor if the regulations apply.

Several questions dealt with what grounds would give the plaintiffs the right to sue. The court said the landowners may sue over allegations of negligence and that companies misused their land.

Landowners who have streams running through their property may sue on the grounds that the companies interfered with the stream's natural flow, according to the court.

The Associated Press contributed to this report

AHMI Resource Guide

Deadline Is Jan. 31

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. will publish its annual Demand the Appalachian Standard Resource Guide in February 2005.

The book replaces the annual Membership Directory as the association's main promotional piece for Appalachian hardwood lumber. It will focus on the "Yield Matters" campaign and details the key aspects the Demand the Appalachian Standard promotion that began in late 2002.

The Resource Guide publishes company and contact information for all AHMI members and advertisements.

"The Guide was well-received in 2004 in publicizing our members to potential customers around the world," said AHMI President Mark Barford, CAE. "We have more than 9,000 wood consumers in our Demand database that receive this information and use it to guide their wood buying decisions."

The deadline for all materials to be included is Jan. 31. Materials may be mailed or sent in electronically to Tom Inman at AHMI, P.O. Box 427, High Point, NC 27261 or ahmitom@northstate.net.

More than 8,000 copies will be published and distributed to wood consumers around the world. For more information, please contact the AHMI office immediately at (336) 885-8315.

Hardwood Forestry Fund Plans Plantings

The Hardwood Forestry Fund is finalizing plans for 14 new sustainable forest establishment projects for spring 2005 in Indiana, Florida, North Carolina, Pennsylvania, New York, and Wisconsin. The projects will plant more than 123,000 red oak, white oak, black cherry, sugar maple, black walnut, pecan, and other commercially valuable timber species trees.

HFF, a program of the Hardwood Plywood & Veneer Association, is a 501(c)(3) tree-planting and educational foundation dedicated to sustainable forest establishment, hardwood timber growth, and forestry education. Since 1990, the HFF has partnered with public natural resource professionals to create more than 180 projects in 22 states and planted more than 2 million trees.

Contributions to the Hardwood Forestry Fund are tax-deductible. For more information, visit www.hardwoodforestryfund.org.

Cerulean Warbler Study Seeks Help

The Cerulean Warbler is a small, canopy-foraging insectivorous bird that often is associated with older deciduous forests. In October 2000, a coalition petitioned the US Fish and Wildlife Service to list the Cerulean Warbler as threatened under the Endangered Species Act and designate critical habitat. A listing of the bird could potentially affect forest management in many areas of the eastern United States.

In December 2002, the Cerulean Warbler Technical Group, a group of scientists and managers interested in the bird, including numerous representatives of forest industry, gathered to discuss information needs and potential conservation activities that might benefit Ceruleans.

Two needs identified during that meeting were better information about 1) the Cerulean's distribution on private lands and 2) its relationship with forest habitat structure, particularly as influenced by forestry practices.

In response, the National Council for Air and Stream Improvement, Inc. (NCASI), the Cornell Lab of Ornithology, Concord College, the Appalachian Hardwood Manufacturers, Inc., forestry associations, forest products companies, coal mining companies, and other organizations are collaborating on a *Cerulean Warbler Atlas Project for Private Lands* modeled after Cornell's original *Cerulean Warbler Atlas Project* (<http://birds.cornell.edu/cewap/>).

Participants are using a voluntary roadside survey designed to provide information about forest structure. In 2003 and 2004, landowners conducted surveys on their lands in Kentucky, Ohio, Virginia, and West Virginia, and identified Cerulean Warblers at more than one-quarter of the locations that were sampled. Results such as these will be of interest to landowners and managers, and will better inform the conservation and regulatory community about the status of the Cerulean Warbler and its compatibility with forestry practices.

If you are interested in participating in the survey, please contact Dr. Ben Wigley of NCASI at PO Box 340317, Clemson, SC 29634 (bwigley@ncasi.org). NCASI will be pleased to mail you at no charge a survey kit containing the necessary materials. For over 60 years, NCASI has worked with private landowners to address environmental issues in a confidential manner. You can learn more about NCASI at <http://www.ncasi.org>.

Forest Service Marks 100th

WASHINGTON — The U.S. Forest Service marks its 100th anniversary in 2005.

“A hundred years later the whole picture is significantly more complex,” said Dale Bosworth, the Forest Service’s chief. “The population has increased significantly. There are much more demands than there were 100 years ago in terms of recreation and solitude.”

The U.S. Forest Service was created in 1905 “to protect the reserves against fire, to assist the people in their use and to see that they are properly used.” The agency’s mission today is to “manage national forests for multiple uses and benefits and for the sustained yield of renewable resources such as water, forage, wildlife, wood and recreation.”

The following is a comparison of the century of change in the Forest Service:

Number of Forests

1905: 83 forest reserves

2005: 155 National Forests and 20 National Grasslands

Number of Acres

1905: 63 million

2005: 192 million

Budget

1905: \$400,000

2005: \$4.1 billion

Number of Employees

1905: 270

2005: 37,648

U.S. Population

1905: 76 million

2005: 290 million

Third Sale Set For High Knob Timber In VA

The controversial Joel Branch timber sale on High Knob near Bark Camp Lake will be re-bid this spring.

Two previous attempts to interest loggers in the 165-acre tract of the Jefferson National Forest failed. No bids were received when the tract was originally offered in 2002, nor last August when it was put up for bids a second time.

Bid packages on the third attempt are expected to be released in February or March. Both the asking price and the size of the boundary will be slightly smaller this time, according to Pat Egan, contract sales supervisor for the George Washington and Jefferson National Forests. She says the decision to



FORESTRY

Forest Service Chief Sees Good In Rules

WASHINGTON - The U.S. Forest Service has proposed new rules for streamlining the national forest management process.

Forest Service Chief Dale Bosworth said the new forest rules, announced in December, will change aspects of the 1976 National Forest Management Act. The measure sets guidelines for managing 192 million acres of national forests and grasslands and protecting wildlife.

The new rules will make forest planning more open, understandable and timely, Bosworth said, and give regional forest managers more discretion to approve logging and other commercial projects without lengthy environmental analyses.

Because of the complex analysis required under the old rules, Bosworth said, regional forest plans often took eight to 10 years to complete. The new rules “modernize the process to make it more responsive to problems and issues of the future, and new science findings,” he added.

During the last couple of years, Bosworth said, Forest Service officials have concentrated their efforts on four major threats to the nation’s forests: the buildup of fuels and danger of catastrophic wildfire; the spread of invasive weeds and tree diseases; the loss of open-space land; and recreational damage from off-highway vehicles.

He said the agency will focus on these issues and most logging would be a byproduct of achieving those goals.

lower some values were the result of talking with potential purchasers.

“What we think went wrong with the bidding (in August) is the market for lower grade hardwoods has been declining,” Egan says. “We think some of our lower grade hardwood was just appraised too high.”

Personnel from the Clinch Ranger District in Wise are reassessing the minimum bid for the lower grades now, she says.

While potential bidders are aware of the interest of environmental groups, most timber company personnel say the possibility of protests are not an issue is deciding whether to bid on the sales.

APPALACHIAN **Hardwood Manufacturers, Inc.**

2005 Annual Meeting Feb. 24-27 | The Sanctuary, Kiawah Island, SC

To reserve your room at The Sanctuary, call 1-800-654-2924.

The cut-off date for AHMI's room block is Jan. 25, 2005. Room rates are \$225.

AHMI will mail registration materials to meeting attendees prior to Feb. 20. To accurately plan functions and include participants on the Registration List, please complete this form and return with your check to: AHMI, P.O. Box 427, High Point, NC 27261 before Jan. 25, 2005.

Early Registration before Jan. 25, 2005:

AHMI MEMBER - \$325 per person **GUEST** - \$425 per person
MEMBER SPOUSE - \$175 **GUEST SPOUSE** - \$275
Add \$50 to any registration fee after Jan. 25, 2005

Full registration fee refunded on cancellations received by Jan. 25, 2005. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S ANNUAL MEETING

Name: _____ Badge Name: _____ **FEE: \$** _____

Name: _____ Badge Name: _____ **FEE: \$** _____

Company: _____

Address: _____

City/State/Zip: _____

REGISTER FOR GOLF (Tournament on Friday; Optional Fun Round Saturday)

Name: _____ Hdcp _____ **FEE:** _____
Please check: Friday @ Turtle Point (\$150) Saturday at Ocean Course (\$200)

Name: _____ Hdcp _____ **FEE:** _____
Please check: Friday @ Turtle Point (\$150) Saturday at Ocean Course (\$200)

REGISTER FOR TENNIS (Friday at The Sanctuary Courts)

Name: _____ **FEE: \$25**

Name: _____ **FEE: \$25**

REGISTER FOR SPORTING CLAYS (Friday TBA)

Name: _____ **FEE: \$50**

Name: _____ **FEE: \$50**

REGISTER FOR CHARLESTON TRIP (Saturday 12 noon)

Name: _____ **FEE: \$25**

Name: _____ **FEE: \$25**

Check # _____ Received _____

TOTAL \$ _____





APPALACHIAN

Hardwood Manufacturers Inc.

The following is a review of the 2004 accomplishments of Appalachian Hardwood Manufacturers Inc.

2004 Review



PROMOTION - Domestic

- New promotion campaign "Yield Matters" to educate wood consumers on the benefits of Appalachian FAS hardwood lumber. Next installment of the Demand the Appalachian Standard program, the campaign centers on new website www.appalachianfas.com and its promotion to consumers.
- New advertising campaign "Yield Matters - www.appalachianfas.com" completed in select wood consumer trade magazines. The campaign drives wood consumers to website.
- Published two "Demand the Appalachian Standard" newsletters and mailed to 8,750 wood consumers.
- Published 2004 AHMI Resource Guide with member information listings and advertisements. This piece delivered to 7,000 wood consumers.
- Participated in Spring and Fall International Home Furnishings Markets in High Point, NC. Staff visits to AHMI member companies showing at market and prospective members.
- Hosted Georgia Tech furniture design students.
- Administered the annual Wood Species and Design Survey at the Spring International Home Furnishings market. Results of survey were distributed to media and furniture designers.
- Sponsor of the American Society of Furniture Designers Pinnacle Award for Juvenile Furniture Design. Award presented at ASFD annual banquet.
- Distributed thousands of promotional brochures and wood sample kits to wood consumers, individuals, schools and civic groups.
- Participant in state, regional and national association meetings including:
 - Lumber & Building Materials Expo, Boston, MA
 - Indiana Hardwood Lumbermen's Association, Indianapolis, IN
 - Carolinas Woodworking Expo, Greensboro, NC
 - National Wood Flooring Show, Charlotte, NC
 - International Woodworking Fair, Atlanta, GA
 - Kitchen Cabinet Manufacturers Association, Sioux Falls, SD
 - NHLA Convention, Toronto, Canada
 - Hardwood Distributors Association meeting, Toronto, Canada
 - Mid-America Woodworking Expo, Columbus, OH
- Financial support of the Hardwood Federation, Hardwood Council, and the Wood Promotion Network.
- Financial support of the U.S. Green Building Council in development of Leadership in Energy and Environmental Design standards.



PROMOTION - Export

- Member of the American Hardwood Export Council. AHMI staff participated in seminars and tours at:
 - 10th Seoul Living Design Fair, Seoul, South Korea
 - ZOW Wood Industry Show, Madrid, Spain
- Redesign of www.appalachianwood.org website to emphasize Export Members for contact with international buyers.
- Hosted furniture, door, and furniture manufacturers from Kosovo.



EDUCATION

- Assisted member companies in Community Involvement Program presentations as requested.
- Co-sponsor teacher education workshops in Kentucky and Tennessee.
- Sponsor of the Teachers For The Forests program.
- Award scholarships to West Virginia University and Virginia Tech students in forestry program.



FORESTRY

- The annual Forestry Division meeting in West Virginia. The program was AHMI's Yield Matters Promotion and the release of the forest survey of West Virginia.
- Advocate for active management of our Eastern hardwood forests through letter writing, visits with decision makers, and participation in pro-forestry groups.
- Work with U.S. Forest Service leaders in developing policy and participation in forest planning on national forests.
- Staff involved in planning the combination of forest research from private industry and universities.
- Staff was active with the Society of American Foresters and on the board of the North Carolina Forestry Association.
- Staff presentations to the Virginia Forestry Association and the Northeastern Loggers Association.



MEETINGS

- 2004 Annual Meeting** - The Sawgrass Marriott, Ponte Vedra Beach, FL
- 2004 Summer Family Conference** - The Grove Park Inn, Asheville, NC
- 2004 Inter-Industry Meeting** - The Village Inn, Clemmons, NC