



Appalachian Sustainable



Ethan Allen Success Highlights Conference

Ethan Allen is reversing the trend of furniture manufacturing and retailing by producing goods in the United States and selling into China.

The manufacturer has more than 60 retail stores across China and sales continue to improve. Chinese consumers want the American designs and species available from Ethan Allen, officials report.

A presentation at the 2012 Appalachian Hardwood Manufacturers, Inc. Summer Conference detailed the success of the Danbury, CT-based company. Don Garrett, vice president of operations, said the company was founded in 1932 and currently has manufacturing plants in North Carolina, New Jersey, Vermont and Honduras.

Ethan Allen produces bedroom, dining room, cased good and upholstered pieces in traditional and contemporary designs. All products are sold in company-owned Design Centers across the U.S. and the world.

Garrett said Ethan Allen has followed a different model with its own manufacturing, distribution and sales programs. Designers and retailers are invited to an Ethan Allen market each year where



Ethan Allen's plant in Old Fort, NC



Passing The Gavel

AHMI Chairman Chris Keziah (left) receives the gavel from Past Chairman Mike Parton at the opening of the Summer Conference

new product is unveiled rather than in traditional markets in High Point and Las Vegas.

Recent growth has been centered on production for international Design Centers in China, Belgium, Canada, Dubai, Japan, Jordan, Korea, Kuwait, Philippines, Qatar, Saudi Arabia, Taiwan, and Thailand.

The program has been extremely successful and the company is back to full staff at each of its manufacturing plants.

Ethan Allen has also been honored for its environmental stewardship. The company participates in the American Home Furnishings Alliance's Enhancing Furniture's Environmental Culture and achieved Sustainable By Design honors for their use of Appalachian Hardwoods.

Company leaders also recently received stewardship awards from the state of New Jersey and the Environmental Protection Agency and the 2012 **(Conference on page 3)**

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.
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Meetings

2012 Fall Meeting & Tour - Oct. 9-11

Crown Plaza, Asheville, NC

2013 Annual Meeting - Feb. 28-March 3

Hyatt Grand Cypress, Orlando, FL

2013 Summer Conference - July 27-30

The Greenbrier, White Sulphur Springs, WV

The way I see it...

By Tom Inman, AHMI President

the posturing and legal wrangling for the past 18 months about the "overzealous" U.S. Department of Justice's enforcement of the Lacey Act against one U.S. company was all for naught.

The government raided Gibson Guitar twice and seized wood imports that enforcement officers said were illegal. Gibson officials blamed the "overzealous officers" and burdensome paperwork and rallied musicians, some furniture makers and dozens of others to their cause.

Today, the company settled the case with the government (see story on page 4) with substantial fines and penalties and the loss of the illegally imported wood.

The case is important because it was truly the first major test of the U.S. hardwood industry's fight to keep illegally harvested wood from entering this country. The Lacey Act was expanded in 2008 to include wood products and requires companies to list the species and country of origin for imported wood and wood products and requires that U.S. and foreign laws are followed.

A few importers and an import group complained the law was unfair because companies or individuals who unknowingly imported wood or wood products faced seizure of the goods. There was legislation introduced this year to remove some of these penalties and lessen the responsibility of companies. Gibson leaders were at the forefront of the fight.

The proposed changes were pulled from U.S. House consideration two weeks ago due to the diligence of the AHMI members, the Hardwood Federation and other groups who oppose illegal wood entering the United States. Now Gibson Guitar has entered into a "criminal agreement" and will pay up.

Now stolen wood from distant places will not be as attractive in the marketplace if manufacturers know the wood and products can be seized. Few will take the risk.

Appalachian hardwoods can compete and win against international species that enter the marketplace legally. Let's all follow the rules.



MEMBERSHIP

AHMI welcomes the following new member:

Distributor

Canton Hardwoods
Jimmy Powell
PO Box 1028
Canton, NC 28716

New members are the lifeblood of the association and if you know of companies that should join, please contact the AHMI office at (336) 885-8315 or info@appalachianwood.org.

Please mark your calendars for a meeting of Appalachian Hardwood Manufacturers, Inc. during the 2012 National Hardwood Lumber Association. You are invited to participate with potential members to introduce them to AHMI. The reception is Sept. 13 from 2-4 p.m. in Chicago.

AHMI Hosts Chinese Log, Lumber Buyers

AHMI will help host a group of log and lumber buyers from China in North Carolina on Aug. 26-28. The delegation is visiting the International Woodworking Fair in Atlanta and then traveling to North Carolina, Virginia and Pennsylvania.

There are 11 lumber buyers and eight log buyers in the group from China. They will visit mills and concentration yards in western North Carolina and Lexington, NC, before heading to Virginia.

The trip is organized by the Hardwood States Alliance and North Carolina Department of Agriculture.

AHMI will participate in the reception on Sunday, Aug. 26 in Asheville, mill tours and then host the buyers for a reception on Monday, Aug. 27 in High Point. There will be time for individual meetings with the buyers and translators will be on site during the receptions.

AHMI members who would like to participate should call the AHMI office at (336) 885-8315. A list of companies and buyers is also available. Please register at www.ncagexports.com.

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Outstanding Use of Wood Award from the North-eastern Loggers Association.

"We believe our future is very bright and we look forward to providing valuable products for homeowners," Garrett said.

Meeting participants were introduced to Dana Cole, the new director of the Hardwood Federation. She explained plans for the Federation for this year under her leadership and offered insight into key races for Congress in the Appalachian states.

Cole has experience in state government, economic development and most recently with the 11,000-member National Association of Manufacturers as the Vice President of Corporate Affairs and Corporate Board Secretary.

The Hardwood Federation will hold its annual Fly-In on Sept. 18-20 in Washington, DC. The event enables the hardwood industry to visit with Congressional leaders and staff on key hardwood issues. There will also be time to network with other industry leaders and participate in important briefings with Congressional leaders and representatives of the Obama Administration. To register for the Fly-In, please contact the AHMI office.

There was also a presentation new rules for exporters presented by Allocca Enterprises. Please see the story on page 4 of this newsletter.

AHMI held golf and sporting clay tournaments in conjunction with the meeting. The winners were:

Golf: Low gross - 1st Cliff McKittrick; 2nd Jamie Straka

Low net - 1st Brandon Turman; 2nd Jay Reese
Long Drive - Preston Herrington; Closest to the Pin - Cliff McKittrick.

Sporting Clays: 1st Tim Borntraeger; 2nd John Patterson; 3rd Matt Begley.

The next meeting of Appalachian Hardwood Manufacturers Inc. will be in conjunction with the Hardwood Manufacturers Association and the Appalachian Lumbermen's Club on Oct. 9-11 in Asheville, NC. More information is available in this newsletter and at www.appalachianwood.org.

AHMI Plans Fall Tours With HMA And ALC

Appalachian Hardwood Manufacturers Inc. will join with the Hardwood Manufacturers Association and the Appalachian Lumbermen's Club on Oct. 9-11 in Asheville, NC, for meetings and tours.

This is the second year for the joint meetings which allow members of the two groups to network and visit sites. The 2012 meeting will be headquartered at the Crowne Plaza in Asheville, NC, and tours will be held at:

Columbia Forest Products plywood and veneer plant, Old Fort, NC

Oak Valley Hardwoods sawmill and distribution yard, Marion, NC

Gilkey Lumber Co., Rutherfordton, NC

T & S Hardwoods, Sylva, NC

Oaks Unlimited, Waynesville, NC

For information on the equipment that will be featured on the tours, visit www.HMAmembers.org.

"This is a great opportunity to see new equipment at modern facilities," said Tom Inman, AHMI president. "All of these companies are AHMI members and do a terrific job in producing Appalachian hardwood lumber."

The program begins with the ALC meeting on Oct. 9 at the hotel. The tours are Oct. 10-11 and a reception and dinner is planned for Oct. 10 at the Crowne Plaza. There will be bus transportation each day but you must reserve a seat which is included with the registration fee. A registration form is on page 6 of this newsletter.

To reserve a hotel room, please contact the Crowne Plaza Tennis and Golf Resort, 1 Resort Drive, Asheville, NC 28806, or telephone 1-800-733-3211 and use the code: Hardwood Lumber. The rates are \$139 Single; \$149 Double; \$154 King; \$164 King Double and all include breakfast buffet. The room cutoff is Sept. 19, 2012.

The Crowne Plaza offers a discounted shuttle rate to and from the Asheville Regional Airport. Taxi service is available. The hotel also offers unlimited play on the 9-hole golf course to meeting attendees: \$35/per person, including cart.

For more information or the schedule, please contact the AHMI office at (336) 885-8315.

Gibson Guitar Settles Lacey Act Violation

WASHINGTON – Gibson Guitar Corp. entered into a criminal enforcement agreement with the United States on Aug. 6 resolving a criminal investigation into allegations that the company violated the Lacey Act by illegally purchasing and importing ebony wood from Madagascar and rosewood and ebony from India.

The criminal enforcement agreement defers prosecution for criminal violations of the Lacey Act and requires Gibson to pay a penalty amount of \$300,000. The agreement further provides for a community service payment of \$50,000 to the National Fish and Wildlife Foundation.

Gibson will also implement a compliance program designed to strengthen its compliance controls and procedures. In related civil forfeiture actions, Gibson will withdraw its claims to the wood seized in the course of the criminal investigation, including Madagascar ebony from shipments with a total invoice value of \$261,844.

In light of Gibson's acknowledgement of its conduct, its duties under the Lacey Act and its promised cooperation and remedial actions, the government will decline charging Gibson criminally in connection with Gibson's order, purchase or importation of ebony from Madagascar and ebony and rosewood from India, provided that Gibson fully carries out its obligations under the agreement,

and commits no future violations of law, including Lacey Act violations.

"As a result of this investigation and criminal enforcement agreement, Gibson has acknowledged that it failed to act on information," said a Department of Justice official. "Gibson has ceased acquisitions of wood species from Madagascar and recognizes its duty under the U.S. Lacey Act to guard against the acquisition of wood of illegal origin by verifying the circumstances of its harvest and export, which is good for American business and American consumers."

"The Department of Justice is committed to enforcing the law," said U.S. Attorney Jerry Martin. "Failure to do so harms those who play by the rules and follow the law."

"The Lacey Act's illegal logging provisions were enacted to protect vanishing foreign species and forest ecosystems, while ensuring a level playing field for America's forest products industry and the people and communities who depend on it," said U.S. Fish and Wildlife Service Director Dan Ashe. "We're pleased that Gibson Guitar Corp. has recognized its duties under the Lacey Act to guard against the acquisition of wood of illegal origin from threatened forests and has taken responsibility for actions that may have contributed to the unlawful export and exploitation of wood."

Exporters Learn New Rules, Documentation

Participants at an Export Compliance Workshop during the 2012 Appalachian Hardwood Manufacturers, Inc. Summer Conference learned about new requirements for exporting goods.

Michael Allocca of Allocca Enterprises in York, SC, discussed regulations from the U.S. Commerce Department. He explained government websites, forms and procedures to make certain companies and their locations are approved by the U.S. government.

Attendees learned about filing Electronic Export Information, wood packaging and record keeping requirements and developing an Export Management Compliance Program.

The Commerce Department had a 1,692% in-

crease in dollar amount of criminal penalties last year, the average fine was \$1,581,250. The average civil penalty was \$80,000 and both civil and criminal penalties are usually imposed in combination with one another.

Workshop participants were not aware of many of the new changes and all walked away better informed about procedures to follow.

You can learn more about Allocca Enterprises by visiting www.alloccaenterprises.com. Michael Allocca has more than 15 year of experience as a freight forwarder and compliance specialist.

For more information, contact the AHMI office at (336) 886-8315.

AHMI Invites Members To Share IWF Booth

Appalachian Hardwood Manufacturers, Inc. will again exhibit at the International Woodworking Fair on Aug. 22-25 in Atlanta. The association has displayed at IWF for 20 years and returns to Building A in space 1324.

"This is a great space for us in the middle of hardwood lumber sales companies and it will help us reach potential customers," said AHMI President Tom Inman. "Our space will focus on Appalachian Hardwood Verified Sustainable and promoting AHMI members to lumber buyers."

Thousands of new products will be showcased by nearly 1,000 of the world's top manufacturers of machinery, supplies and service. The latest innovations in manufacturing and material processing and live demonstrations are planned.

The show is designed for management, production, operations, design, from the small shop to the large plant.

IWF 2012 Show Dates & Hours: Wednesday through Saturday, August 22-25, 2012 8:00 am - 5:00 pm. Show Location: Georgia World Congress Center, 285 Andrew Young International Blvd., NW, Atlanta, GA 30313-1591.

AHMI members are encouraged to visit and work from the AHMI booth. This is an excellent resource for reaching new customers who visit to learn more about Appalachian Hardwoods.

You can also use the location to connect with existing customers. Please contact the AHMI office to let us know which days you will be attending the show.

AHMI will distribute the Appalachian Hardwood Resource Guide, Appalachian Hardwood Verified Sustainable materials and Export Guides to international visitors.

For more information or to pre-register for IWF, visit www.iwfatlanta.com.

**Appalachian Hardwood
Manufacturers, Inc.
Booth #1324**

Upcoming AHMI Activities

Appalachian Hardwood Manufacturers, Inc. will attend / display at the following meeting, trade shows and other events to promote AHMI members and products in 2012:

Aug. 22-25 - International Woodworking Fair, Atlanta, GA

Aug. 26-28 - Chinese Log/Lumber Buyers, Asheville and High Point, NC

Sep. 12-15 - National Hardwood Lumber Association Convention, Chicago, IL

Sep. 18-20 - Hardwood Federation Fly In, Washington, DC

Oct. 3-5 - NC Forestry Association Annual Meeting, Asheville, NC

Oct. 9-11 - Fall Meeting with ALC and HMA, Asheville, NC

Oct. 13-18 - High Point Furniture Market, High Point, NC

Oct. 16 - High Point Furniture Market Species and Design Survey

For more information, contact the AHMI office.

Inman Speaks At Wood Marketing Seminar

Appalachian Hardwood Manufacturers, Inc. President Tom Inman participated at the Leadership Conference for Local Wood Products recently in West Virginia.

The program was an educational and networking event for the hardwood products industry. The agenda included discussion and leadership to grow hardwood forests and wood products industries by growing sales of US made wood products.

Inman spoke on the benefits of Appalachian Hardwood Verified Sustainable and current and future markets for hardwood lumber. Other speakers talked about panel products, investing in local farmers' markets, and reaching consumers.

The project was funded by the U.S. Forest Service at held at the WERC in Princeton, WV.

REGISTRATION FORM

Please send this form, with payment, to:

Hardwood Manufacturers Association 665 Rodi Road, Suite 305 • Pittsburgh, PA 15235

Register online at www.HMAmembers.org or

Fax: **412.244.9090**

Questions? Call the HMA office at 412.244.0440.

Company _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

E-mail address _____

Name of those attending (for name tags):	Check box if riding the bus on	
	Wednesday	Thursday
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

To guarantee a seat on the bus, please check the appropriate blocks above. Available bus seats will be filled on a first-come, first-served basis after all pre-registered riders have boarded the bus.

Members attending x \$150 each \$ _____

Non-members attending x \$250 each \$ _____

Appalachian Lumbermen's Club Dinner attending x \$45 each \$ _____

I am enclosing a check with this registration

OR

Charge to my credit card: VISA MASTERCARD

Account Number _____

Expiration Date _____

Cardholder Name _____

Authorized Signature _____

Registrations will not be accepted without a designated form of payment.
Any credit card disputes resulting in a chargeback will include a \$25 fee, payable by the cardholder.