



Appalachian Hardwood Sustainable & Legal

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.

AHMI & ALC Plan Meeting, Tours In TN

Appalachian Hardwood Manufacturers, Inc. and the Appalachian Lumbermen's Club will partner for the 2016 Fall Meeting & Tours on Nov. 15-16 at the Carnegie Hotel in Johnson City, TN. Tours will be held at Domtar Paper and Mullican Flooring. See registration on page 6 of this newsletter.

The event is an excellent opportunity for sawmills, distribution yards and secondary manufacturers to meet with key producers and processors from the Appalachian region. The two groups held a combined meeting in 2012 that was very successful.

The program begins with optional sporting events:

Golf Tournament will be held at the Johnson City Country Club Course in Johnson City, TN, with consecutive tee times beginning at 10 a.m.

5-Stand Shooting Tournament will be at Kettlefoot Gun Club in Bristol, TN, at 11 a.m.

Registration will open at 5:30 pm and is followed by a reception at 6 pm and dinner. You will be asked to stand, introduce yourself, your company, and the product or services you provide during the dinner so you can meet everyone who attends.

The dinner speaker is Domtar Plant Manager Bill MacPherson who will discuss current production of uncoated paper and fiber procurement needs from the central Appalachian region.

The plant tours on Nov. 16 begin at 8 a.m. and will include Domtar Paper (*there will be a limited number of participants at Domtar and you must ride vans that will be provided*) and Mullican Flooring, a leading manufacturer of solid and engineered hardwood flooring. All attendees are welcome at Mullican Flooring. Tours begin at 8:30 am at both facilities and a second tour will begin at 10:30 a.m. at Mullican

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Hanjin Bankruptcy Disrupts Global Shipping

South Korea's biggest shipping company filed for bankruptcy protection on Wednesday and the cargo, vessels, and sailers of Hanjin Shipping are stopped. Many ships are stranded at sea, according to industry officials, with ports refusing to let them dock or unload for fear of not being paid.

The ships are forced to wait for Hanjin, its creditors or partners to find a solution. It's a case of

unprecedented scale, with experts expecting the deadlock to last for months. The company has until Nov. 11 to submit a reorganization plan.

The focus of the Hanjin Shipping fallout has shifted into the legal arena as shippers urgently try to secure the release of their cargo trapped in limbo and claims flood in. Hanjin is now undergo-

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The way I see it...

By Tom Inman, AHMI President

...economic development leaders from the 460 counties and 12 states of the Appalachian region are working to help the people who live and work there *Aspire*.

That was the theme for more than 400 developers and community leaders from these states and the District of Columbia in Johnson City, TN, recently for the Appalachia Regional Commission's 2016 annual conference. I attended to learn and share about the ARC's Five-Year Strategic Plan for Capitalizing on Appalachia's Opportunities.

The two-day conference discussed rural entrepreneurship, infrastructure development, workforce training, and strategies for leveraging the Region's cultural and natural assets. These are all valuable to AHMI members.

I shared with dozens of these community leaders the assets of the hardwood forests around them and the people who manage the trees. Many of them were focused on recreation and I stressed the benefits of forest utilization.

The ARC has federal dollars available for entrepreneurs to tap into for projects that put people to work in Appalachia. AHMI will continue to dialogue with this group and their members about future work together.

Join AHMI On Twitter, Facebook Accounts

Appalachian Hardwood Manufacturers, Inc. invites you to follow us on Facebook and Twitter to keep up with the latest news and information about AHMI members and the association.

Our Facebook page is **Appalachian Hardwood** at <https://www.facebook.com/Appalachian-Hardwood-115082515210245/>

Our Twitter account is **Appalachian Hardwood** at <https://twitter.com/AppalachianHdwd>

Please follow us today and share our accounts with others in the hardwood industry to get our Solid Appalachian Hardwood message out.



AHMI members (from left) Mark Vollinger, WM Cramer Lumber; Mel Yoder, Yoder Lumber; Tom Inman, AHMI; and Anthony Hammond, Roy Anderson Hardwoods, work the booth at IWF

IWF Attracts Crowd

Officials at the 2016 IWF Atlanta reported attendance increases of almost 20 percent from 2014. A large crowd was noted during three of the four days at the AHMI Booth with hundreds of Resource Guides and other materials distributed.

Special thanks go out the AHMI member companies W.M. Cramer Lumber Co.; Roy Anderson Hardwoods; Forest Products, Inc.; Penn-Sylvan Inc.; ATI International; and Abenaki Timber Co. who employees assisted in the booth. More than 30 AHMI member companies exhibited.

There were thousands of furniture, cabinet, millwork and flooring manufacturers participating and seeking lumber resources. Most inquiries were for White Oak, Poplar, Red Oak and Soft Maple.

AHMI is compiling its list of contacts from the show and will be sending to members as soon as possible.

An employee of Bill Hanks Lumber Co., Julio Alvarez, was recognized in the "2016 Wood Industry 40 Under 40" program. Sponsored by *Woodworking Network*, it salutes young adults involved in the wood manufacturing industry who are "making a special contribution to their organization, or to the industry.

Julio has been the Accounting Manager at Bill Hanks Lumber Company, Inc. since 2005.

Future Of U.S. Hardwood Lumber Conference Planned

Registration is now open for the Future of the U.S. Hardwood Lumber Industry conference to be held Nov. 2-3 at the Wood Education & Resource Center in Princeton, WV.

The event is designed to:

- Update on the economic situation and the status of the industry
- Obtain an overview of market conditions
- Gain insights into the future of the hardwood lumber industry and hardwood lumber markets
- Tour a state-of-the-art hardwood lumber mill
- Network and to benefit from two days of learning, discussing, and observing with leading industry experts.

The conference is sponsored by the Wood Education and Resource Center (WERC), North-eastern Area State and Private Forestry, U.S. Forestry Service, Appalachian Hardwood Manufacturers, Inc., National Hardwood Lumber Association, Superthin Saws, Virginia Tech, and Virginia Cooperative Extension.

More information can be found at <http://woodproducts.sbio.vt.edu/futurehardwoods/>

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Flooring.

You will be asked on the registration form to select the tour and time you will participate. Members of both the AHMI and the ALC will receive priority on the Domtar tour. There will be an informal lunch at 12:30 pm in Johnson City, TN following the tours.

There is a registration form on page 6 of this newsletter to complete and mail with your check to: AHMI, PO Box 427, High Point, NC 27261 or online at: www.appalachianwood.org/meetings.htm

For more information, contact the AHMI office at 336-885-8315. For Carnegie Hotel reservations: Please call 866-757-8277 and ask for Block: Appalachian Hardwood. Rates begin at \$99.99 and are available until Oct. 31.

Hanjin from page 1

ing Korean court rehabilitation where debts to creditors can be restructured as Hanjin tries to reorganize. The court has called for claims against Hanjin to be submitted from Sept. 20 to Oct. 4.

Bobby Bernard, senior sales manager with Kuehne & Nagel in Charlotte, NC, says Appalachian Hardwood exporters should keep accurate financial records on shipments, fees for securing cargo through alternate means and storage costs. He said shippers should also consider replacing orders with new shipments through other lines.

"I know that is costly but sellers should be talking with their customers now about those orders that are held up on Hanjin vessels," Bernard said. "They may want to send replacement materials immediately." He said US companies may have a chance to file claims in U.S. courts if a trustee is appointed here.

Curtis Struyk with TMX Shipping in Morehead City, NC, said the situation gets more complicated each day. The cost of shipping will rise for the next 30-90 days, industry leaders report.

The Hardwood Federation is working with the administration and other trade groups to ask the U.S. Commerce Department to intervene on behalf of U.S. manufacturers.

Although it has limited ability to help US shippers because it's not a US legal matter, the Federal Maritime Commission said it will continue to enforce the Shipping Act of 1984, which protects shippers from such unreasonable practices.

Hanjin Shipping has a fleet of 100 ships and the Korea Ministry of Oceans and Fisheries estimates that as many as 540,000 TEU of containers are on its vessels. Three ships are known to have been arrested, one in Singapore and two in China, and this number is expected to rise.

Scores more Hanjin vessels are stuck outside ports from which they have been denied entry, or are tied up alongside with terminals refusing to work their cargo. This is tying up huge amounts of cargo, and reports of Hanjin creditors seizing cargo have been coming in with frustrated shippers forced to pay often large amounts before their cargo is released from terminals and warehouses.

AHEC Finds Hardwood Exports Increase 6%

The American Hardwood Export Council (AHEC) recently released the June 2016 statistics for agriculture exports. Tripp Pryor, AHEC's International Program Manager, shared the following hardwood overview:

- Total hardwood lumber exports are up \$60,904,060 so far this year, an increase of 6 percent from 2015.

- Lumber exports to China are a record \$578 million, even higher than the 2014 level – which means we could be on pace for the highest lumber export total ever to one country.

- Exports to the UK are up on the year so far, but bear in mind we are still seeing the results of “Brexit,” and most people in the industry expect U.S. exports to the UK to drop in the second half of the year.

- Most markets are showing significant recovery from a slight drop in 2015 besides our North American partners: exports to Canada and Mexico are slightly down so far this year.

To receive the complete report, which includes value totals, quantity totals, and “June-to-June” comparisons, please contact Pryor at tpryor@ahec.org or 703.435.2900, ext. 115.

AHMI Promotion & Trade Show Activities

Appalachian Hardwood Manufacturers, Inc. will attend / display at the following meetings and other events to promote member companies:

Sept. 13: **Appalachian Lumbermen's Club**, Concord, NC

Sept. 20-22: **Hardwood Federation Fly-In**, Washington, DC

Sept. 26: **Penn York Lumbermen's Club**, State College, PA

Sept. 27: **PFFPA Annual Meeting**, State College, PA

Oct. 5-7: **NHLA Convention**, Washington, DC

Oct. 10-11: **KCMA Conference and Tours**, Greensboro, NC

Oct. 19-21: **AHEC European Convention**, Copenhagen, Denmark

Oct. 21: **Sustainable Furnishings Council Anniversary**, High Point, NC

Oct. 22-26: **High Point Furniture Market**, High Point, NC

Oct. 24: **ASFD Annual Meeting**, High Point, NC

Nov. 2-3: **Hardwood Lumber Outlook**, Princeton, WV

Nov. 15: **Appalachian Hardwood Manufacturers, Inc. and Appalachian Lumbermen's Club Meeting & Tours**, Johnson City, TN

SFI Promotes Benefits Of Forest Management

The Sustainable Forestry Initiative (SFI) will announce this week the launch of its large-scale effort to quantify the conservation benefits associated with well-managed forests stretching across North America from British Columbia to Florida. Forests certified to the SFI Forest Management Standard cover more than 280 million acres/113 million hectares.

The SFI Conservation Impact Project focuses on developing metrics for water quality and biodiversity, to encourage forest health, conservation and sound management. Quantifying these environmental benefits will also enable the SFI community to understand and promote the conservation values associated with sustainably managed forests.

Kathy Abusow, President and CEO of SFI Inc. said the group firmly believes that the future of forests and the environment depends on understanding the contributions of sustainable forest management. A large part of these conservation efforts are driven by SFI Program Participants. SFI certification standards require them to collaborate to support research to improve forest health, conservation understanding, productivity and sustainable management of forest resources.

SFI is the only forest certification program in North America with a research requirement - resulting in \$1.6 billion of investments from SFI Program Participants since 1995. In 2015 alone, 400 different conservation and research projects were reported by SFI Program Participants.

Federation Promotes Building Tall With Wood

By Dana Lee Cole, HF Executive Director

The industry is looking towards the future. That is my take-away from a number of hardwood industry meetings I have attended over the last several months, including AHMI in July. It seems we all spend a lot of time thinking about what the future holds for the wood products industry. What will the next big thing be?

At the top of nearly everyone's list is the potential for tall wood buildings. If you have a few minutes, you will enjoy a TED talk given by architect Michael Green who has been called the Pied Piper of the tall wood building movement. Green is passionate about the potential for wood buildings and is working closely with the industry to make this dream a reality. Search for this online.

Congress is also getting into the act. Before breaking for the long summer recess, the House and Senate introduced nearly identical "Timber Innovation Act" (TIA) bills. (S. 2892 and HR. 5628), and S. 2892; Reps. Suzan DelBene (D-WA), Glenn Thompson (R-PA), Derek Kilmer (D-WA) and Cathy McMorris-Rodgers (R-WA) introduced the House version of the bill. The Hardwood Federation was instrumental in securing the co-sponsorship of Cong. Thompson. The bills would create opportunities to use wood products, including mass timber, in the construction of tall wood buildings. The TIA would:

- Establish performance driven research and development program for advancing tall wood building construction in the United States;
 - Authorize the Tall Wood Building Prize Competition through the U.S. Department of Agriculture (USDA) annually for the next five years;
 - Codify the Forest Service's Wood Innovation Grant program and expand it to facilitate Centers of Excellence and provide grants to states to fund education, outreach, research and development, including education and assistance for architects and builders, which will accelerate the use of wood in tall buildings.
- Additionally, the House bill (H.R. 5628) has a provision which would incentivize retrofitting existing facilities located in areas with high unemployment rates.

TIA would have the most direct impact on softwood and Cross Laminated Timber (CLT) interests as it is focused on internal structures, but the Hardwood Federation is supportive as the bill's intentions are positive overall for the entire wood products industry, promoting the message that wood is a safe, sustainable and environmentally friendly building material - and what goes better in a tall wood building than beautiful flooring and moulding made from American hardwood!

Lower grade hardwoods are also potential raw materials for CLT technology and this potential should be explored and supported. However, the real benefit from this legislation could be the development of new building codes that recognize the potential of wood buildings and the resilience of wood as a primary building material.

Wood is flexible enough to withstand significant earthquakes according to Civil and Structural Engineer and Treehugger.com. Overcoming concerns about fire is a more significant battle; although there is work being done to prove that wood construction is fire resistant—and in fact performs better in fire events than competing building materials.

The TIA is not without its detractors. Sensing the growing interest in using wood as a primary building material, the concrete industry has launched a strategic initiative to push back on the movement. Concrete manufacturers have also targeted the TIA in recent fly-ins to Washington D.C. putting it at the top of their list of talking points for Congressional visits.

While we do not expect to see immediate action on the TIA, it is a good first step with strong bipartisan support. Looking forward in the long term, if a standalone bill is not possible, this could very well be included into the 2018 re-authorization of the Farm Bill.

We are working closely on efforts to push this legislation forward with our forest products allies leading the charge in Congress. One group has launched an advocacy campaign, including a dedicated website to the issue which can be found at www.timberinnovation.org.



APPALACHIAN Hardwood Manufacturers, Inc.



2016 Fall Meeting and Tours

in partnership with the Appalachian Lumbermen's Club
The Carnegie Hotel, Johnson City, TN Nov. 15-16, 2016

To accurately plan the functions and that all participants are included, please complete this form and return it with your check or credit card information by Oct. 15, 2016 to AHMI, P.O. Box 427, High Point, NC 27261 or register online at www.appalachianwood.org/meetings.htm

REGISTER THE FOLLOWING FOR FALL MEETING & TOURS *(please select one)*

AHMI Member: ___ reception & dinner **\$65**; ___ reception, dinner & tours **\$95** *(choose tour below)*

ALC Member: ___ reception & dinner **\$0**; ___ reception, dinner & tours **\$25** *(choose tour below)*

Non-member: ___ reception & dinner **\$100**; ___ reception, dinner & tours **\$130** *(choose tour below)*

Name: _____

Company: _____

Address: _____

City/State/Zip: _____

Full registration will be refunded on cancellations received by Oct. 15, 2016. Cancellations received after that time will be subject to 50% forfeiture.

WEDNESDAY TOURS: I will participate in:

___ **Domtar Paper & Mullican Flooring Tours at 8 am**
(limited participation & must ride van)

___ **Mullican Flooring Tour at 8:30 am** *(drive self)*

___ **Mullican Flooring Tour at 10:30 am** *(drive self)*



TUESDAY SPORTING EVENTS *(optional)*

___ **Golf Tourney** at 10 a.m. Johnson City Country Club, Johnson City, TN **FEE: \$65**

___ **5-Stand Clays Tourney** at 11 a.m. Kettlefoot Gun Club, Bristol, VA **FEE: \$35**

You must supply gun & ammo

Check enclosed _____ **Payment information** \$ _____ **Total**

Credit Card: _____

Expiration date _____ Sec Code _____ Billing Zip Code _____

Name on card: _____

You may also register online at www.appalachianwood.org/meetings.htm

PLEASE MAKE ROOM RESERVATIONS AS SOON AS POSSIBLE!

Please make your room reservations by calling the Carnegie Hotel at **866-757-8277**. You must mention the Appalachian Hardwood block to receive the group rate of \$99 per night.