



Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.

Exports, Trucking Devices Top AHMI Program

Region Maintains Improved Sustainability For 10th Year

ASHEVILLE, NC – Attendees to the 2017 Summer Conference of Appalachian Hardwood Manufacturers, Inc. received valuable information from industry and legal experts.

The business session was filled with attendees learning about sustainability, export lumber markets and changes in regulations for trucking hours that truck drivers are on the road. The conference was held at the Inn on Biltmore Estate in Asheville, NC, and proved to be a great venue for networking.

The first speaker was Bill Burkman, program director of the Forest Inventory Analysis for the US Forest Service. The FIA program records the volume of trees, species, ownership, harvesting and mortality across the U.S.

This data is the basis for AHMI Verified Sustainable (AHVS) which began in 2007. Burkman's staff recently completed a 10-year review of the region and the growth-to-removal ratio remains high at 2.4 trees growing for every tree harvested or dying combined.

The US Forest Service is tasked with counting test plots in forests to determine tree growth, species density, stand sizes and classes, harvest and mortality. The plots are then multiplied out by the total acreage to estimate forest health.

See Sustainable on page 2



AHEC Executive Director Mike Snow discusses rise in exports

Exports To SE Asia, China Continue Rise

ASHEVILLE, NC - American Hardwood Export Council Executive Director Mike Snow reports that exports of American hardwood to Greater China and Southeast Asia totalled US\$1.6B and US\$290M respectively.

Speaking at the 2017 AHMI Summer Conference, Snow compared the first quarter of 2017 to the previous year and exports increased by 25.7%. The total to China and Southeast Asia represents 60% of all American hardwood exported globally.

Increased demand benefited from China's furn-
See Exports on page 3

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2 - August 2017 - Appalachian Sustainable

The way I see it...

By Tom Inman, AHMI President

...attendees at the 2017 Summer Conference of Appalachian Hardwood Manufacturers Inc. were engaged during the business sessions. How do I know? EVERYBODY stayed in the room!

We also had to bring in additional chairs for the standing room crowd. What a great problem to have and a testament to the quality speakers.

Our goal is to have timely and informative presentations at each conference. The session this year exceeded all expectations with:

- an excellent update on the US Forest Service Forest Inventory Analysis which is the basis for our Verified Sustainable program;

- mid-year reporting on markets in China for lumber AND logs from the American Hardwood Export Council;

- AND an in-depth report on the changes that are coming for truck logging books and electronic devices and how this will function under new requirements that take effect in December.

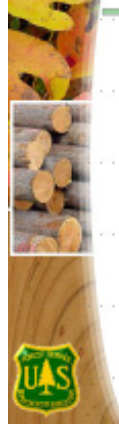
I am reporting on most of these sessions briefly in this newsletter. The presentations are available from the AHMI office in PDF form. But it is not the same as hearing it for yourself.

If you were not at the conference, you missed an excellent business session and networking with fellow members and guests. We had more than 140 people there representing every division of the association and great dialogue about the state of the industry and the future.

Add to that the fun and uniqueness of the Biltmore Estate and it all made for a great meeting. Attendees were very pleased with the Inn and facilities. Most said they would like to return.

The owners and top managers of AHMI member companies attend these meetings along with lumber buyers and salespeople. That is what sets AHMI apart from other groups and what keeps people coming back.

The next meeting is in conjunction with the Hardwood Federation in September in Washington (see page 5) and then the 2018 Annual Meetings is Jan. 18-21 at the JW Marriott in Marco Island, FL. Get these dates reserved on your calendar now. We will have a great program!



- Stable timberland base
- Growth exceeds removals
- There are some specific species and sub-locations that bear watching for continual declines
- AHR **growth** remains **over two times** the volume that is being **removed**

Sustainable from Page 1----

Burkman reported that timberland volume has remained stable in the region at approximately 65.3 million acres with no changes in any Appalachian states or the region.

Species composition, however, is changing with a rise in maples and beech and a decline in oak and hickory. He said the percentage of growth in total volume was up more than 5% while harvest/mortality had declined just 1% in the past decade.

Burkman said Ohio and South Carolina reported declines in growth to removal ratio while the forests in the other Appalachian states were stable or improved.

For a copy of Burkman's presentation, please contact the AHMI office.



MEMBERSHIP

AHMI welcomes the following new members:

Producer

Stephens Hardwood LLC

Jerry Stephens

314 Norma Road

Huntsville, TN 37756

New members are the lifeblood of the association and AHMI has developed a package of materials to send to prospective members to show them the benefits of joining.

If you know of potential members in any category from Producers through Forestry, please contact AHMI at (336) 885-8315. We will send materials and schedule a visit to their facility.

Exports from Page 1----

iture industry as well as flooring. Snow said that based on data from 2014 to 2016, the US ranked first as largest exporting country of temperate forest hardwood with the amount of exports double that of the second ranking country, Thailand. In recent years, the six most important exporting destinations for AHEC have been Greater China, the European Union (EU), Canada, Vietnam, Mexico and Japan.

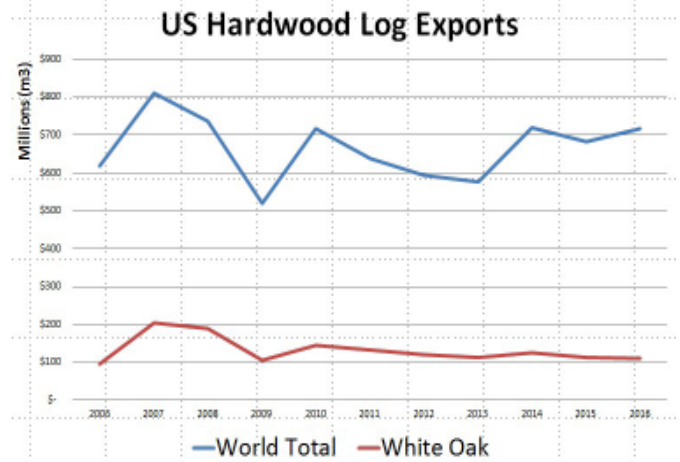
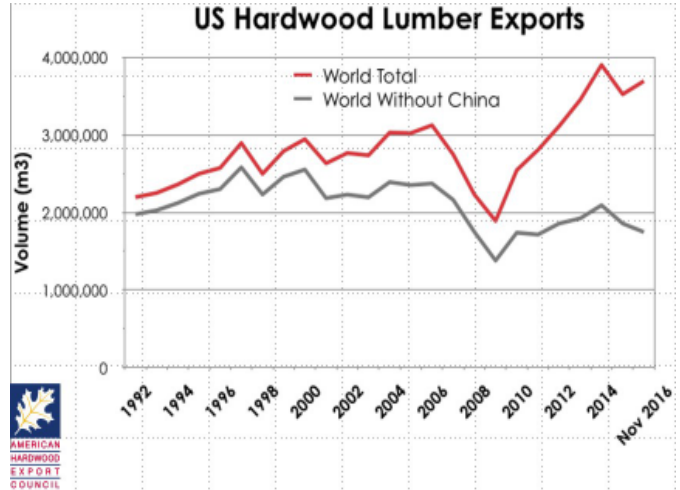
The exports value of hardwood lumber, logs and veneer to China totaled \$353 million (up 23% YoY), \$125 million (up 59% YoY) and \$1.6 million (down 17% YoY) respectively. The exports value of hardwood plywood hit all time high at \$2.7 million, soared up 12 times compare Q1 of 2016.

Mixed performance in Southeast Asia markets, overall grew at 4.4% in Q1 of 2017 versus same period of time in 2016. Vietnam, the second largest market, rose moderately at 10.5% (YoY) to \$45.3 million in Q1 of 2017. The hardwood lumber exports to Vietnam increased 21% (YoY) which helped to pull up the overall quarter performance.

Other markets such as Malaysia and Philippines also recorded a positive growth at 4.4% and 28.5% respectively.

Snow noted there has been a fair amount of dialogue about log exports from the US. He said that exports have remained stable since the early

August 2017 - Appalachian Sustainable - 3



2000s and one of the things that has changed is the detainion..

Many logs that used to go to markets in Canada are now being exported to China.

Workshops Offer Training On SFI Certification

Market leaders know their choice of wood products has a direct impact on forests and communities at home and around the world – today and into the future. Dozens of hardwood product manufacturers have chosen to certify their products to the Sustainable Forestry Initiative® (SFI) Standards, a marketing movement trending across North America.

Learn how these companies are using SFI certification to improve their sales and marketing opportunities at two workshops this fall co-sponsored by AHMI and the Wood Products Manufacturers Association. They are:

Wednesday, Oct. 25 from 2-5 pm at the Omni Nashville during the NHLA Convention.

Thursday, Nov. 2 from 9-11 am at the Doubletree by Hilton Newark Airport, Newark, NJ.

The demand for wood products certified to the SFI Standards was further expanded in 2016 when the U.S. Green Building Council (USGBC) issued an Alternative Compliance Path (ACP) that recognizes wood from the Sustainable Forestry Initiative (SFI) program.

During this workshop, SFI will present information on these market trends, and how an organization can achieve third-party certification to the SFI Standard.

To register for the workshops or for more information, please contact the AHMI office or email info@appalachianwood.org.

Trucks Must Have Electronic Logs By Dec.

ASHEVILLE, NC - New rules from the Federal Motor Carrier Safety Administration mandate that all trucks made after 2000 must have electronic logging devices operated by December 16, 2017, according to a speaker at the AHMI Summer Conference.

There are a very few exceptions to the rules, reported Fred Marcinak of Smith, Moore and Leatherwood, a trucking industry law firm in Greenville, SC. Many companies that operate trucks are unaware of the particulars of the rules and must prepare soon.

Carriers and drivers who are subject to the rule must install and use ELDs if they:

- Use paper logs or logging software must transition to ELDs by Dec. 18, 2017.
- Use AOBDRS prior to the compliance date must transition to ELDs by Dec. 16, 2019.

The ELD enables professional truck drivers and commercial motor carriers to easily track Hours of Service (HOS) compliance. By December, all CDL drivers required to keep a Record of Duty Status (RODS) must use an ELD to document their compliance with HOS rules.

The new ELD rule adds certain technical and performance specifications that define exactly what the device must feature. It must connect to the truck's engine to record if the truck is in motion and allow the driver to log in and select On-duty, Off-duty, or On-Duty Not Driving; and drive segments must be automatically selected based on vehicle movement.

Complying With Mandate

- ELDS must be "integrally synchronized" with the vehicle's engine and must automatically record all driver time.
- ELDs must automatically record on an intermittent basis.
 - Date, time and location (1 mile or 10 miles depending on status)
 - Engine hours and vehicle miles
 - Identification information for the driver, vehicle, and carrier
- All ELDs must be capable of exporting data in a standard file format to facilitate importing by other systems

The devices must also graphically display a Record of Duty Status, so a driver can quickly see hours in a day.

Electronic logging devices ranged from an annualized price of \$165 to \$832, with the most popular device used today priced at \$495/truck, according to industry estimates.

The Federal Motor Carrier Safety Administration notes that while ELD prices haven't come down drastically in the past few years, many providers are introducing less expensive fleet management system models that have features designed specifically for the ELD mandate.

For more information on a copy of the presentation, please contact the AHMI office.

Tall Timber Apartment Buildings Pass Fire Tests

LEESBURG, VA. – Five full-scale mass timber fire tests in a multi-story apartment building have been completed with promising results.

The International Code Council Ad-hoc Committee on Tall Wood Buildings provided the five fire scenarios that were tested in each of the two one-bedroom apartments constructed using mass timber. The test scenarios included various arrangements of exposed and unexposed cross-laminated timber (CLT) with open doors between living and sleeping areas. Additionally, automatic

sprinkler systems effectiveness was evaluated.

"The results of these fire tests will continue to be studied and will help inform code change recommendations from the Ad-hoc Committee later this year," said Stephen J. DiGiovanni, P.E., Ad-hoc Committee Chair and Fire Protection Engineer for the Clark County (NV) Department of Building and Fire Protection. "These tests are an important part of the extensive research data the Committee has reviewed to validate the performance of tall wood buildings."

Storm The Halls Of Congress In September

By Dana Lee Cole, HF Executive Director

A new President with big plans and an ambitious agenda has taken up residence in the White House. New Cabinet and department officials are in place. Political debates are heating up and Congress is tackling tough issues.

It is a critical time in Washington and vital that our voices are heard. Federal forest management restructuring, Farm Bill reauthorization, regulatory reform, tax reform; all are on the table this year and everyone wants their opinion heard.

As an added bonus, the AHMI Board of Directors will meet in conjunction with the Fly-In, adding to our numbers and strengthening our voice. We hope AHMI leadership and members will take the opportunity to join us!

The annual Fall Fly-In is the Hardwood Federation's biggest, most anticipated and most important event of the year. Each fall members of the hardwood industry gather in Washington D.C. to walk...and sometimes run...the halls and tunnels of Congressional office buildings to meet with Representatives, Senators and staffs from their - and other important - states to tell their stories.

Our goal is clear and consistent: To have industry leaders provide their personal and professional perspectives about what the most important issues affecting the industry are and how our businesses are being impacted....and what Congress can do about it.

The 2017 Fly-In will be held Sept. 12-14.

The Hardwood Federation Fly-In is a busy few days, but we make every effort to prepare and brief attendees. This year's agenda includes the following:

Welcome Reception (Sept. 12): Participants gather the night before to meet and network with colleagues old and new.

Breakfast Briefing (Sept. 13): The Hardwood Federation provides a detailed briefing on issues to be covered during meetings on the Hill, navigating the Congressional office buildings, and what to expect during your meetings.

Capitol Hill Visits (Sept. 13): Prior to the Fly-In, Federation staff will schedule meetings with

your elected representatives or those you are interested in meeting. Participants attend meetings in small groups to demonstrate the depth and variety of the industry.

HFPAC Events (Sept. 13 & 14): Participants will gather for an evening reception with Republican members of Congress on the 13th followed by a dinner on Capitol Hill. The next morning, we wind up the Fly-In with a breakfast reception with Democrats. These are additional opportunities to speak directly with members and acknowledge their support with a donation from the Hardwood Federation Political Action Committee.

We are also working on arranging a night tour of the Capitol Building and a tour of the White House...unfortunately, given the fluidity of D.C., we cannot guarantee these events at this time, but efforts are underway! Stay tuned!

We hope you will take the time to join us in Washington. AHMI members have a significant presence in important hardwood states and their experience, insight and ideas should be shared directly with those who write the laws and legislation impacting their businesses and employees.

While it is a commitment of both resources and time, it is a commitment that can have direct impacts on your bottom line. The Hardwood Federation staff is proud to represent the industry in Washington, D.C. and over the years we have built excellent relationships with key members of Congress who look to us for advice and counsel on issues impacting the Hardwood industry. But when members hear from you, their constituents, employers in their district, and community leaders, the message takes on a special significance and impact.

This year's Fly-In will take place on September 12-14, 2017. Anyone related to the industry is welcome to join us in D.C. Our special rate at the host hotel expires on August 15; be sure to make plans before it is too late!! You may register for the Fly-In at HFFLY-IN2017.

Please don't hesitate to contact the Hardwood Federation staff at 202-463-2705 or dana.cole@hardwoodfederation.com if you have any questions or would like more information.

6 - August 2017 - Appalachian Sustainable Hardwood Distribution Inc. Buys Downes & Reader

Hardwoods Distribution Inc. announces that its subsidiary, Rugby Holdings LLC, purchased Downes & Reader Hardwood Co. Inc., a long-time AHMI member. The distributor company has four locations in the U.S. northeast and services both the wholesale and retail customer segments.

The acquisition will add over 2,400 new customers and strengthen Rugby's position overall, as a distributor of hardwood lumber products. "Our acquisition strategy has been successful now having completed six in the last six years, and we will continue to pursue transactions that complement our growth strategies," said Rob Brown, Hardwoods' President and CEO.

Alabama Gets CLT Plant

International Beams plans to build the first cross-laminated timber production facility in the Southeastern U.S. in Dothan, AL. The 227,000-square-foot facility will be the manufacturing site for the company's two new products, MAX-CORE CLT and MAX-CORE GLULAM.

The company said its Alabama facility will be the first of its kind in the Eastern United States and the only one to use southern pine as its primary raw material. International Beams has manufacturing facilities in Quebec and Ontario and is headquartered in Sarasota, FL.

Fiberboard Plant Set For NC

LEXINGTON, NC - Egger Group has announced plans to build its first U.S. particleboard plant here with an initial investment of \$304 million and the project is estimated at \$700 million.

Construction is set to begin by the end of 2018, with production scheduled for 2020. The panel plant will create 400 direct jobs over the next six years, with an additional 370 jobs planned for later phases of the 15-year project.

Egger's panel products are used in the manufacture of a variety of items, including laminate flooring, cabinetry, residential and commercial furniture, and casework.

Founded in 1961 and headquartered in Tirol, Austria, the family-owned company employs 8,200 people and has 17 plants in Europe.

AHMI Trade Show / Meeting Activities

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

Sept. 12: **Appalachian Lumbermen's Club**, Concord, NC

Sept. 12-14: **AHMI & Hardwood Federation Fly-In**, Washington, DC

Sept. 19-21: **WPMA Annual Meeting & Tours**, Providence, RI

Sept. 25: **PennYork Lumbermen's Club**, State College, PA

Oct. 14-18: **High Point Furn. Market**, High Point, NC

Oct. 16: **American Society of Furniture Designers**, High Point, NC

Oct. 25: **SFI Certification Workshop**, Nashville, TN

Oct. 25-27: **NHLA Convention**, Nashville, TN

Nov. 2: **SFI Certification Workshop**, Newark, NJ

Nov. 14: **Appalachian Lumbermen's Club**, Johnson City, TN

Jan. 10, 2018: **Appalachian Lumbermen's Club**, Hickory, NC

Jan. 17-21, 2018: **AHMI Annual Meeting**, Marco Island, FL

Feb. 6-8, 2018: **IHLA Convention**, Indianapolis, IN

AHMI Summer Tournaments

The AHMI 2017 Summer Conference golf winners were:

Longest drive: Dave DiPonzio; Closest to the pin: Jay Reese.

Most groups were not able to finish the round so scoring for gross and net rounds was incomplete. Prizes were sponsored by Corley Manufacturing; and refreshments by SII Dry Kilns.

The Summer Conference Sporting Clays winners were: 1st place Lance Johnson; 2nd place tie: Nick Ince and Taylor Stringer.

The tournament was sponsored by Farm Credit of the Virginias.