

February
2002
NEWS

APPALACHIAN

The Height of Beauty

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.,
serving the lumber industry since 1928

The Cloister Rooms Are Available!

A few rooms remain available for the 2002 AHMI Annual Meeting at The Cloister.

Please call 1-800-732-4752. Also, enclosed are a letter from AHMI President Jim C. Hamer and the Meeting Pre-Registration list as of 2/1/02.

APPALACHIAN

Future Meetings

2002 Annual Convention
Feb. 21-24, The Cloister,
Sea Island, GA

2002 Summer Meeting
July 14-16 - The Home-
stead, Hot Springs, VA

**2002 Inter-Industry
Meeting**
October, NC

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Secretary Of Defense Invited To Speak At AHMI Annual Meeting

HIGH POINT, NC - Secretary of Defense Donald Rumsfeld has been invited to speak at the 2002 Annual Meeting of Appalachian Hardwood Manufacturers, Inc.

The request was submitted on behalf of AHMI President Jim C. Hamer by Rep. Shelly Capito (R-WV). Rumsfeld was asked to speak to the Appalachian lumber leaders about the United States' War on Terrorism.

"I am very excited to announce that Secretary Rumsfeld has been invited to attend or send a member of his staff to speak with us," said AHMI Executive Vice President Mark A. Barford. "This is a terrific opportunity for meeting participants to learn firsthand what the United States is doing to battle terrorism."

Rumsfeld has been asked to speak on Saturday, Feb. 23 following the annual business meeting of the association.

The convention agenda has been set with speakers from the domestic furniture industry, domestic wood promotions, and international hardwood markets. "Each session will offer the latest in reports from these areas and expectations for 2002," Barford said.

The meeting is set for Feb. 21-24 at

The Cloister on Sea Island, GA. It will begin with committee and board meetings on Thursday afternoon, and a welcoming social that evening.

Friday will begin with a Distributors Division meeting at 7:30 a.m. with a panel discussion on current business climate for lumber yards. The panel includes Ben Forester, Rex Lumber Co., Englishtown, NJ; Ted Rowe, Aurora Timberland Wholesale Hardwood Lumber Co., Ontario, Canada; and Bob Keiver, Keiver-Willard Lumber Co., Newburyport, MA. This session is for Distributor Division members only.

The general session begins Friday at 8:30 a.m. with keynote speaker John D. Bassett, III, president of Vaughan-Bassett Furniture Co. He was recently honored with the American Furniture Manufacturers Association's 2001 Distinguished Service Award.

Bassett has been instrumental in the success of Vaughan-Bassett through his commitment to invest in machinery and processes that keep plants competitive. The company uses a mix of domestic and imported com-

(See Meeting on page 2)

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website: www.appalachianwood.org



Mark my words.....

**By Mark A. Barford, CAE
Executive Vice President**

For anyone trying to find some good news on the economy, the recent observation by Federal Reserve Chairman Alan Greenspan will be heartening. He states "There have been signs recently that some of the forces that have been restraining the economy over the past year are starting to diminish and that activity is beginning to firm," which I interpret as meaning... things are getting better.

Of course, just 13 days ago, Greenspan reported that the economy still faced "significant risks," so the overall economy may not be out of the woods just yet.



Mark A. Barford

What does this mean for the lumber business? Housing starts in 1990 were 1 million, today they are at 1.6 million (increase 60%) - red oak price in 1990 was \$540 for 1 common, today \$760 (increase 41%) - interest rates in 1990 were 9%, today 6% (down 33%)... so why are we not booming?

The answer is easy... competition. Competition on the stump from other wood products companies and other countries around the world that harvest our trees while paying no tariff on those logs they carry overseas.

Competition at the market place with substitute materials and international cheap labor countries barnstorming our traditional markets. Competition with ourselves as we increase efficiency and production and oversupply the markets.

I have been reading with interest the furniture financial reports and sorry to hear how our consumers are hurting right now. When the CEO's are asked why they think there will be some improvement in profits, one of the factors they mention is the "reduced cost of lumber in 2002." That is not promising for a quick recovery.

This industry is in the midst of a major shift right now. Some observers think we could produce 25 percent less hardwood lumber in 2002, and where that lumber goes will certainly be changing. I remember learning in school that good quality and meeting the customers needs will always sell... we just might have to work a whole lot harder at it.

Meeting from page 1

ponents in its products.

He will detail Vaughan-Bassett's success and their plans for the future. "Mr. Bassett should have a challenging message that will be of interest to everyone," Barford said.

He will be followed by David Venables, American Hardwood Export Council European Director. He will report on current market conditions in Europe and around the world for American hardwood lumber.

"David is very knowledgeable on these markets and should give us keen insight into what has been happening and what is expected in the near future," Barford said.

Friday afternoon offers golf and tennis tournaments. Golf will begin at 1 p.m. at the Plantation Course. Tennis begins at 2 p.m. on the Resort Courts.

Lumbermen's Underwriting Alliance will host a reception at 7 p.m. in the Solarium. Dinner that evening is on your own.

The Saturday Morning Session will include breakfast, the annual business meeting and informative presentations. Wood Promotion Network President Kelly McCloskey will report on efforts to change Ford's support of environmental groups who oppose the forest products industry.

The second speaker will be the Secretary of Defense or his appointed designee.

Saturday afternoon will include a golf tournament at 1 p.m. at the Retreat Course. The association will also hold its first skeet shooting event at 2 p.m. at the Cloister Gun Club.

The President's Reception begins at 7 p.m. in the Plantation Lounge. The President's Banquet begins at 8 p.m. in the ballroom and will include the passing of the gavel from President Jim Hamer to incoming president Gary White.

The Cloister ranks as one of the top destinations for AHMI members. The facility, food and events combine to make each convention special.

Rooms may still be available at The Cloister by calling 800-SEA ISLAND (or 800/732-4752). Please mention that you are attending the Appalachian Hardwood Manufacturers meeting.

A meeting registration form is on page 6 of this newsletter and is also available online at www.appalachianwood.org. For more information, contact the AHMI office immediately at 336-885-8315.

Tournaments Test Golf, Tennis, Sporting Clay Skills

HIGH POINT, NC - Participants in the 2002 Annual Convention will have a chance to enjoy three tournaments during the afternoon hours.

Appalachian Hardwood Manufacturers Inc. will have golf tournaments Friday and Saturday afternoons. Friday's round is Medal Play at the Plantation Course and the fee is \$125. Saturday's round is Captain's Choice at the Retreat Course and the fee is \$95. Saturday teams are based on Friday's scores.

Prizes will be awarded for top individual and team scores. Prizes are sponsored by Aurora Timberland Wholesale Hardwood Lumber Inc., Ontario, Canada, and Corley Manufacturing Inc., Chattanooga, TN.

Tennis players are invited to participate in the annual tournament on Friday at 2 p.m. Prizes will be

awarded for men's and women's winners and are sponsored by U*C Coatings Corp., Buffalo, NY.

AHMI will offer a skeet tournament on Saturday from 2 to 4 p.m. The Cloister offers two skeet and one five-stand field and participants will shoot and be scored on each.

Registration fees for the skeet tournament are \$100 and includes gun rental, shells, skeet and field reservations. Prizes will be awarded for top scores and are sponsored by Volvo Construction Equipment, Asheville, NC.

Fees for all tournament participants will be billed by The Cloister to the individual participant's account.

To register for these events and the meeting, please contact the AHMI office at 336-885-8315.

2002 Annual Meeting Agenda

Thursday, Feb. 21

Registration.....2-6 p.m.
(Plantation Lounge)

Committee Meeting.....2:30-4 p.m.
Promotion - Cedar Room

Board of Trustees.....4-6 p.m.
(Cumberland Room)

Welcoming Reception.....7-8 p.m.
(Beach Club Ocean Room)

Board of Trustees Dinner.....8 p.m.
(Colt & Alisons)

Dinner on your own

Friday, Feb. 22

Distributors Division Meeting.....7:30-8:30 a.m.
(Cumberland Room)

Registration.....7:30-11 a.m.
(Plantation Lounge)

General Session8:30-11 a.m.
(Ballroom South)

Vaughan-Bassett President John D. Bassett III
AHEC European Director David Venables

Golf at Plantation Course1 p.m.

Tennis Tournament.....2 p.m.
(Resort Courts)

(Friday, Feb. 22 continued)

**Lumbermen's Underwriting Alliance
Reception.....7 p.m.**
(Solarium)

Dinner on your own

Saturday, Feb. 23

Breakfast General Session.....8:30-11 a.m.
AHMI Annual Meeting (Ballroom South)

Wood Promotion Network's Kelly McCloskey
Bush Administration official (invited)

Golf at Retreat Course.....1 p.m.
Skeet Tournament.....2 p.m.
(Cloister Gun Club)

President's Reception.....7 p.m.
(Plantation Lounge)

President's Banquet.....8 p.m.
(Ballroom)

*President Jim C. Hamer presiding
Entertainment by Record Breakers Entertainment*

**Sunday, Feb. 24 - No activities planned
Have a safe trip home.**

Dress for daytime and the Thursday reception is business casual. Dress for Friday reception and Saturday reception and dinner is coat and tie.

Directory Deadline Extended To Feb. 12

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc.'s has extended the deadline for advertising in the 2002 Membership Directory.

The majority of members have responded to requests for advertising space and listing information, reports AHMI Director of Communications Tom Inman. The deadline was extended to make certain all members and prospective members are included.

The directory is mailed and distributed to more than 10,000 wood consumers annually. It is the association's main piece in its promotion of members and hardwood lumber from the Appalachian region.

"We receive requests weekly from wood consumers seeking sources for hardwood lumber," Inman said. "We either mail them this directory or point them to the same listings on the membership section of our website."

Advertising rates for the directory are at the same level as 2001. The books will be mailed to the association's Height of Beauty database of 8,775 wood consumers, handed out at the International Woodworking Fair in Atlanta in August, and distributed at other regional and national meetings.

The membership package also included a brief description of achievements in 2001 and a listing of the benefits of membership. These include:

1) **"Appalachian Hardwoods, The Height of Beauty" promotion campaign** provides regular and repeated direct contact with 8,500 consumers.

2) **Community Involvement Program (CIP)** education program which targets schools, civic organizations and the new media with information about the forest products industry.

3) **Export Promotion** - participation in overseas trade shows and technical seminars.

4) **Exhibits at Industry Tradeshows** - including International Woodworking Fairs in Atlanta, GA and Anaheim, CA, and various regional shows.

AHMI conducts three meetings each year: Annual Convention in late February; Summer Family Conference; and Inter-industry meeting with the furniture industry in fall.

For more information or to be included in the advertising and membership sections, please contact Inman at the AHMI office at (336) 885-8315 or by e mail to ahmitom@northstate.net.

The deadline for participation is Feb. 12.



2002 MEETING

Sponsors Provide Funds For Convention

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. would like to thank the following 2002 Annual Meeting sponsors for their assistance in funding activities associated with the convention:

Friday Reception: Lumbermen's Underwriting Alliance, Boca Raton, FL.

Saturday Breakfast co-sponsor: Keiver-Willard Lumber Corp., Newburyport, MA

Golf Tournament Prizes: Aurora Timberland Wholesale Hardwoods, Ontario, Canada, and Corley Manufacturing Inc., Chattanooga, TN.

Saturday Golf Tournament refreshments: SII Dry Kilns, Lexington, NC.

Tennis Tournament: U*C Coatings, Buffalo, NY.

Skeet Tournament: Volvo Construction Equipment, Asheville, NC.

Other sponsorship opportunities are available. Please contact AHMI immediately at 336-885-8315.

NHLA Grade Rules Lead Belated Meeting

MEMPHIS, TN - The National Hardwood Lumber Association met in Memphis, TN, in January for the rescheduled 2001 Convention.

AHMI Executive Vice President Mark Barford said lower attendance gave more opportunity to see participants. The business sessions included NHLA committee work and a report from the Small Business Administration about help for companies that lost money due to the Sept. 11 attacks.

There were also interesting seminars on marketing, and the new requirements for international packing materials. "The most interesting part of the meeting was the open rules session, where members met to talk about proposed changes to the hardwood lumber grades," Barford said.

"Of particular interest is the proposed change to the special Walnut rules that NHLA has used for years," he said. "Proponents want to take away many of the unique rules, while the American Walnut Manufacturers Association wants to keep things the way they are."

Endangered Species Act Overlooked

Reprinted from the Wall Street Journal

So now we understand why Eastern urbanites and Washington politicians continue to extol that broken-down law known as the Endangered Species Act. It doesn't apply to them.

Or perhaps we should say, it didn't apply to them. Consider the lawsuit over the new Woodrow Wilson Bridge, a multibillion-dollar project meant to ease gnarled traffic around Washington, D.C.

It turns out that even though construction could imperil several endangered species, including the bald eagle, bureaucrats at federal agencies had quickly waved through the project. The hypocrisy is so blatant that the National Wilderness Institute, usually critical of ESA, has sued to halt the project. The government, of all people, is fighting back.

It seems that Washington politicians and commuters are shocked that an ESA lawsuit is being used so blatantly to halt human activity. Shortly after the suit was filed, then-Virginia Attorney General Mark Earley said that the suit was "disturbing to anyone who has ever had to sit in a traffic jam on the old bridge." Good point. Come to think of it, we're pretty sure Western and rural landowners would agree.

The Endangered Species Act was passed nearly 30 years ago in a show of bipartisan good intentions, to help animals on the brink of extinction. But since that time, environmental groups have hijacked the act, turning it into a bludgeon by which they can enforce their vision of a development-free America. It's rural parts of the country, where landowners lack deep pockets and political clout, that bear the brunt.

The ESA's capricious and uneven enforcement only underscores the utter bankruptcy of the law. According to a 1999 report, while 543 species were listed in the five Far West states, only 39 were listed in the Northeast. Critical habitats were designated for 96 species in the West, for just nine in the East. Fish & Wildlife spends more than half its ESA budget in just five Western states alone. Funny how all of those "endangered" animals choose to live in only one-half of the country.

Westerners know from long experience that the ESA is no longer about saving animals, but a legal pretext for stopping lives and livelihoods. The misuse and power struggles have become so intense that the act itself is paralyzed.

Bennett Scholarship Given To WVU Junior

MORGANTOWN, WV - The West Virginia University Foundation recently awarded the Howard D. Bennett/Appalachian Hardwood Manufacturers Inc. Scholarship to a Maryland student.

Megan Jones, a junior majoring in forestry, received the scholarship for the 2001-2002 fall semester. She has a 3.63 grade point average and is from Mt. Airy, Maryland.

The scholarship is named for former AHMI executive vice president Howard D. Bennett. He served the association from the 1950s to 1970s.

The fund was established following the sale of a research forest that had been donated to AHMI. The interest from this account benefits students in the forestry and natural resources schools annually.

Marketing Seminar Tops IHLA Meeting

INDIANAPOLIS, IN - A large crowd attended the Indiana Hardwood Lumberman's Association (IHLA) in Indianapolis in late January, reports AHMI Executive Vice President Mark Barford.

Barford said one of highlights of the session was a marketing seminar led by Dr. Bob Smith of the Center for Forest Products Marketing & Management at Virginia Tech. Titled, "Changing Markets for Salespeople," Smith discussed the lumber market in 2002 and compared it to 10 years ago.

Smith also outlined the challenges salespeople face in the lumber business today. These include:

- the increasing amount of substitute materials competing for traditional markets.
- the increasing influence of the world markets.
- the presence of e-commerce, and its impact on how we do business.
- the introduction of green certified products into the marketplace.

Despite all of these challenges, Smith said "relationship selling" will remain the key to successful lumber sales.

"In relationship selling, there is only one boss - the customer," he said. "It puts value on long-term commitments where the sale begins the process, not ends it."

APPALACHIAN Hardwood Manufacturers, Inc.



74th Annual Convention The Cloister, Sea Island, GA February 21-24, 2002

To accurately plan the functions and make sure all members and guests are included on the Registration List, please complete this form and return it with your check for registration to: AHMI, P.O. Box 427, High Point, NC 27261.

To reserve your room at The Cloister, please call 1-800-732-4752.

REGISTRATION FEE:

AHMI MEMBER - \$295 per person

GUEST - \$395 per person

MEMBER SPOUSE - \$150

GUEST'S SPOUSE - \$250

Full registration fee will be refunded on cancellations received by Jan. 15, 2002. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S ANNUAL CONVENTION

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

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

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

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

Company: _____

Address: _____

City/State/Zip: _____

PLEASE REGISTER FOR GOLF (Friday Medal Play - Saturday Captain's Choice)

Name: _____ Hdcp _____ Name: _____ Hdcp _____

Name: _____ Hdcp _____ Name: _____ Hdcp _____

PLEASE REGISTER FOR TENNIS (Friday afternoon)

Name: _____ Name: _____

PLEASE REGISTER FOR SPORTING CLAYS (Saturday afternoon)

Name: _____ Name: _____