



Since 1928

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

Demand the Appalachian Standard

December 2004



Family Business, New Markets Get Attention

KIAWAH ISLAND, SC - Family Succession and growing markets for Appalachian hardwood lumber will be the focus of the 2005 Annual Meeting of Appalachian Hardwood Manufacturers, Inc. Feb. 24-27.

The 2005 AHMI Annual Meeting will be held 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.

"The Sanctuary opened in early fall of this year and is a beautiful property that is the perfect setting for the Appalachian meeting," said AHMI President Mark Barford. "Our members and guests will find it to be a nice break from winter and comparable to our usual meeting locations."

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 rooms Fitness room, indoor pool and jacuzzi.

Speakers for the business sessions are:

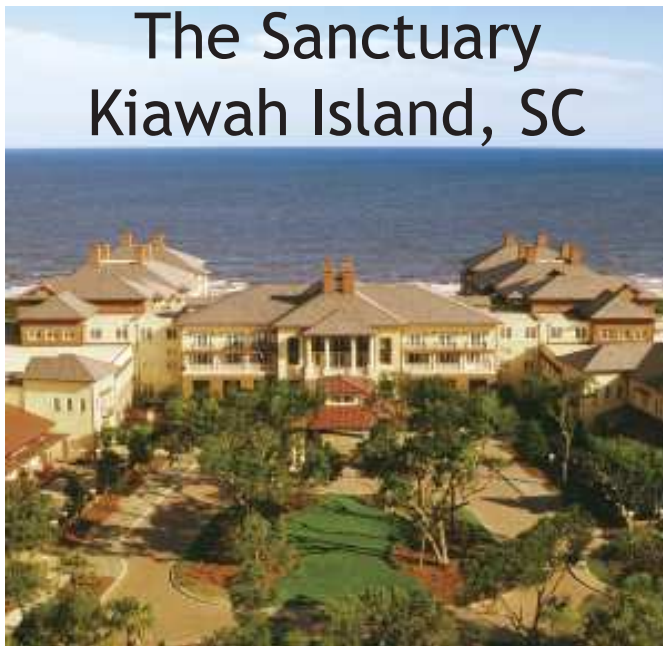
Ernie Doud, consultant, who will speak on "Breaking the Barriers of Family Owned Business." This will be followed by a breakout session sponsored by Southmark Consulting, Charlotte, NC, on Successful Family Succession.

Judd Johnson, Hardwood Market Report, who will speak on "The State of the Hardwood Lumber Industry."

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

Stewart Sexton, DLH Nordisk, who will speak on

The Sanctuary Kiawah Island, SC



lumber imports. There will also be breakout meetings for both the Producer and Distributor divisions.

The weekend will include an array of social and sports activities. Sponsorships for several events remain available. For more information on sponsoring an event, please contact the AHMI office.

"Our members have received the first mailing of meeting registration materials and should make their room reservations as soon as possible," Barford said.

Rooms are available in the AHMI block at The Sanctuary until Jan. 25. The reservation telephone number is 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.

A meeting agenda is printed on page 2.

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

As we get begin our 78th year promoting the Appalachian hardwood industry, I want to let the membership know about the long term issues we are working on that will challenge our industry over the coming years.



Mark A. Barford

International Trade - Much of the recent changes in our industry have been caused by the new world economy. For the past two decades, hardwood lumber has benefited from overseas demand which complimented domestic purchases. Now, outsourcing has closed many U.S. plants, and lumber producers in other countries are competing against our

product. Lumber imports, while still small, are steadily increasing. World markets, international politics and potential new markets will remain high on our priority list for years to come.

Log Availability - With the US Forest Service reporting an ever increasing supply of hardwoods, it remains the industry's concern to assure that forests remain available for harvesting. With urbanization, closing of government forests, and restrictions on harvesting practices, this issue grows in importance.

Forest Management Research - AHMI is helping establish a new Appalachian hardwood forestry research cooperative to be sure our forests are forever a sustainable supply of wood fiber, clean water, abundant wildlife, and available for recreational uses.

Forest Certification - This is an issue that has been slowly gathering interest in the wood consuming industry, particularly in Europe. In the US, we have a naturally sustainable hardwood resource that is growing faster than it is being cut.... will that information be enough to hold back the expensive requirements of certification? The association will stay involved with the issue, and make wood consumers aware of the limited availability of certified wood.

Government Regulations & Policy - An on-going struggle to let the free enterprise system work by keeping government out of our business. Every year there are more regulations and restrictions offered by those trying to slow or stop our industry, and AHMI will continue to monitor and respond in conjunction with the Hardwood Federation and state groups.

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, Merrillat 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

U.S. Alters Tariffs On Chinese Bedroom Imports

The federal government has trimmed proposed tariffs on bedroom furniture imported from China.

The reduction of six of the nine tariff rates initially set by the government in June means that big furniture stores will continue ordering heavily from Chinese factories, while U.S. furniture makers will face pressure to move more of their production outside the U.S.

The ruling by the Commerce Department reduced the proposed tariff rate for 115 Chinese manufacturers to 8.6% from 12.9%. Those companies account for 65% of the bedroom furniture imported to the United States from China.

The tariff rate was trimmed after regulators visited Chinese factories and recalculated their estimate of the advantages gained by those factories because they operate in a “nonmarket economy. Similar calculations led regulators to lower the tariff rate for five major Chinese furniture makers that are subject to individual tariffs.

Proponents of Chinese imports hailed the ruling as evidence that many Chinese factories operate more like free-enterprise entities than government-controlled ones. U.S. retailers are expected to continue ordering heavily from leading Chinese factories, because the proposed 8.6% tariff on many items would add only about \$100 to the retail price of a \$1,700 bedroom set. Importers pay the tariff and typically try to pass along the cost to retail customers.

Owing to the mere specter of big tariffs, U. S. furniture stores and importers earlier this year



CONSUMERS

scrambled to other low-cost countries to order bedroom furniture. Doing so boosted production capacity in Indonesia, Malaysia, Russia, Vietnam and Mexico, according to importers. That increased capacity ultimately will work to drive down prices for U.S. consumers, many report.

The trade case in question covered only wooden bedroom furniture, a specialty of the Chinese factories. U.S. retailers and importers feared that if massive tariffs were imposed, domestic manufacturers would seek similar measures for living-room furniture and upholstered furniture, such as sofas. Because the tariffs are considered minor, it appears less likely that such measures will be pursued.

Regulators didn't back down from their June decision to nail a group of small furniture makers that produces less than 5% of bedroom furniture imported to the U.S. from China. Those companies were assessed a tariff of 198%, meaning the U.S. government essentially reiterated its finding that those factories operate under Chinese government control.

A final decision on the tariffs is expected by year's end, when the U. S. International Trade Commission decides whether U. S. furniture makers have been injured through unfair competition. While the agency could drop the tariffs entirely, supporters and opponents of the tariffs expect them to be approved.

WTO Approves Penalties Against U.S. Goods

Eight major U.S. trading partners may collect millions of dollars' worth of punitive tariffs on U.S. goods each year, the World Trade Organization ruled in November.

Like many other governments, the U.S. collects duties from foreign firms that it deems to be dumping—selling goods at artificially low prices. A U.S. law, the Byrd amendment, directs the government to hand over this money to U.S. companies that complained about the low prices, rather than depositing the funds into the Treasury. The controversial Byrd amendment—which WTO has twice ruled against—is named for sponsor, Sen. Robert C. Byrd (D-WV).

Now, WTO arbiters have authorized the Euro-

pean Union, Brazil, Canada, Chile, India, Japan, Mexico, and South Korea each to impose retaliatory tariffs. The duties are worth 72% of the disbursements made to U.S. companies under the Byrd amendment—about \$140 million a year. The retaliatory duties can be imposed on any U.S. import.

Though they can slap sanctions on U.S. goods at any time, the eight trading partners are likely to wait for several months to see if Congress changes or rescinds the Byrd amendment. EU Trade Commissioner Pascal Lamy says, “I hope the U.S. will now take action to remove this measure.”

President George W. Bush has said he would work with Congress to bring the US into compliance.

Hardwood Federation Boasts 2004 Success

WASHINGTON, DC - The Hardwood Federation celebrated an overwhelming victory in the November 2004 elections.

The Hardwood Federation recently announced that the hardwood industry's candidates won an astounding 96 percent of the elections. In the 194 elections where the Hardwood Federation Political Action Committee (HFPAC) supported a candidate, 186 won while only eight elections (four in the Senate and four in the House) were lost.

"It was an amazing day for our industry. With such close elections, we were very fortunate to have so many victories," said Wendell Cramer, HFPAC chairman and president of W.M. Cramer Lumber Co., Hickory, NC. "Our industry will now have the opportunity to really apply pressure to members of Congress to put in place legislation that will help our industry rather than hurt it."

The HFPAC contributed more than \$315,000 to

hardwood friendly candidates during this election cycle. It was the most money this industry has ever had involved on an election day - none of which could have been possible without the support from the hardworking families in the hardwood industry and the 19 organizations in the Hardwood Federation, said Chris Allen, executive director.

With the elections now over, the Hardwood Federation will focus on opening its new headquarters in Washington, DC. The Hardwood Federation hopes to have the new office up and running early in 2005.

For more information on the 2004 Elections please visit the Hardwood Federation's website at www.hardwoodfederation.com. If you or your company is interested in helping the Hardwood Federation move to Washington, DC please make your check out to the Hardwood Federation and send it to the Hardwood Federation, P. O. Box 34518, Memphis, TN 38184-0518.

Cong. Taylor Explains Importance Of Forestry

In the past year, several colleagues of mine in the House of Representatives have asked me whether we have – at long last – turned the corner in bringing a measure of sensibility and sound science back to our nation's forest management policies. After the rare showing of bipartisanship which led to the enactment of the Healthy Forests Restoration Act last December, I can't blame them for their optimism. I only wish that I could share it.

As the only registered forester in Congress, and Chair of the House Interior Appropriations Subcommittee, I follow the issues that impact forest landowners and managers a lot more closely than most. Take just about any debate on our nation's forest policies – wildfire, roadbuilding, timber salvage, biomass – and you'll find me alongside Members from western states working to ensure that science, rather than emotion, guides the outcome.

Therein lies the problem: while many of us in Congress are guided by the silvicultural research put forth by leading universities, as well as public and private forest scientists, there are just as many Senators and Representatives who continue to base their votes on romanticized notions of environmental utopia. In Washington, DC, hundreds of millions of dollars are spent by so-called environmentalist organizations to reduce complex forest management issues into warm and fuzzy talking points. Not a single penny is spent by these organizations for on-the-

ground projects to reduce the fuels buildup in our national forests, or to reforest after devastating wildfires. Instead, these special interests devote their millions to create thinly-veiled scare campaigns to convince the American public – and some Members of Congress – that no tree should ever be cut for any reason: not for fuels reduction, not for commercial harvest, not for wildlife habitat. In the end, it's our forests that suffer, because this polarization makes it more difficult to reach consensus on management and conservation policies alike.

When you see articles, TV reports or letters to the editor in your area that advocate unsound forest management practices (or simply no management at all), don't let them pass by unanswered. Respond with the facts and the science, to make sure that our side is heard, as well. And perhaps more importantly, get out into the forest itself: volunteer to act as a trail guide, participate in a cleanup day, or work with a local conservation group on a stewardship contract.

Working together today, we can ensure that our forests will stand as sources not only of recreation, but inspiration, for generations to come.

Congressman Taylor has served in the U.S. House of Representatives, since 1991. He serves on: Committee on Appropriations, Subcommittee on Interior; Chairman, Subcommittee on Commerce, Justice, State, and Judiciary.

Endangered Species Act Reform Tops Agenda For Congress

WASHINGTON — Despite winning the White House and bigger majorities in Congress, Republicans have mapped out a limited agenda of forestry legislation for the 109th Congress, but they do plan changes to the Endangered Species Act.

The top priority for the second Bush administration will be implementing the Healthy Forests Restoration Act and treating fire-prone timberlands, Mark Rey, undersecretary of agriculture, said in November.

With money from the 2003 law, federal land managers have increased forest-thinning projects to 4 million acres a year, he said. They hope to boost the rate to 8 million acres a year and ultimately hope to treat a total of 90 million acres.

"If we can get to the point where we are treating 8 to 9 million acres a year, we're looking at a problem we can resolve in about nine years or 10 years time," Rey said. "And that's what we think the right profile for this is."

Republicans in Congress have more ambitious goals. The House Resources Committee, chaired by Rep. Richard Pombo, R-Calif., plans to take up a series of bills intended to make the endangered species law more "usable," an aide said.

"We'll be trying to move a lot of legislation," said Doug Crandall, a committee staffer. "I wouldn't say major reforms, but I would say a lot of bills that focus on a lot of little problems in the law that makes it difficult to manage forests."

Among the measures to be considered by the Resources Committee is a plan by Rep. Greg Walden, R-Ore., to create a panel of scientists to review data that regulators use to design plans to protect endangered species.

Other forestry proposals include: Incentives for commercial use of brush and small trees — also called "biomass" — cleared from overgrown forests. More aggressive efforts to restore timberlands after catastrophic fires. Opening federal lands for recreational uses.

Environmental advocates also are braced for the administration to release a less-restrictive version of the Clinton administration's 2001 "roadless" rule. The rule prohibited additional road building and logging in 58.5 million acres of remote, "roadless" forests.

12/04 *The Standard* - Appalachian newsletter - 5 Book Details Swelling, Shrinking Of Wood

A new book addresses changes in wood and wood-based products for users and manufacturers of wood and wood products and for the ultimate consumers of these products.

"The Swelling and Shrinking of Wood: A practical technology primer" by Otto Suchsland, Professor Emeritus, Department of Forestry, Michigan State University, addresses in detail the fundamental concepts of the swelling and shrinking of solid wood and wood-based composite products and serves as an invaluable guide in the design, manufacture, and use.

Chapters cover: the basics of air, water, and relative humidity; wood and its reaction to moist air; dimensional changes in solid wood; warping of solid wood; swelling, shrinking, and warping of laminated wood products; swelling, shrinking, and warping of wood-based composite boards; and the dimensional stabilization of wood and wood products.

The book is available from the Forest Products Society, 2801 Marshall Ct., Madison, WI 53705-2295 USA, www.forestprod.org. The softcover, 8.5 by 11 inches, 189 pages, \$59 for FPS members, \$75 for nonmembers, \$35 full-time student (plus delivery).

This book can be purchased through the FPS website (www.forestprod.org/shop/index.html#shrink) or by phone 608-231-1361 ext. 202.

Darden Leads Coop Forestry Programs

ATLANTA—A 30-year wildlife and natural resource management veteran has been tapped to oversee the USDA Forest Service, Southern Region's, Cooperative Forestry Program, which assists private forest owners in 13 southern states.

Tom Darden, who has headed the Region's Biological and Physical Resources Unit for the last seven years, has been named Director for Cooperative Forestry. He replaces Jim Ehlers who now serves as the Regional Healthy Forest Restoration Act Specialist. The position is located in the Region's Atlanta headquarters.

More than 5.5 million private landowners oversee 89 percent of the South's forested land base, he said. Working through the State Foresters, the Cooperative Forestry Programs assist landowners in achieving resource objectives on their forestland.

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 all participants on the Registration List, please complete this form and return it 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 \$ _____

