



Since 1928

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

Demand the Appalachian Standard

July 2004



US Sets Tariff On Chinese Bedroom Furniture

WASHINGTON — The Bush administration proposed new tariffs in June on wooden bedroom furniture from China as it decided that companies there are dumping beds, dressers, armoires and desks worth millions of dollars into the United States at artificially low prices.

The Commerce Department proposed tariffs ranging from 5 percent to 198 percent. China is the largest exporter of furniture to the United States with an estimated \$1.2 billion of wooden bedroom furniture imported in 2003.

The anti-dumping case is the largest yet brought by U.S. manufacturers against their Chinese competitors. A coalition of U.S. furniture makers had asked for duties ranging up to 441 percent to offset alleged "dumping" by their Chinese rivals.

"We preliminarily find that producers/exporters have sold wooden bedroom furniture from China in the U.S. market at less than fair value, with margins

ranging from 4.9 percent to 198.08 percent," the Commerce Department said in a statement.

For seven companies that account for roughly 40 percent of all wooden bedroom furniture shipments from China to the United States, the Commerce Department set duties ranging up to 24.34 percent. Another 82 companies which showed that their exporting was not controlled by the Chinese government were hit with a duty of 10.92 percent.

All other Chinese furniture producers or exporters face a new duty of 198.08 percent, Commerce said.

U.S. imports of Chinese wooden bedroom furniture have surged from \$359 million 2000 to nearly \$1.2 billion last year. By some analysts' estimates, China produces at least 40 percent of all furniture sold in the United States.

With American consumers buying the low-priced
(See Furniture on page 3)

Crowd Readies For AHMI Summer Conference

ASHEVILLE, NC - A terrific crowd is expected for the 2004 Appalachian Hardwood Manufacturers, Inc. Summer Family Conference.

The room block set aside for AHMI members and guests at the Grove Park Inn filled up in the final hours of the deadline, reports AHMI President Mark Barford. There are still a few rooms available.

"We are very excited to report a great crowd has reserved rooms and are anticipating another excellent meeting," Barford said. "We encourage any members or friends who have not registered to call and take one of the few remaining rooms and register with AHMI today."

The meeting is set for July 18-20 at the mountain resort in Asheville, NC. AHMI last visited the Grove Park Inn in 1999 and since then the hotel has built a spa, renovated the Club Floor, redesigned the golf course and made numerous improvements.

AHMI has prepared an informative business session for the Monday meeting. Gerald Grider, president of Ferche Millwork, the nation's top hardwood millwork producer, will discuss the benefits of the higher grades of lumber for wood consumers. Ferche Millwork has been a member of AHMI since 1993.

The business session will also include Bush-
(See Meeting on page 3)

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APPALACHIAN Future Meetings

2004 Summer Meeting

July 18-20 - The Grove Park Inn, Asheville, NC

2004 Inter-Industry Meeting

Oct. 20 - The Village Inn, Clemmons, NC

2005 Annual Meeting

Feb. 24-27 - The Sanctuary, Kiawah Island, SC

Mark my words.....

By **Mark A. Barford, CAE, CF**
President

Congratulations are in order for the Committee for Legal Trade (CLT) chaired by Mr. John Bassett, president and CEO of Vaughn-Bassett Furniture and a recent speaker at our annual meeting. The U.S. Department of Commerce agrees that a duty is needed and supports the petitioners claim that there is unfair trade practices taking place.

The fact that the duty averages about 11%, with some significantly less, however, means the effect of the duty may not achieve the desired goal of protecting the domestic furniture industry. In fact, Vaughn-Bassett announced on the day following the ruling that it will close one of their plants in South Carolina, reducing employees by 20 percent.



Mark A. Barford

A number of members have asked me what it all means, and here are my thoughts:

- * Production from China will likely be shifted to companies that got the initial lower duties (including Lacquer Craft (4.9% duty) among other already very large operations), and to other countries. This could be a boost for Vietnam, Malaysia, Philippines, etc.;

- * As noted above, few domestic furniture jobs will be saved or created by this action, but it is a "shot over the bow" to exporters that U.S. manufacturers will enforce trade laws already on the books;

- * Furniture prices will not immediately reflect the increases as retailers say they can absorb the changes, so consumers won't know the difference;

- * Our markets in China may shift, but most buyers are indicating they see business as usual with few lasting effects (*time will tell*);

- * None of these duties, estimated at \$60 million the first year, will come directly back to the furniture industry. There is some talk of legislation to do that, but it looks very unlikely. The only people for sure who come out ahead financially are the lawyers.

Of course, it's not over yet. There are still reviews, modifications and the assured appeals. Both sides are claiming victory and defeat. I'm hoping that soon we can get back to the full-time business of selling wooden furniture to the public to ensure our customers will return to a thriving business.

AHMI Joins Green Building Coalition

Appalachian Hardwood Manufacturers, Inc., recently joined 30 other associations in a concerted attempt to have an impact on the growing green building movement.

The Coalition was formed in 2003 to promote green building concepts and standards that reflect the views and concerns of all stakeholders, and not just the few groups that are currently dominating the discussion.

In particular, the U.S. Green Building Council has recently developed Leadership in Energy and Environmental Design (LEED) standards which utilize non-scientific and subjective methods to determine which products are allowed higher ratings. The current system has not included a consensus process from all interested parties to be sure that no one group dominates the process.

"The LEED rating system as it is currently designed does not allow the wood industry to demonstrate the exceptional advantages of using and promoting wood products in buildings," said Appalachian Hardwood Manufacturers, Inc. President Mark Barford. "The coalition that we are a part of is simply asking to be at the table when decisions are made so that environmentally conscious consumers can have all of the information available to make a wise decision.

"We believe that these issues, along with forest certification, are not going to be swept under the rug, and the industry has learned from the past that we must be involved in the early going to have some positive effect," he said.

Wood Dust Study Update

The Tulane University Wood Dust Study will be completed this summer with researchers analyzing data for the next several weeks.

Appalachian Hardwood Manufacturers, Inc. has been a partner in this study for six years. The analysis has included more than 9,000 individual breathing tests at four locations. The data will be used to generate information on the relationship between exposure and respiratory health.

Tulane researchers expect to complete the analysis by December and provide a draft report in early 2005.

Furniture from page 1

Chinese goods, U.S. furniture makers have taken a hit. Woodworking factories lost 35,000 jobs, or nearly one-third of the industry since 2000, according to government labor statistics. Meanwhile, American furniture makers have had to slash prices to compete with their Asian counterparts.

The U.S. trade deficit with China hit a record \$124 billion in 2003 and is projected to grow even larger this year.

The anti-dumping issue has split the furniture industry, pitting some manufacturers in favor of duties against import-heavy retailers.

Meeting from page 1

Cheney'04 National Field Director Cuddy Johnson. He will provide current information on the campaign and strategies for the remaining months.

Johnson has served in the Bush Administration since January of 2001 as associate director of political affairs for the White House, overseeing political activity in nine Appalachian and Central states: Indiana, Kentucky, Kansas, Missouri, North Carolina, Ohio, Tennessee, Virginia and West Virginia.

Also during the business session Hardwood Federation Lobbyist Grace Terpstra of Terpstra & Associates, Washington, DC, will discuss key legislative issues for 2004. AHMI is a founding member of the Hardwood Federation.

The conference begins with welcoming social sponsored by Volvo Construction Equipment North America. The equipment maker has offices and manufacturing facilities near Asheville.

Monday afternoon will offer golf, tennis and shooting tournaments. A reception is set for Monday evening and AHMI Trustees will meet Tuesday morning.

On Tuesday, Volvo invites AHMI members to tour its demonstration site and view the Volvo line of equipment for sawmills, distribution yards and forestry operations beginning at 10:30 a.m. The site is minutes away from the Grove Park Inn and Volvo will shuttle attendees to the facility for a tour and lunch.

AHMI members and guests are encouraged to make final room reservations immediately by calling the Grove Park Inn at 800-438-5800.

Registration forms are printed on page 6 of this newsletter. Please complete and fax to AHMI at (336) 886-8865 immediately. For more information, contact the AHMI office at (336) 885-8315.

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Please Act Today!

The U.S. Senate is expected to take up the Fiscal Year 2005 Interior Appropriations Bill soon. Two forest-related amendments are expected: (1) to prohibit new forest planning regulations and (2) to prohibit road building on the Tongass National Forest.

If Congress establishes a precedent of selectively prohibiting forest plan implementation on one national forest — in this case the Tongass — it can easily prohibit it on any other, or all other, national forests. Please take a few minutes to call, send an email or a fax to your Senators asking them to oppose both of these amendments. A sample letter is available at www.appalachianwood.org.

2004 Summer Family Conference Meeting Agenda

Sunday, July 18

4 - 6 pm Registration - Sammons Reg. Desk

6:30 - 7:30 pm Volvo Welcoming Social -
Vanderbilt Terrace

Dinner on your own

Monday, July 19

8:30-11 am General Session - Heritage Ballroom

Welcome - Ed Ramsey

Invitation to Kiawah - video presentation

Bush Cheney '04 - Cuddy Johnson, political
advisor

Federal Legislative Issues - Grace Terpstra,
Hardwood Federation

Ferche Millwork Specification of Appala-
chian FAS Lumber - Gerald Grider

12:30 pm AHMI Summer Golf Tournament (shot-
gun start, medal play) - Grove Park Inn Course

1:30 pm Sporting Clays Tournament - Applewood
Sporting Clays, Edneyville, NC

2 pm Tennis Tournament - Grove Park Inn Courts

6:30 pm Chairman's Reception - Vanderbilt
Terrace

Dinner on your own

Tuesday, July 20

8:00 -10:00 am Board Breakfast - Laurel Room

(optional) **10:30 am** Volvo Construction Equip-
ment Demonstration Site Tour - Shuttle vans will
pickup at Grove Park Inn Main entrance

Barford Promotes Appalachian In Spain

Appalachian Hardwood Manufacturers, Inc. President Mark Barford recently traveled to Madrid, Spain to attend the ZOW Furniture Components tradeshow and tour a local door factory.

The booth was managed by the Wood Components Manufacturers Association in cooperation with the American Hardwood Export Council (AHEC), but AHMI was free to hand out information and directories, and take trade leads. There was little "new" interest in American hardwoods, but Barford reports that in general interest is high for American woods, and particularly Appalachian hardwoods.

"The good news is that I saw a lot of Appalachian hardwoods during a personal tour of the Uniarte Co., which manufactures doors using American hardwoods and veneers," Barford reports. "Uniarte is the largest of several door manufacturers in that area, and together they represent the vast majority of American hardwoods shipped to Spain.

"The bad news, as we learned at the show, is that 'substitute' materials like plastic and printed papers are going into most of the furniture and cabinets," he said.

Most of the wood utilized in Spain is White Oak and limited amounts of Cherry. It is a mature market that is very comfortable working with the current agents and importers.

With their construction market strong and many



Spanish Timber Importers Association Director Alberto Romero talks with AHMI's Mark Barford

new housing starts, there should continue to be a steady market for current suppliers.

"Spain appreciates the look of wood, and understands the beauty of quality products," Barford said. "Their market, like the others in Western society is being covered by substitutes and products produced in other countries. With those constraints, this will be a difficult market to expand."

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

VA Tech Names Kelly As Dean

BLACKSBURG, VA - J. Michael Kelly, chair of the Natural Resource Ecology and Management Department at Iowa State University, will become the second dean of Virginia Tech's College of Natural Resources, effective Sept. 1. He will replace Gregory N. Brown, who has announced his retirement.

Kelly comes from the Iowa State University Department of Forestry as professor and department chair in 1995, a position he held until 2002. He was responsible for developing and implementing a merged Department of Forestry and Department of Animal Ecology to form the Department of Natural Resources Ecology and Management and was named chair of the new department.

While he was forestry department head, research grew significantly, with external annual support increasing by a factor of five. He helped grow the department's endowments by \$2.2 million.

WPN Taps Smith As Speaker

In addition to HGTV's design expert, Joe Ruggiero, WPN has enlisted the help of several other third-party spokespeople to further extend the reach of positive wood and forest messaging.

The new spokesmen include:

Robert Smith - Associate Professor of Wood Science and Forest Products at Virginia Tech University;

Stuart Lieberman - Former Deputy Attorney General for the NJ Department of Environmental Protection, now a journalist on real estate and the environment;

Chadwick D. Oliver - Professor of Forestry and Environmental Studies at Yale's Global Institute of Sustainable Forestry.

Smith is well-known to AHMI members and has spoken at meetings and seminars. AHMI congratulates him on the appointment and looks forward to his addition to WPN. AHMI is a charter member of the Wood Promotion Network.

Timber, Land Security Seminar Set

Are you a fraud victim? Is timber being stolen from your property? Are you being paid for what has been harvested? Are bogus tickets being created? Who are the ELF's? Who can you trust?

Answers to these and other questions can be obtained from the Timber and Timberland Security Seminar sponsored by DRM, Inc and TimberWatch, LLC. The presenters Aaron Gilland and Jerry Stuckey have a combined 60 years experience in the forest industry and are considered experts in the field of Timber Security.

The seminar is scheduled for August 16, 2004 at the Radisson Hotel in Scranton, PA. For more information, please call (803) 438-6139, (843) 899-4477, or go online at www.timbersecurity.com.

Forest Service Sales On Rise

ASHEVILLE, NC - More than a dozen commercial timber sales slated for the Nantahala National Forest are moving toward approval.

Two factors have set the stage for an increase in logging in the Nantahala: the forest is now free of environmental legal challenges that had slowed logging over the past five years; plus, Bush Administration policies and philosophies have filtered down the ranks to local forest service offices.

Timber sold off public lands dropped 90 percent between 1992 and 2002, from 12 billion board feet annually to 1 billion. Today, more than two dozen timber sales are currently on tap in the Nantahala and Pisgah national forests. Six of the logging operations either already approved or quickly coming down the pipe are in the Wayah District of the Nantahala Forest in Macon and Swain counties.

Tom Southard, a forest service timber management assistant with the Wayah District of the Nantahala, said that while the current number of timber sales seems large, the reality is that the forest service is now playing catch up on sales that had got backed up from 1999 through 2002.

"We went through a period of two or three years where we really didn't sell much timber at all," said Southard. "We are probably behind in rotation."

The slowdown was caused by the discovery of the Indiana bat and an environmental lawsuit challenging whether the forest service properly monitored "indicator species."



FORESTRY

MeadWestvaco Research Forest Celebrates 10 years

MeadWestvaco, a long time AHMI member, recently celebrated ten years of operation of their Wildlife and Ecosystem Research Forest located near Elkins, WV. The company hosted an industry forum with several distinguished speakers to celebrate the event, attended by many members of the AHMI forestry division and AHMI president Mark Barford.

The keynote speaker was John Luke, Jr., the Chairman and CEO of MeadWestvaco, who spoke of changing times and adaptations for the pulp and paper business, but the companies continued commitment to be good stewards of their land, and conduct the necessary research to ensure the best science is applied to their lands.

"Mr. Luke said that although the company had divested themselves of nearly 1 million acres of land, the company still has holdings of over 2 million acres," Barford noted. "He noted that the unique feature of the Research Forest is that is a cooperative effort of several universities and government entities, including the US Forest Service, and ensures that the results will be scientific and peer reviewed."

AHMI congratulates MeadWestvaco on their commitment to sound forestry practices through their year of forest stewardship, and the completion of the first ten years in this unique research effort.

Bush Plan Opens Forests

WASHINGTON - Governors would have to petition the federal government to block road-building in remote areas of national forests under a Bush administration proposal to boost logging.

The proposed rule change, outlined this week in the Federal Register, could signal the end of the so-called roadless rule, which blocks road construction in nearly one-third of national forests. Without a national policy against road construction, forest management would revert back to individual forest plans.

"The roadless rule is struck down nationwide," a U.S. Forest Service spokesperson said, referring to a ruling by a federal judge in Wyoming. "We are trying to create a rule that will pass legal muster."

APPALACHIAN



Hardwood Manufacturers, Inc.

Summer Family Conference, The Grove Park Inn, Asheville, NC

July 18-20, 2004

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

To reserve your room at The Grove Park Inn, call 1-800-438-5800.

REGISTRATION FEE:

AHMI MEMBER - \$225 per person
MEMBER SPOUSE - \$125

GUEST - \$325 per person
GUEST'S SPOUSE - \$225

CHILDREN UNDER 16 FREE!

PLEASE REGISTER THE FOLLOWING FOR AHMI'S SUMMER FAMILY CONFERENCE

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

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

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

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

Company: _____

Address: _____

City/State/Zip: _____

Signed Date

REGISTER FOR GOLF (Grove Park Inn Monday at 12:30 pm Medal Play)

Name _____ Hdcp _____ @ \$170 Name _____ Hdcp _____ @ \$170

REGISTER FOR TENNIS (Monday afternoon)

Name: _____ fee: \$25 Name: _____ fee: \$25

REGISTER FOR SPORTING CLAYS (Applewood Sporting Clays, Edneyville, NC, Monday at 1:30 pm)
(One round of 100 targets - **Bring your own gun and minimum of 5 boxes of shells**)

Name: _____ fee: \$35 Name: _____ fee: \$35

Volvo Construction Equipment Demonstration Site Tour

On Tuesday, Volvo Construction Equipment has invited AHMI members and guests to participate in a tour of its demonstration site in north Asheville. The tour includes all of Volvo's equipment available to sawmills, distribution yards and logging operations. Please check below if you will participate:

Yes, I will plan to join Volvo No, please send me more information

Check # _____ Received _____