



Since 1928

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

September 2008



AHMI Makes 'Sense' With Fall Meeting Merger

Dollars & Sense Of Going Green Attracts Lumber Consumers To Indianapolis On Oct. 28-29

Appalachian Hardwood Manufacturers, Inc. is combining its annual Inter-Industry Meeting into a certification summit planned Oct. 28-29.

"Dollars and Sense of Going Green" will be held at the Sheraton Indianapolis City Centre Hotel and is organized by Purdue University, Department of Forestry and Natural Resources, and *Wood & Wood Products Magazine*.

The objective of the summit is to provide a forum for leaders in the primary and secondary hardwood manufacturing industry to discuss the issue of wood certification and to help these companies plan for the future. The forum is designed to have "industry talking to industry" according to Dan Cassens, Purdue University.

"We simply want to provide the hardwood industry with as much information about certification, industry experience with certification, as well as current and future markets for certified wood products, as possible," he said. "Armed with this state of the art information, companies can better make a decision on how to respond to green certification, given their individual circumstances."

AHMI has followed the "industry talking to industry" format for its fall meeting for the past three years. Upon learning of the program, AHMI signed on as a cooperator.

"This is an excellent opportunity for AHMI members to learn what producers and users of hardwood lumber across the country are thinking about certi-

fication," said AHMI President Tom Inman. "Every company is trying to figure out if certification is needed and what works best for them."

AHMI has sponsored two workshops and several speakers on this evolving subject over that past two years. The office receives calls weekly about the subject and the AHMI Verified Sustainable certificates.

"Two AHMI companies have recently completed FSC certification and four others will be certified with one of these systems by the end of the year," Inman said. "More and more I have members asking about certified wood and what they must do to be certified."

For more information, please contact Dan Cassens at 765-494-3644 or e-mail dcassens@purdue.edu or Tom Inman at 336-885-8315 or email tom@appalachianwood.org.

The complete program and registration details are available at www.greenwoodseminar.com. When you register, you can receive a discount by entering the cooperator code AHMIVIP.

Make your hotel reservations by Oct. 13, 2008, to qualify for the room rate of \$119 plus tax. Be sure to mention "Green Wood Seminar." For reservations, call the Sheraton at (317) 635-2000.



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APPALACHIAN Future Meetings

Forest Certification Summit - Oct. 28-29, 2008
Indianapolis, IN

2009 Annual Meeting - Feb. 25 - March 1
Ponte Vedra Inn & Club, Ponte Vedra, FL

2009 Summer Conference - Aug. 1-4
The Homestead, Hot Springs, VA

The way I see it...

By Tom Inman, AHMI President

...Appalachian Hardwood Verified Sustainable continues to generate interest and meet the needs of hardwood consumers.

At the recent International Woodworking Fair in Atlanta, we provided AHMI members with plaques of their Verified Sustainable certificates. Most reported customers asking about the promotion and saying that it provided them with the "green" documentation they needed.

The AHMI Board of Trustees realizes that this works for some and may not for others. The board agreed at its July meeting to research the next phase of this campaign and a committee has already begun work.

Producers, Distributors and Consumers are represented on the committee and the dialogue has been exciting. We are reaching out to wood manufacturers both domestically and internationally to tailor a program that works for everyone.

No timeline has been set but expect more exciting news this fall about the next phase of Verified Sustainable.

...if you are seeking more information about green certification, you will have a several opportunities this fall. AHMI can provide you with pre-audit and certification audit services with two contractors. We also have all of the guidelines available from the three main certification bodies at the AHMI office if you want to learn more on your own.

The National Hardwood Lumber Association has plans for a certification summit preceding the Fall Hardwood Federation meeting in September and NHLA will also have certification session during the 2008 Annual Convention in October

AHMI has signed on as a cooperator for the Dollars and Sense of Going Green conference in Indianapolis in late October. See the story on page 1.

AHMI has been at the forefront of the latest wave of certification talk and action. We will attempt to keep our members informed and provide opportunities to assist your business.

But remember: the final decision is your's and must be based on what program best meets your customers' needs. A few members are learning that the volume of certified wood business they have currently makes it worthwhile to pursue while others have found it is not worth it.....yet.



MEMBERSHIP

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. welcomes the following new members to the association:

Consumer

Koetter Woodworking Inc.

Jerry Koetter

533 Louis Smith Rd.

Borden, IN 47106

Cranberry Buys Kenmack

BECKLEY, WV - Cranberry Hardwoods, Inc. announced early this summer that Cranberry Lumber Co. has purchased the operating assets of Newport, OH-based Kenmack Lumber Co. The assets include a modern band sawmill, dry kilns and secondary lumber manufacturing operations.

"The operations at Newport fit well with our existing timber resource base and we are anxious to introduce these new products to our growing customer base," said Barry Cook, president of Cranberry Hardwoods. "We look forward to working with the existing operating team and are excited to be a part of the southern Ohio business community."

USNR Buys Two Businesses

USNR announces the purchase of Coe Newnes/McGehee, including both its solid wood business unit (Newnes-McGehee) and its dry kiln and engineered wood product business unit (Coe Manufacturing).

George Van Hoomissen, USNR's President and CEO, commented: "For many years, both companies have employed some of the industry's most qualified personnel and offered some of the best products on the market. Now those people and products will be backed by the financial stability of USNR. We believe this will prove to be a winning combination – first and foremost for our customers, but also for our suppliers and our employees."

AHMI Mourns Wells' Death

Appalachian Hardwood Manufacturers, Inc. is sad to announce the death of James C. "Jim" Wells, 68, of Morehead, KY. He was a partner in the former AHMI member company J.C. Wells & Son, Inc.

Memorial contributions are suggested to the Shriners Hospital for Children, 1900 Richmond Road, Lexington, KY 40502.

AHMI Promotes Verified Sustainable At IWF

ATLANTA, GA — Appalachian Hardwood Manufacturers, Inc. contacted hundreds of lumber buyers and hardwood users at the 2008 International Woodworking Machinery & Furniture Supply Fair-USA in August.

AHMI has participated in the fair for many years and the 2008 booth emphasized Appalachian Hardwood Verified Sustainable. AHMI staff educated show attendees about the benefits of specifying Appalachian hardwood lumber from AHMI members.



"The attendance was off about 30 percent from the peak years but we expected that," said AHMI President Tom Inman. "We still had great traffic and gave away more than 400 directories to potential customers. I was pleased with the response."

AHMI also received dozens of trade leads from domestic and international buyers. Staff sent these companies copies of the Resource Guide, wood kits and information about Appalachian Hardwoods.

There were more than three dozen lumber companies exhibiting at the fair including 21 AHMI members. Most reported that interest was good.

The New Oak Partnership contracted with *Trading Spaces* Designer Laurie Smith to participate in



The New Oak Partnership hosted its spokesperson Laurie Smith (second from right) of TLC's *Trading Spaces* in the AHMI booth on opening day. She and Tom Inman (second from left) speak with visitors about Oak

the show and sign books in the AHMI space. She attended opening day and greeted hundreds of visitors.

"We had about 100 people who took their picture with her and asked questions about American Red Oak," Inman said. "She is an excellent spokesperson and has a personal interest in Oak in design."

For more information about IWF, contact Inman at the AHMI office. AHMI plans to participate at the AWFS in Las Vegas in 2009.

Thomasville Adds 100 To Case Goods Plant

Reprinted from *Furniture Today*

LENOIR, N.C. — Thomasville Furniture Inds. plans to add about 100 jobs to its case goods plant here, according to a local economic development official.

The jobs will bring the employee total at the 1 million-square-foot factory to 800 by the end of the year and increase capacity by about third, said Alan Wood, manager of the Caldwell County Economic Development Commission.

It's the second time in recent months the company has added workers to the facility, which is Thomasville's only remaining U.S. wood furniture plant. Last fall the company added about 50 workers, bringing the total to about 700, Wood said.

Thomasville Furniture President Ed Teplitz said the company was looking to use the plant to manufacture a new collection coming out this fall.

Wood estimated that the Caldwell County has lost about 3,500 furniture manufacturing jobs since 2001. Factoring in related layoffs at furniture suppliers, and finishing and frame shops, the job loss is closer to 6,000, he said.

Most of those jobs have been lost to low-cost competitors in China and other parts of Asia. But given the materials and labor costs overseas, combined with rising shipping costs and the devaluation of the dollar, he expected other furniture jobs might come back.

"It makes our goods more attractive," Wood said.

Comments Sought For LEED Revisions

The U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Credit Revisions for Certified Wood is currently available for public comment at the USGBC website until **Sept. 7, 2008 at 5 PM PST**.

Anyone can comment—you do not have to be a member of USGBC, but you must register (no cost) and use the USGBC website to submit your comments. It is important that the forest products industry be heard on the LEED revisions.

Please visit: www.usgbc.org/DisplayPage.aspx?CMSPageID=1866

and complete the comment forms. There are two areas in the comment template that pertain to the wood products industry:

1) **LEED Certified Wood, Credit Language Revision:** USGBC has proposed revisions to the LEED Rating Systems Credits that award points for the use of certified wood. The proposed credit changes remove FSC as singular recognition for certification and instead propose a forest certification system that meets USGBC Forest Certification System requirements. For hardwoods - the picture remains the same – certification does not work for the vast majority of U.S. hardwoods.

Recommendation: USGBC should provide a project wood credit for wood products where there is independent research to demonstrate wood is sourced from: forest operations that are small scale and low intensity; areas of robust forest governance;

and areas with low risk of illegal harvesting. A credit based on a risk assessment would recognize the unique, low intensity operations of the small forest-land owners in the US and the state and federal forest programs that contribute to ensuring sustainable and legal hardwood supplies. It would also provide a major contribution to improve the environmentally and socially responsible forest management practices from countries where there is a high risk of illegal activity.

2) **LEED Certified Wood, Forest Certification System Benchmarks:** The USGBC Forest Certification System Benchmark is a list of criteria that evaluates the different wood certification systems to determine eligibility: Governance, Technical/Standards Substance, Accreditation and Auditing, and Chain of Custody and Labeling.

Recommendation: We encourage USGBC to ensure that its final benchmarks are written to avoid any unfair bias toward one certification system over another. As the different certification systems are working to address the challenges in certification for the hardwood community, we urge USGBC to keep open the assessment process that assures a fair and balanced review of each certification system.

USGBC will respond to all comments and post the comments and responses (without commenter names or organizations) to the USGBC Web site.

Please take five minutes to comment to USGBC. It is VERY IMPORTANT that the forest products industry participate.

IRS Extends Renewable Energy Tax Credit

WASHINGTON, DC – The American Forest & Paper Association (AF&PA) commends the Internal Revenue Service for taking action to provide tax credits for the renewable electricity generated by the forest products industry.

Wood manufacturing operations are among the nation's leading producers of renewable energy. Mills produce the majority of their own energy using renewable biomass from the manufacturing process.

Paper mills generate 64 percent of their own energy, and wood products mills generate 74 percent.

Congress amended Section 45 of the Internal Revenue Code in 2004 to include open-loop biomass as eligible for the tax credit for electricity produced from renewable resources. The intention was

to encourage additional production of renewable energy by the forest products industry.

In 2006, the IRS established a "netting" rule which restricted the tax credits for energy generated by open-loop biomass – the very method utilized by wood and paper mills. In August, the IRS announced it is withdrawing the netting rule.

"AF&PA commends the IRS for its decision to withdraw the netting rule," said AF&PA President and CEO Donna Harman. "As a result of this decision, the forest products industry's considerable contribution to the nation's production of renewable, carbon-neutral energy can now benefit from the Section 45 tax credit as Congress intended."

USFS Names Agpaoa Southern Forester

WASHINGTON - U.S. Forest Service Chief Abigail R. Kimbell appointed Elizabeth (Liz) Agpaoa as Southern Regional Forester (Region 8).

Agpaoa will oversee 14 national forests in 13 southern states and Puerto Rico. She currently is the Acting Regional Forester for the Pacific Northwest Region and succeeds Chuck Myers who recently became Associate Deputy Chief of the National Forest System in Washington, D.C.

"Liz brings a wealth of experience in forest management and cooperating with State and private forestry programs," said Kimbell.

Agpaoa began her career with the Forest Service in 1979 as a district biologist on the Willamette National Forest in Oregon. She has since served as a Line Officer at the District, Forest, and Regional levels in the Agency, as well as serving as the Chief of Staff in Washington, D.C. She holds a Bachelor of Science degree in Wildlife Management and a Master of Science in Natural Resource Management.

European, Asian Gypsy Moths Destroying Forests

Reprinted from the Associated Press

CHARLESTON, WV - Having attacked 75 million acres of hardwood forest in the Northeast since 1970, European gypsy moths are making their way across U.S. forests and the more destructive Asian gypsy moth has been detected in western states.

While officials say the voracious plant-eating European gypsy moth eventually will reach as far across the country as Georgia and Minnesota by 2025, the federal government is devoting about \$5 million this year in a program to eradicate and suppress the insects' development.

The federal Department of Agriculture estimates moths cause \$30 million in economic losses each year, mostly from quarantines on timber and agricultural products. The battle against the European gypsy moth spans a 1,200-mile frontier from Wisconsin to North Carolina, with efforts in Illinois, Indiana, Kentucky, Michigan, Minnesota, North Carolina, Ohio, Virginia, West Virginia and Wisconsin reducing the moths' southward progress to 7.5 miles a year from 12.5 miles per year.

The program, which uses federal, state and local funds, includes traps, insecticides and mating-disruption techniques.



FORESTRY

PEFC Endorses Tree Farm System

WASHINGTON, DC - The American Tree Farm System (ATFS) recently received the approval of the Programme for the Endorsement of Forest Certification schemes (PEFC). PEFC is an international, independent, non-profit, non-governmental organization, founded in 1999 which promotes sustainably managed forests through independent third party certification. ATFS is the oldest and largest forest conservation, certification, and advocacy program in the U.S. The 67-year-old program is sponsored by the American Forest Foundation.

"This is fantastic news for conservation-minded family forest owners who are struggling to survive in tough economic times," said Laurence Wiseman, President and Chief Executive Officer of the American Forest Foundation, the parent group of ATFS. "PEFC approval is the key to connecting more of the good operators to the rapidly growing marketplace of green manufacturers, distributors, and consumers."

Forest landowners who voluntarily commit the extra time and expense to produce wood sustainably under the ATFS system will now qualify for access to the international markets that they never had before. Traditional markets for U.S. wood have been shrinking as more foreign wood gains control into those markets, and Wiseman believes this endorsement step will help U.S. growers.

The U.S. is permanently losing 1.5 million acres per year of family forestland to development. Many people mistakenly assume that forestland they see is owned by either the government or large paper companies, when in fact 60 percent of all the wood harvested in the U.S. actually comes from family forestlands. For many of these small forest landowners, achieving some economic return on their property is essential if they are to avoid the pressures of development.

Only about 10 percent of the global wood market currently comes through forest certification systems. Now with ATFS, PEFC has 500 million certified acres. At this size and growing rapidly, PEFC is by far the largest global program for certifying sustainable forests.

This is the second such approval for the U.S., with the first being the Sustainable Forestry Initiative.

Product Sales Course

BLACKSBURG, VA - Virginia Tech's College of Natural Resources presents the 14th annual workshop on Forest Products Marketing on Oct. 23-24 at The Inn at Virginia Tech.

The workshop is designed to teach participants how to effectively market a small forest products business in order to gain a competitive advantage in the industry. Workshop instructors will cover an array of topics, including an overview of the forest products industry, marketing basics and strategy, marketing research methods to locate new customers, successful sales presentations, improving the effectiveness of personal selling, goal setting, and trends in the industry.

Small forest products business owners or managers, new sales and marketing personnel, employees unfamiliar with the forest products industry, economic development personnel are encouraged to attend.

Interested persons may register online at www.cpe.vt.edu/forestpm no later than Oct. 9; registrations are limited to the first 30 applicants. A workshop fee of \$450 (\$375 for employees of companies that are members of the Center for Forest Products Marketing and Management).



PROGRAMS

Lumber Grading Course

Haywood Community College has scheduled its first short course, Hardwood Lumber Grading, for October 28-30. Tuition is \$300 per participant and includes lunches and instructional materials/supplies for the course.

The course will be administered through Haywood's Continuing Education Program with a National Hardwood Lumber Association instructor. The course will include an introduction to the NHLA hardwood lumber grades and accepted practices and gives students the basic knowledge of hardwood lumber grades and how to apply the rules in grading, measuring, tallying and manufacturing lumber.

The cost is \$300 and includes lunches and course materials. Accommodations are available at the Comfort Inn of Canton, NC, which is 10 minutes from campus. For reservations, call 828-648-4881 or the Waynesville Super 8 just five minutes from campus. Please call 828-454-9667

To register, contact Rinda Green at HCC at 828-565-4243.

Biomass Conference Set In Raleigh Sept. 21-23

The Biomass South 2008 conference is scheduled for Sept. 21-23 at the Raleigh Convention Center. The conference will promote interstate and regional collaboration by providing a forum and networking time among varied biomass interests - industry, investors, researchers, agencies, eco-developers, venture capitalists, policy makers, and others.

Organizers plan to provide a snapshot of current opportunities, technology, infrastructural needs, research, policy initiatives and incentives for biopower, biofuels and bioproducts in the South. The goal is to develop a south-wide Biomass Roadmap to provide guidance for stakeholders in: biomass use, resource management, and business development.

There are more than a dozen speakers who will discuss viable biofuels, biopower and bioproducts industry in the South from their research, funding, policy development and incentives. Officials hope to forge new partnerships to promote sustainable development of these new industries in the South.

Late Registration begins August 26, 2008 and is

\$155 per person. On-site registration on September 21 or 22 is \$175 per person. On-site registration on September 23 is \$75 per person.

For more information, contact North Carolina State University Forestry and Environmental Outreach Program, Campus Box 8008, Raleigh, NC 27695-8008 or telephone 919-515-9563. You may also visit online <http://www.ces.ncsu.edu/nreos/forest/feop/biomass-south/2008.html>.

Conference registration includes:

Sept. 21: Ride on the Biomass-South2008 Shuttle from RDU airport to Raleigh Marriott Hotel; Welcome Reception at the Raleigh Marriott Hotel.

Sept. 22: Continental Breakfast, Conference registration packet, All conference sessions at the Raleigh Convention Center (General and Concurrent Sessions), Exhibitor Gallery, Refreshment Breaks, Luncheon, and Social.

Sept. 23: Continental Breakfast, conference sessions at the Raleigh Convention Center, Exhibitor Gallery, Refreshment Breaks, Luncheon.