



Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.

Lumber Exporters Watching Trump & Trade

A keynote presentation at the 2017 Appalachian Hardwood Manufacturers, Inc. is garnering attention from lumber exporters across the region.

Dana Lee Cole, Executive Director of the Hardwood Federation, will discuss **Trump & Trade: Impacts On The Hardwood Industry** at the Annual Meeting on March 2-5 in Hollywood, FL. Dozens of AHMI members have contacted the office asking about the new administration's plans and international trade issues.

Cole will provide the latest information available and her presentation will follow the Hardwood Federation's Winter Board Meeting where they will plan action for the year. She admits that the address will likely be amended just hours before delivery given the pace of action with the Trump Administration.

The AHMI Annual Meeting is planned at the Diplomat Resort and Spa in Hollywood, FL. The Meeting offers time for networking with members and guests at receptions, sporting events and dinners.

The other business presentations are:

Cross Laminated Timbers In Building - Crawford Murphy, architect and developer, Asheville, NC, will discuss plans for a 7-story timber structure in North Carolina AND for a CLT manufacturing plant in the central Appalachian region. Research shows that Appalachian Poplar has excellent properties for CLT construction.

SFI Refocuses Attention On Solid Wood - Jason Metnick, Senior VP of Consumer Affairs,



Appalachian Poplar that is ready to export to China

Sustainable Forestry Initiative, will explain SFI's acceptance in LEED building and plans to promote solid wood. SFI is encouraging AHMI to develop a group certification for members.

AHMI Research Project Update - Tom Inman will discuss the latest on the Appalachian Hardwood research with the region's top universities and the US Forest Service.

AHMI Annual Meeting & Member Anniversaries - Chairman Mike Hoover of Neff Lumber Mills will present the State of the Association and recognize anniversaries.

Producers and Distributors Divisions Meeting - Separate sessions for these two AHMI members groups to discuss issues of importance (See **Meeting** on page 3)

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The way I see it...

By Tom Inman, AHMI President

...international trade is on the mind of a lot of Appalachian Hardwood Manufacturers members since the November election. The Trump Administration has withdrawn from the TransPacific Partnership and is reviewing all trade pacts.

Free trade agreements between the United States and more than 20 countries have been powerful in opening new markets. It is reported that nearly half of all U.S. manufactured goods exports are sold to those 20 countries but the U.S. remains at a trade deficit that in November was approximately \$45 billion.

The U.S. Chamber of Commerce reports:

- Approximately 22 percent of all products manufactured in the United States are exported.
- Nearly 300,000 U.S. companies export.
- U.S. manufacturers risk falling behind our competitor nations as more barriers overseas from Europe and Asia who are negotiating trade agreements that exclude and disadvantage us.

What is the solution? That is still to be determined because free trade has benefits and issues. Many hardwood lumber exporters are worried that sanctions against any country will cause retaliatory penalties on forest products.

The hardwood industry is not alone as we read similar concerns from a variety of agricultural sectors this week. That is a reasonable conclusion based on history.

Many are citing 19th Century economist Frederik Bastiat who wrote that "in the economic sphere an act, a habit, an institution, a law produces not only one effect, but a series of effects. Of these effects, the first alone is immediate; it appears simultaneously with its cause; it is seen. The other effects emerge only subsequently; they are not seen; we are fortunate if we foresee them."

Unintended consequences are just that...unintended. The Hardwood Federation is working hard on this trade issue and trying to determine what impact it "could" have. Their Board, which Lowery Anderson sits on for AHMI, will discuss at their meeting later this month.

We will keep you informed.

SFI Survey: AHMI Members Favor Potential Group

Appalachian Hardwood Manufacturers, Inc. recently asked Producer and Distributor members for input on a proposal with the Sustainable Forestry Initiative for a "group certificate."

The response by members was generally favorable and an analysis has been prepared for the AHMI Board of Trustees for review. The AHMI / SFI Group Certificate would help members better understand the program and then become SFI certified at a discounted rate.

SFI Inc. is an independent, nonprofit organization that is solely responsible for maintaining, overseeing and improving the internationally recognized SFI program. Across Canada and the United States, 280 million acres (110 million hectares) are certified to the SFI forest management, the largest single forest standard in the world.

In April 2016, the USGBC announced a LEED ACP that expands the recognition of legal, responsible, and certified forest products to contribute to LEED credits. The pilot adds SFI, the American Tree Farm System, the Canadian Standards Association, and other forest management standards that are endorsed by the international Programme for the Endorsement of Forest Certification. SFI has offered AHMI a chance to provide members with certification.

Thank you to those companies who participated in the survey. If you have questions, please contact the AHMI office immediately. The full results will be presented at the AHMI Annual Meeting on March 4.

Join Us On Twitter, Facebook

Appalachian Hardwood Manufacturers, Inc. invites you to follow us on Facebook and Twitter.

Our Facebook page is **Appalachian Hardwood** at <https://www.facebook.com/Appalachian-Hardwood-115082515210245/>

Our Twitter account is **Appalachian Hardwood** at <https://twitter.com/AppalachianHdwd>

Meeting from page 1

to their sector.

Please see the agenda for specific times of events. We have planned fun at Gulfstream Park for horse racing, exclusive shops and casino fun **OR** time at the beach!

The room block has been extended to Friday, Feb. 3 so please make your reservations NOW at www.appalachianwood.org and click on Meetings or call the Diplomat at (954) 602-6000 and ask for the Appalachian Hardwood block.

For more information, call AHMI at (336) 885-8315 or info@appalachianwood.org. We look forward to seeing you in Hollywood, FL, in March!

AHMI Membership Dues & Resource Guide Deadlines

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. 2017 Membership Dues and Appalachian Hardwood Verified Sustainable Resource Guide information are both due immediately.

The dues are paid annually for members of the Distributor, Export, Consumer, Forestry and Supplier Divisions. The Producer members pay monthly based on lumber production. (Export membership is for Producer and Distributor companies in addition to their primary dues.)

The Resource Guide is distributed to thousands of lumber buyers around the world. It lists all AHMI members, facility locations, contacts, equipment, and species. There is also an opportunity to advertise and promote specific details about your company. It is emailed to 12,000 international buyers and is promoted on the AHMI website.

Please return your materials today to be included in all of the AHMI promotions for 2017. If you have questions about these, please contact the AHMI office at (336) 885-8315 or email to office@appalachianwood.org.

The Resource Guide is updated weekly on the AHMI website and printed in mid-March. Distribution occurs throughout the year at trade shows, regional and national meetings and direct mail to lumber buyers.

February 2017 - Appalachian Sustainable - 3 2017 Annual Meeting Agenda

Wednesday, March 1

6 p.m. Early Bird Reception at North Palm Court

Thursday, March 2

Informal golf and fishing available. Call AHMI

3 p.m. Board of Trustees Meeting

5 p.m. Registration Opens

6 p.m. Welcome Reception at South Palm Court

Friday, March 3

7:30 a.m. Fellowship of Christian Lumbermen

8:30 a.m. General Session

Business Presentations

9:30 a.m. Ladies Breakfast

12 p.m. Fishing Tournament

12 p.m. Golf Tournament at Diplomat Golf Club

6 p.m. Reception at Landings

Saturday, March 4

8 a.m. Producers Meeting (*Producers only*)

8 a.m. Distributors Meeting

9 a.m. General Session

Annual Meeting & Member Anniversaries

Chairman's Report, Business Presentations

12 p.m. Golf at Diplomat Golf Club

12:30 p.m. Shuttle to Gulfstream Park
returns at 5 p.m.

12:30 p.m. Beach Fun at the Diplomat

6 p.m. Reception at South Palm Court

Sunday, March 5

No formal business

Enjoy Florida and have a safe trip home

To reserve a room, call the Diplomat Resort today at (954) 602-6000

The block cutoff is Feb. 3 and rooms start at \$290. Rate is honored 2 days before & after!

Online Hotel and Meeting registration available at

www.appalachianwood.org/meetings.htm

Questions? info@appalachianwood.org

Somerset Flooring's Tony Miraldi talks with AHMI's Tom Inman at Surfaces



'Wood look' Dominates Surfaces 2017

Appalachian Hardwood Manufacturers President Tom Inman attended the Surfaces 2017 show recently and reports that a "wood look" highlighted the event.

Actual wood was seen at flooring manufacturers and distributors exhibits of solid wood and engineered wood products. AHMI members Armstrong, Mullican, Shaw, Sheoga, and Somerset reported keen interest in new products made from wood.

There were, however, dozens of manufacturers showing tile, vinyl and manufactured surfaces that look like wood. Their research shows that consumers want a "wood" look whether it is actually wood or not.

One manufacturer advertised "a wood-look tile provides the same beautiful, warm look you'd get from real wood." Another promoted "Wood-look tile is the perfect way to achieve the natural beauty of wood."

So why not just use hardwood was a question that was discussed at all of the solid hardwood flooring booths. AHMI met with the National Wood Flooring Association leadership about a hardwood flooring promotion for later this year.

Surfaces is the largest North American flooring show serving the floor covering industry, bringing together buyers and sellers from around the world to see floor products, tools, and services.

AHMI Promotion & Trade Show Activities

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

- Feb. 7-9: **IHLA Convention**, Indianapolis, IN
- Feb. 15-16: **Hardwood Federation**, Washington, DC
- March 2-5: **AHMI Annual Meeting**, The Diplomat, Hollywood, FL
- March 14: **Appalachian Lumbermen's Club**, Greensboro, NC
- March 22-24: **HMA National Conference**, Charleston, SC
- April 11-14: **NWFA Flooring Expo**, Phoenix, AZ
- April 21-22: **Loggers Plus Expo**, Bloomsburg, PA
- April 22-26: **High Point Furniture Market**, High Point, NC
- May 4-7: **Appalachian Lumbermen's Club**, Myrtle Beach, SC
- June 7-9: **Furniture Expo**, Atlanta, GA
- June 9-10: **PFFA Timber Show**, Rock Springs, PA
- June 22-24: **AHEC China Convention**, Qingdao, China
- July 22-25: **AHMI Summer Conference**, Biltmore Inn, Asheville, NC
- Sept. 12-14: **AHMI & Hardwood Federation Fly-In**, Washington, DC
- Sept. 19-21: **WPMA Annual Meeting & Tours**, Providence, RI
- Sept. 27-29: **SFI Annual Conference**, Ottawa, Canada
- Oct. 14-18: **High Point Furniture Market**, High Point, NC
- Oct. 25-27: **NHLA Convention**, Nashville, TN

Kiln Courses Set In PA

Two kiln courses are planned for the spring in Clearfield, PA, and designed to provide a solid foundation for operators. They are:

- Kiln Assistant on March 27-28
- Kiln Measurements on March 29-30

For more information, contact Evan Stover at 814-935-3870

Can Regulatory Reform Happen in 2017?

By Dana Lee Cole, HF Executive Director

A primary theme coursing through campaign rhetoric last year at both Presidential and Congressional levels was the need to scale back the sheer number of regulations layered upon the business community and simplify what has come to be seen as an overly complex labyrinth of often conflicting federal regulatory requirements. While the “regulatory reform” talking point was ubiquitous on the campaign trail, few specifics surfaced about what exactly would be reformed and how a new streamlined regulatory process would work.

Much like “tax reform”—another popular campaign talking point—regulatory reform has been a concept discussed in nebulous terms by both sides of the aisle for decades in Washington with little meaningful legislative action to show for the rhetoric. Certainly history will be the final arbiter on whether 2017 will be the year that regulatory reform finally happens, but the first month has seen a tremendous amount of activity from both the White House and Congress.

On Jan. 30th, the President fulfilling his campaign pledge signed an Executive Order to reduce federal regulations by requiring agencies to repeal at least two existing regulations for every new regulation intended to be issued. The order goes even further to require that the total cost of new regulations and repealed rules should be zero...or less. The order is broadly written, and many implementation questions exist.

Congress has also quickly moved to address the issue of regulatory burden in 2017. The Regulatory Accountability Act of 2017 (H.R. 5) was quickly passed after Congress returned to town in early January. Among other things, the bill requires federal agencies to choose the lowest-cost rulemaking that satisfies existing legal requirements and gives greater public input.

In addition the bill would require agencies to account for the direct, indirect, and cumulative impacts of new regulations on small businesses—and find flexible ways to reduce them. What’s more, this nearly 100 page bill would bar new billion-dollar rules from taking effect until courts can resolve timely-filed litigation challenging their pro-

mulgation. The bill would require federal agencies to publish plain-language, online summaries of new proposed rules, so the public can understand what agencies actually propose.

Just before House passage, Speaker Paul Ryan signaled that regulatory reform would be among the top tier policy objectives of the incoming Trump administration and Congress. “If we are to going to get our economy back on track, we need to give people the freedom they need, we need to get the government out of the way of hardworking people so we can create jobs in this country. This is what regulatory reform is all about, and it will be one of the highest priorities for this new unified Republican government,” he said.

Shortly after the House acted on this bill, they turned to H.R. 26, the Regulations from the Executive In Need of Scrutiny or REINS Act and passed that as well. This bill simply requires major rules to be approved by Congress.

So the bottom line is we have a lot of activity right out of the gate in the 115th Congress in this space. Keep in mind though that the Senate presents a much steeper climb than the House when it comes to passing legislation.

In addition to legislation reforming the way prospective regulations are developed and adopted, look for action in the first quarter of this year on a resolution overturning some of the Obama Administration’s rulemakings that were proposed in the last six months of his administration. Topping many lists is the overtime rule. Issued in May last year, the proposal more than doubles – from \$23,660 to \$47,476 – the annual salary threshold under which workers qualify for time-and-a-half pay when working more than 40 hours in a week.

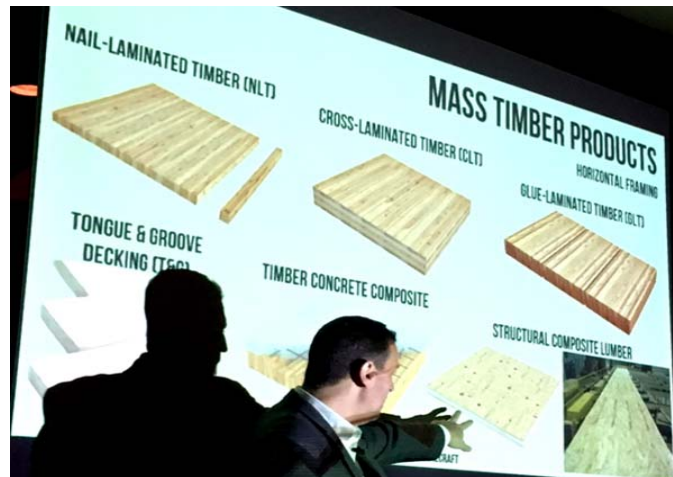
If interest remains high in effecting true regulatory reform, doubtless there will be a number of proposed changes that will impact the hardwood industry. We will keep focus on legislation as it is introduced and moves through Congress. We will also be looking for rules that specifically impact hardwood companies and do our best to work with our congressional allies to create the best possible economic environment for the industry. Please let us know if you have ideas!

WoodWorks Teaches Architects CLT & NLT

RALEIGH, NC - WoodWorks recently held an educational seminar here for designers and architects to learn about new solid wood products for construction.

Bruce Lindsey, southeast regional director, presented the course to more than 50 people. He explained that cross laminated timber (CLT) and nail laminated timber (NLT) are engineered solid wood building systems designed to complement light- and heavy-timber framing options. Because of their high strength and dimensional stability, these can be used as an alternative to concrete, masonry and steel in many building types.

CLT is now available to North American building designers. It offers the structural simplicity needed for cost-effective buildings, as well as benefits such as fast installation, reduced waste, improved thermal performance, and design versatil-



Bruce Lindsey explains timber products

ity. It can be used in a wide range of applications, including mid-rise, urban infill, industrial, educational and civic structures.

Prefab Wood Houses From U.S. Could Ease Deficit

BLACKSBURG, VA - Researchers in Virginia Tech's College of Natural Resources and Environment are investigating the market potential for wooden houses prefabricated in the U.S. to help decrease the housing deficit in Latin America.

The research team from the Department of Sustainable Biomaterials traveled to Peru, Ecuador, and Colombia to determine the market for using wood in residential and commercial structures as well as the barriers that prevent the use of wood in social housing projects. The current housing deficit in Central and South America is more than 42 million units.

According to research team leader Henry Quesada, associate professor of wood science and a Virginia Cooperative Extension specialist, the main factors driving the housing deficit in these countries are lack of both funding and appropriate government policies.

"All of the social housing projects we visited use concrete and steel as the main construction materials," said Gaurav Kakkar, of Punjab, India, a master's degree student in sustainable biomaterials. "Wood is not an alternative right now in the countries we visited because there is little to no sustainable supply. In addition, architects and

civil engineers there do not have the technical background to design wood structures, specifically for high-rise buildings in urban settings."

The researchers believe prefabricated wooden homes, made in the U.S. to international standards, packed in containers, and exported around the world, would provide affordable housing with low environmental impact and ease of construction.

Robert "Bob" Smith, professor of forest products marketing and head of the Department of Sustainable Biomaterials, said "The southeastern U.S. along with the Appalachian region is considered the country's wood basket. Currently, more timber is grown in the U.S. than is harvested, which has been an important driver to increase exports of the wood products," he said.

U.S. exports of logs, lumber, wood composites, and other wood products totaled \$9.7 billion in 2014, but only a small portion of that was higher-value products, like prefabricated wood buildings.

"The opportunity to increase the export of these houses could mean an increase in economic development for the industry and specifically for rural areas in the southeastern and Appalachian regions where many jobs depend on the forest industry," said Smith, a co-principal project investigator.