



# Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.

## Hardwood Goes To DC To Talk Issues

You have just days to register for the **2017 Hardwood Federation Fly** on **Sept. 12-14** and join AHMI there for a combined Fall Meeting in Washington.

The annual Fall Fly-In is one of the Hardwood Federation's biggest and important events of the year. Each fall members of the hardwood industry gather in Washington D.C. to meet with Representatives and Senators and staff to relate the important issues affecting the industry.

Last year was a tremendous success with more than 40 attendees, over 120 meetings on the Hill, and record attendance at both the Republican HFPAC reception and the Democratic HFPAC breakfast. We want to build on past excellence and make this year's Fly-In even better.

The group will stay at the Marriott Marquis Hotel in Washington DC and while the room block has ended, there may be space available. Please contact the Marriott Marquis directly at (202) 824-9200 and identify yourself as a participant of the



Hardwood Federation Fall Fly-In group.

We are also working on arranging a night tour of the Capitol Building but there will not be a tour of the White House. It is closed for an event.

AHMI members have a significant presence in important hardwood states and their experience, insight and ideas should be shared directly with those who write the laws and legislation impacting their businesses and employees. We hope you will take the time to join us.

To register for the meeting, please visit [hardwoodfederation.com](http://hardwoodfederation.com).

## Oak Symposium Planned In Knoxville

Appalachian Hardwood Manufacturers Inc. invites you to participate in the 2017 Oak Symposium on Oct. 24-26 at the University of Tennessee in Knoxville. There are two days of seminars from leading researchers and academia and a third day for forest tours.

*(This is overlap with the National Hardwood Lumber Association Convention in Nashville but encourage you to review the schedule and con-*

### AHMI Forestry Division Will Meet To Discuss AHVS - pg. 2

*sider the first day of presentations.)*

Sustaining the oak resource is of upmost concern to public and private land managers in the Central Hardwood Region of the eastern United States. Oaks are keystone species, but are threat-

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## *The way I see it...*

By Tom Inman, AHMI President

...the fall calendar has tremendous opportunities for foresters, sawmills, distributors and consumer members of AHMI to attend meetings, meet potential customers and learn about resource and production issues.

It is like that every year as the fall and spring are filled with activities. This year is no different and AHMI is co-sponsoring several events to help members engage.

**Federation Fly In** - I know we have been constantly reminding you about the Fly In but this is an important event - especially this year with a new Administration and members in Congress. Please make plans today and call the office to HELP US in Washington. It is easy, you will meet leaders from your state and learn about pending action.

**Oak Symposium** - This is new for the fall as concerns grow for our Oak resource in the eastern United States. There was a White Oak Symposium in April and this is the next chapter in Knoxville, TN, to offer more details about what is happening in the forest. AHMI is a sponsor and we are also inviting our Forestry Division members to attend and join us for dinner the night before. More details are coming. You can participate in the first day of the Symposium and still make it across the state to NHLA.

**SFI Certification Workshops** - AHMI is partnering with the Wood Products Manufacturers Association to hold two workshops to educate sawmills and secondary manufacturers about SFI Certification. The scheme has gained momentum in the past year as it is accepted for LEED Building points. We want to help companies understand the requirements and decide.

**Qingdao Furniture Leaders** - When I attended the AHEC Asia Convention in June I met with the Qingdao Furniture Association director and he is bringing a delegation to the U.S. in October. There are 20 manufacturers attending and we will have meetings for them in High Point. As we have confirmed plans, we will invite you to attend.

Busy? Yes and there is room for you. See the complete calendar on page 6.

## Oak from Page 1----

ened by natural succession, changes to disturbance regimes, urban development, and lack of critical knowledge for management.

Emerging threats such as climate change, exotic invasive species, and economic stressors also pose significant problems for managers.

The symposium will be hosted by the University of Tennessee (UT), Department of Forestry, Wildlife, and Fisheries with sessions on forest health, emerging economic markets, silviculture for climate change, managing for oak regeneration, oak decline, and prescribed burning in oak forests.

AHMI is one of the Symposium co-sponsors. For more information and to register for one day or the entire conference, please visit the Symposium website at <http://www.outreach.utk.edu/Conferences/Sustaining%20Oak%20Forests/announcement.html>.

For more information, call the AHMI office.

### **AHMI Forestry Division Plans Dinner Meeting at Symposium**

KNOXVILLE, TN - AHMI Forestry Division Chairman Mike Hinchey invites all Forestry Division members and guests to a dinner preceding the Oak Symposium to learn about the US Forest Service update on hardwood inventory in the Appalachian Region.

USFS Forest Inventory Analysis Researcher Dr. Chris Oswalt did the initial work on the region in 2007 and that became the basis of the Appalachian Hardwood Verified Sustainable program. He will present information on the 10-year update for the Appalachian Region.

The dinner will be held at 6 pm on Oct. 23 at Calhoun's on the River, just a few blocks from the Symposium host hotel. It is free to AHMI members and there small fee for non-members and guests.

You must register in advance to attend. Please email [tom@appalachianwood.org](mailto:tom@appalachianwood.org) by Oct. 18 to be included in the dinner count.

## Workshops Offer Training On SFI Certification

Market leaders know their choice of wood products has a direct impact on forests and communities at home and around the world – today and into the future. Dozens of hardwood product manufacturers have chosen to certify their products to the Sustainable Forestry Initiative® (SFI) Standards, a marketing movement trending across North America.

Learn how these companies are using SFI certification to improve their sales and marketing opportunities at two workshops this fall co-sponsored by AHMI and the Wood Products Manufacturers Association. They are:

**Wednesday, Oct. 25** from 2-5 pm at the Omni Nashville during the NHLA Convention.

## Research Finds Way To Zap Ash Borers

UNIVERSITY PARK, Pa. - Researchers at Pennsylvania State University have discovered a way to kill destructive pests, such as the emerald ash borer, in wood for pallets and other products.

John Janowiak, professor of wood products engineering, and Kelli Hoover, professor of entomology, developed a patent-pending, wood-treatment chamber that heats wood in a unique configuration using radio frequency waves, making the process energy-efficient. The radio frequency treatment works like a microwave oven - both are types of dielectric heating - but radio frequency can penetrate several meters into wood while microwaves cannot.

Hoover, an entomologist, and Janowiak, a wood products professor, say their system kills insects throughout wood in one minute, and won a \$75,000 RAIN grant to commercialize their invention.

Penn State says the treatment is poised to replace the process of fumigating wood with methyl bromide - a chemical that is being phased out - and help the wood products industry to retain export markets likely to reject chemical-treated wood, which has sparked increased demand for plastic shipping pallets.

**Thursday, Nov. 2** from 9-11 am at the Doubletree by Hilton Newark Airport, Newark, NJ.

The demand for wood products certified to the SFI Standards was further expanded in 2016 when the U.S. Green Building Council (USGBC) issued an Alternative Compliance Path (ACP) that recognizes wood from the Sustainable Forestry Initiative (SFI) program.

During this workshop, SFI will present information on these market trends, and how an organization can achieve third-party certification to the SFI Standard.

To register for the workshops or for more information, please contact the AHMI office or email [info@appalachianwood.org](mailto:info@appalachianwood.org).



### **AWP Marks 25 Years In Kingwood**

John Crites Sr. (left) and John Crites II listen to keynote speaker U.S. Sen. Shelley Moore-Capito at the 25th Anniversary celebration of Kingwood, WV, sawmill and Hazelton, WV, dry kilns. She said family business is the heart of America and thanked the Crites for their contributions to WV. The mill is one of the industry's largest and produces 40 million board feet annually

The kiln facility dries more than 24 mbf. AWP invested more than \$4 million in the facilities in 2017. Nine employees were recognized for 25 years of service.

The company has 12 facilities in WV, PA and OH and produces more than 200 million board feet annually.

# Tall Timber Projects Grow Around The World

Enthusiasm for solid wood architecture (also known as mass timber architecture) and wood engineering is spreading all over the world. A new generation of architects and designers are now determined to promote timber as the material of choice for a wide range of innovative projects.

This boom in tall wood buildings' design and planning is driven by advanced solutions in materials technology. In particular engineered timber products such as Cross Laminated Timber (CLT) - a structural two-way spanning solid wood panel - and Glued Laminated Timber (Glulam) - manufactured from

Project	Location	Height	Status	Year
Sanctuary	Glasgow, UK	23m	Approved	To be completed by 2018
T3	Minneapolis, US	23m	Completed	2016
Wood Innovation & Design Centre	Prince George, Canada	30m	Completed	2014
Stadthaus, Murray Groove	London, UK	30m	Completed	2009
Forté Building	Melbourne, Australia	32m	Completed	2012
Dalston Lane	London, UK	33m	In construction	To be completed by 2017
Framework Building	Portland, US	40m	Approved	To be completed by 2018
Origine Condos	Quebec City, Canada	41m	Completed	2016
Treet	Bergen, Norway	49m	Completed	2017
Silva	Bordeaux, France	50m	Approved	To be completed by 2020
5 King	Brisbane, Australia	52m	In construction	To be completed by 2018
Brock Commons Student Residence	Vancouver, Canada	53m	Completed	2017
Hyperion	Bordeaux, France	57m	Approved	To be completed by 2019
Toronto Tree Tower	Toronto, Canada	62m	Proposed	N/A
Haut	Amsterdam, The Netherlands	73m	Approved	To be completed by 2019
Sida vid sida	Skellefteå, Sweden	76m	Approved	To be completed by 2019
Mjølstårnet	Brumunddal, Norway	80m	In construction	To be completed by 2019
Barentshus	Kirkenes, Norway	80m	Proposed	N/A
Hoho Timber Tower	Vienna, Austria	84m	In construction	To be completed by 2018
C. F. Møller Tower	Stockholm, Sweden	112m	Proposed	N/A
SOM Timber Tower	Chicago, US	120m	Proposed	N/A
MGA Baobab Skyscraper	Paris, France	120m	Proposed	N/A
Barbican Oak Tower / Toothpick	London, UK	300m	Proposed	N/A

layers of parallel timber laminations - are massively expanding Architects' possibilities.

In the table above, we have collected some of the most iconic projects of tall timber buildings and skyscrapers worldwide.

## Coalition Opposes ELD Mandate On Trucks

A group of trucking advocates and manufacturers have formed a coalition seeking repeal or extension of the deadline for electronic log devices on trucks.

A measure has been introduced in the U.S. House to delay implementation. The group states it represents segments of the economy that will be adversely affected by the mandate.

It calls for an outright repeal or at least a delay until the Federal Motor Carrier Safety Administration (FMCSA) addresses numerous unresolved issues identified by impacted stakeholders.

The coalition says there are significant technological and real-world concerns that have not been addressed by FMCSA. These concerns include the certification of devices (or lack thereof), connectivity problems in remote areas of the country, cybersecurity vulnerabilities, and the ability of law enforcement to access data.

Rep. Brian Babin (R-TX-36) has introduced

H.R. 3282 – the ELD Extension Act of 2017 to:

- Delay the implementation of the Electronic Logging Device mandate for two years
- Allow truckers and their employers to continue using their ELD's if they choose
- Provide time for truckers to comply and ELD manufacturers to perfect the technology
- Prevent a fast approaching deadline from disrupting the freight and shipping network just a week before Christmas (12/18/2017)

The ELD mandate is estimated to cost impacted stakeholders more than \$2 billion, making it one of the most expensive federal transportation rulemakings over the last decade. This is a massive unfunded mandate that provides no safety, economic, or productivity benefits.

Notwithstanding the significant costs associated with the rule, it simply will not be ready for implementation on December 18, 2017, the group reports.

# Congress Turns To Tax Reform For Fall

*By Dana Lee Cole, HF Executive Director*

Members of Congress have left the nation's capital for the month of August and are back home in their states and districts listening to voters' concerns and discussing the fall Congressional agenda. They are slated to return to Washington the week following Labor Day and will confront a couple of "must pass" items in September.

First up will be a bill to fund the government past September 30 when the current funding measure expires. Also looming is the need to address the debt ceiling, the legislative limit on the amount of national debt that can be issued by the U.S. Treasury which determines the amount of money the federal government may borrow. Despite a quickly approaching October deadline, Congress has not yet taken action, but will need to make a decision upon returning from recess.

In addition to these important issues, leadership in the House and Senate has signaled that reforming our nation's tax code is the next big ticket item that Congress will attempt to tackle. Legislation is expected to surface in September which will set the stage for legislative negotiations for the remainder of the fall. It should be noted that this tax reform is not an easy life; the last significant reform measure was passed 30 years ago...and the battle scars from health care reform are still fresh. However, all indicators point towards an early fall effort and the Hardwood Federation team will be active as negotiations get underway, focused on a number of areas, including the following:

**- Equitable treatment of S Corporations and other pass through entities:** Tax reform talking points from Congressional leadership has focused on the need to reduce the overall corporate tax rate for C-corporations. However, S-Corps and other pass through structures currently represent a higher percentage of the GDP. We are advocating that any effort to lower to corporate rate also include reductions for S-Corps, a tax structure popular in the hardwood forest products sector.

**- Preserving existing incentives for timberland owners to keep their lands as working**

**forests.** These provisions include capital gains treatment for standing timber, as well as the current deduction for timber growing costs. Right now forest landowners can deduct operating costs in the year in which they were incurred, rather than capitalizing these costs over time. We are also advocating for preserving the deduction and amortization of reforestation costs.

Currently, forest owners can deduct up to \$10,000 of reforestation costs per stand and can amortize the remaining costs over seven (7) years. We are working with our allies in the forest landowning space on making sure that any tax reform proposal that moves forward recognizes the current tax benefits that help minimize the inherent risk in growing and managing timber tracts that may take 50 years to mature.

**- Elimination or reduction of the estate tax.** As we know, there are many family-owned businesses in the hardwood forest products sector where there is strong interest in passing business ownership to the next generation. We believe any tax reform proposal must address existing concerns with the estate tax and take action to further reduce or eliminate this disincentive to keeping family owned businesses in the family.

**- Enacting tax incentives that will help address our sector's growing residuals problem.** Legislation is pending in the House and Senate that would provide tax incentives for homes and businesses to install biomass heating systems that are fueled by wood pellets or wood chips. The legislation, called the Biomass Thermal Utilization Act, would result in wider scale deployment of these systems across the country and stimulate increased demand for our sawdust and other residuals that are used to make the fuel these systems require.

The timing of our fly-in this year is excellent as we will be able to highlight these issues and others as lawmakers begin serious debate on tax reform legislation. We look forward to a very active fall session and will be keeping you updated as Congress takes action.

## Tooke Is USFS Chief

U.S. Secretary of Agriculture recently announced Tony Tooke will serve as the new Chief of the U.S. Forest Service. He is the former Regional Forester for the Southern Region.

Prior to 2006, Tooke served as Deputy Forest Supervisor for the National Forests in Florida as well as District Ranger assignments at the Talladega NF in Alabama, the Oconee NF in Georgia, and the DeSoto NF in Mississippi. His other field assignments were Timber Management Assistant, Other Resource Assistant, Silviculturist, and Forester on six Ranger Districts in Mississippi and Kentucky.

Tooke grew up on a small 200-acre farm in Detroit, AL. He earned a bachelor's degree in Forestry from Mississippi State University. He was in the Forest Service's inaugural class of the Senior Leadership Program, and he has completed the Senior Executive Service Candidate Development Program.

## Smith Named President Wood Science Society

Dr. Robert L. (Bob) Smith, associate dean for engagement in the College of Natural Resources and Environment and head of the Department of Sustainable Biomaterials at Virginia Tech, was recently named president of the Society of Wood Science and Technology. It is one of the largest internationally recognized professional organizations of wood scientists, engineers, marketing specialists, and other professionals concerned with biomaterials such as wood, with over 500 members from around the world.

Smith has been a member of the society for 27 years and has served on the organization's board of directors.

"The society is committed to protecting our forests through the development of new ideas, procedures, policies, and products for the forest products industry," he said. "This organization establishes a forum for the exchange of ideas, the communication of knowledge, and the development of high standards, policies, and ethics for biomaterial research and the wood industry."

## AHMI Trade Show / Meeting Activities

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

Sept. 12: **Appalachian Lumbermen's Club**, Concord, NC

Sept. 12-14: **AHMI & Hardwood Federation Fly-In**, Washington, DC

Sept. 25: **PennYork Lumbermen's Club**, State College, PA

Oct. 12-13: **Qingdao Furniture Association Meeting**, High Point, NC

Oct. 14-18: **High Point Furn. Market**, High Point, NC

Oct. 16: **American Society of Furniture Designers**, High Point, NC

Oct. 24-26: **Oak Symposium**, Knoxville, TN

Oct. 25: **SFI Certification Workshop**, Nashville, TN

Oct. 25-27: **NHLA Convention**, Nashville, TN

Nov. 2: **SFI Certification Workshop**, Newark, NJ

Nov. 14: **Appalachian Lumbermen's Club**, Johnson City, TN

Jan. 9, 2018: **Appalachian Lumbermen's Club**, Hickory, NC

Jan. 17-21, 2018: **AHMI Annual Meeting**, Marco Island, FL

Feb. 6-8, 2018: **IHLA Convention**, Indianapolis, IN

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## Furniture Orders Increase

HIGH POINT – New orders for furniture rose 6% in June compared with the same month last year and remained even with May orders, which were up 8% over May 2016.

That's according to the latest Furniture Insights survey of residential furniture manufacturers and distributors conducted by accounting and consulting firm Smith Leonard. New orders in June 2017 increased for 60% of survey participants, up slightly from last month and up considerably from the 47% posting increases in April.

Year-to-date, new orders are 6% ahead of last year and were up year-to-date for almost 68% of participants. June shipments rose 7% over June 2016 and up 5% from May 2017.