



# 2020 May

Monthly newsletter of  
Appalachian Hardwood Manufacturers, Inc.  
[www.appalachianhardwood.org](http://www.appalachianhardwood.org) | [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org)

## AHMI Summer Conference Still On - For Now!

The **2020 Summer Conference** of Appalachian Hardwood Manufacturers is still planned for **July 25-28** at **The Omni Grove Park Inn** in **Asheville, NC**. AHMI staff has been in constant communication with the resort and they plan to open May 15 and look forward to hosting us.

Obviously that could change between now and the end of July but prospects are good for our Conference. It has potential to be the first meeting for the industry post-COVID 19.

AHMI has developed informative business sessions for two days with topics that are timely in 2020. The agenda includes:

1) **2020 Economic Recovery** - A leading economist from UBS Financial will discuss the U.S. economy for the remainder of 2020 as the country rebounds from the COVID-19 shutdown. UBS is a world leader in financial management and follows housing and manufacturing trends.

2) **Solid Wood Processing** - Stiles Machinery's Addison Fox will discuss the latest solid hardwood processing equipment for secondary manufacturers.

3) **Forest Carbon Credits** - The Carbon Credit Exchange market is generating funds for forest landowners in the Appalachian region. Mike Hinchey from The Forestland Group will explain how the programs work for their company.

4) **Real American Hardwood Promotion** - an update from the team developing a domestic promotion program for hardwoods.

Two breakout sessions for Tuesday are:

**a. AHMI 401k Enrollment Information** - Representatives from UBS Financial will be on site to answer questions and enroll AHMI members in this multiple-employer program that offers retirement accounts for employees. The program began in March and dramatically cuts costs

## Omni Grove Park Inn Asheville, NC - July 25-28

*AHMI and the Omni Grove Park Inn will follow local, state and federal guidelines for masks (available on site) and social distancing. If you have concerns, please contact the AHMI office.*

while offering a wide variety of investments.

**b. Cradle of Forestry** - is located near Asheville and showcases the birthplace of science-based forest management which began at the Biltmore Estate. A speaker will explain the offerings and encourage visits to the Forest Discovery Center about 30 minutes south of Asheville.

Please visit **[www.appalachianhardwood.org](http://www.appalachianhardwood.org)** and click on "Meetings" for information and to register online. A paper registration form is included on page 6 of this newsletter. You may also call The Omni Grove Park Inn at (800) 438-5800 after May 15. You **must book by June 25, 2020**.

The Grove Park Inn has been expanded since the last AHMI Conference with new accommodations, multiple formal and casual restaurants, retail shops, indoor and outdoor pools and its award-winning 43,000-square-foot spa. The resort is a member favorite with its rich history, unique room options, exceptional dining and relaxed southern hospitality.

You are invited to make reservations to join us for informative sessions, networking with hardwood industry leaders and time with old and new friends.

For more information, please call the AHMI office at (336) 885-8315 or email to [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org).

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

By Tom Inman, AHMI President

the COVID-19 pandemic has affected EVERYONE in the hardwood industry in the past two months.

It began as issues for exporters who lost sales in China because workers were not able to return from the Chinese New Year. It has evolved into lost sales of wood chips to area paper plants who are closing temporarily.

AND everything in between.

The AHMI office has remained open to provide members with information on state and federal guidelines for their operations. I hope we have been successful.

I have spoken with dozens of members over the past eight weeks and listened to the reports change as the virus reaches new states and governors implement shutdowns and guidelines.

Secondary manufacturers who were working in March are closing for two to eight weeks beginning in April because their customers are scaling back.

Lumber inventories are building in distribution yards; pallet makers have excess raw material inventories and slowing sales; railroad tie inventories are up; road and crane mat makers are off; and as noted earlier, paper plants are shutting for six to 10 weeks because paper sales have dropped.

All of this comes at a time when the weather is good and loggers are working. Log inventories are rising and a few sawmills are replenishing low log decks while others have quotes.

So what's a sawmill to do? One company is running average hours, selling more products green and putting some on sticks. The next company is just cutting the white woods and delaying oak. A third company has reduced production time to cut all inventories.

There is no solution that works for everyone - except for a vaccine to rid the effects of the coronavirus. Hopefully that is coming and none too soon.

## **Appalachian Hardwood Manufacturers, Inc.**

**2020 Summer Conference - July 25-28**

Omni Grove Park Inn, Asheville NC

### **Agenda**

#### **Saturday, July 25**

*Early arrivals enjoy Asheville*

*Biltmore House group tickets available*

**6 pm** - Early Bird Reception

*Dinner on your own*

#### **Sunday, July 26**

**2-4 pm** - AHMI Board of Trustees Meeting

**3-5 pm** - Meeting Registration in Vanderbilt Wing

**6-7 pm** - Welcome Reception - Mountain View Terrace

*Dinner on your own*

#### **Monday, July 27**

**8:30 am** - General Session -

1) **2020 Post COVID-19 Economic Recovery** - UBS economist

2) **Solid Wood Processing** - Stiles Machinery

3) **Forest Carbon Credits** - The Forestland Group

4) **Real American Hardwood Promotion** update

**12:15 pm** - Golf Tourney - Grove Park Course

**12:15 pm** - Sporting Clays - Biltmore Estate

**6-7 pm** - Monday Reception - The Pavilion

*Dinner on your own*

#### **Tuesday, July 30**

9 a.m. - Breakout sessions

1) **AHMI 401k MEP Program** - UBS Financial reps will be available to explain/enroll members in retirement program.

2) **Cradle of Forestry** - Presentation on Forest Discovery Center and the birthplace of modern forest management.

*Optional 1 pm - Tour Cradle of Forestry near Brevard, NC*

*Have a safe trip home.*

## OSHA Gives Guidelines For Safe Workplace

The Occupational Safety and Health Administration offers guidelines for protecting the health and safety of America's workers and workplaces during these unprecedented times. When working in the forest products industry, the following tips can help reduce the risk of exposure to the coronavirus:

- Encourage workers to stay home if they are sick.
- Allow workers to wear masks over their nose and mouth to prevent them from spreading the virus.
- Advise workers to avoid physical contact with others and direct employees/contractors/visitors to increase personal space to at least six feet, where possible.
- Train workers how to properly put on, use/wear, and takeoff protective clothing and equipment.
- Encourage respiratory etiquette, including covering coughs and sneezes.
- Promote personal hygiene. If workers do not have immediate access to soap and water for handwashing, provide alcohol-based hand rubs containing at least 60 percent alcohol.
- To the extent tools or equipment must be shared, provide and instruct workers to use alcohol-based wipes to clean tools before and after use. When cleaning tools and equipment, workers should consult manufacturer recommendations for proper cleaning techniques and restrictions.
- Keep in-person meetings (including toolbox talks and safety meetings) as short as possible, limit the number of workers in attendance, and use social distancing practices.
- Clean and disinfect portable jobsite toilets regularly. Hand sanitizer dispensers should be filled regularly. Frequently-touched items (i.e., door pulls and toilet seats) should be disinfected.
- Encourage workers to report any safety and health concerns.

## COVID-19 Relief 2 Has New PPP Funds

On April 24, 2020, President Trump signed a \$484 billion COVID-19 Relief Bill (*another round*) to boost small businesses struggling with COVID-19. Approximately 1.6 million small businesses received funding from the original Paycheck Protection Program, and hundreds of thousands are awaiting a response to their applications.

In the meantime, those qualifying and interested in receiving relief funds should apply now before the new monies run out. There is \$370 billion added funds for the PPP created by the CARES Act and another \$60 billion for businesses that DO NOT have established bank relationships.

The forest products industry is eligible for PPP loans if the business has 500 or fewer employees. For some of the criteria, the applicant must include its affiliates in its calculations.

Company leaders should talk with their banks that are approved to submit the applications. For more specifics, please visit

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>

## AHMI Website Offers COVID-19 Updates

AHMI has placed a page on our website to provide the latest information on COVID-19 recommendations.

Members can learn about

- Federal and State Agencies Assistance
- Paycheck Protection Program (PPP)
- SBA Application for PPP
- Essential Employee Driving Letter

Please visit:

<https://appalachianhardwood.org/covid19/>

# HF Follows Other Federal Issues For Industry

*By Dana Lee Cole, HF Executive Director*

While the COVID-19 pandemic has captured tremendous time and resources, there is work on other issues that relate to forest products:

## **USMCA Takes Effect July 1st**

On April 24th U.S. Trade Representative Robert Lighthizer formally announced that the United States – Mexico – Canada Agreement (USMCA) will enter into force on July 1, 2020. This comes as both Canada and Mexico have taken the measures to comply with commitments and the U.S. has notified Congress that it has completed domestic procedures to implement the agreement.

Lighthizer said “The crisis and recovery from the Covid-19 pandemic demonstrates that now, more than ever, the U.S. should strive to increase manufacturing capacity and investment in North America. The USMCA’s entry into force is a landmark achievement in that effort. Under President Trump’s leadership, USTR will continue working to ensure a smooth implementation of the USMCA so that American workers and businesses can enjoy the benefits of the new agreement.”

## **Waters of the U.S. – New Rule Published**

Last week, EPA published its Navigable Waters Protection Rule (the replacement for the Obama Administration’s Waters of the U.S. rule) in the Federal Register; nearly four months after the Administration unveiled the regulation. This action starts a 60-day clock before the regulation takes effect on June 22.

It is anticipated that numerous lawsuits will be filed challenging the measure. The WOTUS rewrite represents a considerable narrowing of what are considered “jurisdictional waters,” or water bodies that are subject to federal protection under the Clean Water Act.

As such, the rule is expected to be challenged by numerous groups that it is insufficient to protect water quality and human health. House Transportation & Infrastructure Committee Chairman Peter DeFazio (D-OR) has been critical of the rule and is calling upon Congressional action to prevent its implementation.

# HARDWOOD FEDERATION

While the WOTUS rule did not directly impact our hardwood mill operations, the issue is a focus of our forest landowner suppliers. Concerns around WOTUS stemmed from the fact that any wet area on a forest parcel could be considered a “water of the U.S.” and subject the landowner to federal clean water act permits. The Hardwood Federation will remain close to developments on this issue and will report in with developments.

## **Timber Contracts Gain Extension**

In mid April, the U.S. Forest Service announced that holders of timber sales or Stewardship Contracts awarded before April 1, 2020 are eligible for up to 2-year extensions. The Secretary of Agriculture made a finding of “Significant Overriding Public Interest” (SOPI) on April 10, after almost 40 forestry and forest products groups around the country sent a letter to the Secretary requesting these extensions.

The Federal Register notice announcing the SOPI noted: “This SOPI will provide time needed for markets to stabilize and for purchasers and contractors to resume operations currently disrupted by these unprecedented global conditions,” the notice says. It added that “Providing additional contract time during previous significant downturn market conditions has allowed timber purchasers additional flexibility to navigate the crisis and sustain long-term business viability, providing tools to support Forest Service land management goals and providing future employment opportunities,” and that the extensions can help sustain “economically viable, timber purchasers and contractors” which “increases competition for National Forest System timber sales, results in higher prices paid for such timber, and allows the Forest Service to provide a continuous supply of timber to the public.”



# AHMI Event Calendar

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

July 25-28: **AHMI Summer Conference**, Asheville, NC

Aug. 19-21: **HMA Convention**, Nashville, TN

Aug. 25-27 **KFIA Annual Meeting**, Louisville, KY

Aug. 25-28: **IWF**, Atlanta, GA

Sept. 8: **ALC Meeting**, TBD

Sept. 23-25: **NHLA Convention**, Louisville, KY

Oct. 9-10: **Expo Richmond**, Richmond, VA

Oct. 16-21: **High Point Furniture Market**, High Point, NC

Oct. 19: **ISFD Pinnacle Awards**, High Point, NC

Nov. 10: **ALC Meeting**, Johnson City, TN

If you know of events, contact Tom Inman at [tom@appalachianwood.org](mailto:tom@appalachianwood.org) and provide details. AHMI members are invited to join Inman at the events listed above.

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## Auditech Provides Tool For Tracking Freight

AHMI member Auditech & Associates has designed a website to help companies discover possible disruptions in the shipment of freight due to COVID-19 or other delays. It includes:

**Port:** Lists major U.S. ocean ports with links to the port's main web page or specific COVID-19 updates pages.

**Carrier:** Lists major U.S. freight/passenger carriers with links to the carrier's main web page or specific COVID-19 updates.

**Status:** Lists the operational status of U.S. ocean port or freight/passenger carrier.

**Latest Update:** Lists the most recent updates related to COVID-19 or other major updates affecting the listed ocean port or freight carrier.

Please visit <https://www.goauditech.com/operational-status/> for details. For more information, contact the AHMI office.

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## Hardwood Promotion

### Makes Progress In April

The Real American Hardwood Promotion Coalition (RAHPC) continues its progress in April to establish a united marketing strategy for the American hardwood industry.

The RAHPC has generated over \$238,000 from 25 industry associations and is funding research and brand development. In April, the team completed online research with home renovators, millennials who have purchased and completed upgrades and received valuable input from architects and designers.

Because of the COVID-19 crisis, the researchers launched online bulletin boards to reach a broader audience of home consumers. The basis of the online boards had a similar structure to the in-person focus groups that were held in Chicago and Nashville earlier this year.

The group also surveyed marketing professionals from various segments of secondary manufacturing to develop a brand statement that can be adapted and incorporated by associations and businesses alike.

The common message would run throughout multiple promotion platforms and campaigns. There will also be a go-to-market playbook which will consist of many ways companies and associations can engage.

Each of these areas will have a financial obligation and RAHPC can begin to consider where to start and how funding needs will be addressed.

RAHPC members are attending industry/association meetings throughout the year. Please look for these opportunities to connect with those association executives that are actively engaged.

If you are interested in someone from the Coalition participating in one of your meetings, please reach out! For more information or feedback, email [hardwoodpromotion@gmail.com](mailto:hardwoodpromotion@gmail.com)

AHMI is a founding member of the Coalition and Tom Inman serves on the Action Team and Immediate Past Chairman Lowery Anderson on the Advisory Committee.