



2020 July

Monthly newsletter of
Appalachian Hardwood Manufacturers, Inc.
www.appalachianhardwood.org | info@appalachianhardwood.org

State Restrictions Cancel Summer Conference

Appalachian Hardwood Manufacturers, Inc. is sad to report the recent cancelling of the 2020 Summer Conference set for July 25-28.

The decision was made by the AHMI Executive Committee following the June 25 announcement by NC Governor Roy Cooper to extend the COVID-19 Phase 2 recovery until July 17. The Phase 2 restricts indoor meetings to 10 people and outdoors to 25.

The state also maintained its 50 percent occupancy for restaurants and blocked bars from opening. The order requires face masks in all public places beginning June 26.

North Carolina's COVID-19 cases were on the rise in June 2020 and that was the basis for the extension, the Governor said.

It would be impossible for AHMI to hold a conference with the Phase 2 limits. Even if Phase 3 was implemented on July 17, it is unknown what the number of people who could gather would be.

AHMI was prepared with masks and had discussions with the Omni Grove Park Inn to receive assurances and printed guidelines. The decision to cancel was very difficult but the Executive Committee and staff do not want to risk members and guests being exposed to the virus or burdensome restrictions.

The AHMI Board of Directors will meet on July 27 to discuss options for either another date and location or hold webinars with the business session presentations. Details will be announced as soon as they are available.

SBA Makes PPP Loan Forgiveness Easier

Many AHMI member companies received Paycheck Protection Plan funds this year as loans to keep their employees working. The PPP allows for small businesses who were in business on Feb. 15, 2020 to take loans for up to \$10 million to defer the costs of keeping employees, adding employees, and paying certain other expenses.

The program was amended in June with the PPP Flexibility Act. It states:

- Borrowers now have 24 weeks to spend loan proceeds, up from 8 weeks.
- It reduces mandatory payroll spending from 75% to 60%.
- Two new exceptions let borrowers obtain full forgiveness even without fully restoring their workforce.
- Changes made by the PPPFA have been incorporated in new forgiveness applications re-



Paycheck Protection Program

leased by the SBA.

- Time to pay off the loan has been extended to five years from the original two.
- The Act allows businesses to delay paying payroll taxes even if they took a PPP loan.

Companies can use a new website established by the Small Business Administration to assist in completing the applications to be forgiven for the PPP loan. They are available at home.treasury.gov

The way I see it..

By Tom Inman, AHMI President

...plans were going along fine for the 2020 Summer Conference in Asheville later this month until June 25.

I really thought we were going to be able to meet and was having great conversations with members and guests planning to attend. I had set up new procedures with the Omni Grove Park Inn staff to serve at the receptions and business sessions based on their requirements.

I suspected the crowd would be down a little because of COVID-19 concerns. I had set up virtual options for anyone to watch the presentations and workshop sessions.

We ordered masks (some with straw holes for the receptions) and key devices for opening doors and pressing buttons. We were ready.

The one thing I did not see coming was the rise in COVID-19 cases in early June. NC Governor Roy Cooper extended the Phase 2 restrictions until July 17 just one week before the meeting.

There was no way to know what size group would be allowed to meet. It was unlikely it would be 150 or more.

I shared this with the AHMI Executive Committee on June 25 and the group decided it was best to cancel the Conference. The Omni Grove Park Inn understood and was having the same reaction from other groups.

We are down but not out. The AHMI Board of Trustees will meet on July 27 and determine if the association will reschedule an event for later this fall. We have a terrific program of speakers and are considering either a conference or a series of presentations on a weekly basis to provide our members with the information.

The Appalachian Regional Commission remains engaged and ready to help us establish workforce training in the Community College system in the Appalachian states. New technology for hardwood processing is improving. The Real American Hardwood Promotion is making progress. So stay tuned with details to come soon.



MEMBERSHIP

AHMI welcomes the following new members:

Supplier

Woodus K Humphrey & Co. Inc.

Jay Hanna

7600 Fern Ave, Bldg. 500

Shreveport, LA 71105

Tel: 318-663-6419

jay.hanna@amwins.com

Consumers

WV Forest Products Center

Joseph Howard

325 Hardwood Lane

Princeton WV 24740

Tel: 304-278-3328

joe@wvfpc.com

www.wvfpc.com

Fancher Chair Co.

Gary Henry

PO Box 8

Falconer NY 14733

Tel: 716-665-4313

Fax: 716-661-3018

gary1@fancherchair.com

www.fancherchair.com

New members are vital to the work of AHMI. If you know of companies that should join, please share that information with the AHMI office.

AHMI Mourns Loss of Kincaid, Lew Herron

AHMI is sad to report the recent passing of former Kincaid Furniture President Steve Kincaid of Lenoir and former Biltmore Forest Chief Forester Lew Herron. Both of these men served the hardwood industry with distinguished careers. The obituaries are available from the AHMI office.

AHMI 401K Plan Nears \$30 Million Investments

Appalachian Hardwood Manufacturers, Inc. is pleased to announce that nearly \$30 million has been invested from member companies into the AHMI 401k Multiple Employer Plan.

In a partnership with UBS Financial, the AHMI plan allows hardwood companies to pool existing retirement accounts or start new programs for employees. The plan offers economies of scale pricing that lowers costs for recordkeeping, third party administrators and financial consultants.

Participants have access to low cost investments that are typically only available to very large corporate plans. There is also no individual company audit requirement saving staff time and creating efficiencies.

Adopting employers have plan design flexibility and can retain their individual plan features such as a matching formula, vesting and eligibility. UBS is the world's largest wealth managers and the AHMI team, Southeast Wealth Consultants is the 400 retirement plan provider designated by UBS.



The early participants in the AHMI 401K MEP have found savings of \$5,000-\$12,000 a year. It also has streamlined recordkeeping.

UBS Financial representatives have prepared detailed packets with a company's current retirement program costs and the estimated savings in the AHMI 401K plan. The transfer can be completed in just a few weeks. UBS Financial schedules meetings with company employees to explain the offerings and help with decisions.

New companies continue to join the plan each week. For more information, please contact the AHMI office at (336) 885-8315 and we will send you materials for review.

EXIM Bank Offers Updated Guide To Exporting

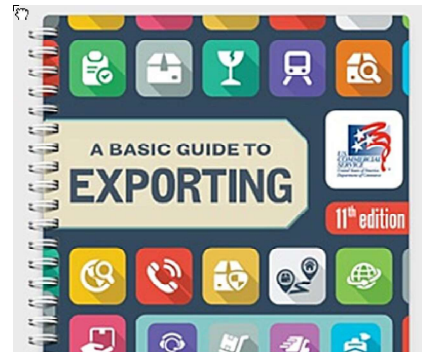
The Export-Import (EXIM) Bank recently updated its Basic Guide to Exporting.

For more than 70 years, the Guide has given companies the information they need to establish and grow their business in international markets.

Whether companies are new to exporting or just want to learn the latest ideas and techniques, and whether your product is a good or a service, this new 11th Edition — completely rewritten, revised, and updated by the Department of Commerce— will give you the nuts-and-bolts information you need.

Here are just some of the topics covered:

- *How to identify markets for your company's products (Chapters 3 and 6)*
- *Sources of free or low-cost export counseling (Chapter 4)*



- *How to create an export plan (Chapter 2)*
- *How to finance your export transactions (Chapter 15)*
- *The best methods of handling orders and shipments (Chapters 12 and 13)*

Visit grow.exim.gov to download the Guide and establish and grow business in international markets.

Certified Appalachian Builds Momentum

Appalachian Hardwood Manufacturers continues to grow its Certified Appalachian Hardwood Legal and Sustainable program.

AHMI completed a survey of Consumer Division members in 2017 and learned that customers are seeking more documentation about the source of products. This new program is third-party audited to certify your company's sourcing as meeting the standards adopted by the AHMI Board of Trustees.

CAHS proves:

Company is a member of good standing in AHMI;

Products are sourced from the 344-county Appalachian Hardwood Region;

US Forest Service Forest Inventory Analysis growth-to-removal ratio exceeds 1 to 1.

CAHL proves:

Company is a member of good standing in AHMI;

Company is a legal entity in the United States and adheres to the rule of law;

Products are legally sourced from the 344-county Appalachian Region with signed evidence from suppliers.

AHMI has contracted with a third-party auditor to certify member companies to these standards and companies can choose to participate in either or both.

AHMI provides you with:

Standards for both programs and the audit procedure details;

List of Appalachian Hardwood Counties for procurement region;

Sample product certificates;

Procurement Form for your vendors to complete and give you if a question arises about the origin of logs, lumber or products.

For more information on these and the Verified Sustainable and Legal programs, please contact the AHMI office at (336) 885-8315 or visit www.appalachianhardwood.org

AHMI Event Calendar

Appalachian Hardwood Manufacturers, Inc. is monitoring events and meetings to determine the best locations to promote AHMI member companies and products. It has been a very unusual year with the majority of events cancelled because of COVID-19.

Below are the plans as of July 1 for the remainder of the year. Please check with the AHMI office before you make final plans to make certain the event is finalized.

July 16-18: **WVFA Annual Meeting**, Canaan Valley, WV

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

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

Sept. 15: **ALC Meeting**, Greensboro, NC

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 that we should consider, contact Tom Inman at tom@appalachianwood.org and provide details. AHMI members are invited to join Inman at the events listed above.

The following events have been cancelled for Summer and Fall 2020:

SLMA Annual Meeting

IWF Atlanta

NHLA Convention

Expo Richmond

Penn York Club Meetings

Join Us On Twitter, Instagram

Follow AHMI on Twitter & Instagram for weekly updates on members, hardwood product promotion and events. Please link to:

[/twitter.com/AppalachianHdwd](https://twitter.com/AppalachianHdwd)

[/instagram/appalachianhdwd](https://instagram.com/appalachianhdwd)

Business, Government Get Back To Work

By Dana Lee Cole, HF Executive Director

As we enter the summer months, there are mixed signals about when we will finally emerge from the shadow of the COVID-19 crisis. Many states are slowly re-opening businesses and recreational activities...but some are also pulling back as infection rates increase in some regions.

Airlines and hotels are reporting upticks in travel reservations...small, but at least going in the right direction. But many international borders remain closed to U.S. citizens (although commerce channels are open).

May and June employment figures showed a surprising resiliency, again small improvements, but positive ones for a change. There is lingering uncertainty about how the spread of the virus will impact these figures in late summer. There has been incredible progress in what scientists and medical professionals know about the virus, how to treat it and how to prevent it.

In Washington, things are moving forward slowly. Both Houses of Congress are in session...and many Members are attending in person. Virtual meetings, formal and informal, still seem to be the new preferred model of getting business done in D.C., but there is hope that as doctors and scientists learn more about how to control and defeat the virus, offices will be able to open at some point in the fall.

As the Hardwood Federation has reported, Congress has passed, and the President has signed, three relief packages aimed at defusing the economic devastation of COVID-19. The House has passed a fourth proposed bill totaling more than \$3 trillion. There is movement towards additional support. The House has already passed a massive proposal totaling over \$3 Trillion.

The Senate is starting conversations to develop their own version of next steps, looking at a target date of late July for completion. While there seems to be bipartisan support for providing some sort of additional relief, there are differences of opinion about what that relief should be.

HARDWOOD FEDERATION

The U.S. hardwood industry, although certainly benefitting from some of the already in place relief measures, is still hurting from the double punch of the U.S. – China trade dispute and the economic devastation caused by the virus. The Hardwood Federation Board of Directors met recently and developed a list of recommendations of federal action to help the industry move towards recovery. Included in their letter to Senate Leadership were the following:

- Extend liability protections to businesses bringing workers back post-COVID-19;
- Direct the Small Business Administration to reverse its decision to limit Economic Injury Disaster Loans (EIDL) to \$150,000. Existing law authorizes EIDL loans of up to \$2 million which is essential to industry members;
- Extend a sustainable building tax credit to building and construction projects, including U.S. wood products used in these projects;
- Increase government purchases of U.S. wood products, including structural and finished products, for federal buildings and transportation;
- Fund necessary research to approve increased use of U.S. hardwoods in U.S. military truck beds, replacing imported tropical woods;
- Provide funding to research to increase domestic and international consumer demand for U.S. hardwood products including the environmental and home health benefits of hardwood product use.

The Hardwood Federation team is reaching out to our allies in Congress to express our support and to encourage Members to consider the hardwood industry and the challenges they face as they move forward with legislation.

As always, thank you for your support as a member of the Hardwood Federation.