



# Appalachian Hardwood News

January 2022

Monthly newsletter of  
Appalachian Hardwood  
Manufacturers, Inc.

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## Carbon Credits, HMR Top 2022 Agenda

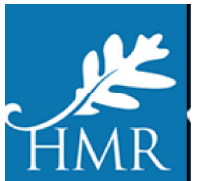
### *AHMI Annual Meeting Returns To FL*

Appalachian Hardwood Manufacturers invites you to attend the **2022 Annual Meeting** on March 2-6 at The Diplomat Beach Resort in Hollywood, FL. The Meeting will include a **reception and dinner cruise** on the **South Beach Lady** for all attendees on Saturday.

The AHMI business presentations are:



**Forest Carbon Credits in Appalachia** - NCX Carbon is America's top provider of forest carbon credits and Manager Jeff Wright of North Carolina will explain the program in the AHMI region.



**HMR Marks Century of Price & Production Indexing** - Hardwood Market Report's Judd Johnson will detail the 100th anniversary of the leading hardwood lumber pricing and production guide.



**Domestic Hardwood Lumber Market** - A secondary manufacturing sector leader *has been invited* to discuss demand for hardwood lumber.



**Insurance Forum** - Four AHMI member insurance professionals will present the state of the marketplace for: (1) Cyber Security & Best Practices; (2) General Liability, Commercial Automobile, Workers' Comp.; (3) Umbrella / Excess Liability Coverage; (4) Contractual Risk Transfer Agreements Specific to Logging / Hauling

**Real American Hardwood In 2022** - Coalition members will report an exciting recap of 2021 and plans for 2022.

AHMI Annual Meeting & Member Anniversar-  
(See Meeting on page 3)

## ARC OKs \$1.5M Grant For Worker Training

WASHINGTON, DC – The Appalachian Regional Commission recently approved \$1.5 million 2021 POWER Grant to Dabney S. Lancaster Community College (DCLCC) and Appalachian Hardwood Manufacturers, Inc. (AHMI) for the Appalachian Hardwood Training Initiative (AHTI).

The three-year project will develop educational and training opportunities for those employed in the industry's regional sawmills and hardwood manufacturing facilities. It brings together educators, businesses, and workforce providers in Kentucky, Virginia, and West Virginia to develop the training and expand to other states.

Two other schools, Glenville State College in West Virginia and Big Sandy Community College in Kentucky, will assist with development and offer the training and courses.

"We are honored to receive this important grant from ARC, said Dr. John Rainone, DSLCC President. "Addressing the workforce needs of the hardwood industry is a critical role for all of our wonderful partners and it is our hope to develop educational and training opportunities for those employed in the industry's sawmills and wood manufacturing facilities throughout the ARC region as well as for underemployed and underemployed individuals in the region."

AHMI members identified key skills required by the industry, providing a foundation to address current gaps. AHTI will use a multi-pronged strategy that (1) minimizes geographical boundary impact, (2) engages employers, and (3) develops shared curricula.

"Sawmills have very specific needs for training that have historically been 'on the job,'" said

(See Training on page 2)

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

By Tom Inman, AHMI President

the New Year should be very exciting for Appalachian Hardwood Manufacturers' members. Not that every year is not, but we are planning new projects and promotions this year that will benefit the entire industry.

The first is the approval of funding for the Appalachian Hardwood Training Institute. We have been developing this for almost two years with the Appalachian Regional Commission and it was approved in December (see story page 1).

AHMI members will be asked to help shape the courses to training sawmill and secondary workers on the job skills they need to go to work. The colleges will use existing equipment and staff and be prepared to introduce new training based on industry needs.

The concept is not new for community colleges but the attention to the Appalachian Hardwood industry is. We have commitments from three colleges and others with interest to make this "work."

The program will develop online training for general skills and then have workers spend one day, one week or a semester with the equipment to receive the hands-on skills. They will be tested and successful students will be "certified."

Imagine having employees trained outside of your workplace with the skills they need to improve your business. Imagine having job applicants come to you with a certificate that says they are trained to operate a resaw, a kiln or even a forklift!

The potential is tremendous and we begin meetings with the colleges this month.

On the Promotion front, AHMI has added five events to our Calendar for 2022 to make certain hardwood buyers know where to purchase the finest Appalachian logs, lumber and products. See the schedule on page 5.

AND the AHMI Multiple Employer Plan for 401k retirement is adding companies and saving money. Enrollment is open.

It is a terrific time to be an AHMI member and thank you for renewing for 2022! I look forward to working with you for our mutual success.

## Training from page 1-----

Tom Inman, AHMI president. "We recognize if we can better train existing and future workers in classroom and off-production settings, they can learn these skills."

A 2016 study attributes \$91.7 billion in economic impact and over 510,000 related jobs in ARC states. "We can improve the workforce and expand the industry in these rural areas where the resource grows and can be manufactured into products that are in high demand," Inman said.

The ARC announcement states "education and training, complemented by workforce assets, will assist those seeking entry-level positions and provide a ladder approach to other positions within the industry that require higher-level skills at higher wages. This effort will help mitigate the devastating impact of jobs lost due to changes in the coal industry."

AHTI will develop short-term training sessions focused on the identified needs of industry and employer partners. The project follows a logical procession of necessary pathways for the upskilling and creation of hardwood-related jobs in Virginia, Kentucky, and West Virginia.

"ARC's POWER initiative helps to leverage regional partnerships and collaborations to support efforts to create a more vibrant economic future for coal-impacted communities," said ARC Federal Co-Chair Gayle Manchin. "This year's POWER projects invest in educating and training the Appalachian workforce, nurturing entrepreneurship, and supporting infrastructure—including broadband access. These investments in our Appalachian coal-impacted communities are critical in leveling the playing field so communities can thrive."

This model will form a bridge between the employers and the colleges to develop rapid, real-time training for upskilling and job creation. It also creates a sustainable training model for well beyond the three states and the length of this project.

The program is expected to recruit, serve, and train up to 950 individuals in Virginia, West Virginia, and Kentucky over three years.

ARC is an economic development partnership agency of the federal government and 13 state governments focusing on 423 counties.

## Meeting from page 1

ies will be reported by Chairman Jay Reese along with the State of the Association. This will include election of officers / board members.

**Producers and Distributors Divisions Meeting** - Separate sessions for these two AHMI groups to discuss issues of importance to their sectors.

**FUN!!** The **Annual Golf Tournament** is Friday at The Club at Emerald Hills Course in Hollywood, FL. The **Annual Fishing Tournament** is Friday on the Atlantic with sportfishing from chartered boats.

A return trip to **TopGolf Miami Gardens** for fun and competition on Saturday. Or you can join the group on **Saturday on the Beach** from 1-3 pm.

Make room reservations at the Diplomat Beach Resort by calling (855) 689-2911 and ask for the Appalachian Hardwood block. Please complete the registration form on page 6 or at [www.appalachianhardwood.org/meetings](http://www.appalachianhardwood.org/meetings). Have questions? Call AHMI at (336) 885-8315 or [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org).

The Diplomat Resort is a Curio Collection by Hilton and an elegant retreat with spacious rooms, gorgeous views of the Atlantic, Intracoastal Waterway, and a AAA Four-Diamond Award winner.

### Dining...

**Diplomat Prime** is a luxury boutique steakhouse with prime beef aged in-house, seasonal seafood dishes, and select fare;

**Monkitail** is a contemporary take on classic Izakaya, featuring sharable small plates and sushi and an array of specialty cocktails and sake.

**Playa** is a beachfront Nuevo Latino bar and restaurant.

**Counter Point** offers specialty espresso drinks, coffee, and a daily selection of house-baked breakfast pastries, salads and sandwiches.

### Activities...

The **Diplomat Spa** is designed to melt away the stress and strains of the day while viewing the ocean. After a massage, facial or body treatment, head to the relaxation lounge for refreshments.

Enjoy the Atlantic Ocean beach with jet skis, lounge chairs and more available on-site from the Diplomat staff!

## 2022 Annual Meeting Agenda

### Wednesday, March 2

6 p.m. Early Bird Reception

### Thursday, March 3

*Informal golf and fishing available. Call AHMI*

3 p.m. Board of Trustees Meeting

4 p.m. Registration Opens

6 p.m. Welcome Reception by Stringer Industries

### Friday, March 4

8:30 a.m. General Session

Business Presentations

12:30 p.m. Fishing Tournament

12:30 p.m. Golf Tournament at The Club at Emerald Hills

6 p.m. Reception by Ally Global and TS Manufacturing

### Saturday, March 5

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

8 a.m. Distributors Meeting

9 a.m. General Session

Business Presentations

Annual Meeting & Member Anniversaries

Chairman's Report

12:30 p.m. Top Golf Tournament

1 p.m. Beach Fun at the Diplomat

5:30 p.m. Yacht Cruise Reception and Dinner



**NEW  
THIS  
YEAR!**

**Saturday Cruise on South Beach Lady**

**Saturday Reception and Dinner Cruise** aboard the **South Beach Lady**. All attendees will board the yacht at the Diplomat Landing for a trip south on the Intracoastal Waterway to Miami and return.

Your registration fee includes this reception, dinner, DJ for dancing and decks for sightseeing sponsored by USNR, TMX Shipping and others.

### Sunday, March 6

8 a.m. Fellowship of Christian Lumbermen

Enjoy Florida and have a safe trip home



# New Year Is Running For Hardwood Federation

*By Dana Lee Cole, Hardwood Federation  
Executive Director*

2021 ended not with a bang, but a whimper in Washington, D.C. Although we were expecting to be tracking Congressional activity right up to Christmas Eve, by Dec. 16, federal lawmakers had decamped from Washington, dodging the possibility of deliberating end-of-year business during the days, if not hours, leading to the holiday.

The Senate returned on Jan. 3, with their House colleagues slated to reconvene on Jan. 10. As 2021 came to an end, Democrats fell short of moving some of their key priorities, most notably the \$2 trillion "Build Back Better" bill, also known as the "reconciliation package," to federal election reform legislation. That said, Congress took steps to avoid default on the nation's \$29 trillion debt, passing legislation to raise the federal debt ceiling to an amount that should keep the lights on in the federal government into 2023.

## **Build Back Better**

In November, Build Back Better passed the House along party lines, with a single Democrat, Jared Golden of Maine, casting a vote against the bill along with all House Republicans. It then moved to the Senate for debate and voting.

On Dec. 19, Sen. Joe Manchin (D-WV) derailed the package in its current form by stating that after much consideration, he could not support the bill. Manchin has consistently raised concerns about the cost of the bill and its possible impacts on surging inflation.

Although there is no apparent path forward for BBB as written, the Hardwood Federation has been closely tracking provisions in BBB that could re-emerge in future legislation. These include:

- Research funding for the U.S. Department of Agriculture related to sustainable forestry methods, maximizing carbon sequestration on federal lands and life cycle analysis of wood products.
- Funding for initiatives through the U.S. Department of Agriculture that protect older and more mature forests in the National Forest System.
- Grant programs that support private landowners entering voluntary carbon market programs.

As with any legislation of this size and scope,

there were positives and negatives. For the hardwood industry, the potential of additional dollars to research and document the carbon storage benefits of wood products was a positive. However, there were concerns that many of the forestry provisions are focused on the growing and maintenance of trees with little reference or attention to the value of harvesting or the benefits of the forest products markets to forest health or carbon sequestration goals.

To fund this multi-trillion-dollar proposal, authors identified a number of tax increases that would have impacted hardwood businesses. The bill's so-called "book tax," for example, posed a major challenge to many small, medium, and family-owned businesses by imposing a tax based on "financial statement income." This accounting gimmick would undermine long-standing accounting flexibility that the hardwood industry relies on, including accelerated depreciation of equipment and net operating losses.

We also had concerns with provisions raising tax rates on small and medium sized business that are organized as S-Corporations or other pass-through structures.

## **Congress Delivers Some Hardwood Cheer**

In December the hardwood industry made progress on two fronts: funding a major "mass timber" program; and addressing transportation bottlenecks that hinder exports. On Dec. 15, on the heels of House passage, the Senate voted 89-10 to pass the "National Defense Authorization Act" (NDAA), a \$768 billion defense policy bill.

Fortunately for the industry, the NDAA includes a provision authorizing a pilot program to evaluate the use of more mass timber in military construction. The bill states that "each ... military department shall conduct a pilot program" to analyze the impact that "the use of mass timber as the primary construction material in military construction may have on the environmental sustainability, infrastructure resilience, cost effectiveness, and construction timeliness.

On Dec. 8, the House passed the "Ocean Shipping Reform Act of 2021" (HR 4996) by a vote of 364-60. This important bill would update the federal "Shipping Act" and institute remedies for

**(See Federation on page 5)**

## Federation from page 4-----

unfair shipping practices that exacerbate global supply chain disruptions caused by the pandemic. Specifically, the bill would empower the Federal Maritime Commission (FMC) to prevent ocean carriers from declining export cargo if the containers can be loaded safely and within a reasonable time frame.

During a discussion with the Hardwood Federation in November, Sen. John Boozman (R-AK) expressed interest in supporting a senate bill and stated that his colleague John Thune will likely offer a slimmer version than H.R. 4996.

### Outlook 2022

Build Back Better – Although the bill has gone off the rails, select forestry and tax provisions could coalesce in a new package or some other legislation in 2022. Stay tuned for developments!

Shipping Reform - An aversion to controversy will likely entice lawmakers to rally around more bipartisan, consensus legislation such as ocean shipping reform, raising the prospects for a companion bill in the Senate. The House bill attracted nearly 100 Democratic and Republican co-sponsors split evenly on party lines, virtually reflecting the party composition of the people's House.

Farm Bill – Although the current farm bill, the "Agriculture Policy Act of 2018," does not expire until 2023, when a new Congress and possibly new leadership may convene, members of the House and Senate Agriculture Committees will kick off stakeholder meetings in 2022. The Federation has already talked to the committee chairs in each chamber, underscoring the need to quantify the important role of forest products in capturing and storing carbon within the context of federal climate policies.

HF will continue to make that pitch going into 2022, underscoring, for example, the role that USDA's Forest Products Laboratory can play to conduct research that will ground industry policy priorities in science. HF will continue to fight for full funding of the MAP and FMD within the context of the upcoming legislation.

As the legislative days begin next year, the prospects for major legislation moving through Congress will diminish as we approach the mid-term elections. The Hardwood Federation team will be engaged with dozens of industry champions on the Hill in 2022!

## AHMI Event Calendar

Appalachian Hardwood Manufacturers, Inc. plans to attend the following events to promote AHMI member companies and products.

Members are welcome to participate in the AHMI exhibit and we can assist with registration if required. Please check with the AHMI office before you make final plans:

- Jan. 11: **ALC Meeting**, Asheville, NC
- Feb. 7-9: **IHLA Convention**, Indianapolis, IN
- March 2-6: **AHMI Annual Meeting**, Hollywood, FL
- March 8: **ALC Meeting**, Roanoke, VA
- March 23-25: **HMA National Conference**, Destin, FL
- March 29-31: **KFIA Annual Meeting**, Lexington, KY
- April 2-6: **High Point Furniture Market**, High Point, NC
- April 6-8: **Central Hardwood Conference**, WVU, Morgantown, WV
- April 12-14: **NWFA Wood Expo**, Tampa, FL
- April 27-May 1: **ALC Beach Meeting**, North Myrtle Beach, SC
- May 3-6: **Virginia Forestry Summit**, Blacksburg, VA
- June 6-8: **Railway Tie Field Trip**, Roanoke, VA
- July 24-26: **AHMI Summer Conference**, The Homestead, Hot Springs, VA
- Aug. 23-26: **IWF Atlanta**, Atlanta, GA
- Sept. 13-14: **PFFA Annual Conference**, State College, PA
- Sept. 21-23: **NHLA Convention**, Cleveland, OH
- Sept. 28-30: **NCFA Annual Meeting**, Greensboro, NC
- Oct. 22-26: **High Point Furniture Market**, High Point, NC

If you know of events that we should consider, contact AHMI at [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org) and provide details.

Follow AHMI on social media with updates on members, hardwood promotion and more. Please connect at: [/instagram/appalachianhdwd/](https://www.instagram.com/appalachianhdwd/)

2022 Annual Meeting on March 2-6  
The Diplomat Beach Resort, Hollywood, FL  
REGISTRATION FORM



To reserve your room, call the Diplomat Resort at (855) 689-2911 for Appalachian block  
The room cutoff is Feb. 2 and rooms start at \$349. Rate is honored before & after!

Online Hotel / Meeting registration available at [www.appalachianhardwood.org/meetings](http://www.appalachianhardwood.org/meetings)

To plan functions and include all participants on the Registration List, please complete this form and return with your payment to: AHMI, PO Box 427, High Point, NC 27261. Badges and other materials will be on site.

**Registration before Feb. 11, 2022:**

AHMI MEMBER - \$525 per person

GUEST - \$625 per person

MEMBER SPOUSE - \$375

GUEST SPOUSE - \$475

CHILDREN AGE 10 & older - \$250, UNDER 10 - \$200

*Add \$75 to any registration fee after Feb. 12, 2022*

Registration includes Saturday Reception & Dinner on South Beach Lady Yacht, two other receptions, business sessions and breaks, afternoon at the beach, and fun.

*Full registration fee refunded on cancellations received by Feb. 11, 2022. Cancellations received after that time will be subject to 50% forfeiture.*

**REGISTER for AHMI'S 2022 ANNUAL MEETING**

Name: \_\_\_\_\_ FEE: \$ \_\_\_\_\_

Name: \_\_\_\_\_ FEE: \$ \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_



**Optional  
Events I / We  
will attend**

*(included in  
registration fee)*

\_\_\_ Early Bird  
reception Wed,  
March 2 at 6 pm

\_\_\_ Beach Fun &  
Drinks, Saturday,  
March 5 1-3 pm

**Annual Golf Tournament** Friday at 12:30 p.m. at The Club at Emerald Hills  
*(includes shuttle, lunch, range balls. Rental clubs are available)*

Name: \_\_\_\_\_ FEE: \$160

Name: \_\_\_\_\_ FEE: \$160

**Fishing Tournament** Friday at 12:30 p.m. sportfishing in Atlantic  
*(4-hour fishing trip, includes boxed lunch, tackle, bait, license)*  
\$175 for each of six slots on multiple chartered boats

Name: \_\_\_\_\_ FEE: \$175

Name: \_\_\_\_\_ FEE: \$175

**TopGolf Miami** Saturday 12:30 p.m. *(Incl. shuttle, two-hours, food & beverage)*  
Number of spaces reserved \_\_\_\_\_ @ \$80 each FEE: \$ \_\_\_\_\_

Check # \_\_\_\_\_ Received \_\_\_\_\_

**TOTAL** \$ \_\_\_\_\_

Credit Card # \_\_\_\_\_ Exp. \_\_\_\_\_ Sec. Code \_\_\_\_\_ Billing Zip \_\_\_\_\_