

AWP Hosts House Committee Reviewing Appalachia Economy

Allegheny Wood Products recently hosted the U.S. House Ways & Means Committee for a field hearing on the economy and its impact on Appalachia.

The hardwood company was selected by House Rep. Carol Miller (R-WV1) who represents many of AWP's 900 employees. Most committee members attended the first of several field hearings planned for this year.



AWP's Tom Plaughter

AWP Vice President of Operations Tom Plaughter testified about the issues of rising energy costs, worker shortages, supply chain delays and excess government regulations. He said there

are serious challenges faced by AWP and the entire hardwood lumber industry.

"We have a unique, renewable resource here in the Appalachian region that has provided generations of West Virginians the means to make a living and to provide for their families," Plaughter said. "The forest industry contributes \$3.2 billion dollars in economic impact to the state of West Virginia on an annual basis. There are over 30,000 people in the state that work in the forest products industry."

He listed five key issues impacting the hardwood industry in 2023:

- Increased diesel fuel and oil costs hurt the industry at every level. Fuel is needed for logging, trucking, forklifts and loaders as well as shipping
(See Hearing on page 3)

'23 Annual Sessions Talk Cabinets, Carbon & Consumers

A great crowd is registering for the 2023 Annual Meeting of Appalachian Hardwood Manufacturers on **Feb. 22-26** at The Ponte Vedra Inn & Club in Ponte Vedra, FL.

The business sessions will focus on:

hardwoods in the **cabinet sector**

hardwoods storing **carbon**

hardwoods influence on **consumers**.

There will be business sessions in the morning, sporting events in the afternoon and receptions each evening to network and renew friendships.

Ponte Vedra Inn is near Jacksonville, FL, and all accommodations are oceanfront. There is excellent dining, spa and miles of beach for relaxation. The hotel is full but accommodations are available nearby. Please contact AHMI office.

The business presentations are:

*** Cabinet Market Prospective** – Marsh Cabinets Chief Executive Officer Edwin Underwood will discuss cabinet markets in the U.S. The company is based in High Point, NC, and he is a former chairman of the Kitchen Cabinet Manufacturers Association.

*** Carbon and the Climate Agenda on Timberlands** – Bluesource Sustainable Forests Co. President Blake Stansell, will discuss the recent sale to anew and what that means for thousands of acres of timberland in the Appalachian region.

*** Valuing Stored Carbon In Finished Goods** – Virginia Tech Professor and Researcher Dr. Brian Strahm will share the value of carbon stored in hardwood products.

*** Real American Hardwood Influence** – RAH will report on current actions with social
(See Meeting on page 2)

2023 Annual Meeting Agenda

Wednesday, Feb. 22

6 p.m. Early Bird Reception

Dinner on your own

Thursday, Feb. 23

Informal golf and fishing available. Call AHMI

2 p.m. Board of Trustees Meeting

3 p.m. Registration Opens

6 p.m. Welcome Reception by Stringer Industries

Dinner on your own

Friday, Feb. 24

8:30 a.m. General Session

(1) Cabinet Market Prospective in 2023

(2) Bluesource Carbon Timberland Management

(3) Hardwood Products Carbon Value

11:30 a.m. Golf Tournament on Ocean Course

12 p.m. Fishing Tournament

6 p.m. Reception by UBS Financial

Dinner on your own

Saturday, Feb. 25

8 a.m. Producers Meeting (Producers only)

8 a.m. Distributors Meeting

9 a.m. General Session

(1) Chairman's Report & Member Anniv.

(2) Hardwood Federation Report

(3) USNR Expands Products

(4) Real American Hardwood Promotion

12 p.m. Golf Scramble Tournament on Ocean Course

1 p.m. Beach Fun on the Atlantic

2 p.m. Croquet Tournament

6 p.m. Reception by Stiles Machinery

Dinner on your own

Sunday, Feb. 26

8 a.m. Fellowship of Christian Lumbermen

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media and consumer influencers in residential and commercial settings and promotion in 2023.

*** USNR Expands Product Offerings** - Industry supplier USNR has east coast operations in nearby Jacksonville, FL, and will explain acquisitions in 2022 that have increased its business. Tours of the facility are available Wednesday and Thursday.

*** Hardwood Federation** report by Dana Lee Cole.

*** AHMI Member anniversaries** and the **Chairman's Report** by Tom Sheets on the State of the Association.

*** Producer and Distributor Divisions Meeting** - Separate sessions for these AHMI groups to discuss issues of importance.

FUN!! There are several activities daily:

The **Annual Golf Tournament** is Friday at PVI's Ocean Course.

The **Annual Fishing Tournament** is Friday with sportfishing from chartered boats.

There is a **Golf Scramble** Saturday on PVI's Ocean Course.

New This Year - The Inaugural **AHMI Croquet Tournament** on Saturday on the PVI Croquet Court.

AHMI still has access to accommodations in the area. Call AHMI at (336) 885-8315 or info@appalachianhardwood.org.

Please complete the registration form on page 6 of this newsletter and print and mail or visit www.appalachianhardwood.org/meetings.

2023 Resource Guide Materials Due NOW!

Appalachian Hardwood Manufacturers, Inc. will publish its **2023 Appalachian Hardwood Legal & Sustainable Resource Guide** in the Spring to assist more than 8,500 U.S. and 12,000 international buyers of hardwood lumber.

The annual Guide is distributed to furniture and cabinet makers, millwork and flooring producers, architects and designers. An electronic version is

emailed twice annually Asia, Indonesia, Europe, and Mexico.

We look forward to your participation in the 2023 Appalachian Hardwood Legal & Sustainable Resource Guide. Please send materials immediately to be included.

Larger promotions are available. For details, please contact the AHMI office at (336) 885-8315.



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finished products.

- Supply chain has reduced available parts and dramatically increased the price.
- Needed workforce has not returned following COVID.
- Rising interest rates are slowing down the housing market, making capital more expensive, and slowing the industry.
- Increasing regulations and bureaucracy have hurt industry by increasing costs, delaying expansion and hampering production.

Other speakers were from the restaurant, distillery and energy sectors.

Miller, AWP President John Crites II and Phyllis Cole, AWP Government Relations, were all instrumental in the committee choosing AWP Petersburg as the site for this first in a series of field hearings. Twenty-five House members attended the hearing.

The proceedings are available online at www.youtube.com/watch?v=Rij2pGhl1SA



AHMI welcomes the following new member:

Supplier

Woodworks

Jack Matson

1403 Pike St.

Marietta, OH 45750

Phone: 814-715-6331

Email: lumberjack@woodworks.cloud

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.

Certified Appalachian Helps Sell Lumber

AHMI members seeking certification for products to meet customer needs should enroll in Certified Appalachian Legal & Sustainable. The program provides a third-party audit of resources and processing.

It also verifies by county of origin the lumber that is being shipped in all transactions. Program participants have learned Certified Appalachian provides value to their customers.

As geographic location of timber resources becomes more important for domestic and export customers, Certified Appalachian pinpoints the harvest area in the region.

These details are simple to secure from landowners and loggers in this program. The standards were approved by the AHMI Board of Trustees in 2018 and application is simple with most companies are approved in seven days.

For more information, please call the AHMI office at (336) 885-8315 or info@appalachianhardwood.org.



AHMI Booth at IHLA emphasizes Certified Appalachian Legal & Sustainable

Water Rules Battle Between Administration, Courts

By Dana Lee Cole, Executive Director
Hardwood Federation

The Environmental Protection Agency (EPA) announced a final rule on December 30, 2022 to establish yet another definition of “waters of the United States” (WOTUS) attempting to settle the regulatory back-and-forth over the scope of federal Clean Water Act (CWA) jurisdiction that has prevailed over the past four Administrations.

The CWA regulates agricultural and industrial discharges into waterways falling into the WOTUS category, thereby triggering permitting requirements that may encumber the use of private property. Although the CWA defines impacted waterways as a “navigable water,” the law does not provide additional statutory clarity about what exactly “navigable” means, therefore punting the issue to a series of EPA rulemakings and related litigation.

The latest version of the rule will go into effect 60 days after publication in the Federal Register. EPA’s final rule, which will define the scope of federal water permits, restores onerous requirements that were in place prior to the “navigable waters rule” issued in 2015 under the previous administration.

Agriculture groups characterized the Trump EPA’s “navigable waters rule,” issued in 2020, as having more clarity and flexibility than past iterations of the regulations. That said, the “navigable waters rule” also created uncertainty in the court system, with a federal court having vacated and remanded the regulations in August 2021.

The expanded WOTUS rule will have direct impacts on the hardwood sector. The expanded definition of navigable waterways will increase the scope of certain permit requirements, such as the use of herbicides in forest management into or over waterways meeting rule requirements. Added administrative burdens and legal uncertainties associated with the expansion can also drive down forestland values, thereby hastening forest conversion to other uses.

Forest retention and expansion is an important tool for preserving water quality. By increasing pressure on forest conversion, the proposed

expansion could ultimately reduce water quality protections in forested areas, thereby undermining key tenets of the CWA. The new rule may also create uncertainty over the applicability of mandatory Best Management Practices (BMPs) for certain forestry activities.

For example, expanding a WOTUS designation to an entire floodplain will create significant uncertainty regarding the extent of mandatory BMP applications for wetlands, particularly in areas where mandatory BMPs are unnecessary.

A broad cross-section of industry groups, including the American Farm Bureau Federation, are criticizing the new rule, claiming it will expand regulators’ reach over private property. The U.S. Chamber of Commerce has also expressed skepticism and urges the Administration to pause new requirements before moving forward with regulations that may create additional uncertainty. Congressional leaders are also weighing in, with hardwood industry ally Rep. GT Thompson (R-PA) characterizing the rule as a “land grab.”

Assuming that past is prologue, litigation will no doubt follow issuance of the latest WOTUS rule. In the wake of the 2015 version, 27 states filed lawsuits challenging the Obama Administration’s action.

Industry groups, including the National Alliance of Forest Owners (NAFO), along with thirteen other multi-industry groups, also filed a lawsuit, arguing that the 2015 regulations were inconsistent with the CWA and exceeded the agencies’ authority under the Constitution to regulate interstate commerce.

The path to fixing a key pillar of the broken CWA goes directly through Congress. Amending the CWA and clarifying statutory definitions provides the best chance of removing this important permitting issue from the agencies and the courts. It will be interesting to see what, if any, legislation is put forward that can finally put this lingering issue to bed. The Federation will keep you posted on legislative and legal remedies that may emerge to mitigate the impacts of the new rule.

USDA Offers Innovation & Community Grants For Wood Industry

The US Department of Agriculture recently announced \$41 million through the 2023 Wood Innovations Grant and 2023 Community Wood Grant programs.

The offering would fund proposals to create new markets for wood products and renewable wood energy, with money allocated under the Bipartisan Infrastructure Law and Inflation Reduction Act. The Wood Innovations Grants Program, launched in 2015, stimulates, expands, and supports U.S. wood products markets and wood energy markets to support the long-term management of National Forest System and other forests.

Project examples include:

- Establishing or increasing wood products manufacturing to support forest restoration
- Showcasing environmental and economic benefits of wood as a sustainable commercial building material
- Developing wood energy projects that use residues from wood products or woody biomass: Architectural and engineering designs, cost analyses and permitting to secure financing for commercial wood construction or wood energy projects development.

The Community Wood Grant Program, launched in 2020, provides funding for grants to install thermally led community wood energy systems or to build innovative wood product manufacturing facilities.

The Forest Service expects renewable wood energy systems installed under this program to use the most stringent control technologies. The program places extra emphasis on assisting sawmills in economically challenged areas to retool or add advanced technology.

The deadline for submitting applications is March 23. For more information on how to apply for the grants, please visit <https://www.fs.usda.gov/science-technology/energy-for-est-products/wood-innovation>

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:

Feb. 22-26: **AHMI Annual Meeting**, Ponte Vedra Inn, Ponte Vedra, FL

Mar. 1-2: **Appalachian Carbon Forum**, Gatlinburg, TN

Mar. 14: **ALC**, Roanoke, VA

Mar. 28-30: **KFIA**, Lexington, KY

Apr. 22-26: **High Point Furniture Market**, High Point, NC

Apr. 26-28: **Virginia Forestry Summit**, Williamsburg, VA

May 4-7: **ALC Beach Meeting**, North Myrtle Beach, SC

July 19-20: **Furniture Manufacturing Expo**, Hickory, NC

July 23-25: **AHMI Summer Conference**, The Greenbrier, White Sulphur Springs, WV

Sept. 11: **PennYork Lumber Club**, State College, PA

Sept. 12: **PFFPA**, State College, PA

Sept. 12: **ALC**, TBD

Sept. 13-15: **WMMA Fall Tour**, Hershey, PA

Sept. 15-17: **Virginia Forest Products Association**, The Homestead, Hot Springs, VA

Sept. 26-29: **GreenBuild**, Washington, DC

Oct. 4-6: **NHLA Convention**, Louisville, KY

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

Nov. 14: **ALC**, Johnson City, TN

If you know of events that we should consider, contact AHMI at info@appalachianhardwood.org and provide details.



2023 Annual Meeting on Feb. 22-26

Ponte Vedra Inn & Club, Ponte Vedra, FL

REGISTRATION FORM



To reserve a room, please call the AHMI office at (336) 885-8315 for availability

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

AHMI MEMBER - \$525 per person GUEST - \$625 per person
 SPOUSE & ADULT CHILD - \$425 GUEST SPOUSE - \$525
 CHILDREN AGE 10-18 - \$300, UNDER 10 - \$150

Registration includes three receptions, business sessions and breaks, afternoon at the beach, and fun.



REGISTER for AHMI'S 2023 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,
Feb. 22 at 6 pm

___ Beach Fun &
Drinks, Saturday,
Feb. 25 1-3 pm

Golf Tournament Friday tee times start at 11:30 a.m. at PVI's Ocean Course
(includes shuttle, lunch, range balls. Rental clubs are available)

Name: _____ FEE: \$250

Name: _____ FEE: \$250

Fishing Tournament Friday at 12 p.m. sportfishing inshore
(4-hour fishing trip, includes boxed lunch, tackle, bait, license)
\$200 for each of four slots on multiple chartered boats

Name: _____ FEE: \$200

Name: _____ FEE: \$200

Golf Scramble Saturday at 12 p.m. at PVI's Ocean Course
(includes shuttle, lunch, range balls. Rental clubs are available)

Name: _____ FEE: \$200

Inaugural AHMI Croquet Tournament Saturday 2 p.m. at Ponte Vedra Inn Court
Number of spaces reserved _____ @ \$25 each FEE: \$ _____

Check # _____ Received _____

Credit Card # _____ Exp. _____ Sec. Code _____ Billing Zip _____

TOTAL \$ _____