



*Expanding the world's
knowledge of Western
hardwoods since 1955.*



Invitation to all WHA Members!

WHA Field Tour & Board Meeting

No. 515
January 2012

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March 7, 2012

11:00 a.m. Lunch

11:30 a.m. Board Meeting

1:00 p.m. Mill Tour

Members,
Enjoy lunch hosted by Collins
Companies, network, and visit
their Hybrid Poplar mill in
Boardman, Oregon. There is
no cost to WHA members.
Sign up by [email to the WHA
office](#) by March 1st.



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Welcome New Member

9WOOD, INC.

Contact: Barry Hughes

999 South A Street

Springfield, OR 97477

Phone: (888)767-9990

Fax: (888)767-9998

Web: www.9wood.com

Email: notices@9wood.com

Sponsor: Lee Jimerson, Collins Companies

Legislative News

The **Hardwood Federation (HF)** -supported Lacey Act amendments of 2008 addressed the mounting issue of illegal logging and imports of illegally sourced forest products into the U.S. Congress was urged by the CEO of Gibson Guitar company, after a raid last year, to take action to provide relief from enforcement along with Nashville musicians who were concerned that their musical instruments could be seized by the government. In reaction, U.S. Representatives Blackburn (R-TN) and Cooper (D-TN) introduced H.R. 3210, the so-called RELIEF Act which would, if passed, re-write the Lacey Act, remove many wood products from coverage and

reduce the effectiveness of enforcement actions. HF immediately began an active campaign to oppose H.R. 3210, joined by a broad coalition of the paper and forest products industry, labor and environmental groups. To date the bill has gained fewer than 20 co-sponsors in the House and no similar legislation has been introduced to the Senate. The Lacey Act continues to drive down markets for unfair, underpriced, illegal hardwood throughout the world and drive up markets for legal U.S. hardwoods. HF opposed legislative actions which would diminish the effectiveness of this important law.

HF's Lacey Act Coalition met with Interior bosses recently. Agency officials were impressed that organizations such as the Sierra Club and The World Wildlife Fund were allied with the Hardwood Federation and industry groups to defend and praise Lacey.



The **Hardwood Federation** over the last year has raised awareness on the benefits of using wood by promoting Life Cycle Assessments in green building designs.

U.S. District Court Judge Paul Friedman has vacated the “delay notice” of the proposed MACT Standard. The judge stated that the delay notice was “arbitrary and capricious”, ruling in favor of the Sierra Club and its case against the EPA. Both the House and Senate have pending legislation to delay implementation of the rule which would require owners and operators of existing sources to implement and meet the MACT standards before March 2014.

The House Picked Up budget battles where they left off this month, rejecting the President’s request to increase the Federal debt limit by an additional \$1.2 trillion. The vote was part of the debt limit agreement that allowed the Federal government to continue borrowing last summer; under that agreement, the President was required to submit a request to Congress to increase the debt by a sufficient amount to avoid further debt limit increases in 2012. The request was subject to a vote of disapproval, requiring two-thirds of each House to vote against it. The House vote, 239-176, fell short of that margin and in any event, the Senate was expected to reject the disapproval measure. With an omnibus spending bill in place through October 1st, there should be fewer opportunities for brinkmanship this year, and a much larger Federal debt next.

The Omnibus Appropriations bill did not include an



WHA GRADE SCHOOL

MAY 3-4, 2012
PORTLAND, OR

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Students will learn Alder, Hybrid Poplar, PC Maple, and other Western Hardwood grades, how to apply them to actual lumber, the application of proprietary grades, and the importance of "on grade" to profitability. This class is a must for owners, managers, sales, and graders. Class will be from 9:00 AM - 5:00 PM each day. Room and meals are student's responsibility.

Cost: \$200/member, \$350/non-member

Grade Stick: \$50

A grading stick is required. You may purchase one with your registration or bring your own.

May 3-4, 2012

9:00 AM-5:00 PM

20548 SW Wildrose Place

Sherwood, OR 97140



To register:

visit www.westernhardwood.org or call the WHA office, (360)835-1900. The registration form is also on the last page of this newsletter.

extension or funding for Secure Rural Schools payments to timber counties for FY12, despite the Administration's budget request that the payments be funded from within the Forest Service's appropriations.

The Senate currently has a stand-alone proposal to continue these payments for an additional five years.



However, Doc Hastings (R-WA) has offered a discussion draft that restores sustainable, revenue producing management to Forest Service lands. The issue will likely be taken up by early February. Other key issues addressed

in the Omnibus bill include:

- **Silviculture/Forest Roads:** Prohibits the EPA Administrator from requiring permits for stormwater runoff from forest roads through FY12.
- **Hazardous Fuels Criteria;** Removes the arbitrary requirement that 75% of hazardous fuels funding be spent in the Wildland Urban Interface and instead directs the Department of Interior and Forest Service to allocate funding based on the highest priorities for reducing fire risk.



News in the News

The U.S. Department of Transportation issued a federal rule banning all hand-held cell phones for interstate truckers. A California law supersedes this new rule, basically prohibiting all drivers from using a handheld wireless phone while operating a motor vehicle. Hands-free devices and speaker functions are allowed as well as push to talk, if the feature is attached to a hands-free earpiece.



Agriculture Secretary Tom Vilsak announced the U.S. Department of Agriculture's intent in the issuing of a new planning rule to address America's vast 193-million acre National Forest System. The Secretary supports sound science to drive the decisions made at the local levels, with a restoration of federal lands, and focus on healthy forests and water quality. The Hardwood Federation and American Forest Resource Council are

watching closely as to whether there will be direction to harvest timber for the many benefits it provides.

Sales of existing homes created bright spots on the housing market, increasing in 2011 over 2010, according to the National Association of Realtors. Other positive signs are that months of supply reportedly dropped to a 7 year low and mortgage rates hovered at record lows. The real question is the "ghost inventory"; those homes that are bank-owned but not yet on the market, and those homes about to go into foreclosure. Some analysts put this ghost inventory at up to 20 months of supply.



Considering that most government agencies received significant reductions to their budgets, the Forest Service's remained relatively flat. This indicates there is recognition by this Administration that more acres need to be treated on our national forests to achieve forest health, and treating those acres and the products they yield will create much needed jobs across the country.

After Months of Meetings, phone calls, and letters, the long Camp Lejeune Gym Floor Story is coming to a satisfying and hardwood end! U.S. Marines will get an American hardwood gym floor.

NHLA Announced the establishment of a permanent inspection services presence in China beginning February 1, 2012. NHLA National Inspector Randy Wilson will set up the mission, which will be located in the Dongguan area, late in January.

Outlook

On the West Coast, modest expectations are the norm for hardwood suppliers for 2012. A source in California noted, "Our 2012 sales forecast for southern California is one of modest growth. There is no evidence that homebuilding will pick up in any meaningful way.

Contacts in Quebec Comment that there has been little change in the economic or market conditions for those in the hardwood industry. The norm appears to be that purchases across the province are controlled. As a result of the lower production and supplies available on the market, prices have stabilized.

In Ontario, Business slowed as usual over the holidays, including both the American and Canadian Thanksgiving periods as well. This has affected the flow of domestic and international business going into the new year. The hardwood industry and the forestry sector as a whole in Canada continue to feel the effect of the decline of the housing demand in the U.S. and the economic downturn.

2011 Wrap-up—We look back to the depths of 2009, when hardwood production had dropped nearly 50% from 2007 peaks, but then started to tick back up toward the end of the year. In 2010 there was continued improvement, especially robust during the first half of the year. We finished 2010 with hardwood production up about 35% over 2009 (bringing it up to 75% of 2007 levels). In 2011 production was reflective of the general economy, with



Hardwood Review
weekly

Lumber Pricing | Market Commentary | Informative Articles

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www.hardwoodreview.com

ups and downs bringing hope in one month and discouragement in the next. I called a "bottom" in June, but that proved premature as we finished the year slightly below 2010 production levels (and about 73% of 2007 levels).



Glass half full: hardwood production was nearly the same in 2011 vs. 2010

Glass half empty: hardwood production did not increase during the past year.

Looking into 2012: December finished with an uptick and January is continuing to show improved results over last year. With housing starts continuing to rise (always helpful for hardwoods) and other economic indicators in positive territory, I'm looking for a steadier improvement in hardwood markets and, therefore, hardwood production levels. (Outside my area of expertise, as demand improves, I would expect hardwood prices to improve as well. Not overproducing into the demand would help keep prices firmer throughout the year.)

Bottom line: we look for 2012 to be better than 2011, and to continue into the beginning of 2013. Happy New Year! -Norm Murray, U*C Coating Corp.

Up Coming Meetings

- February 29, 2012**
Slope Stability on PNW Forested Lands
Tigard, OR
Email: richard@westernforestry.org
- March 7, 2012**
WHA Board Meeting
Boardman, OR
Email: wha@westernhardwood.org
- March 14, 2012**
Washington Hardwoods Commission Meeting
Castle Rock, WA
Email: whc@wahardwoodscomm.com
- March 22, 2012**
A Competitive Edge: Reducing Energy Costs in Hardwood Manufacturing
Princeton, WV
Email: riegel@vt.edu
- May 3-4, 2012**
WHA Grade School
Portland, OR
Email: wha@westernhardwood.org
- June 22-23, 2012**
WHA Annual Meeting
Sunriver, OR
Email: wha@westernhardwood.org
- Online Courses from Virginia Tech**
-Business Process Management
-Cost Mgmt for Wood Products Industries
Email: Henry.Quesada

The Hardwood Stand is sent monthly by e-mail. This issue and past issues are always available on the website, www.westernhardwood.org. Please be sure we have your correct email address. We know you want to be included!

Get Motivated



Special Sauce



By Larry Dennis, President
Turbo Leadership Systems®

A few weeks ago we sent an introductory letter to Bob's Burgers in Salem, Oregon. Chris Tipp, our office manager, had spent considerable time searching for the company online. She was pretty sure there was no Bob's Burgers in Salem. I insisted that there was, and after some

long search, she found an address and we sent out the introductory letter. A few days later, the letter came bouncing back to our office, "return to sender - address unknown". We had to pay both outgoing and incoming postage! Then I made calls to the phone numbers we had located - disconnects, residences and strange sounding businesses - none of which got me through to Bob's Burgers. Sometimes I can be a little stubborn; I don't give up very easily. I asked my brother, Bruce, who lives in Silverton and travels into Salem often, if he would scout around to see what he could find. I was under the impression that there were several Bob's in the greater Salem area. I was sure there was one in West Salem and another on Capital Street in Salem proper. A couple of days later, Bruce called and said, "Bob's is out of business. There is no Bob's Burgers! There were some, but there are none now. I think you'd better start using them as an example of what happens to a company if they don't use Turbo training." My wife, Donna Lee, said, "Let me try and see what I can find." When she Googled "Bob's Burgers Salem," she found "Bob's Burger Express" and several comments from fans who said how much they missed the great sauce. Anybody who liked that great sauce is still missing it because Bob's Burger Express is definitely no longer in business.

Is this because people no longer enjoy burgers? I don't think so. Over 50% of convenience food restaurants

specialize in burgers. In the last few years, Sonic and 5 Brothers Burgers came to town. McDonald's has opened several new locations and tripled their menu size in the past 30 years.

Why didn't Bob's expand, add to their menu, grow, or franchise? I don't know, but it wasn't because they didn't have a good idea and a great sauce. We may never know the rest of the Bob's Burger Express story. (If you know more of their history, help us fill in the blanks.)

We know this - if you're not changing with the times, if you're not finding ways every day to reduce your material costs, improve productivity, reduce labor costs and enhance your customers' experience, serving customers at ever higher levels, you will go the way of Bob's Burger Express. If you're not expanding your offerings, finding ways to attract new and different customers, you will not be in the game much longer.

You either grow or go; you either buy or get bought.

Join Today!



- The WHA is the only organization dedicated exclusively to the availability and promotion of Western Hardwoods.
- Your membership includes an online membership directory listing, our monthly email newsletter, important industry updates by email, a free banner ad on WHA's website and cost effective newsletter advertising. Benefits include networking at the Annual Meeting, discounts on Association meeting registration, and political representation in the nation's capital through the Hardwood Federation.
- *Invite a colleague to join WHA. First time membership is \$150 the first year and \$150 for the second year.*

2012
WHA
annual meeting
June 22-23, 2012
Sunriver, OR

Get the latest, pertinent industry updates, network, and enjoy the beautiful weather in Sunriver, Oregon

Plan now! mark your calendars and watch for more information!

Do you have news to share?

One of the best benefits of belonging to WHA is the monthly newsletter. It's a great way to stay in the loop and network. So let us know when your company has an important announcement. We'll help get the word out. Send news items and pictures to:

wha@westernhardwood.org

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20548 SW Wildrose Place
Sherwood, OR 97140

Name(s): _____

Company: _____ Phone: _____

Address: _____

Credit Card # _____ Exp. Date: _____

Grade Stick: (how many?) _____

Total due: \$ _____

Mail form and check to: WHA, PO Box 1095, Camas, WA 98607 / Fax to: (360)835-1900