



TIMBER TALK

Your Voice for South Carolina Timber Harvesting

JANUARY/FEBRUARY 2009

2009 Annual Meeting Review

ADJUSTING TO CHANGE

Despite our economic challenges, close to three hundred members, guests, speakers, spouses and member employees attended our 10th Anniversary Annual Meeting at the Crown Reef Resort & Conference Center, Myrtle Beach, January 30 – February 1.

Wow! What a turnout! Honestly, the association was overwhelmed by the great display of loyalty and interests in the annual meeting.

Thank you to everyone for making our 10th Anniversary Annual Meeting successful, informative and pleasurable. Your support was absolutely tremendous.

This year's theme was *Adjusting To Change*. The timber harvesting and forest products industries are witnessing dramatic changes throughout our industry and our country.

As the timber harvesting segment and the entire forest products industry faces the challenges of change, there must be changes in the way WE conduct business for the future. Whether cultural, economic, efficiency, relationship, political or system changes, changes are occurring and will continue. Adjustments must be enacted for the wood supply chain to improve and even prosper into the future.

The housing crisis changing solid wood products markets, changing fuel costs, the U.S. dollar devaluation in the global economy changing global competitiveness, the U.S. presidential, Congressional and state elections changing the political climate for forest policies,

taxes and transportation, timber supply and timber harvesting reductions changing supply capacities, manufacturing downturns changing market orders, the financial crisis changing financial markets and emerging woody biomass markets changing wood supply systems have had distinct impacts of change.

Interesting facets were explored as to how the industry adjusts to wood supply system, political, market, trucking and economic changes and how the changes will affect the industry in South Carolina as well as nationally and globally.

The association was proud to welcome distinguished speakers represent-



ing national and state associations, state government, private enterprise, sustainable forest certification systems and woody biomass initiatives.

Thanks to our members, speakers, sponsors, exhibitors, silent auction donors and guests for making this annual meeting a great experience.

The conference began with the board meeting Friday afternoon with guest Danny Dructor of the American Loggers

(Continued on page 2)

Inside ...

Inside this issue:

2009 Annual Meeting Review	Cover
Loggers Audited for HVUT	3
SC Biomass Council Update	3
SC Trucking Task Force	6
As I See It	7
Gene Collins Logger Activist Award	8
10th Anniversary Annual Meeting Sponsors	12
An Annual Meeting Thanks	12
2009 Annual Meeting Exhibitors	12
Board Members Elected	14
Carol Browner a Socialist?	15
Encouraging Sen. Graham's Support	16
Forestry is a Great Investment	17
Local logger picks a bad time to go on TV	18
Member Alerts	19
New Study Finds Housing Stimulus Essential to Economic Recovery	20
The FLAME Act	22
New Member Application	23
My "First" Thoughts	24
President's Message	26
Woody Biomass: FLA's Jones Testifies	27
PR Pellet prices 4Q 08	28
PR Uruguay Mar 09	31
Annual Meeting Photos	32
Economic Stimulus Release & Fact Sheet	34
Mark Your Calendar	39

(Continued from page 1)

Council. First the board attended mainly to annual meeting business and then heard from Danny as he updated issues the ALC was working from a national perspective. Saturday morning Doug Duncan, Executive Director of the North Carolina Association of Professional Loggers presented the SCTPA website for board review. Thanks to Doug as he has been the "construction manager" for our website.

Friday evening's Welcome Reception featured Dave Gilbert of Partytime DJ's of Columbia playing a variety of music. Our "wanna be" American Idol singers performed their Karaoke sets. Board members donned caps turned in all the funky directions we see today and did a great job leading "YMCA." Good times for all to meet and greet.

Saturday's General Session speakers hit home runs with their presentations. Richard Lewis, President Forest Resources Association, lead off with Truck N Taxes describing the national efforts to increase interstate highway system GVW's for trucking through the efforts of the Agricultural Transportation Efficiency Coalition (AgTEC). He offered insights into what the political climate in Washington, DC was and how the new administration and Congress may deal with forest and transportation issues.

Danny Dructor, Executive Vice American Loggers Council, spoke about the economic challenges faced by our nation's loggers and described a woody biomass project being considered in Texas and how the project included long term wood supply contracts, reasonable and even favorable economics within the supply contract and how this is going to change the wood supply system and offer a viable alternative market to loggers.

Richard "Rick" Todd, President South Carolina Trucking Association, discussed the overall trucking industry in South Carolina of which unmanufactured forest products trucking is a large segment and how issues regarding tolling roads, infrastructure problems, trucking economics and national political issues were concerns for carriers in all trucking segments. He described issues the SC General Assembly's agenda may be addressing in the 2009 session.

John Long, East Coast Ethanol, LLC, presented the company's plans for developing an ethanol manufacturing facility in Chester County that will use woody biomass for the plant's energy production. He described the market potentials for ethanol production and biofuels in the eastern region of the country. He presented the plant's design and how wood would be used in their processes.

Erika Hartwig Myers, Renewable Resource Coordinator South Carolina Energy Office, presented how woody biomass



Annual Meeting board meeting with ALC's Danny Dructor.

has a great potential in South Carolina for energy, biofuel, pellets and other products. She described how the energy office works with businesses to assist in developing biomass projects.

Jeff Duncan, SC House of Representatives Chairman of the Agriculture, Natural Resources and Environmental Affairs Committee, described how sustainable forestry and agriculture were critical components of SC's economic engine. He noted issues the General Assembly would be reviewing for environmental and forestry areas. He noted how he as well as many other representatives supported woody biomass utilization and sustainable forestry.

Kathy Abusow, President & CEO Sustainable Forestry Initiative, Inc., was the luncheon speaker. Kathy updated the progress SFI has made with its certification program and how SFI is now recognized as the largest forest products and sustainable forestry certification program. She presented how SFI was moving forward with new initiatives and reported on progress of the SFI review process now underway. A dynamic leader for SFI, this lady is going to take the SFI program to new heights.

The Business Session opened with the 2008 financial report provided by the association's CPA Larry Godwin of Sheheen, Hancock & Godwin, LLP. Larry reviewed the financial statement prepared for the audience and explained the association's financial crisis during the fourth quarter. Because of the tremendous support from members stepping up to provide more funding, the board and members obtaining new members and the board and association's work coupled with the dues for WSRI being forgiven due to the inability to pay, the association made it to the end of the year. The fourth quarter is revenue slow due to reduced renewals and the number of non-renewals in 2008, probably attributable to the economy, led to the cash crunch. The insurance program commissions assisted greatly in total revenues. Bottom line for 2008, the financial statement showed "black ink." It wasn't much, but still it's black and not red.

Larry asked the membership to look at what the association had accomplished in its work over ten years. He challenged everyone to increase the membership and again asked if you can, contribute a little more to keep the association moving forward for the future.

Secretary-Treasurer Billy McKinney reported there were no Bylaws changes for this year.

The Board of Directors election was conducted to fill the expiring Seat 2,3 and 8. Re-elected were Billy McKinney, McKinney Brothers Logging, Inc., Union and Frampton Ferguson, Ferguson Forest Products, Inc., Luray, for Seats 2 and 8.

Donnie Harrison, D & L Logging, LLC, Greer, was elected to fill Seat 3 vacated by Norman Arledge, Arledge Logging & Timber, Inc., Landrum. Norman



Kathy Abusow addresses luncheon.



(l-r) Tommy Barnes, Jeff Duncan, Erika Myers and John Long

(Continued on page 4)

LOGGERS AUDITED FOR HVUT

Over the last seven months, the Internal Revenue Service's Excise Tax Group for SC has been auditing SC loggers who reported taking the 25% Log Truck Reduction on their Heavy Vehicle Use Tax (HVUT) report. And in IRS's infinite wisdom have decided to disallow the 25% discount and collect the 25% tax for the last three years.

This whole issue began back in 2002 when IRS revised the Instruction Manual for Form 2290, the Heavy Highway Vehicle Use Tax Return and incorrectly changed the language under the Logging Vehicles section. The wording was revised for item "2" and reads, "The products are transported to and from a point within the forest." SCTPA received word from an IRS official in D.C. the wording was incorrect. The IRS official stated to SCTPA, off the record of course, "Someone here messed up."

We all know this is not what happens. Logs, pulpwood, in woods chips produced from harvested timber are not loaded onto a truck and delivered to a receiving facility on the same tract. Harvested products are trucked on public highways loaded to the mill and empty on return. That's why the reduction was established in the first place.

Then in November 2003, the SC IRS office began to disallow the discount based on the misprint in the 2290 Form. So SCTPA got involved and through contacts with the IRS office in Washington, D.C., the issue was quieted. SC was the only state disallowing the discount. Now fast forward five years to July 2008.

SCTPA received a call from a logger member IRS was auditing for the disallowance of the 25% discount and would collect back taxes for three years. Again, we went to work to resolve the issue. Again, contacts were attempted with the IRS offices in Columbia, Atlanta and Washington, D.C. It was a matter of being rejected at any corner we

(Continued on page 5)

SC BIOMASS COUNCIL UPDATE

Over 100 participants attended the SC Biomass Council meeting on March 3rd at the SC Forestry Commission's Harbison Environmental Education Center in Columbia. The meeting title was "The Emerging Wood Biomass Industry in South Carolina." SCTPA is a Biomass Council member and President Crad Jaynes attended the meeting.

The program focus was to present a real world assessment of SC's wood biomass inventory, cost and economics of logging, conversion and procurement of wood waste, and how the emerging wood biomass industry can integrate into South Carolina's leading industry – forestry, wood and paper products.

The overall goal was to create awareness of key elements involved in locating a wood based energy facility in SC, and how to find professional assistance and reliable resource data to aid decision-making.

With the focus on woody biomass, the speakers represented varying segments of our forestry industry. Bob Scott, SC Forestry Association, moderated the meeting.

Sam Coker, SC Pole & Piling, chairman of the Forest Biomass Subcluster of New Carolina (New Carolina was previously known as the SC Competitiveness Council) presented the subcluster's organization and reported on how this subcluster was working to promote woody

biomass utilization.

Tim Adams, SC Forestry Commission, reported on the findings of the Forest Inventory Assessment and the Commission's study of woody biomass resources available in the state. The assessments show the resource is available in the form of woody residues from logging operations and available standing timber. Tim noted the economics of woody biomass as to the cost to produce and deliver to a facility.

Bill Padula, Pioneer South Carolina, described equipment used to harvest timber and

produce woody biomass through logging, chipping, grinding and screening operations.

Micky Scott and Bill Scott, Collum's Lumber Products, LLC, presented production and costs information regarding their woody biomass recovery operations behind their whole tree chipping and logging operations.

Mac Lupold, Lupold Consulting, described the overall forest products industry regarding wood consumption and production in the solid wood and pulp and paper markets.

After the meeting, a live demonstration of chipper, grinder and logging equipment was staged by Pioneer South Carolina.

As woody biomass markets emerge, South Carolina is blessed with the available resource. But, it is reasonable to be cautiously optimistic about woody biomass utilization.

While the resource is available, several factors will be important considerations. First, our forest resource sustainability must be considered. The data speaks for itself. But questions have to be continually asked and answered to ensure our state's forests will be productive and available for the long haul.

Second, the costs to produce woody biomass on the ground are high.

Now the market delivery price is not competitive with the production

costs. So at some point, the woody biomass markets will have to realize loggers and woody biomass suppliers must be compensated at the fair price necessary for wood producers to engage in this supply. And this will be a market driven supply and demand scenario.

Woody biomass utilization markets are coming. These facilities producing energy, biofuels and other products will provide a needed alternative market for loggers and wood suppliers in SC. But again, cautious optimism should be used for now.

While the resource is available, several factors will be important considerations.

(Continued from page 2)

did not run for re-election.

Three Distinguished Service Awards were presented. David Hayes, Swamp Fox Agency, Inc., and Jimmie Locklear, Forestry Mutual Insurance Company, received awards for their companies' outstanding service to our association and its members for their work in the insurance program. Norman Arledge received an award for his service on the board of directors.

Bob Scott, President SC Forestry Association, presented Chairman Tommy Barnes an Appreciation Award plaque. Bob spoke about how SCTPA's work



Bob Scott presents SCFA Appreciation Award

had advanced the logging profession and that SCTPA had made a positive impact on the timber harvesting industry. Bob's words were well spoken and deeply appreciated. Thanks Bob and SCFA.

The plaque's inscription read.

*With Grateful Appreciation to The South Carolina Timber Producers Association from The South Carolina Forestry Association for Leadership and Service To Advance The Logging Profession In The Palmetto State On The Occasion of SCTPA's Tenth Anniversary Annual Meeting.
January 2009.*

The 2008 Gene Collins Logger Activist Award was proudly presented to Norman Arledge and Arledge Logging & Timber, Inc., of Landrum. Norman,

wife Audrey, son Andy, brother Dennis and the Arledge team have done an outstanding job in their professional operations, positive advocacy and community activity representing the logging profession and sustainable forestry.

Forestry Mutual Insurance Company's Jimmie Locklear presented their company's Outstanding SC Logger Award to Jon and Pansy Watkins, JPW Trucking, Inc., Saluda for their outstanding safety and business operations as an insured of Forestry Mutual.

Annual meeting sponsors were recognized and thanked for their tremendous financial support as well as the exhibitors for displaying their services and products.

Thanks to Delaine Peake, Aunt Dee, for her outstanding "saleswomanship" for the Stoeger Condor shotgun raffle. Thanks to Nichols Store in Mt. Holly and Tommy Barnes, Jr., Upstate Forest Products, LLC, for furnishing the shotgun won by William Boinest, Jr. of Chapin.

Our Silent Auction was again successful raising \$3,930 to assist the association's operating budget.

Special thanks to Jan Rushton of Saluda for donating the absolutely beautiful hand crafted SCTPA 10th Anniversary Quilt.

Thanks for all the wonderful items donated by members, allied suppliers and friends.

Thanks to everyone who bought the Big Raffle tickets for the 2009 Honda ATV, the \$1,000 cash and the four days and three nights at Crown Reef Resort. Winners were drawn after the business



Jimmie Locklear & David Hayes receive service awards.



Jimmie Locklear presents Jon Watkins Forestry Mutual award.



Logger Activist winner Arledge Logging & Timber

session. The Crown Reef accommodations was won by Donald Harrison, Sr.,

D & L Logging, LLC, the \$1,000 won by Cassidy McKittrick, McKittrick Timber, Heath Springs, and the grand prize ATV won by Gregg Matthews, Palmetto States Insurance Agency, Lexington. Thanks again for mak-

ing our Big Raffle another success to support our association.

The New Member drawing was held to award \$1,000 to eligible members who signed up new members in 2008. This proved to be beneficial to the association and thanks to members who got

out there and worked hard to increase our membership. The winner was David Freeman, Palmetto Pulpwood & Timber of Florence. David has been a tremendous SCTPA supporter. In fact, after SCTPA conducted two training sessions for David's contractors and foresters, he signed up his non-member contractors because he knows the as-

sociation's value and recognizes the work and service to the timber harvesters of SC. To be applauded also for the new member effort are Jim Curry, Piedmont Pulp, Inc., Billy McKinney, McKinney Brothers Logging, Inc., and

(Continued on page 21)



Anniversary quilt by Jan Rushton.

(Continued from page 3)

tried to turn. But remember the nature of the beast being dealt with. It's an "empire" of the federal government.

SCTPA checked around and could not find any other state disallowing the log truck discount. So efforts again ensued to resolve the issue. The frustrations and trying to run through the IRS brick wall simply were hard to combat alone.

The Excise Group agents began to audit more SC loggers. To date SCTPA knows of eight members who have been audited. There may be more, but that's what we know of now.

So in an effort to pool resources Danny Dructor, American Loggers Council and Steve Jarvis, Forest Resources Association were notified of our problems to see if there was some one we could talk to and get some ruling on the issue.

In the meantime, IRS began to audit loggers in Virginia for the same reason and Virginia is in this IRS region. Then IRS began disallowing the 25% discount in North Carolina. So Jim Mooney, Virginia Loggers Association and Doug Duncan, NC Association of Professional Loggers were brought on board to work on the issue.

Danny Dructor notified IRS and requested a systematic review. Steve Jarvis went to work to seek contacts in D. C. Because of Danny's request and work, we were able connect with Terri Willert, Senior Technical Analyst, TAS Systematic Advocacy Projects and her boss Greg Ricketts. They understood our problem and agreed to dedicate Terri to this task.

Conference calls were held to explain the issue to Terri and Greg. Steve sent background information regarding this issue and the original code and its intent. Information from the three states was forwarded to Terri for descriptions of logging operations and how unmanufactured forest products trucking is performed.

Fast forward to now. There has been a "great" deal of work and effort put into this issue from all involved. And thank goodness for Terri. She has poured her heart into this project.

So far, the issue has been submitted to the Excise Tax attorneys for a ruling. SCTPA has requested those SC loggers audited to forward to SCTPA the audit and all related documents as well as answer a questionnaire requested by Terri describing their trucking operations. All this information has been forwarded to Terri to build her case.

Jim Mooney wrote a summary of how logging businesses work that explained typical logging businesses in Virginia, but was applicable to all three states. This was forwarded to Terri. Steve has continued to make contacts with IRS's D.C. office.

So where are we now. While the battle is not by any means over, and I hesitate to say won yet, because of the army we are up against, progress has and is being made. While we are awaiting an official ruling, per Terri it looks favorable. But again, let's wait until we know the outcome before we feel the battle is won.

Terri has instructed that any logger that has been audited to go ahead and file for a refund using the IRS Form

8849 and Schedule 6. Filing this form does not certify that a refund will be forthcoming. An official ruling is pending. However, this may expedite any refund due.

Another small battle won is that Terri notified SCTPA that all logger HVUT audits at this time have been suspended until a further ruling on this issue.

Terri forwarded on March 17th to the Deputy Associate Chief Counsel, Passthroughs and Special Industries, an official Request for Non-Taxpayer Specific Legal Advice as to whether the vehicle qualify as logging vehicles as defined in §4483(e) of the Internal Revenue Code for the 25% reduction of the HVUT. A legal ruling will be coming soon, we hope.

So, it has been a tough battle so far. But again progress is being made. In the opinions of Terri and her boss Greg Ricketts, and quite frankly all involved, this is absurd.

Why did the Excise Tax Group in this region take it upon itself to audit loggers to disallow the 25% reduction based on the Form 2290 that is printed incorrectly? IRS mandated by law is to use the Internal Revenue Tax Code. And duh... the code §4483(e) has not changed. Only the wording on the 2290 Form changed. Plus, no other IRS Excise Tax Group region in this entire country is doing this. Only in these three states. Go figure!

So, we'll await the ruling and quite frankly there is optimism the ruling will be favorable. And as Terri put it to SCTPA, "it appears the Excise Tax Group for the three states is a bit rogue in their operations on this issue."

SCTPA will continue working on this until we get a ruling. Thanks for all the logger members who submitted their requested documents and completed the questionnaire. Thanks to the guys involved from ALC, FRA, NC and VA. Most of all, thanks to Terri Willert for her dedication in seeing this issue through to the end.

Now we wait for the ruling. SCTPA will let you know the official outcome.

Request to Logger Members:

If you have been audited for the HVUT, please notify SCTPA. It is important we know all the loggers who have been audited. Call SCTPA or email the office. Thanks...

Crad

.....
• "It appears the Excise Tax •
• Group for the three states is a •
• bit rogue in their operations on •
• this issue." •
•
• Terri Willert, Senior Technical Analyst, •
• TAS Systematic Advocacy Projects •
•
.....

SC TRUCKING INDUSTRY TASK FORCE

The Trucking Industry Task Force convened its first 2009 meeting at the Department of Public Safety in Blythewood on February 18th to continue working on issues and improvements with the SC Department of Motor Vehicles services to statewide trucking businesses.

Representatives from statewide motor carriers, SCDMV - Driver Services, Vehicles Services, Motor Carrier Services and Field Administration, state government, State Transport Police, SC Trucking Association and SC Timber Producers Association, representing unmanufactured forest products trucking, comprise the task force. SCDMV Deputy Director of Vehicles Services Lotte Devlin and SCTA's Scott Murray serve as co-chairs.

SCDMV has been reorganizing departments such as the Commercial Drivers License Compliance Unit. James Barwick previously with Driver Services is now working with CDL regulations and driver services. The CDL Compliance Unit now handles CDL issues such as third party testers, truck driver training schools and other matters regarding regulatory authority.

SC Intrastate Carrier Number System

An Intrastate Carrier Number System similar to the USDOT number for interstate carriers will be integrated into the DMV system. State Transport Police (STP) will handle the first phase and help in system administration. The final proposal for implementation has been approved by the DMV Director.

Sgt. Don Rhodes, State Transport Police, explained the reasons for the SC Intrastate Number. The Federal Transportation Bill included this action and South Carolina had to comply. Now DMV and State Transport Police are stabbing in the dark to guess how many commercial motor vehicles are operating "in state only." Estimates are about 5,000 intrastate domiciled and operating trucks. There is a fast turnover of intrastate trucks and carriers. This will help DMV for motor carrier services and STP for trucking regulations enforcement, particularly motor carrier safety of poor performers.

Another reason for this move to Intrastate Carrier Numbers is to enhance motor carrier safety. The state needed to fall into the realm of the USDOT number system.

Intrastate carrier data by carrier number will be entered into the system for tracking citations, out of service violations, accidents and other criteria to generate a Safety Rating for the intrastate carrier.

The Safety Rating is used to monitor carrier performance. This will assist State Transport Police in enforcing trucking safety and regulatory compliance particularly with the poor performers.

The safety rating is a tool STP uses for audits and administering out of service notices for either individual trucks, drivers or the entire trucking business. STP will have access

to the intrastate carrier information during roadside stops.

The Intrastate Number will be a SCDOT number exclusive to the carrier. A carrier with an intrastate number can change to a USDOT number if needed. A USDOT number is required for interstate operations. The USDOT number will act as the priority number.

The SC Intrastate Number will be a series of numbers with "SC" at the end. The intrastate number can be obtained on-line through DMV and STP. STP will establish a SC Intrastate Number email address to receive and answer questions.

The Intrastate Carrier Number is "Voluntary" until July 1, 2011 when it becomes "Mandatory." Compliance reviews will begin July 1, 2011 for intrastate carriers.

SCTPA Comments: *The Intrastate Carrier Number System has been promoted previously and SCTPA supports this initiative. Why, you might ask?*

Unmanufactured forest products (UFP) trucking serves as a large component of our state's trucking industry. Harvested forest products move to the mills on our public highways and are highly visible. Our drivers' and the motoring public's safety must be a priority. Likewise the image of our state's timber harvesting and UFP trucking professionals is determined by what is viewed on our highways.

Enacting this system will assist in determining poor performers operating below the regulatory and safety compliance radar. This system will assist in developing more accurate accident, violation, and out of service data to help improve UFP's trucking image.

For professionals in compliance with our Intrastate Unmanufactured Forest Products Trucking Regulations, this system should not be burdensome except for the time to obtain the intrastate number. And of course, there may be a cost, but undetermined now as no cost was mentioned.

For operators not in compliance and choosing to continue to operate will certainly be brought under more scrutiny for safety and regulatory compliance. Admittedly no one likes more regulation. This is a needed initiative for UFP trucking as well as all intrastate trucking. There are more positives than negatives.

For questions, contact Sgt. Don Rhodes, State Transport Police, 803-896-8286, or email WDRhodes@scstp.org

New Procedures for IFTA Quarterly Tax Returns

DMV has reviewed its procedures within Motor Carrier Services for administering the International Fuel Tax Agreement for quarterly tax returns.

Effective July 1st, tax returns will have to "be completed in full" when submitted and the full due tax "paid" with the return. No longer can DMV accept returns with no payment.

DMV had in some cases fronted a partial payment to be repaid to DMV by the taxpayer. Due to economics, payment policy is full payment with the return. The changes will be reflected on the new tax return instructions.

(Continued on page 11)

As I See It ...

AMERICAN LOGGERS COUNCIL

PRESIDENT ALLEN RIBELIN, FLAGSTAFF, ARIZONA



FEBRUARY

"SIMPLE REMINDERS"

This past week as I was doing my normal "venting" to my wife about the horrible state of affairs after getting home from work, she stopped me mid-sentence to remind me of a few simple things that I felt I should pass along. First came the reminder that we are all children of a loving Heavenly Father that is mindful of our situation and will help us if we but only ask and that we need to seek Him and then listen, listen very quietly for that is sometimes how the answer comes. That we just celebrated the birth of his Son and were able to do so in a land that allows us the religious freedom to do so. Having recently watched *"It's A Wonderful Life"* again (it's our Christmas tradition every year and probably yours) reminds me that we touch more lives than we know and that the world would be a different place without us. That even at times when we feel alone, that generally isn't the case and if we were to just think about it that we have family and friends that care greatly about us and would come to our aid in a heartbeat if they were asked. The worth of a soul is great in the eyes of our Lord.



That we need to be thankful for this country even though it may not be today what we would like it to be but it is still the best on earth to live. Having a son serving his mission in Vladivostok, Russia (we just got the news that he will be home in April...mom is very happy) reaffirms the great freedoms we are afforded here, that we can travel freely from coast to coast without the fear that "our papers" will be out of order or for that matter, even the need to travel domestically with our personal documentation. That we are able to get up every day in a home that is warm and with a simple flip of a switch have the lights turn on and know that it will happen every day. That with a quick dial of 9-1-1 we have fire and police protection only a few minutes away and when called into action these men and women come to our aid with the best training and equipment of anywhere in the world.

Next was the reminder that for the most part we are healthy and generally free from aches and pain. Some of us may be a little too heavy but that is just a reminder that we have ample to eat and don't have to worry where the next meal will come from. That our family is intact, and we support each other in so many ways.

That for the greater part of fifty years we have been able to provide many employees with a good job, with health insurance and retirement accounts and that we have historically put millions of dollars into the local economy. And yes, it is a "little" rocky right now, but we have weathered tough times before and will this time also with creative thinking, hard work and a positive attitude; things that American loggers are known for.

MARCH

"TRUST"

There was a time when a man's word meant something, I have always been proud of the fact that I try to be a man of my word, even if it takes a lot of effort to back it up. My wife even says that sometimes, to a fault, I keep my word; sacrificing my family time to do something for someone else I said I would do even though I really didn't have the free time to do so.

A number of years ago while I was serving on our governor's Healthy Forest Advisory Committee we worked diligently to finish our recommendations for forest health improvement in Arizona; to release our document to the public we took a roll-call vote on the measure to ensure that we had consensus. All committee members voted in the affirmative to release the document. The very next day, on the front page of the *Arizona Republic* (the main Phoenix newspaper) one of our committee member's organizations (one of the "preservation" groups our committee member represented) trashed the recommendations. Throughout the process, we gave concessions to this group to reach consensus; creating in my view much weaker recommendations. I was furious; what a waste of time the many, many trips to Phoenix had been. These green groups always express their lack of trust of the Forest Service and/or the logging community; yet it was fine for them to turn coat on their support of our recommendations which they help write. A few months later I was attending a forest health workshop in northern Arizona and one of the breakout sessions was on "trust," to my amazement the facilitator for the session was none other than the individual from the committee that turned on us. Needless to say, I didn't stay for the session.

(Continued on page 11)

GENE COLLINS LOGGER ACTIVIST AWARD

ARLEDGE LOGGING & TIMBER, INC.

NORMAN ARLEDGE

LANDRUM, SC

The 2008 Gene Collins Logger Activist Award was proudly presented to Norman Arledge, Arledge Logging & Timber, Inc., wife Audrey and their company at the 2009 Annual Meeting for their sincere commitment in their advocacy for professional timber harvesting as well as their participation in association, community and industry activities, sustainable forestry practices, education, and positive promotion of a professional business contributing to their community.

Norman is conscientious about his business and profession, understands the value of relationships with customers, employees and industry, practices environmental stewardship and promotes a positive image about profession timber harvesting.

Norman says, "Being a professional is not just about harvesting timber. You have to exhibit your professional image in all phases of your business to enhance the public's trust in professional loggers."

Currently operating a conventional crew in the Greenville/Spartanburg area, Norman purchases timber from private landowners as well as obtaining timber from land clearers he knows. Products are delivered to local SC and NC markets as well as companies such as AbitibiBowater, Capps Brothers and Georgia Pacific.

Norman states, "I push safety as much as I do production because we're family. My motto is we come to work so we can live."

Knowing several buddies in the land clearing and excavating business, many of his jobs work ahead of clearing operations harvesting timber on development tracts both in urban and rural settings. He uses his professional job to harvest timber products that might otherwise go undelivered to markets.

Norman, wife Audrey, son Andy, brother Dennis and the crew make a great team. Audrey is a licensed real estate agent and assist Norman in administering the business. Dennis heads up the harvesting crew while Norman purchases timber from landowners and works on the crew. It's a family affair. Not just for family members, but the entire crew.

Always looking to improve and innovate, Norman saw a need in his area for locating a woodyard as an alternative market for local loggers. Using land he had previously purchased, he opened a woodyard in 2008 along I-26 in Landrum.

Nominated by Willie Norwood, Tidewater Equipment Company, and supported by loggers and others in the upstate, Willie says, "Norman has a passion for his industry. He is very professional. He displays a positive attitude about professional logging even during tough times. He has respect for the public and landowners and has gained their respect. He has helped many loggers in the upstate and is always promoting SCTPA."

In January 2004, Norman's crew, Dennis Arledge, Andy Arledge, Lester Hall and truck driver Mark Padillo were subjected to a shooting incident on their jobsite. Three masked, armed men, falsely claiming to be the FBI, appeared from the early morning darkness perhaps looking to kidnap or extort money from Norman and Dennis and bound the three crewmen and shot Mark as he was driving onto the jobsite. Fortunately Dennis, Lester and Andy were unhurt and Mark recovered from serious wounds. With the help of CrimeStoppers the three men were arrested and charged.

Norman has served on the SCTPA board since 2001. He is active in Upstate District 4, attending Easley district meetings and supports the American Loggers Council and Wood Supply Research Institute.

He and Audrey have been active in promoting sustainable forestry programs in upstate schools and with the public. They actively pursued and gained the approval of the Greenville County School District to have the book *My Little Corner of the World* approved as reading curriculum and placed in all elementary schools. To accomplish that they purchased fifty-six books, one for each school.

Norman has participated in upstate Log A Load For Kids campaigns. He promoted a load flag purchasing fund raising campaign for proceeds to be donated to the Greenville County Children's Hospital. He also participated with SCTPA in visiting an upstate elementary school to present our Sustainable Forestry and Professional Timber Harvesting Program. He participated in a SC Teachers Tour timber harvesting site visit in Newberry County.

A member of the Evergreen Foundation, SC Forestry Association, the local and national Chamber of Commerce, he served on the National Republican Congressional Committee's Business Advisory Council and was awarded the 2001 SC Businessman of the Year award in recognition of his council efforts to promote a pro-business agenda in Congress.



Audrey & Norman Arledge



(Continued on page 9)

(Continued from page 8)

As an SFI Trained logger, Norman places emphasis on practicing sustainable harvesting practices. He understands the value of using Best Management Practices for water quality and environmental protection.

He has been a strong advocate for SCTPA. He has recruited logger, dealer and timber manufacturer members in the upstate and North Carolina.

Norman believes promoting professional timber harvesting and the principles of sustainable forestry are important. He understands the responsibilities and importance associated with how professional loggers contribute to their local and state economies, how professional loggers must continue to be the best by working with landowners and wood receiving companies in cooperative partnerships, promoting and practicing sustainable forestry and educating the critical public to better understand timber harvesting is a professional industry concerned about our sustainable and renewable forest resources and our environment.

Norman Arledge is one professional logger who is taking a stand and making a difference in the logging industry. He says, "To me there are too many that still want to hide in the woods. But those days are over. You've got to promote yourself and tell people what you are doing."

As an association and industry leader with a sincere commitment to professional logging, sustainable forestry, community, family and the principles of outstanding business,

SCTPA is proud Arledge Logging & Timber, Inc. is our 2008 Gene Collins Logger Activist Award recipient.

The South Carolina Timber Producers Association's Logger Activist Award recognizes a member who has demonstrated an exceptional desire to promote and represent the profession by actively participating in association state and district activities, promoting and participating in educational efforts, community action projects and association projects to positively promote timber harvesting's image, conducting business activities in the best interests of the timber harvesting profession to engender the public's trust by meeting and exceeding the American Loggers Council Loggers Code of Practices and has displayed a professional commitment to sustainable forestry practices.

SCTPA's Logger Activist Award was named in honor of Gene Collins of Gene Collins Logging, Inc, Georgetown, because of Gene's dedication to his profession, his unselfish endeavors to promote the integrity of the logging industry within his community, his volunteer work educating children, his use of business practices that engendered the public's trust and his support for professional timber harvesting and sustainable forestry.

LARGEST SALVAGE YARD IN SOUTHEAST



**TRUCK &
TRACTOR INC.**
wwwtractor.com



**CALL US FIRST FOR ALL OF YOUR USED FORESTRY AND CONSTRUCTION
EQUIPMENT NEEDS. WE HAVE BEEN IN BUSINESS FOR OVER 34 YEARS
SPECIALIZING IN QUALITY USED LOGGING AND CONSTRUCTION EQUIPMENT.
NEW INVENTORY ARRIVING DAILY WITH 100% SATISFACTION ON PARTS!**



**1418 OLD HWY 52 SOUTH
MONCK'S CORNER, SC 29461
WWW.WWTRACTOR.COM**

843.761.8220

DISMANTLING DAILY

CAT

515, 525, 525B, 525C, 535B,
545, 320BLL & 322

BARKO

160B, 160B, 275B & 775B

FRANKLIN

3000, 3600, 105, 170, 405,
560, C5000, Q70 & Q80

HYDROAX

411B2, 611B2, 411E, 511E, 611E,
411EX, 511EX, 611EX, 711EX & 570

JOHN DEERE

440B, 540B, 548B, 648B, 648G, 648GII,
648GIII, 748GII, 748GIII, 643, 643D,
643G, 843G, 843H, 653E, 753 & 848

PEERLESS

2770

PRENTICE

210C, 210D, 210E, 310E, 325, 384,
410C, 410D, 410E & 410EX

TIGERCAT

230, 240, 718, 720, 720B, 720C, 720D,
726, 726B, 620, 630B, 845 & 845B

TIMBERJACK

240, 380A, 380B, 450B, 450B, 450C, 460,
460D, 608, 608S, 618, 735, & 850

TREEFARMER

C6D & C7F

THE ULTIMATE



Peerless Quality

- Rugged, Aluminum Construction
- Lightweight: Weighs only 10,020 lbs.
- Larger Payload: 65,000 lb. capacity
- Open Top, Mitered Front
- Financing Available

CHIP TRAILERS



Peerless Quality



Full sized rear door is skinned with galvanized expanded metal and hinged at the top for easy discharge of payload.

INWOODS TRAILERS



LIVE FLOOR TRAILERS



When It Says Peerless, You Know It's The Best.
For Full Specs, Available Options and A Firm Quote Call:

- Ashland, VA
(804) 798-0525
- Roanoke, VA
(540) 992-4314
- Columbia, SC
(803) 951-3965



3301 Integrity Drive • Garner, NC 27529
(919) 773-4000 • (919) 773-4001

- Raleigh, NC
(919) 876-7280
- Mt. Airy, NC
(336) 786-8604
- Statesville, NC
(704) 838-1144

(Continued from page 7)

Now, many years later we are told that we need to “collaborate” on projects to get anything done; that input and support from the greens is vital for a project to get off the ground let alone go forward. This process has brought new terms to forest management such as: “social threshold” for the description of allowable diameter limits for harvesting plans. We are told that we have to trust them (the greens) that if we allow them a voice in the process they will not litigate every proposed project; but this comes at what price? No silviculture? I had always thought that the United States Forest Service managed the vast forest stands under their charge with science, real science. While this process is suggested, it hasn’t proven to me that it works; the law suits continue to tie up projects that would otherwise keep our members working. It is time for those in power to have a little backbone and get something done.

Allen Ribelin is the 2009 President of the American Loggers Council, which represents over 50,000 logging professionals in 28 states. Allen’s family’s operation, High Desert Investment Company is headquartered in Flagstaff, Arizona

(Continued from page 6)

Due to the number of carriers requesting IFTA tax return copies, a twenty-five cent per page charge for copies will be implemented.

Immigration Bill Implications

The SC Immigration Law affects those with regulatory authority such as driver training schools, dealers, etc. Before obtaining a Commercial Drivers License, an affidavit must be submitted verifying U.S. citizenship and/or verifying being in this country legally. This will apply to new CDL drivers. DMV will verify the person’s legal status through the SAVE system.

An affidavit will be developed by DMV for this. This was effective July 1, 2008 and applies to new licenses. Prior to July 1, 2008, effected parties were grandfathered into the system.

DMV New System Development

Phase One of the new IFTA and IRP computer system enhancements have been completed. The previous problem of two different systems is corrected. Phase Two to further enhance the entire system for improved customer services is now being finalized with the target date of July 1, 2010. Hopefully

a system demonstration will be available July 2009.

CDL Positive Drug and Alcohol Test Disqualifications

New drug testing law requires carriers to report to DMV any driver testing positive. The SCDMV Form CDL 18 must be submitted to DMV to disqualify the driver. The Medical Review Officer (MRO) reports to the employer and the employer reports to DMV using this form. Employer must send form to DMV within three (3) days of the test. Then DMV can enable the driver disqualifications into the system.

Unified Carrier Registration (UCR) Changes Pending

The UCR fee structure is changing to remove trailers from the fleet count for UCR payment. Likely the fee tiers will change and perhaps double in amounts due to removal of trailers. The UCR fees will be based on the “fleet range” and not on the number of vehicles being registered.

UCR registration applies to Unmanufactured Forest Products Trucking for carriers operating “interstate.”

SCTPA AT WORK ...



Crad talks sustainable forestry at Aiken Middle School



Career Day at Laurens Middle School

10th Anniversary Annual Meeting Sponsors

SWAMP FOX AGENCY, INC.
Moncks Corner

TIDEWATER EQUIPMENT COMPANY
Newberry, Conway, Walterboro

FORESTRY MUTUAL INSURANCE COMPANY
Raleigh, NC

ABITIBI BOWATER, INC.
*Wood Procurement Operations
Catawba*

PINNACLE TRAILER SALES, INC.
Wilmington, NC & Spartanburg

SONOCO PRODUCTS COMPANY
*Wood Procurement
Hartsville*

GEORGIA PACIFIC CORPORATION
*Piedmont & Coastal Wood Procurement
Prosperity*

KAPSTONE CHARLESTON KRAFT, LLC
*Wood Procurement Operations
Charleston*

FLINT EQUIPMENT COMPANY
West Columbia, Aynor & Simpsonville

THANK YOU FOR YOUR GENEROUS FINANCIAL SUPPORT.

AN ANNUAL MEETING THANKS

Dear Friends,

What a great weekend. I do believe everyone had a good time and if they didn't, it was their own fault.

Our first meeting – and I hope it won't be our last.

It was so "needed" for everyone in this "crazy" economy. We all forgot stuff that stressed us the week before and hopefully everyone started the week with a smile.

Thanks again for all your hard work. It was worth it.

*Love to everyone,
Nita & Dwight*

Received from Nita & Dwight Corley, Lexington Timber Company, Lexington.

2009 Annual Meeting Exhibitors

Thank You for Your Generous Support

MORBARK, INC.

GCR Tire Centers

AFLAC & LISA WOOD

CRTS, INC. / PEERLESS

ANDREWS TIRE SERVICE

SWAMP FOX AGENCY, INC.

FLINT EQUIPMENT COMPANY

VERMEER MID-ATLANTIC, INC.

PINNACLE TRAILER SALES, INC.

TIDEWATER EQUIPMENT COMPANY

FORESTRY MUTUAL INSURANCE COMPANY

Horry-Georgetown Technical College

Forestry & Technology Program

We Know Trailers!



New & Used Stock

Hydraulics

Trailer Service

Parts

**Pinnacle Trailers is a One Stop Shop for
any of your Trailer Needs.**

We even Buy and Service Wrecks!

PINNACLETRAILERS.COM

Inventory updated daily



LOG TRAILERS • LIVE FLOORS

CHIP TRAILERS • LOW BOYS



866-266-7200 • 910-342-0445

P.O. Box 1259 • Wilmington, NC 28402

Firestone

GENERAL TIRE

PRIMEX



Interstate Tire Service
Pelzer, South Carolina
(864)-979-9204



*We service
Earth Mover and Forestry Equipment*

- New
- Used
- Service
- Repair



Exit 32 next to
Martin & Martin
Auction



Board Members Elected

Three South Carolina Timber Producers Association Board of Directors Seats were elected at the 10th Anniversary Annual Meeting, January 31st in

Myrtle Beach. Board members serve a four-year term.

Two current board members ran for re-election. Billy McKinney, McKinney Brothers Logging, Inc., Union, and Frampton Ferguson, Ferguson Forest Products, Inc., Luray, were re-elected for Seat 2 and 8 respectively. Both seats were uncontested.

The board and association are proud to welcome new board member Donnie Harrison, D & L Logging, LLC, of Greer, for Seat 3 vacated by Norman Arledge, Arledge Logging & Timber, Inc., Landrum, whose term expired December 31, 2008 and did not seek re-election.



(l-r) Billy McKinney welcomes Donnie Harrison to board

Donnie Harrison D & L Logging, LLC, Greer

Donnie is a young man dedicated to professional logging. As Norman Arledge indicated, "It's time a young professional logger take his seat on the board."

Having grown up in the logging business, he has worked for fourteen years beginning his career with his father Donald. When Donald decided to slow down, Donnie took over the reins and formed D & L Logging, LLC in 2002.

Operating a conventional roundwood logging crew with five employees, he works jobs from thinning to logging and delivers products to various markets in the upstate. Donnie handles the timber purchases primarily from private landowners.

He has been an active logger member in the upstate attending district meetings in Easley and annual meetings. He promotes the association, sustainable forestry and professional logging to improve the image of his industry. He is SFI Trained, supports Log A Load For Kids and is active in his community.

SCTPA President Crad Jaynes says, "One thing about Donnie, he has the desire to be the best he can be. He stays in contact with the association office to stay abreast of issues and industry activities such as woody biomass."

A young man with a handle on what it takes to be a professional logger, Donnie will contribute to the asso-

ciation's growth and representation for the best interests of SC's professional loggers.

Billy McKinney McKinney Brothers Logging, Inc., Union

Re-elected to Seat 2, Billy will continue to serve as the association's Secretary-Treasurer. Billy was elected to the board in 2005.

Operating as McKinney Brothers Logging, Inc., Billy and brother Ricky have been in the timber harvesting business since 1973. Operating two crews and contracting through Piedmont Pulp, Inc., Laurens, the operations focus on first thinning, but also perform conventional logging jobs delivering wood products to various mills such as AbitibiBowater and others.

Billy has been an active member and strong leader on the board. Participating in district meetings and board meetings, Billy has also traveled to Washington, DC for the Spring American Loggers Council meetings and visits to South Carolina's U.S. House and Senate delegation and attended the American Loggers Council annual meetings.

Active in his community, Billy ran unsuccessfully this past Fall for a seat on the Union County Council. He also participated in career day at Jonesville Elementary School along with SCTPA.

He is SFI Trained, works locally promoting sustainable forestry and professional logging and participates in the Log A Load For Kids campaign annually. He has been active in recruiting new members in his area.

Billy is a proud Shriner and Mason. He and wife Hazel attend Tabernacle Baptist Church and are proud parents of three grown daughters.

Frampton Ferguson Ferguson Forest Products, Inc., Luray

Re-elected to Seat 8, Frampton has served on the board since 2001. Operating both logging and chipping crews, Frampton contracts with KapStone Charleston Kraft, LLC and MeadWestvaco. Never one to shy away from being innovative in operating his business, he installed GPS units on his trucks to improve operating efficiencies and reduce costs.

An avid promoter of sustainable forestry and professional logging in his district, he has chaired the Log A Load For Kids efforts for his area and participates in educational tours to his timber harvesting operations conducted by MeadWestvaco.

Frampton was selected as the SC Forestry Association's 2000 Logger of the Year. He is actively involved in political issues in the low country. Last year, he was instrumental in responding to an attorney's negative editorial accusing "all" loggers as

(Continued on page 15)



Past, present and new board members.

(Continued from page 14)

timber thieves. He alerted SCTPA for its response as well as forwarded a response of his own. Frampton and wife Melanie live in Furman and are active in local community activities.

SCTPA looks forward to these board members' service and their contributions to the timber harvesting profession, our association and the state of South Carolina.

Board seats are comprised of persons directly engaged in timber harvesting operations and elected at the annual meeting each year. Board candidates are eligible regardless of location and must be in good standing with the association as of December 31st. Those desiring to serve the association and the timber harvesting industry are welcomed.

Logger members are encouraged to get involved and serve on the board. Nominations will be accepted in the Fall.

CAROL BROWNER A SOCIALIST?

By Doug Badow, January 12, 2009

There's a tendency of conservatives to carelessly toss about the "S" word. Like John McCain, who opposed the Bush tax cuts while spouting left-wing rhetoric, then accusing Barack Obama of being a socialist because the latter proposed to increase taxes on the rich. It was bad liberal redistributionist policy, but McCain -- for every bailout as well as cap-and-trade -- was in no position to call his opponent a socialist for advocating the same dumb liberal redistributionist policies.

However, as the Washington Examiner pointed out last week (and the Washington Times mentioned today), Carol Browner really is a socialist. Or at least, she belonged to the Commission for a Sustainable World Society, which is part of the Socialist International. Granted, these are pretty wimpy socialists, rather than serious guys with guns intent on seizing everyone's property. But still. Reports the Examiner:

"Conservatives are often accused of scaremongering when they claim left-wing environmentalists are actually socialists hiding behind green disguises. But with Carol Browner, incoming President Barack Obama's freshly appointed Assistant to the President for Energy and Climate Change - the so-called White House "Climate Czar" - there is no question about the socialism. Browner is a member of the Commission for a Sustainable World Society (CSWS), which is a formal organ of the Socialist International. Oddly enough, the group's web site was recently scrubbed to remove Browner's

picture and biography, but her name is still listed next to the photo-biographies of her 14 colleagues on the commission. The Socialist International is no group of woolly-headed idealists. It is an influential assembly of officials from across the international community whose official Statement of Principles describes an agenda of gaining and exercising government power based on socialist concepts.

Browner's CSWS is similarly open about the economic costs it is willing to impose, across national borders to achieve its environmental utopia. On Sept. 5-6, 2008, the commission noted that the costs of its proposals would "range in the hundreds of billions of dollars over the next two decades," and it called for a "redesign of the international rules on intellectual property." That is international bureaucratese for compelling an inventor to surrender property rights in order to "share" technologies with less-developed countries.

At the Congress of the Socialist International held last June 30-July 2, the CSWS officially resolved that "market solutions alone are insufficient and will not provide the financial support and resources necessary to achieve the required combination of deep emission reduction, adaptation to already changing climate conditions, energy security and equitable and environmentally sound economic development." Again, that's bureaucratese. It means that international taxes should be imposed to provide the "resources necessary" to impose what the CSWS repeatedly re-

fers to as a "regime" against "global warming."

By appointing Browner to a White House post, Obama has at the least implicitly endorsed an utterly radical socialist agenda for his administration's environmental policy. The incoming chief executive thus strengthens critics who contend environmental policies aren't really about protecting endangered species or preserving virgin lands, but rather expanding government power and limiting individual freedom.

The best part is that Browner obviously is embarrassed by the connection, since someone has engaged in a bit of Stalinist air-brushing of history by eliminating her picture and bio from the socialist website.

Alas, she's headed to the White House -- ironically, to be "Czar" of the Climate. (Didn't socialists revolt against the last real Czar?). That means there will be no Senate confirmation process, with an opportunity to ask appropriate questions.

Doug Badow is the Bastiat Scholar in Free Enterprise at the Competitive Enterprise Institute and Vice President of Policy for Citizen Outreach. He is also the Robert A. Taft Fellow at the American Conservative Defense Alliance. A former Special Assistant to President Ronald Reagan, he is the author of Foreign Follies: America's New Global Empire (Xulon Press).



ENCOURAGING SENATOR GRAHAM'S SUPPORT



Email forwarded to South Carolina Senator Lindsey Graham urging his support for an amendment to the Braley-Baldwin Provision of the House Stimulus Bill under the Energy Title. This legislation would assist in furthering the development of the East Coast Ethanol plant in Chester County projected to use woody biomass for energy production for plant operations. This facility potentially will offer loggers and timber suppliers an alternative market for wood and woody biomass.

Senator Graham,

SC Timber Producers Association encourages your support of an amendment to the Braley-Baldwin Provision of the House Stimulus Bill, Section 1705 of the Energy Title.

This amendment broadens the eligibility for biofuel projects under Section 1705 to include commercial scale projects meeting certain criteria.

Including commercial scale biofuel projects meeting the required criteria would significantly enhance the ability of loan guarantees provided under this section. This would fund projects that can immediately stimulate our state's economy by creating new jobs in economically depressed communities of rural South Carolina.

Representing the state's timber harvesting segment of our state's \$17 billion forestry industry, our professional loggers and timber suppliers are keenly interested in creating alternative markets for wood and woody biomass. Like other industry segments, we too have been severely impacted by the economic downturn.

The East Coast Ethanol project planned for Chester County would create wood supply opportunities for timber producers by creating an alternative market. Likewise greater economic opportunities such as increased employment not only at the biofuel plant, but in other allied businesses, would assist in improving the rural area economy. This plant will provide green, renewable biofuel while obtaining its energy producing feedstock from our sustainable, renewable forest resources.

Senator, as you review the Federal Stimulus bill, I encourage you to dedicate language providing opportunities for the East Coast Ethanol plant and others to be constructed as well as enhancing economic opportunities for agribusiness and rural communities in South Carolina.

Thank you for your consideration. I appreciate your leadership in the Senate on this provision and for your service to our state's forest products industry and the Palmetto State.

Should you have any questions, please feel free to contact me.

Kindest regards,

Crad Jaynes
President
SC Timber Producers Association
Lexington, SC

FORESTRY IS A GREAT INVESTMENT

By Gene Kodama, SC State Forester

The Forestry Commission is best known for fighting wildfires, but it also is mandated to develop the forest resource as an economic engine and sound investment.

Currently, our agency receives \$14.3 million in state-appropriated funds, down 21 percent from \$18 million last year. This pays salaries, benefits and operating costs.

Two hundred thousand dollars is directly distributed to private landowners through the forest renewal program; this money is matched by the forest industry's wood-consuming mills at a ratio of 4-to-1. So when the state provides us \$200,000, industry matches it with \$800,000. These funds are then distributed to forest landowners as an incentive to invest in site preparation, tree planting and other forest treatments.

The commission also receives about \$5 million in federal funds for programs that are mission critical for an agency charged with protecting and developing the 13 million acres of forests that cover almost 70 percent of the state: urban forestry programs and grants, wildfire prevention and suppression, volunteer fire department assistance, insect and disease forest health programs, response to all types of disasters and emergencies, water quality protection, forest inventory and cost share programs. Most of these funds require local matching dollars and are used to encourage landowners and other entities to make the long-term investments required to generate healthy, productive trees and forests and provide a variety of services.

About \$4 million of revenue is generated by the five state forests. Manchester, Harbison, Wee Tee, Poe Creek and Sand Hills state forests are role models, generating enough revenue from their timber and pine straw sales and recreation fees that no state funds are needed for their management. In fact, 25 percent of their revenue is returned to the counties of origin for their school systems, in lieu of paying property taxes (\$672,000 last year). Obviously, forestry is good business for all.

The remaining \$2 million of the commission's total budget of about \$25 million comes from facility and land leases, tree nursery revenue, services and surplus property sales.

Funding from the forest renewal program and such federal sources like the U.S. Forest Service is often called "pass through" dollars because they are received then passed along to others. In fact, all funds, no matter the source, really "pass through" the Forestry Commission straight to the citizens and economy of South Carolina in the form of cash and services for the protection and development of its forest resources and forest industry.

At the current level of state-appropriated funding, for every \$1 of funding provided, the commission supports \$1,200 of economic impact by the state's forest industry. That's one fantastic return on investment!

As South Carolina's No. 1 manufacturing industry, forestry provides \$17.4 billion in economic impact. Agriculture and forestry together form the largest state industry at more than \$33 billion in economic impact.

See www.trees.sc.gov for more information.



LOCAL LOGGER PICKS A BAD TIME TO GO ON TV

By Bryan Johnson & KOMO Staff, March 13, 2009

HOQUIAM, Wash. -- A Cle Elum logger is in trouble with the state's timber police, after he was seen removing logs from the bottom of the Hoquiam River on a popular History Channel show. It turns out, removing the logs without a permit is illegal, and one of those in charge of enforcing the rule just happened to see him on the TV show.

The show is called "Ax Men," which chronicles the lives of Pacific Northwest timber cutters. And one of the loggers featured this season is Jimmy Smith, owner of S&S Aqua Logging.

"We've been in business about three years now," he says on the show. "We recover logs out of the waterways, the hazard logs, and the logs that are on the bottom."

Smith tells the History Channel it's dangerous work. He called himself an underwater accident. But his biggest mistake may have been going on TV.

You see, one of the viewers of the show was Larry Raedel, chief enforcement officer for the Washington State Department of Natural Resources.

"We were tipped off by 'Ax Men,'" he said. "We watch the show as well."

The show even identified the river. So Friday, Fisheries, Natural Resources, the Grays Harbor County Sheriff and Hoquiam Police all swooped in.

What's all the fuss when the logs look like junk?

"As far as the Department of Natural Resources, the saying goes: 'We own the mud out there,' and any products that come out of that are property of the state," Raedel said.

What that means is one log may be pretty petit larceny, but a few is first-degree theft.

"Unfortunately theft of the public's resources is an all-too-common occurrence," Raedel said. "But it is unusual for people to document their illegal activity on national television."

Peter Goldmark, the state Commissioner of Public Lands, says submerged timber can be highly valuable for decorative wood. The well-preserved logs are essentially pressure treated and used in high-end applications. If properly permitted, the state's portion of the funds from the removal of these logs would go towards the management and restoration of state-owned aquatic lands.

Goldmark added the logs have high value in the water as a habitat for fish and other wildlife.

Some of the removed logs from the show are sitting on the property of Frank Fitterer. He didn't think there was anything wrong.

"They've been filming out here forever... since last summer," Fitterer said. I asked if there was any attempt to hide what they were doing: "Oh no, well I don't think anyone thought anyone was doing anything wrong."

In fact, Smith even has a website advertising the recovered wood. And on the job site, there is even a company logo with phone numbers.

Smith lives in Cle Elum. When he heard of the raid, he immediately went to the Department of Natural Resources, and agents say he's cooperating.

The timber seized included 20 mature trees as well as smaller wood products, between six and 10 feet in length. The largest logs are about 20 to 30 feet long and about three feet in diameter, Raedel said.

Smith said on the show that the logs were worth about \$10,000, according to search warrant records.

When "Ax Men" debuted last year, it became the History Channel's most popular series with more than 2 million weekly viewers. This season began airing March 2 and features two timber crews from Washington, two from Oregon and one from Montana.

**This is the world's
best truck!
Or the trees are
growing farther apart.**



Frankly, the trees haven't moved an inch. But that can't be said for the front end on a Kenworth T800. Kenworth moved the steering gear ahead and the front axle back to give you a nimble 40 degree wheel cut and a turning radius up to 25 percent tighter than standard log haulers. Then they also sloped the hood 20 degrees for a better view out front. So do a good turn for yourself by taking a test run. Afterwards, the trees may not be growing farther apart. But you and your old trucks will be.

CHEROKEE KENWORTH, INC.

707 Cherokee Lane, I-26 @ SC 302, Exit 113
West Columbia, SC 29169
(803) 926-2900 Fax: (803) 926-2915

2727 White Horse Road
Greenville, SC 29611
(803) 220-3033

MEMBER ALERTS

Email Address Change

The email address for Crad Jaynes and SCTPA is changing due to Alltel and Windstream separating companies. Therefore a change to the current email address is needed.

- Current email address is **bcjpaw@alltel.net**
- After May 15, 2009, the email address using @alltel.net will not be available.
- The @alltel.net changes to @windstream.net
- The new email address will be bcjpaw@windstream.net
- Until May 15th, emails with the @alltel.net address will be received. After that date, the @windstream.net address must be used.
- Please change the bcjpaw@alltel.net to **bcjpaw@windstream.net** in your email system.

SCTPA Website

SCTPA is happy to report a website will be launched. Website construction has been completed. Now work is being performed to finalize the details and appearance and get the site officially online.

We are excited about this addition for the association and hope it will be a useful tool for members. Thanks to Doug Duncan at the NC Association of Professional Loggers for assisting with this project.

We'll let you know when we get it up and running.

New Study Finds Housing Stimulus Essential To Economic Recovery

(Washington, D.C.) January 13, 2009 – Without substantial demand stimulus for the housing sector, the stimulus package currently being considered by Congress will only have a limited effect and would fail to reverse the loss of trillions of dollars in homeowner equity, according to a study released today by the Fix Housing First Coalition. The study, conducted by California-based expert services consulting firm LECG LLC, shows that when housing stimulus is combined with a general economic recovery program like that under discussion by the new Administration and Congress, increased economic activity grows strongly across all sectors of the economy.

Using a well regarded economic model, researchers studied the impact of a short-term program espoused by the Fix Housing First Coalition that would combine a significant tax credit for all homebuyers from \$10,000 to \$22,000 with a time-restricted mortgage rate write down to 2.99%. The economic analysis demonstrated that adding these housing stimulus provisions to the anticipated economic recovery bill would over a four year period:

- Increase GDP by 1 percent annually;
- Create 940,000 new jobs annually;
- Increase average homeowner equity by \$25,000 by 2012;
- Increase aggregate homeowner equity by more than \$2 trillion by 2012; and
- Generate revenues at the federal and state level that will exceed the cost of the program.

“A strong direct stimulus to housing demand is essential to turn the economy around in a timely and dependable fashion,” noted Dwight M. Jaffee, Professor of Finance and Real Estate, Haas School of Business, University of California, Berkeley who contributed to the study.

“Every key economic indicator - GDP, employment, consumer confidence and housing market activity- rebounds significantly faster if housing is included in the stimulus package.”

The lack of demand for housing has created a self-perpetuating downward spiral that shows no signs of abating. Potential homebuyers are fearful of entering the market out of concern that the house they buy today will be worth less in six months. When there are no buyers, prices continue to fall, thus confirming buyers' worst fears. It is a classic market failure that is pulling down the entire economy.

National Association of Home Builders economist David Crowe added, “Three million home building-related jobs across the country have been lost as a result of the slowdown in housing production, which represents \$145 billion in lost wages and \$4.9 billion in lost purchases. Deterioration in these jobs has now spilled over into virtually all sectors of the U.S. job market.”

“The collapse in home equity has devastated homeowners across the country and placed many of them and their community and condominium associations in very tenuous financial positions,” said Thomas M. Skiba, CEO of Community Associations Institute. “Reviving the housing market in a way that restores that equity has to be a critical element in any economic recovery plan.”

While the new study demonstrates the effectiveness of the Fix Housing First Coalition proposal, it also found that the program is consistent with the criteria established for a fiscal stimulus program. It is short term. It is effective. And it generates economic activity that will actually reduce the deficit over the long term.

For additional information or to speak with a researcher or a spokesperson for the Fix Housing First Coalition, please contact Juliet Johnson at 202-828-8820 or juliet.johnson@fleishman.com.

###

The Fix Housing First Coalition is a diverse group of housing stakeholders – including homeowner and community groups, home builders and manufacturers – dedicated to addressing the root cause of our economic troubles. The coalition is advocating for a short-term incentive for qualified home buyers that would stop the fall in home values, restore consumer confidence, create jobs and lift our entire economy. For more information, visit www.fixhousingfirst.com.

(Continued from page 4)

Norman Arledge, Arledge Logging & Timber, Inc.

Saturday afternoon's session featured Mathew Smidt, Associate Professor Forestry Operations at Auburn University, as he presented the Fiber Cost Per Ton Impact project he and his team developed through funding by Wood Supply Research Institute.

This model is a tool loggers can use to determine costs per ton of roundwood delivered to a mill's woodyard, from the time the wood is purchased, harvested, loaded and is hauled from the forest to the mill, to the time the wood arrives at the scale house and is scaled, unloaded and released from the mill woodyard. Individual logging business data can be plugged into the model to evaluate Equipment Productivity, Labor Productivity, Capital Productivity and Cost and Net Income Analysis.

Saturday evening a Tenth Anniversary Dinner was held. Association President Crad Jaynes referred to Proverbs 3:5 & 6, "Trust in the Lord with all thine heart and lean not unto thine own understanding. In all thy ways acknowledge Him and He shall direct thy paths." He related his career path that led him to SCTPA and how these passages strengthened him during the financial crunch. History of the association and highlights over the years were shown on slides such as the Saluda Womanless Beauty Contest for Log A Load For Kids. The path over the ten years has been highlighted with accomplishments benefiting loggers, timber producers and truckers and the industry. Serving with passion for the people in this business we call logging and passion for the industry has been his drive. He read his My Thoughts article from the first *Timber Talk* issue published in 1999. Believe it or not, the words then are very similar to our times now. He recognized the original board members and thanked them for taking a chance to allow him the opportunity to serve the association, represent our industry and advance the logging profession. He thanked the people for supporting the association and thanked the industry for allowing him the opportunity to work in an industry he loves. It's all about passion and serving with a purpose. A champagne toast was given to honor SCTPA's members and to honor ten years of service.

Dana Watkins of Graniteville, SC, then performed her Remembering Patsy show. Dressed like Patsy, singing like Patsy, and speaking like Patsy about her life as if she was Patsy, this tribute to country music legend Patsy Cline was an awesome treat. If you closed your eyes while Dana was singing, you'd think Patsy was performing.

Sunday's prayer breakfast was a treat as Victoria Huggins returned to be with "her" loggers and absolutely delighted everyone with her songs, talent and joy of testifying for the Lord. This young lady has great spirit as she surely knows how to make you love the Lord more and be a witness for His Good Graces.

My heartfelt thanks goes out to Aunt Delaine, Mary "Buttons" Rawl and my wife Brenda for their tremendous efforts in making our annual meeting successful. Thanks, you are the best.

And most of all, THANKS to everyone for attending, sponsoring, exhibiting, speaking, donating and making our Tenth Anniversary Annual Meeting successful.



David & Druanne Freeman.
New member drive winners.



Timber Talk

*Your Voice for
South Carolina
Timber Harvesting*

Contact
Crad Jaynes
at

1-800-371-2240

or

bcjpaw@windstream.net

Wow! It was great.



THE FLAME ACT

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

NEWS RELEASE
MARCH 10, 2009

Chairman Jeff Bingaman (D-NM) and Ranking Member Lisa Murkowski (R-AK) today introduced legislation that takes a big step forward in tackling chronic funding shortages for fighting wildfires, and the steep declines in land management funding that result.

The Federal Land Assistance, Management and Enhancement Act – the FLAME Act -- establishes an account to pay for fighting large, complex wildland fires. The legislation will provide a separate budget for fighting the largest fires, so that adequate funding is available and so that the agencies' land management functions are not shorted.

House Natural Resources Committee Chairman Nick Rahall, who has shown great leadership on addressing this problem, today introduced companion legislation.

"The costs for fighting wildfires are rising rapidly, and this escalation is eroding other programs and impacting the core mission of our land management agencies, particularly the Forest Service," Bingaman said. "Wildland fire activities now account for about 50 percent of the Forest Service budget. Both the Forest Service and the Interior Department have had to rob funds from other agency accounts to cover these costs. The FLAME Act will help solve this recurring problem."

"In recent years, the Forest Service has expended up to \$2 billion per year suppressing wildland fires," Murkowski said. "We can no longer afford to put the service's non-fire programs at risk to 'fire borrowing.' While this bill is not the perfect solution, I believe it's a step in the right direction. I look forward to working with Chairman Bingaman and others to improve it further before we get to the floor."

"Fire seasons on public lands are getting longer and more intense – putting American lives and our treasured public lands in harm's way. Fighting these fires is eroding other non-fire programs and impacting the core mission of the Federal land management agencies – turning our Forest Service into the Fire Service," said Rahall. "This legislation will help ensure that America's brave firefighters have the necessary tools to continue putting out fires with minimal damage to life and property."

Bill cosponsors include Sens. Barbara Boxer, Ron Wyden, Tom Udall, Maria Cantwell, Jon Tester, Tim Johnson and Patty Murray.

The FLAME Act would establish a fund for large, complex emergency wildland fire suppression. Monies for the fund will be appropriated annually. The Federal land management agencies would continue to fund initial attack and other anticipated and predicted wildland fire suppression activities within their annual budgets.

The Secretary of Agriculture and the Secretary of the Interior would declare emergency wildland fire suppression activities eligible for the FLAME Fund. That declaration would be based on an evaluation of the size, severity and threat of individual wildland fires. The FLAME Fund would be available for emergency wildland fire suppression activities on Federal, state, tribal and private land, consistent with existing agreements.

The bill requires the Secretaries to review wildland fire incidents that result in expenses greater than \$10 million and submit a report to Congress containing a cohesive wildland fire management strategy. It also requires science-based budget predictions and annual reports on the use of the fund, and authorizes a grant program to encourage communities to reduce fire risks.

SC TIMBER PRODUCERS ASSOCIATION

Dedicated Service To SC's Professional Timber Harvesters

P.O. Box 811 · Lexington SC · 29071
1-800-371-2240 · 803-957-9919 · Fax 803-957-8990 · bcjpaw@windstream.net

New Active Member

PLEASE COMPLETE & RETURN

MEMBER NAME: _____

(Business OR Individual)

CONTACT PERSON NAME: _____

(If Business Name Above)

MAILING ADDRESS: _____

CITY

STATE

ZIP

CONTACT #'S: OFFICE: _____ HOME: _____

MOBILE: _____ FAX: _____

E-MAIL: _____

CHECK PRIMARY OPERATION: _____ LOGGING _____ CHIPPING _____ THINNING
(CHECK ONE AS PRIMARY BUSINESS)

____ TRUCKING - "FROM HARVESTING SITES." _____ TRUCKING - "FROM MILLS & OTHER SITES."

____ WOOD DEALER _____ MANUFACTURING (DESCRIBE) _____

____ OTHER BUSINESS (DESCRIBE) _____

(BUSINESS OR INDIVIDUAL)

New Member Investment

Loggers @ \$225 Wood Dealers @ \$225
Trucking From Harvesting Sites \$125 First Truck Plus \$25 Each Additional Truck (\$225 Max) General Forest Products Trucking = Mill to Mill or Finished Products @ \$200
Forest Products Manufacturers = Sawmills, Pole Mills, Chip Mills, Treating Mills, etc. @ \$200 Allied Suppliers = Products & Services – Equipment, Tires, Insurance, Fuel, etc. @ \$250 Allied Supporting = National Forest Products Co., Consulting Forestry Firm, TIMO, etc. @ \$250 Individual Foresters, Landowners & Friends @ \$65.

Annual Membership Anniversary Is Date of Initial Investment. Renewal Dues for Loggers & Dealers Production Based.
Renewal Dues for Trucking From Harvesting Sites to Mills Based on Number of Trucks. All Others Flat Annual Renewal Dues.

Investment Payable To: SC TIMBER PRODUCERS ASSOCIATION

Thanks For Your Support!
Crad Jaynes, President & CEO

SCTPA is a Non-Profit 501(c)(6) association. SC FEIN: 57-0883563

90% OF ANNUAL INVESTMENT IS TAX DEDUCTIBLE BUSINESS EXPENSE.

10% DESIGNATED FOR LOBBYING & NOT TAX DEDUCTIBLE.



MY "FIRST" THOUGHTS

By Crad Jaynes, SCTPA President

Back in July 1999, *Timber Talk's* first issue was published. Ten years ago, it seems like only yesterday. In my 10th Anniversary Annual Meeting dinner speech, I referred to this article. When I look back, that first article has meaning today.

While conditions have changed since then when economic indicators showed positive signs of improvement for the forest products industry, my thoughts were for the concern of the timber harvesting industry.

SCTPA has traveled the path to where we are today. I hope this association and I have represented and serviced the timber harvesting industry with the respect and integrity you deserve.

Here are excerpts of my first article I thought you may find interesting and applicable even today.

Time flies when you're having fun, so the saying goes. I cannot believe it has now been two months (now ten years) since becoming SCTPA's Executive Director. The schedule has been very busy establishing our Association office upstairs at my house, which is temporary until we find a suitable office location, sorting through files and materials, learning the tricks of the Association trade, attending meetings, making speaking engagements and attending to the requests of members. And yes, your board of directors has kept me busy too. Things seem to be falling in place, and we seem to be making progress. The learning curve is still pretty steep, but I hope to be a fast learner.

These are certainly challenging times for the timber harvesting industry. I have talked to many loggers and timber producers who still are facing the "tightest times" of recent history. And unfortunately we have lost some loggers due to the economic conditions presented by tight quotas and the depleted market conditions.

Yes, tough times don't last ... but tough people do. Loggers are tough people or they wouldn't be doing what they do. Loggers are passionate people. Passionate about their profession. Passionate about their business. Passionate about what they see as the rights and wrongs within the systems they work. Passionate about what people say about their occupation and passionate about what they don't say.

A logger's passion for what he or she does runs deep. And this passion will help sustain many through these gut wrenching times, because what goes down has got to come up, sometime. And yes, these tight times will surely pass and brighter days will be here again.

And those that survive will be better professionals, better business people, better managers, and better all the way around because they have had to learn to deal with the severity of these economic times from the perspective of having to operate their businesses more efficiently and with less capital.

Declining markets, overall economic conditions and the other complex conditions have led to this condition. But loggers have been hit hard because of the nature of the beast. When receiving companies look to cut costs, it appears the logger is the first to absorb that cut. First to get the punch, the last to get off the canvas. But I truly believe when it is all said and done, researched and analyzed, loggers will survive mainly because of their passion, hope and belief in what they do.

We will work diligently to develop your Association to serve you, our members. Everyone needs to promote SCTPA and seek out others to join. We cannot meet your expectations unless we have your personal commitment and financial support.

Our strength is in our numbers. And the more members, the more clout we have here with our politicians, regulatory agencies and other associations. Bottom line is to grow. But in order to grow, we need your continued support and help. We need for you to get involved.

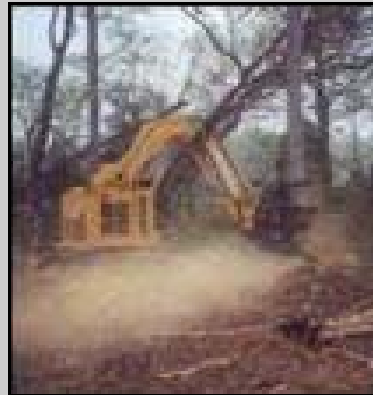
Last, let me say thank you to the board of directors for their faith in me to do this job. I too have a passion for the timber harvesting industry and dearly love being a part of it. It is my goal with the help of your board and our members to take this association to new heights. As my wife Brenda keeps reminding me, take it one step at a time. But maybe it's my subconscious logger sense inside that wants it all to happen now. Oh well, I guess I should take her advice. A 100-acre tract isn't harvested in a day. Or is it?

Maintain your passion, keep your chin up and the wood moving, and think positive about the better times to come. And they will come!

FORESTRY MUTUAL INSURANCE COMPANY

Specialists in the
Forest Products Industry

- Loss Control
- Specialized Training
- Aggressive Claims Service



- Loggers
- Sawmills
- Pallet Mills

FOR MORE INFORMATION CONTACT:

FMIC Insurance Agency

or

Eddie Campbell	919-770-6132
Jimmie Locklear	910-733-3300
Nick Carter	803-609-1003

FORESTRY MUTUAL INSURANCE CO.

1600 Glenwood Ave.

Raleigh, NC 27619

(866)755-0344 (919)755-0344

Fax (919)765-2234



PRESIDENT'S MESSAGE

First, thank you to everyone who attended our 10th Anniversary Annual Meeting. The attendance was awesome and unexpected due to the industry's economy. Your passion, interests and loyalty to this association and to your industry were overwhelming.

Next, I want to thank those members who stepped up and helped your association during our financial crisis in last year's fourth quarter. I realize the challenging times we face, but your sincere commitment and desire to see SCTPA continue its efforts is greatly appreciated. We could not have made it without your support.

Our economic times are unprecedented. Our industry and all economic sectors are struggling to make ends meet. Yes, it is tough times. When this will turn around, well my crystal ball is dark. But I believe it will rebound.

Why? Because I believe in our people, our industry and the fact wood will be needed to manufacture products, produce energy and be a major contributor to our economy. That fact is not going away.

We can look forward to emerging new alternative markets for woody biomass utilization that will benefit the timber harvesting industry. The question is, when? These markets will emerge over time. It will take time to develop these markets, build facilities and obtain a fair market price for the delivered materials. But this will develop.

This year will again be a tough year for all loggers, wood suppliers and truckers and this association due to economics. Attrition will continue to occur within our logging force due to market conditions, the economy and poor business conditions.

As I have said, it is simply survival of the fittest. Survival is the name of the game now. Honestly and I firmly believe the strong will survive and be better off. The ball is in your court now and will be so later. Professional businessmen and business women in our industry attending to their business first and in the occupation of timber harvesting will be survivors and benefit when the time comes.

I ask you to keep your faith in this association and continue your support. This year will be challenging for our members and for SCTPA as the economy challenges us all.

You will have to make hard decisions and choices. And I realize that difficulty. But I ask that one choice you don't make is to stop your support of SCTPA.

As I have said, we have come too far to stop now. It's a small price to pay for the value you get from this association's efforts. And over the ten years, I feel the value, representation, service and benefits to the timber harvesting industry of South Carolina far outweigh the cost of your investment in this association.

It is an honor and privilege to serve. And I thank you for that. My passion runs deep for the people I respect and love and for our industry that has given me an opportunity to hopefully make a difference. My friends, keep the faith, hang in there and keep moving the wood. We will make it through this storm.

Sincerely,

Crad

WOODY BIOMASS: FLA'S JONES TESTIFIES

Scott P. Jones, Executive Vice President of the Forest Landowners Association (FLA), testified on February 10th before the U.S. Senate Committee on Energy and Natural Resources regarding the need for a broad definition of "wood" from private forestland as it should be included in any national Renewable Electricity Standard (RES).

Jones said the definition is critical to help maintain family forestlands as forestlands. In making that point, he asked the question: Will Family Forests Owners Sell Wood or Will They Sell Real Estate? "FLA members look forward to participating in the new markets created by developing opportunities to meet national renewable energy requirements and we wish to do this while maintaining good forest health," said Jones.

Jones testified that, "Today, you will likely hear that adding a new electricity market to existing wood markets will create pressures on our sustainable forest resource. It's simply not true. We don't have enough markets for the wood that we are growing..."

America's forestland covers one-third of all U.S. land and almost 60 percent is owned by private forest landowners. These private forest landowners manage and care for their property while providing clean air, clean water, wildlife habitat, healthy soil, aesthetics, recreation, and wood-based commodities.

Blake Sullivan, FLA Government Affairs Committee Chairman, said, "It was not until the pulping process was invented in the early 20th century, providing adequate markets for timber, that American forests became sustainable. Prior to these markets, American forestlands were in danger. Wood markets create sustainable American forestland."

An RES is a standard that is meant to increase renewable electricity production by



SC Biomass Council March Meeting in Columbia.

mandating a certain amount of the nation's electricity be created by renewable sources such as solar, wind, or biomass. Congress is now debating the need for such a standard, which sources should be included, and how might they be included.

FLA believes strongly that for any national RES to be effective, it must include all wood biomass available from private lands. This inclusion will not only help an RES succeed, but will also help conserve America's private forestland by creating new markets as incentives to manage and hold forestland in the United States; a country with some of the most strenuous forest health laws and regulations in the world.

Jones also delivered a message that, "Congress must allow American private forest landowners access to emerging energy markets in parity with other sources, as they consider all energy initiatives."



Press Release – For Immediate Release

Seattle, USA. March, 2009

Increase in Demand for Wood Pellets Pushed Prices Upward in Europe in the 4Q/08, reports WRQ.

Wood pellet prices in Europe has trended upward the past six years reaching record levels in the 4Q/08 as demand stays strong, reports WRQ.

Europe is currently both the largest producer and consumer of wood pellets in the world. Consumption in 2008 was estimated to be over eight million tons, with Sweden, Denmark, the Netherlands, Belgium and Italy being the largest consumers on the continent. Sweden is the largest producer and consumer of wood pellets in the world with a total production of about 1.7 million tons in 2008. The country also imported about 400,000 tons last year to meet the total domestic demand of 2.1 million tons from both power plants and households.

There are currently over 450 pellet-producing plants in Europe, with many new projects planned over the next five years. Several investments are being delayed due to the global financial crisis, but there is no doubt that the increase in pellet capacity will continue even if the pace of expansion has temporarily slowed. The United Kingdom, Denmark, Sweden and Germany are the countries that likely will see some of the fastest increase in pellet consumption over the next few years. These countries will both invest in domestic production capacity and increase imports in the coming years.

Wood pellet prices in Europe have trended upward in key markets over the past six years. They increased substantially in Germany and Austria during the winter of 2006/07, partly because of higher demand in Germany, but also because of increased exports to Italy where demand grew substantially. With a major expansion of the production capacity in Germany and Austria in 2007, prices declined from their temporary peak in late 2006 and leveled off slightly above the 2005 prices. In recent months, demand and prices have picked up as a result of investments in large-scale energy plants in a number of countries throughout Europe.

The prices in Sweden have generally been higher than in Central Europe, where prices plummeted in early 2007. Swedish pellet prices remained at record high levels of €250/ton (bulk volumes) through most of 2007 and 2008. It was not until the 4Q/08 when prices in Sweden, Germany and Austria started to converge again. With the increased trade of wood pellets within Europe, it is likely that pellet prices for large district heating facilities will equalize between different countries. Prices for pellets delivered to households, on the other hand, will be more influenced by regional balances between consumption and production of pellets, and by the costs of competing energy sources.

Wood fiber costs, which by far are the largest cost component in the production of wood pellets, are likely to decrease in 2009 in both Europe and North America as competition for wood chips and pulp-wood from the pulp and wood-panel sectors is weakens.

Global wood fiber, pulpwood and sawlog market updates are included in the 50-page publication Wood Resource Quarterly. The report, established in 1988 and with readers in over 20 countries, tracks wood prices in most regions around the world and also includes regular updates of international timber, pulp, lumber and biomass markets.

Contact information:

Wood Resources International LLC
Hakan Ekstrom
info@wri-ltd.com
www.woodprices.com

Brewer Hendley Oil Company 1-800-613-8465



Charleston ♦ Greenville ♦ Monroe ♦ Florence

Lubricants for the Pulp & Paper Industry

Andrews Tire Service

*309 N. Morgan Ave. Andrews SC 29510
(843) 264-5269 or toll free 1-877-264-5269*



Primex ♦ Goodyear ♦ Westlake ♦ Firestone



TIDEWATER EQUIPMENT COMPANY

*Serving South Carolina for over 40 years with
quality forestry equipment, parts and service*

Featuring



Conway, SC
(843)397-9400
(800)849-0257

Walterboro, SC
(843)538-3122
(800)849-0259

Newberry, SC
(803)276-8030
(800)849-0261

Polkton, NC
(704)272-7685
(800)849-0260

PROUDLY SUPPORTS THE
SOUTH CAROLINA TIMBER PRODUCERS ASSOCIATION

Press release – For Immediate Release

Seattle, USA. March 2009

Expanding timber plantation resources in Uruguay attract pulpmill investments from European forest companies, reports Wood Resource Quarterly

Favorable timber growing conditions, a good business climate and a stable political environment has attracted a number of European forest companies to invest in Uruguay the past few years. The establishment of fast-growing Eucalyptus and pine plantations could eventually support two or three new pulp-mills, according to the WRQ.

Seattle, USA. March 2009. Uruguay is a new destination for investors in forest plantations and in forest products manufacturing. There is currently only one pulpmill in the country but there are plans for at least three more if financing for the projects can be secured. The Finnish company Metsa-Botnia is the owner of the existing mill, which has an annual production capacity of about one million tons. Two-thirds of the wood supply is coming from the company's nearby Eucalyptus plantations, while local private landowners supply the remaining pulpwood.

The Spanish paper company ENCE is planning a pulpmill southwest of Montevideo, designed to produce about one million tons of Eucalyptus pulp. The company is currently in negotiation with a number of investors regarding the financing of the mill, but this process has slowed as the result of the financial crisis. ENCE currently manages about 170,000 hectares of plantations in Southern Uruguay, which will be the main supply source for the plant.

Portucel Soporcel, a Portuguese paper company, has also announced interest in establishing a pulp and paper mill in Uruguay. In the fall of 2008 there was a *Memorandum of Understanding* signed with the Government of Uruguay stating that an investment in a pulpmill with a capacity of 1.3 million tons should be explored. The site for this mill has not been announced but based on available plantation resources and competing pulp projects, it would be logical to locate the plant in the southeastern part of the country.

The third company that has plans for investing in a pulpmill in Uruguay is the Swedish-Finnish pulp and paper company STORAENSO. The company has plantations in the central region of the country and could also source wood from its plantations on the other side of the border in Brazil. The company's goal is to manage 100,000 hectares of plantation to supply the planned mill (capacity one million ton per year). The exact location has not been defined, but it will likely be somewhere in the center of the country. The company currently has purchased about 70,000 ha, of which 14,000 ha have been planted with pine and Eucalyptus.

As long as the domestic demand for wood is limited, the exports of Eucalyptus wood chips will continue to flourish. In 2008, shipments more than doubled from the previous year, totaling an estimated 1.3 million tons.

Global pulpwood and sawlog market updates are included in the 50-page publication Wood Resource Quarterly. The report, established in 1988 and with readers in over 20 countries tracks wood prices in most regions around the world and also includes regular updates of international timber, pulp, lumber and biomass markets.

Contact Information

Wood Resources International LLC

Hakan Ekstrom

info@wri-ltd.com

www.woodprices.com



(l-r) Speakers Danny Dructor, Kathy Abusow, Richard Lewis

What a Good Time!



(l-r) Richard Lewis, Danny Dructor, Rick Todd & Tommy Barnes



Happy Anniversary!



PHOTO GALLERY





January 13, 2009

CONTACT: Scott Milburn

(202) 463-2466, Scott_Milburn@afandpa.org

AF&PA UNVEILS SIX-POINT PLAN FOR ECONOMIC RECOVERY

President-elect Obama, Congress Sent Strategies On Energy, Transportation, Housing, Taxes, Pensions, and Forestry

WASHINGTON – Today the American Forest & Paper Association (AF&PA) urged quick action by Congress and the incoming Obama Administration to revive the economy and help preserve the \$200 billion forest products industry's 1 million jobs.

AF&PA President and CEO Donna Harman issued the following statement:

"We need quick action to revive the economy. Forest products are essential to many other sectors, which makes our industry's recovery central to the broader economy's recovery. Reduced access to functioning capital markets and a struggling banking system hurts capital-intensive businesses like ours and our customers'. The decline in advertising and consumer goods has reduced the demand for associated paper and packaging materials. A record decline in new home construction has caused the demand for wood products to plunge. The result is a significant threat to a \$200 billion manufacturing sector, its 1 million employees, and the sustainable forestry practices that our industry makes possible.

"We need sound strategies for reviving the American economy and preserving jobs through the downturn, and we urge Congress and President-elect Obama to consider our proposals as part of an overall economic stimulus plan so that our industry and its workers can contribute to an economic recovery."

Late last week Harman and representatives of AF&PA member companies presented their ideas to senior members of President-elect Obama's economic and environmental transition teams. The plan has also been shared with leaders of the U.S. House of Representatives and the U.S. Senate.

Details of AF&PA's plan include:

Support Manufacturing and Green Jobs

- **Support Existing Renewable Energy Investments:** The forest products industry is the nation's largest source of renewable biomass energy, generating approximately 80 percent of the nation's supply. The consumption of the BTU equivalent of 200 million barrels of oil is prevented annually because AF&PA member paper and wood products mills generate an average of 65 percent of their energy needs from carbon-neutral renewable biomass. Congress should recognize and preserve the industry's significant contributions to renewable energy and preserve the green jobs it supports by extending the Section 45 biomass tax credit to include on-site use of electricity produced from biomass.
- **Renewable Portfolio Standard (RPS):** As the largest producer of renewable biomass energy in the country, the forest products industry has opposed a national renewable portfolio standard (RPS). AF&PA believes that if a federal RPS is enacted, it should recognize the industry's existing renewable electricity and promote sustainable forest management. Previous federal RPS proposals have not made the renewably-sourced electricity generated at existing forest products facilities eligible for renewable energy credits, but did make eligible the same energy generated by

others. Such a policy does not recognize the industry's renewable energy contributions nor preserve and promote the industry's green jobs.

- Encourage the Use of Wood in Green Building: Wood is the ideal green building material. The federal government should encourage green building without granting an exclusive monopoly to any one green building rating system.

Improve Transportation Efficiency: Increase gross vehicle weight limit from 80,000 to 97,000 pounds for vehicles equipped with an additional axle. This decreases highway congestion and fuel consumption, while increasing manufacturing and agriculture efficiency.

Revitalize Housing: Enhance the Home Buyer Tax Credit to stimulate purchases of new and existing homes and providing low-rate mortgages for future home purchases. Arresting the decline in home values and easing the foreclosure crisis are critical to restoring consumer confidence and beginning the economic recovery.

Provide Tax Relief

- Corporate AMT/NOL (Net Operating Loss) Reform: Help industries that have incurred losses in recent years by enacting provisions similar to those in 2002's Job Creation and Worker Assistance Act and extend to five years the current two-year carry-back period for NOL's incurred in 2008 and 2009, as well as suspend the 90 percent limitation on the utilization of AMT NOL's for losses generated or taken as carry forwards for 2008 and 2009. This would help alleviate financial burdens on companies struggling from cash flow and tight credit problems, help prevent further layoffs, and retain jobs.
- TREE Act Provisions: Make permanent the expiring TREE Act provisions of last year's Food, Conservation, and Energy Act of 2008 (P.L. 110-234) to continue the 15 percent tax rate on the sale of timber by "C" corporations and modernize the rules under which timber REIT's operate. Letting this credit expire equates to a tax increase on an already weakened industry.
- International Tax--Section 956 Modification: Ease restrictions on certain, short-term international loans to help capital intensive industries, like the forest products industry, that are especially harmed from the current lack of available capital.

Protect Pensions and the Companies That Pay Them: With the economic downturn decreasing the value of many pension plan assets, the reforms in last year's Worker, Retiree and Employer Recovery Act should be expanded to ensure a healthy private pension system for American workers.

Invest in Public Resources: the Nation's Forests: As part of efforts to invest in publicly-owned resources like highways and schools, Congress and the Administration should invest needed resources to better manage the nation's public resources through hazardous fuel reduction, burned area reforestation and rehabilitation, while improving the ability to fight catastrophic fires.

###

The American Forest & Paper Association is the national trade association of the forest products industry, representing pulp, paper, paperboard, and wood products manufacturers, and forest landowners. Our companies are in the business of making products essential for everyday life from renewable and recyclable resources that sustain the environment. The forest products industry employs 1 million workers and accounts for approximately 6 percent of the total U.S. manufacturing GDP. Visit AF&PA online at www.afandpa.org.

Economic Stimulus: Manufacturing & Green Jobs

The American Forest & Paper Association (AF&PA) is the national trade association of the forest products industry and advances public policies that promote a strong and sustainable U.S. forest products industry in the global marketplace. The industry is an integral part of our nation's green job base and generates approximately 6 percent of the total annual U.S. manufacturing GDP.

The pulp, paper, packaging and wood products made by AF&PA's member companies are essential products used everyday that are made from renewable and recyclable resources that sustain the environment. Nationwide, the U.S. forest products industry:

- Employs more than one million workers—on par with the nation's automotive and plastics industries.
- Provides green jobs that reduce greenhouse gases by sustaining the forests that absorb carbon dioxide; making the paper and wood products that store it indefinitely; generating and using renewable energy—28.5 million megawatts annually, enough to power 2.7 million homes; and recycling paper to avoid methane emissions.
- Is among the top manufacturing sector employers in 48 states.
- Is a significant taxpayer, paying approximately \$7 billion annually in federal, state, and local taxes.



IMPACT OF THE ECONOMIC CRISIS

The forest products industry has suffered a severe and disproportionate blow in the recent economic crisis. Just a few numbers illustrate the problems that our industry is facing:

- **Severe Job Losses:** Since 2006, the industry has lost more than 190,000 jobs—15 percent of our workforce. These jobs are critical for the survival of the rural communities where our facilities are often located.
- **The Economy and Paper:** The declining economy has reduced the demand for consumer goods and advertising products, and therefore their associated packaging and paper products. Production of paper and paperboard packaging plunged 15 percent from November 2007 to November 2008—one of the sharpest declines on record. Recycled paper's use in new paper fell 8 percent during October-November 2008 compared to the previous year.
- **Record-low Housing Starts:** Housing starts slumped to a seasonally-adjusted annual rate of 625,000 units in November, which was down 47 percent relative to November 2007 starts and which marked the lowest level since the government began collecting data back in 1959. The deepening recession and large unsold home inventory do not bode well for a quick housing recovery.
- **Threats to Natural Resources:** The inseparable link between the industry and the forest means that the economy's impact extends beyond product demand and jobs to the environment itself. Together, the decline in paper and wood products sectors threatens the sustainable forestry practices that the industry makes possible, as well as raises the risk of unproductive forestland being sold for development and lost forever.

ECONOMIC STIMULUS RECOMMENDATIONS

Support Manufacturing & Green Jobs

- **Support Existing Renewable Energy Investments Under Section 45:** The forest products industry generates approximately 80 percent of all renewable biomass energy, making it the nation's largest industrial renewable energy producer. The BTU equivalent of more than 200 million barrels of oil is prevented annually because AF&PA member paper and wood products mills generate, on average, 66 percent of their energy needs from carbon-neutral renewable biomass. The Section 45 tax credit for biomass facilities should be strengthened by expanding the credit to include on-site use of electricity produced from biomass. Credit for on-site usage would preserve green jobs and recognize the existing use of biomass as a renewable and stable energy source.
- **Renewable Portfolio Standard (RPS):** As the largest producer of renewable biomass power in the country, the forest products industry opposes a national renewable portfolio standard (RPS). If a federal RPS is enacted, it should recognize the industry's existing renewable electricity and promote sustainable forest management. Under many federal RPS proposals, renewable electricity produced at existing forest products facilities would not qualify for renewable energy credits, while the same energy produced by others generators would. Such a policy would not recognize the industry's renewable energy contributions nor preserve and promote green jobs in the wood and paper industry.
- **Encourage the Use of Wood in Green Building:** Wood is the ideal green building material. The federal government should encourage green building without granting an exclusive monopoly to any one green building rating system.



Improve Transportation Efficiency

- Increasing truck weight limits meets Congressional and Obama Administration goals of improving highway safety, decreasing carbon emissions, reducing use of and dependence on fossil fuels, easing road congestion, increasing manufacturing and agriculture efficiency, improving global competitiveness, and increasing capital investment in vehicle upgrades. The gross vehicle weight limit should be increased from 80,000 pounds to 97,000 pounds on federal interstate highways for vehicles equipped with an additional axle. Shippers across the nation are willing to pay a fee for this benefit and see these additional funds provide for bridge repair. The efficiencies produced from this policy improvement would help save countless manufacturing and agriculture sector jobs.

Revitalize Housing

- Congress should provide immediate relief to the ailing housing industry by enhancing the Home Buyer Tax Credit to stimulate purchases of new and existing homes and providing low-rate mortgages for future home purchases. Arresting the decline in home values and easing the foreclosure crisis are critical to restoring consumer confidence and beginning the economic recovery.

Provide Tax Relief

- Corporate AMT/NOL (Net Operating Loss) Reform: Help industries that have incurred losses in recent years by enacting provisions similar to those in 2002's Job Creation and Worker Assistance Act and extend from two to five years the carry-back period for NOL's incurred in 2008 and 2009, as well as suspend the 90 percent limitation on the utilization of AMT NOL's for losses generated or taken as carry forwards for 2008 and 2009. This would help alleviate financial burdens on companies struggling from cash flow and tight credit problems, help prevent further layoffs, and retain jobs.
- TREE Act Provisions: Make permanent the expiring TREE Act provisions of last year's Food, Conservation, and Energy Act of 2008 (P.L. 110-234) to continue the 15 percent tax rate on the sale of timber for "C" corporations and modernize the rules under which timber REIT's operate. Letting this credit expire equates to a tax increase on a weakened industry at a time when it is least able to cope with it.
- International Tax--Section 956 Modification: Easing restrictions on certain, short-term international loans to help capital intensive industries, like the forest products industry, that are especially harmed from the current lack of available capital.

Protect Pensions and the Companies That Pay Them

- The drop in value of pension plan assets combined with the credit crunch has placed defined benefit plan sponsors and their employees in a difficult position. Congress took a good first step by enacting the Worker, Retiree and Employer Recovery Act of 2008, which made important changes to the Pension Protection Act of 2006 to help companies address the current unprecedented financial crises. More reforms are necessary to ensure a healthy private pension system for American workers.

Invest in Public Resources: the Nation's Forests

- As part of efforts to invest in publicly-owned resources like highways and schools, Congress and the Administration should invest needed resources to better manage the nation's public forests through hazardous fuels reduction, burned area reforestation and rehabilitation, and road repair and maintenance. Further, the Congress and Administration should develop and enact reliable dedicated funding sources to fight the most catastrophic fires so that public lands may continue to be managed for public access, fish, wildlife, recreation, forestry and other multiple uses.

Log with the Leader.



Forestry's Most Extensive Tire Line!



Forestry Special LS-2

- Built for the most severe logging conditions
- Steel cord belts for exceptional puncture, impact and cut resistance



Flotation 23° DT Logger HF-4

- Delivers maximum traction in wet, swampy areas
- Special rubber compound resists snags, cuts and tears



Flotation 23° DT Logger HF-3

- Provides excellent flotation and traction on heavier, more powerful equipment
- Depending on the operation, fuel savings could be as high as 40% over a narrower tire



Flotation 23° Extra Deep Tread Logger HF-4

- Extra tread depth provides maximum traction in the toughest conditions
- Four steel belts and 14 ply rating add strength and puncture resistance

In-the-Forest Tire Service

- Response
- Replacements
- Repairs

Right Away!

Ask Us for Your Copy of Firestone's Warranty!

We back the quality of Firestone forestry tires in writing!



The Leader in the Forest



Firestone

Call or visit us today!

Three Locations to Serve You

GCR Tire Center
4010 College Street
Newberry, SC 29108
(803) 276-5104
1 (800) 622-6323

GCR Tire Center
425 N. Highway 52
Moncks Corner, SC 29461
(843) 761-6700
1 (800) 922-7952

GCR Tire Center
324 West Main Street
Lake City, SC 29560
(843) 394-8817
1 (800) 555-8911



Mark Your Calendar

APRIL 2009

- 15 TOP Safety Management for Pro Loggers Class, Florence. Contact Susan Guynn, Clemson Extension, 864-656-0606 to register.
- 16 TOP Harvest Planning Class, Florence. Contact Susan Guynn, Clemson Extension, 864-656-0606, to register.
- 28 Newberry District 2 Meeting, Farm Bureau, Newberry, 7:00 p.m.
- 30 SCTPA Board of Directors Meeting, Columbia, 10 a.m.

MAY 2009

- 20 TOP Refresher Class, Walterboro. Contact Susan Guynn, Clemson Extension, 864-656-0606, to register.
- 21 TOP Streamside Management Zone Class, Walterboro. Contact Susan Guynn, Clemson Extension, 864-656-0606, to register.

Spring District Meetings Schedule Note

*Spring District Meetings are still being scheduled due to
Date & location conflicts, and
Having to change meeting locations.
SCTPA apologizes for this delay.
Meeting announcements will be mailed
Prior to district meetings.
Again, our apology is extended.*

PLEASE NOTE:

Event & meeting dates may change. Notices are mailed prior to SCTPA events. SCTPA events & meetings qualify for SFI Trained Continuing Education Credits.

Need Training & SFI Trained Credits?

SCTPA can provide training programs for members for SFI Trained Continuing Education Credits. Programs offered for safety, driver training, equipment lockout & tagout, hazardous materials spill control on logging sites and forestry aesthetics.

Truck Driver Training Workshops will be scheduled. Watch the Mark Your Calendar section of this newsletter for dates. Notices for SCTPA workshops & events will be forwarded.

SCTPA Board of Directors

Chairman: Tommy Barnes

Ideal Logging, Inc.

Edgemoor

(O) 803-789-5467

(H) 803-789-3247

Vice Chairman: Danny McKittrick

McKittrick Brothers Timber

(O) / (H) 803-283-4333

Secretary-Treasurer: Billy McKinney

McKinney Brothers Logging, Inc.

Union

(O) 864-429-6939

(H) 864-427-6173

Donnie Harrison

D & L Logging, LLC

Greer

(O) 864-444-8489

(H) 864-848-4775

Frampton Ferguson

Ferguson Forest Products, Inc.

Luray

(O) 803-625-4196

(H) 803-625-4666

Steve Thompson

Thompson Logging, Inc.

Jonesville

(O) 864-474-3870

(H) 864-674-1998

Joe Young

Low Country Forest Products, Inc.

Georgetown

(O) 843-546-1136

(H) 843-546-6072

Norman Harris

Harris Timber Co., Inc.

Ladson

(O) / (H) 843-871-0621

Clyde Brown

Mt. Bethel Logging, Inc.

Newberry

(O) / (H) 803-276-2915

Crad Jaynes

President & CEO

SCTPA

PO Box 811, Lexington, SC 29071

800-371-2240 ■ 803-957-8990

bcjpaw@windstream.net



PO Box 811
Lexington, SC 29071
800-371-2240
803-957-8990
bcjpaw@windstream.net

Only insurance agency endorsed by

The South Carolina Timber Producers Association.

Specializing in the Forestry Industry.
Including, Logging, Sawmills and Contract Trucking.

- Workmans Comp
- Auto
- General Liability
- Umbrella
- Inland Marine
- Property



**For more information contact:
David Hayes, Bill Hoff, Matt Hoover & Greg Hutson**

Swamp Fox Agency, Inc.
P.O. Box 522 • Pinopolis, South Carolina 29469
843-761-3999 • Toll Free 888-442-5647 • Fax 843-761-6186



*"Serving the Forestry Industry
For Over 25 Years."*



Our Mission

The **Mission** of the *South Carolina Timber Producers Association* is to serve as the voice for timber harvesting and allied timber businesses to advance the ability of its members to professionally, ethically, efficiently, safely, environmentally and profitably harvest, produce and transport timber to meet the timber supply demands of our state by providing continuing educational and training opportunities, distributing timber harvesting, hauling, manufacturing and selling information, representing our members in national and state-wide legislative activities, and aggressively promoting, supporting and conducting programs of state, regional and national advocacy.