



# TIMBER TALK

*Your Voice for South Carolina Timber Harvesting*

MARCH/APRIL 2009

## “CHANGE” & “HOPE” ON THE HILL

Crad Jaynes, SCTPA President

“Change” and “Hope” have been the themes across Capitol Hill since the November elections. New President Obama and his administration are now in place to continue the theme of Hope echoed throughout Obama’s campaign for our nation’s highest office.

Change, and big change to say the least, has occurred in Congress regarding political representation on various committees, the President’s cabinet, federal agency heads and appointments, partisan and bipartisan voting on Congressional issues as Democrats are now the drivers and Republicans are passengers in the Congressional vehicle driving our nation’s policies and laws.

One thing is evident. There is definitely a different attitude on Capitol Hill. Regardless of whom you voted for, our nation is now being led by a different mindset, a different attitude. Whether this new attitude culminates into “real change” and “real hope” is yet to be seen. Will we see a manifestation of change for the good or change because a certain political faction wants the change to be in their best interest and not the best interest of our nation? Only time will tell the story.

With the “hope” to initiate “change” representatives of this association and the American Loggers Council climbed Capitol Hill for our

annual Spring Congressional visits and ALC Board Meeting March 26 – 28.

SCTPA’s Chairman Tommy Barnes, Ideal Logging, Inc., Secretary-Treasurer Billy McKinney, McKinney Brothers Logging, Inc., board member Clyde Brown, Mt. Bethel Logging, Inc., and President Crad Jaynes visited our nation’s capital for two days of Congressional visits to promote issues concerning our state and nation’s timber harvesting industry.



*L-R Billy McKinney, Crad Jaynes, Congressman John Spratt, Tommy Barnes, and Clyde Brown*

Our visits focused efforts with South Carolina’s Senate and House members and their staffs to promote positions from ALC and SCTPA on issues impacting our state’s timber harvesting, supplying and trucking segments. Representatives and their staff members were provided a package containing information relevant to each issue discussed.

Woody biomass utilization and the emergence of woody biomass markets to produce energy, biofuels and wood biomass products was again a key issue. Continued assistance from Washington to promote capitalization of these alternative

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markets for loggers, wood suppliers and landowners was emphasized.

Other key issues were: Support the re-definition of eligible renewable biomass to include trees, wood, brush, thinnings, chips and slash from both federal lands and across all privately owned forest lands in the passage of the Renewable Biomass Facilitation Act H.R. 1190; support an amendment of the U.S. Code Title 23, Chapter 1, Section 127(a) to allow state legal Gross Vehicle Weights for agricultural commodities including forest to be transported on Federal Interstate Highway Systems within the states (i.e. 84,272 pounds for a 5-axle tractor-trailer hauling unmanufactured forest products on interstates within South Carolina); support for the Renewable Electricity Standard Proposal (RES) H.R. 890 (IH) to utilize the forests' energy and climate benefits to replace or displace traditional fossil fuel, include a broader definition of Forest Biomass in H.R. 890, and promote economic growth and act as a stimulus for rural economies; support bill S.636 to amend the Clean Water Act to conform the definition of renewable biomass to the definition given the term in the Farm Security and Rural Investment Act of 2002; and support the Federal Land Assistance, Management and Enhancement Act H.R. 1404 (FLAME) to allow separate funding for the U.S. Forest Service and Bureau of Land Management to use for catastrophic wildfire events so as to allow those agencies' budgets to not be drawn down for wildfire suppression activities; and oppose legislation attempting to limit woody biomass utilization by competing markets to allow the open market system to prevail for all markets.

Despite the changes in Congress, our South Carolina delegation visits were the most productive we have had. Congressmen Henry Brown and John Spratt were seen personally along with their staff members.

Our meetings with Congressmen Joe Wilson and Gresham Barrett did not occur as both representatives were called to the House to vote on the FLAME Act during our scheduled times. Our Congressmen and Senators' staffers were met to present our messages. Through the communications from SCTPA the staffers were well aware of our positions and issues and ready to assist.

While we were visiting with Congressman Wilson's staffer Paul Callahan we watched the House vote and pass the FLAME Act. Our six SC House members all supported FLAME. This was quite an event since ALC and its representatives were on the hill promoting this legislation. And we would like to think because of our work this helped push this bill's passage.

The ALC Board Meeting was equally productive as national committee chairmen reported on activities such as Master Logger Certification, Communications, Governmental Relations, Membership, Finances and Transportation. SCTPA's Crad Jaynes reported on the Master Logger Certification program and provided an update to the activities of the Wood Supply Research Institute as its past chairman.

Virginia Loggers Association's Jim Mooney and SCTPA's Crad Jaynes updated the battles with IRS on the Heavy Vehicle Use Tax problem whereby the IRS in the

SC, NC and VA region is disallowing the twenty-five percent Log Truck Discount.

SFI, Inc.'s President Kathy Abusow provided a presentation about the Sustainable Forestry Initiative © Program's current and future status and updated the SFI Standards review period now underway.

Thanks to John Deere for hosting the ALC Spring Board Meeting. Nate Clark, Andrew Bonde and Vanessa Stiffler attended to discuss how ALC and loggers need to be more politically active to impact legislation affecting timber harvesting. A discussion was conducted as to how ALC and John Deere can work to build strategies for key issues in D.C. Deere also presented a woody biomass video to promote the "good" of utilizing woody biomass from our renewable and sustainable forest resources.

One point is vividly clear. America's professional loggers must be more active in local, state and national issues impacting the industry. As the saying goes, the squeaky wheel gets the grease. And politics is all about greasing the squeaky wheel for those who are most involved in getting their message heard.

America's professional loggers carried our issues and positions to The Hill to tell our story and relate how our industry is hurting and ask for support for "changes" to give us "hope" for the sustainability of the profession and industry.

Washington, DC is where national policy is made. There has been "change." But there still is "hope" for our future.



*L-R Billy McKinney, Tommy Barnes, Clyde Brown, Congressman Henry Brown, and Crad Jaynes*



*Meeting with Paul Callahan in Congressman Joe Wilson's office*

# HVUT & IRS Update

By Crad Jaynes, SCTPA

As reported in the last issue, our battle with IRS and the Excise Tax Group continues to be waged. At this point, I feel progress is being made, but this is still a frustrating and arduous process to obtain Legal Counsel ruling to resolve this issue regarding the 25% Discount for Log Trucks for the Heavy Vehicle Use Tax.

Terri Willert, IRS Senior Technical Analyst in the TAS Systematic Advocacy Projects office is still leading our charge. Bless her heart. She has been our trooper on this issue and has worked diligently to resolve this in the three states, SC, VA, NC, being affected.

Rather than attempt to prepare this article to include all the work that has transpired over the last month, I thought I'd just incorporate emails passed between the parties involved.

One of the issues addressed was changing the wording on the HVUT Form 2290 under the Log Truck section. The problem initially stemmed from wording revision on the form back in 2002 and the insertion of the word "within" under the definition section whereby the "product was transported to and from a point within a forested site."

- **Terri's communication regarding the word "within" issue on the 2290 Form.**

Pursuant to the revisions that we requested of IRS Excise Program, we can make recommended revisions to the proposed **wording only** in the Form 2290 instructions relating to consistency with the Internal Revenue Code (IRC). I believe the IRS has answered our request.

**Since IRC sections 4483(e)(1) states:**

- (1) the exclusive use of such vehicle during any taxable period is the transportation, to and from a point located on a forested site of products harvested from such forested site, and
- (2) such vehicle is registered (under the laws of the State in which such vehicle is required to be registered) as a highway motor vehicle used in the transportation of harvested forest products.

**The Proposed Form 2290 Instructions mirror the IRC:**

(1) It is used exclusively for the transportation, to and from a point located on a forested site, of products harvested from the forested site, and .....

This will now be consistent with the Internal Revenue Code section 4483(e)(1) above.

Excise has responded to our proposal to: remove "within" from Instructions.... Line (2), which *currently* states, "**to and from a point within the forested site.**"

Any further clarification would probably require a Treasury Regulation amendment. Any change made to the Internal Revenue Code require Congressional approval and these changes require *much* justification and usually years to enact.

I agree that there is an extra word "**to**" that should be removed from the last line. Other than that, I feel that our revision request has been answered and pretty quickly, I might add given the usual "dog years" that IRS generally operates.

- **Terri answers questions presented by the group.**

In order to address all of your questions I am attempting to bullet list some questions and answers.

- The current proposed changes to the Form 2290 instructions should correct some of the issues surrounding who qualifies for the 25% Logging reduction HVUT. This revision is to be published in July 2009.
- The correction to the discrepancy between the Internal Revenue Code section 4483(e)(1) and the current Form 2290 instructions is in process and the proposed revision to the instructions will bring *the instructions* in line with the Internal Revenue Code. (revision to be published in July 2009)
- The Excise Counsel request for Non taxpayer specific Counsel Opinion was submitted to Excise Counsel through the Excise Policy Analyst in March. This opinion will be the only legal reference available until someone challenges the IRS in Tax Court. Once we receive the opinion from Excise counsel, the IRS will consider all timely submitted Form 8849 claims for refund. The Claims will be considered on a **case by case** depending on the facts and circumstances of each individual taxpayer. As far as obtaining a refund for paid HVUT 25% from prior audits. Any Logger that has paid tax as a result of assessments should file a Claim Form 8849. I am relying on your organizations to get the word out to any Logging business that may qualify for a refund.
- **NOTE: Form 8849, Schedule 6 is to be used to claim a refund of additional taxes paid on a prior Form 2290 due to an examination.** Remember, the claimant has a statute of **three years from the date the additional taxes were paid** to file the claim for refund on Form 8849.
- All claims will be considered **after** the counsel

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opinion is rendered. A counsel opinion takes 60 - 90 days so we should hear something by June hopefully.

- Also please note that Excise Chief Ricky Stiff agreed, in early March, to suspend all audits that fall under the above scenario until legal advice is received.

I know this is a lot to digest. This has been a bit of a challenge for all of us, however, we are making progress. I don't recall discussions surrounding flawed Internal Revenue Code section 4483(e).

Hopefully this answers your questions. Thank you for your patience. I have attached excerpts from the Legal Advice Memo for your information. The information from your (Jim Mooney) loggers and Crad Jaynes' narrative was used to provide the scenario to Excise Counsel. I will be in touch with you when I receive notice from Excise Counsel that the opinion is rendered and will hold this project in suspense until that time.

- **Communication with Terri regarding the Form 2290 wording change and the narrative Terri forwarded to IRS Legal Counsel.**

Crad and I have talked and while we would prefer my (Jim) language change, we think your version will go a long way in resolving the problem. We do feel that along with the "IRS clarification letter" we discussed in our first phone call, the wording change will protect our members.

Will we still be getting something along that line? An aggressive agent looking for a loop could still make a case with the "to and from" still in the sentence. We do understand the challenge of getting a code change and will continue to evaluate that option, as that would be the definitive fix.

We do appreciate ALL your work on this issue, without your expertise we would not be anywhere near this close to a resolution.

Jim / Crad

- **Narrative forwarded by Terri to Legal Counsel.**

**SUBJECT: Request for Non-Taxpayer Specific Legal Advice**

This is to request non-taxpayer specific legal advice in accordance with CC-2007-003 and CCDM 33.1.2.2.3.5 as to the 25% reduction of the Heavy Highway Vehicle Use Tax imposed by §4483(e) of the Internal Revenue Code.

We request legal advice as to whether the vehicle qualify as logging vehicles as defined in §4483(e) of the Internal Revenue Code based on the facts described below.

**State X Scenario:**

The "typical" State X logging operation is a small family business with three to five trucks, each delivering two to three loads of harvested wood per day to a consuming mill. There are operations that can run as many as 40 trucks with multiple crews, as well as small crews with just a single truck.

These trucks, in State X are registered as "logging vehicles" by a check off on the annual State registration form. This provision was enacted by the State X General Assembly at the request of the forestry community, specifically to meet the requirement of the HVUT provision, that "the truck is registered (under the laws of the State or States in which such vehicle is required to be registered as a highway motor vehicle used exclusively in the transportation of harvested forest products."

Forest timberland in State X is primarily owned by private individuals (80%). A small amount is owned by forest industry (4%) and there is Federal ownership, but harvest off Forest Service land is minutely small. None of the State X consuming mills are located on forestland property available for commercial harvesting. Given this ownership pattern it would be impossible for a logger hauling harvested wood to be able to "transport, to and from a point located on a forested site."

A "typical" logging truck travels from a home or shop location to the harvest site for loading each day. This truck will travel 20 – 50 miles on public roads then enter the forest where it will travel a few hundred feet to several miles to reach the harvest or loading location. This vehicle is empty and has a gross vehicle weight (GVW) of 25,000 to 28,000 lbs. The truck is then loaded with wood or it switches out with a pre loaded trailer and travels to the consuming mill on public roads at a GVW of 76,000 to 80,000 lbs. The typical haul to the mill is 50 to 75 miles. After unloading at the mill the empty truck returns to the woods on public roads, again at the empty GVW or 25,000 to 28,000 lbs. At days end the truck will return to home or shop empty.

On an average "three load day" at a 50 mile haul, this truck will travel 200 miles at the lower GVW, 25,000 – 28,000 lbs, and 150 miles above the 55,000 lb HVUT weight threshold. Given an average of four days per week, 50 weeks per year, this truck will travel 40,000 miles at below the HVUT threshold and 30,000 miles above the threshold.

State X loggers are aware that if a truck is used to move equipment, haul wood from a secondary facility such as a wood yard, or is used for any other purpose than hauling forest products from the site this disqualifies that particular truck from the HVUT 25% reduction. For this reason loggers typically have a designated truck for moving equipment that is not claimed for the reduction, or make other arrangements through contract or other methods.

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- **Recent developments regarding SC HVUT audits.**

An SCTPA member was targeted for an audit and communicated with SCTPA. While it was understood while Legal Counsel was in the process of issuing an official ruling, audits could still take place. However, the enforcement of the audit could be withheld.

Another logger member filed for the HVUT refund after being audited. However, the logger received an IRS Denial Notice for their audit refund. The logger faxed SCTPA the information and faxed it to Terri Willert for guidance.

**Terri's response to SCTPA regarding enforcement.**

While the IRS laws agreed to halt enforcement until a counsel opinion is rendered, the Government is entitled to protect the statutory period for audit (3 years from date filed). Unfortunately the logger must either agree to extend the statute (sign Form 872B) or let the IRS complete the audit now. If the logger does not extend the statute and refuse to allow the audit, the IRS will issue a Statutory Notice of Deficiency and the logger will not be entitled to an appeal, but must file in Tax Court to change the tax assessment. Hopefully we get the Counsel opinion soon.

**Terri's response to SCTPA regarding the refund denial.**

The IRS is supposed to be holding all of the Claims until the IRS Counsel Advice memo is issued. This log-

ging business either slipped through the cracks or there were issues other than the issue we are requesting advice.

I received the fax you sent yesterday and it does appear that the IRS Cincinnati Campus made a determination on the logger's request for abatement of the audit assessment. I forwarded the concern to the Excise Policy Analyst so that he can give us some direction on this.

All of the claims were supposed to be sent to the SC Exam Group and held until the Counsel Advice memo is completed. The logger did exactly what they were supposed to do, but the claim probably slipped through the cracks. Pretty easy for this to happen considering millions of returns out there.

As soon as I hear from Excise I will contact you and let you know what the logger needs to do. Sorry for the hassle. This is as frustrating for me as it is for you and the logging community.

So there's the update. Long and drawn out I know. But I felt everyone should know what has been going on.

We are awaiting Legal Counsel Opinion now and hopefully we'll see it soon. But it appears the audits are still occurring. So loggers beware. And let the SCTPA office know if you get an audit visit.

I appreciate the assistance Jim Mooney and my other association cohorts have rendered in working to resolve this issue. It's been a team effort.

This frustrating battle goes on. But one thing is for sure. We'll fight this to the bitter end with Terri Willert's help.



Hi, I am Lisa Wood, an associate with Aflac, and I am pleased to be a member of the SC Timber Producers Association. I have worked with Aflac for 19 years and I specialize in handling benefits for small and large companies. I have enrolled many logging groups all over the states of South Carolina and Georgia.

In today's challenging environment, Aflac can help you attract and retain employees by offering great benefits at no direct cost to your company. Aflac policies are 100% employee paid and are sold on a voluntary basis. Great benefits are a top priority for employees when considering where to work and by offering Aflac, you as a company owner, can know that your employees are covered in times of an accident or illness.

Premiums are payroll deducted and can be paid with pre-tax dollars through a Sec-

tion 125 Cafeteria Plan which could reduce FICA taxes and a possible reduction in workers compensation costs. Aflac bills in arrears so that no company funds are ever involved. All of this can be set up at no cost to your company.

Aflac's wide range of policies, help with health events from accidents, hospital stays, cancer and intensive care. We also offer dental, vision and life insurance, all at very affordable rates. There are no deductibles or co-payments and no networks. Aflac pays directly to the policyholder unless otherwise assigned to the doctor or hospital. We also pay benefits regardless of any other insurance including workers compensation.

As many of you already know, Aflac's policies and services are designed to be easily implemented. I understand that your time is valuable. I will gladly come to your jobsite and handle all enrollments. I also handle all claims and questions. Policyholders have my name and number to call anytime they may need assistance.

Let me help you provide solutions that

win the loyalty of your employees ... Add Aflac!

Please call me at (803) 663-6462 or (803) 645-2144.

***Crad's Comments:** Recently I met with Lisa to review her AFLAC products and services. I am extremely impressed with her full client services and products. AFLAC offers a variety of Supplemental Insurance Products that are Very Affordable. During these tough economic conditions, retaining employees is important. And a great way to show them you care is to offer employee benefits. But costs are the drivers. AFLAC's employee benefit products are incredible. I really never knew about AFLAC except to see the Duck on television. But now that I know more, I encourage each member to contact Lisa and learn what she has to offer that will not only help your employees, but help your business too.*





## SC LEGISLATIVE UPDATE

There has been much activity at the State House regarding forestry issues this session. SCTPA supports the legislative initiatives and has voiced support to legislators. Thanks to SCFA's Bob Scott and others who have been actively working to pass these initiatives.

### House Bill 3651 - Right To Forestry

This is an important bill for SC forestry. Over the past several years, many counties have attempted and even enacted tree ordinances and similar ordinances that have basically restricted sustainable forestry practices. While the intent of the ordinances was primarily directed at land development, the inordinate restrictions and regulations placed on sustainable forestry practices and timber harvesting were adversely affected.

SCTPA was involved in Horry and Greenville Counties' Tree Ordinances and was able to obtain less restrictive regulations and even exemptions for sustainable forestry practices.

Senate Bill S. 494 was originally to be taken up by the Senate Fish, Game and Forestry Committee. However, due to the committee's meeting cancellation, the bill was then taken to the House Agriculture and Natural Resources Committee. Action on the House bill had to be completed by April 30<sup>th</sup> in order for the bill to be forwarded to the Senate by May 1<sup>st</sup>. The bill passed the Committee and sent to the Senate on May 1<sup>st</sup>.

Representative Jeff Duncan was the lead sponsor of the House bill. This bill limits authority of counties and cities to restrict or regulate certain forestry practices, and to provide terms and conditions of certain permitted regulations. Bill was prompted by SCFA and SCFC in response to a growing trend in SC where some 10 urban counties have adopted tree ordinances to protect urban trees and natural landscape from developers who clear cut areas for construction sites.

In some instances, the ordinances also restrict bona fide forestry operations such as Charleston Co., where a forest owner must obtain a permit to harvest, and to secure the permit, must provide a plat of the harvest area and document that the forest receives use value assessment.

Bill provides that so long as a landowner prac-

tices forestry, no permit to harvest is required. When forest changes to non-forest use, there is a 2 and 5 year waiting period or penalty before area can be developed.

To qualify for exemption, a forest owner must meet one of the following criteria:

- 1) Forestland is taxed on the basis of its present value as forestland under Section 12-43-220 (d);
- 2) Certified under SFI, FSC, the American Forest Foundations Tree Farm system, or any other nationally recognized forest certification system;
- 3) Managed in accordance with a forest management plan;
- 4) Subject to a legally binding conservation easement under which the owner limits the right to develop or subdivide the land; or,
- 5) Managed and harvested in accordance with the SC Best Management Practices established by the State Commission on forestry pursuant to Section 48-36-30.

The bill definition for "Forestry Activity" states, "includes, but is not limited to, timber harvest, site preparation, controlled burning, tree planting, applications of fertilizers, herbicides and pesticides, weed control, animal damage control, firer control, insect and disease control, forest road construction, and any other generally accepted forestry practices."

### Senate Bill S.452 - Surface Water Withdrawal

Senator Paul Campbell, bill sponsor, sought to compromise with opponents by amending the bill on the issue of minimum stream flow, but this failed when SCDNR refused to accept new language. Bill will be taken up again and if not approved by Senate Agriculture Committee, it will be impossible for the General Assembly to pass it until next year.

Reason why minimum stream flow is key component is when a stream reaches a certain low level of volume it triggers that water users (manufacturers, etc.) must obtain a permit to withdraw water.

### Senate Resolution S.636 - Define Forest Biomass

SC Senate passed a resolution that recognizes and encourages the use of forest biomass for energy products as state's most abundant source of renewable energy.

Resolution urges the U.S. Congress to take action to correct the restrictive definition of renewable

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# LOGGERS VOICES HEARD IN WASHINGTON

March 30, 2009 – Hemphill, Texas. Approximately 38 members of the American Loggers Council traveled to Washington, DC on March 26-28 to discuss with members of Congress the issues impacting the timber harvesting industry and to hold their Spring Board of Directors meeting. The delegates met with the offices of 50 House members and 21 Senate members to discuss a host of issues, including the Renewable Electricity Standards, biomass, transportation and other pieces of legislation working their way through Congress that could have an impact on the industry. The loggers went looking for support from members of Congress on items that would help stimulate rural infrastructure and open new markets for the products they produce.

In general, members of both the House and the Senate were receptive to the issues the members carried, and overall got a much better perspective of the plight of the industry and the need to get things moving again.

One of the items the ALC members were supporting, the FLAME Act (HR 1404) passed the House on Thursday, March 26<sup>th</sup> and ALC visited with members of the Senate to try and gain support for the Bill on the Senate side of the Hill. The FLAME Act sets up a separate fund for catastrophic wildfire suppression which would allow the U.S. Forest Service to use their appropriated level of funding to accomplish much needed forest management and forest health projects which funds have been shifted over in recent years to fire suppression activities.

ALC members also supported a Renewable Electricity Standards (RES) definition that would give a broader definition to woody biomass that would be eligible for meeting the mandates a national RES would require.

On transportation issues, the ALC members continue to support and presented language to Senate and House members that would allow State legal weight tolerances on the Federal Interstate Highway

System for the purpose of providing the safest route to the mill, as well as decreasing the number of loads on the highway and reducing fuel consumption.

On biomass, members carried the message to Congress that current definitions in the 2006 Energy Bill for biomass were too restrictive on the forest industry and that efforts underway to amend the definition should be supported if we are to meet the mandates for renewable fuels found in the Energy Bill.

ALC members also visited with representatives from various agencies, including the U.S. Forest Service, Department of Transportation, Department of Interior and U.S. Department of Agriculture and made strategic visits with the American Farm Bureau Federation, Americans for Tax Reform and other organizations with similar issues.

Allen Ribelin, the current President of the American Loggers Council was pleased with the turnout and the results of the visits and commented that “It is a

real pleasure to see so many of our members take the time and use their resources to make this trip to Washington. Given the tough economic challenges that the industry is now facing, it is a real credit to the loggers across the country for their passion and commitment to make the sacrifice in order that members of Congress hear from our industry.”

The ALC Board of Directors met on Saturday for regular business and passed two resolutions dealing with illegal logging and equipment financing as well as heard a presentation from SFI, Inc. President Kathy Abusow, and expressed their comments on the SFI© program.

Other presentation included a proposed website that would act as a one stop shop for trucking regulations being put together by Doug Duncan with the North Carolina Association of Professional Loggers who also chairs the ALC Transportation Committee. The website has received a grant from the THATS Foundation, an arm of the Forest Resources Association that deals with transportation and safety issues for the logging industry.

John Deere hosted the ALC Spring Board Meeting beginning with a reception and dinner on Friday evening and representatives from John Deere, including Andrew Bonde, Nate Clark and Vanessa Stiffler were on hand to discuss long-term strategies working with the American Loggers Council to help accomplish ALC goals.

President Ribelin expressed his sincere thanks to John Deere for hosting and participating in the Board of Directors meeting, and the decision was made that ALC members will make a second trip to Washington in May along with other allied participants to emphasize the urgency for Congress to respond to the needs of the industry.



*SFI's Kathy Abusow addresses ALC board*



*ALC Board Meeting in DC*

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biomass in The Energy Independence and Security Act of 2007, and to prevent additional federal actions that would eliminate forest product markets for forest landowners by defining "Renewable Biomass" in a restrictive manner.

In support of S.636, SCFA notified the SC Congressional Delegation April 9, 2009 to support and co-sponsor S.636 and H.R. 1190 respectively. SCTPA likewise notified our SC delegation. Plus this was a major issue presented to our delegation during SCTPA and ALC's visits to Capitol Hill.

Bills relate to Renewable Fuel Standard (RFS) and Renewable Electricity Standard (RES) - both have the potential to provide new wood markets for private forest landowners. The strictest reading of the RFS definition of renewable biomass would disqualify forest biomass from most naturally regenerated forests, or 88% of all private forests. Both H. R. 1190 and S.636 are necessary to change the restrictive definition by opening up wood to energy markets to all private forest landowners.

#### **Prescribed Burn Bill & House Bill 3924**

Two separate bills being introduced. House Bill 3924 was introduced and read for the first time on April 22<sup>nd</sup>.

House bill 3924 relates to the requirements for conducting a prescribed fire so as to provide that no property owner, lessee, agent, or employee may be held liable for damages caused by the resulting smoke of a prescribed fire unless **gross** negligence is proven and to define gross negligence.

There will be two bills: one relates to damages or liability caused by fire, and the other relates to damages or liability resulting from smoke. The difference in the two, is **gross** negligence must be proven where smoke is involved. Where fire causes the damage you must only prove negligence.

Bills relate to liability for damages caused by a prescribed fire, so as to provide that no property owner, lessee, agent, or employee may be held liable for damages caused by the resulting smoke of a prescribed fire unless gross negligence is proven and to define gross negligence.

(1) Must have a prescribed fire plan prepared before authorization to burn is given by the State Commission of Forestry, and the plan must be on site and followed during the burn;

(2) Must have at least one certified prescribed fire manager present and supervising the burn from ignition until it is declared safe according to certification guidelines and in consideration of both fire be-

havior and smoke management issues;

(3) Are considered in the public interest and do not constitute a public or private nuisance when conducted pursuant to state air pollution statutes, smoke management guidelines and regulations applicable to the use of prescribed fire (Chapter 35, Title 48 and Chapter 2, Title 50); and

(4) Are considered a property right of the property owner.

#### **SCFC Budget Cuts**

The Forestry Commission began fiscal year '08 - '09 with a base budget of \$18,128,285 in State Appropriations. The Commission requested \$2.3 million in January to replace oldest fire fighting equipment, but poor economic conditions resulted in budgets cuts that eliminated this. SCTPA and SCFA testified at committee hearings.

The Commission's budget was reduced in July '08 by 2.5% to \$17,678,611. Another mid-year cut of 12.8% followed in October that further reduced the budget to \$15,399,131. A further 7% reduction in December reduced the Commission's budget to \$14,321,192 which is where the House Ways and Means Committee began their work for FY '09 - '10.

The House Ways and Means Committee reduced the agency's FY '09 - '10 budgets to the FY '05 - '06 funding level. It did not involve a reduction for the Forestry Commission since the Commission's budget (\$14,321,192) was already at the '05 - '06 level. The House budget did include the economic stimulus money.

The Senate Finance Committee budget passed includes another 2% mid year reduction of \$286,424 that was ordered by the Budget and Control Board in March after the House budget was prepared. The Senate Finance Committee did not include any stimulus money and further reduced the Forestry Commission budget by \$783,389. The total reduction from the House budget is 7.5% for a base budget of \$13,251,379.

The Commission's budget for fiscal year '09 - '10 also includes \$4.5 million in federal funds which are program specific, i.e. Urban Forestry, Stewardship, WUI, etc. and approximately \$8 million in revenue from forest products sales, forestry services, user fees, land rentals, seedling sales, etc. Seventy five percent of the revenue from forest product sales is used to operate the State Forests system and supplement for the budget reductions with 25% paid to the counties in which it is earned for general education purposes.



## SCTPA AT WORK ...



SCTPA presented education program to Ware Shoals Primary School third graders..



Crad Jaynes & Ryan Walker, Hodges Log & Lumber at E. B. Morse Elementary in Laurens

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**Wood Supply Research Institute**

## WSRI ANNUAL MEETING

The Wood Supply Research Institute (WSRI) conducted its Eleventh Annual Meeting Friday, March 13 in Hilton Head, SC in conjunction with the Forest Resources Association Annual Meeting. Forty-two members, guests, project presenters and staff attended.

Chairman Crad Jaynes opened the meeting thanking everyone for attending, participation in WSRI and for their commitment to the mission of the institute.

Legal Counsel Tony MacLeod updated the status of WSRI becoming an independent legal entity and reported that on March 25, 2008 the Institute received its Certificate of Incorporation. He noted the Institute was applying for the IRS 501(c)(6) tax status as a non-profit and bylaws changes were needed in order to pursue this status. Bylaws revisions were discussed and approved as presented.

The 2009 slate of Board Directors and Executive Committee members was presented and approved. Institute segment board members are nine consumers, nine loggers, four dealers and four woodland owners. Association Chairman Tommy Barnes, Ideal Logging, Inc., and President Crad Jaynes represent SCTPA on the loggers segment.

The 2009 dues schedule was reviewed and approved for the participating segments. Dues for 2009 had been restructured to reflect the economic conditions of the industry.

Executive Director Jim Fendig reviewed the Year End 2008 Financial Statement. Fendig reported a funding carry-over from 2008 despite losing four Consumer members and two Logger/ Supplier members. The 2009 budget was reviewed and approved.

Jim Fendig presented the Executive Committee's recommendation of Tom Reed, Plum Creek, to be Chairman for 2009 – 2010. Tom was approved and will serve a two-year term. The chairman rotates every two years from the Logger to the Consumer segment.

Chairman Jaynes commended FRA and Counsel MacLeod for their services to the Institute. The continued partnership with Forest Resources Association for administrative and financial services was approved.

Board discussed the retention of Jim Fendig for 2009. Chairman Jaynes praised Jim's performance especially during the past year in recruiting new members in view of the challenging economic conditions for the forest products industry. Executive Director Fendig was approved for continued service to the Institute.

Jim Fendig presented his Executive Director's report

and noted a net total of eight new members in 2008 and the Institute continues to have thirty-six members.

Currently funded projects were presented by project managers.

### Logging Cost Indices Update

Project leader Bill Stuart, Mississippi State University, reported logging costs surged for small, medium and large logging firms in 2006, largely due to fuel prices. Stuart also noted that "economies of scale" do not apply because logging – all costs are variable. Full use of harvesting production capacity isn't possible since logging businesses normally need have "surge capacity" to take advantage of production capacities. Stuart noted that Hurricane Katrina offered an opportunity to document the substantial economic benefits to society produced by the forest products industry. This project will continue to be funded.

### Fiber Cost Per Ton Update

Project leader Mathew Smidt, Auburn University, presented a Model for determining impacts on fiber cost per ton for "hot logging systems" with respect to a myriad of trucking and harvesting parameters. This Model will be developed from last year's data for a variety of harvesting systems to help estimate the cost of delays in loading and unloading on delivered wood costs. Smidt asked for help with finding "anonymous systems" for populating the list, prior to offering training sessions this summer. A web-based video training program will also be available on the website at <https://fp.auburn.edu/sfws/plm/loces/> that will soon be moving to <https://fp.auburn.edu/auforestops/>.

### Decoupled Trucking Project Update

Project leader Buck Ford, International Paper, reported that the project is now complete, but the final report has not yet been finished. Despite tough economic conditions during the study period, the decoupled trucking operations in Alabama and South Carolina demonstrated when a dedicated and reliable trucking fleet and sufficient number of committed loggers are available, decoupled trucking can yield significant savings to the wood supply chain.



*Crad receives WSRI plaque from Tom Reed.*

*(Continued on page 12)*

(Continued from page 11)

### **Logging Capacity Project Update**

Project leader Don Taylor, Sustainable Resource System, presented an update on the progress made to date to obtain logging and manufacturing capacity data for 23 states to compare with figures contained in the original study completed in 2005. Changes in industrial forest land ownerships, market closures and cutbacks, and stumpage availability and risk will greatly impact this year's report according to Taylor. Preliminary results indicate logging capacity exceeds 80 percent in most states, near the theoretical maximum that is realistically achievable for extended periods of time. Taylor noted consumers should focus on their top producers to help them survive this recession and be more capable to expand their operations when market conditions improve.

### **Cost Implications of Shifts Project Update**

Project leader Shawn Baker, University of Georgia, noted little research has been done to examine changes in harvest tract parameters and the impact on cost of delivered wood. Three items will be examined: fuel usage for key harvesting configurations; cost savings from using on-board scales; and cost impacts of changing harvest tract characteristics. Cost models will be developed during the third quarter 2009.

### **Cost of Log Sorts Project Update**

Project leader Dale Greene, University of Georgia, reported that modified tree length operations boost productivity, utilization and value recovery over tree length operations, especially where markets give cut logs a premium price over tree length logs. However, diminishing returns were noted when 4 to 5 products are sorted. Greene noted the first (of two or three) Technical Releases was just published (09-R-5) and titled "Can Roadside Processing with Grapple Processors Improve Value Recovery?" It was suggested that all WSRI related Technical Releases be identified at the bottom of page one.

### **WSRI Training and Implementation Project Proposal**

David Hudnall, Louisiana Pacific, and Jim Leist, Weyerhaeuser, presented a draft proposal on the need to improve and broaden the implementation of WSRI projects. A copy of the proposal was reviewed. Incoming Chairman Tom Reed noted that WSRI members prefer funding the implementation of past research results rather than new research, during these tough economic times. Possible strategies include: post Executive Summary, Progress Reports, Technical Releases, etc. for each project on website [www.wsri.org](http://www.wsri.org); conduct WSRI member sponsored one day training sessions on selected projects using researchers; create "train the trainer" sessions for FRA staff and others by researchers and tie-in selected project reviews during FRA Mill/Supplier Workshops. The project received consensus to proceed.

After the project reviews, outgoing Chairman Jaynes noted that despite sailing through unchartered economic waters, he enjoyed his time as Chairman and the mutually beneficial partnerships between wood fiber supply chain members. He thanked the members of the WSRI board and Technical Committees for their hard work and dedication. Jaynes presented new Chairman Reed with a plaque, a tradition started by former Chairman Bill Jones, challenging Tom to be a "go getter" and for the entire WSRI board to be "people of action" implementing wood fiber supply chain improvements.

New Chairman Reed thanked Crad for his leadership and presented him with a recognition plaque. Chairman Reed noted his company Plum Creek was new to WSRI, but continued to say there is nothing unique about the wood supply chain improvements we are all working towards and the cultural changes needed to make these efficiency improvements a reality.

#### *Chairman Jaynes' Outgoing Comments:*

*Thanks for the opportunity to serve as chairman. As I said before, I believe in WSRI and am proud of the road this Institute has traveled over the years.*

*Now we are sailing on the wood supply ship through unchartered and challenging economic waters. But I feel wholeheartedly our ship is not the Titanic. Sure it's rough waters we'll sail through for a while, but our ship will continue to sail forward to embrace challenges and opportunities in the future.*

*As we move forward, all the links of the wood supply chain must work toward more mutually beneficial partnerships to improve the industry's efficiencies, improve relationships and improve the very historical culture of the industry and move forward through not just good faith, but great faith and trust.*

*As I say to my link, the strong will survive and be better off. But I think that applies to all the wood supply chain links.*

*I see WSRI as a meaningful and needed channel to sail through and utilize. My comments when I became chairman, WSRI projects need to be better communicated. Now I feel we are moving in the right direction to make that possible.*

*Thank you to everyone for allowing me the privilege to serve as chairman. With that, I'll turn the WSRI ship's wheelhouse over to my friend Tom Reed.*



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## SC SFI State Implementation Committee

Chairman Virgil Wall, Norbord South Carolina, welcomed twenty-three members of the South Carolina SFI State Implementation Committee (SIC) on April 21<sup>st</sup> to the meeting in Columbia to discuss progress and issues of the SFI program.

SCFA's Bob Scott provided a legislative update outlining bills currently being worked in the General Assembly. TOP Program Bill Wiley updated the on-going continuing education program for the SFI Trained status. Jerry Shrum, SC Forestry Commission, updated the agency's educational programs such as Wood Magic Forest Fair, SC Teachers Tour and project Learning Tree. SCFC's Tim Adams updated information about the Grow Some Green program for landowners and spoke about the forest inventories recently completed.

Standing committee chairman reported on any committee work for Logger Education, Landowner Outreach, Public Outreach and Inconsistent Practices. The budget was reviewed for the upcoming year.

Information was reviewed regarding the SIC's participation in the upcoming American Institute of Architects meeting in Greenville this September. SC's committee would be coordinating with Georgia's SIC to have a SFI information booth to promote the utilization of SFI products by architects.

The SFI 2010 – 2014 Standard Review process was updated regarding issues now being reviewed for incorporation into the standards. SCTPA's Crad Jaynes noted the American Loggers Council was working to have the ALC Master Logger Certification program, third party auditing for timber harvesting practices, recognized under the SFI Standards.

Chris Rivers, IP and Joey Ferguson, Resource Management Systems, were elected to serve as Vice Chairman and Treasurer respectively.

SCTPA's Crad Jaynes provided a Loggers Report to update the status of the state's timber harvesting segment from his perspective.

The next meeting will be held July 14<sup>th</sup> in Columbia.

### *SCTPA's Logger Report*

*I think we all know where we are economically now in the forest products industry for manufactured forest products. The trickle down effect to loggers has been severe due to reduced wood products manufacturing, mill shut downs and temporary closings and overall economic downturns.*

*Loggers are facing the problems of reduced market availabilities, price reductions on cut and haul rates, reduced production capabilities, tighter financing opportunities, continued variability in fuel costs and higher operating costs.*

*Many loggers have laid off employees in some cases, or reduced their labor force in some manner. Many loggers are looking to sell equipment, but the question is where to sell it?*

*The woody biomass alternative markets when available will help, but that is down the road.*

*My best guess is we've lost about twenty percent of the logger population over the past twenty-four months, but that is just my guesstimate. However, I feel production capacity is still available to meet the wood supply need. It's just the population numbers are down.*

*Now we all know this economic condition will turn around, but when is the question. But it will turn in the future. And here is my concern and I do not intend to offend anyone, but this is my concern.*

*When this economic climate does turn more positive and markets pick up, my concern is the wood-receiving segment will try to go out and get those who went out of business, and they went out for a reason, back into business. Why, to get the system back to the way it was. To have more suppliers than needed to simply turn them on and turn them off. That to me is the wrong way to approach this issue.*

*Look to the professional timber harvesting businesses surviving this economic downturn. Those that have taken the steps to stay in business because they are professionals running a business and not just logging and hauling wood. Look to your true business professionals and let them have the opportunity to expand first if they desire to service the wood need.*

## AGRICULTURE SECRETARY VILSACK ANNOUNCES \$240 MILLION IN FUNDING TO REDUCE HAZARDOUS FUELS

Recovery Act Will Fund Projects in 26 States

WASHINGTON, May 5, 2009 - Agriculture Secretary Tom Vilsack announced \$224 million today for 110 hazardous fuels reduction and ecosystem improvement projects funded by the American Recovery and Reinvestment Act (ARRA). The projects are located on forested lands in over 26 states and territories.

"President Obama's efforts will provide for public health and safety by reducing the risk of wildland fire near communities in the wildland urban interface and will restore healthy forests," said Vilsack. "These projects provide benefits to current and future generations, including improved water quality and quantity, healthy forests that provide clean air, and recreation opportunities while reducing wildfire risks."

Hazardous fuels activities include reducing the volume of hazardous fuels on Federal forests and grasslands and on lands owned by States, local governments, private organizations, and individual landowners through financial assistance and partnership agreements.

Ecosystem improvement activities, which are designed to improve and protect forest health, include thinning, removal of competing vegetation, planting native species, and constructing new stream channels and ponds.

Hazardous fuels and ecosystem restoration projects will be available in the 26 states designated.

Wildland Fire Management Hazardous Fuels Projects

States: AL, FL, GA, NC, SC

1 Project Per State

Total Estimated to Complete Projects @ \$ 8,975,000



### AMERICAN LOGGERS COUNCIL

The National Voice for Professional Loggers

#### Illegal Logging Resolution

Whereas, *Illegal Logging* is referenced and defined in both domestic and international sustainable forest management programs;

Whereas, *Illegal Logging* is defined in the Sustainable Forestry Initiative © Program as Theft of timber or logs and cutting parks, reserves or other similar areas where otherwise precluded by law;

Whereas, the term *Illegal Logging* is often interpreted as the actual timber harvesting practices that are occurring and not the "*illegal procurement*" activities that the term is defined as in the

Sustainable Forestry Initiative © (SFI) Program, and acts as a black mark against the image of the professional timber harvesters themselves who are performing the harvesting operations and not the program participants who are procuring the timber illegally;

Therefore, let it be resolved that the members of the American Loggers Council believe that the term *Illegal Logging* as defined in the SFI © Program Standards should be changed to *Illegal Procurement Practices* that better reflect the activities that the SFI © Standards is trying to address, and we view the practice of accepting material from those sources that are not in compliance with the SFI © Standards as *Illegal Procurement Practices*.

*Adopted by the ALC Board of Directors the 28<sup>th</sup> day of March 2009 at the Spring Board of Directors Meeting, Washington, D.C.*



## *SCTPA Presents Issues to Our Delegation*

This cover letter along with support materials from the American Loggers Council and SCTPA were presented to South Carolina's six U.S. House of Representatives members and both Senators during March meetings in Washington, D.C.

\*\*\*\*\*

March 27, 2009

The Honorable Joe Wilson  
U.S. House of Representatives  
212 Cannon House Office Building  
Washington, DC 20515

Dear Congressman Wilson,

On behalf of the professionals harvesting, producing and transporting South Carolina's sustainable and renewable forest resources, we appreciate your service to the Palmetto State in Washington, DC.

South Carolina's forestry industry is the Number One manufacturing segment of our state's economy with 44,708 jobs and payroll of \$2.4 billion. Timber is our state's Number One cash crop at \$870 million annually.

Our forest industry ranks first in employment including our professional timber harvesting, supplying and trucking businesses. The forest industry's state economic impact is \$17.45 billion annually with forest products exports of \$1 billion each year.

Our nation and state's forest products industries compete in the global marketplace. Our economies of scale within our own segment of professional timber harvesting, supplying and trucking have witnessed changes in our markets and the economic downturn has taken its toll on the timber harvesting businesses and our rural communities involved with the forestry industry.

As our pulp and paper and even solid wood products industries continue to see more economic downturns, as well as national forest products companies finding themselves on the verge of Chapter 11 or Chapter 7 and even some filing for this located in SC, the forest products industry, timber harvesters and timber suppliers face major challenges to merely survive these harsh economic times.

As our industry faces the current economic woes caused by solid wood products markets reducing wood consumption due to decreased building and housing starts, the financial crisis, as well as the downturn in the pulp and paper markets, this has created tighter wood markets and an economic crunch that has not been witnessed by our segment.

This economic crisis now has many of our professional loggers and wood suppliers also on the brink of Chapter 11 or even Chapter 7, bankruptcy. Never before has this industry witnessed such an economic strangle hold as we see right now.

The challenges faced now not only impact the timber harvesting and supply segments, but also impact solid wood products, pulp and paper products manufacturing and timberland owners.

An emerging alternative market is the utilization of woody biomass for the production of energy, bio-fuels and ethanol. As our nation attempts to reduce our dependence on foreign oil resources, we see this market as an opportunity for our industry to continue to have markets for timber. We have the available resources from our sustainable and renewable forests.

Technology is becoming available to utilize woody biomass for the processes to convert woody material to various products. These processes are environmentally safe, efficient, "green in nature," improve climate, sequester carbon, create jobs and good for the utilization of our sustainable and renewable forest resources.

However, much is needed via support for increased funding from Washington to increase the incentives for current and potential users of woody biomass to create these alternative markets in South Carolina.

Other issues needing to be addressed and supported for sustaining the timber harvesting and forest products industry in South Carolina as well as nationally are;

- Support legislation that provides incentives for research, development, installation, implementation and expansion of woody biomass markets for the production of biofuels, energy and woody biomass products.

*(Continued on page 17)*



(Continued from page 16)

- Support legislation to allow state legal Gross Vehicle Weights to be trucked on the Interstate Systems within each state to improve highway safety, improve transportation logistics, reduce costs and reduce truck loads on rural and state highways by amending the United States Code, Title 23, Chapter 1, Subchapter I, Section 127(a) by adding the following paragraph: *“Individual State weight limitations and tolerances for agricultural (including forest) commodities that are applicable to State highways other than the Interstate System, shall be applicable in lieu of the requirements of this subsection.”* Position paper included.
- Support H.R. 1404, the Federal Land Assistance, Management and Enhancement Act, FLAME, to allow for separate funding for catastrophic, emergency wildland fire events on federal lands where funding has been historically shifted from other operating areas of the U.S. Forest Service and Bureau of Land Management that have hindered these agencies’ abilities to carry out their core functions as land management agencies. Position paper included.
- Support H.R. 1190, the Renewable Biomass Facilitation Act, to amend the definition for renewable biomass as found in the historic 36 billion gallon Renewable Fuels Standard passed in the 2007 Energy Independence and Security Act (H.R. 6). The current H.R. 6 definition for renewable biomass excludes almost all biofuels that use woody biomass sourced from National Forests and BLM lands as well as woody biomass sourced from naturally regenerated stands on private land ownerships for inclusion in meeting the 36 billion gallon mandate. The current definition could impact up to 92% of biomass collected from private lands alone. H.R. 1190 would allow federally sourced woody biomass and virtually all private lands woody biomass used as a feedstock for biofuels to count towards the mandate. Position paper included.
- Support a comprehensive Renewable Electricity Standard (RES) H.R. 890(IH) that would utilize the forests’ energy and climate benefits to replace or displace traditional fossil fuels; include a broader definition of Forest Biomass so as to allow wood from private lands and federal lands be used as feedstock to supply our nation’s renewable fuel goals; promote economic growth; act as a stimulus to rural economies for job growth, new industry opportunities, alternative wood and woody biomass markets, climate improvement, create “green” energy, sequester carbon and further promote intensive forest management on private lands and federal lands to sustain our forests rather than see federal forests left unhealthy and unmanaged and private forest lands converted to development or non-forest uses. Position paper included.
- Oppose legislation attempting to limit woody biomass utilization by competing markets so as to encourage an open market system for all woody products harvested from our renewable and sustainable forests.

On behalf of South Carolina’s professional loggers and timber producers, please support legislation to sustain our healthy forests, provide new alternative markets for wood and woody biomass and sustain our entire forest products industry so it does not follow the course taken by the textile industry that moved off shore and has virtually faded away.

Our wood supply chain consisting of landowners, loggers and wood consumers need a viable industry to maintain and create jobs, improve economies, create emerging industries, compete in the global marketplace and sustain our healthy, sustainable and renewable forest resources.

Again, thank you for your service to our state and your support of our state and nation’s professional timber harvesting and forest products industries.

Sincerely,

*Crad Jaynes*  
PRESIDENT & CEO

# ABITIBI BOWATER SEEKS BANKRUPTCY AS REFINANCING FAILS

By Dawn McCarty and Christopher Donville

April 17 (Bloomberg) -- AbitibiBowater Inc., North America's biggest newsprint maker, sought bankruptcy protection in the U.S. and Canada after lenders refused to accept a proposed debt restructuring.

AbitibiBowater listed assets of \$9.9 billion and debt of \$8.78 billion as of Sept. 30 in a Chapter 11 petition filed yesterday in U.S. Bankruptcy Court in Wilmington, Delaware. Its Canadian operations, which employed about 11,300 of the company's 15,800 workers at the end of last year, sought court protection today in Montreal. About 7,500 of those employees are in Quebec, the province's government said.

The company is "primarily in need of a balance sheet restructuring," and doesn't intend to seek exemption from its pension obligations, Sean Dunphy, a lawyer for AbitibiBowater, told Quebec Superior Court Judge Clement Gascon today. The company intends to cause "as little collateral damage as can be arranged" for employees and their pensions, Dunphy said.

Chief Executive Officer Paterson sold timberlands and sought to refinance debt to reduce borrowing costs that reached \$203 million in last year's second quarter. AbitibiBowater is struggling with a drop in North American paper demand as newspapers lose readers and advertisers to the Internet. The company owns about 43 percent of U.S. and Canadian newsprint capacity, according to RBC Capital Markets.

"This is a relief," Paul Quinn, an analyst of paper and forest-products companies at RBC in Vancouver, said of yesterday's bankruptcy filing. "Abitibi tried to reorganize outside the courts, but the goal posts kept moving."

## Canadian Financing

AbitibiBowater plans to borrow as much as \$200 million from Fairfax Financial Holdings Ltd. and Avenue Management LLC to fund some of its Bowater unit's operations as it reorganizes, according to a statement.

The company and its Abitibi-Consolidated unit said Investissement Quebec agreed to provide as much as \$100 million. The funds would provide "additional short-term liquidity while we continue to address our restructuring program and support our business continuity," Paterson said in a statement.

AbitibiBowater's most recent drive to restructure its debt began in February when the company sought creditor support to exchange \$1.8 billion of notes issued by Bowater for new notes.

## Biggest Creditors

AbitibiBowater later proposed a recapitalization plan for Abitibi-Consolidated that would have reduced net debt by about \$2.4 billion. Abitibi said in a regulatory filing on March 16 that it might have to seek bankruptcy protection unless it

completed the refinancing.

Thirty-one affiliates also entered bankruptcy in the U.S. The companies' 35 largest unsecured creditors are owed about \$2.7 billion, according to court papers. Bank of New York Mellon Global Corporate Trust is trustee for \$600 million of 7.95 percent notes due 2011, \$400 million in 6.5 percent notes due 2013 and \$368.9 million in convertible notes due 2013.

The bank is also trustee for \$248.1 million in 9 percent debentures due this year, \$234.4 million in floating rate senior-notes due 2010 and \$125 million in 9.5 percent debentures due 2012.

U.S. and Canadian demand for newsprint fell a combined 33 percent in February, the most in at least 27 years, according to the Montreal-based Pulp and Paper Products Council. Publishers of the Chicago Tribune, Philadelphia Inquirer, Minneapolis Star Tribune and New Haven Register filed for bankruptcy after industrywide advertising sales plunged the most in 37 years in the third quarter, according to the Newspaper Association of America.

## Shutting Mills

With newsprint demand slumping, AbitibiBowater and other producers in the U.S. and Canada have sought to maintain prices by shutting mills and boosting newsprint exports.

Gannett Co. Chief Financial Officer Gracia Martore said on a conference call yesterday that she expected newsprint prices to fall this year because of a surplus. McLean, Virginia-based Gannett, the owner of USA Today, is the biggest U.S. newspaper publisher.

"Oversupply in the newsprint market is still a factor and more capacity will have to be shut," Quinn said. "It's too early to know which mills will come out the other side of the bankruptcy process."

AbitibiBowater has 23 pulp and paper mills and 30 wood-products plants in the U.S., Canada, the U.K. and South Korea. The company was formed in the October 2007 merger of Bowater Inc. and Abitibi-Consolidated Inc., a transaction valued at about \$4.8 billion in stock. The newsprint makers said at the time the combination would cut costs by \$250 million a year.

AbitibiBowater's financial advisers are Blackstone Advisory Services LP and BMO Capital Markets. The company said it's getting legal advice from Paul, Weiss, Rifkind, Wharton & Garrison LLP; Stikeman Elliott LLP; and Troutman Sanders LLP.

The case is AbitibiBowater Inc., 09-11296, U.S. Bankruptcy Court, District of Delaware (Wilmington).

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**MEMBER ALERT**

**SCTPA Email Address Changing**

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 15<sup>th</sup>, 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.**



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NEIL WARD – AgTEC – 301-838-9385

FOR IMMEDIATE RELEASE: March 31, 2009

## PRODUCTIVITY LEGISLATION INTRODUCED

Congressman Michaud Introduces H.R. 1799 as transportation professionals move on Washington

Productivity, safety, and competition in the world of trucking transportation all got a boost this week when Congressman Mike Michaud introduced H.R. 1799, the Safe and Efficient Transportation Act of 2009.

H.R. 1799 would give the option to individual states to increase their allowable weight on a single-trailer truck up to 97,000 pounds on their Interstate highways. These vehicles would be required to add a sixth axle for better braking and handling. Every truck that added the additional axle would be required to pay a higher fee to ensure that this legislation will be a financial net-gain for the federal government.

According to three coalitions that have been working for trucking productivity reform, this legislation will address many growing problems on our nation's highways such as:

- Congestion – Fewer trips will be needed to haul the same amount of freight, thus improving productivity and reducing fuel use.
- Global Warming – This improved productivity will reduce carbon emissions from truck transportation by as much as 42 billion pounds annually.
- Safety – Most importantly, making trucking more efficient, along with moving more traffic off of secondary roads and onto Interstate highways, will lead directly to fewer accidents and fatalities.
- Global Competition – Every one of America's major competitors allows six-axle vehicles on its highways, creating a competitive disadvantage for US companies.

In anticipation of this legislative proposal, three coalitions agreed to host a fly-in event in Washington, DC this week. Members of the Agricultural Transportation Efficiency Coalition (AgTEC), Americans for Safe and Efficient Transportation (ASET), and the Coalition for Transportation Productivity (CTP) are in Washington to lobby in favor of H.R. 1799. "We will make our case that standing by while congestion and pollution continue to rise is not an option," commented ASET's Jake Jacoby. "We must think creatively when considering improvements to our entire transportation system."

John Runyan, of CTP, pointed out that studies ranging from the US Department of Transportation to the State of Wisconsin have highlighted the benefits of this important change. In a report issued in January of this year, the Wisconsin DOT found that if a proposal similar to Rep. Michaud's bill had been in place in 2006, there would have been 90 fewer heavy truck-related accidents on the highways of Wisconsin. "This is exactly the experience we want to replicate across the United States," Runyan said.

"This reform is long overdue for forest and agricultural producers," added AgTEC's Richard Lewis. "We need to improve flexibility for haulers of basic raw materials, to pull costs out of the system and to reduce congestion and accident exposures on local roads."

# # #

# DC PHOTO GALLERY



*Chris Berardini in Congressman Brown's office*



*Jacqueline Wood & Ben Siegrist in Senator DeMin's office*



*Arlington National Cemetery*



*Tomb of the Unknown Soldier*

## THE ALTERNATIVE-FUEL TAX CREDIT CONTROVERSY

A controversy over pulp and paper companies taking advantage of the alternative fuel credit has been widely reported in local and national newspapers. By mixing black liquor generated during the kraft paper process with fossil fuels, the companies became eligible for a \$0.50 per gallon (of alternative fuel) tax credit. Criticisms of this have come from lawmakers, environmental groups and other pulp producing countries:

- Lawmakers argued that the tax credit was or estimated to cost the federal government \$61 million. Originally, once the pulp and paper companies began applying for the credit, however, the cost skyrocketed to anywhere from \$2 to \$3.3 billion. With the growing U.S. deficit, these lawmakers argue, the tax credit is a loophole we just can't afford.
- Environmental groups argue that giving the tax credit to pulp and paper companies violates the intention of the law. In order to qualify for the credit, companies must burn a mix of alternative and fossil fuels. As a result, some mills have added diesel to black liquor in order to qualify for the credits. The intention of the law was to encourage companies to reduce their use of fossil fuels and adopt alternative fuel sources. For pulp and paper companies, they argue, it's done the exact opposite.
- Other environmental groups recognize that black liquor is a clean and renewable fuel, but point out that pulp and paper companies have used it to fuel their plants for decades, in order to reduce their fossil fuel costs. This savings is incentive enough to continue the practice, opponents believe.
- According to Gordon Hamilton of the Vancouver Sun, "Canadian industry leaders say the sheer size of the subsidy threatens to disrupt the already over-supplied global pulp and paper economy, pushing pulp producing countries like Canada out of the market."

We think there are several good reasons supporting the pulp and paper companies' strategy.

- The tax credits being requested by the companies are legal. In 2005, Congress passed a highway bill that provided a tax credit for those mixing transportation fuels with alternative fuel sources. In 2007, the credit was extended to non-transportation fuels. This made it possible for companies powering their industrial operations with alternative fuel sources to apply for

the credit as well. The only remaining question was whether the legislation considered black liquor an alternative fuel. A September 2008 Internal Revenue Service bulletin clarified this point; it included in its definition of eligible fuels any "liquid fuel derived from biomass."

- Public companies have a fiduciary responsibility to their stockholders to take advantage of the credit, as they struggle to remain profitable in the teeth of the recession.
- Leo W. Gerard, President of the United Steel Workers, believes that the tax credit is the "most compelling factor in decisions related to the continuing operation of a number of pulp and paper mills." In essence, the tax credit is keeping mills running when they might otherwise have closed, which will save jobs.
- Some companies applying for the credits were already adding a fossil fuel to black liquor. To get the credit, they switched to diesel. In these cases, there is no net gain in fossil fuel use.
- Large amounts of fossil fuel are not being added to black liquor. For those who have begun adding fossil fuel to their mix since changes in the law took effect, the net gain is negligible: the mixture is approximately 99.9 percent black liquor and 0.1 percent diesel.
- There are preliminary signs that the incentives are prompting pulp and paper companies to look for additional ways to use alternative fuels. According to John Richardson of the Portland Press Herald, Lincoln Paper & Tissue in Maine reduced oil consumption in other parts of the mill by switching to recycled vegetable oil after they found out about the credit.

Despite these realities, there is serious concern in the industry that the tax will not last until it is set to expire at the end of 2009. At a Senate Finance Committee meeting about the issue on April 23, the pulp and paper industry had at least one formidable ally. One of three Republicans to support the stimulus bill, Senator Susan Collins (Maine) is not afraid to stand in the crossfire. After the meeting, she released a statement in support of letting the tax credit remain in effect. "Given the gravity of our economic circumstances, do we really want to punish an industry that employs 1.3 million Americans . . . that is a top ten manufacturing employer in 42 states . . . an industry that was ahead of the curve with respect to alternative energy when many other industries were behind the curve . . . an industry that's hanging on right now by a thread through no fault of their own?"



## ALC Policy & Legislative Report

By: Jim Geisinger, Legislative Committee Chair, Associated Oregon Loggers  
ALC Spring Board Meeting, March 28, 2009, Washington, D.C.

### Election 2008 Recap

The November 4 election resulted in significant Republican losses across the country as voters largely sided with Democratic candidates in the Presidential race down to many state races. Besides electing Barack Obama as the 44<sup>th</sup> President of the United States, American voters have given the Democrats at least a 58 seat majority in the Senate (counting two independents which caucus with the Democrats). In the House of Representatives, the Democrats have picked up as many as 20 seats to achieve an estimated 255-180 margin.

In the Senate, Democrats picked up seats in Alaska, Oregon, New Hampshire, Virginia, North Carolina, New Mexico, and Colorado. Senate races in Georgia and Minnesota remain undecided. Elsewhere in the Northwest, Idaho Lt. Governor Jim Risch (R) was successful in his bid to succeed Larry Craig in that state's Senate seat. Senator Ted Stevens (R-AK) was ousted by Anchorage Mayor Mark Begich (D).

### ALC To Pursue Use of Bush Administration Initiatives

During the coming year, ALC will urge the Forest Service to fully utilize new authorities created by Congress and administratively during the Bush Administration.

Four years after passage of the **Healthy Forest Restoration Act** (HFRA) the Forest Service is not making adequate progress treating unhealthy forests and is not fully utilizing the HFRA authorities. The health of our forests continues to decline and every year millions of acres of forest, key watersheds and critical wildlife habitats are lost due to catastrophic wildfires. At this point in time, nearly 50% of the agency's budget is consumed by firefighting, up from approximately 15% a decade ago.

The Forest Service must expand its use of long term, landscape scale **Stewardship Contracts**. The tool should only be used where appropriate and not be used in place of regular timber sales when a timber sale is warranted. We will push for contract dura-

tion of at least ten years and greater where possible. The projects should include a balanced mix of environmental improvements and the production of economic value to pay for the project.

Promoting the utilization of **Woody Biomass** for the production of renewable energy will continue to be a high priority for ALC. While our legislators and policy makers continue to talk enthusiastically about woody biomass utilization, little progress appears to have been made to construct biomass consuming manufacturing facilities or large scale biomass recovery projects on federal forest lands.

### House of Representatives Defeats Huge Omnibus Lands Bill

On Wednesday March 11, 2009 the House of Representatives rejected a huge omnibus package of more than 160 public lands, water and resources bills. While it is likely to emerge for another vote in the future, as of the writing of this report, it fell two votes short of passing.

**S. 22** was considered under suspension of the rules, meaning a two-thirds majority was required and no amendments were allowed to be offered. Democratic leaders did not want amendments because any changes would have required sending it back to the Senate, where it would have again faced objections by Sen. Tom Coburn (R-Okla.), before it could go to the White House. The vote came out 282 in favor and 144 opposed, two votes short of the two-thirds majority required under the rule suspension. Someone didn't count their votes!

The bill would have designated more than 2 million acres of wilderness in nine states, and establish three new national park units, a new national monument, three new national conservation areas, more than 1,000 miles of national wild and scenic rivers and four new national trails. It would have enlarged the boundaries of more than a dozen existing national park units and established 10 new national heritage areas.

It would also have authorized numerous land exchanges and conveyances to help local Western communities, address water resource and supply issues, and include provisions to improve land management.

The Senate passed the omnibus, 74-21 in January, after nearly a year of trying to beat Coburn's procedural roadblocks against various provisions in the measure, which he claimed would increase government spending and limit potential oil and gas development on public lands.

*(Continued on page 24)*

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The procedural move drew complaints from House Natural Resources Committee ranking member Doc Hastings (R-Wash.). "Considering a bill of this enormity under the suspension process is an abuse to all House members, including Democratic representatives who've publicly sought changes to it and been denied," Hastings said in a statement. "It's important for all members to understand the expensive and far-reaching impacts of this bill before they cast their vote."

But House Natural Resources Chairman Nick Rahall (D-W.Va.) disputed the charge. "The fact of the matter is that this bill was fully aired and debated by the U.S. Senate, and a large number of the provisions were considered and passed by the House under regular order," Rahall said."

Proponents of the massive bill rolled the dice using the rule suspension tactic...and lost.

### **Woody Biomass Definitions**

The debate over the proper definition of woody biomass relative to its qualification as a source of renewable energy for meeting the Renewable Fuels Standard (RFS) continues to boil. ALC is watching this issue closely and is attempting to assure the broadest, most inclusive definition possible. In 2007 Congress passed the Energy Independence and Security Act that had a terrible definition of renewable biomass. Biomass from federal lands was completely excluded and biomass from private lands was limited to "planted trees and tree residue from actively managed tree plantations." In other words, biomass from forests not "planted" would not qualify. Then, in 2008 Congress passed the Farm Bill. This bill had a very good definition of biomass that included sources from all forest lands but with a modest exclusion of old growth timber on federal lands that would never be utilized for biomass in any event. Now, Congress is clamoring to reconcile the confusion and settle on one definition. There currently are three efforts underway. One is a bill introduced by Representatives Greg Walden (R-OR) and Stephanie Herseth-Sandlin (D-SD), HR 1190 The Renewable Biofuels Facilitation Act, which essentially would codify the Farm Bill definition. This is good. Another is a bill introduced by Senator Ron Wyden (D-OR) that treats private lands fairly, but would impose unacceptable restrictions on biomass from federal forest lands. Wyden voted for the Farm Bill in 2008. Third, is HR 890, the American Renewable Energy Act Renewable Electricity Standard (RES). The bill is sponsored by Representative Ed Markey (D-MA). The definition in this bill is problematic in that it is unacceptable for both private and federal lands. The Union of Concerned Scientists and other environmental organiza-

tions are attempting to craft language for the definition that are, at this time unacceptable to the membership of the ALC. ALC has placed a high priority on this issue and will be tenacious in its efforts to resolve the issue in a manner most beneficial to members.

### **FLAME Act**

Rep. Greg Walden (R-Ore.) is helping lead a bipartisan effort in the House of Representatives to create a separate catastrophic wildfire fund so federal forest managers no longer have to rob other forest management budgets to pay for fighting fire.

The bipartisan Federal Land Assistance, Management and Enhancement Act (H.R. 1404) was reintroduced March 10, 2009 in both the House and the Senate. Last year, the House passed the bipartisan FLAME Act by voice vote, but it received no action in the Senate.

Co-sponsors of the House measure include Walden, Resources Committee Chairman Nick Rahall (D-W.V.), and Reps. Norm Dicks (D-Wash.) and Mike Simpson (R-Idaho). Co-sponsors of the Senate measure include Sens. Ron Wyden, (D-Ore.), Lisa Murkowski (R-Alaska), Barbara Boxer (D-Calif.), Maria Cantwell (D-Wash.), Tim Johnson (D-S.D.), Jon Tester (D-Mont.), and Tom Udall (D-N.M.).

Nearly every year when catastrophic wildfire hits, the U.S. Forest Service breaks its bank to pay the fire-fighting costs. That means they end up canceling contracts to do thinning work and fuels reduction work, and maybe even shut down recreation facilities because they need to rob from every account they have to pay for the immediate firefighting costs. That doesn't make sense. We never get ahead of the curve to make our forests healthier and less prone to wildfire.

Today, 47 percent of the U.S. Forest Service budget is spent fighting fire. Wildfires in the United States release an average of 290 million metric tons of carbon dioxide each year which is equivalent to 4 to 6 percent of the nation's carbon dioxide emissions from fossil fuel burning.

The FLAME Act would give federal forest managers the resources to more actively manage our forests to reduce catastrophic fire, improve forest health, and help rural economies all at the same time

The FLAME fund established by this legislation will be separate from budgeted and appropriated agency wildfire suppression funding for the Forest Service and the Interior Department, and is to be used only for the suppression of catastrophic, emergency wildfires. The annual agency budgets will continue to fund anticipated and predicted wildfire suppressions activities. Monies for the fund will be appropriated

*(Continued on page 26)*



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*(Continued from page 24)*

based on the average costs incurred by these agencies to suppress catastrophic, emergency wildfires over the preceding five years.

In the 110th Congress, the FLAME Act received the support of the five living former chiefs of the U.S. Forest Service, the Western Governors Association, the Wilderness Society, the American Forest and Paper Association, the National Association of State Foresters, the National Association of Counties, members of the Rural Voices for Conservation Coalition, the National Federation of Federal Employees, and numerous other organizations.

### **Economic Stimulus Package... What is in it for loggers?**

On February 13, both Houses of Congress passed the \$787 billion American Recovery and Reinvestment Act of 2009. The House vote was 246-183 and the Senate vote was 60-38. In the House, no Republicans voted for the bill, while Republican Senators Olympia Snow (ME), Susan Collins (ME) and Arlen Specter (PA) voted for the bill helping to secure the 60 votes needed for passage.

Proponents of the Act are touting the legislation's ability to create jobs and promote economic recovery, especially for those most impacted by the recession. The Administration has stated that they expect the program to retain or create over 3.5 million jobs, in areas such as energy, science, transportation, manufacturing and construction. Republicans criticized the legislation as little more than wasteful government spending on a litany of government programs unlikely to have a stimulative effect on the economy. GOP members unsuccessfully promoted their own proposal heavy on tax cuts for individuals and businesses.

The House and Senate versions differed in many ways, including dollar amounts for the Forest Service and Bureau of Land Management (BLM). The final numbers for those agencies include:

#### **U. S. Forest Service**

The Forest Service will receive \$1.15 billion (\$650 million for construction on public lands and \$500 million for reducing wildfire threats on federal and non-federal land). The \$650 million is to be used for road maintenance and decommissioning, trail maintenance and decommissioning, facility improvement and maintenance, abandoned mine remediation, watershed restoration/ ecosystem enhancements and the support costs necessary to complete this work.

Of the \$500 million earmarked for wildland fire management, \$250 million is designated for use on federal lands in projects that reduce hazardous fuels and improve forest health and rehabilitation. The remaining \$250 million will be funneled to state and private lands to be used for hazardous fuels reduction, ecosystem improvements and forest health activities. Up to \$50 million of this funding can be used for grants to increase wood-to-energy use on all lands. On February 11, the Washington Office sent a request to all regions asking for a listing of projects which could be quickly implemented to create or maintain jobs. Criteria for those projects include:

- Create or maintain jobs in economically distressed areas.
- Create or retain sustainable jobs.
- Create or retain jobs that help sustain the health diversity and productivity of the nation's forests and grasslands.
- Leverage other resources to create more jobs.
- Create jobs that invest in or leverage the investments of partners, in wood-to-energy-or biomass projects.
- Create jobs that contribute to sustainable operations.

The regions were to have their lists completed and returned by February 23. AFRC has met with agency officials in the Washington and Regional offices to underscore the importance of targeting funding at projects likely to improve forest health and generate the materials critically needed to maintain industry infrastructure.

#### **Bureau of Land Management (BLM)**

The BLM will receive \$125 million for maintenance, rehabilitation, and restoration of facilities, property, trails, and lands for remediation of abandoned mines and wells. Also included is \$180 million for reconstruction, decommissioning and repair of roads, bridges, trails, property and facilities and energy retrofits. Also included is \$15 million for hazardous fuels reduction activities.

#### **FY09 Omnibus Bill Passes, Signed By President**

After passing a continuing resolution (CR) last September, Congress passed a FY09 appropriations bill for many federal agencies on March 10, 2009, including the Forest Service and BLM. Much of the federal government has been operating under the CR at FY08 levels since October 1, 2008.

*(Continued on page 27)*

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The legislation sets forth FY09 funding levels for several Forest Service and BLM programs of interest to the forest products industry. The National Forest System would receive \$1.510 billion, which represents a \$40.2 million increase over FY08 enacted levels and \$160.3 million over President Bush's FY09 request. The BLM would receive \$890.2 million, which is a \$36.3 million increase over FY08 enacted levels and \$25.4 million over President Bush's FY09 request.

For the Forest Service, the legislation will provide \$322.5 million for timber management, a \$10 million increase over FY08 enacted levels. The report language indicates funding support to implement the Northwest Forest Plan while targeting the \$10 million increase to forests located outside of the Northwest Forest Plan area with additional unfunded capability. The Forest Service will also receive \$328.1 million for hazardous fuels reduction efforts, which is \$18 million over FY08 enacted levels. The Forest Service Legacy Roads and Trails program, a favorite of Interior Appropriations Subcommittee Chairman Norm Dicks (D-WA), will receive \$50 million for road, trail and culvert maintenance, decommissioning and remediation.

For the BLM's O&C Lands, the bill provides \$109.9 million, a \$1.4 million increase over FY08 enacted levels. However, the bill also includes report

language indicating that funding provided for the O&C Lands could also be spent on the Clinton-era National Landscape Conservation System (NLCS). Since NLCS has yet to be authorized, it is uncertain how the Interior Department will interpret this language and the level of funding that would be transferred.

Also included are several provisions of interest to mills in California. For example, the bill indicates that hazardous fuels funding levels for the Quincy Library Group activities should be no less than \$26.2 million. Meanwhile, the bill includes language and significant grant funding to maintain the remaining forest products infrastructure in the southern Sierra's. These California specific initiatives have been championed by Senate Interior Appropriations Chairman Dianne Feinstein (D-CA).

Republicans in the House and Senate have criticized the funding levels, which they believe is excessive following the passage of the \$787 billion stimulus package. The omnibus appropriations bill also includes language allowing the Departments of the Interior and Commerce to reverse Bush Administration regulatory actions related to the ESA and Section 7 consultations on greenhouse gas emissions following the listing of the Polar Bear. These policy-related provisions drew criticism from House Republicans, including House Natural Resources Committee Ranking Member Doc Hastings (R-WA).

## AMERICAN LOGGERS COUNCIL The National Voice for Professional Loggers

### An ALC Resolution



Whereas individual logging businesses have invested in and operate specialized logging equipments; and

Whereas demand for raw materials in the form of roundwood, chips and logging residuals has fallen due to periodic curtailment and or shutdown of purchasing mills; and

Whereas this specialized logging equipment cannot be utilized in a multipurpose function in other work; and

Whereas the business models for individual logging companies were based on a minimum raw material delivery schedule; and

Whereas the financial agreements originally entered into at time of purchase of this logging equipment are in jeopardy of forfeit; and

Whereas the obligated borrowers desire to continue in business through the extreme economic down cycle;

Therefore, let it be resolved that the American Loggers Council (ALC) recognizes and states these facts to be true and requests all due consideration by equipment manufacturers, their affiliated financial companies and other independent financial institutions in modifying terms and conditions of past and future lending instruments.

*Adopted by the ALC the 28<sup>th</sup> day of March 2009 during the Spring Board of Directors Meeting of the members of the American Loggers Council.*

## Smurfit-Stone Executives Collect \$47 Million In Bonuses

Apr 29, 2009, *ForestTalk*,  
Canada's Forestry Blog

Forestry workers across Canada are outraged that one of Canada's leading pulp and paper companies has awarded its executives with \$47 million in bonuses.

"It's totally obscene and scandalous," says **Dave Coles**, President of the Communications, Energy and Paperworkers Union of Canada. "Instead of protecting the jobs and pensions of those who have toiled over the years to make them profitable, the company's credo is 'take the money and run.'"

"Workers from coast to coast have done more than their fair share to help companies survive this financial crisis, add Coles. And now, Smurfit-Stone, currently under bankruptcy protection for financial reasons, hands out \$47-million dollars in executive bonuses. Our members are outraged."

"Members at the Smurfit-Stone mill in Portage-du-Fort, Quebec, for example, have twice agreed to negotiate cost-saving measures in the order of several million dollars. But the company ended up closing its doors last fall. In February, Smurfit-Stone placed itself under the protection of the courts.

The company also recently met with directors of the mills in Ville Mont-Royal and Saint-Laurent to deliver an ultimatum. They told employees they had a week to present a plan, to reduce costs by \$8 million per year.

"Now, we know that while they were demanding concessions from workers, they were also seeking court approval for executive bonus pay packs," says Coles, who adds that "CEP members have explored every angle to save forestry jobs and mills.

"Since 2004, pulp and paper and sawmill workers at almost every worksite have been in constant negotiations and restructuring to assist struggling mills," he says. "They have negotiated efficiency and productivity measures worth hundreds of millions of dollars in savings for the companies."

*Source: CEP Press Release*

## South Carolina's Pulpwood Prices Boosted by Housing Slump, Exports

April 8, 2008; Charlotte, NC

Despite the slowing national economy, pulpwood prices in coastal South Carolina have been resilient because of decreased lumber production and increased exports, an expert in the forest products industry said Tuesday.

Pulp mills operate on small logs and wood chips – a byproduct of lumber production. But, the weak housing market has forced lumber mills throughout the South to cut production, including a mill in Sampit, S.C., and another in Conway, S.C., said Daniel Stuber, operations manager for timber price information provider Forest2Market. To maintain production levels, pulp mills have had to rely on more logs.

"One of the only bright spots for timberland owners in this region is the demand from the pulp and paper industry," Stuber said. "Land owners have been withholding stands with larger trees until sawtimber prices rebound, but they have been able to generate revenue through thinning practices and harvesting younger stands."

Increased exports have also helped pulpwood prices. The weak dollar makes it cheaper for pulp and paper companies to purchase products in the U.S. and ship them overseas. This region is often targeted because of its proximity to international ports.

The forest products industry in South Carolina employs almost 30,000 people with an annual payroll of almost \$1.6 billion.

*Source: Forest2Market. Based in Charlotte, N.C., Forest2Market has developed sophisticated analytical tools to accurately forecast timber prices.*

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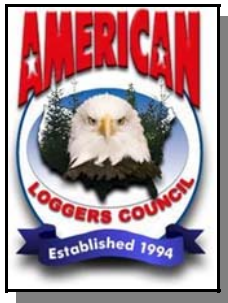
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### **Support the Renewable Biomass Facilitation Act H.R. 1190**

The American Loggers Council, representing timber harvesting professionals in 29 States across the United States, supports the Renewable Biomass Facilitation Act, H.R.1190, as introduced in the U.S. House of Representatives by Representative Stephanie Herseth Sandlin.

H.R. 1190 serves to amend the definition for renewable biomass as found in the historic 36 billion gallon renewable fuels standard passed in the 2007 Energy Independence and Security Act (H.R. 6).

Unfortunately, the current definition in H.R. 6 for renewable biomass excludes almost all biofuels that use woody biomass sourced from federal lands (National Forests, BLM lands) as well as woody biomass sourced from naturally regenerated stands on private land ownership for inclusion in meeting the 36 billion gallon mandate. The definition could impact up to 92% of biomass collected from private lands alone.

There is no justification for preventing access to these important sources of biomass, particularly given the fact that many communities, particularly in the West, are almost completely surrounded by federal land.

H.R. 1190 would allow federally sourced biomass (such as trees, wood, brush, thinnings, chips and slash) that is removed as a result of approved preventative treatments (such as reducing hazardous fuels, minimizing or containing disease and insect infestation, or restoring ecosystem health) to count towards the renewable fuels mandate.

H.R. 1190 would allow virtually all private land biomass that is used as a feedstock for biofuels to count towards the mandate.

The language in the Renewable Biomass Facilitation Act biomass bill is identical to the language included in the Senate passed (79-14) version of the Farm Bill with broad bipartisan and bicameral support.

For more information, or if you would like to cosponsor the Renewable Biomass Facilitation Act, please contact Ryan Stroschein in Representative Stephanie Herseth Sandlin's office at (202) 225-2801.

*S C Timber Producers Association Supports This American Loggers Council Position.*

\*\*\*\*\*

### **Support The Federal Land Assistance, Management and Enhancement Act (FLAME Act) H.R. 1404**

The American Loggers Council, representing timber harvesting professionals in 29 States across the United States, supports The Federal Land Assistance, Management and Enhancement Act (Flame Act), H.R.1404, as introduced in the U.S. House of Representatives by Representatives Nick Rahall, Raul Gravelia, Norm Dicks and Greg Walden.

This bill allows for separate funding for catastrophic, emergency wildland fire events on federal lands which historically have been shifted from other operating areas of the U.S. Forest Service and Bureau of Land Management, which have hindered their ability to carry out their core functions as land management agencies.

Federal fire suppression spending has increased substantially over the past 10 years, with 48 percent of the Forest Service budget accounting for those activities today. Much to the detriment of other programs under the auspices of federal land management agencies, the Forest Service and Interior Department have been forced to borrow funds from other agency accounts to cover these costs.

This bill would allow the U.S. Forest Service and Bureau of Land Management the opportunity to use existing agency funds to perform projects that would serve to prevent and protect Wildland Urban Interface communities from catastrophic fire events while also providing the needed forest health and restoration projects that are necessary to help prevent or lessen the occurrence of catastrophic fire incidents and insect and disease outbreaks on our public lands.

We look forward to providing any assistance that may be useful as you work to pass this important legislation in a bipartisan manner to address the long-term wildfire suppression funding situation.

*S C Timber Producers Association Supports This American Loggers Council Position.*



## Recognizing Forest Biomass

### A South Carolina Senate Resolution

TO RECOGNIZE AND ENCOURAGE THE USE OF FOREST BIOMASS FOR ENERGY PRODUCTS AS SOUTH CAROLINA'S MOST ABUNDANT SOURCE OF RENEWABLE ENERGY, AND TO URGE THE UNITED STATES CONGRESS TO TAKE ACTION TO CORRECT THE RESTRICTIVE AND INTRUSIVE DEFINITION OF RENEWABLE BIOMASS IN THE ENERGY INDEPENDENCE AND SECURITY ACT OF 2007 AND TO PREVENT ADDITIONAL FEDERAL ACTIONS THAT WOULD ELIMINATE FOREST PRODUCT MARKETS FOR FOREST LANDOWNERS BY DEFINING "RENEWABLE BIOMASS" IN A RESTRICTIVE MANNER.

Whereas, South Carolina's 12.9 million acres of forests represent the major land use in the State, covering 67% of South Carolina's total land area; and

Whereas, the total economic impact of forestry in South Carolina is \$17.45 billion annually; and

Whereas, forestry is the leading manufacturing industry in South Carolina in terms of employment and labor income; and

Whereas, 44,708 South Carolina citizens, earning \$2.4 billion in income, are employed in forestry; and

Whereas, 11.325 million acres, 88% of South Carolina's forestlands, are privately owned; and

Whereas, supporting emerging markets for forest products is essential to keeping South Carolina's forestland in forests; and

Whereas, the members of the South Carolina Senate support the protection of the rights of private property owners; and

Whereas, South Carolina's forests have the potential to sustainably supply 16 million tons per year of woody biomass to an emerging bio-energy industry; and

Whereas, South Carolina sustainably produces enough woody biomass fuel to produce over 1,300 MW's of power annually, which is enough to supply one-third of the annual power requirements of all South Carolina homes, and

Whereas, woody biomass is South Carolina's primary potential source of renewable energy; and

Whereas, using forest biomass to produce energy products offsets fossil fuel use and significantly reduces net carbon emissions and other pollutants; and

Whereas, the use of locally-grown biomass for energy can replace imported fossil fuels and keep South Carolina energy dollars in South Carolina; and

Whereas, the development of a forest bio-energy industry will provide additional jobs and retain jobs in South Carolina's rural communities; and

Whereas, forest biomass harvests are a cost-effective method to improve wildlife habitat, reduce wildfire hazard, improve tree growth, and remove diseased and infested trees; and

Whereas, the Energy Independence and Security Act of 2007 placed restrictions unsupported by science on the

source of biomass from privately-owned forests that have been previously regenerated naturally, on forests that may be planted to trees in the future, and on "late successional" forests and other areas, resulting in the restriction of approximately 8.27 million acres of private forests in South Carolina from being utilized for biomass energy production toward the satisfaction of any federal renewable portfolio targets for renewable energy; and

Whereas, the restrictions placed by the Energy Independence and Security Act of 2007 unduly restrict the ability of the forester or professional natural resource manager to apply science, site-specific forest information and landowner objectives to his decisions about management for each forest area, thereby discouraging good conservation; and

Whereas, qualifying the source of biomass being harvested, processed, and delivered to bio-energy facilities will be difficult and add undue costs; and

Whereas, the restrictions placed on conservation practices for the production of biomass from forests could set a precedent for federal control of specific conservation practices and forest products on privately-owned property; and

Whereas, the Food, Conservation, and Energy Act of 2008 (Farm Bill) does not restrict the ability of local resource managers to properly manage forests and it provides a definition of "renewable biomass" and additional guidance that includes the use of "any organic matter available on a renewable or recurring basis"; and

Whereas, the State of South Carolina, through the South Carolina Forestry Commission and its allied agencies and non-governmental organizations, provides best management practice guidelines, sustainability assessments, and other services and monitoring of the forest resources to ensure sustainability and good conservation. Now, therefore,

Be it resolved by the Senate:

That the members of the South Carolina Senate recognize and encourage the use of forest biomass for energy products as South Carolina's most abundant source of renewable energy, and urge the United States Congress to take action to correct the restrictive and intrusive definition of renewable biomass in the Energy Independence and Security Act of 2007 and to prevent additional federal actions that would eliminate forest product markets for forest landowners by defining "renewable biomass" in a restrictive manner.

Be it further resolved that all federal legislation related to biomass, including the currently proposed Renewable Electricity Standards, follow a uniform definition of renewable biomass as contained in the Food, Conservation, and Energy Act of 2008, commonly referred to as the "Farm Bill."

----XX----

*This resolution was adopted by the South Carolina Senate on April 2, 2009. SCTPA supported this resolution to encourage the continued establishment of woody biomass markets and to support the changes to the federal definition of renewable biomass to include woody biomass from private and federal forestlands.*



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CHECK PRIMARY OPERATION: \_\_\_\_\_ LOGGING \_\_\_\_\_ CHIPPING \_\_\_\_\_ THINNING  
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\_\_\_ TRUCKING - "FROM HARVESTING SITES." \_\_\_\_\_ TRUCKING - "FROM MILLS & OTHER SITES."

\_\_\_ WOOD DEALER \_\_\_\_\_ MANUFACTURING (DESCRIBE) \_\_\_\_\_

\_\_\_ OTHER BUSINESS (DESCRIBE) \_\_\_\_\_  
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## Economic Outlook

### Source: Forest2Market

Although overall economic activity in the United States contracted during the past month, scattered signs of a slowing in the pace of decline are appearing. Nonetheless, we estimate another nine to 13 months of recession are likely. The dollar's value faces heightened risk from the U.S. government's fiscal and monetary policies. Substantially higher inflation, interest rates and commodity prices are distinct possibilities when global activity rebounds. However, domestic forest products manufacturers could leverage a weaker dollar into increased market share.

The graph below gives a snapshot of how the wood products and paper industries performed in March 2009, according to the Institute for Supply Management. Notice that more indicators stayed the same in March instead of dropping further.

CATEGORY	WOOD PRODUCTS	PAPER PRODUCTS
Overall activity	▼	▼
New orders	—	—
Production	—	▲
Employment	▼	▼
Pace of supplier deliveries	—	▼
Inventories	▼	▼
Customers' inventories	▼	▼
Input prices	▼	▼
Backlog of orders	—	—
New export orders	—	▼
Imports	▼	▼

▲ = increase, higher or faster

— = no change, or mention

▼ = decrease, lower or slower



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# AS I SEE IT ...

AMERICAN LOGGERS COUNCIL

PRESIDENT ALLEN RIBELIN, FLAGSTAFF, ARIZONA



MAY

## “VISITING THE ‘HILL’ UNDER A NEW RÉGIME”



My first item of business this month is to publically thank John Deere (Forestry) for their continued generous support, having just returned from Washington DC from the Spring Director’s meeting hosted this year by them with Andrew Bonde, Nate Clark and Vanessa Stiffler attending representing Deere. It never ceases to amaze me even with the down economy the level of support we receive from them.

I also would like to thank the many board members and other loggers who attended this year, I realize that funds are tight and I appreciate the support that you continue to give to the cause. Most of us are certainly more comfortable in the woods than sitting in a congressional office discussing our needs, wants and desires with staff, but doing so has become a necessary aspect of being a logging contractor in this modern era. This year was a special opportunity to discuss bills currently in development by both houses and we saw the *FLAME Act* passed in the House while we were there (within three hours of us hitting the “hill,” I didn’t know we packed so much political clout!). The act sets up a separate fund for catastrophic wildfire suppression which allows the US Forest Service to use their budget for accomplishing much needed forest management and forest health projects. Please ask your Senators to support passage of the *FLAME Act* on the Senate side of the Hill. Biomass and energy are hot topics this year and we have opportunities to influence legislation in both areas. The 2006 Energy bill had been passed with an extremely poor biomass definition (excluding Federal forests and limitations on private forest lands among other short-comings) which is frustrating as Congress has also passed legislation (the 2007 Farm Bill) with a good definition of woody biomass. We visited many congressional offices encouraging Congress to promote a singular definition but with the political swing that occurred last November, this may be a difficult proposition. A bill has already been introduced in the Senate for this purpose. For those of us that work on US Forest Service lands, we were encouraged in our meeting with the national timber staff with their announcement of \$1.2 billion of new cash from the Stimulus bill with \$500 million of that directed toward healthy forest treatments. Please get with your National Forest staff for more information about opportunities that might exist locally to you.

We will bring the Woody Biomass Coalition out of dormancy, and with them, and in association with John Deere, we will return to DC in May for further efforts at having an impact on legislation that will have direct implications for natural resource industries. We are somewhat frustrated in these efforts as the forest products industries is not unified on these issues; as woody biomass becomes a more viable resource for energy generation and/or bio-refining, the pulp and paper industries often see it as a threat to their resource base and their continued supply of cheap wood. We were told of instances where their lobbying efforts were directed toward a different end than ours which could have a negative impact on American loggers. I encourage you all to contact your congressional representatives and weigh-in on this in support of a much broader definition of woody biomass. If you don’t know your Senators and Representatives, shame on you; now is the time to get involved and be part of the solution. Information on proposed and/or pending legislation is available from most state association offices, the American Loggers Council web site, and other forest product information sources. We have to be proactive to survive in today’s political climate; and yes I am aware that the Republicans are not in the majority any longer, but we still need to be involved, perhaps more now than ever. I understand that it can be frustrating and time consuming, but we must be engaged in the effort to establish a political environment supportive of science-based forest management to enable us to continue to ply our profession and be the tool that we can be for successes and healthy forests on the ground.

JUNE

## “AS IF WE DON’T HAVE ENOUGH TO DEAL WITH”

Amazingly, we actually sold seventy-five loads of logs out of our yard a couple of months ago to a pallet mill in Phoenix. The purchase order was for a hundred loads but they cancelled mid-stream; typical for this operation...another story. We had not used most of our log trucks yet in 2009 so a trip to MVD and \$12,000 later we had enough trucks registered to get the 12 loads per day delivered to the Phoenix plant, a 300 mile round trip.

We had no sooner begun to ship when ADOT enforcement opened a temporary inspection/weigh checkpoint at the only rest stop between Flagstaff and Phoenix. We

*(Continued on page 36)*

*(Continued from page 35)*

don't typically worry too much about these as we have a good working relationship with the local ADOT; keep our trucks in good operating condition and run on-board digital Vulcan scales calibrated to an Arizona state certified platform scale in Phoenix. But...this "ticket writing party" were not our local ADOT officers, but a group out of Phoenix. It didn't take long before my cell phone rings from one of our drivers telling me that he was just cited for 82,950 pounds (80,000 maximum in Arizona) and the officer could have cared less about his on-board scale system which read 79,980 pounds. Our SOP for this situation is to get a receipt from the nearest state certified platform scale which he did: 80,200 pounds. Our trip to court for these 200 pounds cost us \$75.00 (the judge dismissed five wrongly cited overweight tickets before us but I guess that 200 pounds is 200 pounds); but wait, the plot thickens. While we were in court fifty miles from our office dealing with the first harassment, another truck gets tagged at a newly scheduled "ticket writing party" for 83,250 pounds, again our on-board scales showed 79,800 pounds; but again the ADOT officers would not even check our scales. SOP again...79,900 pounds on the state certified platform scale. Our driver appeared at the court (remember that this court is fifty miles from the office) at his appointed time to plead Not Guilty and get his court date before the judge which he thought he did. Only come to find out that this appointment at the court was not before the judge but was a "plea settlement" with an Yavapai County deputy county attorney, an Edward W. France III. I arrived at the court a few minutes after our driver, but before the appointed time noted in the letter from the court, and already found our driver in a conference with the county's attorney. The attorney had already offered to plea our citation to civil only, waiving the criminal charges and reducing the fine to \$250.00. The only problem is that to have a criminal overweight citation in Arizona requires a weight over 84,000 pounds which we were not, in fact, we were not overweight at all as evidenced by our platform re-

ceipt. He again made this plea offer in front of me. I reminded the attorney that the state statutes only allow the ADOT field officers 2% of error (1,600 pounds) and they were certainly out of their tolerance and the citation should be summarily dismissed. He was unaware of the statute. He again offered us the plea. We again show him a copy of our platform receipt which our driver had left with the court the very first day he appeared but the county had somehow misplaced. He tells us that in "his experience" with overweight citations that he always pleas to drop the criminal charge and pay a \$250.00 fine and that is what he can offer. I tell him that in my experience (which I am sure is a great deal more than his in dealing with this overweight harassment from the state) that the judge will always dismiss if we have a receipt from a state certified full platform scale, in fact, this very court had just done so a few weeks earlier. He tells us that the only authority that he has is to offer the plea, I'm really in a good mood now as we schedule a court hearing with before Judge Lundy (another fifty mile trip: #3 for this citation).

This rant does have a somewhat happy ending though; when I got back to the office I contacted a state Senator friend of mine and described this situation to her (her husband just happens to be a trucker). By the end of our conversation she is as upset as I am and assures me that she will contact ADOT and try to "fix" the problem. A few days later, the "ticket writing party" is back out at their favorite rest area and for some reason they just waive our trucks around their problematic, out of calibration portable scales.

*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 & Ribelin Logging Company are headquartered in Flagstaff, Arizona. Allen can be reached at [hdico@qwestoffice.net](mailto:hdico@qwestoffice.net). For more information please contact the American Loggers Council office at 409-625-0206 or e-mail at [americanlogger@aol.com](mailto:americanlogger@aol.com)*

## **CUTTING WOOD IS NOT THE ONLY THING GOING ON AT LOW COUNTRY FOREST PRODUCTS, INC.**

Low Country Forest Products, Inc., Georgetown, has been mentoring young boys from Browns Ferry School for the past three years.

All managers including Joe Young, owner of LCFP, takes part in this mentoring exercise. Visits to the school, field trips and fun outings are planned each year.

The last outing planned is just before school ends for the year. This outing is always held on a Saturday at Trinity at Topsaw, a retreat for pastors, church groups and at risk youth.

Fishing, nature trails, football pass and kick with the day topped off with a great meal is just part of this Saturday outing.

Developing young men that need extra attention is a two way street. Just being around them and getting to know each one of them is a gift to all managers.

LCFP is looking forward to next year and a new group of young men.

*SCTPA Comments: Congratulations to Low Country Forest Products for their community involvement through their youth mentoring program.*

Master Logger Certification Committee  
American Loggers Council Board of Directors Meeting  
March 28, 2009  
Washington, DC

Forest products and sustainable forestry practices certification programs continue moving forward and appear to be garnering more public, industry and governmental acceptance.

The Sustainable Forestry Initiative® (SFI) is currently undergoing its periodic review for current standards as well as incorporating new standards for current and new issues affecting sustainable forestry practices, timber harvesting and forest products certification.

As certification systems continue to evolve, the American Loggers Council Master Logger Certification© program is a mechanism for certification of sustainable timber harvesting practices.

During the SFI revision period, comments have been submitted to further the position the American Loggers Council (ALC) Master Logger Certification© (MLC) program is a viable on the ground, third party certification system that ALC Master Loggers are certified and the forest resources are harvested utilizing sustainable practices.

ALC is promoting the recognition of its Master Logger Certification program under SFI Objective 8. Such recognition would allow the ALC program to gain further acceptance as a certified process in the chain of custody and certification requirements.

Based on John Heissenbittel's Logger Certification Programs Report to the Sustainable Forestry Board, the ALC Master Logger Certification© program meets the SFI criteria under Objective 8. His recommendation was acceptance of the ALC Master Logger Certification program under SFI as a sustainable timber harvesting practices certification system.

The Great Lakes Regional ALC MLC program for Michigan and Wisconsin gained approval in July 2008 as meeting Time, Inc.'s CSF program standards for sustainable forestry and timber harvesting practices.

The Associated Logging Contractors of Idaho received approval for their MLC program at the 2008 annual meeting in Montgomery, AL. Now fifteen states have approved MLC templates: Idaho, Maine, Wisconsin, Minnesota, Washington, Oregon, California, Arkansas, Louisiana, South Carolina, Vermont, Michigan with subsidiary states Massachusetts, Connecticut and Rhode Island once partnering with the Northeastern Loggers Association. Now MA, CT and RI are working with the Maine Northeast Master Logger Certification Program.

The New Hampshire Timber Harvesting Council is making efforts to develop a state template and perhaps partner with the Northeast Master Logger Certification Program. Recently Pennsylvania received the national template to begin working toward submission of a state template. States such as Mississippi, Georgia/Florida and Alabama have expressed interests in developing templates.

ALC's national Master Logger Certification© template provides guidance for Seven Areas of Responsibility for performance standards. Each ALC member state develops its state template according to state laws, practices, regulations and criteria to meet the national template's performance standards.

The ALC Master Logger Certification© Committee has the responsibility of reviewing submitted state templates to assure established processes are included for implementation, administration, third party verification, accountability and enforcement. The committee then can approve or return the template for further work. The committee also reviews approved state template revisions to assure MLC objectives are maintained.

Logger certification continues to grow in importance within the frameworks of land management and forest products certification systems. The important point is the American Loggers Council MLC program has led the charge. ALC and its member states must continue to be the leaders in logger certification.

States without an approved template are strongly encouraged to develop one so all ALC states can be unified. Implementation of a state approved MLC program is voluntary. Having an approved state template will allow implementation at a time when the state is ready. ALC states and its logger members must support ALC's "logger owned and logger controlled" program.

ALC's program is the leader for timber harvesting certification. As forest products and practices certification continues whether market or environmentally driven, Master Loggers will be more widely recognized as professionals and environmental stewards furthering the sustainability of our nation's forests for future generations.

Respectfully submitted,

Crad Jaynes  
Chairman, Master Logger Certification Committee  
March 16, 2009







## *The National Voice for Professional Loggers*

### **Position of the American Loggers Council On The Renewable Electricity Standard Proposal (RES) HR 890 (IH)**

The American Loggers Council (ALC) is a non-profit organization representing professional timber harvesters in 29 States across the United States. Our members have a responsibility for sustainably harvesting forest products from all of our nation's forests, including both private and public lands. The members of the ALC support a comprehensive Renewable Electricity Standard which would:

#### **1. Utilize the forests' energy and climate benefits to replace or displace traditional fossil fuel.**

- ALC views forests as a strategic renewable natural resource and supports diverse and robust markets for the full spectrum of woody materials to allow landowners and foresters to practice sustainable forestry while providing new opportunities and jobs for professional timber harvesters utilizing previously unused, unmerchantable material.
- Intensive forest management can improve growth rates and productivity of forest stands resulting in increases in woody biomass (and other forest products) and greater ability of forests to sequester carbon.

#### **2. Include a broader definition of Forest Biomass in HR 890**

- Restricting wood from private lands and prohibiting the use of wood from federal lands are unnecessary constraints that leave out completely sustainable and readily available sources of green energy.
- The current definition of eligible biomass found in the Energy Independence and Security Act of 2007 (HR 6) and HR 980 (IH) severely constrains the ability of federal and non-federal forest lands to supply feedstock to our nation's renewable fuel goals. By limiting our nation's private forest landowners ability to market their feedstock ensures that those lands can and will be converted to non-forest uses over time. By eliminating biomass from public lands, the language ensures that our ability to manage our public forest land is limited and that we will continue to have forest health issues such as catastrophic wildfires and insect and disease infestations.

#### **3. Promotes economic growth and acts as a stimulus to rural economies**

- Provide new markets for woody biomass which provide new income sources for family owned forests, helping them to recover their costs to own and manage their forests.
- Create new industry and an opportunity for communities to create and maintain family-wage jobs and diversify their economies.
- Utilizes existing sustainable resources to create energy, not requiring extensive capital investment by rural communities that are historically located in timber dependent regions.

The American Loggers Council commends Congress on addressing the immense challenge of reducing the nation's dependence on fossil fuels. All renewable resources will be needed to meet the country's energy needs. Forests have a key advantage given their ability to produce energy independent of weather conditions that other renewable sources are subject to. We are committed to help craft a Renewable Electricity Standard that addresses sustainability concerns related to forests in a way that draws upon the existing forest harvesting practices – and making the changes where needed - to meet local forest conditions.

***S C Timber Producers Association Supports This American Loggers Council Position.***





## *The National Voice for Professional Loggers*

### **Briefing Summary State-legal Loads On The Interstate System Agricultural (Including Forest) Commodities**

Individual states have long set weight limits for their roads and highways. With the advent of the Dwight D. Eisenhower System of Interstate and Defense Highways (Interstate System) the Federal Government established it's own weight limits for this system. Thirteen states have received various exemptions from these limits. Transit buses and fire and other disaster response vehicles have temporary exemptions pending studies of their weights and use.

Generally, Title 23, Section 127(a), U.S. Code sets Interstate System weight limits at 20,000 pounds on a single axle; 34,000 pounds on tandems and a gross weight of 80,000 pounds on a 36 foot tandem spread. A bridge formula is used to recognize different axle spreads. These maximums include enforcement tolerances.

Based on safety considerations, the American Loggers Council (ALC) is proposing an additional exemption for agricultural (including forest) commodity loads that meet state-legal requirements and tolerances. The exemption is expected to result in a shift of a substantial amount of existing trip mileage from two-lane secondary roads and highways to the Interstate System and result in nominally fewer trips – and improved safety for the motoring public, including the trucks themselves.

The proposal requires the following (or similar) amendment to the United States Code:

*Amend Title 23, Chapter 1, Subchapter I, Section 127(a), United States Code, by Adding the following final paragraph: “**Individual State weight limitations and tolerances for agricultural (including forest) commodities that are applicable to State highways other than Interstate System, shall be applicable in lieu of the requirements of this subsection**”.*

For assistance regarding this proposal please contact Danny Dructor, American Loggers Council, (409) 625-0206.

*S C Timber Producers Association Supports This American Loggers Council Position.*

# ***Timber Talk***

*Your Voice for South Carolina Timber Harvesting*

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# Mark Your Calendar

## 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.
- 26 Newberry District 2 Meeting, Farm Bureau Office, Newberry, 7 p.m.
- 28 Upstate District 4 Meeting, Fatz Café, Easley, 7:30 p.m.

## JUNE 2009

- 1 Union Area of District 3, Midway BBQ, Buffalo, 7:30 p.m.
- 2 Chester/Catawba District 3 Meeting, Front Porch Restaurant, Richburg, 7:30 p.m.
- 4 Low Country District 6 & 7 Meeting, Longhorn Steakhouse, Walterboro, 7:30 p.m.
- 8 Laurens/Greenwood District 5 Meeting, Hummingbird Café, Laurens, 7:30 p.m.
- 9 Coastal/ Georgetown District 9 Meeting, Bill's Low Country BBQ, Georgetown, 7 p.m.
- 10 TOP Forest Biodiversity Half Day Class, 8 a.m. – noon, Columbia.  
TOP Forest Aesthetics Half Day Class, 1 – 5 p.m., Columbia.  
Contact Susan Guynn, Clemson Extension, 864-656-0606 to register.
- 11 TOP Advanced Risk Management Half Day Class, 8 a.m. – noon, Columbia.  
TOP Business Advancement Half Day Class, 1 – 5 p.m., Columbia.  
Contact Susan Guynn, Clemson Extension, 864-656-0606 to register.
- 15 Saluda/Edgefield District 1 Meeting, Matthews BBQ, Saluda, 7:30 p.m.
- 16 Moncks Corner District 8 Meeting, Gilligan's At The Dock, Moncks Corner, 7:30 p.m.
- 18 Pee Dee/ Florence District 11 Meeting, Palmetto Pulpwood & Timber Office, Florence, 7:30 p.m.
- 25 SCTPA Board of Directors Meeting, Columbia, 10 a.m.

### 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.

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Ladson  
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### Clyde Brown

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\*\*\*\*\*

### Crad Jaynes

### President & CEO

## SCTPA

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### *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.