Your Voice for South Carolina Timber Harvesting

2012 Annual Meeting Review

Poducers

NAVIGATING THE REGULATORY WATERS

B eautiful weather greeted our 13^{th} Annual Membership Meeting at the Crown Reef Resort & Conference Center, Myrtle Beach, February 3 - 5for a successful meeting with three hundred thirty-three members, speakers, sponsors, exhibitors and friends attending to hear informative speakers, attend an informative workshop, visit with exhibitors, conduct association business and enjoy the fellowship of industry peers.

Economic challenges still prevail and for so many to attend is a great tribute to everyone and a great indication of the interests in our annual meeting for hearing the speakers, learning about the industry and discussing issues among peers.

Thank you to everyone for making our 13th Annual Meeting successful, informative and pleasurable. Your support was absolutely tremendous.

More regulatory issues are occurring now affecting sustainable forestry and sustainable timber harvesting. That's why our focus was *Navigating The Regulatory Waters.*

The U.S. 9th Circuit's ruling regarding logging road runoff now requires





loggers to obtain permits in that western circuit. The court's ruling deemed the runoff as point source pollution under the Clean Water Act's National Pollution Discharge Elimination System. This is a challenge due to the nationwide ripple effect it could bring to the timber harvesting industry after having been exempt as a non-point source for over thirty years. The socalled environmentalists, really environmental obstructionists, are litigating projects in the U.S. and getting paid for the lawsuits, win, lose or draw, to fund their coffers while creating tremendous costs to businesses. industries and stopping timber harvesting, road building, and other projects nationwide.

Our distinguished speakers presented perspectives of what is being done to challenge and reverse the logging road point source pollutant ruling, how environmentalists filing lawsuits are costing U.S. industries and businesses, what are wood supplier and wood consumer relationship

challenges within our own wood supply chain and what is being addressed by our national logger organization for regulatory and industry issues. Our workshop presenter provided an opportunity to learn how to engage, motivate and recognize employees for improved performance and productivity.

Thanks to our members, (Continued on page 2)

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speakers, sponsors, exhibitors, silent auction and door prize donors and guests for making this annual meeting a great experience for everyone.

The conference began with the Friday afternoon board meeting discussing annual meeting business, the SC House subcommittee hearing for the SC Forestry Commission's budget that the President attended supporting the Commission's budget request, the 2011 year-end financial statement and membership. Speaker Steve Sherich, Sherich Logging from Idaho and American Loggers Council President and ALC Executive Vice President Danny Dructor visited with the board to discuss issues ALC is working on for federal legislation and issues facing loggers nationally.

Friday evening's Welcome Reception featured Mike Lockaby of Partytime DJ's of Columbia playing a variety of shag, line and funky dance music. And our SCTPA Idols showcased their talents as Karaoke singers.

Saturday's General Session speakers were outstanding. Leading off was Dave Tenny, President of the



National Alliance of Forest Owners (NAFO), Washington, DC. Dave provided insights into the issues of Water, Carbon and Campaign Advocacy. Dave and NAFO are leading efforts to reverse the 9th Circuit's decision and have the exemption for logging and forest roads reinstated. Dave's experience has been with the American Forest & Paper Association as Vice President for Forestry and Wood Products, USDA Deputy Undersecretary for

Natural Resources and Counsel and Policy Advisor to the U.S. House of Representatives Committee on Agriculture.

Dave presented the efforts now occurring to reverse the court ruling under the Clean Water Act, talked about how forests are so important in the issues related to carbon and discussed how important it is to get involved in this year's election processes to educate the public to make changes to benefit the forestry industry.

Hayden Lake, Idaho professional logger Steve Sherich, Sherich Logging, and American Loggers Council President discussed the issues ALC is addressing nationally in DC, how the ALC underwent strategic changes to improve the council's effec-

tiveness in serving its members and the logging profession, and goals for ALC's future. He highlighted his presentation with describing and showing scenes of his high line cable logging on the "steep" northern Idaho



slopes. Steve's wife Jena' accompanied him and enjoyed the fellowship and visit to Myrtle Beach finding time to walk the beach and collect shells.

Don Taylor, Sustainable Resource Systems, LLC, Greenville, SC, presented his Wood Supply Research Institute funded project *Supplier Consumer Relations*. This presentation was an eye opener. It brought to the forefront what "are" the issues now facing our wood supply system and how are "we," both the supply and consuming segments, going to make improvements in working relationships to more positively and efficiently advance into the future.

Don has been an important researcher for the WSRI



having completed two previous projects, the Logger Capacity Study and the follow up to that project.

Don's Supplier Consumer Relations project began in South Carolina early summer of 2011. He has traveled to all the country's timber regions to evaluate the working relationships between wood suppliers and the consuming mills.

The project's basic premise is the wood business runs on relationships and if improvements can be identified and documented, the business

environment for all participants can be improved.

He analyzed all of the data collected through face-toface confidential interviews with logging / trucking company owners /operators, large landowners and the consuming mills' procurement personnel.

His results for the South were shared along with recommendations on how both suppliers and consuming mills can use the findings to make real and lasting changes to improve the business relationships for all participants in the wood supply chain.

Don's completed project will be presented at the WSRI Annual Meeting in April. He has hit a grand slam with this project. The data, results and recommendations are relevant, factual and need to be reviewed and implemented by "both" segments to create more mutually respectful, beneficial working relationships.

SCTPA President Crad Jaynes presented the Revised SFI Trained status TOP Program requirements beginning July 1, 2012. SFI Trained individuals will be required to view a training DVD module annually presented by an approved facilitator to maintain the SC SFI Trained status. New SFI Trained entrants or expired individuals (*Continued on page 3*)

(Continued from page 2)

will still have to attend the TOP 3-Day Program. There will be no SFI continuing education hours to maintain under the new program. SFI Trained individuals will be listed in the database as "yes" or "no" for the training status annually.

The Saturday luncheon featured William L. Kovacs, Senior Vice President, Environment, Technology & Regulatory Affairs, U.S. Chamber of Commerce, Washington, DC. Bill provides the overall direction, strategy, and management for the division.



Since coming to the Chamber in March 1998, he has transformed a small division concentrated on a handful of issues and committee meetings into one of the most significant in the organization.

The Environment,

Technology & Regulatory Affairs Division initiates and leads multidimensional, national issue campaigns on comprehensive energy legislation, complex environmental rulemakings, telecommunications reform, emerging technologies, and the systematic application of sound science to the federal regulatory process among others.

Kovacs is a frequent commentator on national environmental, energy, and regulatory issues that impact the business community. He is regularly quoted in the nation's leading newspapers and appears on talk radio and television as a spokesperson for American business. He is listed in Who's Who in the World, Who's Who in America, Who's Who in American Law, and Who's Who in Emerging Leaders.

His presentation, *Restoring Balance to the Regulatory Process*, was another eye opener as to how the federal regulatory bureaucracy, the thousands upon thousands of regulations have stymied businesses and national growth, and how environmental litigation has recreated a counter productive agenda.

Almost every manufacturing sector of the economy is being hit hard by a cascade of federal regulations. While reasonable regulation is necessary to ensure the protection of the health and environment and for the operation of a complex society, excessively complex and costly regulations are making it difficult to conduct business, create jobs and grow our economy.

Bill described the regulatory cascade, its impact, what businesses can expect in the remaining year of the current administration and how the 2012 election will affect the regulatory climate? He also addressed how the U.S. Chamber of Commerce is working to slow down the regulatory cascade and bring balance to the regulatory process.

The Business Session opened with the 2011 financial report by CPA Larry Godwin of Sheheen, Hancock & Godwin, LLP. Members were provided the statement as he reviewed the association's financial status. The year-end financial statement showed revenues were up and expenses remaining fairly level and a year-end deficit of \$370. He noted there were still operating funds in the bank, but that reserve could be decreased if income revenues did not increase.

Larry asked the members to talk about the association's value and challenged everyone to seek new members and asked if you can, contribute a little more to keep the association moving forward for their best interests.

Board member Tommy Barnes reporting for Secretary-Treasurer Donnie Harrison indicated there were no bylaws changes.

Nominations Committee Chairman Billy McKinney conducted the Board of Directors Seats 4 and 5 elections. This was the first time there had been contested seats requiring a ballot voting election. Three candidates ran for Seat 4; Rickey Chapman, Chapman Timber, Inc., Newberry, Billy Walker, Walker & Walker Logging, LLC Laurens, and Robby Crowder, Land & Timber, LLC, Greenwood. Two candidates ran for Seat 5; Donnie Lambert, Leo Lambert Logging, Inc., Georgetown and J.R. Gray, Gray Contracting, LLC, Ridgeville. The membership elected Billy Walker to serve Seat 4 and Donnie Lambert to serve Seat 5. Welcome to the board and we look forward to your leadership and service.

The luncheon awards session began with State For-

ester Gene Kodama recognizing SC House members Ted Vick and Luke Rankin for their strong support of SC Forestry and the Forestry Commission. Both representatives received plaques and the Forestry Com-



mission Challenge Coin.

Nick Carter, Forestry Mutual Insurance Company, presented their SC Logger of the Year Award to Carol "Peanut" Hooker & A & H Logging, Sally, SC. Next Greg Hutson, Swamp Fox Agency, Inc. presented their Timber Industry Leadership Award to Danny McKittrick, McKittrick Timber, LLC for his outstanding leadership for SC's professional logging industry.

SCTPA President Crad Jaynes presented the Distinguished Board of Directors Service Award to two outgoing board members. Clyde Brown, Mt. Bethel Logging, Inc., Newberry served since 1999 and Norman Harris, Harris Timber Co., Inc., Ladson, served since 2005. Unfortunately both were unable to be present to receive their plaques, but were recognized for their service and leadership.

President's Awards went to four individuals for outstanding association support, service and commitment to the professional logging and wood supply industries (*Continued on page 4*)

(Continued from page 3)

and support of sustainable forestry. Receiving the awards were; Steven Smith, Cross Creek Timber, LLC, Danny Dructor, American Loggers Council, Jimmie Locklear, Forestry Mutual Insurance Company and Johnny Ward, W & W Truck & Tractor, Inc. on the occasion of W & W Truck & Tractor's 40th anniversary.

Bobby and Lori Goodson, Goodson's All Terrain Logging, were with us for the meeting. So Crad and Jimmie Locklear schemed up to recognize Bobby, since he is the star of the *Swamp Loggers* television series. But this

was a different recognition.

The Timber Equipment Applications Management (TEAM) committee's new Fire Safety Hazard video was started to show the DVD's beginning. Then it was fast forwarded to the end to



show the bloopers that occurred during the filming. And of course Bobby had his share of bloopers. This was a real treat with plenty of laughs. And Bobby had no idea we were doing this to him.

Bobby received a SCTPA certificate recognizing his contribution to the production of the video. Bobby spoke about the profession and his business. He said he was not sure whether he would continue the Swamp Loggers series for another season, but there were discussions and negotiations underway. Bobby generously signed autographs and posed for photos. Bobby is a genuinely down to earth professional logger and he and wife Lori are outstanding individuals.



Crad proudly presented the 2011 Gene Collins Logger Activist Award to Leo Lambert Logging, Inc., Georgetown for outstanding work in professional timber harvesting operations, positive advocacy, community activity, professional business practices and positively representing the logging profession and sustainable forestry. The Lambert family was present to accept their award.

Annual meeting sponsors were recognized and

thanked for their tremendous financial support as well as the exhibitors for displaying their services and products. Eight companies had equipment and truck parking lot exhibits; In-woods chippers by Vermeer Mid Atlantic & Bandit of the Southeast; Western Star tractors by Triple T Freightliner and Shealy's Truck Center; CAT Feller Buncher by Blanchard Machinery Company & Pioneer SC, an off road military set out truck by Military Off Road Trucks & Parts; Big John Log Trailer by Performance Trailers& Equipment and Hearing Associates of South Carolina's mobile hearing testing trailer used for on site

hearing testing. Thanks to these great exhibitors for the outside display units.

Thanks to Delaine, Mary and Brenda for their sales work for the shotgun, Honda ATV, Honda generator and Crown Reef stay drawings. Thanks to Nichols Store in Rock Hill and Crad for furnishing the Camouflaged Stoeger M2000 12-Guage Automatic Shotgun won by Dylan McKittrick. Thanks to everyone for buying those shotgun tickets.

Our Silent Auction was successful again raising funds to assist the association's operating budget. Thanks to all the wonderful members, allied suppliers and friends for your donations. Two popular items donated by School Cuts Embroidery, West Columbia, were a USC baseball autographed by 2010 & 2011 National Champs Head Coach Ray Tanner and a Clemson football autographed by 1981 National Champs Head Coach Danny Ford.

Thanks to everyone for purchasing the Big Drawing tickets for the Honda ATV, the Honda EU2000i Quiet Portable Generator and the four days / three nights at Crown Reef Resort. Winners were drawn after the business session. Jason Wilks, Wilks Logging, Inc., won the Crown Reef gift certificate. John Smith, Jr., John Smith, Jr. Logging, Inc., won the Honda generator and Danny Austin, Austin Logging, Inc., won the Honda ATV. Thanks to everyone who participated for making this a successful fund raising event to support the association.

Saturday afternoon's workshop featured Bill Sims, Jr. of Bill Sims Company, Columbia, with his 60-minute presentation entitled *Green Beans & Ice Cream – The Definitive Recipe for Employee Engagement, Motivation and Recognition.*

A tremendous speaker and motivator, Bill offered his experiences in a delightful and humorous manner and explored the role of recognition as it relates to changing employee behavior focusing on the mechanisms needed for successful behavior-based safety recognition.

Bill's upbeat presentation showed participants about:

The pitfalls of using down-

stream or trailing indicators: focusing on accident rates

(Continued from page 4)

instead of safety successes;

- The benefits of using upstream or leading indicators: implementing proactive, prevention-focused programs;
- The dynamics of PICS, NICS and the ABC analysis of Human Behavior;
- How to prevent pencil whipping and negative reinforcement during observations;

Why observers often fail to give meaningful feedback and what to do about it.

The audience obtained the keys to designing a program that produces changed behavior without encouraging injury hiding. It also considered the causes of injury hiding in detail and how a company can avoid the "bloody pocket syndrome."

Finally, the seminar addressed recognition for the middle manager -- who is usually left out. It demonstrated ways to involve the middle managers in the design and implementation of a program without "overwhelming" them with yet another job task.

Bill has created behavior based recognition programs for small and large businesses such as Coca Cola, Dupont and Ford Motor Company and has consulted more than 1,000 firms and done programs both in the U.S. and globally in Great Britain, Australia and other countries. For information to contact Bill about his services, contact the SCTPA office.

Sunday's prayer breakfast was outstanding featuring the spirit filled southern gospel trio SONRISE out of Lexington, SC. This talented group provided an inspirational message through song and testimonies to make this a blessed event. Jerry Baggott, Ivory Luke and Jerry Baggott, II offered one of the best prayer breakfast performances we have ever had. As they said, "We love the Lord and want to share His love, mercy and grace in song and praise." Thanks guys, you were tremendous.

A big grateful hug and heartfelt thanks to my sister-in-law Delaine Peake, her cousin Mary Rawl and my wife Brenda for their tireless and tremendous efforts in making our annual meeting successful. Couldn't do it without yall. Thanks, you are the best.



Thanks to Bobby and Lori Goodson for attending. Thanks to our sponsors, exhibitors, silent auction and door prize donors for your contributions and willingness to attend.

And THANKS again to everyone for attending. It was a great 13th Annual Meeting!

Look for more photos in our gallery beginning on page 46.

United States Department of Transportation

As a reminder, a recent rule by the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) revises the Hours of Service (HOS) safety requirements for commercial truck drivers.

Utilizing the latest research in driver fatigue, the new rule is designed to let truck drivers get the rest they need to operate safely when on the road by reducing by 12 hours the maximum number of hours a truck driver can work within a week. Under the old rule, truck drivers could work on average up to 82 hours within a seven-day period. The new HOS final rule limits a driver's work-week to 70 hours.

In addition, truck drivers cannot

Reminder US DOT New Hours of Service Rule

drive after working eight hours without first taking a break of at least 30 minutes. Drivers can take the 30minute break whenever they need rest during the eight-hour window.

The final rule retains the current 11-hour daily driving limit. FMCSA will continue to conduct data analysis and research to further examine any risks associated with the 11 hours of driving time. The rule requires truck drivers who maximize their weekly work hours to take at least two nights' rest when their 24hour body clock demands sleep the most - from 1:00 a.m. to 5:00 a.m.

This rest requirement is part of the rule's "34-hour restart" provision that allows drivers to restart the clock on their work-week by taking at least 34 consecutive hours offduty. The final rule allows drivers to use the restart provision only once during a seven-day period.

Companies and drivers that commit egregious violations of the rule could face the maximum penalties for each offense. Trucking companies that allow drivers to exceed the 11-hour driving limit by 3 or more hours could be fined \$11,000 per offense, and the drivers themselves could face civil penalties of up to \$2,750 for each offense.

Commercial truck drivers and companies must comply with the HOS final rule by July 1, 2013. The rule is being sent to the Federal Register and is currently available on FMCSA's Website.



A thriving economy and the future health and prosperity of South Carolina depend on our commitment to our water and air, our natural areas, our farms and forests, our wildlife and our scenic vistas. These assets are important to all South Carolinians and are intended to be passed along to future generations in as good and hopefully better shape than we found them. Whether it is hunting for white-tailed deer or turkey, fishing for spot-tail bass, or hiking one of the many trails that crisscross our state, outdoor pursuits are a deep tradition in our state.

Forestry, farming, outdoor recreation and tourism are the largest sectors of South Carolina's economy, contributing \$54 billion annually and accounting for about 463,000 jobs. This means that land and water resources are responsible for nearly a third of our state's economy and roughly one in four jobs.

Five agencies are charged with the stewardship of these public resources: S.C. Department of Natural Resources (DNR) • S.C. Department of Parks, Recreation, and Tourism (PRT) • S.C. Forestry Commission • S.C. Conservation Bank • S.C. Department of Agriculture. In recent years, these agencies have seen their budgets drastically slashed, threatening their core operations.

Economic Facts on Nature-Based Agencies

- These five agencies manage and protect our state's most valuable public resources on less than 1 percent of the total state budget.
- The combined contribution of agriculture, forestry, tourism, and outdoor pursuits to the state's economy is about than \$54 billion per year or about 1/3 of the state's economy.

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• These natural resource-based sectors sustain more than 463,000 jobs in South Carolina, which amounts to about 25% of all jobs in South Carolina.

• Agribusiness, which includes agriculture and forestry, along with tourism are the No. 1 and No. 2 industries in the state.

- Our quality of life and these natural assets are now a significant draw for new industry and business.
- Recent studies also project that investments in these agencies will create jobs and increase revenues by millions of dollars. For example, an April 2010 study by the University of South Carolina Darla Moore School of Business on the SCDA Certified South Carolina Grown program reports that "\$23 million in additional revenue for the state (not counting local) government would potentially be generated from a \$2 million appropriation." The same report projects just over 10,000 additional South Carolina jobs from greater local purchasing of Certified SC Grown products.

Despite the combined economic contribution of these agencies and the major role they play in preserving our quality of life, budget cuts threaten core operations in the following ways:

- The budget for the SC Department of Natural Resources has been slashed by 50% in recent budget cycles. Throughout the state, over 90 enforcement officer positions remain vacant. In addition to less effective natural resources law enforcement, these cuts threaten successful operation of DNR's critical programs to protect and manage South Carolina's natural resources. Hazard issues tied to environmental protection and land-use planning, and water measurement and monitoring to address statewide water planning in the face of recurring droughts are examples of two areas that budget reductions have drastically impacted. The agency has also reached a point whereby critical Information Technology equipment and maintenance must be addressed in order for internal and external customers to continue to be served adequately.
- In recent budget cycles, the SC Department of Agriculture's budget has been reduced by over a third. These cuts
 have impacted the agency's operations to ensure the safety and security of our state's food and agricultural products. Reduced funds and cuts in staff affects a wide range of services that the SCDA provides the state, including
 fuel inspections and testing foods and seeds.
- The Forestry Commission's budget has been reduced by 45% over the past two years. Employee numbers have dropped by 76 since 2008 and will drop much further without additional funding. Over half of the personnel reductions have been in frontline firefighters putting South Carolinians' property, timber, and lives in greater jeopardy from wildfires. Also, equipment replacement funds have been negligible for 15 years putting firefighters, and the public at great risk due to unreliable dozers, trucks, and pumpers. Funds are also critically needed to fulfill the Commission's mission of economic development and the retention and growth of forest industry jobs and forest product markets.
- The SC Department of Parks, Recreation, and Tourism's budget has been reduced by 52% in recent years. The capital needs in South Carolina State Parks that are not being met currently amounts to approximately \$154.9 million. Budget cuts threaten programs to protect and promote South Carolina state parks as well as those to promote tourism in South Carolina and to help communities plan and develop recreational opportunities.

The board members, directors, and staff at each of these agencies are dedicated to the best interest of South Carolina and are gravely concerned about the negative consequences – to both state jobs and natural resource management – from further reduced budgets. We have worked with these fellow citizens and know the sincerity and validity of these concerns.

For the future prosperity of South Carolina, we collectively ask the members of the General Assembly to protect these agencies from any further significant cuts. Instead, we hope that you will invest in our state's future by supporting the programs that fuel our economy, protect our quality of life, and enable South Carolina to capitalize on our best assets and traditions in our natural resources.



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Thanks to these sponsors for their generous financial support.

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> PLUM CREEK TIMBER COMPANY Athens, GA

ANNUAL MEETING EXHIBITORS

Thanks to these companies for exhibiting at the 2012 Annual Meeting.

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THANK YOU!!

SC TOP Program - 2012 Revision

This year will bring a new look to the SC Timber Operations Professional (TOP) Program originally created in 1994. The program assists loggers and Sustainable Forestry Initiative (SFI) certified companies to provide essential training to ad-



dress environmental issues. Based on feedback from SFI TOP Trained individuals and other factors, the SC TOP Task Force has decided to revise the training requirements and program administration.

Details are being finalized to make the program requirements simplified and easy to understand. New logger training topics required by the SFI 2010-2014 Standard will be incorporated into this revision. Basic requirements for the newly revised TOP program include the following elements.

- All participants will have a common annual expiration date of June 30th. The first expiration date for current TOP SFI Trained individuals is June 30, 2013.
- All participants will be required to view a SC TOP Task Force produced training DVD annually. Viewing sessions will be offered and coordinated by approved facilitators.
- All participants will pay an annual fee to maintain current TOP SFI Trained status. The SC TOP Task Force will use fees to pay for DVD production costs and various program administrative expenses.
- After implementation, any TOP SFI Trained individual that does not view the training DVD and pay their annual fee by the June 30th expiration date must complete the 3-Day TOP class and pay the fee to reinstate their TOP SFI Trained status.
- Implementation will begin July 1, 2012.

The forestry community relies heavily on TOP SFI Trained loggers and other forestry professionals to accomplish the great work they do in the woods every day. These changes will make TOP training easier to accomplish and more relevant to the issues facing our forestry community. Thank you for your understanding and support in this transition.

Further information and details can be found on the SCFA website at <u>www.scforestry.org/</u> <u>TrainingEducation/LoggerTraining.aspx</u> or by contacting Sally Tucker at 803-798-4170 or <u>sally@scforestry.org</u>.

WELCOME NEW MEMBERS SCTPA welcomes our New Members & Restart Members SCTPA welcomes our New Members & Restart Members Your support is appreciated. Olin Lominick Timber, Inc., Pomaria Morris Logging, Andrews Olin Lominick Timber, Inc., Pomaria Twin Creek, Inc., Cordova Shealy's Truck Center, Inc., Columbia J. Taylor Logging, Lancaster Rhoden Forestry Products, LLC, Brunson Michael I. Benfield Wood Products, Smyrna Performance Trailers & Equipment, LLC, Gilbert Dedicated representation & service to the professional timber harvesting segment of
South Carolina's forest products industry.

PRESIDENT'S AWARDS

The President's Award recognizes individuals and businesses for outstanding support and service to SC Timber Producers Association as well as the timber harvesting, timber supply and sustainable forestry industry of South Carolina.

Selected by the association president this award honors a member, member business or individual for their support of the association and sustainable forestry, commitment to professional business practices,

dedication to the advancement of timber harvesting and timber producing and are positive influences in South Carolina's forestry industry.

We are proud to present President's Awards to four outstanding professionals for their service and commitment to sustainable forestry, professional timber harvesting and the forest products industry.

> **STEVEN SMITH CROSS CREEK TIMBER, LLC GREENVILLE, SC**

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Our Agents have over 49 years of combined experience insuring South Carolina Loggers!





Supporting Youth Careers in Logging

The American Loggers Council (ALC) is a non-profit organization representing professional timber harvesters in 30 states. It is our goal to ensure the health of the industry and in so doing support entrance of youth into this important economic sector of our country, opening up opportunity that is already afforded to farmers and ranchers to professional timber harvesters. Like farming and ranching, the timber harvesting profession is often a family run business where the practice and techniques of harvesting and transporting forest products from the forest to receiving mills is passed down from one generation to the next.

Timber harvesting operations are labor intensive, highly mechanized and technical careers that require on-the-ground training to promote efficiencies and expertise in performing those operations. Today's current mechanical logging machines are enclosed with safety cages that protect the occupant from many of the hazards previously experienced in conventional chain saw harvesting operations. The workman's comp. claims history bears this out – logging in today's enclosed machines is as safe as many other professions where sixteen to eighteen year olds are allowed to work.

In many respects, timber harvesting operations are very similar to family farms with sophisticated and expensive harvesting equipment that requires young men and women to learn how to run the business, including equipment operation and maintenance, prior to obtaining the age of eighteen.

Currently, there are no on-the-ground programs in place to facilitate that training and ensure the sustainability of the timber harvesting industry's next generation of family members who chose to enter the profession.

Other agricultural businesses, including farmers and ranchers, enjoy exemptions to existing child labor laws that permit family members between the ages of sixteen and eighteen to participate in and learn the operations of the family businesses under the direction and supervision of their parents. However, young men and women under the age of eighteen who are members of families that own and operate timber harvesting companies are denied the opportunity to work and learn the family business because of current child labor laws.

The American Loggers Council (ALC) supports extending the agricultural exemption now enjoyed by family farmers and ranchers to train their sixteen to eighteen year old sons and daughters to carry on the family business to mechanical timber harvesters. The exemption would ensure that the next generation of mechanical timber harvesters can gain the needed on-theground training and experience under the close supervision of their parents who have a vested interest in their children's safety and in passing down the profession to the next generation of timber harvesters. For more information, please contact the American Loggers Council at 409-625-0206.



Reconnecting County Revenue To The Management Of Federal Forest Lands The Need For Congressional Action

F or many decades counties across the country have relied on sharing revenue generated from the management of federal forest lands in their respective jurisdictions. These counties and the communities in them have grown and prospered as a result of this predictable and sustainable revenue-sharing partnership.

Nearly 20 years ago the effective management of federal forests came to a halt as a result of a strategic campaign of appeals and litigation by special interest groups challenging the management decisions of federal agencies that resulted in the once reliable revenue stream to forest dependent counties disappearing.

In the 1990s, Congress replaced the once successful and reliable revenue sharing partnership with forest dependent counties with a series of programs that provided direct federal cash subsidy payments to counties once dependent on shared revenue from the management and harvest of renewable forest resources. While these direct payment subsidies to counties were always intended to provide a financial bridge to the counties and provide time to address the forest management issues preventing the management of the renewable forest resources, such solutions have not been forthcoming and the dependence of the counties on direct federal payments has grown.

During this time the health of the federal forests has deteriorated, the frequency of catastrophic wildfires has increased dramatically, mills have closed, unemployment in once vibrant communities has increased and the entire industry infrastructure across the country continues to be devastated.

The statutory authority for making these direct federal payments to counties ended on September 30, 2011 with the termination of the Secure Rural Schools and Community Self-Determination Act and there is no reason to believe Congress will reauthorize the payments in the absence of any effort to find a long term solution to this crisis. Consequently, many counties in the west and around the country are facing financial insolvency in the very near future.

Two legislative proposals are currently being considered by Congress that would reconnect the counties' financial future to the management of federal forest lands by statutorily designating a portion of the nation's federal forests for the exclusive purpose of generating revenue to support forest dependent counties. Congressman Doc Hastings, Chairman of the House Natural Resources Committee, has introduced H.R. 4019, the Federal Forests County Revenue, Schools, and Jobs Act of 2012, that addresses this issue on the national forests. Congressmen Walden, DeFazio and Schrader have introduced a legislative discussion draft called the O&C Trust, Conservation and Jobs Act to address similar concerns on forest lands managed by the Bureau of Land Management in western Oregon.

The American Loggers Council supports legislation that reinstitutes an active, predictable and sustainable forest management program for federal forest lands that would generate revenue sufficient to replace the direct federal cash subsidy that ended last year. ALC's support is contingent on the legislation effectively addressing the following critical issues:

- Embracing forest land managed by both the U.S. Forest Service and Bureau of Land Management in one comprehensive legislative solution.
- Be based on sound, scientific and proven forest management principles and practices.
- Provide sufficient certainty and predictability of timber harvest volumes and revenue to allow both the forest products industry and forest dependent counties to plan for the future with confidence.
- The property rights and management choices of landowners adjacent to federal forest lands will be accommodated and respected.



American Loggers Council Position on USDA Forest Service Appropriations

T he federal timber sale program was one of the last remaining programs run by the federal government that actually had a net gain to the federal treasury. To risk losing that program by watering down the targets of the Forest Service would be a travesty to not only the rural communities that are already reeling under double digit unemployment, but to all of the American citizens who are looking for ways to reduce the federal deficit and create jobs here in the United States.

It has been proposed in the 2013 budget that a pilot program entitled "Integrated Resource Restoration" receive funding as a stand-alone program as well as pulling available funding from hazardous wildfire mitigation and the traditional timber sale program for implementation.

We are concerned that any funding taken away from the traditional timber products line item of the U.S. Forest Service Budget will take away the accountability for the US Forest Service to produce a reasonable "target volume" of saw logs and the "target volume" accountability would be replaced with an "acres treated" accountability approach which could lead to fewer mechanical treatments such as timber thinning/harvesting projects and more "other" projects such as prescribed burning and road decommissioning which are not as subject to litigation in the courtroom. Active management utilizing mechanical treatments is the only way to address escalating crisis affecting the health of the national forests, produce saw log material to support existing industry infrastructure in rural communities and to capitalize on the utilization of woody biomass for the generation of renewable energy.

The American Loggers Council supports a target volume of 3 billion board feet of saw log volume to be offered from the US Forest Service in 2012, with a ramping up of volume to 4 billion feet in the 2013 budget for timber products.

As Congress considers budget cuts and appropriations for FY 2013 and beyond, the American Loggers Council would like to go on record as supporting continuation and full funding for the USDA Forest Service Timber Products line item in those budgets. For more information, please contact the American Loggers Council office at 409-625-0206. We look forward to working with members of Congress to address this issue.



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Forest Sector Reeling During Economic Downturn

Forest industry jobs lost since 2005: about 113,000 in the South, 110,000 in the North, and 71,000 in the West.

From the January 2012 issue of *The Forestry Source* By W. Brad Smith and Richard W. Guldin

F orest products industries in the United States have reacted to changing market situations as economic conditions have changed since 2007. Mill closures and job losses throughout the forest products sector have swept the nation, often with significant local impacts. We have consolidated and analyzed data collected by the US Forest Service's Forest inventory and Analysis (FIA) program and Forest Products Laboratory (FPL), the US Department of Commerce, and other sources to provide an overview of the recent trends and the current state of the forestry and wood-processing sectors of the US economy. Looking forward to an economic recovery, the future will be different for the forest industry sector and for forest management than it was prior to 2007.

Since the economic downturn began in 2007, there have been two major driving economic forces affecting the US forest sector. The paper side of the forest sector has been most heavily influenced by global economic trends and shifts in global markets for pulp-based products. The solid-wood side of the forest sector has been influenced primarily by domestic driving forces—the principal components being the drop in new residential construction from 1.7 million units annually to 450,000 - and a decline in home remodeling as residential mortgages tightened and home sales dropped.

Mills and Jobs

FIA statistics show that since 2005, 1,009 sawmills, 15 pulp mills, and 148 other mills closed: together, 19 percent of all mills in the forest sector. These closures of primary mills were accompanied by slowdowns or closures in hundreds more secondary woodmanufacturing facilities, resulting in an overall loss of 294,000 full-time jobs over the past five years. Thousands more part-time and self-employed jobs were lost as well.

While greatest absolute loss of full-time jobs in the wood sector was in the South, with 113,000 jobs lost, the greatest full-time workforce impact was in the West, where 32 percent of the total 2005 workforce, 71,000 jobs, were lost. In three western states— Arizona, Montana, and Wyoming—more than 50 percent of the workforce has been affected. The North had the second highest regional loss of wood-sector jobs (110,000) and the most mill closures (505 predominantly smaller hardwood mills). The ripple effect of the mill closures and loss of jobs resulted in an overall annual decline of \$9 billion in full-time wages in the wood-processing sector. Sawmills and solid wood processing facilities accounted for \$7 billion (78 percent) of the full-time wage loss. Billions more dollars in part-time and self-employed wages also were lost.

The effects on milling capacity differed significantly between the pulp and solid-wood sectors. Overall, pulp mills utilized between 85 percent and 90 percent of available capacity during the downturn, despite the loss of 15 mills. However, the story for sawmills has been quite different. In addition to losing more than 1,000 mills, the remaining sawmills worked at about 60 percent of available capacity between 2005 and 2009 (Figure 2), and many individual mills operated well below 50 percent capacity, with significant reductions in workers and payroll. Therefore, when the economy begins to

recover and homebuilding and remodeling expand, the demand for dimension lumber and plywood/panels will probably be met by expanding production at those mills that survived the economic downturn.

Evidence from the used mill equipment sector reinforces this projected recovery response. When mills close, firms specializing in the resale of used equipment usually liquidate the assets. When quality technology or equipment is available in the closed mills, it has a market value with the survivors as they position themselves to expand and become more efficient in an economic recovery. New and used wood-related machinery shipments have been steady during the downturn, according to market consultants. Sales of such machinery have been down only 12 percent during the downturn, compared with 20 percent to 50 percent sales declines in most other segments of the wood sector.

History suggests that the pulp-and-paper sector is more resistant to plant closures during downturns, because of the extremely large initial capitalization required to construct or rebuild a mill. Also, trends in pulp-and-paper demand are driven by longer-term shifts in markets, such as increased paper recycling and reduced circulation levels for newspapers as advertising shifts to electronic media, rather than being directly linked to shorter-term economic conditions. Sawmill and plywood/panel operations, on the other hand, tend to be more volatile, relying heavily on the demand for solid-wood and panel products as driven by the relative health of the domestic housing industry.

Sawmills and plywood/panel mills that closed tend to remain closed, even in ensuing economic recoveries, for reasons we delve into later in the article. During an economic recovery, the remaining mills are positioned to expand to meet new demand as housing

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rebounds. This consolidation pattern has been typical of the sawmill sector for decades. As an example, there were 12,000 sawmills in the South in 1953, whereas today there are 1,228. Since 2005, the South has seen 457 sawmill closures. Similar patterns are played out in the North, with 505 closures, and the West, with 47 closures since 2005. Prospects for most of the recently shuttered mills are grim.

If the downturn continues for a protracted period and the 279,000 unemployed mill and woodmanufacturing workers are fortunate enough to find other employment, the long-term effect on losing their skills will be to impede the wood industry's ability to recover quickly, because new workers will have to be trained. In addition, if the 15,000 logging and forest management workers who lost jobs during the downturn find work in other sectors, their skills to manage forests and harvest standing timber will have to be replaced as well.

Short- and Long-Term Impacts

Current annual US lumber production is 30 billion board feet, down 20 billion board feet (40 percent) since 2005—the lowest output since 1982, which was also a recession. Prior to the recession of the early 1980s, one has to go back to the 1960s to see normal lumber production levels that low in the United States. A bright spot in 2010 was a weak upward trend in harvesting due to increased exports to China and other global markets. However, overall shipments remain well below 2005 peak levels: imports are down 50 percent and the value of shipments of US wood and wood-related products has declined \$46 billion annually from 2005 levels. Fifty-nine percent of the lost shipment value was in secondary manufactured products, including cabinets, furniture, flooring, trusses, and laminates, that are directly related to the housing downturn. Lumber accounted for 25 percent of the shipment value decline.

Total annual US harvests are down four billion cubic feet (30 percent) since 2005—the lowest national harvest level since the 1960s. In 2005, timber harvesting took place on nearly 11 million acres across the United States; and by 2009 this area had declined to about 7.5 million acres. Between 2005 and 2010, the equivalent of one full year of average harvest area was not cut in the United States. If the current pattern persists, another 25 to 30 million acres could go un-harvested by 2020, having serious implications on management plans and the future health of production forests as trees continue to grow, health and vigor begin to decline due to crowding, fuel levels build,

and the potential risks increase for infestations of insects and other pathogens. The low current demand for wood products means that, even if landowners or land managers want to push more logs into the market, mills aren't buying much, and when they do, the stumpage prices they offer to landowners are very low. In short, putting more logs on the market won't keep mills open, because there is so little demand for wood products. The low current demand for wood products also seriously affects the acres in need of salvage, such as the large areas killed by beetles, because markets for this material are further diminished. Increased fire risk in unsalvaged areas is a growing concern.

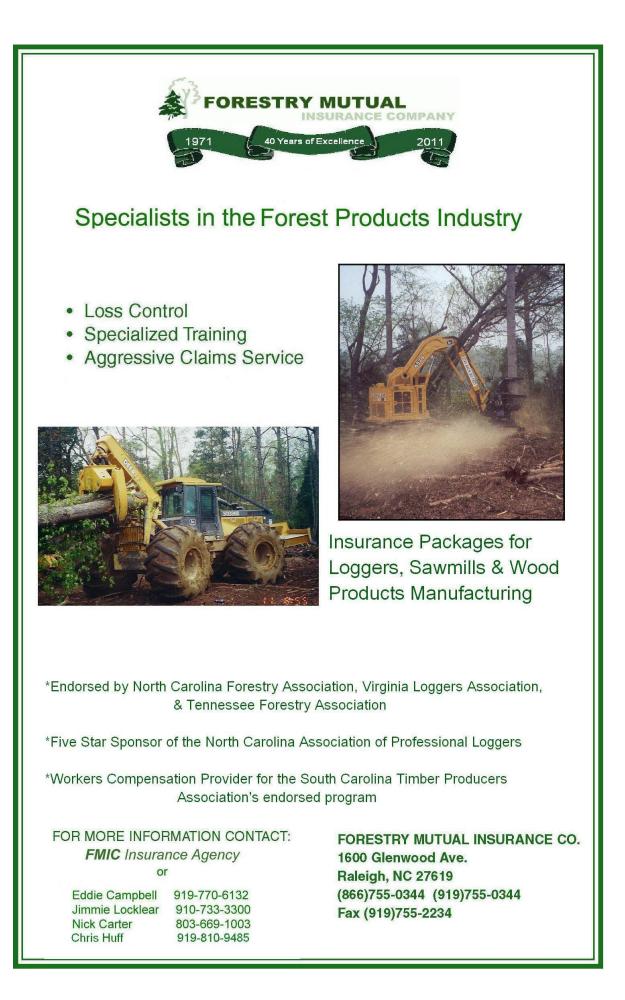
According to recent global statistics, the US share of world wood-products production is declining. Over the past 10 to 20 years, the United States pulp-andpaper segment has positioned itself to compete in global markets and has thus been more resilient in the face of the recent economic downturn since 2005. In the solid-wood sector, however, the situation is more serious. Unless the US housing market soon rebounds and thus increases domestic demand for solid-wood products—or unless the nation's solidwood industry re-positions and re-structures itself to be more competitive in global markets—employment, wages, and the value of shipments are unlikely to recover to 2005 levels.

This is a very simple overview of a very complex situation. The swift and dramatic economic changes since 2005 suggest that forestry and woodprocessing/ manufacturing in the United States are at a crossroads. The future of the industries, employment levels and wages, and even the near-term conditions of America's forests all depend on the path taken from here: survival of the fittest and most efficient, or development of policies and strategies that allow the entire US wood sector to be more competitive in global markets. Downturns create opportunities for firms and policymakers to rethink, incentivize, and revitalize infrastructure to be more efficient and sustainable in the future, both economically and environmentally. Are we willing to take advantage of the current opportunity to consider setting a new course? Are we considering the "upstream" impacts of the current and potential future economic conditions in the forest sector on managing forest health, resilience, and sustainability?

W. Brad Smith is a research forester with the US Forest Service. Richard *W.* Guldin is director of research and development, quantitative sciences, US Forest Service.

Sources of Data for This Article:

US Forest Service Forest Inventory and Analysis, historic national assessment documents (RPA), and Forest Products Laboratory (FPL); United Nations Food and Agriculture Organization global forest resources assessment; US Department of Commerce, Bureau of Economic Analysis; US Bureau of the Census quarterly capacity reports; and McGladrey Capital Markets, LLC. Dec., 2009, "The Hardwood Sawmill Market: A Time for Consolidation," Basic Industries Group, Costa Mesa, CA.





DC 2012

BY: DANNY DRUCTOR - EXECUTIVE VICE PRESIDENT

With our Spring Board of Directors meeting in Washington, DC taking place toward the end of March, we thought that it would be important to keep you informed of the many issues that the American Loggers Council (ALC) would be presenting to our elected representatives on your behalf.

For the past few months, members of the American Loggers Council have used this editorial as a platform to keep you informed on the necessity of reforming the Clean Water Act through the passage of the Silviculture Regulatory Consistency Act that would make permanent the silvicultural exemptions from the National Pollution Discharge Elimination System (NPDES) permitting program. While this issue continues to be a priority issue with the ALC, and we remain heavily engaged in seeking a favorable outcome that would take away yet another regulatory burden on our industry, it is not the only focus of our legislative advocacy.

There are other issues that are impacting all of our businesses and ability to operate profitably in the woods, and although some might be more regional in scope than others, we feel that to have a viable industry, then all must be addressed.

In early February, the House Transportation Committee marked up and passed its version of the Highway Bill, which included language supporting increased truck weights on the Federal Interstate Highway System. While the ALC as an organization favors allowing already existing state truck weight tolerances on the Federal Interstate Highway System to allow a safer and oftentimes shorter route to the mills, there is an inherent problem with the language that is found in the proposed bill. How do you get the heavier weights to the Interstate? With shrinking county budgets, we will be hard pressed to get support from state and local governments to approve the heavier weights. We will once again be offering up a solution that all states could support, instead of a one size fits all type of program, and one that does not offer up the potential of reducing freight rates simply because our payloads will be increased.

The heavier weights and funding for road repair on secondary roads leads us into another issue which is the ability to access and harvest federal timber sales through a viable federal timber sale program. For years, counties that have a large percentage of federal timberland ownership have depended on the receipts of the federal timber sale program to fund both their schools



and county road systems. With the downward spiral that the federal timber sale program has

taken, and the inability of Congress to pass an extension of the program that has propped up those finds while seeking a permanent solution, our rural road infrastructure in those counties has taken a hit. County commissioners are not going to support heavier truck weights at a time when their budgets are being cut. We will be asking members of Congress to support a budget for 2013 which will increase the allowable cut on federal forest lands that should, in turn, give the counties more funding to work with, thus allowing an opportunity to transport the increased weights.

Another issue that continues to burden our industry and those that we service and supply is the concern over the loss of logging capacity and where will the next generation of loggers come from. Logging, like farming, is what we like to call a generational industry, where the family business is oftentimes passed down from one generation to the next. Under current regulation, a young man or woman is unable to work in the timber harvesting profession until they have reached the age of 18. Many, by that time, have already made the decision to seek other opportunities and professions that they have worked in at an earlier age. We will be asking members of Congress to consider allowing family members of a logging business the opportunity to begin working in the woods at 16 years of age. Safety will continue to be a priority concern, but if we are going to pass our businesses down to our children, then we must have the ability to begin training them at an early age just as many of those in the farming community are able to do.

We will also be reminding Congress that markets play a critical role in the future of our industry. Although woody biomass utilization continues to be plagued with both real and artificial hurdles, it will be a pathway for creating new domestic and export markets for our products. Reauthorization of the Farm Bill is up for discussion in 2012, and we want to make certain that there are no artificial barriers placed in the way of woody biomass utilization. Our goal in the 2012 Farm Bill will be to ensure that the definition of renewable biomass continues to be broad based and that all fiber sourced from all forest ownerships, both private and public, will be included.

There will be other issues brought to the table by ALC representatives in Washington, DC this year, some focused on individual state issues and others on federal policy that either restricts or enhances the industry. Whatever the issue is, you can bet that the overall focus of the American Loggers Council will be to promote those issues that will help to create jobs, provide regulatory burden relief, and inform members of Congress on

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the importance of the timber harvesting industry to the nation's economy.

Our hope is that as you learn more about these issues, then you also will become involved with the many volunteers out there working on your behalf through state, regional and national timber harvesting organizations to support the industry. While our visits to Washington are important, your voice on the issues is critical to our success.

The American Loggers Council is a non-profit 501(c)(6) corporation representing professional timber harvesters in 30 states across the US. For more information, visit their web site at <u>www.americanloggers.org</u> or contact their office at 409-625-0206.

AS WE SEE IT ...

JANUARY 2012

THE SOUTHERN LOGGERS COOPERATIVE

Something to Think About



SLC employees l-r; Jessica Ponthie, Laura Webb, Clyde Todd, Mary Todd, Bill Jones, Alicia Garrison

Bill Jones - Assistant Director Southern Loggers Cooperative

While attending the American Loggers Council Spring Board meeting in 2004 and after a long day of congressional visits and long walks to the Russell Senate building, ALC leaders recognized that help from the nation's capitol might be slow in coming to the rescue for a challenged timber harvesting industry.

After observing some of the well established organizations such as the United Electrical Workers and the American Cattlemen Association strategizing and working their agendas on the hill, I realized that we, the loggers, were relatively new to this arena and that it might take some time to make meaningful gains for the industry with our policy makers.

But to a small group of Louisiana loggers, another thought emerged from a long day of meetings and door knocking. The idea of a purchasing group or a cooperative that could provide more immediate financial relief came out of those discussions and the Louisiana loggers went home and acted on starting a Loggers Cooperative.

Back home in Louisiana the idea started with a conversation with the members of the Louisiana Loggers Council and continued until the kitchen table of Clyde and Mary Todd became the first office for the Southern Loggers Cooperative and the Winnfield Fueling station became the start up location for the Cooperative for fuel distribution. The cooperative was formed under the provisions of Louisiana revised statute 3.71 and is owned by its members with nine original members providing the origination monies and the Articles of Association were signed by Fox McKeithen, Secretary of State, on October 15, 2004.

From the very start, the growth of the Southern Loggers Cooperative has been consistent in adding two to three fuel stations each year while negotiating annual fuel contracts to serve a growing membership that currently exceeds 1100 agriculture and forestry members.

In 2008 tires were added to the product lines and now SLC offers savings on several brands of tires, including retread tires.

In 2010 the office was moved from rented office space to a newly renovated office purchased and located in Pineville, LA. SLC now has a staff of five full time employees and one part time employee to provide member services and provide daily maintenance. Currently sixteen fuel stations are in operation from Texas to Virginia with average transactions between 700 and 800 fuel purchases of 60,000 to 70,000 gallons per day. Two new fuel stations in Chillocothe, OH and Georgetown, SC are in the works, and sites have been leased or purchased for both locations and construction is scheduled to begin in early 2012.

With leadership from the logging, trucking and timber industry, the Southern Loggers Cooperative continues the mission of serving its members with savings on consumable products that we use every day. According to Executive Director Clyde Todd, our mission is "*cutting the cost of doing business for the agricultural, logging and timber businesses.*" Under the guidance of SLC President Dave Cupp of Walsh Timber Co., patronage dividends to SLC members in 2009 and 2010 exceeded one million dollars.

The idea raised by Louisiana loggers during the American Loggers Council meeting in 2004 about the potential buying power of loggers has been acted on yet we have just started to scratch the surface of cost cutting opportunities. Together loggers and all members have come together to leverage buying power through the Southern Loggers Coop-

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erative and we continue to look for ways to bring those savings to your area.

From a logger's perspective, Washington D. C. oftentimes appears to be a ten square mile zone of confusion and an often non navigable swamp of public policy. The most important issues of transportation laws and regulations, new and developing markets, public timber availability, forest certification, and clean water must be addressed by leaders of the logging industry and the American Loggers Council continues to serve to meet that challenge.

While it is highly important that we remain focused on federal policies that impact all of our operations, the importance of communications and ideas that can be taken back to your state or regional association proves to be a valuable tool as well. If you are not engaged with your State Association or the American Loggers Council, we encourage you to do so. Working together, we can all make a difference. Now that's something to think about!

The Southern Loggers Cooperative mission is to reduce the costs of supplies and services for the membership, enhance the common interest of the forest industry, and insure the integrity of the membership and all associates remain constant an positive. Their offices are located in Pineville, Louisiana. For more information, visit their website at <u>www.southernloggers.com</u> or contact Clyde Todd at 318-445-0750.

The American Loggers Council is a non-profit 501(c)(6) corporation representing professional timber harvesters in 30 states across the US. For more information, visit their web site at <u>www.americanloggers.org</u> or contact their office at 409-625-0206.



As We See It ...

FEBRUARY 2012

Amending the Clean Water Act

Jim Geisinger - Chair, ALC Legislative Committee

M embers of the American Loggers Council joined with several like-minded organizations in 2011 in an effort to amend the Clean Water Act to permanently exempt silvicutural operations, including the use of forest roads for transporting unrefined forest products from onerous National Pollution Discharge Elimination System (NPDES) permit requirements. In what can only be described as a temporary fix to the issue, members of Congress inserted language in the Omnibus Appropriations bill, H.R. 2055, which would prohibit the EPA from using any of its funding in 2012 to enforce the NPDES permitting system on silvicultural activities; however, the language contained in the appropriations bill is scheduled to expire in September of 2012. We have won the battle, but we have yet to win the war.

While the American Loggers Council thanks members of Congress for recognizing the severity of the issue and all of those who signed on to the Silviculture Regulatory Consistency Act in both the House and the Senate, the final language found in H.R. 2055 does not permanently fix the problem. As a matter of fact, the compromise that was negotiated in the language only served to kick the can further down the road for all of us in the forestry community. We now have until the end of September, 2012 to find a permanent solution to the problem before the EPA may once again begin enforcing the regulation that was brought on by the Ninth Circuit Court of Appeals which overturned a 35 year practice by the EPA of exempting silvicultural activities from NPDES permits.

The American Loggers Council will continue to work with members of Congress to permanently address this issue, and during the course of our activities, we will be asking the logging and forestry community to step up their efforts by contacting their respective Congressional representatives to help educate them on the impacts that requiring NPDES permits could have on the small businesses and family forest landowners who depend on sustainably managing our nation's forests for their livelihood.

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Given the fact that 2012 is an election year, it will take no less than a Herculean effort to pass a bill that could be lost in the political minefield over the next nine months, and we are asking that you become engaged in the debates that are certain to take place. Your Congressmen, Congresswomen and Senators will be looking for support in 2012, and you have a golden opportunity to ask that they support a common sense issue that can save jobs and help our economy. There was tremendous bipartisan support in 2011 for the Silviculture Regulatory Consistency Act in both the House and the Senate. Let's not let politics in 2012 get in the way of passing a bill that will be a permanent fix to an issue that both sides of the aisle have already acknowledged. We believe that it will take all of us working together, to get the job done, and that is how we see it.

Jim Geisinger is the Executive Director for the Associated Oregon Loggers located in Salem Oregon and serves as the Chair of the American Loggers Council Legislative Committee.

The American Loggers Council is a non-profit 501(c)(6) corporation representing professional timber harvesters in 30 states across the US. For more information, visit their web site at www.americanloggers.org or contact their office at

Study: Majority of Global **Energy Demand Is for** Electricity

By Luke Geiver, Biomass Magazine

xxon Mobil Corp.'s 2012 Outlook for Energy says electricity is the energy sector with the largest global demand, and by 2040, 15 percent of the world's electricity will be generated by renewable fuels, including biomass.

"The world does not need to choose between economic growth and environmental stewardship," said Rex Tillerson, Exxon Mobil Corp.'s chairman and CEO, in the report.

By 2040, the Outlook projects, global energy demand will be 30 percent higher than

it is today, led by emerging economies and developing regions like China, India and Africa. The report also indicates that by 2040, global electricity demand will be 80 percent higher than it is today. "The fuels used to generate electricity will continue to shift away from coal and toward lower-carbon sources like natural gas, nuclear and renewable," the outlook states. Electricity generation, the report added, is the largest and fastest-growing source of global energy demand, bigger than transportation and residential energy combined.

While the report points to natural gas as the fuel source with the greatest increase by 2040, accounting for 30 percent of global electricity needs (compared to 20 percent today), certain factors like construction time and public sentiment can sway

"The world does not need to choose between economic growth and environmental stewardship."

> Rex Tillerson, Chairman and CEO Exxon Mobil Corporation emphasis on the role

By 2040, global electricity demand will be made up of 45 percent industrial use, 30 percent residential and 20 percent commercial use, the report said. And, by 2040, four out of every 10 units of energy produced in the world will be spent on the production of electricity. Although the energy outlook placed a great deal of electricity demand will play in the energy

landscape roughly three decades from now, the report rarely mentioned the role biomass will play in the energy mix, mentioning wind or natural gas instead.

the growth of an energy source. Although new power plants utilizing coal or nuclear power can

cost \$1 billion for a 1 gigawatt facility and take roughly five years for permitting and construction,

the report also noted that like natural gas, renewable energy-based plants, including biomass, can

be permitted and erected in less than two years. "Public sentiment also matters," the report added. "For example, Japan's Fukushima disaster is ex-

pected to slow global growth in nuclear capacity."

Greenhouse gas emissions are a guiding factor in the use of renewable energy and are predicted to decline by 2040. While the United States' percapita emissions remain the highest in the world, the outlook said they are expected to decline significantly by 2040. Europe's emission levels, which are half that of the U.S., will also decline, as will China's, a country that has seen rising emission levels in recent decades.

As for coal, the outlook states that by 2040, demand and use will peak and then decline, the first time in modern history.

TIMBER TALK



THE NEED TO CHANGE THE 'TWO-YEAR PROTOCOL' FOR SURVEYS OF THE NORTHERN SPOTTED OWL IN CALIFORNIA AND OTHER WESTERN STATES

ISSUE: Prior to 2011, under what is known as the "Northern Spotted Owl Protocol" issued by the US Fish and Wildlife Service, and applying to the states of California, Oregon, and Washington, timber landowners had been required to do a **one-year check** for northern spotted owls before being allowed to harvest any trees. Checking involves hiring people skilled at "hooting" (also known as "calling" or "surveying") – calling owls by voice – a total of **six times a year. (As recently as 2010, three times a year was the norm)** If the owls respond or come to the caller, presence of the species is confirmed and timber harvesting plans are adjusted to protect the bird and its habitat.

In early 2011, the United States Fish and Wildlife Service, suddenly announced that it intended to require **two years of surveys** for the Northern Spotted Owl, placing a significant, additional burden on landowners and the loggers who contract to harvest their land. Landowners trying to decide on harvesting their land in the coming year were suddenly confronted with a two-year wait (to accommodate surveying) before they would even know if they were approved(via a "no take" letter from US Fish and Wildlife Service or later, because of budget cuts to Fish and Wildlife, by the California Department of Forestry and Fire Protection), to harvest. **It is near-impossible to predict the timber market from two to three years out before harvest can occur.** Moreover, small landowners with approved timber harvest plans were caught off guard by the sudden expansion of the protocol from one year to two years.

In response to landowners, loggers and others asking for relief in 2011 – and at the urging of United States Senators and Congress Members -- the United States Fish and Wildlife Service restored the one-year protocol on a temporary basis, for 2011 only. **But this temporary relief must be extended permanently.**

ACTION REQUESTED:

- 1. Eliminate the two-year protocol and return to a one-year protocol.
- 2. Return to requiring only three calls per year for the one-year protocol. Budget cuts that have removed a position on the North Coast of California for "technical assistance" and the issuance of "no take" letters by US Fish and Wildlife Service (this power has been passed along to the California Department of Forestry and Fire Protection). With delays in approval of "no take" letters (see #3 below), we have found this protocol to be unworkable, as logging companies cannot find workers to hire or begin logging operations so late in the already short California logging season of six or less months, given the additional weeks delay in "no take" approval. The other problem is that, even as the "technical assistance/no take" process takes weeks away from the logging season at the end of the calling process, six calls can require doing calls deep into the logging season if the weather does not cooperate. Callers have to wait for dry spring weather to make the calls. Restoring "three calls" would allow the calling to be completed in advance of logging season, with results to be presented to the now-slower "technical assistance/no take letter" approval authorities at US Fish and Wildlife Service and CALFIRE earlier and hopefully before logging season begins.
- 3. Support and approve a specific budgetary expenditure to restore funding for a position in the United States Fish and Wildlife Service for a California North Coast wildlife biologist (or similarly credentialed expert) to provide "technical assistance" and timely "no take" letters to small landowners seeking to proceed on harvesting.
- 4. Exempt California Non-Industrial Timber Management Plans (NTMPs) from the Protocol entirely. These California state-derived permits are stringent and highly manage timber harvesting on small acreage (2500 acres or less.) Designed to keep such land family-owned for low-volume harvesting over a long range of planning, NTMPs simply do not impact Northern Spotted Owl habitat to an actionable level, and simply cannot generate the income to pay for additional surveys, and should be supported.

We believe that these recommendations will NOT devalue the effort to protect the Northern Spotted Owl population, particularly given that risks posed to it come from various sources(including the Barred Owl) which are not linked to timber harvesting or biomass removal and collection. The goal here is to make sure that "one size fits all" scientific recommendations for NSO protection are refined so as to account for the need to assist the devastated rural forest county populations who are a part of the national and California economic engines, and to address the differences between large and small landowners and their acreage.



POSITION OF THE AMERICAN LOGGERS COUNCIL ON A DEFINITION FOR RENEWABLE BIOMASS

The American Loggers Council (ALC) is a non-profit organization representing professional timber harvesters in 30 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 broad definition for Renewable Biomass 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 6

- 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) 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 definition for Renewable Biomass 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.

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Interstate CMV's Frequently Asked Questions (FAQ)

1. Q: What is the effective date of the Mobile Telephone rule?

A: The effective date of the rule is January 3, 2012.

Q: Are wired or wireless earpieces allowed?
 A: Yes. Hands-free use of a mobile telephone is allowed using either a wired or wireless earpiece, or the speakerphone function of the mobile telephone. Wireless connection of the mobile telephone to the vehicle for hands-free operation of the telephone, which would allow the use of single-button controls on the steering wheel or dashboard, would also be allowed.

3. Q: Is Push-to-Talk allowed?

A: No. A driver's use of the Push-to-Talk function on a mobile telephone violates the prohibition against holding the phone. This includes the continuous holding of a button that is necessary to use a Pushto-Talk feature through a mobile telephone, even when the driver is using a connected microphone or wireless earphone.

4. Q: Are holders of a commercial driver's license (CDL) subject to the regulation only when driving a CMV, as defined in 49 CFR 383.5, or any vehicle?

A: CDL holders are subject to the Federal rule only when driving a CMV.

 Q: What drivers are covered by the Federal rule: intrastate or interstate? CDL holders? All CMVs?
 A: The rule covers both drivers of CMVs in interstate commerce and intrastate drivers who operate CMVs transporting a quantity of hazardous materials requiring placarding under 49 CFR Part 172 or any quantity of a material listed as a select agent or toxin in 42 CFR part 73.

If a CMV driver is employed by a State or a political subdivision of a State (e.g. county, city, township, etc.), FMCSA safety regulations do not apply, even if the driver is engaged in interstate transportation. But if a CMV driver employed by a State or a political subdivision of a State is operating a vehicle that requires a CDL, the applicable State traffic laws would govern (e.g., Maryland's prohibition on the use of hand-held phones). The States have three years to implement by State law the disqualification provision.

6. Q: What is required of the employer in terms of company policy or training?

A: The rule does not require motor carriers to establish written policies in terms of company policy or training programs for their drivers. However, employers are prohibited from allowing or requiring their drivers to use hand-held mobile phones. A motor carrier may establish policies or practices that make it clear that the employer does not require or allow hand-held mobile telephone use while driving a CMV in interstate commerce. The carrier is responsible for its drivers' conduct.

7. Q: Is dialing a phone number allowed under this rule?

A: No. Dialing a mobile telephone while operating a CMV in interstate commerce is prohibited by the rule. A driver can initiate, answer, or terminate a call by touching a single button on a mobile telephone, earpiece, steering wheel, or instrument panel – comparable to using vehicle controls or instrument panel functions, such as the radio or climate control system.

8. Q: Can a driver reach for a mobile telephone even if he/she intends to use the hands-free function?

A: No. In order to comply with this rule, a driver must have his or her mobile telephone located where the driver is able to initiate, answer, or terminate a call by touching a single button while the driver is in the seated driving position and properly restrained by a seat belt. If the mobile telephone is not close to the driver and operable while the driver is restrained by properly installed and adjusted seat belts, then the driver is considered to be reaching for the mobile phone, which is prohibited by the rule.

9. Q: Are tow trucks exempt?

A: No. The interstate operation of tow trucks that meet the definition of a CMV are not exempt. Tow trucks, however, are exempt when responding to police emergencies in accordance with 49 CFR 390.23(a)(3).

Find this page at: <u>http://www.fmcsa.dot.gov/about/other/</u>faq/cellphone-ban-faqs.aspx

GENE COLLINS LOGGER ACTIVIST AWARD

LEO LAMBERT LOGGING, INC. *GEORGETOWN, SC*

The 2011 Gene Collins Logger Activist Award is proudly presented to Donnie, Rodney, Marty and Gail Lambert, Leo Lambert Logging, Inc. for their sincere commitment to professional timber harvesting, sup-

porting this association, participating in community and industry activities, practicing sustainable timber harvesting, promoting education and positive promotion of professional business practices.

Leo Lambert Logging, Inc. is a conscientious professional business that understands the value of relationships with customers, employees and their industry, environmental stewardship and promoting a positive image as professional loggers.

Leo Lambert Logging is more than just a business; it's family. The company motto says exactly what is believed and practiced. *"Teamwork: Together We Achieve The Extraordinary."*

Started by Leo Lambert forty-eight years ago, hauling short wood and short logs Leo Lambert Logging has grown into a multi-dimensional timber harvesting company with four harvesting crews.

Leo passed away in 1993 and now the company is headed by sons Donnie, Rodney, Marty and mother Gail.

Donnie serves as President, Rodney and Marty are Vice Presidents and Gail is Office Manager. Donnie's wife Susan and their son Dustin work in the company administrations while son Chad heads up one harvesting crew.

For harvesting tracts and wood deliveries the four

fully mechanized treelength operations are lead by Donnie, Rodney and Chad partnering with MeadWestvaco and KapStone, and one crew lead by Marty partnering with Keel's Land & Timber.

Operations are specialized to work with their custom-

ers to meet a variety of harvesting needs. Chad and Donnie thin, Rodney clearcuts,

and



Donnie & Rodney Lambert

Marty thins and clearcuts. The company employs thirty-three people.

A range of equipment is used to match the tracts and the goals of their customers with Tigercat being the preferred equipment choice. For the four jobs their Tigercat equipment spread is: eight 620-C grapple skidders; four rubber tired fellerbunchers, two 822 track fellerbunchers, four 234 and one 240 knuckleboom loaders, one

250 track loader and one 860 track shovel. Fourteen trucks, Mack preferred, are in the fleet with usually two being available as spares. Two contract haulers are used for trucking capacity. The four jobs produce 7,000 to 8,000 tons per week of pulpwood and sawtimber delivered to markets such as KapStone, International Paper, Ingram Lumber Company, West Fraser Lumber and others.

Donnie said one of his highlights of logging occurred back in 1989 when they were working with a helicopter logging crew on Westvaco's Bonneau Ferry property

after Hurricane Hugo. He said that was an amazing group to work with for six months. As a thank you, the family received a helicopter ride of the local area by one of the pilots.

Leo Lambert Logging is an active partner in the local community supporting the Georgetown area Klays For Kids Log A Load For Kids event for the past twelve years as a Silver sponsor. The company supports the Dixie Youth Girls Softball Team, Andrews Christian Academy and Andrews

High School athletics, Georgetown and Andrews Shriners, March of Dimes Walk for America and Cancer Association Relay for Life.

As supporters and contributors to their local community, Donnie, Rodney and Marty served on their local

(Continued on page 29)



Donnie & grandaughter Anna Kate, Susan & Gail

(Continued from page 28) Georgetown County Fire Department as volunteer firefighters for ten years.

Leo Lambert Logging is a strong SCTPA supporter having been a logger member since 1999



when SCTPA began. They have attended every Georgetown district meeting and annual meeting over the years. The company received Forestry Mutual Insurance Company's South Carolina Logger of the Year Award in 2007 at the SCTPA annual meeting. The company supports the Forest Resources Association and SC Forestry Association as members.

Donnie, Rodney, Marty and Chad are SFI Trained loggers. The company emphasizes sustainable harvesting practices, safety, professionalism, SC Timber Harvesting Best Management Practices and works conscientiously to meet landowner expectations through exceptional environmental, harvesting and business practice standards.

Each one believes promoting and practicing professional timber harvesting and sustainable forestry principles are foundations to their business, their industry and their success.

Understanding the responsibilities and importance associated with how professional loggers contribute to their local and state economies, how professional loggers must work with landowners, wood suppliers and wood receiving companies in cooperative, mutually beneficial



partnerships, promoting and practicing sustainable forestry, educating the critical public regarding professional timber harvesting, demonstrating a stewardship attitude about our sustainable and renewable forest re-

sources and our environment are all important issues to the company's standards of operation. And this standard is conveyed throughout the company from the top, down to employees. It's all about Teamwork.

Gail says, "Logging is in our blood and we thank the good Lord for blessing our business. I appreciate what the boys have done to keep our business going and headed in a positive direction over the years. We want to be the best in everything we do."

"We wouldn't be in this position if the people we work with hadn't given us a chance to perform and grow to be the professional business we are today. It's the relationships we have and have had over the years with our partners and customers that have allowed us to grow and be a successful logging business. We were one of the first harvesting jobs to shovel log pine and we thank Westvaco for that opportunity," Donnie said.

Donnie says, "We support the Timber Producers Association because we need its and the American Loggers Council representation in Columbia and in Washington, DC to monitor legislation that may affect our business. Plus keep us up to date with regulatory changes so we can stay in compliance with applicable laws and regulations. I wish more loggers would realize how important our association is and the value it brings in representing, servicing and helping loggers for their best interests and be members to support the association's work into the future for us."

As an association and industry leader with a sincere commitment to professional logging, sustainable forestry, community, family and the principles of outstanding business, SCTPA is proud *Leo Lambert Logging, Inc.* is our *2011 Gene Collins Logger Activist Award* recipient.



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

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

Remember Your State Forests on South Carolina Tax Returns

By: Scott Hawkins, SCFC February 13, 2012

Columbia - The South Carolina Forestry Commission is urging tax payers to remember their forests when filing their state returns.

This tax season marks the second year that taxpayers anticipating a refund will have an option to contribute all or part of it to sustaining state-owned forestlands. The General Assembly passed an income tax check off creating the *SC State Forests Fund* during the 2010 Legislative Session.

"We've been able to launch a number of improvement projects at our state forests thanks to the generosity of South Carolina tax filers," says Scott Hawkins of the Commission's public information office.

A solar power project at Harbison State Forest in Columbia, a fishing pier at Sand Hills State Forest in Patrick, SC, and restroom facilities for the Manchester State Forest rifle range in Sumter County are just some of the projects underway thanks to the \$20,000 this fund generated last tax season, according to Hawkins.

The Commission manages five state forests to demonstrate that (properly managed) forestland can be fiscally and ecologically productive. Forestry and timber-related businesses account for most of the economic impact of the state's manufacturing sector.

"Historically, landowners have looked to our state forests as role models," says Hawkins. "As they set their own land management goals, they have the state forests to look to as living examples of the numerous benefits provided by forests." Line 28 of State Tax Form 1040 allows the tax filer to contribute some or all of a refund toward any organization or agency listed on Form I-330. A description of the *SC Forests Fund* is now among them.

By checking the *SC Forests Fund*, tax filers will be helping to support the <u>five state forests</u> managed by the Commission:

- Sand Hills State Forest 46,000 acres in Chesterfield County
- Manchester State Forest 23,745 acres in Sumter County
- Wee Tee State Forest 12,439 acres including 12 miles of frontage along the serene Santee River in Williamsburg and Georgetown counties
- Harbison State Forest 2,200 acres located in the City of Columbia along the scenic Broad River
- Poe Creek State Forest 2,500 acres in Pickens and Oconee counties

"The Forestry Commission is the only state agency whose lands are entirely self-supporting," says Mike Shealy, the Commission's state lands manager. "Operating revenue is generated on-site and 25 percent of *that* is paid to the local school districts in lieu of property taxes."

Additionally, the Forestry Commission now has **tax tips** for forest landowners at its website: <u>www.trees.sc.gov</u>.



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<u>NEWS RELEASE</u> Company Changes Name

Clinton, SC: Crooked Creek Land & Timber, LLC announced today its name has been changed to Bush River Timber, LLC. Company president, William B. "Bill" Buford, Jr., said the firm's name change was to more accurately reflect the company's lines of business

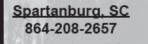
He said those lines of business include Timberland Management, contracting with forest landowners to provide them with improved silvacultural practices, along with the planned manufacture of a number of custom wood specialties for the luxury home market across the state.

SCTPA Comment: Crooked Creek Land & Timber, now Bush River Timber is a SCTPA Supporting Associate member as a landowner and forestry services company.

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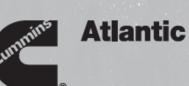
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LEED APPROACH TO CERTIFICATION: SLOGANS OR SCIENCE?

By Kathy Abusow March 6, 2012

Who knows what U.S. Green Building Council hopes to achieve with its latest draft language on forest certification in LEED. The new draft LEED requirement "FSC or better" feels more like a slogan than thoughtful language intended for a green building rating tool - probably because that's exactly what it is. Those were the words on buttons worn by Forest Stewardship Council (FSC) supporters at the 2011 USGBC GreenBuild show.

USGBC is moving away from science when it comes to forest certification. While the latest draft language has some new opportunities for life cycle assessment and environmental data which is of relevance to wood, there remains a disconnect in terms of promoting and recognizing wood from responsibly managed forests. There is a real disconnect when USGBC claims to be a standard that supports market transformation and yet chooses language that can undermine and disadvantage markets for three guarters of the certified forest products from North America. Healthy markets for products from responsible forests means more forests will be managed responsibly. Undermining those markets, however, can have numerous consequences, be they intentional or unintentional.

USGBC's unwavering support for FSC shows it understands the value of third-party forest certification. But it is painting itself into a corner through a credit structure that could enable builders to turn their backs on 75 percent of North America's certified forests if they want to chase LEED credits for certified wood. The potential for this to happen is evidenced by FSC's own 2010 Business value and Growth market survey (page 6) which found that "Nearly half of respondents have sought out an alternative supplier in another country when FSC certified timber or products were not available in their own country." USGBC is reinforcing the myth that only one forest certification standard is worth supporting - ignoring the fact respected organizations say otherwise and ignoring the fact

that 90 percent of the world's forests aren't even certified.

SFI remains committed to ensuring all forest products from responsible sources and certified forests gain equal access to credits in LEED rating tools. While we agree that the 90% of FSC's certified forests that are certified outside the US, i.e. outside USGBC's home turf, should get access to LEED, not for a minute do we believe that these FSC products should get preferential access to LEED certified wood credits over products certified to standards in use in North America, such as SFI, ATFS and CSA - all of which SFI recognizes.

If through the language "FSC or better" USGBC's aim is to allow credits for certification standards that are better for forests, for other forest values and for forest communities, the Sustainable Forestry Initiative® (SFI®) can certainly show we match - and often exceed - FSC requirements. SFI will post a number of blogs between now and March 20 when the LEED public comment period ends to show how many unique attributes the SFI standard has that supports responsible forestry in communities across North America. We will show how SFI goes beyond and above the uneven nature of FSC's varied standards and how SFI focuses on things that matter here at home, such as research, logger training and landowner outreach. But let's be clear, SFI is a standard that is grounded and founded in North America, that reflects social, economic and environmental priorities that are of relevance here at home - this is our strength and this should not be overlooked.

The decisions USGBC makes today about green building and certification will affect our forests and our communities well into the future. By refusing to be inclusive like other green building rating tools, it diminishes the value of certification and that diminishes the value of our forests.

About:

Kathy Abusow is President and Chief Executive Officer of the Sustainable Forestry Initiative (SFI Inc.), the fully independent, non-profit organization responsible for the Sustainable Forestry Initiative Program.

WHY USGBC SHOULD RECOGNIZE SFI SUPPORTING NORTH AMERICAN FORESTS AND COMMUNITIES THROUGH GREEN BUILDING

The U.S. Green Building Council is inviting comments on the draft language for its LEED rating system. SFI Inc. has invited views on the treatment of third-party forest certification, which must be "FSC or better" according to the latest USGBC credit language.

Robert A. (Bob) Luoto Owner and Operator of Cross & Crown, Inc. Guest Blogger

March 12, 2012

My name is Bob Luoto, and I am the third generation within my family to go into logging. I have been a professional logger for 38 years. My wife, Betsy, and I own Cross & Crown, Inc., our family logging business out of Carlton, Oregon. Our son, Kirk, is 30 years old, and is the fourth generation of Luoto men to enter into our business. His 4year-old son, Landon, could choose to become the fifth generation to take over our family business - if our business can survive that long.

In rural, timber-dependent America, the economic decline began years before the rest of the country ever felt a thing. In my experience, we are usually among the last to recover. It is having a terrible impact on so many of our family, friends and neighbors, and on our own business.

As long as U.S. Green Building Council (USGBC) limits its LEED-certified wood credit to the Forest Stewardship Council (FSC), it is turning its back on my community as well as other communities in North America. Our company and our employees, as well as other timber-based companies, have suffered and will continue to suffer if we send jobs out of the country by denying LEED certified wood credits for fiber from certifications to the Sustainable Forestry Initiative® (SFI®) Standard. By giving preferential treatment to FSC, which has 90 percent of its certified land outside the United States, USGBC discourages the use of timber and other forest by-products harvested on three million acres of lands certified to the SFI Standard in Oregon alone. This obviously is harmful to rural communities and the families who live and work in them. It is telling my son, who has become a partner in our

family business, that the industry has no future for him or his children.

What is most distressing to me is that there is no good reason for this decision not to equally and explicitly include all forest certifications including SFI. I work on lands certified to SFI, and I am proud of what I see our people accomplishing on SFI-certified land every day. All of my employees are trained in Best Management Practices thanks to SFI requirements. SFI certification makes our work much safer and keeps North American harvested timber ready for use in rural towns and large cities all across North America. It is for this reason that we must not forget that SFI recognizes approximately three quarters of the certified forests in North America and yet only 10% of the world's forests are certified.

I have been actively involved with the American Loggers Council for 16 years. We were among many invited to be at the table to shape the SFI program back in the 1990s, and have been partners ever since. I currently chair the SFI Board of Directors, and can attest to the knowledge, the expertise, the care that this independently run board uses in all of its decision-making.

USGBC should show that it cares about rural communities like Carlton and small businesses like Cross & Crown, Inc. by recognizing SFI. It should show that it is a leader by dropping any barrier that discourages builders from using certified wood products from North America. By doing this, it can help us keep our own business alive and well for our son and our grandchildren, and promote the responsible management of hundreds of millions of acres of forestland throughout North America.

Bob Luoto, SFI Chair, represents Independent Professional Loggers and the American Loggers Council. He is past President of the American Loggers Council.



STATE-LEGAL LOADS ON THE INTERSTATE SYSTEM AGRICULTURAL (INCLUDING FOREST) COMMODITIES

I ndividual 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) supports 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.



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The Clean Water Act and Forest Roads

On August 17, 2010, the Ninth Circuit Court of Appeals issued a decision in the case of *Northwest Environmental Defense Center (NEDC) vs. Brown* that could require the forest products industry to change long established forest management practices and obtain permits for the discharge of stormwater runoff associated with the harvest of timber for the first time in the history of the Clean Water Act (CWA). The panel decision overturns a three-decade-plus understanding of the CWA by holding that harvesting timber is an "industrial activity" requiring a National Pollution Discharge Elimination Permit (NPDES) for any stormwater runoff that reaches jurisdictional waters by means of culverts, ditches or similar conveyance structures.

By defining stormwater runoff as a "point source" of pollution, the panel decision will create an overwhelming number of permit requests for millions of miles of forest roads and literally hundreds of thousands of culverts, leading to tremendous and burdensome permitting delays. The Environmental Protection Agency (EPA) has no program in place to process the unprecedented number of permits this decision will require, causing devastating delays and costs to forest owners, loggers, and other owners and operators of forest roads throughout the nation. None of this is necessary as stormwater runoff from forest lands and forest roads has been addressed nationwide under the CWA for decades as non-point pollution, minimized through thoughtfully developed and tested "Best Management Practices" (BMP's) at the state level with EPA oversight and the panel decision voids a time-tested system in favor of a wholly unworkable point-by-point federal regulation and undermines three decades of effort invested by forest landowners and operators in an effective non-point source program.

The American Loggers Council supports a legislative remedy in the form of the Silviculture Regulatory Consistency Act, H.R. 2541 and S. 1369, which codifies the intent of Congress when promulgating the CWA, to permanently allow exemptions for Silvicutural activities, including the use of forest roads, from the NPDES permitting process.

We look forward to working with members of Congress to ensure passage of the bill. For more information, please contact the American Loggers Council at 409-625-0206.



U.S. Department of Transportation Takes Action to Ensure Truck Driver Rest Time and Improve Safety Behind the Wheel

WASHINGTON – U.S. Transportation Secretary Ray LaHood today announced a final rule that employs the latest research in driver fatigue to make sure truck drivers can get the rest they need to operate safely when on the road. The new rule by the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) revises the hours-of-service (HOS) safety requirements for commercial truck drivers.

"Trucking is a difficult job, and a big rig can be deadly when a driver is tired and overworked," said Transportation Secretary Ray LaHood. "This final rule will help prevent fatigue-related truck crashes and save lives. Truck drivers deserve a work environment that allows them to perform their jobs safely."

As part of the HOS rulemaking process, FMCSA held six public listening sessions across the country and encouraged safety advocates, drivers, truck company owners, law enforcement and the public to share their input on HOS requirements. The listening sessions were live webcast on the FMCSA Web site, allowing a broad crosssection of individuals to participate in the development of this safety-critical rule.

"This final rule is the culmination of the most extensive and transparent public outreach effort in our agency's history," said FMCSA Administrator Anne S. Ferro. "With robust input from all areas of the trucking community, coupled with the latest scientific research, we carefully crafted a rule acknowledging that when truckers are rested, alert and focused on safety, it makes our roadways safer."

FMCSA's new HOS final rule reduces by 12 hours the maximum number of hours a truck driver can work within a week. Under the old rule, truck drivers could work on average up to 82 hours within a seven-day period. The new HOS final rule limits a driver's work week to 70 hours.

(Continued on page 37)

(Continued from page 36)

In addition, truck drivers cannot drive after working eight hours without first taking a break of at least 30 minutes. Drivers can take the 30-minute break whenever they need rest during the eight-hour window.

The final rule retains the current 11-hour daily driving limit. FMCSA will continue to conduct data analysis and research to further examine any risks associated with the 11 hours of driving time.

The rule requires truck drivers who maximize their weekly work hours to take at least two nights' rest when their 24hour body clock demands sleep the most – from 1:00 a.m. to 5:00 a.m. This rest requirement is part of the rule's "34hour restart" provision that allows drivers to restart the clock on their work week by taking at least 34 consecutive hours off-duty. The final rule allows drivers to use the restart provision only once during a seven-day period

Companies and drivers that commit egregious violations of the rule could face the maximum penalties for each offense. Trucking companies that allow drivers to exceed the 11-hour driving limit by 3 or more hours could be fined \$11,000 per offense, and the drivers themselves could face civil penalties of up to \$2,750 for each offense.

Commercial truck drivers and companies must comply with the HOS final rule by July 1, 2013. The rule is being sent to the Federal Register today and is currently available on FMCSA's Web site at http://www.fmcsa.dot.gov/HOSFinalRule.

SUMMARY OF 2011 HOS FINAL RULE PROVISIONS Changes Compared to Current Rule PROVISION	CURRENT RULE	FINAL RULE COMPLIANCE DATE JULY 1, 2013
Limitations on mini- mum "34-hour restarts"	None.	 (1) Must include two periods between 1 a.m. – 5 a.m. home terminal time. (2) May only be used once per week.
Rest breaks	None except as limited by other rule provisions.	May drive only if 8 hours or less have passed since end of driver's last off-duty period of at least 30 minutes. [HM 397.5 mandatory "in attendance" time may be included in break if no other duties performed]
PROVISION	CURRENT RULE	FINAL RULE COMPLIANCE DATE FEBRUARY 27, 2012
On-duty time	Includes any time in CMV except sleeper- berth.	Does not include any time rest- ing in a parked CMV. In moving CMV, does not include up to 2 hours in passenger seat imme- diately before or after 8 con- secutive hours in sleeper-berth. Also applies to passenger- carrying drivers.
Penalties	"Egregious" hours of service violations not specifically defined.	Driving (or allowing a driver to drive) 3 or more hours beyond the driving-time limit may be considered an egregious viola- tion and subject to the maxi- mum civil penalties. Also ap- plies to passenger-carrying drivers.
Oilfield exemption	"Waiting time" for certain drivers at oilfields (which is off-duty but does extend 14-hour duty period) must be recorded and avail- able to FMCSA, but no method or details are specified for the recordkeeping.	"Waiting time" for certain driv- ers at oilfields must be shown on logbook or electronic equivalent as off duty and iden- tified by annotations in "remarks" or a separate line added to "grid."

SMS Snapshot Will Incorporate Two SMS Improvements January 27, 2012 Notice



The Federal Motor Carrier Safety Administration (FMCSA) has enhanced the Safety Measurement System (SMS) Methodology so that it includes violations based on new cell phone use regulations and provides more detailed breakouts of some existing brake, wheel, and coupling regulations. In February, when the January snapshot is released, motor carriers may notice the following two changes.

 The addition of five texting and cell phone use violations in the Unsafe Driving Behavior Analysis and Safety Improvement Category (BASIC) as outlined below. The violations reflect FMCSA's decision on January 3, 2012 to ban commercial drivers from using mobile telephones while driving, which includes a ban on texting. Motor carriers should discuss the new violations with their drivers to ensure that they are aware of these requirements.

Added Carrier SMS Unsafe Driving BASIC Violations			
Section	Violation Description Shown on Driver/Vehicle Examination Report Given to Commercial Motor Vehicle (CMV) Driver after Roadside Inspection	Violation Group Description	Violation Severity Weight
177.804(b)	Failure to comply with 49 CFR 392.80—Texting while Oper a CMV - Placardable HM	Texting	10
177.804(c)	Fail to comply with 392.82 - Using Mobile Phone while Oper a CMV - HM	Phone Call	10
392.80(a)	Driving a commercial motor vehicle while texting	Texting	10
392.82(a)(1)	Using a hand-held mobile Telephone while operating a CMV	Phone Call	10
392.82(a)(2)	Allowing or requiring driver to use a hand-held mobile tel while operating A CMV	Phone Call	10

2. A breakout of six current Vehicle Maintenance violations into 22 that provide more descriptive and detailed information about compliance with existing brake, wheel, and coupling regulations. This change will ensure that SMS remains aligned with improvements recently made to roadside data collection systems. Those improvements are the results of a joint FMCSA and Commercial Vehicle Safety Alliance effort to increase data uniformity through improved processes and tools. This change will help to clarify who the responsible party is for the violations, either the motor carrier or the Intermodal Equipment Provider.

FMCSA is revising Appendix A of the SMS Methodology document to take these changes into account. The agency will re-post the document to the Compliance, Safety, Accountability (CSA) Website at the same time the January SMS snapshot is released. Stay tuned by subscribing to the CSA Outreach Website at http://csa.fmcsa.dot.gov/stay_connected.aspx

CSA Website Features the Fatigued Driving (HOS) BASIC Factsheet January 30, 2012 Notice

The Compliance, Safety, Accountability (CSA) Website now features the Fatigued Driving (Hours-of-Service (HOS)) Behavior Analysis and Safety Improvement Category (BASIC) factsheet. This new fact-sheet is the second in a series of seven that the Federal Motor Carrier Safety Administration (FMCSA) released on January 17, 2012 to better educate motor carriers, commercial motor vehicle drivers, and other industry stakeholders on CSA's seven safety categories. Motor carriers and drivers can access this factsheet (https://csa.fmcsa.dot.gov/Documents/FMC_CSA/12_007_BASICs_FatiguedDriving.pdf, as well as the other BASIC factsheets, on the Resources page (https://csa.fmcsa.dot.gov/resources.aspx? locationid=58).

This week FMCSA is putting the spotlight on the Fatigued Driving (HOS) BASIC factsheet, which gives information about driver fatigue management and HOS requirements, as outlined under Parts 392 and 395 of the Federal Motor Carrier Safety Regulations (FMCSRs). Motor carriers and drivers can refer to this factsheet for information regarding the types of documents associated with this BASIC they should keep, such as records of duty status (RODS), and for information about how to proactively address HOS and driver fatigue-related problems.

Thank You,

CSA Web Team

USDOT/Federal Motor Carrier Safety Administration

HERE WE GO AGAIN: ATA HAULS HOS BACK INTO COURT

By Jami Jones, Land Line managing editor

In what can hardly be considered a surprise, the hours-of-service regulations are being challenged in court, again. This time by the American Trucking Associations.

In the days that followed the unveiling of the most recent – yet relatively unchanged – version of the Federal Motor Carrier Safety Administration's hoursof-service regulations late this past year, the grumbling began.

Advocates for Highway Safety, Truck Safety Coalition, and Parents Against Tired Truckers were all vocal in their displeasure, chastising the agency for retaining the 11-hour of driving time.

Despite displeasure by at least some of the plaintiffs in the most recent lawsuit involving HOS, a joint motion to dismiss was filed on Jan. 23 by Public Citizen, Teamsters, Advocates for Highway Safety, Truck Safety Coalition and the Federal Motor Carrier Safety Administration.

HOS's time in the clear was short-lived. A Feb. 14 filing by ATA with the U.S. Court of Appeals for the District of Columbia marks the fourth time the regulation has been subject to legal action since 2002.

The first lawsuit was brought compelling the agency to rewrite the regulations as mandated by Congress in 1995. The (now) three subsequent lawsuits have challenged the revamped regulations.

The ATA's petition, as all petitions for review are, is vague as to why the association is challenging the most recent revision of the rule.

The petition states that ATA was a "party aggrieved" by the final rule and asks the court to throw the new regs out as arbitrary and capricious.

ATA's press releases and comments during the most recent regulatory process urged the agency to refrain from making any changes to the regulations – hinting that the group is not happy with any changes.

The new regulations include a change to the 34hour restart provision, limiting the ability to reset the on-duty clock to once every 7 days and mandating that two overnight rest periods be included in the restart.

The agency also mandated a 30-minute rest period for truckers. Truckers will be required to take a minimum of 30 minutes of off-duty time (which will not stop the 14-hour on-duty clock) after eight consecutive hours of driving and/or on-duty time. The regulations technically go into effect on Feb. 27. However, truckers will not be required to comply with the rest breaks or 34-hour restart provision changes until June 30, 2013.



SCTPA SUPPORTS SC FORESTRY COMMISSION BUDGET REQUEST

SCTPA's president attended the SC House Budget Subcommittee for Economic Development & Natural Resources and Senate Finance Subcommittee meetings to support the SC Forestry Commission's budget request.

This letter was presented to the Senate Subcommittee. A similar letter was presented to the House Subcommittee along with making comments supporting the Commission.

March 7, 2012

TO: Senate Finance Subcommittee.

Senator Yancey McGill, Chair Senator Ralph Anderson Senator Larry Grooms

RE: Support for SC Forestry Commission 2012-2013 Budget Request.

Dear Honorable Chair McGill and Subcommittee Members,

As the association representing and servicing the professional timber harvesters and wood suppliers of South Carolina, on behalf of our association and its wood supply chain members, we are requesting your support for the SC Forestry Commission's 2012 – 2013 budget request to allow the Commission to fully meet the agency's mission to protect our sustainable and renewable forest resources, human lives and property from wildfires, develop economic opportunities for forest landowners, timber harvesters, wood suppliers and wood consuming companies and provide the ongoing valuable professional forestry resources to advance our forest industry into the future.

The Forestry Commission has performed remarkably well despite incurring budget reductions over the past several years. State Forester Gene Kodama and every Commission employee is to be commended for their dedication, excellent work and performance through these very difficult budget-ary periods.

The Commission's role to provide forest resources protections is vital for the sustainability of our forest resources and forest products industry. Likewise, the protections directly impact forest land-owners, human lives, property and our wood supply chain partners such as professional loggers and wood dealers.

Our entire forest industry relies on healthy, sustainable and renewable forest resources. The SC Forestry Commission provides the leadership, expertise and resources that make our forest products industry the Number One Manufacturing Segment of our state's economy with timber being the state's Number One Cash Crop.

Therefore, we request there be great consideration given to the Forestry Commission's budget request to allow the agency to continue its work, meet and improve services and meet and exceed the Commission's mission for the Palmetto State.

Yours truly, Crad Jaynes President & CEO

FORESTRY COMMUNITY HONORS SC REPRESENTATIVES VICK & RANKIN

(Myrtle Beach, SC) The forestry community has recognized two South Carolina legislators for their support and dedication to the state's number-one manufacturing industry.

During their annual meeting, the SC Timber Producers Association and its President, Crad Jaynes, and Board Chairman, Danny McKittrick, joined the South Carolina Forestry Association and the state Forestry Commission in recognizing two legislators who have been particularly helpful to forestry and have improved funding for the Commission. State Forester Gene Kodama presented Sen. Luke Rankin of Horry County and Rep. Ted Vick of Chesterfield County with the Forestry Commission's *Challenge Coin* and a certificate.

"Both legislators personally came to the Hwy 31 wildfire at Myrtle Beach in 2009 to check on the community and offer their assistance to the firefighting team along with Representatives Tracy Edge and Alan Clemmons. Representative Vick came in his National Guard uniform and helped get Blackhawk helicopters on site to drop almost a million gallons of water on the fire," says Kodama, who, as State Forester, heads up the Forestry Commission, a state agency.

Last year, Representatives Vick and Edge introduced House Bill 4082 that is currently in the House Ways and Means Committee for consideration. The bill would generate more than \$8 million annually which the Commission would use to replace lost firefighting capacity due to past budget cuts in the form of firefighter numbers and firefighting equipment, plus restore forest resource development support. The bill still needs House cosponsors and passage and a Senate companion bill.

It's an honor to be recognized in this way by the forestry Community," says Sen. Rankin. "Forestry is a major economic driver in our state when you consider it has a \$17.4 billion impact on our economy. During the Highway 31 Fire, two Commission firefighters had to deploy their personal fire shelters when their tractors bogged down and the fire burned over them. We need to make sure our wildland firefighters have equipment that is capable of keeping them safe and out of harm's way."

Representative Vick echoed the Senator's views on keeping the Commission well equipped. "Fire fighters are placed in harm's way just like soldiers,

and they deserve safe equipment to protect them. The Commission itself provides protection of our forest resource, and that is critical to the industry and the jobs that rely on the timber," Vick says.

The idea of a Challenge Coin Award for excellence in mission accomplishment grew out of in-

teractions with military personnel during the Commission's military appreciation hunting program. Challenge coin programs are common in the military, and Commission personnel have received several such coins from soldiers who have participated in the military appreciation hunts as a thank you for supporting the soldiers and their families.

"Sen. Rankin and Rep. Vick are outstanding advocates for forestry and the wood and paper products industry. They're both very deserving of recognition by the forestry community and the Commission's Challenge Coin for their tireless efforts to promote forestry in South Carolina," says Cam Crawford of the South Carolina Forestry Association, an advocacy group for forest industry in the state.

The Forestry Commission coins are purchased with funding from a US Forest Service grant established to promote forestry.





GUEST VIEWPOINT: A BIPARTISAN PLAN FOR HEALTHY OREGON FORESTS AND COUNTIES

By Peter DeFazio, Greg Walden and Kurt Schrader

O regon's rural communities cannot afford another 20 years of gridlock in our federal forests. Without a new path forward, mills will continue to disappear, forest jobs will be outsourced and counties will be pushed off the budgetary cliff.

During a time when it's particularly hard to find common ground in public policy, we think we have achieved a balanced forest health and jobs plan and in a uniquely Oregon way.

As a bipartisan coalition, we have worked through our differences to forge a plan that would create thousands of new jobs, ensure the health of federal forests for future generations and provide long-term funding certainty for Oregon's rural schools, roads and law enforcement agencies.

Federal support payments to rural and forested communities, commonly known as "county payments," helped support rural Oregon counties for more than a decade. They expired October 1.

Absent a long-term solution, diminishing county payments will have serious consequences for Oregon families and businesses.

A recent Oregon State University study found that without county payments, Oregon's rural counties will shed between 3,000 and 4,000 jobs. Oregon business sales will drop by an estimated \$385 million to \$400 million. Counties will lose \$250 million to \$300 million in revenues.

Counties already near the financial cliff and facing depression-like unemployment soon may call for a public safety emergency and will be forced to eliminate most state-mandated services — including services that help the neediest citizens in our communities.

Failing counties will have consequences for the entire state. Those counties will continue to release offenders and close jail beds. Potholed roads and structurally deficient bridges will be neglected. And already-underfunded rural schools will be devastated.

Given the serious fiscal crisis our forested communities face, we believe a new approach is necessary to create jobs, help stabilize Oregon's rural communities and better manage our forests.

We hope to release the full details of our plan early next year. But, given the importance and



enormous amount of public interest in this issue, we wanted to update Oregonians on the broad outlines of our work:

Our plan would create an estimated 12,000 new jobs throughout Oregon. To preserve and expand Oregon's manufacturing base, our plan would continue the ban on exporting unprocessed logs from federal lands and impose penalties on businesses that violate the law and send family-wage jobs overseas.

Our plan would allow sustainable timber harvest primarily on lands that have been logged previously. It sets aside sensitive areas and mature and old growth forests. The timber harvest lands would remain under the ownership of the federal government but would be managed in trust for the counties by a diverse, public board under strict guidelines to ensure sustained yield and to protect and improve clean water and terrestrial and aquatic values. The mature and old growth forests would be transferred from the federal Bureau of Land Management to the U.S. Forest Service.

Our plan would provide counties in Western Oregon with a predictable level of revenues in perpetuity to support essential county services such as law enforcement, health care, education and transportation. It would reduce counties' dependence on uncertain federal support payments in favor of a long-term solution that allows them to return to the tradition of self-reliance that embodies our state's heritage.

Our plan is expected to save taxpayers tens of millions of dollars by reducing the annual federal management costs associated with the management of Western Oregon timberlands and making Oregon counties self-sufficient and not dependent upon federal county payments.

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Our plan proposes major new wilderness and wild and scenic designations to protect some of Oregon's most incredible natural treasures, such as the iconic Rogue River.

Our plan is a moderate approach.

It will not appease those who insist on returning to the days of unsustainable logging and clearcutting old growth on public lands. It will not win the support of those who are content with the status quo — administrative gridlock and endless legal appeals that have led to unhealthy forests, failing rural counties and a deteriorating timber industry.

And like all legislation in Congress, our plan still is subject to the legislative process. While we believe the plan we have crafted is a reasonable compromise that serves the best interests of Oregon, we must work with the House Committee on Natural Resources and our colleagues in the greater House of Representatives, the Senate and the Obama administration.

Fortunately, the most persuasive arguments are on our side. Our balanced, bipartisan plan would create thousands of jobs in our forests, mills and communities, stabilize rural communities, save taxpayers money, protect old growth and ensure the health of federal forests for future generations.

It's a solution that Oregonians deserve. We look forward to working with those who want to make this long-term vision a reality.

U.S. Representatives Peter DeFazio, Greg Walden and Kurt Schrader represent Oregon's 4th, 1st and 5th Congressional Districts.

POLLUTION CONTROL ACT CLEARS FIRST HURDLE

Legislation reversing the controversial *Smith Land Company* ruling has passed the House Agriculture and Natural Resources Committee. The legislation, offered by Chairman Nelson Hardwick (Horry) and dozens of bipartisan co-sponsors, would restore 62 years of balance and precedent that was overturned when a recent Supreme Court ruling created an extremely unfair position for businesses and citizens.

Under the Supreme Court's ruling, all discharges or emissions into the environment now require a permit. The ruling also creates a private right of action for any citizen or citizens group to bring suit against those "violating" the Pollution Control Act, even when there is no permit for businesses to obtain.

Top business environmental attorneys testified on behalf of the South Carolina Chamber of Commerce and the South Carolina Manufacturers Alliance regarding the negative impacts on economic development. The business community testified that the state Supreme Court was clearly wrong in its decision, which creates regulatory uncertainly and will likely drive investment out of the state.

The South Carolina Department of Health and Environmental Control (DHEC) also testified in support of the legislation, saying the court's decision means, "you can inhale, but you can't exhale," a reference to having to obtain a permit if you discharge any pollutant into the environment.

While environmentalists say the Supreme Court ruling will not lead to a great deal of new litigation, four lawsuits have already been filed since the egregious ruling. South Carolina businesses are currently under attack even though they are following the laws passed by the General Assembly and regulations enforced by DHEC.

Reprinted from the S.C. Chamber of Commerce's Manufacturers Journal published February 24, 2012.



Timber Talk

Your Voice for South Carolina Timber Harvesting

Contact Crad Jaynes at 1-800-371-2240 or <u>bcjpaw@windstream.net</u>

SECURE RURAL SCHOOLS, PILT LEGISLATION INTRODUCED TO CREATE JOBS, SUPPORT RURAL COUNTIES AND RESTORE ACTIVE FOREST MANAGEMENT

WASHINGTON, D.C. – House Natural Resources Committee Chairman Doc Hastings (WA) on February 14 introduced H.R. 4019, the *Federal Forest County Revenue, Schools and Jobs Act of 2012*. The bill is a long-term solution that would provide rural counties with a stable revenue stream, create jobs, grow rural economies, and restore active, healthy forest management. The bill also provides for a five-year extension of the Payment in Lieu of Taxes (PILT) program and brings certainty to families who own cabins in our National Forests by modifying the cabin fee formula to make it more predictable and affordable.

The Natural Resources Committee held a markup on Thursday, February 16th to include the *Federal Forest County Revenue, Schools and Jobs Act of 2012.*

"Active management of our national forests is necessary to help rural communities create jobs and fund roads, schools and emergency services," said Natural Resources Committee Chairman Doc Hastings. "This bill provides a long-term solution that will generate a stable source of revenue for counties, put people back to work, stimulate rural economies and keep our forests healthy by establishing a sustainable plan to increase responsible timber production. This legislation is the product of months of close work with local communities and Representatives from impacted states to find a solution that will bring revenue to counties and address the fundamental problem of declining forest management and timber sales."

Specifically, the Federal Forest County Revenue, Schools and Jobs Act of 2012:

- Creates a County, Schools and Revenue Trust to provide a dependable source of revenue for rural counties that currently depend on SRS.
- Establishes an Annual Revenue Requirement (ARR) for each National Forest System unit, based on an average of gross receipts from 1980-2000. Of the ARR, 65% is shared with the counties through the County Revenue and Schools Trust and 35% is directed to the federal Treasury.
- Provides the Forest Service authority to carry out County Revenue and Schools Trust Projects in order to meet the required Annual Revenue Requirement (ARR). Trust Projects may include timber sales; issuance of grazing permits; issuance of special permits involving land use, minerals, power, or recreation; and projects implementing a community wildfire protection plan.
- Requires that each federally approved Trust Project be subjected to a public comment period and administrative appeal, and required to undergo an "environmental report" that identifies and mitigates potential environmental impacts.
- Authorizes a transition period to continue making payments to counties and schools while the Forest Service begins the process of identifying and implementing Trust Projects.
- Authorizes a five-year extension for mandatory full funding of the Payment In Lieu of Taxes (PILT) program to compensate local governments for lost property tax revenues on non-taxable federally owned land.
- Includes cabin fee fairness language from H.R. 3397, the Cabin Fee Act of 2011 which passed out of Committee in November 2011 – modifying the current cabin fee formula to make it more predictable and fair for families who own cabins in our National Forests.

Background:

Secure Rural Schools (SRS):

The Secure Rural Schools (SRS) program expired at the end of last year and rural counties are on the verge of receiving drastically lower funding to pay for vital programs such as school and roads if Congress does not act.

(Continued on page 45)

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Under federal law passed in 1908, the U.S. Forest Service has historically shared 25% of all timber revenues with rural counties containing National Forest land to compensate them for large amounts of federal land that cannot be taxed. Since that time, these "25% payments" have provided counties with much-needed funding for essential services such as education and infrastructure. However, by the late 1990s timber harvests dramatically declined due to federal overregulation and harmful lawsuits, prompting Congress in 2000 to pass the Secure Rural Schools and Community Self-Determination Act (SRS). SRS was created to provide "transition payments" over a six year period while Congress worked to increase timber production, or rural counties found an alternative source of revenue. It expired in September 2011 and the final payments were distributed in December.

However, since the passage of SRS the federal government has failed to oversee a transition into increased timber production yet continued to provide money to these counties without ensuring the public land is properly managed. Lack of active forest management inhibits job creation, deprives counties of revenue to fund schools and roads, and makes our National Forests increasingly susceptible to wild-fires and invasive species. As a result, many rural counties are suffering double-digit unemployment with little hope of creating meaningful jobs without access to common sense management of the public lands.

Payment in Lieu of Taxes (PILT):

PILT, administered by the Department of the Interior (DOI), was established in 1976 to compensate local governments across the country for lost property tax revenues on non-taxable federally owned land. The federal government does not pay property tax of federal lands and PILT payments are a form of compensation to rural communities. Payments are made directly to local governments to help pay for vital programs such as road construction, schools, local search and rescue operations, law enforcement and emergency services. The PILT program expires at the end of FY2012.

Cabin Fees:

In 1915, the National Forest Service established the Recreation Resident Program that set aside a small number of residential lots for Americans to build recreational cabins on federal land. The individuals own the cabin structures and pay a yearly fee for the use of the Forest Service lot. There are currently over 14,000 recreational cabin owners across the United States – the majority in the West.

In 2000, Congress adopted Public Law 106-291 that included a change in the law to implement variable cabin fees based on a subjective appraisal system. This change in the law has resulted in much higher fees than anticipated due to the difficulty in making appraisals that fully take into consideration the uniqueness of the cabins and the many uncommon variables when compared to typical homes and real estate. With few, or no, true comparable sales, resulting appraisals are subjective and may involve arbitrary determinations.

SCTPA Comments: Secure Rural Schools funding is important to SC counties located within the Francis Marion and Sumter National Forests.













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March 2012

- 22 24 SCTPA Legislative Visits & ALC Board Meeting, Washington, DC
- 27 Newberry District 2 & Saluda District 1 Meeting, Farm Bureau, Newberry, 7 pm

April 2012

- 10 Easley/Upstate District 4 Meeting, Cross Creek Timber, LLC Office, Easley, 7 pm
- 12 Laurens/Clinton/Greenwood District 5 Meeting, Blue Ocean Restaurant, Clinton, 7 pm
- 18 Wood Supply Research Institute Annual Meeting, Jacksonville, FL
- 19 21 Forest Resources Association Annual Meeting, Jacksonville, FL
- 24 Newberry District 2 & Saluda District 1 Meeting, Farm Bureau, Newberry, 7 pm
- 26 SCTPA Board of Directors Meeting, SC Forestry Commission, Columbia, 10 am

May 2012

- 1 Chester/Catawba District 3 Meeting, Front Porch Restaurant, Richburg, 7 p.m.
- 3 Walterboro/Low Country District 7 & 8 Mtg, Longhorn Steakhouse, Walterboro, 7 pm
- 8 Georgetown/Coastal District 9 Meeting, Big Bill's Low Country BBQ, Georgetown, 7 pm
- 10 Edgefield/Saluda District 1 Meeting, Pleasant Lane Baptist Church, Edgefield, 7 pm
- 14 Union Area District 3 Meeting, Midway BBQ, Buffalo, 7 pm
- 15 Florence/Pee Dee District 11 Meeting, Palmetto Pulpwood & Timber, Florence, 7 pm
- 16,17 TOP 3-Day Class, Columbia. Registration Contact Susan Guynn, 864-656-0606 & 24
- 21 Midlands/Lugoff District 10 Meeting, Hall's Restaurant, Lugoff, 7 pm
- 22 Newberry District 2 Meeting, Farm Bureau, Newberry, 7 pm

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

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 statewide legislative activities, and aggressively promoting, supporting and conducting programs of state, regional and national advocacy.