



# TIMBER TALK

*Your Voice for South Carolina Timber Harvesting*

November/December 2010



## INTRASTATE DOT NUMBERS TO BE REQUIRED

South Carolina Department of  
Public Safety

### FOR IMMEDIATE RELEASE

November 15, 2010

Contact: Sid Gauden, 803-896-8409

COLUMBIA -- The South Carolina Department of Public Safety's State Transport Police division will begin implementation of a new program for intrastate commercial motor vehicles that is designed to make state roads and highways safer.

The Motor Carrier Registration program will require all intrastate motor carriers to obtain SC Intrastate DOT numbers and display those numbers on all of their commercial vehicles. There is no cost to the companies to obtain the numbers.

"This is not a new law," explained South Carolina Department of Public Safety Director Mark Keel.

"This was adopted by South Carolina when the Federal Motor Carrier Safety Regulations were adopted. At that time, the US Department of Transportation (USDOT) did not have the technology to process intrastate numbers. That technology is now in place and the law will be enforced."



From left to right, Mark Keel, Director of SCDPS, Col. Nick Moore, commanding officer of the State Transport Police and Col. Kenny Lancaster Jr., commanding officer of the South Carolina Highway Patrol.



Mark Keel -- SCDPS Director Mark Keel at the podium as news conference began.

"The issuance of an intrastate DOT number does not subject commercial motor carriers to additional or different safety requirements," said Col. Nick Moore, commanding officer of the State Transport Police.

"The intrastate number is one of the

(Continued on page 2)

## Inside ...

SC Intrastate Press Release	Cover
2011 Annual Meeting	3
CSA 2010 Won't Go Public Before December 12	6
A New Year Message	8
AgHaul Update	9
Annual Meeting Schedule	10
As I See It - December & January	11
Welcome New Members	12
2010 Logger Activist Award Nomination	13
Burning More Wood is for Cavemen	14
BCAP's Future Still Uncertain	16
Collins Signals Biomass Rules Likely to Change	17
Biomass Project Still Awaiting Power Buyer	17
AbitibiBowater Emerges from Chapt. 11	18
FMCSA Issues Proposed Rule	18
Forest Landowners Assn. 2011 Elections	19
Georgia Pacific Increases Forest Protection	22
U.K. Utilities to Burn Wood	22
Go Paper. Grow Trees.	23
Environmental Groups Applaud GP	25
Final BCAP Rule	26
Maryland Forester Elected to SFI Board	31
OPEC Slams Int'l. Biomass Programs	32
New Mid-Atlanta Show Set Oct. 7-8, 2011	32
Rome Man Pleads Guilty to Timber Fraud	33
The EPA Says "Bah, Humbug!"	34
U.S. Forests Offsetting GHG Emissions	37
Lawmakers Seek EPA Changes to Biomass	38
Historic Seedling Planted	39
EPA Boiler MACT	40
Mark Your Calendar	43

(Continued from page 1)

components of a quality program that allows law enforcement to efficiently assess and track a commercial motor carrier's safety rating by tying the vehicles in a fleet to a common identifying number," he said.



SC Trucking Association  
President Rick Todd.

"It is important to know this 'motor carrier industry' is really not one industry, rather it is an eclectic mix of industries – all utilizing commercial motor vehicles in their enterprises," said J. Richards (Rick) Todd, President & CEO of the South Carolina Trucking Association.

"So, whether it's a for-hire trucking company, small business or large corporation, they all are 'motor carriers' in the eyes of the motoring public and the law. As such, they have great responsibilities to operate safely and professionally on the road," Todd added.

"We commend the Department of Public Safety and its State Transport Police Division for implementing this program," Todd said. "We will continue to cooperate with them and support their mission - our mutual mission. That is to improve the safety performance of commercial vehicle operations in South Carolina."

Only those companies doing business solely within South Carolina – intrastate – are required to obtain SCDOT numbers. Companies that operate in multiple states – interstate – are required to have USDOT numbers.

A company would be required to obtain a SCDOT number if it operates a commercial motor vehicle that:

- Has a gross vehicle weight rating or gross combination weight rating, or gross vehicle weight or gross combination weight of 10,001 pounds or more; or
- Is designed or used to transport more than eight (8) passengers, including the driver for compensation; or
- Is designed or used to transport more than 15 passengers, including the driver, and is not used to transport passengers for compensation; or
- Is used in transporting hazardous materials as defined under federal law.

This requirement is not limited to "trucking companies." As defined by law, a "motor carrier" is any commercial

enterprise that uses such vehicles in its business operations and as a result it is subject to Federal Motor Carrier Safety regulations.

The program goes into effect October 1, 2011, which will allow intrastate motor carriers adequate time to obtain the required numbers and appropriately mark their vehicles. After that date, failure to register, obtain and display the SCDOT number will subject the carrier to a \$100 fine per occurrence.

During the 2009 calendar year, 32 percent of commercial motor vehicle collisions in South Carolina involved at least one intrastate carrier. In that same year, 20 percent of CMV fatalities resulted from a collision involving at least one intrastate carrier.

*The South Carolina Department of Public Safety includes the Highway Patrol, Office of Highway Safety, State Transport Police, Bureau of Protective Services, Office of Justice Programs and the South Carolina Law Enforcement Officers Hall of Fame. Our mission is to ensure public safety by protecting and serving the people of South Carolina and its visitors.*

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## PROCESS FOR OBTAINING A SOUTH CAROLINA DOT NUMBER

The Department of Public Safety, State Transport Police Division implemented a new Motor Carrier Registration Program for Intrastate motor carriers. Your company is now required to obtain a SC DOT number and display it on all your commercial motor vehicles (CMV's) if your company operates a CMV that:

- (1) Has a gross vehicle weight rating or gross combination weight rating, or gross vehicle weight or gross combination weight, of 4,536 kg (10,001 pounds) or more, whichever is greater; or
- (2) Is designed or used to transport more than 8 passengers (including the driver) for compensation; or
- (3) Is designed or used to transport more than 15 passengers, including the driver, and is not used to transport passengers for compensation; or
- (4) Is used in transporting material found by the Secretary of Transportation to be hazardous under 49 U.S.C. 5103 and transported in a quantity requiring placarding under regulations prescribed by the Secretary under 49 CFR, subtitle B, chapter I, subchapter C.

This requirement is not limited to "trucking companies". A

(Continued on page 4)



## 2011 Annual Meeting "Forests For Our Future"

### Come On Down!

Hope everyone enjoyed a Merry Christmas with family and friends and looking forward to the New Year.

SCTPA's 2011 Annual Meeting is January 28 - 30 at the Crown Reef Resort & Conference Center, Myrtle Beach. *Forests For Our Future* is our focus.

Arrangements have been made with the Crown Reef Resort to extend the SCTPA Room Block Rates until January 15<sup>th</sup>. So if you haven't reserved your room, please do so. If you call the Crown Reef, ask for April Logan and use the SCTPA Block Number 5218.

I hope you are planning on being with us for a very interesting and informative line up of speakers featuring Mike Schmidt, Manager Forestry Biomass with John Deere and Discovery Channel's Swamp Logger Bobby Goodson.



*Bobby Goodson  
Swamp Logger*

Other presentations from Peterson Pacific President Larry Cumming about purchasing woody biomass by the BTU instead of a green or dry ton, Dale Greene presenting his much anticipated woody biomass project funded by the Wood Supply Research Institute, Matt Jensen President American Loggers Council and owner of White-tail Logging, LLC talking about what ALC is doing nationally and in DC, national issues for loggers and will bring his own flavor of logging to show off how he



*Larry Cumming*

logs in Wisconsin, and Tom Reed VP Southern Resources Plum Creek talking about how TIMO's and REIT's will manage their lands for future sustainability.

We'll have our drawings on Saturday for a ... 2011 Honda 4x4 ATV (\$6,700 value), Honda EU2000i Portable Generator (\$1,000 value) and 3-Night Free Stay at the Crown Reef (\$500 value). But you need to send in your tickets or tickets can be purchased at the meeting. Members were sent 10 tickets. If you need prize-drawing tickets, let us know.

Prize drawing tickets are \$50 each, okay a little high, but for a good cause to help keep SCTPA in service for our industry. The more you purchase over 4 tickets, you get free tickets. Buy 4 and get one free, 5 get 2 free and

so on. Purchase 10 tickets and get 12 free. That's \$600 worth of free tickets and 22 chances to win the ATV, Generator or Crown Reef Stay! We'll also sell tickets at the meeting for a nice shotgun to be drawn on Saturday. The proceeds help SCTPA operations, our WSRI logger segment financial commitment and Log A Load For Kids contribution.

If you can't make the full 3-day meeting, a Saturday Only rate is available. Plus you can receive 6 hours of SFI Trained Credits for attending the meeting. Continuing Forester Education Credits are being filed for attending the meeting as well.

We'll have exhibitors inside the convention center and outside exhibits of equipment and trucks. And I'm told a new unit of chipping equipment will be exhibited by one of our Allied Supplier Equipment Members.

We'll hold our Silent Auction that has proven over the years to be very popular and down right competitive on bidding for some nice items donated by our members and friends.

Friday afternoon is our board meeting and members are invited if you'd like to come. Friday evening we'll have a Welcome Reception with DJ and music, plenty of food and beverages, Sunday morning is our traditional Prayer Breakfast with His Girls from Georgetown, and Saturday evening is free so you can take advantage of SCTPA's specially priced Carolina

Opry tickets for \$25 each for the Saturday evening show, a savings of \$17 per ticket for the show, or you can enjoy Myrtle Beach with your friends and family without the summer crowds.

Saturday will feature our association business meeting with the year-end financial report, board of director elections, Logger Activist Award, President's Award and other award presentations. Plus plenty of door prizes to be given away.

So don't wait, make your room reservations, send in your meeting registration and prize drawing tickets and come on down to be with us for our 12th Annual Meeting.

If you need registration, room reservation, sponsorship, exhibitor or silent auction donation forms, please let us know.

I look forward to seeing you in Myrtle Beach for our 12<sup>th</sup> Annual Meeting.

Sincerely,

*Crad*



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motor carrier is any commercial enterprise that uses such vehicles in the furtherance of its business. If your company operates a commercial vehicle, you are subject to Federal Motor Carrier Safety Regulations.

Definitions for Intrastate and Interstate:

1. **Intrastate** - operates within the State of South Carolina and does not transport freight with shipping papers indicating origins outside South Carolina.
2. **Interstate** - operates in multiple states (crosses State line) and/or does transport freight with shipping papers indicating origins outside of South Carolina.

Once you receive the SC DOT number, it must be affixed on both sides of the power unit, in a color contrasting with the background of the vehicle, and the numbers must be large enough to be legible from fifty feet from the vehicle.

If you operate outside South Carolina, transporting persons or property across state lines, including international boundaries, or within South Carolina as part of a through movement that originates or terminates in another state or country, you must obtain an interstate DOT number. The intrastate DOT number will be clearly recognized by the "SC" suffix. The information below is provided to assist you with this process.

To register on-line for an intrastate (South Carolina) DOT number visit FMC SA's website located at <https://www.fmcsa.dot.gov/>. There is no fee for applying for a SC DOT number, however a Visa or MasterCard must be provided to ensure a digital signature is on file for the official record. Applications must be completed in their entirety. Carrier profile updates, including added or deleted equipment or drivers, changes in cargo classification or company officers/owners, or changes in address or phone numbers of the motor carrier, must be done as they occur, but in all cases an update is required every two (2) years. If you should have any questions, or experience problems completing the on-line DOT number process, you may call, **1/803-896-5500** or e-mail [scdotnumber@scstp.org](mailto:scdotnumber@scstp.org) for assistance.

Once your application is received and processed, a letter assigning a South Carolina DOT number, along with information on how it is to be displayed on all applicable vehicles, will be returned to you. This process will take approximately 6-8 weeks.

Failure to register and obtain the above SCDOT number and clearly display the number on all trucks owned or operated by the carrier, will subject the carrier to penalties to include:

- A \$100.00 fine per occurrence for operating a vehicle without the SC DOT number displayed.

If you have difficulty with any of the information provided or do not have on-line computer access, and are applying for an **intrastate** number only, you may request a hard copy of the information by mail, or telephone. Please be sure to provide your mailing address and contact information.

**Should you have any questions, contact:**

**Department of Public Safety**

**State Transport Police**

**10311 Wilson Blvd. / P.O. Box 1993**

**Blythewood, SC 29016**

**Telephone: 803-896-5500 Fax: 803-896-5526**

**Or email: [scdotnumber@scstp.org](mailto:scdotnumber@scstp.org)**

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## Frequently Asked Questions (FAQ's) South Carolina Intrastate DOT Numbers

1. **Question:** Who needs to obtain a South Carolina Intrastate DOT number?

**Answer:** All carriers or operators of commercial motor vehicles that operate solely in the state of South Carolina. A Commercial Motor Vehicle means any self-propelled or towed motor vehicle used on a highway in commerce as defined in CFR 49, part 390.5 when the vehicle:

- ☼ Has a gross vehicle weight rating or gross combination weight rating, or gross vehicle weight or gross combination weight, of 10,001 lbs. or more, whichever is greater; or
- ☼ Is designed or used to transport more than 8 passengers (including the driver) for compensation; or
- ☼ Is designed or used to transport more than 15 passengers, including the driver, and is not used to transport passengers for compensation; or
- ☼ Is used in transporting material found by the Secretary of Transportation to be hazardous under 49 U.S.C. 51 transported in a quantity requiring placarding under regulations prescribed by the Secretary under 49 CFR, subtitle B, chapter 1, subchapter C.

2. **Question:** Who is included in the term commercial motor vehicle in commerce?

**Answer:** Anyone who operates one of the above mentioned vehicles. Examples include, but are not limited to: private and for-hire companies, farmers, construction companies, plumbers, landscapers, and church buses. **Recreational and personal use vehicles are excluded.**

(Continued on page 5)

(Continued from page 4)

**3. Question:** What are the requirements for lettering my vehicle?

**Answer:** 49 CFR part 390.21 states the marking must display the following information:

- ☼ The legal name or a single trade name of the motor carrier operating the self-propelled CMV, as listed on the motor carrier identification report (Form MCS-150)
- ☼ The motor carrier identification number issued by the FMCSA, preceded by the letters "US DOT", also the letters SC must follow the Intrastate DOT Number
- ☼ If the name of any person other than the operating carrier appears on the CMV, the name of the operating carrier must be followed by the information required in the above paragraphs, and be preceded by the words "operated by"
- ☼ Be in letters that contrast sharply in color with the background on which the letters are placed;
- ☼ Be readily legible, during daylight hours, from a distance of 50 feet (15.24 meters) while the CMV is stationary; and

**EXAMPLE:**

BB Express  
USDOT 12345SC

**4. Question:** How do I apply for an Intrastate DOT number?

**Answer:** The following are options for applying for an Intrastate DOT number:

- ☼ You may apply on-line at <http://www.safersys.org>.
  - Select the "FMCSA Registration & Updates" link to start the registration process.
- ☼ Call The South Carolina State Transport Police Division at (803)896-5500.

**5. Question:** Is there a fee to obtain an Intrastate DOT number?

**Answer:** There is NO Cost to obtain an Intrastate DOT number. This is a free service.

**6. Question:** I went to the FMCSA website to obtain an Intrastate DOT number and it asked for a credit card. Why does it ask for a credit card if this is a free service?

**Answer:** It is a free service. The website asks for a credit card only to verify the application and to act as an electronic signature.

**7. Question:** How long will it take to get my Intrastate DOT number?

**Answer:** If you choose to obtain an Intrastate DOT number on-line, the time to process the number is approximately one hour. If you choose to submit the application

by mail or fax, please allow approximately two weeks for processing.

**8. Question:** Do I need a different Intrastate DOT number for each of my vehicles?

**Answer:** No, the DOT number is for your company and all vehicles that meet the definition of a commercial motor vehicle as specified in question #1.

**9. Question:** I applied for my Intrastate DOT number on the FMCSA website and it indicated that there is a verification period, but it also gave me my Intrastate DOT number. Will the Intrastate DOT number change or is the number I received the number I will be assigned?

**Answer:** The verification period is for FMCSA to verify your information. The Intrastate DOT number you are provided at the time you completed your on-line application is the number you are assigned and it will not change.

**10. Question:** How can I access my information or make changes to my MCS-150 application at a later date?

**Answer:** You may access your carrier information and make changes and updates to your MCS-150 by using the PIN (personal identification number) that was issued to you during the DOT number registration process. Intrastate carriers may obtain a PIN by following these steps:

- ☼ Go to <https://lli-public.fmcsa.dot.gov/LIVEW/pkg-registration.prc-option-decision>
- ☼ Scroll down to "Existing Registration Updates"
- ☼ Select "I need to update my USDOT number registration information or file my biennial update."
- ☼ Click on "Continue" at the bottom of the page.
- ☼ Click on "Yes"
- ☼ Enter your issued Intrastate USDOT number into the blank and click on either "Mail me my existing PIN" or "Mail me a new PIN";
- ☼ Click on the "Submit" button.
- ☼ Your PIN will be mailed to the address on your MCS-150.

**11. Question:** I have a pick up truck that I use for my company and it weighs less than 10,001 lbs. I understand that the marking requirement doesn't apply to me, but I occasionally haul a trailer putting me over a combination weight of 10,001 lbs. What do you suggest?

**Answer:** If you do not want to permanently mark your pick up truck you may choose to use removable devices (i.e., magnetic signs) that can be placed on the pick up truck when you are towing the trailer and exceed 10,001 lbs. *The use of removable devices is not allowed for towing or platform bed wrecker road service vehicles.*

(Continued on page 7)



## CSA 2010 Won't Go Public Before December 12

On Tuesday, November 30, FHWA posted the following notice on its CSA 2010 website:

*"The Compliance Safety Accountability (CSA) program's national rollout will occur no earlier than December 12, 2010, despite reports to the contrary. We appreciate the continued support as the Federal Motor Carrier Safety Administration (FMCSA) moves forward towards implementing this important new safety enforcement and compliance program."*

### **Trucking Groups Sue to Delay CSA 2010**

Smaller trucking companies and expedited carriers are asking a federal court to stay a portion of the federal CSA 2010 safety initiative set to take effect next month. The carriers, represented by three industry groups, filed suit at the U.S. Court of Appeals in Washington to block the release of carrier safety data in several categories by FMCSA starting Dec. 5. The suit is an attempt to halt a federal truck safety initiative many truckers and customers believe would sharply reduce the availability of drivers, effectively reducing capacity for domestic shipping.

Publishing carrier BASIC ratings would cause their members "irreparable competitive and economic harm," the associations told the U.S. Court of Appeals. The industry groups say they want CSA 2010 stayed until the FMCSA conducts a "full notice-and-comment rulemaking" under the Administrative Procedure Act. The measure is being implemented even though a formal rulemaking has not taken place, which the lawsuit contends violates federal law. The lawsuit was filed by the National Association of Small Trucking Companies, along with the Expedited Alliance of North America and the Air & Expedited Motor Carriers Association.

"The FMCSA should provide the industry and public with full disclosure of all aspects of the proposed rule, including the algorithms and other formulas the agency intends to utilize in developing carriers' BASIC grades and classifications, the sample populations used in developing the percentiles and other criteria the agency will utilize in grading carriers as to safety," the petitioners said in their lawsuit. "The agency must provide the public an opportunity to comment on the FMCSA's proposal and must issue a decision explaining its final rule," they said.

Many carriers worry customers will use data meant only to guide FMCSA enforcement decisions to grade or select carriers before a new safety rating system is in place. (From: *The Journal of Commerce Online*, 11/30/10)

### **ATA Seeks More CSA 2010 Changes Before Release to the Public**

Although ATA is not joining in litigation to block CSA

2010, it is asking for further changes before carriers' rankings under the program are made public. Boyd Stephenson, ATA's manager of safety & security operations, noted in a Nov. 29 letter to FMCSA's CSA program manager that carriers' scores in five of the seven Behavior Analysis and Safety Improvement Categories (BASICS) are set to be visible to the public. "Before the agency chooses to disclose this data, it should ensure that these BASICS accurately predict crash risk," Stephenson said.

"Until FMCSA can confirm that the system accurately identifies unsafe carriers in a category, it is inappropriate to make carriers' scores in that category publicly available, as they may erroneously label safe, responsible carriers as unsafe," ATA said. To improve the link between BASICS scores and crash risk, ATA recommends several steps:

- Modify severity weights so that they more accurately reflect crash risk;
- Control for risk disparities among "generic" violations (situations where violations of varying degrees are lumped together);
- Ensure industry segments are compared against their peers; and
- Test the system to ensure that it accurately identifies carriers that are unsafe.

ATA pointed to a number of violations, mostly in the Cargo-Related BASIC, where its members have identified severity weights that significantly exceed crash risk. On the other hand, there are some situations — possession or under the influence of alcohol less than four hours before driving or inadequate brakes for safe stopping, for example — where FMCSA's severity weight appears too low. ATA noted that in developing its violation severity weightings, FMCSA convened a group of agency and state enforcement officials to examine the severity weights suggested by its research and confirm that those weights conform to experiences in the field.

"However, in ATA's view, CSA 2010 should be based only upon the statistically demonstrated relationship between violating the FMCSRs and causing a crash, not anecdotal experience and subjective viewpoints," the association said. The CSA methodology itself states this policy by declaring that violations and severity weights are derived by applying quantitative analysis to historical crash and roadside violation data to the extent possible. "ATA believes that the introduction of subjective viewpoints to the weights distorts the aims of an impartial safety monitoring system."

While ATA said it would prefer that the system be based solely on the statistical relationship between crash risk and violations, the association argued that if the methodology is to incorporate subjective input, it should be from as broad and experienced a sample of individuals as possible. So ATA recommended that FMCSA expand the panel to include industry representatives.

Despite its concerns, ATA is not supporting litigation to block implementation of CSA or public release. ATA issued the following statement explaining its position:

*"While ATA continues to have some concerns with the CSA 2010 methodology, we will not be joining these groups in their efforts. ATA Vice President and Chief Counsel Bob*

*(Continued on page 7)*

(Continued from page 5)

**12. Question:** Is it required that the name on my vehicle registration match the name on my MCS-150?

**Answer:** No, the name you display on your vehicle and the name you register under on your DOT number application (MCS-150) **must** match, however the name on your registration does not. *Example: My company name is Smith Trucking, but my truck is registered to Jon Smith. Your MCS-150 would show Smith Trucking as the carrier and this is also the name you display on your vehicle.*

**13. Question:** Where may I travel after receiving the intrastate DOT number?

**Answer:** The intrastate DOT number allows you to travel anywhere in the State of South Carolina. It is not valid to travel interstate (outside the boundaries of South Carolina). If at anytime you need to operate in commerce outside the State of South Carolina simply update your MCS-150 to reflect interstate rather than intrastate.

**14. Question:** Will I receive something in writing verifying my Intrastate DOT number?

**Answer:** Yes, you will either receive a notification letter in the mail verifying your Intrastate DOT number or a computer generated response upon the conclusion of filing on-line. Please carry a copy of your notification in all vehicles until you are able to display the intrastate DOT number on your vehicle.

**15. Question:** Is there a deadline for me to get an intrastate DOT number?

**Answer:** Yes, the State of South Carolina is requiring that all carriers and operators of commercial motor vehicles apply for an Intrastate DOT number prior to October 1, 2011. If an Intrastate DOT number is not applied for and displayed prior to the dates listed above, it may be subject to enforcement action. Compliance Reviews will start October 1, 2012.

**16. Question:** Is this a new law?

**Answer:** No, this law was adopted by South Carolina when the Federal Motor Carrier Safety Regulations were adopted; however the United States Department of Transportation (US DOT) did not have the technology to process Intrastate DOT numbers. The technology is now in place to assist companies with the process and the law will now be applied.

**17. Question:** Why is getting an intrastate DOT number important and what are the benefits?

**Answer:** The main objective of this program is to enhance highway safety by reducing serious and fatal crashes involving a CMV. In addition, provide accurate data to identify existing safety concerns or emerging trends which will allow for a more efficient and effective deployment of the state's resources.

(Continued from page 6)

*Digges and outside counsel have evaluated the merits of the attorneys' legal arguments and believe those arguments have a very limited chance of being successful. Further, ATA believes greater gains can and have been made by working with the agency to make needed improvements to ensure that scores are both fair and accurate. In those categories where the accuracy of scores is questionable (the Crash Indicator and Cargo-Related BASIC) scores should appropriately be kept from public view.*

FMCSA has demonstrated a willingness to respond to ATA's concerns with CSA 2010. In August, the agency announced that it will use vehicle mileage (rather than only power unit counts) as a measure of exposure. Earlier this month, the agency also announced that it will keep the Cargo-Related BASIC scores from public view until the system has been modified to ensure that the scores are more fair and accurate. ATA had strongly advocated for both of these changes."

In a related development, FMCSA told a federal appeals court Nov. 30 that it would not be implementing the Safety Measurement System before Dec. 12 and, therefore, would not be making public before that date any data three trucking organizations are asking the U.S. Court of Appeals for the Dis-

trict of Columbia to block. Without objection from the groups suing to block CSA data release, FMCSA asked for the briefing schedule on the motion for emergency stay to be postponed a week. (From: *Commercial Carrier Journal*, [www.ccjdigital.com](http://www.ccjdigital.com), 12/1/10)

Article provided by:  
Mayberry Safety Solutions, LLC  
1005 W. Lebanon Street  
Mount Airy, NC 27030  
336-429-5351





# Happy New Year

## A NEW YEAR MESSAGE

The Christmas Holidays have come and gone. I hope everyone enjoyed the season with family and friends and hope Santa was gracious to everyone. And now, we are already into the 2011 New Year.

As I was thinking about this New Year message, I thought back to what I stated last year and once again thought how our times have changed, yet have not.

Yes the entire forest products industry including the timber harvesting, wood supplying and timber trucking sectors are still feeling the impacts of the sluggish economy, and the other impacts such as weather, fuel prices and markets our segment has no control over.

So my message this year is a little different and has roots in my early days as a freshman Clemson forestry student taking a psychology class.

We all know too well our industry's segment continues to weather the economic hurdles faced over last two years. Loggers, wood suppliers and truckers continue to endure the highs, few at that, and the lows, more than the highs, of the economics we have seen.

Yet our vital link in the wood supply chain continues to provide the wood to the receiving mills allowing the forest products industry to produce all the products enhancing everyone's lives.

To this day, and my freshman year was forty years ago, I remember what the professor said beginning the class, despite the fact I do not remember his name. Probably because it's been forty years I guess. But his statement has stayed with me to this day as it provides a foundation to approach each day and life.

The professor said, "You can't change behavior until you change attitude." To me that was a profound statement. Obviously it is a known fact in psychology, but do we realize the application to our daily lives.

Our industry's segment has been struggling to make ends meet, reduce costs, supply the wood, stay in business and make the livelihoods needed to sustain families. But those professionals still out there have done what is necessary to survive and be in business. That is the result of attitude plus being a business professional tending to business first, tweaking where needed and making sound decisions for business sustainability.

Attitude whether personal or in business, is a driver to where you want to go. It is the driver of what personal and business goals have been set to succeed.

Yes, a positive attitude over the last two years has been tough, as we've seen the economic issues of our industry coupled with those of all other businesses and industries. Yet, attitude will carry forward, either positive or negative.

Attitude about your business is either positive or negative. Sure, anyone can complain, and as my mom said, misery loves company. But complaining does not help what is reality. Having a positive attitude about where you are now and working toward a goal of what may be in the future can help change behavior.

I believe our industry will see improved times. When? Well, my crystal ball is as black as a pool table eight ball.

But my attitude is positive our industry will see improvements. Why, because I have faith in our system, its people and the professionals I am proud to represent. And that impacts behavior.

As we move forward into 2011, I would encourage everyone to look at this year as an opportunity to have a more positive attitude, continue doing what you do best and convey a positive attitude to your employees, friends, peers and family.

Continue to be business professionals and have the attitude I can and I will survive and will be here in the future. Take on a more positive attitude, sure it is tough at times, yet allow that positive attitude to shape your behavior in your business to believe ... I am the best at what I do. I am a professional and can and will weather the storm and be better off in the long run.

Bad times don't last forever. But poor attitudes can that may stifle positive behavioral changes to improve, sustain and nurture a business or personal life.

Let's look at 2011 as a new start to move forward with a positive attitude and let it shape behavior to make each of us the best and move our industry forward to better times.

Keep your faith, have a positive attitude, keep moving the wood and working to be the best professional you can be. It's all about attitude and adapting that attitude to your behavior.

Hang in there. We'll be better off with a positive attitude reflected in our behavior as better business professionals striving to be more productive and prosperous and proud of this industry we call logging. Happy New Year!

Sincerely,

*Crad*





## AGHAUL UPDATE

December 22, 2010

### No Extension for Maine/Vermont Pilot in 2010

In spite of the best efforts of Sen. Susan Collins (R-Maine) and the support of AgHaul members, on December 21, efforts to include a provision to extend the Maine/Vermont Pilot Project in the Continuing Resolution to fund federal programs through March 4, 2011 came to an end, and the Pilot—which enabled trucks running at state-legal limits in those two states to access those states' Interstate systems at those same weights and configurations—was cancelled indefinitely.

Prospects were excellent for extending the Pilot past its December 17 expiration last week, until a popular revolt against the \$1.2 trillion Omnibus Appropriations bill, with its 6,600 earmarks attached, effectively destroyed the negotiated alliances that would have allowed it to move forward in this Congress. The Pilot project extension was not a “pork” project; its revenue requirements were negligible. But it was indisputably an “earmark,” and that characterization of its status made it too heavy a lift for inclusion in the Continuing Resolution that replaced the Omnibus bill.

That means that the so-called “safety advocates” will have their way: compelling heavy trucks in Maine and Vermont to return to their previous haul patterns on rural roads and through small-town intersections, increasing safety exposures and wasting time, manpower, diesel, and brake linings, while increasing emissions. On the other hand—with the exception of one Daphne Izer, the Mainer who founded the Parents Against Tired Truckers and who serves as Maine's representative on the so-called Truck Safety Coalition—the Pilot was very popular with Maine's and Vermont's general popu-

lation, as well as with the states' law enforcement and transportation officials. (Ms. Izer's contribution to the dialogue was to suggest that “trucking interests” had exerted undue influence in the drafting of Maine DOT's affirmative report evaluating the Pilot.)



### Going Forward

There may be an opportunity for the Maine and Vermont delegations to make another pass at reviving the Pilot, or even making its provisions permanent, when the time comes to negotiate an extension of the Appropriations bill, some time before its expiration on March 4. However, any such effort would almost certainly coincide with negotiations over the Surface Transportation Reauthorization Bill (“Highway Bill”) which, under the gavel of incoming House Transportation & Infrastructure Chairman, Rep. John Mica (R-Florida), will be a high priority for the new Congress. On December 17, the Bangor [Maine] Daily News attributed to Sen. Olympia Snowe (R-Maine) the position of favoring “a nationwide policy of a 100,000-pound limit, so states like Maine don't have to fight for exemptions.” This position is well-aligned with AgHaul's support for the Safe and Efficient Transportation Act—although that bill only calls for a 97,000-pound limit for six-axle semis, at any state's option.

AgHaul will work with its allies to harness the forward momentum the Maine/Vermont Pilot has created to enact general truck weight reform in the new Congress.



## *Timber Talk*

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**12<sup>th</sup> Annual Membership Meeting**  
***Forests For Our Future***

**MEETING SCHEDULE AT A GLANCE**

**FRIDAY, JANUARY 28**

**Conference Center**

- 1:00 p.m. Board of Directors Meeting... Members & Guests Welcome
- 3:00 p.m. Registration Desk... Open Until 8:00 p.m.
- 7:00 p.m. Welcome Reception... Food, Music & Dancing with a DJ!

**SATURDAY, JANUARY 29**

**Conference Center**

- 6:30 a.m. Member & Guests Breakfast
- 6:45 a.m. Registration Desk Opens
- 8:00 a.m. General Session: Welcome, Invocation, Antitrust Statement & Announcements
  - Speaker: Matt Jensen, Whitetail Logging & American Loggers Council President
  - Speaker: Tom Reed, Vice President, Southern Resources, Plum Creek
- Morning Break
  - Speaker: Dale Greene, Professor, Center for Forest Business, University of Georgia
  - Speaker: Larry Cumming, President, Peterson Corporation
- 8:30 a.m. Ladies Breakfast
- 11:45 a.m. Break for Luncheon
- 12:00 p.m. Membership Business Luncheon & Meeting
- 12:45 p.m. Chairman's Welcome, Board of Directors Introductions & Announcements
  - Speaker: Mike Schmidt, Manager Forestry Biomass, John Deere & Company
  - Speaker: Bobby Goodson, "Swamp Logger," Goodson All Terrain Logging
- Business Session: President's Report, Financial Report, Bylaws Report, Board Elections, Awards & Special Presentations, Door Prizes & Prize Drawings
- 3:30 p.m. Afternoon Break
- 4:00 p.m. Workshop: *Comprehensive Safety Analysis 2010 Trucking Regulations – A Look at the New Standards*, Sgt. Don Rhodes, SC State Transport Police
- 5:30 p.m. Adjourn
  - Saturday Evening On Your Own. *Enjoy Your Evening!*
  - DISCOUNTED CAROLINA OPRY TICKETS available through SCTPA.

**SUNDAY, JANUARY 30**

**Conference Center**

- 8:00 a.m. Prayer Breakfast
- 9:00 a.m. Special Guest: His Girls – Rachel Rabon & Linda Avant
- 10:05 a.m. Silent Auction Announcements & Final Comments
- 10:30 a.m. Adjourn Meeting

**SILENT AUCTION BIDDING HOURS - CONFERENCE CENTER**

Friday, 5:00 – 9:30 p.m.    Saturday, 7:00 a.m. – 5:30 p.m.    Sunday, 7:00 – 9:00 a.m.

**EXHIBITOR HOURS - CONFERENCE CENTER**

Friday, 6:00 – 9:30 p.m.    Saturday, 7:00 a.m. – 5:00 p.m.    Sunday, 7:30 – 10:30 a.m.

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Meeting Speakers & Schedule Subject To Change

# AS I SEE IT ...

AMERICAN LOGGERS COUNCIL

PRESIDENT MIKE WIEDEMAN, ENTERPRISE, OREGON



December 2010

## STRENGTH IN NUMBERS

The American Loggers Council Master Logger Certification Program continues to expand. To date, sixteen states have approved MLC templates, with about one half of those states actually implementing the program. One of my goals for 2011 is to promote and encourage the progression of MLC. I am asking that the rest of our states that have not submitted a template seriously consider doing so.

The first question that may be asked when considering becoming a Master Logger is "what are the benefits?" I can speak from personal experience. In my home state of Wisconsin there is an insurance company that has given a twenty percent premium discount to anyone who is a Master Logger. That is a huge benefit that alone provides a financial savings worthwhile to become a Master Logger. Some of our pulp mills have given a contract preference as well. When contractors are put on quotas, Master Loggers are given volume while others may be reduced. I admit this one is somewhat hard to track.

One of the most important benefits I have received is the awarding of timber sales because of being a Master Logger. There are landowners, foresters, and mills that do believe in the program. Many landowners that are aware of the MLC program prefer the quality of the timber harvest the Master Logger provides and will accept a bid that may be slightly lower as long as it is a competitive bid. I have



worked with consulting foresters who are great advocates of MLC and some require you are a Master Logger in order to do any timber harvests for them. With all the certification programs out there today, wouldn't you rather support a "logger owned and logger controlled" program?

I was asked to speak at a Society of American Foresters annual meeting about a logger's perspective on Master Logger Certification. One of the consulting foresters spoke publicly that having a Master Logger perform timber harvests for his firm dramatically decreased administrative and field costs because of the quality of the work. Our State Department of Natural Resources has put in the State Statutes a \$150,000.00 matching grant to the Wisconsin Master Logger Program. This funding helps run most aspects of the program and has been instrumental in reducing the entrance fee and annual dues to almost nothing. There are also a few consuming mills that have contributed to and are very supportive of MLC in Wisconsin.

With some of the benefits I have listed, becoming a Master Logger still boils down to a personal choice. Please understand there are many logging firms across the country that do quality work and are not Master Loggers. I look at MLC as a way for your business to be recognized by your peers and to be the best logger you can be. It is very much a marketing tool that promotes professional, ethical and proper timber harvesting. As members of the ALC, one of our goals requires us to help promote and elevate our profes-

sion. If all ALC member states would, at a minimum, submit a MLC program template, it would send a strong message to the public, our industry, and even the environmental community that we are concerned about the future of our industry and are willing to take the steps necessary to ensure healthy, sustainable forests and communities. There is strength in numbers.

January 2011

## POLITICAL FOOTBALL

By the time all of you are reading this, the holidays will have passed and for many of you, winter will be in full swing. I would like to wish all of you a belated Merry Christmas and Happy New Year. The holiday season is a time to reflect on the past year and surely a time to be thankful. I'm sure that all of us, at one time or another, aren't satisfied or happy with our work or business situation. Putting things into perspective, having a supportive family and friends, raising a family in rural America and having an occupation that I truly love are some of the things I am thankful for.

With the start of 2011, a new Congress will be in session in Washington, DC. As I am writing this article, Congress and President Obama have been debating the Bush era tax cuts. The Republicans have vowed to keep them in place while President Obama would like to let the cuts expire for the wealthiest

(Continued on page 12)

## WELCOME NEW MEMBERS

SCTPA welcomes our New Members.  
Your support is appreciated.

Kesler Logging, *Irmo*  
Gray Contracting, LLC, *Summerville*  
McKnight Brothers Logging, *Sharon*  
AbitibiBowater, Inc., *Catawba*

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South Carolina's forest products industry.*

*(Continued from page 11)*

Americans and keep them in place for the middle class. The so called "rich" would have income of \$250,000 or higher, which include many small businesses.

This has the President in hot water with his liberal base. When then Senator Obama was running for President, he claimed the Bush tax cuts were only benefiting the richest Americans and not the lower or middle class. If the tax cuts expire, this could affect thousands if not millions of small businesses across the country.

Let's hope that Congress has enough insight to realize that raising taxes in such a sluggish economy would have a negative impact on economic recovery. The longer Congress debates this issue, the longer the uncertainty and lack of confidence continues. Many of us in the logging and trucking businesses would like to replace equipment or in some cases expand. In this climate it makes it a little hard to plan for the future.

My prediction is that the lame duck congress will let the tax cuts expire or pass a less than desirable bill and the new congress under Republican majority will quickly pass and reinstate the tax cuts retroactive to January 1st. It is very frustrating to see our top leaders have a meeting with the President only to come out shaking hands, "back slapping" and talking about what a productive discussion they had while the American people wonder what kind of back room deal they might make.

It is very easy to see what political football this has become. It will only be a matter of time to see who in Congress will go on record to vote for a tax

increase in President Obama's words "the worst economic times since the great depression." All this being said, whatever the tax implications may be for Americans, the Federal Government will surely spend those dollars and then some. It is my hope that the 112<sup>th</sup> Congress will pass pro-growth legislation like meaningful tax law reform, including a reduction in the capital gains and corporate tax rates. To my knowledge the corporate tax rate in the U.S. is among the highest in the world, and that has to change if we are truly going to stay competitive in the global economy.

I'm sure many of you would agree that the U.S. would be very difficult, if not impossible to defeat militarily, with our technology and superb men and women in the armed forces. My concern is that with the debt owed to countries like China we could be defeated economically without firing a shot.

We, as members of the American Loggers Council and owners of logging and trucking businesses across the country, must continue to engage our elected officials. You may think your calls to congressional offices are meaningless, but they really do matter. In 2011, my hopes that all of you will remain engaged in the ball game and we all will claim victory at the goal posts.

*Matt Jensen is the President of the American Loggers Council, which represents over 50,000 logging professionals in 30 states. Matt's operation, Whitetail Logging, is headquartered in Crandon, Wisconsin. For more information please contact the American Loggers Council office at 409-625-0206 or e-mail at [americanlogger@aol.com](mailto:americanlogger@aol.com).*



## 2010 Logger Activist Award Nomination

Nominations for SCTPA's **2010 Gene Collins Logger Activist of the Year Award** are being sought. Award will be presented at the 2011 Annual Membership Business Luncheon and Meeting convening at noon, Saturday, January 29, 2011 at the Crown Reef Resort Conference Center, Myrtle Beach, SC.

This award recognizes a Professional Logger who has demonstrated an exceptional desire to positively promote and represent the timber harvesting profession by actively participating in association activities, educational efforts, community action, industry advocacy, and engendering the public's trust with commitment to the American Loggers Council Professional Logger Code of Practices and by displaying a commitment to sustainable forestry principles and practices.

You may nominate a SCTPA Logger Member or yourself. Contact the Nominations Committee or SCTPA office by January 15, 2011. Thank you for your nomination.

*Billy McKinney, Chairman, McKinney Brothers Logging, Inc., Union*  
Office / Home 864-427-6173 ▪ Fax 864-427-6173 ▪ Cell 864-429-6939

*Clyde Brown, Mt. Bethel Logging, Inc., Newberry*  
Office / Home ▪ 803-276-2915 ▪ Fax 803-276-9232 ▪ Cell 803-924-1194

*Frampton Ferguson, Ferguson Forest Products, Inc., Luray*  
Office 803-625-4196 ▪ Fax 803-625-3881 ▪ Cell 803-942-1149

### 2010 Logger Activist Award Nomination

Nominee Name \_\_\_\_\_

Business Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ SC Zip \_\_\_\_\_

Contact Office \_\_\_\_\_ Home \_\_\_\_\_

Mobile \_\_\_\_\_ Email \_\_\_\_\_

Nominated By \_\_\_\_\_ Date \_\_\_\_\_

Contact: Office \_\_\_\_\_ Cell \_\_\_\_\_

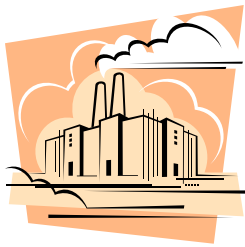
Describe nominee's activities: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Use Additional Pages If Needed



## BURNING MORE WOOD IS FOR CAVEMEN

By Chris Matera

**W**e need to get serious about global warming and clean energy, but wood-burning biomass incinerators are a false solution that will worsen our problems, not help solve them.

While the word “biomass” conjures up pleasant images, the promotion of this old caveman technology as “clean and green” is a colossal “greenwash” by the timber, trash and energy industries attempting to cash in on lucrative public clean energy subsidies.

One can become quite cynical to learn that our green energy subsidies are being directed to cutting forests and burning them in dirty biomass incinerators instead of promoting genuinely clean energy solutions, such as solar, geothermal, appropriately scaled and located wind and hydro, and most importantly conservation and efficiency.

Here is a biomass reality check.

Contrary to industry claims, biomass energy does not reduce carbon dioxide emissions, it increases them. Wood-burning biomass power production emits 50 percent more carbon dioxide per unit of energy than coal. That is not a typo, and is based on numbers from the proponents’ own reports.

Since burning wood is so inefficient, burning living trees is actually worse than burning coal. New electric biomass power plants emit about 3,300 pounds of carbon dioxide per megawatt-hour, while existing coal plants emit 2,100 pounds per megawatt-hour, existing natural gas plants about 1,300 pounds per megawatt-hour and new natural gas plants about 760 pounds per megawatt-hour.

Not only is wood-burning biomass energy worse than fossil fuels for carbon dioxide emissions, but it also usually emits higher rates of conventional pollutants such as particulates, carbon monoxide and nitrogen oxide than fossil fuels. The McNeil biomass plant near Burlington, touted by biomass proponents, is the No. 1 air pollution source in the state of Vermont and emits 79 pollutants (see [www.planethazard.com](http://www.planethazard.com)). In short, “clean” energy does not come out of a smokestack.

Wood-burning energy production is extremely inefficient; a typical power plant burns at about 23 percent efficiency, so 77 percent of the trees cut go up in smoke and without producing any energy. This means enormous amounts of forest need to be cut to provide tiny amounts of power. This large fuel demand will lead to increased clear-cutting of forests, which even the forestry consultant to the Beaver Wood Pownal and Fair Haven biomass proposals has admitted.

It is very important to realize that the vast majority of the fuel for biomass energy would come from living trees, not waste wood, as pitched to the public. The industry includes trees that it calls “junk” or “low grade” in its definition of “waste” and “residues” simply because they are a species, or

have characteristics, that do not provide high commercial market value. However, to the rest of us and to nature, these are still valuable trees that filter the air and water, sequester carbon, maintain the soil, attract tourists, and provide fish and wildlife habitat.

The proposed Fair Haven facility alone would require nearly 600,000 green tons of wood per year for electricity and pellets. This is about 40 percent of the entire public and private annual timber harvest in Vermont and yet would produce only about 1 percent more heat and electricity for Vermont.

Achievable and more economical conservation and efficiency measures could reduce our energy use by 30 percent. “Phantom” loads alone — for example, when our TV is plugged in but not on — account for 5 percent of our electricity use and could easily be avoided by using power strips. While making better use of the energy we already have would have the least impacts, the damage is already done with Hydro-Quebec, so utilizing this available energy source would have minimal new impacts in comparison to increased cutting and burning of our important forests.

There are other large biomass burning proposals in Springfield and the Massachusetts cities of Pittsfield, Greenfield, Russell and Springfield that all have overlapping wood demands that would require cutting forests at more than 300 percent of today’s cutting rates and would seriously threaten our forests.

Tourists and recreationists come from around the world and support a lucrative tourism industry to visit New England’s “Golden Goose,” our forests, in their glory. They will not come to see them cut down, chipped, burned and belched into the atmosphere in industrial burners.

The reason these biomass incinerators are popping up like mushrooms on a rainy Seattle day is because of the enormous public subsidies being directed their way. A typical incinerator like the one proposed in Fair Haven is eligible for a \$50 million to \$80 million federal cash grant if it can break ground by Friday and about \$20 million in annual public subsidies. Imagine all the genuinely clean jobs and energy that could instead be created with that money by installing solar panels and insulating homes. Rather than 25 to 50 or so destructive jobs cutting and burning forests, the \$20 million annual subsidy alone could be used to support 400 clean and green jobs at \$50,000 a year.

At this time of polluted air, global warming, already stressed forests and bankrupt governments, there is no reasonable argument for forcing taxpayers to subsidize the construction of new dirty, carbon-belching, forest-degrading biomass incinerators for minimal amounts of power that we don’t need, just to further enrich already wealthy out-of-state investors.

These policies will lead to increased clear-cutting, air pollution and greenhouse gas emissions while simultaneously draining our public coffers, the exact opposite of what we need to do right now. “Green” taxpayer subsidies and other incentives should be directed only toward genuinely green technologies that produce clean, non-carbon-emitting energy and local jobs.

*Chris Matera is a civil engineer and the founder of Massachusetts Forest Watch, a citizen watchdog group.*

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## BCAP'S FUTURE STILL UNCERTAIN, USDA RELEASES PROGRAM INFO

By Anna Austin | December 16, 2010



**T**he current \$1.1 trillion 2011 Omnibus Appropriations Act essentially strips BCAP of its funding, as well as the Biorefinery Assistance program and Bioenergy Program for Advanced Biofuels.

While the biomass industry is scrambling to prevent Congress from slashing Biomass Crop Assistance Program funds in the proposed omnibus spending bill, USDA has issued new information about the program, following the Oct. 27 final rule release.

It's likely the release of the new BCAP information hasn't created the excitement across the industry that it would have if the program's future wasn't in jeopardy.

The current \$1.1 trillion 2011 Omnibus Appropriations Act essentially strips BCAP of its funding, as well as the Biorefinery Assistance program and Bioenergy Program for Advanced Biofuels.

The end of the program could mean the collapse of the industry, from the perspective of many. Steve Flick, president of the 600-member, farmer-owned cooperative Show Me Energy, has actively been working to bring the matter to the attention of appropriators on Capitol Hill. He said if BCAP funding is cut, U.S. farmers will never trust USDA again when it comes to energy policy. "And the U.S. will never attain the [renewable fuel standard] goal—it's a pipe dream, the next generation fuel industry will also collapse and jobs will be lost immediately," Flick said.

Bob Cleaves, president of the Biomass Power Association, said BCAP has meant the difference in whether biomass power plants have been able to stay open or close. He described the defunding provision as "completely out of left field. It would not only have a devastating effect on biomass power producers, but growers, electric co-ops and various others. Loggers and waste handlers have spent huge amounts of money and taken significant risks in anticipation that the program would exist."

Cleaves said the BPA, along with 40 other companies and organizations, sent a letter to leadership last week imploring Congress to reverse the defunding of BCAP. "We're quite concerned about this, at a time where our renewable brethrens like solar and wind are getting significant benefits in the current Tax Bill. It's extremely unfair to leave biomass out in the cold."

USDA spokesman Justin DeJong said if BCAP is ultimately eliminated, the Senate would ensure that U.S. dependence on foreign oil and fossil fuels will not only continue, but also grow for the foreseeable future.

DeJong pointed out that BCAP is expected to create 700,000 jobs nationwide and \$80 billion in economic activity over the next 10 years. "We strongly encourage the Senate to

make the corrections necessary so there are resources to continue building a sustainable biofuels industry—for our environmental as well as national security future," he said.

Cleaves pointed out that the Senate Appropriations Committee is asking the Senate to vote on the omnibus bill before Saturday evening, so there isn't much time. "It's a 2,000-page piece of legislation and extraordinarily complex," he said. "This is exactly what the voters were telling Congress not to do in November—to ram something through at the last minute."

The biomass industry has tremendous support in both the House and Senate, Cleaves added, and the BPA is working with allies to see if something can be done. "But our impression is that this is a very fast moving train. The government runs out of money on midnight on Saturday, and will only continue to be funded through this or a continued resolution. Candidly, we're hopeful it will fail in its current form."

Two Republican votes are needed for the Senate to approve the bill, assuming it gains the support of all 58 Democrats, which does not seem likely. Sen. Claire McCaskill, D-Mo., has said she will oppose the bill over concerns with the 6,700-plus earmarks it contains.

Meanwhile, the industry is being urged to take action immediately. "It is truly [imperative] that everyone in the biomass industry call their senatorial positions to tell them not to vote for the omnibus," Flick said. "It does nothing for our industry; in fact, it virtually eliminates it."

While Congress is grappling with a Tax Bill and an omnibus bill, the USDA did manage to add a number of forms and accompanying information to the BCAP website, including Biomass Conversion Facility registration documents, BCAP project area proposal submissions and instructions, and an updated eligible materials list.

While some long-awaited information is now available, there are still smaller, instructive details that seem to be missing. "At this point, it is unclear how fuel delivered to a conversion facility will be verified as to the sustainability criteria of the eligible fuels list," said Tom Kimmerer, senior scientist for Moore Ventures LLC. "The Sample Purchase List does not indicate how eligibility is determined, nor does the BCAP-1 form require sustainability information. For example, the final rule requires that eligible forest materials must be harvested from forests under a forest management plan or other indicator of sustainable practices. However, the forms do not indicate how to provide information to verify the sustainability criteria. In addition, the BCAP Project Area Environmental Screening Worksheet is basically a repeat of the BCAP-I form with one additional box to check off environmental consideration."

Kimmerer said it appears that FSA posted the new documents before working through all the information that might be required. "Applicants, especially those who are applying for producer areas, should plan on spending considerable time with county or state [Farm Service Agency] agents to clarify these matters." To see more information about the BCAP, visit Kimmerer's blog at [www.mooreventures.com/blog/](http://www.mooreventures.com/blog/).



# COLLINS SIGNALS BIOMASS RULES LIKELY TO CHANGE

By: Matt Wickenheiser -- Bangor Daily News

Proposed federal rules regarding biomass boilers likely will be changed, removing financial threat to the state's paper mills, hospitals and schools, U.S. Sen. Susan Collins told Maine papermakers.

Collins spoke at the Maine Pulp and Paper Association's annual meeting, spending much of her time on the Environmental Protection Agency rules. She also talked about her hopes to make permanent pilot rules that allow heavier trucks on the interstate system in Maine.

The Maine Republican said the EPA's proposed Maximum Achievable Control Technology, or MACT, rules were the product of "overzealous bureaucrats." The rules would essentially require the monitoring and scrubbing of emissions from biomass boilers which many mills have moved to in recent years to get away from fossil fuels, noted Doug Walsh, executive vice president for operations at Lincoln Paper and Tissue. Walsh said that in recent years, Maine mills have spent hundreds of millions investing in biomass boilers.

Collins said that the EPA estimated that it would cost the wood products sector \$9.5 billion nationwide to install the technology required under the proposed rules. But an independent analysis put the cost at roughly \$21 billion, she said.

And while the federal Department of Energy has been subsidizing operations to convert from fossil fuel to biomass, the EPA is looking to make those operations more expensive, said Collins.

"It's clearly an example of the right hand not knowing what the left is doing," said Collins.

Collins said she recently sent a letter to EPA Administrator

Lisa Jackson opposing the changes. The letter was co-signed by 40 other Republican and Democratic senators, said Collins. In a response, Jackson said that the final rules likely would be different from the proposal. Collins said she has also discussed the issue with a key official in the Office of Management and Budget, who told her the administration was "taken aback" by the number of senators who signed onto the letter, and the bipartisan nature of the opposition.

Walsh said the Maine papermakers were hopeful that Collins' efforts to fight the proposed rules would prove successful.

Collins also spoke on the pilot program that allows trucks of up to 100,000 pounds on the interstate in Maine. The program is due to expire Dec. 17. Congress is set to work on a continuing resolution bill that would continue to fund government operations, and a provision that would extend the weight allowance indefinitely will be in that bill, said Collins.

She shared some benefits from the change in regulations with the audience. A truck taking a one-way trip from Hampden to Houlton along I-95, instead of Route 2, skips 270 inter-sections and nine school crossings, she said, and saves 50 minutes and \$30 in fuel. Having the program in place for a year would save Lincoln Paper and Tissue 120,000 gallons of diesel, she said, and essentially is the same as moving the mill 291 miles closer to its market the equivalent of relocating to Newton, Mass.

"This is all about competitiveness," she said.

Collins pointed out that the paper industry in Maine employs 7,800 and puts about \$900 million into the economy annually.

"While the economy is changing, the Maine pulp and paper industry remains the backbone of our economy," she said.

## ***Biomass project still awaiting power buyer***

A company seeking to construct a biomass power generator at an Orangeburg County industrial park is still looking for someone to purchase its power, says Orangeburg County's lead economic development official.

"Our side of the deal is done," Orangeburg County Development Commission Executive Director Gregg Robinson said. "It is up to the client to secure the power purchase agreement and to advance to the next level."

Orangeburg County Biomass LLC wants to build a \$100 million wood-fired power plant on 55 acres at Orangeburg County's John Matthews Industrial Park.

The 35-megawatt, wood biomass-fired electrical power generator would essentially burn wood chips and forestry thinnings for electricity.

Project officials have said the plant will create about 27 jobs over the next five years. Jobs would be timber and trucking related. Wages would average about \$15 per hour, above the county average of \$13.

Robinson said all needed environmental studies and permits are complete for the project to move forward.

Construction will begin upon an agreement with a utility provider. Robinson said the utility provider could be locally based or even out of state.

He declined to comment on how discussions are going or what utilities have been talked to.

In addition to the electric generation project, Robinson said construction on \$2.5 million 1-million gallon water tank at the park is scheduled to begin in the next 30 days.

"We are showing the property on a regular basis," he said.

*Times & Democrat, Orangeburg, Staff Report, November 8, 2010*

## ABITIBI BOWATER EMERGES FROM CHAPTER 11

**O**n December 9<sup>th</sup>, AbitibiBowater announced that it had completed its reorganization and had emerged from its Chapter 11 protection.

"By strengthening our competitiveness and dramatically improving our financial position, AbitibiBowater has become one of the lowest cost forest products companies in North America," stated CEO David Paterson.

The company cited several restructuring moves it had completed over the past three years, including reducing capacity substantially in newsprint, printing papers, and wood products and rebalancing its portfolio of products "reducing exposure to any one grade," and adjusting its mill assets by location, both in the U.S. and Canada, to serve customers more agilely, in addition to several synergetic cost-cutting measures.

The company announced that Mr. Paterson would retire as CEO on January 1<sup>st</sup> (retaining a non-executive advisory role through July 31<sup>st</sup>), to be succeeded as CEO by Richard Garneau.

RISI's December *International Woodfiber Report* indicated that "sources" stated that the company is actively investigating opportunities to involve itself in biofuels projects, such as production of ethanol from wood biomass, in addition to placing additional investment in power generation including cogeneration.

### FMCSA Issues Proposed Rule on Hours-of-Service Requirements for Commercial Truck Drivers

WASHINGTON - The U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) today issued a regulatory proposal that would revise hours-of-service (HOS) requirements for commercial truck drivers.

"A fatigued driver has no place behind the wheel of a large commercial truck," said Transportation Secretary Ray LaHood. "We are committed to an hours-of-service rule that will help create an environment where commercial truck drivers are rested, alert and focused on safety while on the job."

The publication of this proposed rule coincides with the timeframe established in a court settlement agreement that requires FMCSA to publish a final HOS rule by July 26, 2011.

This new HOS proposal would retain the "34-hour restart" provision allowing drivers to restart the clock on their weekly 60 or 70 hours by taking at least 34 consecutive hours off-duty. However, the restart period would have to include two consecutive off-duty periods from midnight to 6:00 a.m. Drivers would be allowed to use this restart only once during a seven-day period.

Additionally the proposal would require commercial truck drivers to complete all driving within a 14-hour workday, and to complete all on-duty work-related activities within 13 hours to allow for at least a one hour break. It also leaves open for comment whether drivers should be limited to 10 or 11 hours of daily driving time, although FMCSA currently favors a 10-hour

limit.

"In January, we began this rulemaking process by hosting five public listening sessions with stakeholders across the country," said FMCSA Administrator Anne S. Ferro. "This proposed rule provides another opportunity for the public to weigh in on a safety issue that impacts everyone on our roadways."

Driving hours are regulated by federal HOS rules, which are designed to prevent commercial vehicle-related crashes and fatalities by prescribing on-duty and rest periods for drivers.

Commercial truck drivers who violate this proposed rule would face civil penalties of up to \$2,750 for each offense. Trucking companies that allow their drivers to violate the proposal's driving limits would face penalties of up to \$11,000 for each offense.

Other key provisions include the option of extending a driver's daily shift to 16 hours twice a week to accommodate for issues such as loading and unloading at terminals or ports, and allowing drivers to count some time spent parked in their trucks toward off-duty hours.

A copy of the rulemaking proposal is available on FMCSA's Web site at <http://www.fmcsa.dot.gov/HOS>. The rulemaking will be published in the Federal Register on December 29 and the public will then have 60 days to comment. Information on how to submit comments and evidentiary material is available at <http://www.fmcsa.dot.gov/HOS>.

*FMCSA issued this press release December 23rd announcing the Administration's proposed rule on Hours-of-Service requirements for commercial truck drivers. The rulemaking will be published in the Federal Register on December 29. The public will have 60 days from that date to comment.*



## FOREST LANDOWNERS ASSOCIATION How the 2010 Elections Will Affect Private Forestland

November 11, 2010

As a result of the November elections, the Forest Landowners Association (FLA) expects to see some improvement in the treatment of private forests by the new Congress. Although the House of Representatives will likely be highly active, the Senate may remain somewhat gridlocked. As a result of the change in Congress, FLA believes the Administration will try to pass its agenda in other ways:

- Forwarding acceptable pieces of legislation through Congress, rather than all-inclusive legislation
- Through pressure on the EPA and other agencies to move administrative goals  
Through the states, rather than at the federal level

### Environmental Legislation

FLA believes the Environmental Protection Agency (EPA) lost much ground in this election. The Agency is expected to be the target of Congressional attacks, once the Republicans take control of the House and gain several seats in the Senate. We expect to see increased pressure on the EPA regarding recent regulations harmful to forest landowners.

Leading up to the election, FLA and our allies drew attention to EPA Administrator Lisa Jackson by pointing to her agency's new regulations of declaring wood-burning emissions as an equivalent pollutant to fossil fuels (i.e. "Tailoring Rule") and the 9th Circuit Court ruling that forest roads are point sources of pollution under the Clean Water Act, among others, as proof that President Obama and the Democratic Congress were stifling the struggling economy.

### Clean Water Act

A longtime proponent for the expanding reach of the EPA's regulation of private lands, U.S. Rep. Jim Oberstar (D-MN) failed his bid for re-election. Oberstar had become the most vocal and powerful advocate for expanding EPA's jurisdiction over all waters of the United States. Oberstar sponsored the controversial Clean Water Restoration Act (CWRA), which would dramatically expand the scope of the federal Clean Water Act, and strip the individual states of oversight of small and temporary bodies of water.

Under the CWRA, individual property owners would have to answer to federal officials, rather than their local government, on even minor land use decisions. The sponsor of the Senate version of the CWRA, Sen. Russ Feingold (D-MN), also lost his bid for re-election.

### Clean Air Act

The first order of business for Republicans could be legislation to stop the EPA from regulating greenhouse gases (e.g. burning wood) under the Clean Air Act.

### Renewable Energy

An energy bill may be addressed by the Obama Administration in what they are calling "chunks," meaning that they will divide the bill into smaller portions and try to pass the more acceptable pieces first. However, FLA still opposes the existing definition of renewable biomass in Senate Energy and Natural Resources Chairman Jeff Bingaman's (D-NM) Renewable Electricity Standard.

### Death Tax

FLA is pleased to announce an additional 12 Senators and 117 Congressional Representatives (including incoming freshmen) have signed the American Family Business Institute's "Death Tax Repeal Pledge," for which FLA members recruited signatories. The 112th Congress will now have a total of at least 49 repeal supporters in the Senate and 245 repeal supporters in the House, including incumbents who have previously voted for repeal. FLA believes that it is possible that the death tax and other expiring Bush-era tax cuts may not be focused on in the lame duck session, but could be favorably passed in 2011 to be retroactive to the beginning of the year.

### Lame Duck Session

Congress and their staffers are preparing for a busy next week. The lame duck session starts then, but there will also be an orientation for 16 freshmen senators and at least 93 newly elected House members.

For Democrats, the big unsettled debate is how long and hard to push in the lame duck session for the desires of the party. The outgoing House majority and the dwindling Senate majority have the power to keep Congress in session until the week after Christmas to promote their agenda for as long as possible and limit the reach of the tax cut extensions. They could, however, do the minimum necessary, writing a bill to keep the government funded at current levels until the end of the year. Some representatives are arguing against an extended lame duck session because departing members must vacate their offices by noon on December 1.

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## GEORGIA PACIFIC INCREASES FOREST PROTECTION AND EXPANDS SUSTAINABLE FORESTRY PRACTICES

ATLANTA, Nov. 16, 2010 -- Georgia-Pacific LLC announced today it is expanding its forest protection and sustainability efforts with an updated policy to better identify and protect endangered forests in the United States; promote conservation of forest diversity; and enhance its sustainable forestry and recycling practices.

"This policy continues our commitment to sustainability in the fiber we source and the products we make," said Jim Hannan, Georgia-Pacific chief executive officer and president. "We continue to believe it is possible to operate in a way that is environmentally responsible and also economically sound. This policy also gives us the opportunity to address issues of increasing interest to our customers and to consumers."

The policy update is the result of ongoing discussions with customers and suppliers, and several years of consultation with a number of environmental organizations, including the Rainforest Action Network, the Natural Resources Defense Council and the Dogwood Alliance. In addition, the group worked with Liz Kramer, Ph.D. from the University of Georgia, to develop the scientific methodology that is a focus of the updated policy.

Key provisions of Georgia-Pacific's policy include:

- Working collaboratively to help define and map endangered forests and special areas where the company will not source fiber;

- Encouraging the conservation of natural hardwood forests through measures to evaluate the existing level of natural hardwood forests and not promoting future conversion of such forests to pine plantations;
  - Continue to not source fiber from the Tongass National Forest in Alaska, until roadless areas identified in the 2001 Roadless Area Conservation Rule are permanently protected;
  - Continue requiring loggers to use both mandatory and voluntary state forestry best management practices;
  - Continue certification of our wood and fiber procurement practices; and
- Increasing the internal rate of post-consumer recycled fiber within the company's total recycled fiber supply system to 50 percent.

"This expanded policy on forest protection and sustainable practices outlines our new commitments, but also reaffirms the sustainable forestry activities and processes we already have in place," said Deborah Baker, vice president of sustainable forestry, environmental and community outreach. "Working with the environmental groups helped us make sure that we had outside input, which we believe helped us formulate a better policy statement."

## Coal's Two-Year High Prompts U.K. Utilities to Burn Wood: Energy Markets

By Catherine Airlie - Dec 3, 2010

The highest-priced coal in two years is making wood pellets a viable fuel alternative for U.K. power producers, heralding a doubling of electricity generation from biomass in the next three years.

Using coal to make a megawatt hour of electricity in the U.K. costs 40.25 euros (\$53), compared with 39.35 euros for wood, according to Bloomberg New Energy Finance. Prices have been "approximately the same" since May, it said.

Pledges by Prime Minister David Cameron's government to step up renewable energy use are stoking investment in U.K. projects to get electricity from biomass such as tree and vegetable matter just as coal prices surge amid rising demand from China. Utilities plan to more than double biomass capacity in Britain to 5,800 megawatts by 2014, enough to supply almost 6 million homes, New Energy Finance said.

"More and more coal-fed power plants need to look at ways to increase renewable-energy production," said Pasi Laine, president of environmental technology at Metso Oyj, a Helsinki-based maker of equipment that turns biomass into electricity. "Most of the existing coal-fired power boilers could be adapted."

*(Continued on page 23)*



(Continued from page 22)

Benchmark coal for delivery next month in Northwest Europe has climbed 40 percent this year to \$116.50 a metric ton as of 9:20 a.m. in London, the highest since Oct. 24, 2008, according to data compiled by Bloomberg from broker prices. Pellets have fallen 3.2 percent this year to 123.19 euros (\$193) a ton, according to APX-Endex, an Amsterdam-based exchange that plans to begin trading of wood contracts on its system by mid-2011.

### **Diminishing Returns**

Power companies are turning to biomass as the profit from coal-based electricity generation slides. Returns have dropped about 70 percent in the past 12 months to about 2.60 pounds (\$4.07) a megawatt hour, and were as low as minus 6 pounds in March, according to Bloomberg data. Coal accounted for 28 percent of the U.K.'s electricity last year.

Essen, Germany-based RWE AG said Nov. 16 it's seeking permission to burn wood instead of coal at its 1,050-megawatt power station in Tilbury, England, next year. The company, Germany's second-biggest utility, also started building a 50-megawatt plant in Fife, Scotland, that will burn wood.

Drax Group, Plc, the owner of Western Europe's largest coal-power station at Selby, England, said in October 2009 it wants to construct three U.K. plants fueled by organic matter. It also plans to switch one of its 645-megawatt coal-fed units at the Selby site to run entirely on biomass.

### **'Double Win'**

It would be a "double win," Melanie Wedgebury, a Drax spokeswoman, said by e-mail. "It will remove coal from the energy mix and replace it with significant, reliable, cost-effective and dispatchable renewable power." After an expansion this year, the 4,000-megawatt station in Selby has the ability to use such fuels for as much as 13 percent of its output.

The cost of burning coal includes European Union emission allowances, which companies must buy to compensate for producing greenhouse gases linked to global warming. Benchmark carbon allowances have risen 17 percent this year on the ICE Europe Futures Exchange in London.

While burning biomass spews about the same amount of greenhouse gas into the atmosphere as coal, it doesn't require emissions permits under the EU's cap-and-trade program because trees and plants absorb carbon-dioxide when they are growing.

Using biomass to create electricity in the U.K. wouldn't be profitable without a government subsidy of about 31 euros a megawatt hour, said Irmgard Herold, a London-based analyst at New Energy Finance. The U.K. awards so-called Renewable Obligation Certificates to companies that process wood biomass and other renewable forms for power generation.

### **Supply Limits**

British generators that burn both coal and biomass are eligible for at least half a credit for every megawatt hour they produce. Wood pellets became profitable in May for the first time since the country changed its renewable subsidies a year earlier, cutting support by half for mixing coal and biomass.

Limited supply of biomass as a feedstock may deter some companies from switching from fossil-fuel generators, said Isabel Boira-Segarra, renewable services director at WSP Environment & Energy, a London-based research consultant. Costs running into "hundreds of millions of pounds" may also discourage producers, according to Lakis Athanasiou, an analyst at Evolution Securities in London.

"There's room for biomass for making electricity in Britain, but there are too many uncertainties in fuel supply," Boira-Segarra said. "You don't have a project unless you can prove liquidity for the feedstock in the market or secure a long-term supply of biomass."

### **Feedstock Imports**

While utilities require twice as much biomass as coal to produce electricity, there's enough sustainable fuel worldwide to power all of Britain, according to Rotawave Ltd., an Aberdeen, Scotland-based company that sells technology to turn vegetable matter into a material more comparable to coal.

"Britain's potential for more biomass-fed power capacity is quite big because the feedstock can be imported" from Russia, Scandinavia and North America, Herold said.

Biomass can be obtained from fallen branches and bark as well as agricultural waste rather than cutting down trees.

U.K. companies can currently generate about 2,200 megawatts of power from biomass, enough to supply more than 2 million homes.

"Biomass could become a sustainable global commodity with a market price," Metso's Laine said.

# INTERNATIONAL PAPER

## ***Go Paper. Grow Trees. Connects Healthy Forests with Paper Use***

MEMPHIS, Tenn. – An awareness campaign entitled *Go Paper. Grow Trees.*<sup>™</sup> gives consumers the facts on how using paper products makes a direct contribution to the health and growth of trees and the forests. According to the Food and Agricultural Organization of the United Nations (FAO), a majority of the 750 million acres of U.S. forests are privately owned. These private owners -- mostly family tree farmers -- will ultimately determine what happens to our forestlands. We depend on forests for many social, ecological and economic benefits.

Sponsored by International Paper, *Go Paper. Grow Trees.* was created to connect readers to the challenges private landowners face in growing and maintaining healthy forests. For more information on the awareness campaign visit [GoPaperGrowTrees.com](http://GoPaperGrowTrees.com) interactive website provides numerous forestry facts and dispels many myths, along with offering other exciting multi-media tools, including a *Go Paper. Grow Trees.*<sup>™</sup> video.

“It’s important to understand that tree farmers and other private landowners plant about 4 million trees every day, which is about three to four times more than they harvest,” said Teri Shanahan, IP’s vice president, Commercial Printing. “By planting trees and managing forests responsibly, landowners are given the financial incentive they need to maintain and protect the valuable forest resources that provide benefits for present and future generations.” Without the income from tree farming, landowners face economic pressure to pay property taxes and replace lost revenue. A common outcome is converting forestlands to other uses such as agricultural crops that have shorter growing and cash cycles than forest products. Another tempting prospect is to sell the land for development. In either case, the forest is removed forever and so are the benefits of cleaner water, better air, wildlife habitat and biodiversity. Healthy forests are life-support systems -- and demand for paper products ensures landowners continue to farm trees.

“By providing a clearer understanding of who owns the forests and the challenges these landowners face, *Go Paper. Grow Trees.* is intended to correct misinformation and provide a realistic perspective on the role that paper products play in keeping our forests healthy and growing,” added Shanahan. “Consumers continue to be environmentally conscious in the choices they make, so it’s important they base their decisions on facts.

The facts are paper products are a sustainable, renewable, recyclable and biodegradable resource -- and using paper products can actually lead to a healthier forest ecosystem and the demand for and growth of more trees.”

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## **ENVIRONMENTAL GROUPS APPLAUD GP FOR INCREASING PROTECTION FOR MILLIONS OF ACRES OF SOUTHERN U.S. HARDWOOD FORESTS, PROVING THAT HELPING PROTECT UNIQUE PLACES NEED NOT SACRIFICE PROFITABILITY**

ATLANTA, Georgia, November 16, 2010 – In a bold commitment to forests, Atlanta-based Georgia Pacific (GP) has announced that it will not purchase trees from Endangered Forests and Special Areas, or from new pine plantations established at the expense of natural hardwood forests. The policy statement was developed in consultation with environmental groups Dogwood Alliance, the Natural Resources Defense Council (NRDC) and Rainforest Action Network.

While GP's new forest policy applies to all of its operations, as a first step in implementing its commitment on Endangered Forests and Special Areas, GP worked with the environmental groups and scientists to identify 11 Endangered Forests and Special Areas totaling 600,000 acres in the Mid-Atlantic Coastal Eco-Region, as well as 90 million acres of natural hardwood forests in the Southern region. Endangered Forests and Special Areas in other regions will be mapped in a similar process, over the coming years.

"No other U.S. company has demonstrated this level of initiative in mapping unique forests across such a broad region," said Debbie Hammel, NRDC Senior Resource Specialist. "Through this process, GP has proven that—by harnessing scientific advances and seeking conservation guidance—corporations can help protect unique places without sacrificing profitability."

"Georgia-Pacific has shown real leadership on issues of critical importance in the South. At the same time, our forests are not completely out of harm's way until other companies also agree to protect them," said Danna Smith, Executive Director of Dogwood Alliance. "We will continue to urge the companies that are lagging behind to take action to protect unique places on the Southern landscape and end the conversion of natural hardwood forests to plantations."

The South's natural forests are home to more plant and animal species than anywhere else in North America. They also help protect the drinking water for millions of people and naturally eliminate carbon dioxide from the atmosphere. Yet less than two percent of the region's forests are protected, and the South produces more wood and paper than any other place in the world.

The 11 designated Endangered Forests and Special Areas span North Carolina, South Carolina, Virginia, and Georgia and include forests in the Alligator River Region, Camp Lejeune Area, Congaree River Area, Croatan National Forest Region, Fort Jackson, Francis Marion National Forest, Holly Shelter Region, Great Dismal Swamp Area Green Swamp Region (account for two distinct areas), and Savannah River Site. These areas are home to endangered species such as the Red-cockaded wood-

pecker, rare plants including the carnivorous Venus fly-trap, and unique geographic features—including pocosins, the Algonquin term for "swamp on a hill."

In addition to helping protect Endangered Forests and Special Areas, GP is helping to protect the South's natural hardwood forests from being converted to plantations in the future by not buying pine fiber from natural hardwood forests that have been converted to pine as of July 1, 2008. Over the past several decades, the intense wood and paper production in the region has resulted in the conversion of millions of acres of natural hardwood forests to pine plantations. These plantations are more intensively managed than natural hardwood forests, often involving the spraying of chemical herbicides and fertilizers, causing concerns about the human health impacts in nearby communities. In addition, the replacement of natural hardwood forests to pine plantations diminishes biodiversity and wildlife habitat and releases carbon into the atmosphere. The conversion of wetland forests to pine plantations has also been linked to increased flooding on the southern coast of North Carolina.

This commitment to increasing protection for forests is the result of six years of engagement between GP and environmental groups the Natural Resources Defense Council (NRDC), Dogwood Alliance, and Rainforest Action Network (RAN).

The Natural Resources Defense Council is a national, nonprofit organization of scientists, lawyers, and environmental specialists dedicated to protecting the Earth: its people, its plants and animals, and the natural systems on which all life depends. Founded in 1970, NRDC has 1.3 million members and online activists nationwide, served from offices in New York, Washington, Los Angeles, San Francisco, Chicago, and Beijing. [www.nrdc.org](http://www.nrdc.org).

Dogwood Alliance mobilizes diverse voices to defend the unique forests and communities of the Southern United States from destructive industrial forestry. Founded in 1996, Dogwood Alliance is the only organization in the South holding corporations accountable for the impacts of their business practices on the region's forests and has been at the forefront of driving the U.S. paper market towards more sustainable fiber sourcing practices. [www.dogwoodalliance.org](http://www.dogwoodalliance.org).



# Final BCAP Rule Released Industry Responds Favorably to Eligible Material Requirements

The USDA finally released the final BCAP rule. Industry members believe it will reduce the low-grade lumber market distortions it previously caused.

By DeAnna Stephens Baker  
December 1, 2010

The release of the long-awaited final rules for the Biomass Crop Assistance Program (BCAP) by the U.S. Department of Agriculture (USDA) has relieved some industry fears of continuing market distortions for low-grade lumber. Under the final rule, USDA has resumed making the BCAP payments to eligible producers. The federal government suspended payments in February after the program swelled beyond initial expectations.

BCAP was created in the 2008 Farm Bill as a primary component of the domestic agriculture, energy, and environmental strategy to reduce U.S. reliance on foreign oil, improve domestic energy security, reduce carbon pollution, and spur rural economic development and job creation. It provides incentives to interested farmers, ranchers and forest landowners for the establishment and cultivation of biomass crops for heat, power, bio-based products, and biofuels.

"Domestic production of renewable energy, including biofuels, is a national imperative and that's why USDA is working to assist in developing a biofuels industry in every corner of the nation," said USDA Secretary Tom Vilsack. "By producing more biofuels in America, we will create jobs, combat global warming, replace our dependence on foreign oil and build a stronger foundation for the 21st century economy."

## Previous Market Distortions

The pallet industry experienced mostly negative effects from the original BCAP Notice of Funding Availability (NOFA) because the subsidy made it harder to source low-grade lumber material in some areas of the country. Producers opted

to send logs and lumber to be ground for biomass energy instead of used for pallets and other low grade applications. Upward price pressure and reduced availability forced pallet manufacturers to compete more for low-grade.

"In certain markets, BCAP drove the price of wood biomass up to a point where it was about the same as pulpwood," said William Perritt, executive editor of RISI's Wood Biomass Market Report. "This reduced the incentive for producers to sort pulp-grade from biomass-grade wood, and forced some pulp mills to raise prices to compete with the subsidized market."

Many in the forest products industry were concerned about the unintended consequences of the final rule if the government did not further restrict what qualifies for BCAP subsidies. Instead of stimulating the development of innovative technology and alternative energy crop markets as it was intended to do, the original BCAP created a new demand for low-grade lumber, causing distortions in the market felt painfully by the wood pallet manufacturing industry.

The USDA seems to have listened to these concerns, releasing a final rule that has received a mostly favorable response from the overall forest products industry.

"Secretary Vilsack and the staff of USDA, took seriously the concerns

raised by various stakeholders during the comment process and produced a rule that is a win-win for jobs critical to our rural economy while positioning our country to make greater use of environmentally-friendly renewable energy sources," said Donna Harman, president and CEO of the American Forest & Paper Association (AF&PA).

## Eligible Materials

USDA addressed the market distortion issue under the final rule by giving a more restricted definition of "eligible materials." It extended the 2008 Farm Bill specification that material removed from federal land is not eligible if it would otherwise be used for higher-value products to material

***"higher-value products may include, but are not limited to, products such as mulch, fiberboard, nursery media, lumber, or paper, or a product manufactured from eligible materials from which eligible materials must be separated in order to be used for heat, power, biobased products, or advanced biofuels."***

(Continued on page 30)

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*(Continued from page 27)*

from all land not under a BCAP contract. In addition, it clarifies the definition of “higher-value product” as an existing market product that is comprised principally of an eligible material or materials which have an existing market as of the publishing of the rule on Oct. 27, 2010.

The new rule states that “higher-value products may include, but are not limited to, products such as mulch, fiberboard, nursery media, lumber, or paper, or a product manufactured from eligible materials from which eligible materials must be separated in order to be used for heat, power, bio-based products, or advanced biofuels.” The rule does make exceptions for regional differences, however, allowing eligible materials that are considered to be used for a higher value product to qualify for matching payments if no higher value product market exists in that region. Although the new rules do not specifically name wooden pallets as a higher-value product, it makes sense that wooden packaging would be classified as such given its higher dollar value than other products mentioned by USDA.

The Federal Register further clarified the purpose of BCAP. USDA stated, “BCAP is for the use of materials that would otherwise be waste materials and that would go uncollected or unharvested.”

BCAP seeks to encourage use of waste material from the land not manufacturing processes. For example, sawdust collected from processed trees after the trees are delivered to a wood products facility cannot qualify for matching payments under this new rule. Sawdust collected directly from the forestland before delivery to a facility may qualify for matching payments as long as the government determines there is no higher-value product market, such as particle board, in that local area.

“We appreciate USDA’s consideration of industry concerns and the modifications made in the rulemaking process that will minimize market distortions and focus on supply,” said Donna Harman of AF&PA. “USDA’s revised approach on BCAP helps preserve existing jobs while also increasing renewable energy development particularly in rural communities.”

Qualifications for matching payments is based on the sequence of collection, harvest, transportation and delivery, further restricting eligible materials. The rule allows only those collected or harvested directly from the land, before transport and delivery, to be eligible. Materials cannot be “collected or harvested” after transport and delivery, nor “collected or harvested” by separating from a higher value material in order to be used for heat,

power, bio-based products or biofuels. The rule requires that woody eligible material collected or harvested must come directly from the land and if outside BCAP project areas it must be a byproduct of preventive treatments that are removed to reduce hazardous fuels, to reduce or contain disease or insect infestation, or to restore ecosystem health. All eligible material must be harvested in accordance with an approved conservation, forest stewardship, or equivalent plan.

### **Matching Payments**

For the matching payments, the USDA did choose one of the three options that were suggested in the draft rule in February. Matching payments for eligible materials will be made at a rate of \$1 for each \$1 per dry ton equivalent paid by a qualified biomass conversion facility, in an amount up to \$45 per dry ton. The rule caps the amount of time an eligible material owner can receive payments at two years. According to the USDA, \$250 million was distributed in matching payments during the NOFA period, which lasted roughly three months. This disbursement far exceeded initial projections. With changes in the final rule, the USDA estimates total expenditures of \$461 million over 15 years.

The final rule also removed the requirement on arm’s length/related party transactions, replacing it instead with the requirement that all eligible material be purchased at fair market prices, regardless of the relationship between buyer and seller, allowing participation in BCAP for vertically integrated operations but preventing the inflating of biomass prices to gain higher matching payments.

Having eligible materials restricted to those not already used for higher-value products is a notable victory for the pallet industry and other low-grade lumber users that will provide a more level playing field as BCAP payments resume.

“BCAP has morphed from a job killing welfare program to one that now makes economic and environmental sense,” said Tom Julia, Composite Panel Association (CPA) president. “It is now targeted to the production of new sources of woody biomass, rather than raiding established, viable markets for the wood fiber upon which a wide range of American industries rely.”

The USDA suggests that with the proper limitations in place to reduce the opportunity for market distortions, BCAP now has a chance to do what it was intended to do: improve domestic energy security and spur rural economic development and job creation.



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## **MARYLAND STATE FORESTER ELECTED TO SFI INC. BOARD**

WASHINGTON - Maryland State Forester Steven W. Koehn was elected last week to the independent Sustainable Forestry Initiative Inc.® (SFI®) Board of Directors.

Koehn is past president of the National Association of State Foresters, which passed a policy statement in 2008 stating that all forest certification programs make positive contributions to forest sustainability. "I welcome the opportunity to work with SFI to raise awareness of the important role certification plays to encourage sustainable management of America's forests," he said today.

Koehn has been director and state forester with the Maryland Department of Natural Resources, Forest Service, for almost 10 years. He played a vital leadership role in the passage of the Maryland Sustainable Forestry Act of 2009, which recognizes that an important way to improve the health of Maryland's vast Chesapeake Bay ecosystem is through healthy forests.

Koehn said he is particularly interested in working with the U.S. Green Building Council to open up its LEED certified wood credit to all certification programs. "Limiting the forest certification credit, as the LEED rating tool currently does, denies credit to the vast majority of domestic well-managed forests and certified forests," he said. "This is not good for our forests or our communities."

The 18-member multi-disciplinary SFI board of directors, which is totally responsible for independent, non-profit SFI Inc., represents environmental, social and economic sectors equally. Current board members include representatives of environmental, professional and academic groups, independent loggers, family forest landowners, public officials, labor and the forest products sector.

"The SFI program values the important contribution made by public land managers like Steve Koehn," said SFI President and CEO Kathy Abusow. "Steve is a highly motivated and innovative leader whose work in Maryland has received national recognition. The SFI board will benefit from his enthusiasm, experience and commitment to responsible forest management, certification and green building."



## **OPEC Slams International Biomass Programs**

By Joanna Schroeder – November 18, 2010

**T**he Organization of the Petroleum Exporting Countries (OPEC) slammed global biomass programs in its most recent oil report while at the same time raising oil demand forecasts for 2011.

The organization was highly critical of global incentives designed to aid companies who are focused on developing biofuels from biomass and reducing the use of fossil-fuel based energy. In the report, OPEC writes, "Although these government subsidies are helping the biofuel industry, the negative effect on the environment is vast and the programmes place a burden on the public budget." OPEC cites a statistic that says biofuel tax credits are costing taxpayers \$500 million each year but they fail to note that global oil subsidies topped more than \$312 billion last year.

In particular, OPEC cites concerns of deforestation in places such as Brazil and also environment and land use issues in countries such as South America and Asia, and criticizes the biofuels programs of the Organization for Economic Cooperation and Development (OECD).

Africa has also been highlighted as a country that will be negatively affected by biofuels policy.

In the report, OPEC estimates demand for its oil next year will reach 29.2 million barrels per day (bpd), up 1.4 per cent from the 28.8 million bpd projected for this year.

The country cited as having the biggest impact on increased oil use is China. This updated number is 400,000 bpd higher than last month's forecast. Last month also went down as the highest oil output month so far this year with 29.3 million bpd.

Here in the states, daily ethanol production is nearing 1 million gallons per day with 895,000 gallons per day produced the week ending November 12, 2010.

The Renewable Fuels Association (RFA) reported that the daily production numbers were up 18,000 b/d from the week prior and the 4-week average daily production topped out at 879,000 b/d. Daily ethanol production represented 10 percent of daily average gasoline demand that dropped to 375.89 million gallons per day. In addition, stocks of ethanol are now at 16.7 million barrels.

## **NEW MID-ATLANTIC SHOW SET OCTOBER 7- 8, 2011**

**A** new regional logging and biomass centered event designed to appeal to the forestry equipment community at large and to forest-related businesses in multiple states is being planned for next fall in eastern North Carolina. Hatton-Brown Publishers, Inc., parent company of Southern Loggin' Times and Timber Harvesting, is teaming with the North Carolina Forestry Assn. (NCFA) and the North Carolina Assn. of Professional Loggers (NCAPL) to sponsor the Mid-Atlantic Logging & Biomass Expo October 7-8, 2011. Location will likely be in the I-95 corridor in the Smithfield area.

The plan is the outgrowth of recent discussions among the sponsors, all of which are experienced in staging live logging demos and shows. NCFA's biennial Carolina Log'n Demo (CLD) has been ongoing since 1981 and Hatton-Brown has sponsored or supported similar regional shows, including the CLD, for 30 years. The NCAPL successfully orchestrated more concise logging-biomass demos in 2009-2010. Demo efforts of both North Carolina organizations are being blended into the larger regional endeavor.

Among Mid-Atlantic Logging & Biomass Expo sponsors, the consensus is that traditional forest and/or logging trade shows have lost much of their appeal in the region and that the time has come for a fresh, innovative and expanded venue.

"By bringing the strengths of our organizations together, we will field a logging and biomass expo second to none," according to Bob Slocum, Executive Director of NCFA, Doug Duncan, Executive Director of NCAPL and DK Knight of Hatton-Brown Publishers. "Loggers and the equipment community have made it clear they prefer the live format. We want to take the live program to a new level and offer much more while appealing to North Carolinians and our neighbors in the greater Mid-Atlantic region."

Several optional programs and opportunities for loggers, foresters and landowners are now being considered. More information, including an exhibitor guide, will be available in the first quarter of 2011.

*Announcement first appeared in the December 2010 issue of "Southern Loggin' Times."*

## ROME MAN PLEADS GUILTY IN MULTI-MILLION-DOLLAR TIMBER FRAUD SCHEME

November 3, 2010

A 50-year old Rome, Ga., man pleaded guilty before Senior United States District Judge Robert L. Vining in federal district court to multiple charges relating to a \$4 million scheme involving timber that did not exist.

A jury had been selected and Aaron Wilbert Freeman's trial was set to begin Wednesday when he decided to plead guilty.

United States Attorney Sally Quillian Yates said, "Paper is made from trees, but in this case, Freeman created trees out of paper. He did so by manipulating his employer's computer system to create phony receipts for timber deliveries that never took place. He also recruited timber truck drivers to redeem the fake receipts for payment, then laundered the proceeds through multiple financial institutions."

Brian D. Lamkin, Special Agent in Charge, FBI Atlanta, stated, "The level of fraud that Mr. Freeman conspired to commit against his former employer, the Temple-Inland Company, was significant. The FBI is pleased that, through its investigation and the resulting prosecution by the U.S. Attorney's Office, not only was any additional fraud stopped, but now Mr. Freeman will be held accountable for his actions."

According to United States Attorney Yates, the charges, and other information presented in court: Freeman worked as a scale house operator at the Temple-Inland Company paper mill in Floyd County until June 2006. The scale house received and weighed approximately 350 timber trucks each day, providing a delivery receipt, known in the industry as a "scale ticket," to each driver as proof of delivery.

Between 2003 and 2006, Freeman worked primarily during the night shift, often alone, processing timber deliveries through the scale house computer system.

While working in the scale house during this time frame, Freeman manipulated the computer system to produce multiple weight readings when a single timber truck passed through the paper mill's scale, making it appear as if there had been two or more deliveries when there had only been one. He then caused the computer system to generate false scale tickets for the phantom loads,

along with valid scale tickets for the legitimate deliveries. The Rome scale house computer system would simultaneously transmit the delivery information electronically to Temple-Inland's headquarters in Austin, Texas, ultimately resulting in electronic funds transfers from Temple-Inland's bank to timber suppliers' bank accounts in Georgia and South Carolina.

After creating the false scale tickets, Freeman recruited multiple people, including Kevin A. Fields, 31, of Forsyth, Ga.; Jason S. Joseph, 32, of Macon; Roger G. Carthern, 63, and R. Andrew Carthern, 40, both of Jefferson, Ga.; J. David Carthern, 64, of Commerce, Ga.; Robert Frank Ferguson Jr., 56, of Maysville, Ga.; and George Bonner Tate, 40, of Hartwell, Ga., to redeem the false scale tickets for payment by timber suppliers, launder the payments through multiple banks and credit unions, and return a share of the money to Freeman in cash.

By manipulating the scale house computer system and creating false scale tickets, Freeman caused Temple-Inland to pay approximately \$3.35 million for phantom timber that Fields claimed to have delivered; \$910,000 for phantom timber that Joseph claimed to have delivered; \$313,000 to Roger and Andrew Carthern; more than \$112,000 to David Carthern and Robert Frank Ferguson; and more than \$160,000 to George Tate, all of whom shared their money with Freeman.

Freeman pleaded guilty to one count of conspiracy to commit wire fraud and one count of conspiracy to commit money laundering. He could receive a maximum sentence of 20 years in federal prison and a fine of up to \$250,000 for the wire fraud conspiracy, and a maximum sentence of 10 years in federal prison and a fine of up to approximately \$3.6 million for the money laundering conspiracy.



# The EPA Says "Bah, Humbug!"

By Timothy Lee  
December 25, 2010

Not even Ebenezer Scrooge had the stomach to fire people during the holidays.

The Environmental Protection Agency (EPA), however, plans to move full speed ahead with new regulations on January 2 that will likely cost many Americans their jobs before the New Year's Eve party hats have even been put away.

In a nutshell, the EPA's Greenhouse Gas Tailoring Rule will treat emissions from renewable biomass energy the same as emissions from the use of fossil fuels, despite the fact that both policymakers and scientists have long considered biomass emissions to be carbon-neutral due to the life cycle of the forests from which biomass is produced.

This new rule and regulatory uncertainty could spell the end of the biomass energy industry by removing the carbon-neutral status of biomass and, consequently, the biggest incentive to continue investing in it. Recent estimates have shown that biomass generated from forest byproducts could supply as much as 15 percent of the nation's renewable energy by 2021, yet this will likely never be realized if biomass producers are forced to comply with arbitrary, unfair and unnecessary regulations like those in the Tailoring Rule.

Unfortunately, the Tailoring Rule won't just disincentivize the use of renewable biomass energy. It will also have widespread effects on our energy options, as well as jobs and the economy.

Forisk Consulting recently released a new study on the economic impact of the Tailoring Rule, which found that the regulations on biomass will result in the loss of over 134 renewable energy projects, up to 26,000 jobs, and \$18 billion in capital investment.

According to the study's authors, 23 biomass energy projects have already been placed in limbo due to regulatory uncertainty. In Wisconsin, for example, Xcel Energy Inc. halted plans for a biomass energy plant that would have brought over 100 jobs to Ashland, Wisc., as well as a needed source of domestic power for the entire area. Xcel Energy



cited the expected cost increases and regulatory uncertainty as reasons for canceling plans for the plant—and they are likely to be one of many energy companies doing the same.

The negative economic impact will be especially felt in Appalachia and rural parts of the South, the Pacific Northwest, and the Northeast, where biomass energy shows great promise as a source for domestic clean energy and innovative new jobs.

In addition to harming domestic renewable energy development and the economy, the EPA commits a crime that Mr. Scrooge would never commit: wasting money. In President Obama's "stimulus" program alone, the U.S. Departments of Agriculture and Energy have collectively spent more than \$100 million of taxpayer money to promote biomass power production.

The new study by Forisk Consulting only further confirms what bipartisan governors, U.S. Senators, and U.S. Representatives, state and local lawmakers, scientists, and forestry industry insiders have been saying all along—that the Tailoring Rule will hurt energy development, jobs, and the economy at a time when we need all three to be thriving.

Even Representative Collin Peterson (D-MN), the outgoing Chair of the House Agriculture, said before the election, "[The EPA is] screwing things up. They're raising costs for people, they're raising the price of food, and I don't think they're accomplishing anything."

The intransigent EPA isn't yet listening to the bipartisan, nationwide outcry against the Tailoring Rule. Perhaps they will finally begin to pay attention to this latest round of hard facts about the impact of their regulations before it's too late.

*Timothy Lee is the director of legal and public affairs at the Center for Individual Freedom, a free-market and constitutional advocacy organization based in Alexandria, Virginia.*

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# SFI INC. COMMITTED TO WORK WITH THE BUILDING COMMUNITY TO SUPPORT RESPONSIBLE FORESTRY IN GREEN BUILDING

December 6, 2010

On December 6<sup>th</sup> 2010, the US Green Building Council (USGBC) announced the Forest Certification Benchmark did not pass the member ballot process. "The conclusion of the benchmark process marks a new opportunity to work with the USGBC and other interests to find an alternative and workable solution moving forward, one that works for USGBC's members and at the same time recognizes the benefits of wood in green building and the proof point offered by forest certification." said Kathy Abusow, SFI Inc. President and CEO.

SFI Inc encourages the USGBC to work with all stakeholders including forest conservation and forest certification experts, small family forest landowners, social and environmental interest groups, government agencies, and designers and builders. We hope for a swift end to this issue so we can support one another in promoting green building and recognizing the value of wood and all credible forest certification standards as a proof point of responsible forestry.

For companies looking to use SFI-certified wood, there are a number of green building programs available in North America that promote the environmental benefits of wood and have an inclusive approach to forest certification. SFI will continue work with governments across North America at the municipal, state, provincial and federal level to promote green building choices. Currently one-third of all LEED projects are for government-owned or occupied buildings. For now the building community should forgo the one point in the certified wood credit and use SFI-certified products in LEED buildings to demonstrate their pride and support for North American forests, communities, and jobs.

For more information, contact [Jason.metnick@sfiprogram.org](mailto:Jason.metnick@sfiprogram.org)



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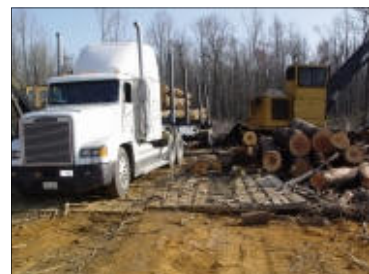
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## U.S. Forests Offsetting 11 Percent of Industrial GHG Emissions



The USDA Forest Service has released new estimates of the total carbon storage of U.S. forests, highlighting the important role America's forests play in the fight against climate change.

According to the new data, 41.4 billion metric tons of carbon is currently stored in the nation's forests, and due to both increases in the total area of forest land and increases in the carbon stored per acre, an additional 192 million metric tons of carbon are sequestered each year. The additional carbon sequestered annually offsets roughly 11 percent of the country's industrial greenhouse gas emissions, the Forest Service said.

"America's forests play a critical role in combating climate change, collectively capturing and storing significant amounts of carbon that would otherwise pollute the atmosphere," said Agriculture Secretary Tom Vilsack. "Forest management on all lands can contribute significantly toward cooling a warming planet, and this new information will assist the public and policy makers as we work to address this significant issue."

Among the key findings in the report:

- On average, the amount of carbon stored in forestland has increased over the past two decades.
- The increases since 1990 are partially driven by an increase in the total area of forestland, and partially driven by an increase in the carbon stored per acre.
- Forest area can increase by tree planting or encroachment of woody vegetation into non-forest areas, such as abandoned fields.
- Carbon stored per acre can increase with increasing stand age, an increase in stand density, or it can decrease due to disturbances, such as fire.
- It cannot be determined from these data whether particular management practices are having an effect on carbon storage.

National forests contain an average of 77.8 metric tons of carbon per acre: a greater density than on private (60.7 metric tons of carbon per acre) or other public forest lands (68.3 metric tons of carbon per acre)

- National forests contain an average of 28 percent more carbon per forested acre than private land. This is due to differing management priorities on national forest lands than private lands.
  - On average, national forests contain 14 percent more carbon per forested acre than other public land such as state forests and national parks.
  - In the Pacific Northwest, however, the average amount of carbon on other public lands exceeds the average on national forests by 8 percent, which is partially driven by a large concentration of state and federal forests and parks along the wet Pacific coast.
- Private forestlands store more total carbon than na-

tional forests.

- Although the national forests have higher per-acre carbon storage than private lands, private forestlands make up a much larger percentage of the nation's total forest area (63 percent) than national forests (22 percent; other public land is 15 percent of the nation's forest area).

- Private forestlands dominate the eastern United States, but national forest lands make up a large proportion of forests in the western part of the country. These figures exclude interior Alaska.

The average amount of carbon per acre varies regionally and by type of forest.

- The wet temperate conifer forest types growing along the Pacific Coast from northern California to southeast Alaska have a high density of large trees. Not surprisingly, forests in this zone have the highest average carbon per acre--averaging 92.9 metric tons of carbon per acre across all ownerships.

- The arid forest types of the desert southwest, such as the pinyon-juniper forest type, typically have fewer trees per acre and the individual trees tend to be small. So forests in this zone have the lowest average carbon per acre--averaging 30.7 metric tons of carbon per acre across all ownerships.

The amount of carbon in the five key carbon pools also varies regionally.

- Forests in the western United States store a greater proportion of carbon in trees and other non-soil pools
- Forests in the Great Lakes region are growing on soils that have large concentrations of peat and organic carbon, so a greater proportion of carbon is stored in the soils

"A strong accounting method serves as the crucial first step in assessing carbon sequestration potential in our nation's forests," said Ann Bartuska, Deputy Undersecretary for Research, Economics, and Education, at USDA.

The new estimates are based on fresh 2010 data from annual forest inventories that assess carbon storage state by state across the country's federal, state and private forests. Researchers analyze tree species, ages, forest density, forest area, and numerous other factors in quantifying carbon storage. The Forest Service has provided these estimates to the Environmental Protection Agency for the past 18 years.

The Forest Service manages 193 million acres of forests and grasslands across the country, the equivalent of 146 million football fields worth of forest. An additional 604 million acres are managed primarily by private landowners, with states, local governments, and other federal agencies managing the remainder.

Additional information about the report and the carbon process can be found at [www.fs.fed.us/rmrs/forest-carbon/](http://www.fs.fed.us/rmrs/forest-carbon/)

## WALDEN, OTHER LAWMAKERS SEEK EPA CHANGES TO BIOMASS RULES

WASHINGTON — Dec. 19: Rep. Greg Walden, R-Ore., is among a bipartisan group of U.S. House members asking the Environmental Protection Agency to reconsider its stance on biomass power.

The EPA did not consider biomass a renewable power source in its first draft of rules overseeing greenhouse gas emissions. As a result, biomass is considered in the same category as fossil fuels.

The lawmakers, in their Dec. 10 letter, asked EPA Administrator Lisa Jackson to exempt biomass power plants from the “tailoring rule” until agency officials have a chance to review comments received on the issue.

Oregon Reps. Greg Walden of Hood River, and Peter DeFazio, D-Springfield, headed the effort to delay the rules.

“The implementation of the Tailoring Rule without recognizing the carbon benefits of renewable biomass threatens future investment in biomass energy, job creation in rural communities, and our collective renewable energy goals,” the letter stated. “Immediate action is needed by EPA to change the treatment of biomass under the rule to avoid harmful impacts on the biomass energy sector.”

Walden and DeFazio were among 32 House members who signed the letter. The EPA is scheduled to release its final rule Jan. 2.

The Ontario-based Agri Energy Producers Association is planning to burn biomass in the former Kinzua power plant at Heppner. Kurt Christensen, Agri Energy’s manager, said Friday he supports the efforts of Walden and the other lawmakers, but the Heppner plant is under existing EPA rules.

“We don’t think the new EPA rules are going to affect us there in Heppner,” he said. Cooperative members grew 1,500 acres of high-biomass sweet sorghum in Oregon this year, including 600 acres in Umatilla and Morrow counties. Farmers in Malheur County grew another 900 acres.

The co-op hopes to have farmers growing 30,000 acres of sorghum in Oregon next year. Farmers who join the co-op would be paid for growing the crop and participate in the profits from the conversion plant and profits from the 10 megawatt generation facility. The project is expected to cost \$39 million. The Port of Morrow, which owns the power plant, has given Agri Energy until Jan. 12 to secure financing.

Two major biomass power proposals are under way in Central Oregon as well. A 20-megawatt plant is scheduled in La Pine and a 35-megawatt plant in Warm Springs. Combined, the two plants are expected to cost about \$200 million and bring in nearly 100 jobs.

Environmental groups such as the Natural Resources Defense Council, oppose counting biomass as a renewable energy source. Council representatives have cited studies showing that burning the woody debris creates greenhouse gas emissions. They also say operating big biomass plants will encourage forest harvests for fuel.

Biomass power defenders say the fuel emits less carbon than fossil fuels and that the carbon would have been released anyway, usually by burning slash.



WALDEN



## HISTORIC SEEDLING BECOMES STATE'S OFFICIAL 5 BILLIONTH PLANTED TREE

Leaders from forest industry and government gathered at the SC Statehouse on Arbor Day, December 3<sup>rd</sup>, and planted South Carolina's 5 billionth tree.

This milestone in the history of our state's leading manufacturing industry called for celebration. Forest-related businesses impact the state's economy by \$17 billion every year, according to the latest available data.

The seedling was planted in a specially designated spot off the southwest corner of the Statehouse. It will serve for decades to come as a living monument to our state's forest resource, as well as the industry and SC families it sustains. The planting was conducted and followed by messages from State Forester Gene Kodama, SC Forestry Association's Bob Scott, Secretary of Commerce Joe Taylor and leading forest geneticist Dr. Steve McKeand.



The 5 billionth tree is the result

of extensive tree breeding research and was donated for the planting.

"It is a descendant of an all-American tree named "7-56," which was discovered in Williamsburg County, SC in 1957," said Dr. McKeand, Director of the NC State University Cooperative Tree Improvement Program. .

Dr. McKeand said the seedling is a variety of Loblolly Pine known for producing wood of resilience, volume and strength. Progeny from 7-56 are the most widely planted forest trees anywhere in the world.

The SC Forestry Commission has surveyed forest tree seedling providers annually since 1928. Around 50 million seedlings have been planted annually in South Carolina in recent years. The largest nursery providers for South Carolina landowners participated with the planting of the 5 billionth tree.

Representatives from seedling providers ArborGen, Cellfor, the SC Forestry Commission and Weyerhaeuser were on hand for the ceremony.

State Forester Gene Kodama saw the Arbor Day planting as the perfect opportunity to highlight the ongoing 20 x 15 Initiative. The 20 x 15 Initiative aim is to grow forestry's impact on SC's economy to \$20 billion annually by the year 2015.

"It's a realistic goal when you consider the role forestry already plays as the number one manufacturing sector of the state's economy. Our state's forest re-

source is robust, the business climate is good and we're growing a renewable resource in this state at record levels. Our wall of wood has forest industry poised to grow in the coming years," Kodama said.

The Loblolly seedling planted joined the many ornamental shrubs and trees on the beautiful Statehouse grounds. But unlike them, the 5 billionth seedling's value is not limited to its aesthetic appeal. There are jobs and livelihoods in its roots. And it is the only Southern Pine on the Statehouse grounds.

"People give value to trees, whether it's social, economic or environmental. As we celebrate the planting of the 5 billionth tree we remember the many benefits forests provide which ultimately improve the quality of life for all citizens of South Carolina," said SCFA's Bob Scott.



SCFA Bob Scott, State Forester Gene Kodama, SCTPA Crad Jaynes

**SCTPA Comments:** SCTPA President Crad Jaynes attended the ceremony and says, "The 5 billionth tree not only is symbolic of the tremendous sustainable and renewable forest resources of the Palmetto State, but represents a living testament on the Statehouse grounds to the vital importance landowners, loggers, wood suppliers, manufacturers and the entire forest products industry has on our state and is a tribute to the many people that make the forest products industry's impact eco-

nomically, socially and environmentally for the greater good of all people in South Carolina."

*For every \$1.00 invested by South Carolina in the SC Forestry Commission, the industry produces about \$1,800 of economic impact.*





# United States Senate

WASHINGTON, DC 20510

December 3, 2010

The Honorable Gary Locke  
Secretary  
U.S. Department of Commerce  
Washington, DC 20230

The Honorable Lisa Jackson  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue N.W.  
Washington, DC 20460

Dear Secretary Locke and Administrator Jackson,

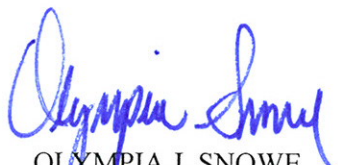
We are writing to you regarding the proposed Boiler Maximum Achievable Control Technology (MACT) Rule, which is under a court order to be published by January 14, and to ask that you provide Congress and the American people with all federal analyses of the rule's potential economic effects.

It has come to our attention from recent press reports that the Department of Commerce (DOC) conducted an independent economic analysis of the proposed Environmental Protection Agency's Boiler MACT rule and determined that the rule would result in significant job losses – contrary to the Environmental Protection Agency's own assessment. As you know an industry-funded analysis also concluded that the rule would impose dramatic economic costs. The DOC's reported analysis further reinforces concerns that this rule may significantly undercut economic recovery in key affected industries.

We appreciate the EPA's commitment to get the final standards right and believe that full transparency is the only method that will ensure this outcome will be understood and accepted by the industries and employees affected by the rule. Despite requests by senators and their staff, the DOC study has not yet been released or made public. Clearly, reports of the analysis conducted by the Department that is mandated with advancing economic growth, jobs, and opportunities for the American people raise serious questions about the underlying economic assumptions used to justify the proposed rule and as Members of the Senate Committee on Commerce, Science & Transportation we formally request that DOC and the EPA release this study immediately. In addition, following the release of the economic assessment we would request that you allow pertinent federal agencies and Congress to review, study, and comment on the report prior to a final rule being issued.

Again, thank you for your attention to this request and we look forward to hearing your response.

Sincerely,



OLYMPIA J. SNOWE  
United States Senator



DAVID VITTER  
United States Senator



MARK L. PRYOR  
United States Senator



MARK BEGICH  
United States Senator



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**Phone: 828-253-7263**

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# Mark Your Calendar

## JANUARY 2011

- 1 Happy New Year!  
 28 SCTPA Board of Directors Meeting, Crown Reef Conference Center Board Room, Myrtle Beach, 1 p.m.  
 28 – 30 SCTPA Annual Meeting, Crown Reef Resort, Myrtle Beach

## FEBRUARY 2011

- 24 SCTPA Board of Directors Meeting, Columbia, 10 a.m.

## MARCH 2011

- 2, 3, 10 TOP 3-Day Program, Columbia. Contact Susan Guynn, Clemson Extension, 864-656-0606.

### 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.



Service Awards presented to Bob Scott & Sandy Jennings at SCFA Annual Meeting by SCTPA.

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David Hayes, Bill Hoff, Matt Hoover & Greg Hutson**

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### ***Our Mission***

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