

# TIMBER TALK

#### Your Voice for South Carolina Timber Harvesting

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ALC board meet-

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March/April 2014

#### "VISITING THE HILL"

SCTPA's Chairman Billy McKinney, board members Danny McKittrick and Tommy Barnes and President Crad Jaynes made the annual trip to Washington, DC April 2 -5 to meet our South Carolina U.S. House and Senate members and staffers to promote the issues for the timber harvesting industry. We were pleased to have Chip Burroughs with CAT Forestry accompany our SCTPA group.

Every American Loggers Council member states had representatives in town

for their Hill visits and the ALC Spring board meeting. Meetings were held on, off and around The Hill with U.S. House and Senate representatives, federal agencies and pertinent committee members. We had The Hill surrounded so to speak. We didn't "take or conquer The Hill," but the large contingent of America's professional loggers and associated representatives from the equipment in-

dustry certainly showed a great presence to promote the issues affecting our industry legislatively.

The weather was good, but the cherry blossoms were behind schedule due to the hard winter experienced in DC. As usual, it was a really busy time on the Hill with many people doing the same as we were, visiting representatives and promoting agendas.

Our visits were good with our seven House member and two Senate member staffers. We met with Congressman Mark Sanford, Mick Mulvaney and Jeff Duncan and Senator Lindsey Graham in person. Senator Graham actually came out of a Senate Armed Services Committee to

meet with us. And our meeting with Congressman Jeff Duncan, lasted for ninety minutes. When we discussed the new IRS Tax Reform for Depreciation, Congressman Duncan just said, "This is ludicrous. Crad, get me more information on this. I want to see what I can do for repeal."

SCTPA prepared a package for the each legislative office containing the American Loggers Council position papers along with our association's letter detailing issues impacting our industry.



Visiting THE HILL (I-r) Tommy Barnes. Danny McKittrick. Crad Jaynes, Congressman Jeff Duncan, Billy McKinney and Chip Burroughs

The discussions were great with the Congressmen, Senator and all the staffers. We had a few new staffers to meet and interestingly enough all the staffers and Congressmen and Senator were pretty up to date with most of the issues discussed. We made sure to thank them for their support of the Forestry Provisions in the Farm Bill that passed.

Overall we were pleased with the meetings and the responses for support. But it is DC and "that place" works differently. But it's our political process with all the partisan and bi-partisan political posturing. But it does work fairly well, most of the time.

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# American Loggers Council Members Meet in Washington, DC

#### Loggers take their issues to the Hill

April 7, 2014 – Hemphill, TX - On April 3-7, 2014, members of the American Loggers Council met in Washington, DC with coordinated efforts to present issues important to the timber harvesting industry to lawmakers up on Capitol Hill. Over 60 members were in attendance, including representatives from Caterpillar Forest Products, John Deere and the Southern Loggers Cooperative.

Over 100 hill visits included discussion on major issues such as Youth Careers in Logging, Truck Weight reform, National Environmental Policy Act (NEPA) reform, implementation by the US Forest Service of new authorities in the 2014 Farm Bill to help them achieve their allowable sale quantities, and biogenic carbon accounting methods that are being looked at by the Environmental Protection Agency (EPA) that could impact the expanding woody biomass markets.

On Thursday morning, ALC members were briefed on these four issues by ALC staff and heard a presentation from Dan Sakura with the National Alliance of Forest Owners (NAFO) on tax issues that could impact reestablishing and managing private forest lands.

Following all day Thursday and Friday morning visits to the Hill, members gathered at a Friday afternoon briefing session where presentations were made from the US Forest Service on 2014 Farm Bill provisions and the 2014 and proposed 2015 budget, US Department of Transportation on CSA and freight issues, the Federal Forest Resource Coalition on US Forest Service Timber Sale issues, USDA National Institute of Food and Agriculture on grants that might be available for Forestry Research (including timber harvesting), and Tom Trone with John Deere

who discussed the emerging technologies being provided by OEMs on telemetric systems that adapt to forestry equipment.

One immediate opportunity as a result of all of the meetings was an invitation to testify before the House Natural Resources Committee supporting H.R. 4315; H.R. 4316: H.R. 4317 & H.R, 4318 regarding the Endangered Species Act (ESA). There were also numerous members supporting the positions of the ALC in both the House and Senate.

On Saturday morning, the ALC Board of Directors held their spring meeting where committee reports were given and strategies were discussed to pursue further action on all legislative priorities. The National Woodland Owners Association was voted in to become an Organizational Associate Member of the ALC.

ALC President Brian Nelson remarked that "each year the fly-in continues to grow and members have become very comfortable with making their visits to the Hill and discussing our issues. What is more enlightening is the fact that now our sponsors are joining with us to add their unique perspective to further our issues. I would like to thank all of those who made the commitment and took the time to be with us as we continue to represent the professional timber harvesters across all of the United States."

#### **About American Loggers Council**

The American Loggers Council is a non-profit 501(c) (6) organization representing timber harvesting professionals in 30 states. For more information contact the American Loggers Council office at 409-625-0206 or visit their website at:

www.americanloggers.org.

###

For media inquiries contact: Danny Dructor American Loggers Council Phone 409-625-0206



Environmental Protection Agency Gina McCarthy, Administrator 1200 Pennsylvania Ave., NW Washington, DC 20460

March 5, 2014

RE: Accounting for Biogenic CO2 Emissions from woody biomass

The Associated Language Council (ALC) is a new graph 504(a) (C) and a secondarian

The American Loggers Council (ALC) is a non-profit 501(c) (6) trade association representing professional timber harvesters in 30 states across the US. One of our objectives is to work with public, private and federal agencies and other organizations to promote sustainable forestry practices, improving the public's perception of the services that our members provide and to help create jobs within the forest products industry that many rural communities depend on.

P.O. Box 966 Hemphill, Texas 75948 Telephone: 409-625-0206

Fax: 409-625-0207 www.americanloggers.org

In order to grow momentum for an economic recovery in these forest dependent rural communities, new markets for the raw materials that forests produce is needed. With increased use of wood fiber as a feedstock for bioenergy products, there is hope these markets will develop. We are hopeful there will not be artificial constraints placed on those markets such as an overly complicated method of accounting for biogenic CO2 emissions.

The following comments/recommendations are submitted regarding EPA's Sept. 2011 Accounting Framework for Biogenic CO2 Emissions from Stationary Sources.

- 1- The ALC members request that EPA treat renewable energy from forest biomass on a level playing field with other biogenic renewable energy sources.
- 2- "Forest biomass fuel is almost completely carbon dioxide neutral, when linked to sustainable forestry. Lifecycle analysis show the energy in the fuel used in harvesting, processing and transport of forest-based biofuels corresponds to 3-5 percent of the energy value of the extracted biofuel." The carbon footprint required to produce and deliver fossil fuels is often higher. It is not reasonable to deduct energy required to produce biomass energy if the energy to produce fossil fuels is not considered in the accounting framework.
- 3- Carbon stocks sequestered in American forests have been increasing for decades which is an indication of the current sustainability of American forests. "The biomass of live trees totals 24.1 billion tons, an increase of 11 percent since the previous Resource Planning Act estimate of 21.8 billion tons for 1997."ii If forestry biomass is produced from acreage that is being sustainably managed under a credible certified forest management program (i.e. American Tree Farm System (ATFS®), Sustainable Forestry Initiative (SFI®), Forest Stewardship Council (FSC®) or has been certified by a professional forester, it should get a Biogenic Accounting Factor (BAF) of zero.

Forest biomass energy is treated around the world as renewable energy without complex biogenic accounting. The EPA's proposed Biogenic Accounting Factor (BAF) could become complex and create unnecessary costly overhead for renewable biomass energy and American forest owners. We sincerely hope you will give consideration to these thoughts and comments as you prepare to meet the July deadline for the application of PSD and Title V Greenhouse Gas rules as they might apply to biogenic CO2 emissions.

Sincerely,

Daniel J. Dructor

**Executive Vice President** 

i http://www.skogforsk.se/en/About-skogforsk/Organization/Our-research1/Forest-bioenergy/ESS-final-report/

ii Forest Resources of the United States, 2007, A Technical Document Supporting the Forest Service 2010 RPA Assessment, W. Brad Smith, Patrick D. Miles, Charles H. Perry, and Scott A Pugh.

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### Public Forests In the 2014 Farm Bill

embers of the American Loggers Council appland Congress for the passage of the 2014 Farm Bill which contains a very strong Forestry component that, if utilized properly, will help promote healthy forest on our public lands.

Permanent reauthorization of the Stewardship Contracting Authority, allowing Categorical Exclusions (CE's) from NEPA on Insect and Disease acreage of up to 3,000 acres, designation by prescription and designation by description timber sale authority, and the Good Neighbor authority are all tools that should not only help to make the US Forest Service more efficient, but also help them achieve their Allowable Sale Quantity (ASQ) target volume of 3.0 Billion Board Feet of timber sales in 2014.

While many rural communities that depend on a viable federal timber sale program continue see double digit unemployment numbers, helping to revitalize the federal timber sale program in these areas with the given authorities will assist in their economic recovery and community well-being as a timber related infrastructure is hopefully reestablished.

While the abovementioned authorities are helpful, without proper and timely implementation by the federal agencies including the US Forest Service and Department of Interior, federal timber sale dependent economies will continue to deteriorate and investment into those rural communities will falter.

The members of the American Loggers Council ask that member of Congress continue to press the agencies for the expedient implementation of these authorities and hold them accountable for meeting their targets on the ground. This will require immediate drafting of directives from the Washington, DC office on how to implement the authorities that will be sent down to both Regional and District offices. Without proper directives and guidance from Washington, it is doubtful that there will be consistency within the agencies timber sale program and degradation of our public forestland will continue.

We also request that the ASQ of 3.0 Billion Board feet for 2014 be met without the inclusion of personal firewood in those volumes. In some regions, 40% of the ASQ volume is derived from personal firewood harvesting which does little to promote renewed forest business infrastructure that is needed to sustain and promote healthy forests. Without markets for the wood that is being offered for sale, the forest treatments, including mechanical harvests, will remain a liability rather than an asset to US citizens.

Members of the American Loggers Council, representing some 10,000 family-owned timber harvesting businesses across the United States, stand ready and willing to work with members of Congress and the US Forest Service and the Bureau of Land Management to help implement the authorities that have been granted by Congress for managing our public forests.



### State-legal Loads On the Interstate System Agricultural (Including Forest) Commodities

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

Generally, Title 23, Section 127(a), U.S, Code sets Interstate System weight limits at 20,000 pounds on a single axle; 34,000 pounds on tandems and a gross weight of 80,000 pounds on a 36 foot tandem spread. A

(Continued on page 5)

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### **Supporting Youth Careers in Logging**

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

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

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

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

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

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

(Continued from page 4)

bridge formula is used to recognize different axle spreads. These maximums include enforcement tolerances.

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

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

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

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

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### Road Permit Issue Resolved.... For Now

President Obama signed into law on February 7, 2014
The Agricultural Act of 2014 better known as the
Farm Bill. The Senate had passed it a few days earlier by a
68-32 vote with bipartisan support. The Act contains numerous forestry provisions that are important to our industry. Most would agree that the forestry provisions in
this Farm Bill are some of the best we've seen in recent
memory. It was encouraging to see that the two sides
could put partisan politics aside and come together to
pass a Farm Bill that should be very beneficial to our industry.

Of the numerous forestry provisions in the bill, arguably none are higher profile or has the potential to have a greater impact on our industry than the Forest Roads Provision. It will preserve the treatment of forest roads and forest management as "non-point sources" subject to state derived Best Management Practices under the Clean Water Act. More importantly it will provide legal and economic certainty by codifying the EPA's long standing policy that specified silvicultural activities do not require a National Pollutant Discharge Elimination System (NPDES) permit. This means that for the U.S. Environmental Protection Agency, that forestry activities should continue to use state developed Best Management Practices (BMP's) as it has successfully done for the past 38 years under the CWA.

While it appears the issue is now resolved, the language in the legislation does leave the EPA the authority to take measures regarding these activities if future circumstances demonstrate the need to address adverse impacts to water quality caused by point source discharges of storm water from silvicultural activities.

This has been a long and tedious road with numerous groups and organizations from across the country working together to find a solution to this problem. With this success comes responsibility. There has been considerable time and effort on the part of many to get this issue resolved and we surely wouldn't want to do anything to jeopardize it. I'm sure there will be groups out there that will have us "under a microscope", so we all need to do our part to protect the quality of our waters. We can do this by being diligent in applying BMP's to all activities on our logging jobs. It took a lot of work to get this resolved and will take the effort of all of us not to lose it.

Other key forestry provisions in the Farm Bill include

- 1. Permanent reauthorization of stewardship contracting authority
- 2. Authorizes Categorical Exclusions up to 3,000 acres for

disease and insect infestations

- 3. Authorizes Good Neighbor Authority
- 4. Authorizes designation by description and designation by prescription as valid methods of designation for timber sales.
- 5. Includes forest products within the labeling and procurement preferences of the USDA's "bio based" program
- 6. Full PILT funding payments to counties and schools for twelve months.
- 7. Expands Healthy Forest Restoration Act authorities to streamline projects in "critical areas" that have been identified as facing forest health threats.
- 8. Reaffirms the projects conducted under Categorical Exclusions should not be subject to Administrative Appeals.
- 9. Fire liability provisions in stewardship contracts will now be the same as in timber sale contracts.
- 10. Governors are given greater authority in the identification of critical areas for CE's on national forest lands.

I would encourage all of you to thank your legislators for their work and support of the pro forestry provisions being included in the Farm Bill. It seems we're quicker to give a "kick in the back side" than to give a pat on the back but here's a case where we should show them that we appreciate their support of the timber industry.

Until next time

#### **LOG SAFE**

**Brian Nelson** 

Brian Nelson is the current President of the American Loggers Council and he and his brother David and father Marvin own and operate Marvin Nelson Forest Products, Inc. based out of Cornell, Michigan.

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# On Earth Day, U.S. Forest Service Seeks Applications for Wood to Energy Projects

Announces New App -- Part of the Obama Administration's "All of the Above" Energy Strategy

WASHINGTON, April 22, 2014 -- As part of the national observance of Earth Day, the U.S. Forest Service today announced that it is seeking proposals that expand wood energy use and support responsible forest management. Also today, the Forest Service released a Wood Energy Financial App for use by community and business leaders seeking to replace fossil fuel with wood energy.

"USDA through the Forest Service is supporting development of wood energy projects that promote sound forest management, expand regional econo-

mies, and create new jobs," said Agriculture Secretary Tom Vilsack. "These efforts, part of the Obama Administration's 'all of the above' energy strategy, create opportunities for wood energy products to enter the marketplace."

"Building stronger markets for innovative wood products supports sustainable forestry, reduces wildfire risk, and creates energy savings for rural America," said Forest Service Chief Tom Tidwell.

The U.S. Forest Service published in the Federal Register the announcement of requests for proposals under the Hazardous Fuels Wood-to-Energy Grant program. The program will provide about \$2.8 million to help successful applicants complete the engineering design work needed to apply for public or private loans for construction and long-term financing of wood energy facilities. In addition, the agency announced \$1.7 million in funding availability under the Statewide Wood Energy Team cooperative agreement program inviting public-private teams to seek funding to advance wood energy. Activities may include workshops that provide technical, financial and environmental information, preliminary engineering assessments, and community outreach needed to support development of wood energy projects.

Since 2005, more than 150 Wood-to-Energy grants have been awarded to small businesses, non-profits, Tribes, and State and local agencies to improve forest health, while creating jobs, green energy, and

healthy communities. This year, the Wood-to-Energy grant program encourages geographic or sector-based clusters, such as hospitals, prisons, or school campuses, to leverage project similarities to improve economies of scale and expand the use of woody biomass for energy.

For more information visit www.na.fs.fed.us/werc. Applicants may also submit their applications through www.grants.gov. Application deadlines are outlined in the Federal Register notice.

The Forest Service today also released an eBook which contains a Wood Energy Financial App that allows users to do a simple and quick analysis to see if wood energy is a viable alternative for their community or small business. The App, which can be accessed from the Web or an eBook, is available at www.woodenergy.umn.edu.

The App and eBook were developed through a partnership with Dr. Dennis Becker, associate professor

and Dr. Steve Taft, extension economist at the University of Minnesota; Eini Lowell, wood technology specialist at the Pacific Northwest Research Station; Dan Bihn, engineer at Bihn Systems and Roy Anderson, senior consultant at The Beck Group.

In his State of the Union Address, President Obama pledged that his Administration will continue to do everything

in its power to act on climate change. Today's announcements support the president's climate action plan goal of preserving the role of forests in mitigating climate change.

The mission of the Forest Service, part of the U.S. Department of Agriculture, is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations. The agency manages 193 million acres of public land, provides assistance to state and private landowners, and maintains the largest forestry research organization in the world. Public lands the Forest Service manages contribute more than \$13 billion to the economy each year through visitor spending alone. Those same lands provide 20 percent of the Nation's clean water supply, a value estimated at \$7.2 billion per year. The agency has either a direct or indirect role in stewardship of about 80 percent of the 850 million forested acres within the U.S., of which 100 million acres are urban forests where most Americans live.



#### AMERICAN LOGGERS COUNCIL



#### A Thank You to Our Sponsors

Por any association to offer services to its members, it needs some form of revenue, and to do that solely on membership dollars can be challenging. That is where sponsorships come into play. When organizations that support our industry become sponsors of the American Loggers Council (ALC), they are helping us to offer those services to our members through their sponsorship dollars. For nearly twenty years now the ALC has been "The voice" of professional loggers in this country by attending meetings, testifying before Congress, and meeting with our elected and agency officials in Washington D.C. and anywhere else where there is an issue impacting the loggers of this country on a national level.

It has been two years since the ALC unveiled its new logo and new website in an effort to rebrand itself and make more loggers aware of the work that the organization is doing on their behalf. At the same time, the ALC changed how sponsorships were handled as it relates to levels and how that money would be used. Since that time the number of sponsors has increased as has their financial commitment to the ALC. Without their support we would not be able to accomplish as much as we have for our membership and for that we are very grateful.

There are a variety of ways that our sponsors support us such as hosting our Summer Board of Directors meetings at their facilities, recognizing the ALC in their advertising, helping to get information about the ALC out to loggers in areas that are not currently represented by ALC, and sending representatives to Washington, DC to make visits on the Hill with our members.

As I write this, we are preparing for our annual trip to Washington D.C. to meet with our elected officials and federal agencies to discuss issues of importance to the loggers of this country and are looking forward to the participation and unique perspectives that our sponsors bring to the table.

This year, representatives from Caterpillar, John Deere and the Southern Loggers Cooperative will be present and I hope that we see this type of participation con-

tinue to expand, giving our sponsors an opportunity to see what we do, how their funding is being utilized, and again helping us and those in Washington, DC to realize that we are truly "all in this to-



gether" and we need to continue to work together to make this industry better for all parties involved.

Anyone who has been to our nation's capital, knows how expensive that city can be, and that is where those sponsorship dollars are truly needed. Some may question if those visits are doing any good and I would answer "YES." The ALC has been asked to testify before Congress a number of times on various subjects in recent years as well as having been contacted by various Federal Agencies for our input on issues important to loggers. That shows that we are getting our message out and that the ALC is regarded as the "voice of professional loggers" in this country.

Again, without the support of our sponsors, we would not be able to offer the same level of representation to our members that we currently do, and to our sponsors, I would like to say "Thank You" for your support and to encourage your continued participation in the activities of the ALC. I would urge all of you to support those organizations that support the ALC and this industry as a whole, and to thank them for their support. For a complete listing of ALC sponsors, please visit our web site at www.americanloggers.org.

Until next time,

#### **LOG SAFE**

**Brian Nelson** 

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#### **WELCOME NEW MEMBERS**

SCTPA welcomes our New Members & Restart Members Your support is appreciated.

Santee Pole & Piling, Inc., Manning Thompson Industrial Supply, Sumter Fogmaker North America, Exton, PA

Dedicated representation & service to the professional timber harvesting segment of South Carolina's forest products industry.

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#### AMERICAN LOGGERS COUNCIL



#### **Gaining Traction**

The American Loggers Council (ALC) has been making trips to Washington D.C. since practically the beginning of the organization. Shortly after the founding of the ALC it was decided to have the Spring Board of Directors Meeting held annually in Washington D.C. to give members the opportunity to visit with their elected officials and relevant agency officials on issues that impact their businesses prior to attending the board meeting.



Over the years, the meetings that ALC members have had with elected and agency officials have ranged from upbeat, positive, and productive to let's just say ..... "Less than productive" to be kind and most anything in between. I remember a meeting we had one year with an elected official's staffer where we must have been keeping her from something since she spent more time looking at her watch than paying attention to what we were trying to convey to her. Thankfully over the years the visits have been much more productive than that particular instance. After returning from this year's trip to D.C. I would have to say that our meetings were of the positive and productive variety.

I believe we are making progress with our visits to D.C. in the sense that we are being asked by officials to testify before Congress on issues that affect the timber industry, we're building relationships with Agency officials, and with elected officials and their staffs. It is becoming apparent, that when there is an issue that impacts the timber harvesting profession in this country, that the American Loggers Council is the go to organization to get a loggers perspective on said issue.

This year's meeting started off with a brief update on timber tax issues from Dan Sakura of NAFO followed by a briefing of the issues that ALC members would take with them on their Hill visits. Following the morning briefing ALC members made well over 100 visits to their elected and agency officials over the course of the next day and a half. I would like to thank those sponsors that made the trip to D.C. to attend and participate in Hill visits with ALC members. I found it very beneficial to have representatives from two of the largest equipment manufacturers in the world to attend Hill visits with us. As loggers we tend to get "tunnel vision" on an issue and to get the perspective of the OEM's was very helpful not only for myself but for the staffers that we were talking with during those visits. It also gave those sponsors an opportunity to see first-hand what the ALC does on the political and legislative front for its members.

Those sponsors with attendees were:

Caterpillar - Joe Allen, Chip Burroughs, and Mike Duncan John Deere-Kelly Granatier, Tom Trone, Craig McBeth, and Collis Jones Southern Loggers Cooperative- Bill Jones

In addition to Hill visits, the ALC held a session with numerous speakers discussing various topics of importance to its members.

Those speakers in attendance were:

Jim Pena- USFS - discussing Farm Bill and timber sale program issues

Daniel Cassidy- USDA-discussing research and education in biobased products

Bill Imbergamo- FFRC- discussing Federal Timber Sale Program, NEPA reform, and wildfire funding.

Luke Loy- USDOT- FMCSA discussing truck weight and CSA issues.

Caitlin Rayman- USDOT-FHA -discussing the Truck Size and Weight Study

Tom Trone- John Deere- discussing telematics in today's new forestry equipment.

(Continued on page 11)

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The ALC Spring Fly In and Board of Directors Meeting was a success with a record number of members attending both the Fly In as well as the Board meeting. In addition the ALC was asked to testify on a package of four bills dealing with NEPA following the meeting. We have also gained some much needed traction on the Youth Careers in Logging issue.

While the wheels of Congress oftentimes move at a snail's pace compared to the production that we all experience on our jobs, it is imperative that we keep pushing the process along to ensure that we in the timber harvesting industry do not become the latest species to be listed as endangered. If you or your state is not represented by the American Loggers Council at the National level, then perhaps it is time for you to consider joining the ranks. When we are all pulling together towards a common goal, there isn't anything that cannot be accomplished.

Until next time

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#### ALC Washington Report – April 30, 2014

#### Overview

The Capitol has been fairly quite during the month of April with only a few forestry related bills being debated with Congress on a two week Easter recess.. The American Loggers Council targeted 106 House and Senate offices on April 3<sup>rd</sup> and 4<sup>th</sup> as well as had visits with several of the agencies including the US Department of Transportation, USDA Forest Service and the Federal Motor Carrier Safety Administration.

#### **ESA**

House Natural Resources Committee Chairman Doc Hastings (WA-04), held a hearing on April 8, 2014 that covered 4 recently introduced bills that would help to add transparency and accountability to listings and litigation surrounding the Endangered Species Act. The ALC was asked to submit written testimony for the hearing and our testimony was entered into the record during the hearing. The testimony follows:

Written Testimony Of The American Loggers Council
Before The
House Natural Resources Committee Supporting
H.R. 4315; H.R. 4316: H.R. 4317 & H.R, 4318
Regarding The Endangered Species Act
April 9, 2014

The American Loggers Council (ALC) appreciates the opportunity to submit written comments in support of four recently introduced bills that would make significant changes in the administration of the Endangered Species Act. These four bills, H.R. 4315; H.R. 4316; H.R. 4317 and H.R. 4318, all suggest improved procedures and accountability for decisions to list species as threatened or endangered under the act. We would like to thank Representatives

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(Continued from page 11)

Hastings, Lummis, Neugebauer and Huizinga, respectively, for introducing these bills.

ALC is a coalition of some 30 state logging associations from throughout the country. Our members collectively represent over 10,000 family owned businesses that employ over 50,000 workers. Our members are largely located in rural communities and support an industry that typically is the mainstay of the local economy. Each and every one of our members can tell a convincing story about how the Endangered Species Act has affected their operations and personal lives whether they be on federal, state, private or tribal lands and they understand the need for the reforms embodied in these proposals. Transparency in decision making; public access to data, research and assumptions regarding listing decisions; and modernizing the process for legal challenges of the act's administration are all reforms that we strongly support.

Often, the data, research and assumptions that lead to a decision to list a species is a mystery to public. In our experience, the U.S. Fish and Wildlife Service relies heavily on internal research and scientific expertise and to academia for information about candidate species. It is our opinion that scientists who are invited to provide input to the agency and provide the scientific basis for making a listing decision is often an exclusive club of hand-picked individuals. In the current process, it is not unusual for outside information and research to be ignored because it does not support preconceived positions of the agency or it may originate from sources the agency believes has an economic interest in the decision. There is plenty of evidence that the agency excludes valid and credible information in its quest for "the best scientific information available." There is no better example than the northern spotted owl. Listed in 1990, credible evidence was provided to the U.S. Fish and Wildlife Service that guestioned the **dependency** of the owl on old growth habitat. Information was also provided that suggested the barred owl was a significant factor contributing to the decline of spotted owl numbers. Both of these assertions were ignored by the agency as its selected group of scientists (a cartel is an appropriate description) who did not want to believe these suggestions to be credible. Twenty four years later, the agency is now advocating for the management of second growth forests for habitat recruitment and has determined that more habitat exists today than when the owl was listed as a threatened species. Also, the

agency recently completed an environmental impact statement that authorized the killing of barred owls to reduce competition with its close cousin, the northern spotted owl. You can imagine the chagrin of the tens of thousands of forest industry workers who lost their jobs as a result of the listing of the northern spotted owl.

Another example of the need for transparency is in the agency's reliance on computer models for predicting a species reaction to management alternatives. Population data is often lacking and when it is available it is often discounted in deference to the attitude that "the amount and quality of habitat is more important than the population of the species." So, the agency will use a computer model to predict the amount of a species' habitat that will be available over time and under different management options. The problem with this approach is that the prediction the model makes is entirely dependent on the quality of the data and assumptions that go into it. These inputs into the model should be fully disclosed and explained to the public. Also, the certainty associated with these inputs should be disclosed. Are they best guesses? Do they represent a consensus of the scientific community? Do they consider alternative views, opinions or research? Or is it all hardwired to predict a preconceived outcome? These are questions the public deserves an answer to.

Finally, H.R. 4318 would impose a \$125 per hour limit on attorney's fees for suits filed under the Endangered Species Act. This limit is currently included in the Equal Access to Justice Act and we support including it in ESA litigation, as well. There is no question that certain special interest groups have exploited ESA litigation as a means to finance their existence and sustain their litigious activities. Just this year, the State of Oregon settled a lawsuit brought by an environmental organization involving the marbled murrelet. The suit alleged that the management of state forest lands in Oregon was resulting in the "take" of marbled murrelets. The marbled murrelet is a seabird that spends 90 percent of its life in the ocean to feed. It spends 10 percent of its life inland nesting in coastal forests. The suit was based entirely on habitat modification and a dead or injured murrelet was never produced. The state agreed to reduce timber harvest levels on the subject forest lands by over 80 percent to settle the case even though the land in question is required by the state's constitution to generate financial resources for public education. But to avoid going to

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court, the state agreed to a huge reduction in timber harvest levels and paid the environmental organization's attorney \$391,000 of taxpayer's money to settle the suit. The attorney never stepped foot into the court room. This is but one example of the kind environmental extortion that currently occurs under the existing litigation process.

In summary, the American Loggers Council urges the committee to pass these bills and send them to the floor of the House of Representatives for consideration. We appreciate the opportunity to provide these comments.

Daniel J. Dructor

Daniel Druth

Executive Vice President for the American Loggers Council

Our thanks go out to ALC Legislative Committee Chair Jim Geisinger for his assistance in drafting the testimony.

#### **CWA**

On April 21 the U.S. Environmental Protection Agency (EPA) published in the Federal Register the proposed rule revising the definition of "waters of the United States" under the federal Clean Water Act. This formalizes the proposed changes released in draft form on March 25 and marks the beginning of a 90-day comment period that ends July 21, 2014.

The proposed rule appears to expand protections by categorizing most intermittent and ephemeral streams as well as wetlands located near rivers and streams as protected under the Clean Water Act. The move potentially could put more waterways under federal jurisdiction.



#### **LEAF OUT – VISIBILITY REDUCED!**

logger's vision and visibility are key factors to his safety in the woods. Visibility in the logging woods is generally good from November to the end of March. The month of April brings a natural phenomena, leaf out. The deciduous forest blooms to new life with a fresh growth of new leaves. What was once a bright and open environment in the late fall and winter, with good visibility, has

been transformed to a lush green environment with filtered light. As the forest rejuvenates itself, risk is formed by reduced visibility caused by the new canopy of leaves. This new canopy hides overhead hazards, or death from above. Overhead hazards are the leading cause for catastrophic injury and death in the forest industry. Please take the time to brief your crew on overhead hazards and the reduced visibility caused by leaf out.

- Use approved personal protective equipment (PPE) for head protection.
- Look and scan at least 50 feet ahead on your ground path of travel.
- Look and scan at least 100 feet ahead for all overhead hazards.
- Don't place yourself under any object that can fall or move due to gravity or the loss of hydraulic pressure.
- Maintain at least two tree lengths from all felling operations.
- Be visible; wear high visibility safety colors.
- Maintain communication with anyone in the work area. Verify their location with frequent eye contact.
- Never walk into a work area with running or moving equipment until the equipment is stopped, engine cut-off and implements grounded.
- Use proper manual felling techniques. Accurate directional felling avoids risk in the manual felling process.

#### The Case for NEPA Reform

he National Environmental Policy Act ("NEPA") is a simple statute. The implementing provision is a single paragraph that directs agencies to prepare a "detailed statement" for major federal actions significantly affecting the quality of the human environment. 42 U.S.C. § 4332(2)(C). In contrast, the Council on Environmental Quality ("CEQ") regulations implementing NEPA span over 25 pages of the Code of Federal Regulations. 40 C.F.R. §§ 1500- 1508. Although they have no authority to do so, Courts have added their own requirements that are found neither in the NEPA statute nor the CEQ regulations. The result has been gridlock in the analysis and process necessary for federal land management agencies to navigate through the environmental appeals and litigation of project level activities. Some critics have concluded that it might be impossible for some agencies to consistently comply with the maze of convoluted and inconsistent interpretations of NEPA requirements rendered by the Courts. Although the CEQ cannot change court decisions, there is a critical need to simplify and streamline the CEQ procedures to implement federal agency projects more promptly and less expensively while at the same time reducing the risks of courts delaying thoroughly analyzed projects based on deficiencies in the NEP A documents. NEPA has become so unworkable for land management agencies that there has been a trend to avoid NEPA analysis by expanding the use of categorical exclusions. This should be an indication that the conventional NEPA process under the CEQ regulations as it has evolved through judicial interpretation is in need of repair.

The problem is not new. In a 1978 Executive Order, the CEQ was directed to adopt regulations implementing procedural provisions of NEPA. E.O.-11991 (1978). CEQ was directed to "make the environmental impact statement process more useful to decision makers and the public; and to reduce paperwork and the accumulation of extraneous background data, in order to emphasize the need to focus on real environmental issues and alternatives." See 51 Fed. Reg. 15618, 15619 (April25, 1986). After two decades of experience with the CEQ regulations and court interpretations, the NEPA process has become more cumbersome and increasingly geared towards the collection of extraneous information than when the President ordered the CEQ to promulgate the regulations in 1978.

The CEQ regulations require environmental documents to study all other actions that may be "connected" to the proposed action;



to analyze a large geographic range encompassing such connected actions; and to consider all "cumulative effects" of past, present and reasonably foreseeable future actions by private, state, and federal entities -without providing clear guidance for deciding where and when the analysis should stop. The CEQ regulations also force agencies to rewrite their NEPA documents by requiring a supplemental EIS whenever there is significant new information or circumstances "bearing on the proposed action" even if it is unrelated to the expected environmental impacts of the approved project. Court decisions require preparation of supplemental environmental assessments ("EAs") although the requirement is not found in the regulation.

Most of the NEPA cases that have flooded the courts in recent years are based on violations of the CEQ regulations. Thus, while NEPA has accomplished a worthwhile goal of focusing agency attention on environmental values, in many instances it has created an arduous decision-making process, with difficult compliance hurdles, requiring years of analysis and document preparation and millions of dollars of staff time. The lengthy preparation time makes the documents increasingly vulnerable to the moving target of rapidly developing new information. Many worthwhile and environmentally-friendly agency projects are delayed for years and experience large cost increases solely because of required NEPA procedures that ultimately add nothing of value to a project's design or utility. The CEQ needs to streamline and modernize key parts of its regulations and clarify the analytical requirements for agency projects.

Amendment of the regulation should address at least the following issues:

1. Clarify that the amount and type of data and information needed in an EIS is only that which is essential for a reasoned choice among alternatives.

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- 2. Revise or delete the regulations governing cumulative effects.
- 3. Revise the regulations to clarify the issue that an expansive discussion of differing "scientific" opinion is not required for the increasingly numerous issues where there is no unanimity of opinion.
- 4. Narrowly define "new information" that requires a supplemental EIS.
- 5. Clarify that a supplement EA is not required.
- 6. Clarify that important material may be incorporated by reference in an appendix to an EIS or an EA.

- 7. Create a new category of significant action called "significant action needing review" that can proceed under streamlined procedures.
- 8. Explicitly provide that an agency can examine a noaction and an action alternative in an environmental document.
- 9. If a project will implement a programmatic EIS, then direct agencies to prepare a supplemental EIS rather than an EA for the project.

Without meaningful NEPA reform, it may be impossible for federal land management agencies to successfully implement the forest restoration strategies being suggested by Congress.

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- Members receive a \$250 CASH rebate on a Model 337
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ATTORNEY: What was the first thing your husband said to you that

morning?

WITNESS: He said, 'Where am I, Cathy?' ATTORNEY: And why did that upset you?

WITNESS: My name is Susan!

ATTORNEY: What gear were you in at the moment of the impact?

WITNESS: Gucci sweats and Reeboks.

ATTORNEY: Are you sexually active? WITNESS: No, I just lie there.

<del>------</del>

ATTORNEY: What is your date of birth?

WITNESS: July 18th.
ATTORNEY: What year?
WITNESS: Every year.

ATTORNEY: How old is your son, the one living with you?
WITNESS: Thirty-eight or thirty-five, I can't remember which.

ATTORNEY: How long has he lived with you?

WITNESS: Forty-five years.

ATTORNEY: This myasthenia gravis, does it affect your memory at

all?

WITNESS: Yes.

ATTORNEY: And in what ways does it affect your memory?

WITNESS: I forget.

ATTORNEY: You forget? Can you give us an example of something

you forgot?

ATTORNEY: Now doctor, isn't it true that when a person dies in his

sleep, he doesn't know about it until the next morning?

WITNESS: Did you actually pass the bar exam?

ATTORNEY: The youngest son, the 20-year-old, how old is he?

WITNESS: He's 20, much like your IQ.

ATTORNEY: Were you present when your picture was taken?

WITNESS: Are you kidding me?

ATTORNEY: So the date of conception (of the baby) was August

8th?

WITNESS: Yes.

ATTORNEY: And what were you doing at that time?

WITNESS: Getting laid

ATTORNEY: She had three children, right?

WITNESS: Yes.

ATTORNEY: How many were boys?

WITNESS: None.

ATTORNEY: Were there any girls?

WITNESS: Your Honor, I think I need a different attorney. Can I

get a new attorney?

ATTORNEY: How was your first marriage terminated?

WITNESS: By death.

ATTORNEY: And by whose death was it terminated?

WITNESS: Take a guess.

ATTORNEY: Can you describe the individual?

WITNESS: He was about medium height and had a beard.

ATTORNEY: Was this a male or a female?

WITNESS: Unless the Circus was in town I'm going with male.

ATTORNEY: Is your appearance here this morning pursuant to a

deposition notice which I sent to your attorney?

WITNESS: No, this is how I dress when I go to work.

ATTORNEY: Doctor, how many of your autopsies have you per-

formed on dead people?

WITNESS: All of them. The live ones put up too much of a fight.

ATTORNEY: ALL your responses MUST be oral, OK? What school

did you go to? WITNESS: Oral.

ATTORNEY: Do you recall the time that you examined the body?

WITNESS: The autopsy started around 8:30 PM
ATTORNEY: And Mr. Denton was dead at the time?
WITNESS: If not, he was by the time I finished.

ATTORNEY: Are you qualified to give a urine sample? WITNESS: Are you qualified to ask that question?

And last:

ATTORNEY: Doctor, before you performed the autopsy, did you

check for a pulse?

WITNESS: No.
ATTORNEY: Did you check for blood pressure?

WITNESS: No.

ATTORNEY: Did you check for breathing?

WITNESS: No.

ATTORNEY: So, then it is possible that the patient was alive when

you began the autopsy?

WITNESS: No.

ATTORNEY: How can you be so sure, Doctor?

WITNESS: Because his brain was sitting on my desk in a jar.

ATTORNEY: I see, but could the patient have still been alive, never-

theless?

WITNESS: Yes, it is possible that he could have been alive and

practicing law.

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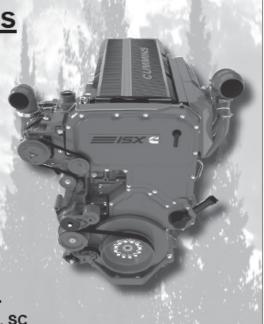
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#### **Truck Fleets Face Excessive Liability**

By J. Richards Todd, President, SC Trucking Association Position Paper to SC Senate Judiciary Staff

espite overcrowded roadways filled with distracted drivers, the business of moving goods and services by truck has never been safer. Department of Public Safety records show that when a car/truck crash results in a fatality, it's the car driver's fault about 80% of the time. And from the truck's perspective, driver error, not defective equipment is generally the primary cause of vehicle collisions.

Most motorists I talk with acknowledge that their brethren in large trucks are largely considerate and safe, particularly under such conditions. This is due to smarter law enforcement, safer vehicles, and more professionalism within truck fleets.

But most of the personal injury lawyers we can't seem to avoid would have us think otherwise. With their incessant commercials, distracting billboards, ubiquitous phone books ads replete with magnetic refrigerator decals, they imply that business and industry is greedy, and some truck fleets and drivers don't care about your, or their own, safety. This encourages frivolous and abusive lawsuits, unreasonable award demands, while tainting the jury pool.

Virtually every trucking accident case in South Carolina now involves a direct negligence claim against the motor carrier in the form of negligent hiring, training, entrustment, supervision or retention. This is the case even when the claims merely involved simple negligence allegations, not conduct rising to a punitive level.

This can result in an inherently unfair situation because the motor carrier (as the employer) is already liable for the actions of the driver (employee). This is called vicarious liability. Allowing direct claims in addition to the existing liability is duplicative, problematic and continues to be a legitimate concern to fleets while creating stifling and discriminatory hiring practices. We propose to reverse this trend, and re-join the vast majority of states in this regard.

There is little uniformity in the current legal environment when it comes to negligence claims against motor carriers; thus, the majority of direct claims against them serve no purpose except to invite error into court proceedings. In the event the truck driver was the proximate cause of the accident, it really does not matter whether the direct negligence claim against the motor carrier has merit at all. The direct negligence claim against the motor carrier is simply a derivative of the driver's negligence. In other words, whether or not the employer was negligent neither increases or decreases the percentage of fault attributable to the employee – nor does it increase or decrease the amount of recoverable damages.

Alternatively, the absence of a wrongful act committed by the truck driver makes it difficult to imagine an instance where a motor carrier's negligence in hiring, training or supervising of his employee is truly the proximate cause of harm to a third party.

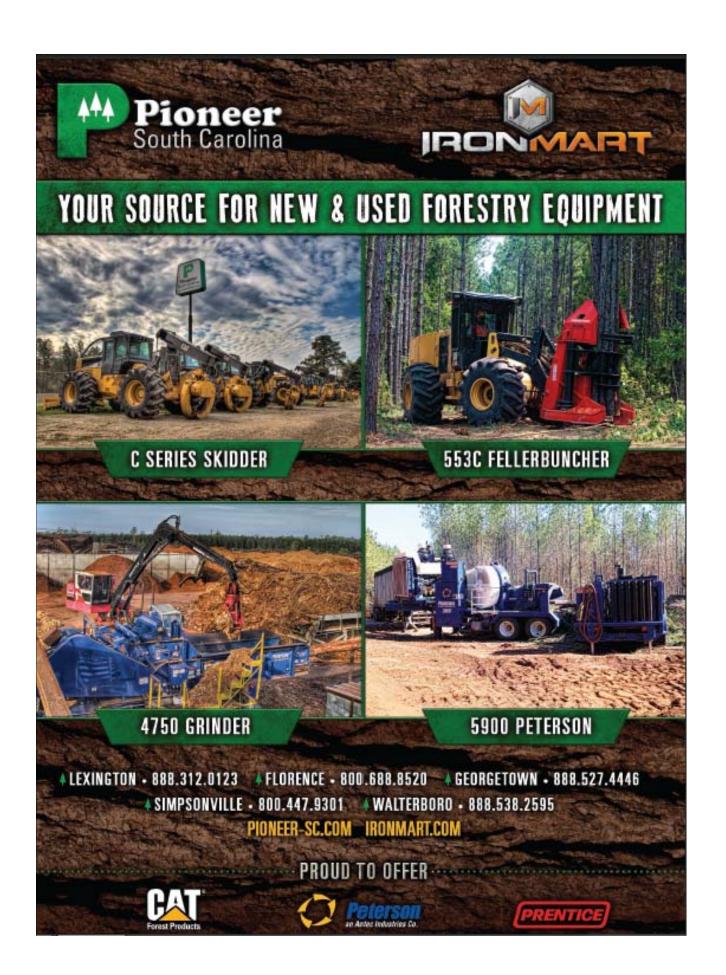
Direct negligence claims are often used to provide a backdoor means to introduce evidence of prior bad acts, which would otherwise be inadmissible during a trial. They can also serve as a mechanism to inflate monetary demands during settlement negotiations.

On the surface, it would seem logical to automatically dismiss direct claims under vicarious liability to avoid an unfair and prejudicial trial. However, a one-size fits all approach is not the answer and exceptions do need to be made when competent evidence supports a claim beyond the employee's negligence.

In the event a motor carrier's alleged negligence was so offensive that an award of punitive damages would be warranted, the court should focus on the alleged negligence claim during the second phase of a bifurcated trial, when an award of punitive damages can be made. This ensures that there must be competent evidence to prove direct negligence on behalf of the employer so they are not simply faulted for the actions of their employee. More importantly, it guarantees that punitive damages serve their intended purpose — to punish and deter outrageous behavior.

J. Richards Todd is president and CEO of the South Carolina Trucking Association, an 80-year old, statewide alliance of businesses that use or depend on trucks.

The CDL Employment Protection Act (S.865) aims address the concerns outlined in this article and establish a uniform process for truck accident cases in South Carolina. This initiative is also included in the SC Civil Justice Coalition's comprehensive tort reform legislation.



#### **NEW IRS TAX RULES—2014**

The IRS and timber professionals have long been at odds over whether expenditures are currently deductible "expenses" or whether they must be capitalized and recovered through depreciation over Time. Now, after seven years of drafts and proposed rules, the IRS has issued final regulations addressing whether a cost is a deductible repair or a capital expenditure. The IRS has also released guidelines for obtaining IRS approval for the accounting method changes required under the new rules.

The IRS' newly released regulations provide guidance on a number of difficult questions, such as whether replacing a component of a building is a current deduction or whether it must be depreciated over 39 years. If, for example, a forest products operation rebuilds a vehicle's engine, the IRS usually considers that expenditure to be a capital expense.

In the IRS's view, rebuilding an engine increases the value of the vehicle (the unit of property) and prolongs its economic useful life. By comparison, the IRS views regularly scheduled maintenance repairs as currently deductible, since they do not materially increase the vehicle's value or appreciably prolong its useful life.

A timber products business must generally capitalize amounts paid to acquire or produce tangible property unless the property falls into the **category of materials and supplies**, **or** qualifies for the so-called "de minimis" safe harbor. The new guidelines cover the following:

#### MATERIALS AND SUPPLIES:

Incidental materials and supplies may be deducted when purchased. Tax deductible materials or supplies are tangible personal property, other than **inventory**, **that is used or consumed in** the taxpayer's operations. This includes fuel, lubricants, water, or similar items that can be reasonably expected to be consumed in 12 months or less.

For the most part, these and other items categorized as materials and supplies are items for which records of consumption are not kept and where immediately deducting or expensing them will not distort the forest products operation's income. Materials and supplies that do not fit these definitions are deducted when used or **consumed.** 

• ROTABLE AND TEMPORARY SPARE PARTS: This category is a subset of materials and supplies.

Several alternative methods are allowed:

1. The cost rotatable and other spare parts is deducted only when they are disposed of,

 Spare parts are capitalized and depreciated, or
 The cost of spare parts can be deducted when first installed but record income at its fair market value when the part is removed, continuing that process until claiming a final loss at disposition.

Safe Harbors can best be compared to legitimate "loopholes" designed by our lawmakers to limit the full impact of a tax law or provision that might be harmful to a particular group of taxpayers. Under the repair regulations, some timber products businesses might benefit from Safe Harbors such as the following:

- DE MINIMIS SAFE HARBOR ELECTION: A timber professional may elect a "de minimis" safe harbor to deduct amounts paid to acquire or produce property up to a dollar threshold of \$5,000 per invoice (or per item in some cases, but only \$500 for those without.
- SMALL TAXPAYER SAFE HARBOR: The regulations add a new safe harbor for forest products businesses with gross receipts of \$10 million or less. The safe harbor is intended to simplify small taxpayers' compliance with the rules requiring capitalization of building improvements. Qualifying small taxpayers can elect not to capitalize building improvements with an unadjusted cost basis of \$1 million or less if the total amount paid during the year for repairs, maintenance and improvements does not exceed the lesser of \$10,000 or 2 percent of the unadjusted cost basis of the building. The safe harbor is elected annually on a building-by-building basis.
- ROUTINE MAINTENANCE SAFE HARBOR: When it comes to expenditures for the routine maintenance performed by so many timber professionals there is another safe harbor. Routine maintenance includes the inspection, cleaning, and testing of the property, machinery or equipment and replacement with comparable and commercially available and reasonable replacement parts. Unfortunately, in order to be considered "routine" maintenance, the timber profes-

(Continued on page 24)

(Continued from page 23)

sional has to expect to perform these services more than once during the class life (generally the same as for depreciation) of the property.

Another Significant change in the new regulations allows a forest products business to take "retirement losses" on components. If, for example, a building's roof is replaced and the old roof disposed of, the operation now has the option of taking a retirement loss for the old roof. Of course, the replacement roof must be capitalized but while the replacement must be capitalized the retirement loss can be claimed on the roof replaced.

The new repair regulations have been described as the most comprehensive changes to the issues of capitalization and write-off in more than 20 years. Some of the new regulation's safe harbors and elections can be implemented on the operation's annual tax return. Unfortunately, since the IRS considers many of the provisions to be accounting methods, timber professionals must file not one, but numerous, Form 3115s, Application for Change in Accounting Method.

A forest products business seeking to change to a method of accounting permitted under the final regulations must get the IRS's consent before implementing that new method. Under the automatic consent procedures, the IRS will consent when a Form 3115, Application for Change in Accounting Method, is attached to the forest products business's timely-filed tax return for the year of change (with extensions). A signed copy must also be sent to the IRS's national office.

While the tax strategies and methods used in the past may no longer be either feasible or advisable, thanks to the newly-created "safe harbors" and other taxpayer-favorable features, the new regulations will provide tax planning opportunities - and potential tax savings - for timber professionals and businesses that will face fewer disputes with the IRS.

However, because many timber professionals will soon discover they need to elect new tax strategies that require an application for an accounting method change, professional assistance is almost mandatory.

From:

Great Lakes Timber Professionals Association April 2014 Mark E. Battersby

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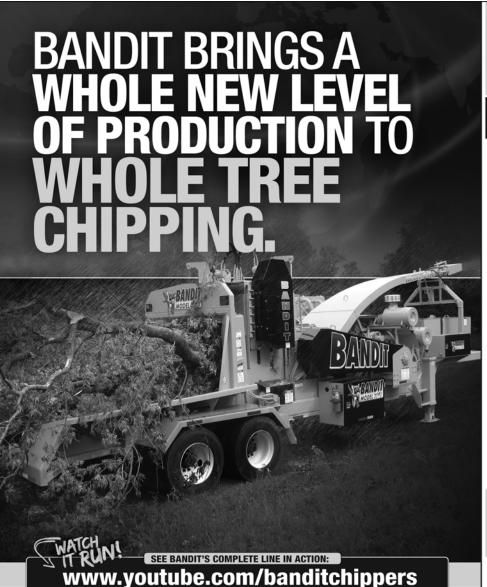
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### Timber Talk

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#### LETTER TO SC CONGRESSMEN AND SENATORS

### Issues to be addressed and supported for sustaining the timber harvesting and forest products industry

April 3, 2014

The Honorable Mark Sanford U.S. House of Representatives 332 Cannon House Office Building Washington, DC

Dear Congressman Sanford,

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

South Carolina's forest products industry ranks as the Number One manufacturing segment of our state's economy with an economic impact of \$17.5 billion annually. Timber is our state's Number One cash crop at \$870 million annually. Forest products exports are \$1 billion annually.

Our forest industry ranks first in employment including our professional timber harvesting, supplying and trucking businesses with a payroll over \$2 billion and over 45,000 employed workers.

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

As our pulp and paper and even solid wood products industries continue to improve after the economic hard times, the forest products industry, timber harvesters and timber suppliers face major challenges to meet the demand for timber to manufacture products.

As our industry faces the current economic issues of recovery, even though slow, there has been an increase in wood consumption by solid wood products, pulp and paper products markets and alternative woody biomass products markets.

The last five years have taken a toll on the timber harvesting segment. There has been an economic attrition in the professional logger ranks due extremely tight financial requirements to obtain new or even pre-owned timber harvesting equipment and transportation units to operate timber harvesting businesses coupled with higher and higher fuel costs that drastically affects the bottom line of our industry's small businesses. Additionally there is the

weight of over burdensome regulations and a significant threat to our industry with the Internal Revenue Service's New Depreciation Laws. Bluntly, this New Depreciation Code can cripple the logging and trucking industry because of financial impacts it has created which may force timber harvesting businesses to cease operations.

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

Professional loggers are having to operate older harvesting machines and haul trucks due to the revised financial requirements that are now prohibitive in allowing professional loggers to purchase and finance newer machines for increased productivity, efficiency and economics.

Alternative markets for the utilization of wood and woody biomass for the production of renewable energy, bio-fuels and other bio-related products is desperately needed and would improve availability of wood markets. This alternative market not only helps the timber supply and timber harvesting segments, but also helps forest landowners and rural communities for economic enhancement via jobs, local boost to their economy and overall contributions to our state and nation's economy.

As our nation attempts to reduce our dependence on foreign oil resources, we see an opportunity for our industry to continue to have markets for harvested timber as well as woody biomass from harvesting residuals and even non-merchantable roundwood. We have the available resources from our sustainable and renewable forests. But additional support from Washington, DC is needed to help spur these markets.

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

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

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

Support legislation to allow State Legal Gross Vehicle

(Continued on page 27)

(Continued from page 26)

Weights for Agricultural Commodity Loads including Unmanufactured Forest Products to be trucked on the Interstate Systems within each state to improve highway safety, transportation logistics, reduce costs, improve motorists and truckers safety and reduce truck loads on rural and state highways by amending the United States Code, Title 23, Chapter 1, Subchapter 1, Section 127(a) by adding the following paragraph: "Individual State weight limitations and tolerances for agricultural (including forest) commodities that are applicable to State highways other than the Interstate System, shall be applicable in lieu of the requirements of this subsection."

#### Position Paper Included.

 SC Timber Producers Association and the American Loggers Council applauds Congress for the passage of the 2014 Farm Bill which contains a very strong Forestry component, if utilized properly will help promote healthy forests on public and private lands. Support for Public Forest and the Forestry Component of the 2014 Farm Bill must be a priority to press agencies for expedient implementation to meet their timber sale targets on the ground.

#### Position Paper Included.

 Support extending the agricultural exemption, now enjoyed by farmers and ranchers, to mechanical timber harvesting businesses to allow for the training of sixteen to eighteen year old sons and daughters to carry on the family logging businesses.

#### Position Paper Included.

• Support Reform of the National Environmental Policy Act (NEPA) to remove the gridlock in the analysis and process necessary for federal land management agencies that have to navigate through the environmental appeals and litigation of project level activities. Simply, there is a critical need to simplify and streamline the Council on Environmental Quality (CEQ) procedures to implement federal agency projects more promptly and less expensively while at the same time reducing the risks of courts delaying thoroughly analyzed projects based on deficiencies in the NEPA documents.

#### • Position Paper Included.

- Support legislation that provides incentives for research, development, installation, implementation and expansion of woody biomass markets for the production of renewable energy and woody biomass based products.
- Support the American Loggers Council position on Federal Timber Concerns as this is a concern for South Carolina due to our two National Forests.

#### Position Paper Included.

- Oppose legislation attempting to limit woody biomass utilization by competing markets so as to encourage an open market system for all woody products harvested from our renewable and sustainable forests.
- Support increasing energy production on federal lands by ramping up leasing and exploration activities.

#### Position Paper Included.

- Support legislation to reduce the amount of over burdensome regulatory authority exerted on small businesses from the EPA and other federal agencies that discourage economic recovery and growth for the nation
- Support the REPEAL of the New Internal Revenue Service Code for Depreciation of equipment, machinery and assets used by our professional timber harvesting and allied industries. This new code is extremely harmful and is costly to the timber harvesting industry and may result in many thousands of small businesses simply shutting down their businesses.
- Support increased funding for road and bridge improvements to better serve our wood supply chain and businesses nationwide. Our infrastructure is in dire need of improvements to allow for more efficiencies in transportation logistics.
- Support legislation providing financial regulatory relief and incentives for professional timber harvesters to invest in improved timber harvesting equipment and woody biomass harvesting and processing equipment.
- Support legislation to reduce the tax burdens placed on small businesses to help stimulate economic recovery and growth.

On behalf of South Carolina's professional loggers, timber producers and unmanufactured forest products truckers, please support legislation to sustain our healthy forests and businesses to continue to provide the benefits of our sustainable and renewal forests.

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

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

Sincerely,

Crad Jaynes
President & CEO



# DC Photo Gallery



U.S. DOT & FMCSA's Luke Loy discusses Truck Weight





**ALC Board Meeting** 



Al Simpson, Chief of Staff for Congressman Mulvaney in discussions with SCTPA



SCTPA visits Congressman Mick Mulvaney



SCTPA and Anna Bartlett, Legislative Director for Congressman Trey Gowdy



SCTPA visits Senator Lindsey Graham



Associated California Loggers representative & CA Log Truck Driver, Amy Gladen (I-r) Danny McKittrick, Tommy Barnes, Amy Gladden, Richard Schwab & Billy McKinney



SCTPA visits Congressman Mark Sanford



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240, 380A, 380B, 450B, 450B, 450C, 460,

#### TREEFARME

C6D & C7E



#### May 2014

- 1 Walterboro, Old House Café, SC Hwy 64, 7 p.m.
- 13 Richburg, Front Porch Restaurant, SC Hwy 9 @ I-77, Richburg, 7 p.m.
- 15 Clinton, Blue Ocean Restaurant, SC Hwy 56 @ I-26, Clinton, 7 p.m.
- 19 Union, Midway BBQ, Buffalo, 7 p.m.
- 20 Georgetown, Big Bill's Low Country BBQ, U.S. Hwy 701, Georgetown, 7 p.m.
- 22 Easley, Fatz Restaurant, John C. Calhoun Memorial Drive, Easley, 7 p.m.
- 27 Newberry, SC Farm Bureau, Wilson Blvd, Newberry, 7 p.m.

#### June 2014

- 2 Lugoff, Hall's Restaurant, U.S. Hwy 1, Lugoff, 7 p.m.
- 5 Edgefield, Pleasant Lane Baptist Church, Peterson Lane, Edgefield, 7 p.m.
- 10 Jackson, Jackson Community Center, 104 Main Street, Jackson, 7 p.m.
- 19 SCTPA Board of Directors Meeting, SC Forestry Commission Headquarters, Columbia, 10 a.m.

Members & Non-Members are encouraged to attend our district meetings to know what the issues are affecting the industry.

Meeting dates may be changed. Meeting notices are mailed prior to the scheduled meeting.

#### **Need SFI Trained DVD Class or other training?**

SCTPA can provide the New DVD Training Module for SFI Trained status. SCTPA is an approved DVD training class facilitator and will be scheduling classes during the year. Other training programs are available for safety, driver training, equipment lockout & tagout, hazardous materials spill control on logging sites and forestry aesthetics.

Truck Driver Training Workshops will be scheduled. Watch the Mark Your Calendar section of this newsletter for dates.

Notices for SCTPA workshops & events will be forwarded.

#### SCTPA Board of Directors

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Union
Office 864-429-6939
Cell 864-429-6939

Vice Chairman: BoBo Seckinger
Seckinger Forest Products, Inc.
Hampton
Office 803-943-9600
Cell 803-571-0019
\*\*\*\*\*\*

Robby Crowder, Secretary/Treasurer
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\*\*\*\*\*\*

Crad Jaynes

President & CEO
SCTPA

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#### Our Mission

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