



TIMBER TALK

Your Voice for South Carolina Timber Harvesting

NOVEMBER/DECEMBER 2015

AS WE SEE IT ...

AMERICAN LOGGERS COUNCIL
JANUARY, 2016



Chuck Roady

Healthy Forests, Healthy Families and Healthy Communities

When the general public hears the term “forest products industry” most folks immediately think of the manufacturers, sawmills, and corporate landowners. When the folks at F.H. Stoltze Land & Lumber Co. of Columbia Falls, Montana hear the term forest products industry, we envision a three leg stool with each leg carrying an equal but different role, opportunity, and set of challenges. The three legs of that stool in our mind are the forest landowner, the logging-trucking infrastructure and the manufacturing facilities. We all want the goal of healthy forests because it is where we live, raise our families, recreate, as well as make our living. We need all three legs of this stool to have the opportunity to be financially and operationally healthy to achieve those goals.

F.H. Stoltze Land & Lumber is a 103 year old family company that owns forest lands, a sawmill, a wood-fired power plant, and is a logging contractor. We are very fortunate to have a unique perspective, because we get to experience all three of the legs! The importance of the relationships between those three legs is critical to Stoltze and over the years, we have developed a working philosophy that centers on mutual respect of the three primary components of this industry. As land managers and contractors, we are given a simple, but powerful directive from the Stoltze Family “Treat the land as if it were your own”. In those simple words lies the opportunity for pride in ownership and the responsibility of accountability for our actions.

Fostering the relationship between the mill, logger and landowner is something that takes continual effort and quite honestly requires compromise and a commitment to see the greater common goal. At any one time, each leg of that stool could make business or operational decisions that may strengthen an individual leg, but would do so at the risk of weakening the other two legs. Trying to find a balance that is good for all is quite a challenge and requires significant effort by all parties.

For Stoltze, the relationship between mill and logger is truly based on trust and mutual respect. If one looks up the definition of “trust” in the dictionary you will find words like: belief, reliable, good, effective, and honesty. We all know that trust is something that is built or earned through common experi-

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ences over time. In the words of Ronald Reagan, “Trust but Verify”, is an important step in building a relationship. It is not uncommon at Stoltze for there to be a 25 year plus relationship between the company and a logging contractor. We see our contracting workforce as an essential part of the team to get good forestry work done on the ground, with each contractor having their own position or niche of expertise.

The most visible evidence of this trust is the fact that Stoltze does not mark trees. This may not be a unique circumstance in many regions of the country, except for the fact that we rarely implement simple even age management or plantation thinning prescriptions. Our goal on company lands and most of the small private lands we work on is to manage to an uneven aged – best tree management system which requires individual leave tree selection. Our professional foresters work with our professional logging contractors to discuss the silvicultural goals and desired outcome for the stand, then “turn the clipper operator free to implement those goals”.

A primary component of the relationship between Stoltze and the contractors is a strong investment in education backed up by experience. Stoltze requires all our logging contractors to maintain the highest level of logger training available in Montana, which is the Accredited Logging Professional designation by the Montana Logging Association. This is a rigorous program that entails completion of an in-depth Forest Stewardship training, BMPS, safety training, and annual continuing education requirements. Ongoing conversations between foresters and contractors on how to better implement our timber harvests with the long term goal of forest and business sustainability in mind, rounds out the relationships.

Why you may ask does Stoltze invest so heavily in the relationship between the mill and the logger? The answer is simple. While it is good for both the mill and logger, ultimately it is also necessary to build a strong relationship with the third leg, the forest landowner. In our neck of the woods, the landowner is not just the private Tree Farmer or rancher who owns some forested acres, but the general public as well. Over 70% of our forest land in northwestern Montana is in either State or Federal ownership. The fact that our contractors are free to bring a landowner to any of their jobs on Stoltze land to show their work and the knowledge that Stoltze will give a fair and honest review of a contractor’s work to a landowner is strong motivation to do their best at all times. The work on

the ground is our resume’ and our report card. It is also a strong marketing tool to help convince other landowners that the Stoltze Team is their best option in managing their lands for the long term.

This relationship is not perfect, as there are things that Stoltze would like to be able to offer contractors that are simply out of our control. One is certainty of continuous work. We operate in a severely constrained stumpage market though surrounded by a sea of public forests. Stoltze is simply not able to guarantee work for all of our contractors all of the time. That is a frustration to both sides of the partnership, since it constrains us in making necessary business decisions, most significantly, capital investment for the future.

Quality of work is often overshadowed by low costs, especially in a highly competitive stumpage market. Montana’s experiences extremely high stumpage values when compared to other parts of the country, mostly due to the shortage of available timber. This relationship and way of doing business comes at a very real financial cost on both sides of the table. The increased cost of operating under such high standards at times can be the difference between getting a job or not, especially if price is the primary deciding factor. Being the best logger or most efficient mill in the world does not do any good if you don’t have stumpage under contract to harvest! So the challenge is to find the balance.

Stoltze is very proud to hold both Tree Farm certification on our company timberlands and a SFI Fiber Sourcing Certificate on our procurement programs. Our quality logging contractors are the basis of both programs. We are hopeful that one day we will see a market that values and is willing to continually pay for quality forest management through the wood products market place.

Until that day arrives, we have invested in building trust and sustainability as a basis for personal and business relationships between all three legs of the stool. That, in our opinion is good business and the evidence is in the quality of the forest stewardship we leave for the future.

Paul McKenzie is the Lands & Resource Manager and Chuck Roady is the Vice President & General Manager of F.H. Stoltze Land & Lumber Co. located in Columbia Falls, Montana.



American Loggers Council Quarterly Report to the States October 1, 2015 – December 29, 2015

The ALC Board of Directors has requested that a quarterly report be generated from the ALC office, highlighting the events and activities of the American Loggers Council. Our hopes are that you will use these reports to inform your members on how the American Loggers Council is working on their behalf to benefit the timber harvesting industry.

Executive Committee

The Executive Committee held two conference call during the quarter, on October 27, 2015, and December 17, 2015. During the first meeting, discussion was held on one of the proposals that had been submitted for both a communications and marketing effort to promote the logging industry and the ALC. Discussion also included setting dates for the Spring Board of Directors meeting in Washington, DC and the July strategic planning session in Dallas.

The second meeting confirmed the selection of Nick Smith as the communications consultant that will be working under contract for the ALC during 2016, as well as a brief discussion on possible speakers to be invited to make presentations during the April Fly-In in Washington, DC.

Membership/Communications

The Membership committee met in conjunction with the Communications Committee via conference call on November 19, 2015 setting goals and targets for 2016 as well as discussing the 2015 annual report preparation. The target for sponsorships for 2016 is \$135K with the addition of at least two new sponsors and the goal of recruiting at least one new state/regional logging association in 2016 was set.

The Communications committee reported on the work that is ongoing on the ALC web site, the "As We See It" editorial, social media sites and the proposals from Beverly McGlynn and Nick Smith as presented to work with the ALC on marketing and communications improvement efforts. The com-

mittee made the decision to retain Nick Smith as the consultant for the marketing and communications effort. A 12 month contract was executed between the American Loggers Council and Nick Smith Consulting beginning in January, 2016.

Travel

Travel in the 4th Quarter of 2015 included an October trip to Whitefish, Montana to attend the Federal Timber Purchasers Council (FTPC) meeting where Danny Dructor and Jim Geisinger met with representatives from both the Regional and Washington, DC offices of the US Forest Service and BLM to discuss the federal timber sale program and to make recommendations with the industry members of the FTPC on improvements that could drive efficiencies within the federal timber sale program. Keith Olson with the Montana Logging Association also attended the meeting.

Danny, Keith and Jim also traveled to Washington, DC in early November to meet with the Federal Forest Resource Coalition and to work with them on the Hill to try and move legislation that would make reforms to the way that wildfire funding is being handled as well as improve federal forest management.

Several meetings were also held with members of the House Education and The Workforce Committee in an attempt to get movement on the Future Logging Careers Act during the November visits. Other travel included the trip to Myrtle Beach, South Carolina in mid-November to make a presentation on logging and trucking capacity issues during the South Carolina Forestry Association Annual Meeting.

Other Activities

December is the month that the ALC begins its sponsorship recruitment activities for the following year, as well as looks to recruit new Individual Log-

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ger Members and State and/or Regional Logging Associations into the organization. There has been a good start to all of those activities in December and both Sponsorships and Individual Logger Memberships are already coming in for 2016. There is a meeting set in mid-January to meet with the Pennsylvania Forest Products Association and some of their logger members to see if there is interest in Pennsylvania forming a logging council under the umbrella of the PFPA and in turn joining the ALC.

Danny participated in both a Forest Industry Association Council teleconference as well as a Labor-Management Committee call during the 4th quarter.

SC Continues an Increase in Fatalities Involving Commercial Motor Vehicles



Information received from Capt. John Price of SC Transport Police Year to Date of CMV Fatality Statistics through November 23. This data reflects all Commercial Motor Vehicles with no differentiation of how many involved Unmanufactured Forest Products Trucking Vehicles.

2015	2014	Difference
Killed - 117	Killed - 65	15
Crashes - 98	Crashes - 57	40
CMV Contributed - 34 (plus 4 pending)	CMV Contributed - 14	20
SC Carrier - 46		
SC Carrier Contributed - 12 (plus 4 pending)		

Percentages

- 80% increase in CMV fatalities year to date in 2015 compared to 2014.
- 72% increase in fatal CMV crashes so far in 2015 compared to 2014.
- CMV drivers have contributed to 35% (34 of 98) of fatal CMV collisions so far in 2015.
- CMV drivers contributed to 25% (17 of 67) of fatal CMV collisions in all of 2014.
- CMV Fatalities Accounted for 13.7% of overall fatalities (117 of 851)
- Fatal Crashes involving CMV's accounted for 12.5% of overall fatal crashes (98 of 786)

SCTPA Comments: *These statistics are very concerning. Not just for the Unmanufactured Forest Products Trucking segment, but for all Commercial Motor Vehicles. Business owners and employers with CMV drivers need to address these issues with CMV drivers. Increased training, improved driver qualification requirements and driver screening prior to employment may help. But as we know, not all of the incidents and accidents are the cause of CMV drivers. But... increased awareness with CMV drivers is needed.*



Trucking



Agricultural products come in many shapes and sizes, in spite of this variability they have important things in common such as providing livelihoods to many families living in the rural parts of our Country. Whether the crop is soy beans or logs, they have little value without a dependable method to get the product to market. While the production of agricultural products is mostly found in rural areas, the majority of markets are found in the more urban areas. Most agricultural producers rely on truck transportation and there is little to compare to the frustration when a product, especially one with a shelf life, is ready for market and trucks are not available to haul it.

Many industries have been concerned for some time about the loss of trucking infrastructure and the impact it has on their business model. I would like to add my perception to this discussion. Whether we talk about an owner operator or a company running a fleet of trucks, I believe the underlying issue impacting infrastructure and availability is one and the same. There are numerous serious issues impacting trucking operations, such as return on investment, dependability of new trucks, state and federal regulations, price volatility, and for fleets - availability of qualified drivers. In most cases the trucks hauling agricultural products are the image that the general public has of our industry regardless if we are hauling logs or corn. While these trucks say a lot about our industry they also represent the greatest potential liability for any company.

It is relatively easy to get into the trucking business with a rather small monetary investment and a willingness to work hard. If you enjoy 75 hour work weeks behind the wheel of a truck, have a fair share of patience, and a mechanical aptitude, then it might be just the occupation for you. That being said, you can't forget about the constant maintenance and the occasional break downs to add to this work week commitment. Owning a business has both good and bad days, one always needs to be aware, regardless of how hard you work or how efficient you are, there is always someone cutting a corner somewhere to do it cheaper. It is imperative to truly understand the cost of running a truck or a business and be willing to say no when the rate doesn't cover your costs.

When discussing truck costs there are three components that make it up, fixed costs, variable costs and profit (risk). Variable costs are simple to account for, fuel, tires and drivers cost are the lion share of these and they are experienced when the truck is operating. Fixed costs are much different and vary from region as they are directly related to how much the truck can be operated in a given year. If you happen to operate a log truck in the Western United States, you

have a truck that is specifically designed to haul logs and is difficult to convert to other uses. Other parts of the country utilize 5th wheel tractors that can be hooked up to any trailer and provides better opportunities to Trucking extend the operating season. There are many issues impacting a trucker's ability to operate a long productive season, especially in the forest products industry: bottom line, the more hours a truck can operate in a given year the lower the fixed costs are.

Profit (risk) is an important part of the cost analysis. A prudent operator will not assume all the risk and hope there is some profit at the end of the job. A prudent operator will know his cost per hour for tires, fuel, insurance, repairs, the impact of loading and unloading delays, etc. A prudent operator will insure his price per hour includes a return on investment, which allows him to operate without putting himself or the public in jeopardy. A prudent operator will put the necessary time into a cost analysis so he knows exactly what his costs are. A prudent operator will not sign a contract when the job does not make economic sense. A wise old logger once told me "if you are losing money on every load, your not going to make it up with volume".

The rural portions of this country have been blessed with many honest, ethical, hardworking business people; we all need to be prudent business people as well. The entire forest products industry relies on a healthy trucking infrastructure and the burden to ensure a healthy trucking infrastructure into the future falls on the entire forest products industry as well. We should all be working together for long term solutions rather than short term gains.

Myles Anderson is the current President of the American Loggers Council and he and his father Mike own and operate Anderson Logging, Inc. based out of Fort Bragg, CA.

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



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"Trucking"



Everywhere I go and talk with loggers there is a one common problem that is discussed during the conversation. TRUCKING!!!!

We are beginning to realize that a perfect storm is brewing off of the coast and is headed our way to collide with our businesses. Federal CSA standards, increasing cost to comply with new safety standards, unwillingness of contract trucking companies to go to the woods, Insurance Underwriters unwilling to write policies for loggers. Just yesterday I learned that The American Trucking Association is forecasting a 50,000 driver shortage by the end of the year and The American Transportation Research Institute is forecasting a 250,000 driver shortage in 10 years. These stats are for all drivers. Imagine trying to compete for drivers in these kinds of shortages and then ask them to go to the woods. We have not even thought about hours of service compliance. On and on I could go about the issues that we face but I'm only limited to a few words here.

Trucking has gotten to be a big enough issue where insurance underwriters, loggers, and industry companies have started a task force to try to head off the super storm that is headed our way. Soon, Jimmie Locklear with Forestry Mutual Insurance will write an "As We See It" column to discuss what the TEAM concept is and why we need this group.

The ALC has been working through our Transportation Committee to establish good federal policy on trucking for years. Whether it is federal truck weight reform on federal highways or combating CSA standards and the pool of trucking companies affiliated with other industries that we as loggers are compared to. We have even worked on the new EPA regulations on emissions coming out of our trucks.

All of this being said, what can we do as loggers on the ground now to combat what is going on now? These are some of the ideas that my family's logging business has discovered in the last 3-5 years.

We needed to increase our trucking capacity a few years ago and did not want to invest in the trucks or worry about drivers. We went to the larger bulk hauling companies and asked them for rates and availability. We were shocked to see how expensive their rates were. Once we got over the sticker shock we contracted with a company to do the trucking for a whole crew. We discovered that trucking companies and their employees do not work like we do in the logging business. We went through two trucking companies because the drivers were missing about 5-10 loads a week because of dependability issues. Keep in mind that these were not fly-by-night operators.

Through this process and frustration we had a bright idea. IF WE PAY OURSELVES THE HIGHER RATES THAT TRUCKING COMPANIES CHARGE WE CAN MAKE MONEY IN THE TRUCKING BUSINESS!!! Imagine that. You mean that we do not have to subsidize our trucking with our logging rates??? We started doing this and our profitability increased and we stopped missing as many loads. Evaluate what you are getting paid or what you are paying yourself. I know some of us are not in market places where an increase in trucking rates is possible. Start letting the powers to be know what we are dealing with. Remember the STORM IS COMING!!! Through this process we had to increase our mechanics in the shop to keep our fleet in better shape. I'm not talking about the major issues but the little things. Our CSA scores were going up not because of "Trucking" serious infractions but because of the little things: marker lights, straps, tags that could not be read, windshield washer fluid tank not being filled, air buzzers not being loud enough, etc.. Up until recently we enjoyed grace on the little things. NOT ANY MORE!!!! The little things cost.

These are a couple of things that we discovered. The most important things that we are learning through all of this are that loggers cannot afford to just be able to stay in the woods and log. That would be nice. We are going to have to face the fact that there is a trucking storm coming and for some of us it is already here. The American Loggers Council is working as hard as we can on the federal issues. TEAM is working on insurance and safety. We as loggers are going to have to be proactive, think outside the box, and do all we can to keep things going. We have a strong history of doing amazing things and being amazing businessmen. Let us take on this storm as we always have and solve this problem too.

Log and Truck on!!!

Richard Schwab is the Procurement Manager for M.A. Rigoni, Inc., a full service timber harvesting and forest management company located in Perry, Florida.

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



WSRI UPDATE

“Improving wood supply operations through research”

Winter 2015-2016

Dear WSRI Members, FRA Members, and Friends:

Welcome to this issue of the **WSRI UPDATE**, an E-Newsletter designed to keep you up to date on what’s happening at the Wood Supply Research Institute – where we are *“improving wood supply operations through research.”* Foresters and loggers who would like to be added to the mailing list to directly receive the WSRI quarterly e-newsletter should contact WSRI Executive Director Jim Fendig at fendig@bellsouth.net

New WSRI Research Project Started

WSRI has entered into an Agreement with Auburn University for a Project titled “Total Trucking Analysis from the Woods to the Mill Woodyard and Return” with researchers Tom Gallagher, Mathew Smidt & Tim McDonald. This Project, as the name implies, will be an expansion of the “Truck Turn Time” Project taking into account each segment of the supply chain and analyzing the cost & time elements, by region, and determining how forest products transportation operations might be improved.

WSRI Issues Request for Proposals (RFP) for a New Project

The WSRI Technical Team has sent out an RFP for a new project titled “Pay & Benefits Index: Loggers and Truckers Compared to Competition.” The objective of this Project is to compare total compensation by region paid to logging and trucking employees with comparable jobs from other industries that compete for the same labor pool.

The comparison should include wages, insurance and all employee benefits. The Research Study objective is to determine if the perceived logging capacity shortage is the result of logging employee compensation packages not being competitive, and if yes, in what areas and by what margin, in four forested regions across the Country. This might be best accomplished by using an index approach. The WSRI Technical Team will assist, if needed, in determining relevant logging worker classifications and comparable local industry worker classifications. Final approval by the WSRI Legal Counsel will be obtained to assure no antitrust risk.

The deliverables include the following:

- Produce two Total Logging Employee Compensation Cost Indices in four forested regions. One index for production & one index for trucking. Each index should be comprised of the key cost components that make up total employee compensation.
- Produce an additional Total Compensation Cost Index in each region for a composite of industries that compete for the same labor force as the logging & trucking industries.
- Provide an analysis of the variances in compensation, by benefit, and convert all into a monetary value or cost per ton basis and total cost.
- Provide detailed recommended actions that if implemented might result in a more competitive logging & trucking employee total compensation package.

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WSRI Executive Director Search Update

WSRI Executive Director Jim Fendig has announced his retirement effective at the end of the WSRI 2016 Annual Meeting. WSRI Chair Crad Jaynes is leading a nationwide search for the next WSRI Executive Director. The WSRI Executive Director job description and employment application were widely distributed in September 2015. The Search Committee will be reviewing applications in November and early December to develop a list of final interviewees.

WSRI Facebook Page Update

Since its launch in October 2014 the WSRI Facebook Page has received 170+ likes (followers). We encourage all foresters and loggers with an interest in the wood supply chain to check out the WSRI Facebook page: <https://www.facebook.com/woodsupplyresearchinstitute> and to click the “like” and “follow” buttons so you can keep abreast of the latest wood supply research developments.

New WSRI Technical Team Chair

We are pleased to report that Sean Bennett with Broad Arrow Timber Company is the new WSRI Technical Team Chair. Congratulations and thank you for stepping in to fill this important WSRI leadership position Sean.

WSRI Research Project Report - FUEL CONSUMPTION ON LOGGING OPERATIONS

Over much of the past decade, fluctuating oil prices have increased the importance of fuel consumption estimates for cost control as well as cost forecasting in logging. Fuel costs are a significant component of variable cost and are directly linked to a number of other costs (tires, lubricants, etc.) While a number of fuel consumption rules of thumb are available, changing equipment technology and highly variable production rates create considerable doubt about the accuracy of current estimates.

The purpose of this study was to estimate fuel consumption rates and determine if differences in fuel consumption due to tract characteristics could be detected.

The study was funded by the National Council for Air and Stream Improvement (NCASI) and the Wood Supply Research Institute (WSRI).

Click here to view a Technical Release on this research study. <http://wsri.org/tech-papers/15r23.pdf>.

WSRI Ads

The WSRI Board again offers special thanks to DK Knight of Hatton-Brown Publications for developing two WSRI public service advertisements. Also for volunteering to run the WSRI adds for three months (complimentary) in *Timber Harvesting* and *Southern Loggin' Times*.

(Continued on page 11)

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We also are grateful and offer thanks to other WSRI partners who have also run these WSRI “public service” ads in their publications. Please help us out by running the WSRI public service ads in your publications or newsletters.....contact Richard Lewis at rlewis7575@aol.com for camera ready copies of the ads.

 Wood Supply Research Institute <i>"Improving wood supply operations through research"</i>	 Wood Supply Research Institute <i>"Improving wood supply operations through research"</i>
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<p>Please visit: www.wsri.org or contact: WSRI Executive Director Jim Fendig fendig@bellsouth.net 912-598-8023</p>	<p>Please visit: www.wsri.org or contact: WSRI Executive Director Jim Fendig fendig@bellsouth.net 912-598-8023</p>

Research Project Selection Process

- WSRI receives proposals from anyone year round. **We encourage you to submit a research proposal that will improve wood supply chain operations!**
- Proposals format is a brief three part email communication. 1 - Name of Project & background of need, 2 - Expected deliverables, and 3 - How Project data might be used. Send proposal to fendig@bellsouth.net.
- Proposal will be reviewed by WSRI Technical Team. Selected proposal will be sent to potential researchers with request for RFP's. A final research project selection will be made by the Technical Team and sent to WSRI Board for approval.
- Completed research Project is made available on the WSRI web site—<http://wsri.org/> and through a Technical Release published by FRA.

With best wishes,

Crad

Crad Jaynes, WSRI Board of Directors Chair

Jim

Jim Fendig, WSRI Executive Director

The Wood Supply Research Institute (WSRI) is a joint project of professional loggers, forest landowners, wood consuming mills, educators, and manufacturers that facilitates and funds research to promote and improve efficiency in the wood supply system.



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NEWS

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**Support Services: Forest Resources Association, 1901 Pennsylvania Ave
NW, Suite 303, Washington, DC 20007 Ph: 202-296-3937**

Release: January 7, 2016

Contact: Jim Fendig (912) 598-8023 fendig@bellsouth.net

WSRI Selects New Executive Director

Washington, DC – Crad Jaynes WSRI Board Chair announced that Steve Carruth has been selected to replace retiring WSRI Executive Director Jim Fendig. The official appointment will be made at the May 2016 WSRI Annual Meeting. In making this announcement Jaynes noted, “We carefully reviewed the applications of the top five candidates for this position and the Search Committee was unanimous in its selection of Steve. He will bring excellent forest industry knowledge and association management skills to WSRI. We expect Steve will continue the strong record of planning and completing valuable WSRI wood fiber supply chain research projects complied by Jim Fendig over the past 14 years.”

Jim Fendig, the current WSRI Executive Director also noted, “WSRI is pleased to see Steve Carruth return to WSRI service. Not many know he was the original executive director (on loan from Westvaco Corp) when WSRI was established 17 years ago.”

Carruth’s education and work experience includes: BSF – Virginia Tech, MSF-West Virginia Uni., Procurement Forester-Westvaco, Harvesting Research Project Leader-Westvaco, Wood Flow and Administrative Supervisor-MeadWestvaco, and Operations Manager – KapStone Charleston Kraft.

The Wood Supply Research Institute *WSRI is a joint project of professional loggers, forest landowners, wood consuming mills, educators, and manufacturers that facilitates and funds research to promote and improve efficiency in the wood supply system.*

Steve Carruth Selected As Next WSRI Executive Director

TO: WSRI Board of Directors

I wanted to alert the WSRI Board of Directors that the Executive Director Search Team held our conference call to select the next WSRI Executive Director. WSRI received five applications from candidates and each candidate was well qualified.

Steve Carruth was selected by a unanimous vote of the Search Team to be our next Executive Director. The Search Team really did a great job of thoroughly reviewing the candidates and their applications and the Team's input was very valuable. I really believe and feel the decision was the right one to move WSRI forward into the future.

Steve was the first Executive Director of WSRI and his career and experience are so meaningful in understanding the wood supply chain. Plus, he has a passion for the industry and WSRI that is greatly appreciated by all.

I am excited about this selection and I know Steve will do a great job for WSRI. Jim Fendig and I will be meeting with Steve December 29th to finalize an agreement for his hiring then Steve and Jim will begin the transition process. Steve's official starting date will be at the 2016 WSRI Annual Meeting in Colorado Springs, CO on May 4, 2016.

As Chairman of WSRI, I want to say THANK YOU to each of you for serving as Board Members and your support of WSRI. I have been with WSRI since its inception and I am very proud of what the Institute has accomplished over the years.

I extend my Best Wishes to each of you and your families for a Safe, Blessed Happy Holidays and Merry Christmas. Steve accepting our offer to be our next Executive Director is a great Christmas gift for the Institute.

Yall take care & best regards....

Crad Jaynes
Chairman, WSRI



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December 8, 2015

Senate Oversight Committee
Attention: Andrea Truitt
P.O. Box 142
Columbia, SC 29202

Dear Senate Oversight Committee Members,

On behalf of the association dedicated to representing and servicing South Carolina's timber harvesters, timber suppliers and timber truckers, we want to express our position of support for the South Carolina Forestry Commission remaining an independent agency.

The Forestry Commission is an integral partner with our professional loggers and wood dealers/suppliers. Their expertise to assist our state's professional loggers and wood suppliers and forestry industry is vital to the economic well being of every stage of the wood supply chain.

South Carolina's forest products industry is our state's Number One manufacturing industry with an annual economic impact of \$18.6 billion and is the largest manufacturing sector with jobs, (over 90,000 jobs) and \$4.5 billion in wages. Timber is our Number One cash crop. Forest products are the Number One exported commodity from the Port of Charleston valued at \$1.4 billion. Over two-thirds of SC is forested with over 300,000 private landowners managing, growing and having their timber harvested for the production of products that enhance our daily lives.

The Forestry Commission provides direction for economic development in the forest industry and provides the front line defense to protect forests, lives and properties from wildfires. Yet just as important is the Commission's capacity to assist in growing and sustaining our healthy forests for forest industry employment as well as our forests providing wildlife habitat, clean water and aesthetic values.

A 1998 Legislative Audit Council Report recommended the Forestry Commission remain an independent agency due to the forest industry's economic impact. The General Assembly also rejected any merger in 1993 and in 2011. Merging the Forestry Commission with another agency would not result in valued benefits to the state. The mission of the SC Forestry Commission is too important to the overall state to merge the Commission with any agency. It must remain a stand-alone agency dedicated to our forest products industry, forest landowners, wood suppliers, forest product companies and the state's economic well-being to ensure our sustainable, renewable forest resources.

Again, on behalf of our association and its wood supply chain members, we urge the Oversight Committee to fully support the SC Forestry Commission remaining an independent agency.

Kindest regards,
Crad Jaynes
President & CEO



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Williams Forest Products, *Clover*
Gerald W. Truesdell, *Westville*
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Boise Cascade investing \$23.5M in Chester operations

Staff Report

colanews@scbiznews.com

Published Dec. 9, 2015

Boise Cascade Co., a producer of plywood and engineered wood products, announced today that its expanding its Chester County operation and create 52 jobs.

"This \$23.5 million investment shows the confidence that the company has in our more than 350 employees in South Carolina and represents a sound investment in the future of this facility and of this company," said Chris Seymour, Southeastern Area Manager for Boise Cascade.

Boise Cascade acquired Chester Wood Products in 2013, establishing the company's first Palmetto State operations. Operating today as Chester Plywood, Boise Cascade said it's expanding the Chester facility to better serve customers.

The expansion of the company's facility includes installing new equipment and adding on to the warehouse.

Founded in 1957 and headquartered in Boise, Idaho, the company manufactures engineered wood products, plywood, lumber and particleboard. Last year, the company reported \$80 million net income on sales of \$3.6 billion.

Hiring for the new positions will continue through the first quarter of 2016. Those interested in joining the Boise Cascade team should visit the company's careers page online.

The Coordinating Council for Economic Development has approved a \$100,000 Rural Infrastructure Fund grant to Chester County to assist with the costs of real property improvements.



Boise Cascade



Timber Talk

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1-800-371-2240 or bcjpaw@windstream.net

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SCTPA Supports Letter to U.S. House of Representatives

January, 2016

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The undersigned groups strongly support efforts by the House of Representatives to make federal agencies more accountable to the American public and improve the transparency of agency actions. The federal rulemaking process was founded on principles of open government and public participation.

We are pleased, therefore, that the House is voting on a comprehensive regulatory reform bill, H.R. 712, the “Sunshine for Regulatory Decrees and Settlements Act,” which would take important steps to stop the abusive practice known as “sue and settle” and give the public and affected parties a greater ability to know about potential rulemakings and to participate.

H.R. 712 embodies several major principles of accountability, transparency, and fairness, drawn directly from three regulatory reform bills:

Title I – the “Sunshine for Regulatory Decrees and Settlements Act.” Behind closed doors, organizations and agencies enter into consent decrees or settlement agreements compelling the agencies to issue rules on an expedited timeframe. The states and the public are not given notice of the lawsuits, nor do they have a meaningful voice in the process, despite the adverse impact that rushed, sloppy regulations have on them. This title would improve the “sue and settle” process by requiring agencies to give early notice and take public comment on proposed settlement agreements obligating agencies to initiate a rulemaking or take other action on a specified timetable. These settlement agreements allow interest groups to commandeer an agency’s agenda and regulatory priorities. The bill would allow affected parties to get notice of draft settlements and provide some opportunity to participate.

Title II – the “All Economic Rules are Transparent (ALERT) Act.” This title would require agencies to disclose rulemakings the agency plans to propose or finalize to OMB’s Office of Information and Regulatory Affairs (OIRA). OIRA would disseminate information about these planned rules to the public, including their estimated costs and benefits.

Title III – the “Providing Accountability Through Transparency Act.” This title would require federal agencies to notify the public of proposed rules each month by posting a brief, plain-English summary of each proposed regulation on regulations.gov.

Taken together, these reforms would help Congress to reassert control over federal regulatory agency actions that have become opaque, unaccountable, and often unfair. Congress must perform its critical role as overseer of the federal agencies.

The undersigned groups strongly support H.R. 712, the “Sunshine for Regulatory Decrees and Settlements Act,” and its comprehensive approach to regulatory reform. We urge you to pass this important bill.

Sincerely,

Signatory Organizations

SCTPA Comments: SCTPA has signed on as a signatory to this letter to the U.S. House of Representatives as supporters of the U.S. Chamber of Commerce Regulatory Reform Support Coalition.



17TH SCTPA ANNUAL MEETING

SCTPA is excited about our 17th Annual Meeting to be held February 5 – 7, 2016 at the Springmaid Beach Resort & Conference Center, 3200 South Ocean Boulevard, Myrtle Beach.

Our 2015 meeting was the largest attendance ever and we are excited to be returning to Springmaid Beach Resort for our 2016 venue.

Our meeting focus has changed to focus on... What is the 800 pound gorilla in the room... trucking. Our theme will be... *What's The Issue...Trucking!* Trucking is a major issue in the unmanufactured forest products trucking segment. Finding and maintaining qualified, safe, professional drivers is an issue, trucking safety is a major issue, regulatory issues and the economic challenges related to trucking is an issue. A video regarding the proposed CDL Driver Protection Act to be presented in the SC General Assembly in 2016 will be shown.

Friday's schedule will be a board of directors meeting, afternoon registration and evening welcome reception with food and entertainment. Friday's Welcome Reception entertainment will feature the No Holds Barred Band-DJ-KJ Mix.

Saturday general session speakers will be Richard Schwab, M.A. Rigoni, Inc, Perry, Florida and American Loggers Council President, Forestry Mutual Insurance Company's Jimmie Locklear and Keith Biggs and Bitco Insurance Company's Randy Hervey will present The Issues of Trucking and discuss the Newly formed Log/Chip Truck TEAM, Mike Lucas of The Lucas Group will discuss what you need to know about trucking regulations and what has changed. Kathy Abusow, President SFI, Inc. will be featured for the Saturday luncheon to present *SFI... Then and Now*.

Saturday's association business session will feature the association's 2015 financials, Board of Directors elections, any bylaws changes, awards and presentations. We'll also have our prize drawings for the Honda Pioneer All Purpose Vehicle and Honda Generator and free stay at Springmaid Beach Resort. Saturday evening is free to enjoy Myrtle Beach.

Singing Steven, Steven Craps of Lexington, will be our Sunday Prayer Breakfast guest to treat the audience to his Southern Gospel music and faithful testimony.

Our Silent Auction will be available with a variety of nice items for bidding. Please donate an item. The prize drawings and silent auction help the association financially.

Exhibitors will be on hand inside the conference center with their products and services. We'll again have equipment displays in the parking lots. And of course there will be plenty of door prizes. We'll draw a winner for another gun or nice item on Saturday during the business session.

Discounted Carolina Opry tickets for the Saturday evening show February 6th are available for \$30 each and can be ordered with your meeting registration. *That's a \$19 per ticket savings versus regular price.*

Contact the Springmaid Beach Resort directly to make your room reservations. SCTPA's room reservation code is 10970X. Call Springmaid Beach Resort Reservations at 1-843-315-7100. Room block cut off is January 3, 2016. Springmaid Beach Resort at SpringmaidBeach.com

Our meeting is a casual family atmosphere. We encourage everyone to bring your family and employees. Dress is business casual. We ask attire suited for a business meeting is worn.

Go ahead now and block the dates to join us February 5 – 7 for our 17th Annual Membership Meeting. Brenda and I look forward to seeing you in Myrtle Beach.

Yours truly,

Crad

Crad Jaynes

17TH SCTPA Annual Membership Meeting

MEETING AT A GLANCE

FRIDAY, FEBRUARY 5

- 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!*

Conference Center

Live Oaks Bldg
2nd Floor
3rd Floor

SATURDAY, FEBRUARY 6

- 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: Richard Schwab, M.A. Rigoni, Inc. & President, American Loggers Council
Speakers: Keith Biggs & Jimmie Locklear, Forestry Mutual Insurance Co., Randy Hervey
Bituminous Insurance Co., *Trucking ... This Is The Issue*
Morning Break
Speaker: Mike Lucas, The Lucas Group, *Trucking Regulations & What You Need to Know!*
8:30 a.m. Ladies Breakfast
11:45 a.m. Break for Luncheon
12:00 p.m. Membership Luncheon & Business Meeting
12:45 p.m. Chairman's Welcome, Board of Directors Introductions & Announcements
Speaker: Kathy Abusow, President SFI, Inc., *SFI ... Then & Now!*
Business Session: President's Report, Financial Report, Bylaws Report, Board Elections,
Awards & Special Presentations, Door Prizes & Prize Drawings
2:45 p.m. Afternoon Break
3:00 p.m. Workshop: SFI Trained TOP DVD Module for SFI Training For
July 1, 2015 – June 30, 2016 SFI Trained Status
5:00 p.m. Adjourn
Saturday Evening On Your Own. Enjoy Your Evening!
DISCOUNTED CAROLINA OPRY TICKETS Available At Registration Desk.

Conference Center

3rd Floor
2nd Floor
2nd Floor

SUNDAY, FEBRUARY 7

- 8:00 a.m. Prayer Breakfast
9:00 a.m. Special Guest: *Singing Steven, Steven Craps, Lexington, SC*
10:05 a.m. Silent Auction Announcements & Final Comments
10:30 a.m. Adjourn Meeting

Conference Center

3rd Floor

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

PARKING LOT FOR EQUIPMENT, TRUCKS & TRAILERS

THANK YOU FOR SUPPORTING OUR 2016 ANNUAL MEETING!

2016 ANNUAL MEETING REGISTRATION

February 5 - 7, 2016

PLEASE PRINT OR TYPE. COMPLETE ALL INFORMATION BELOW.

Name _____ Badge Name _____

Business Name _____

Address _____

City _____ State _____ Zip _____

Contact #: Work _____ Home _____

Fax _____ E-mail _____

Spouse/Guest Name _____ Badge Name _____

Please list any additional names & badge names separately or on the back. Thanks!

	Early Registration		After January 15, 2016	
	#	\$	#	\$
Member *	_____	@ \$ 190 = _____.	_____	@ \$ 220 = _____.
Member Spouse *	_____	@ \$ 90 = _____.	_____	@ \$ 100 = _____.
Active Member Employee **	_____	@ \$ 95 = _____.	_____	@ \$ 100 = _____.
Active Member Employee Spouse	_____	@ \$ 75 = _____.	_____	@ \$ 85 = _____.
SATURDAY, FEB. 6 ONLY	_____	@ \$ 170 = _____.	_____	@ \$ 190 = _____.
Non-Member	_____	@ \$ 230 = _____.	_____	@ \$ 250 = _____.
Non-Member Spouse	_____	@ \$ 95 = _____.	_____	@ \$ 100 = _____.
Children - Per Child – Age 6 – 18	_____	@ \$ 35 = _____.		
Children Under 6 – No Charge				
Discounted Carolina Opry Tickets	_____	@ \$ 30 Per Person = \$ _____.		
Saturday Evening Show, FEB. 6, 7 p.m.				
Tickets Are Non-Refundable				
Save \$ 19.00 Per Ticket				
TOTAL \$ DUE & PAID \$ _____.				

* Please Refer to Member & Active Member Employee Descriptions Below *

Return Completed Registration & Check Payable To: SC Timber Producers Association (SCTPA)

Members * = Active Members, Allied Supplier Members & Allied Supporting Members with Paid Dues.
Active Member Employee ** = Active Logger, Wood Dealer or Trucker Member Sponsored Employees Only not an owner, partner or corporate officer of active member's business. Supervisors & employees are encouraged to attend.
All other Non logger, dealer or trucker active members use member registration rates per person attending.
Call SCTPA if questions.

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CALL RESERVATIONS 1- 843-315-7100 ... REFER TO GROUP # 10970X

... OR ... Use Springmaid Beach Reservation Form. ROOM BLOCK CUT-OFF IS JANUARY 3, 2016.

Direct Room Inquiries to Springmaid Beach Resort. Springmaid Beach Room Cancellation Policy Applies.

SCTPA Cancellation Policy: Full refund if written cancellation received by January 1, 2016. 50% refund if written cancellation request received by January 10, 2016. NO REFUND after January 10, 2016.

Additional Names for Annual Meeting Registration & Name Badges:

2016 Annual Meeting Registration Credit Card Payment

Total Registration Fees \$ _____

Total Carolina Opry Fees (If Applicable) \$ _____

Credit Card Fee \$ **5.00**

Total Amount Charged \$ _____

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I agree to pay according to the Terms & Conditions of the Card Used.

Signature

Print Name

AREA OF FOCUS	RESULTS
NEW SFI BOARD REPRESENTATION	<p>Mary Klein President and CEO, NatureServe</p> <p>Steve Bullard Dean, Arthur Temple College of Forestry and Agriculture Stephen F. Austin State University</p> <p>Guy Gleysteen Senior Vice President, Time Inc. Time Inc.</p> <p>Bettina Ring State Forester, Virginia Department of Forestry</p> 
INCLUSIVE MARKET POLICY AND LABEL RECOGNITION	<p>20% of all FORTUNE 100 Companies used the SFI label in 2015</p> <p>24%+ of 20,000 U.S. consumers recognize and understand the SFI logo vs. 14% for FSC</p> <p>69,000+ different SKUs/ product lines with the SFI label appeared in 2015</p>
SFI FOREST PARTNERS® PROGRAM	<p>Time Inc. MACMILLAN NATIONAL GEOGRAPHIC PEARSON</p> <p>FOREST PARTNERS GROWS IN FLORIDA</p> <p>413,000 acres/167,000 hectares Blackwater River and Tate's Hell Florida State Forests, covering 413,000 acres, became certified to the SFI Forest Management Standard.</p>
SFI HAS THE SCALE TO MAKE A DIFFERENCE <small>Measured as of Dec. 2015</small>	<p>SFI Forest Management Certification 1/4 billion+ acres certified 100 million+ hectares</p> <p>SFI Chain of Custody Certificates covering 2,373 locations</p> <p>SFI Fiber Sourcing Certification 243 organizations</p>
CONSERVATION GRANTS <small>Active or Completed in 2015</small>	            
COMMUNITY PARTNERSHIPS	    
<p>THE CHOICES WE MAKE EVERY DAY DETERMINE THE FUTURE OF OUR FORESTS.</p> <p><small>Period of accomplishment in the scorecard: Jan 2015 - Dec 2015 © SFI Dec 17 2015</small></p>	

SFI Year End Update











Dear SFI Community,

What a tremendous year 2015 has been for the SFI community. Among this year's accomplishments, we launched the new SFI 2015-2019 Forest Management Standard, Fiber Sourcing Standard and Chain-of-Custody Standard, we celebrated SFI's 20th Anniversary, marking the milestone with record attendance at the SFI annual conference and we set a Guinness world record for tree planting. And that's just to name a few. I have attached our 2015 Annual SFI Scorecard so you can get a sense of what we have maintained and where we have grown in 2015.

SFI continues to stand at the intersection of sustainable forestry, thriving communities, and responsible purchasing. We strengthened existing partnerships with conservation and community organizations and forged new ones as well. We partnered with the American Bird Conservancy to advance bird conservation and supported the University of Saskatchewan study on grizzly bear and caribou habitat. The Heiltsuk First Nation, in British Columbia, received funding to document cultural heritage resources. We supported The Nature Conservancy's work in North Carolina to advance the role of private lands in important longleaf pine areas and have deepened our relations with the National Wild Turkey Federation.

(Continued on page 27)



AREA OF FOCUS	RESULTS
ABORIGINAL AND TRIBAL	 <p>21 First Nation and Tribal communities use the SFI standard 4.3 million acres/1.7 million hectares certified to the SFI Standard</p>  <p>PARTNER IN HABITAT FOR HUMANITY CANADA'S ABORIGINAL HOUSING PROGRAM</p>
POSITIVE MEDIA COVERAGE	<p>Key publications SFI was featured in</p> 
<p>LAUNCH OF THE NEW SFI 2015-2019 STANDARDS AND RULES</p>  <p>January 2015</p>	<p>The SFI Forest Management Standard requires sustainable harvest levels, reforestation and measures to protect:</p> <ul style="list-style-type: none"> • WATER QUALITY • BIODIVERSITY • WILDLIFE HABITAT • SPECIES AT RISK • FORESTS WITH EXCEPTIONAL CONSERVATION VALUE  <p>The SFI Fiber Sourcing Standard promotes responsible forestry practices by requiring:</p> <ul style="list-style-type: none"> • BROADENED MEASURES FOR BIODIVERSITY PROTECTION • BMPS TO PROTECT WATER QUALITY • TRAINED HARVESTING PROFESSIONALS • FORESTRY RESEARCH • LANDOWNER OUTREACH • AVOIDANCE OF CONTROVERSIAL SOURCES 
<p>SFI AND ITS PARTNERS ACROSS NORTH AMERICA, SET A NEW WORLD RECORD</p>	<p>202,935 trees planted in one hour</p> <p>SFI partnered with 29 teams to plant trees in locations from New York City to Vancouver Island, British Columbia</p>   
<p>SFI IS RECOGNIZED BY MARKET LEADERS AND GOVERNMENT ORGANIZATIONS</p>	

Period of accomplishment in the scorecard: Jan 2015 - Dec 2015
 © SFI Dec 17 2015

(Continued from page 26)

Next year promises to be yet another exciting year for SFI as we focus our attention on measuring SFI's impact on important conservation outcomes like water quality, biodiversity, and climate change. This will help a wide range of audiences understand the value of SFI's approach. We will also strengthen our community programs including educating the next generation, and delivering on our many partnerships.

Thank you for all you do to support the future of our forests, sustainable communities and responsible procurement of forest products. Together, we are making a difference. We look forward to working with our global partners including PEFC to promote a future where the global community has addressed illegal logging, deforestation and other unsustainable practices — a future where we can all take pride in purchasing forest products that promote responsibly managed forests.

Wishing you health and happiness in the New Year!

Yours truly,

Kathy Abusow
 President and CEO
 Sustainable Forestry Initiative Inc.



FOR IMMEDIATE RELEASE

Dec. 14, 2015

PEFC WEEK BRINGS INTERNATIONAL PARTNERS TOGETHER TO ADDRESS SUSTAINABLE FORESTRY

Geneva, Switzerland; Washington D.C. — Promoting sustainable forest management and having it recognized and rewarded in the supply chain from the local to the global level is a key priority shared by the many delegates who attended the 2015 PEFC Forest Certification Week last week in Montreux, Switzerland.

Ben Gunneberg, PEFC International's CEO and Secretary General, opened the 20th PEFC General Assembly with an empowering video and noted, **"As a grassroots organization PEFC has an extremely important role to play in achieving the Sustainable Development Goals (SDGs),** as we can deliver 14 of the 17 UN goals on the ground through our work with forest certification and forest-dependent communities." The 17 goals are part of the United Nation's 2030 Agenda for Sustainable Development adopted by world leaders at the United Nations Sustainable Development Summit in September 2015 to end poverty in order to achieve sustainable development.

"If we want to continue to grow a strong future for forests and the people that depend upon them, we must expand the reach and relevance of forest certification programs and better quantify and communicate the resulting positive conservation and community impacts," said **Kathy Abusow, Sustainable Forestry Initiative (SFI) President and CEO.** **"As to expanding the reach and relevance, I would like to extend my warmest thanks to Hans Drielsma, outgoing PEFC International Board member who had the vision to secure PEFC's entrance into Asia with the formation of PEFC Asia almost a decade ago.** This vision has now become a reality with unprecedented growth in the Chinese market, stability in the Japanese market, and a consistent flow of new members and interest from South East Asian nations to join the PEFC family."

Dr. Hans Drielsma, who served on the PEFC International Board of Directors from 2006-2015 for three terms of service and chaired numerous standards review committees and working groups over the years, is a professional forester with 40 years' experience, including senior executive roles with Forestry Tasmania and State Forests NSW. **The seeds that were planted with the formation of PEFC Asia, are now bearing fruit, and there were many examples of this during 2015 PEFC Week.**

- **Representatives from China, Vietnam, South Korea, Philippines, Nepal, Thailand, and India,** among many others, all spoke during 2015 PEFC Week about the strength, commitment and dedication of PEFC to sustainable forest management and responsible supply chains that consider and address economic, social and environmental values.
- **The China Forest Certification Council (CCFC) was recognized by PEFC International for leading the way with the most acres certified in China** in the last year compared to any other PEFC member nation. Other PEFC members awarded for the greatest growth in certified forest area were PEFC Sweden and PEFC Canada, each increasing their area of certified forest by more than a million hectares.
- **Wang Wei, Chairman of the China Forest Certification Council (CFCC), detailed the Chinese government's announcement regarding new national Forest Certification Rules which set the requirements for all forest certifications operating in China.** Certification bodies wishing to conduct forest management (FM) and chain-of-custody (COC) audits, including CFCC, PEFC and FSC in China, will have to be authorized to conduct business in China by the Certification and Accreditation Administration (CNCA) of

(Continued on page 29)

(Continued from page 28)

China and will have to be accredited by the China National Accreditation Service for Conformity Assessment (CNAS), and CNCA's approval must be completed before the end of 2015, otherwise the certification bodies have to quit the business until they get the approval by CNCA. CNAS is a member of the International Accreditation Forum (IAF) in China. New entrant certification bodies are welcome provided they successfully meet the requirements set out by CNCA and CNAS. Certification bodies that have already achieved accreditation by CNAS including the domestic ones such as Zhonglin Tianhe and Jilin Songbai etc. and the foreign invested ones such as BV and SGS etc., already received approval by CNCA, and they are in the conformity assessment application process by CNAS.

- According to the Forest Certification Rules, forest certification bodies which have received approval by CNCA shall carry out the certification audits against China's national standards (which were endorsed by PEFC in 2014) or China's sector standards, and they should also revise their internal technical documents according to these rules. **In order to maintain market stability in the transition stage, FSC forest management and FSC chain of custody certificate holders shall implement the Chinese national forest management and chain of custody standards in order to keep their current FSC certificates during upcoming annual audits.**

Other highlights of the 2015 PEFC Forest Certification Week included:

- **PEFC Italy showcased a video which highlighted PEFC certified wood at the World Expo 2015 in Milan.** Expo pavilions from several countries including Austria, Belgium, China, France and Thailand featured PEFC certified wood for their walls, roofs, railings and in some instances their entire structures.
- **PEFC Spain** shared highlights from a recipe book "Cuisine from the Forests" which were a catalyst in raising awareness for non-timber forest products from forests certified to PEFC. The book highlighted the merits of wild food products, and was declared the **Best Sustainable Cookbook in Spanish by the jury of the Gourmand World Cookbook Awards.** The products featured in this book were non timber forest products from certified forests recognized by PEFC.
- **New Zealand was recognized as the latest country to achieve PEFC endorsement.** With the endorsement of the New Zealand Forest Certification Scheme, the country's forest owners can now obtain certification for their responsible management practices. The New Zealand Standard for Sustainable Forest Management (NZS AS 4708:2014) is an adoption of the PEFC endorsed Australian Forestry Standard (AS 4708:2013) and demonstrates how regions are increasingly working together to promote consistency and collaboration in meeting shared objectives.

The week also saw new PEFC International Board members voted in, including **Brian Kernohan, Director of Policy and Environmental Advocacy at Hancock Natural Resources Group**, which operates in the United States, Canada, Australia, New Zealand, Brazil and Chile. "Brian's appointment is fitting recognition for his leadership on sustainability. He has long been an advocate for certification, and is Past Chair of the SFI Resources Committee," said Abusow. Brian delivered a presentation on **quantifying the conservation impact of SFI certification** during the 2015 PEFC Week which represents new thinking being advanced by SFI to capture and communicate the value of responsibly managed forests and responsibly sourced forest products. "Topics like water conservation, climate change and biodiversity are useful lenses for us to use to quantify the important conservation work happening in the SFI community. Given that SFI is a part of the PEFC family, PEFC's endorsement of SFI means that our conservation success stories are also a part of PEFC's success globally," said Brian Kernohan.

Other newly elected PEFC board members include Dieter Koinig-Woehl, member of the European Works Council of Stora Enso since 1999. He is also a member of the standing committee of the European Federation of Building and Wood Workers. Also, **Michal Proschek-Hauptman, CEO of the Environmental Umbrella Organisation** was re-elected to the PEFC Board.

(Continued on page 30)

(Continued from page 29)

The entire PEFC community warmly thanked Bill Street, outgoing Chairman of the PEFC International Board, for his tireless service. He has advanced the cause of sustainable forestry in many ways, not the least of which was the impressive expansion of PEFC during his eight-year tenure. Bill was also formerly Chief of Staff for the Woodworkers Department of the International Association of Machinists and Aerospace Workers, one of the largest industrial trade unions in North America and the largest representative of wood and forestry workers.

Next year's 2016 PEFC Week will take place in Bali, Indonesia, marking the second time PEFC Week has taken place in Asia, following a PEFC General Assembly in Malaysia in 2013. Find more information on the 2015 PEFC Forest Certification Week in the PEFC newsletter or go to www.pefc.org.

About Programme for the Endorsement of Forest Certifications (PEFC)

PEFC, the Programme for the Endorsement of Forest Certification, is a leading global alliance of national forest certification systems. More than 260 million hectares of forests are certified to PEFC's internationally recognized Sustainability Benchmarks, supplying more than 16,000 Chain of Custody certified companies with responsibly sourced timber and wood-based products. PEFC was founded by small- and family forest owners to demonstrate excellence in sustainable forest management. For more information, please visit www.pefc.org.

About the Sustainable Forestry Initiative® Inc. (SFI)

SFI® Inc. is an independent, non-profit organization that is solely responsible for maintaining, overseeing and improving the SFI program, which is internationally recognized by PEFC. SFI works collaboratively with conservation groups, local communities, youth, resource professionals, landowners and countless other organizations and individuals who share our passion for and commitment to healthy forests, responsible purchasing and sustainable communities. Since 2010, SFI has awarded more than 60 Conservation and Community Partnership grants totaling more than \$1.9 million to foster education, research and pilot efforts to better inform future decisions about our forests. When leveraged with project partner contributions, that total investment exceeds \$7.1 million. Certifications to the SFI Standard represent enormous scale with more than 100 million hectares certified to the SFI Forest Management Standard across Canada and the USA, and millions of additional acres positively influenced through the application of the SFI Fiber Sourcing Standard and the SFI Chain-of-Custody Standard. SFI Program Participants ship products to over 120 countries around the world and thereby value SFI's endorsement by PEFC. SFI Inc. is governed by a three chamber board of directors representing environmental, social and economic sectors equally. Learn more at www.sfiprogram.org.

PEFC Media Contact:

Thorsten Arndt
PEFC Head of Communications
Tel: +41 (0)22 799 45 40
Thorsten.Arndt@pefc.org



SFI Media Contact:

Elizabeth Woodworth
Vice President, Communications & Community Engagement
Tel: +1-202-596-3452
media@sfiprogram.org



Congress Fails to Reach Agreement on Forest Reforms



In mid-December it appeared an agreement would be reached to fix the nation's broken system of wildfire funding while increasing the pace and scale of forest health projects on federal lands. Spurred by an unprecedented coalition of industry, conservation and outdoors groups, and thanks to your engagement and support, bipartisan members in both the House and Senate had agreed to include the negotiated package in the fiscal 2016 Omnibus bill, which Congress passed before the holidays to keep the government running.

The bipartisan agreement provided a streamlined process under federal environmental laws for hazardous fuel reduction, collaborative timber projects and early successional habitat for wildlife species. It would have authorized new forest management programs that would protect watersheds and water quality. To fix wildfire spending, the agreement would fund some portion of the firefighting budget from disaster relief funds, and would have made more funding available for forest management projects.

Yet there was nothing under the tree for our forests and rural communities this Christmas. According to multiple media reports, the agreement was abandoned due to opposition, for different reasons, from the leading Republican and Democrat on the Senate Energy & Natural Resources Committee.

Though forest management reforms were not included in the omnibus legislation, the Forest Service received another \$580 million in additional fire suppression funding. The omnibus also provided modest increases in funding for timber harvesting, tree-thinning, brush removal and other projects to reduce fire dangers. While this will likely ensure the Forest Service has the funding it needs to fight fires in 2016, it is very disappointing that Congress once again failed to address the cause of our larger and unnaturally severe wildfires.

The problems our forests and communities are facing are not going away. Fortunately, there is a growing bipartisan recognition in Congress that broken federal forest policies must be fixed. We will continue to support measures such as Resilient Federal Forests Act and other solutions that restore the health of our forests while putting more rural Americans back to work. Congressional leaders have pledged, once again, to address these issues before the 2016 wildfire season begins in late spring. Please stay tuned in the weeks ahead.

Nick Smith
Executive Director
Healthy Forests, Healthy Communities
(503) 515-4206

South Carolina loggers, mills struggling after flood

December 7, 2015

By Sarita Chourey

Morris News Service

COLUMBIA — South Carolina's forestry industry is expected to suffer an estimated \$130 million hit from October's historic flooding, after officials and property owners fully assess the production losses.

South Carolina Forestry Commission officials arrived at the number after factoring in forest planting and inventory data, aerial surveillance, mill reports and consultations with foresters, loggers and landowners.

State Forester Gene Kodama told a Senate committee Monday that the \$65 million in estimated production losses was based on losses from Oct. 3 through Oct. 13. The final number, he said, would probably be double. About 2,000 acres of trees in the coastal counties will probably have to be replanted, said Kodama.

"As far as the loggers go, they've taken one of the biggest hits. Like farmers, they're cash-flow dependent," he said. "Some of those folks have already gone out of business, turned in their equipment. They're done. They didn't have the cash flow or the reserves."

Kodama said low-cost or no-cost loans for about three months would be a way to help the loggers get back to work.

South Carolina's nearly \$19 billion timber industry sustained yet-to-be quantified losses to loggers, mills and suppliers. Contributing to the damage were closed or inoperable roads, bridges and rail lines, higher operating costs for loggers, and greater transportation costs for mills, and overall lost productivity.

There are more than 800 mills in South Carolina, including about 100 primary mills, such as pulp and paper mills and sawmills, which take raw materials. The flood resulted in some mills reporting wood shortages and problems shipping products out.

The rest are secondary mills, which need wood to pro-

duce furniture, cabinets, building components and other items. Among those listed on an agency directory are several local companies, including Bluffton Woodworking Company, Carroll Woodworking, Inc., in Bluffton, Sawmill Creek Studio in Bluffton, Carolina Door & Millwork in Ridgeland and Wood Tech Cabinets, LLC, in Hardeeville.

"The mills, of course, they need the supply. It's been an event that I have not witnessed in my career here in South Carolina," said Crad Jaynes, president and CEO of SC Timber Producers Association, whose timber career spans more than three decades.

"It's been extremely challenging with the ground conditions, and the road and bridge conditions."

A key problem, Jaynes said, has been how to move heavy machinery across earth that's too soft and saturated with water to hold up vehicles without creating deep ruts on private land or causing trucks to get stuck.

Still, said, Jaynes, "The industry is resilient."



Photo credit: <http://www.state.sc.us/forest/floodinfo.htm>



FOR IMMEDIATE RELEASE:

Friday, Oct. 16, 2015

CONTACT:

Doug Wood, Director of Communications
(803) 968-1576
DWood@scfc.gov

SCFC estimates \$65M loss to forest products industry from flooding

COLUMBIA—South Carolina Forestry Commission officials estimate a loss of at least \$65 million in the forest industry's economic impact because of last week's historic flooding. The estimate was derived from forest planting and inventory data, aerial surveillance, mill reports and consultations with loggers and landowners.

The assessment does not include what are expected to be additional millions of dollars in damage and repair to private forest roads, which is currently unknown.

"Some mills have reported shortages of wood deliveries and difficulty shipping finished products because of closed roads, bridges and rail lines," said State Forester Gene Kodama. "Many loggers in the flood zone have not been able to operate since the storm because of wet ground and inaccessible roads and bridges. These conditions are not likely to improve soon."

While the economic loss represents a small part of the industry's \$18.6 billion contribution to the state's economy, it has a huge and immediate impact on the forest landowners, loggers, mills and suppliers in the counties affected by heavy rainfall and flooding. The loss of access to roads, bridges and rail lines, higher operating costs for loggers, increased transportation costs for mills, and overall lost productivity account for most of the economic loss.

"We're fortunate, however, that more than two-thirds of the state is forested because forests are resilient and renewable ecological systems," he said. "Forests help prevent erosion from flooding, filter the air and provide 60 percent of the water we use."

SCFC officials also emphasize that landowners should not feel compelled to harvest and sell their timber just because their trees have been flooded. Most forest stands beyond seedling sizes typically survive short-term flooding. Seedlings that were completely submerged for a week or more are less likely to survive. Forest landowners should continue to monitor all forested areas that have been flooded for tree health issues over the next year and consult a registered forester if they have questions or concerns.

The South Carolina Forestry Commission has created a special section on the home page of its website at www.trees.sc.gov to both collect and provide information for those affected by the flooding. There are links to information about possible disaster assistance for individuals and businesses, research about the effects of trees submerged in water and details of the assessment the agency is currently conducting.

###

The South Carolina Forestry Commission was among the many state agencies that responded to last week's flooding by sending trained emergency professionals to the hardest-hit areas of the state. In addition to providing incident management teams that assisted counties with emergency operations, chainsaw crews cleared debris and other employees staffed the emergency operations center around the clock.



OMNIBUS BILL OUTCOMES FOR FORESTRY

The Appropriations Omnibus spending and tax measure that Congressional leadership published on December 16—and that Congress is expected to vote on and send to the President in short order—includes several items of interest to the forest products value chain. As a follow-up to Wednesday's Issue Update, a more complete summary follows.

FIA Funding – The Omnibus increases funding for the Forest Inventory & Analysis program to \$75 million for Fiscal Year 2016 (an increase of \$5 million from last year, although not the \$83 million industry had requested).

Treatment of Biomass – The Omnibus's report language—exerting less authority than the bill, itself—calls upon USDA's "Bioenergy Program for Advanced Biofuels" to adjust treatment for wood pellets so that this form of fuel is less disadvantaged than at present, compared to liquid biofuels.

Trucking – The Omnibus directs the Department of Transportation to deliver the much-awaited Truck Size & Weight Study's final report within 60 days of the signing of the bill. The bill's text also criticizes the claims of "data limitations" that the study's Technical Report raised earlier, stating that such claims were invoked inconsistently, suggesting bias within that preliminary Report, calling it "an unsatisfactory document that makes no progress on meeting the Department's responsibilities under the MAP-21 mandate." We are also pleased to report the Omnibus made the pilot provisions for Maine and Vermont permanent.

The Omnibus outlines well-defined criteria that the Federal Motor Carrier Safety Administration must follow if it is to lift the current suspension of FMCSA's Hours-Of-Service Restart restrictions.

The Omnibus makes several state-specific provisions with respect to truck weight reform:

- As noted earlier, the Omnibus opens access on key segments of Interstate in Wisconsin and Michigan to six-axle log trucks loaded to state-legal weight limits.
- The Omnibus permits 129,000-pound trucks to access the Idaho Interstate system, provided the configuration is bridge-formula-compliant.
- The Omnibus makes permanent the provisions of the truck-weight pilot project underway in Maine

and Vermont.

- **H-2B Guestworker Program** – The Omnibus alters the newly enacted H-2B Guestworker Wage Rule and "interim final" Program Rule:
- To set wage-determination criteria on a more reasonable basis and to allow H-2B employers to use private wage surveys to determine competitive wages.
- To exempt H-2B workers who have entered under the normal quotas at any time during the past three years from this year's 66,000-worker cap.
- To define "seasonal" as ten months, as opposed to the nine-month limit now in force.
- To prevent DOL from implementing the burdensome enforcement scheme in the "interim final" Program Rule, which placed obstructions on auditing and worker recruitment.

Tax Provisions Made Permanent – The Section 179 small business expensing provision is to be locked in at a \$500,000 limit, with a \$2 million phase-out provision, increasing the limits of purchasing expenses (for qualifying equipment or software) that a business may deduct from gross income. These terms are great improvements over the much smaller limit and phase-out in force during Fiscal Year 2015. It also makes permanent the right of a business with less than \$50 million in annual gross receipts to use the Research & Development credit to offset Alternative Minimum Tax obligations; and for start-up businesses without income tax liability to offset payroll tax with the R&D credit.

Tax Provision Extended – The Omnibus extends through 2019 current rules for expensing 50% of the cost of equipment or software in the current tax year, instead of claiming that value over the course of a longer-term depreciation schedule.

Appropriators had assembled strong support for proposals to include terms affirming the carbon-neutrality of forest biomass, for purposes of Clean Power Plan administration; and blocking or limiting the Waters Of The United States regulation; and providing a long-term funding solution for wildfire fighting. However, these provisions are omitted from the Omnibus measure submitted, apparently due to an agreement among House and Senate leadership to bar environmental riders from the bill.

REGULATORY REFORM UPDATE



December 4, 2015

Dear Regulatory Reform Group:

The delivery of good news is always a welcomed effort but first, thanks to all of your efforts to enact permit streamlining legislation. It was just passed by Congress and very likely will be signed into law by the President.

For the first time since passage of a 1969 federal law requiring environmental reviews of major infrastructure projects needing federal permits, a structure will be imposed on the management, coordination, timing and transparency of the environmental review process for these projects.

As you know, the permit streamlining effort began in 2010 with the publication of the “Project – No - Project” report which identified 351 energy projects representing a direct investment totaling \$577 billion that were stalled because of an inability to secure environmental permits. The report became the foundational support used by both houses of Congress to initiate legislation to correct the long permitting delays.

Yesterday, Congress passed and sent to the President H.R. 22, the “Fixing America’s Surface Transportation Act”, (FAST Act) which included the permit streamlining legislation which each of us supported for the last five years.

The permit streamlining provisions included in H.R. 22 will bring greater efficiency, transparency, and accountability to the federal permitting review process. Its coverage is very broad, including infrastructure, energy, and aviation, broadband and manufacturing projects.

Bringing better coordination and predictability to the permitting process should translate into job creation, economic growth and new development. Some of the key provisions of H.R. 22 include:

- Establishing a permitting timetable, including intermediate and final completion dates for covered projects, i.e. those over \$200 million or subject to federal permitting review requirements so they will benefit from enhanced coordination;
- Designation of a Lead Agency to coordinate responsibilities among multiple agencies involved in project reviews to ensure that “the trains run on time;”

- Providing for concurrent reviews by agencies, rather than sequential reviews;
- Allowing state-level environmental reviews to be used where the state has done a competent job, thereby avoiding needless duplication of state work by federal reviewers;
- Requiring that agencies involve themselves in the process early and comment early, avoiding eleventh-hour objections that can restart the entire review timetable;
- Establishing a reasonable process for determining the scope of project alternatives, so that the environmental review does not devolve into an endless quest to evaluate infeasible alternatives;
- Creating a searchable, online “dashboard” to track the status of projects during the environmental review and permitting process;
- Reducing the statute of limitations to challenge a project review from six years to two years; and
- Requiring courts, when addressing requests for injunctions to stop covered projects, to consider the potential negative impacts on job creation if the injunction is granted.

This is a significant achievement that could not have been accomplished without the broad support of the business community from across the country. While there have been permit streamlining provisions for specific activities, this is the first time there has been any type of comprehensive structure that coordinates the environmental review process for large infrastructure projects throughout the nation, both public and private.

Again, thank you for your help and early in the New Year I will again reach out to you for your much needed support to help pass the Regulatory Accountability Act which is the first attempt to modernize a dysfunctional rulemaking process that has not been changed since 1946.

Best wishes,

Bill Kovacs

Senior Vice President, Environment, Technology & Regulatory Affairs

U.S. Chamber of Commerce

Washington, DC

SCTPA Comments: SCTPA is proud to be a partner with the U. S. Chamber of Commerce and Bill Kovacs to support Federal Regulatory Reform. Such reform is critical to increasing economic growth across the country.



NEPCon, NSF International, Westervelt Renewable Energy recognized by Sustainable Biomass Partnership

By Pellet Mill Magazine Staff | November 24, 2015

The Sustainable Biomass Partnership has made several announcements recently including news that NEPCon and NSF International have become SBP-approved certification bodies and Westervelt Renewable Energy has achieved SBP certification from NSF Sustainability.

The SBP first fully approved NEPCon's application to become an SBP certification body. NEPCon, a Danish nonprofit, conducts certification audits for numerous forestry certification schemes including the Forest Stewardship Council, SAN/Rainforest Alliance and the PEFC Forest Management Standard.

NEPCon leveraged its current status as an accredited certification body for both FSC and PEFC forest management schemes to gain SBP approval. "We decided to engage in SBP certification because the market for woody biomass is growing fast," said Peter Feilberg, NEPCon executive director. "The impact of this trend on the world's forests depends on how the biomass is harvested. SBP is about ensuring that it is done in the right way."

In order to gain SBP approval, NEPCon had to demonstrate an ability to implement the SBP requirements and completed an SBP-approved training course. NEPCon will be monitored on an ongoing basis and the audits it performs for biomass producers, including pellet mills, will be reviewed by the SBP.

Following NEPCon, the announcement was made that NSF has been approved for the certification of biomass producers and the biomass supply chains in Canada and the U.S. Most recently, the SBP announced Westervelt Renewable Energy has achieved SBP certification from NSF Sustainability, a division of global public health organization with NSF International. SBP certification enables producers to demonstrate that the woody biomass pellets they supply for energy production meet the regulatory and sustainability requirements of energy producers throughout Europe. SBE Latvia Ltd. and AKZ Ltd. are also certified biomass producers.

The SBP framework was formed by industry stakeholders in 2013 to create standards and processes that enable biomass producers, typically pellet and wood chip mills, to demonstrate that they source their feedstock responsibly and that it complies with the regulatory requirements applicable to power generators burning woody biomass to produce energy.



Swiss Krono Group to invest \$230M in expansion of Barnwell operations

Staff Report
colanews@scbiznews.com
Dec. 23, 2015

Swiss Krono Group, a global producer of engineered wood products, and its American subsidiary KronotexUSA Holdings announced Tuesday plans to invest \$230 million in the company's Barnwell County operations.



The investment, which will involve construction of a high-density fiberboard mill and expansion of laminate flooring production, is expected to create 105 jobs over the next few years, according to the South Carolina Department of Commerce.

The expansion will allow KronotexUSA to produce 300,000 cubic-meters of fiberboard per year, which the company will use for laminate flooring manufacturing operations and sell to furniture, cabinet, fixture, door and other wood-based manufacturers. The project will increase the company's annual laminate flooring capacity by 8 million square-meters.

"We've been very happy with the quality of the workforce talent here in South Carolina," said Norm Voss, former CEO and member of KronotexUSA's board. "And we're delighted to be able to employ more Americans here in Barnwell and grow our exceptional relationship with the local people, businesses and government."

The Coordinating Council for Economic Development approved job development credits as well as a \$1 million Rural Infrastructure Fund grant to the county to assist with the costs of real property improvements related to the project.

Preliminary engineering has been completed and construction is expected to start by mid-2016, with fiberboard production operations to begin by the summer of 2018.

Once completed, this expansion will increase KronotexUSA's Barnwell County's workforce to 275 employees. Those interested in applying for one of the new positions should click [here](#).

"Kronotex continues to be a leader in their industry and a pillar of our local economy," Barnwell County Council Chairman David Kenner said. "We will continue to create the best business environment to encourage job growth and investment for companies like KronotexUSA, and we look forward to their expansion."

Headquartered in Switzerland, Swiss Krono Group operates facilities in France, Germany, Hungary, Poland, Russia, Switzerland, Ukraine and the United States, and employs more than 4,500 workers.





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Mark Your Calendar

FEBRUARY 2016

5-7 SCTPA 2016 Annual Meeting, Springmaid Beach Resort & Conference Center, Myrtle Beach, Contact SCTPA office for information. Annual meeting information located at www.scloggers.com

District meeting dates may be changed. Meeting notices will be mailed prior to scheduled meeting. Meeting dates will be posted on SCTPA website ... www.scloggers.com.

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

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.

Timber Talk *Your Voice for South Carolina* *Timber Harvesting*

Contact Crad Jaynes at
1-800-371-2240 or bcjpaw@windstream.net

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PO Box 811, Lexington, SC 29071

800-371-2240 ☎Fax: 803-957-8990

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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.