



TIMBER TALK

Your Voice for South Carolina Timber Harvesting

January/February, 2013

2013 Annual Meeting Review

MOVING FORWARD



Beautiful sunny, windy and cool weather greeted our 14th Annual Membership Meeting at our new venue the Springmaid Beach Resort & Conference Center, Myrtle Beach, February 1 – 3 for a successful meeting with over three hundred thirty-five members, speakers, sponsors, exhibitors and friends attending to hear informative speakers, attend the SFI TOP Trained Update DVD module session, visit with exhibitors, conduct association business and enjoy the fellowship of industry peers.

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

THANKS to everyone for making our 14th Annual Meeting successful, informative and pleasurable. Your support was absolutely

tremendous.

Moving Forward was our theme as timber harvesting, wood supplying, forestry products industries and everyone's individual businesses must continue to move forward to meet the challenges of the economy, regulatory issues, costs of doing business, and striving to improve as we move on after the national elections.

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

The conference began with the Friday afternoon board meeting discussing annual meeting business, the SC House and Senate Finance Subcommittee hearings for the SC Forestry Commission's budget that the President attended supporting the Commission's budget request, the 2012 year-end financial statement, membership



status and the proposed Unmanufactured Forest Products Trucking 90,000 pound GVW weight permit along with other topics.

Friday evening's Welcome Reception featured Mike Lockaby of Partytime DJ's of Columbia playing a variety of shag, line and

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funky dance music with the SCTPA Idols showcasing their Karaoke talents.

Saturday's General Session speakers were outstanding. Leading off was Dale Greene of the University of Georgia Warnell School for Forest Business presenting the findings of their Georgia and South Carolina logger surveys and reporting on his Wood Supply Research Institute research project regarding logging



Dale Greene talks logger costs

costs. Many SCTPA loggers participated in the SC survey and this is greatly appreciated. Dale detailed the survey results showing logger responses to various questions and detailed the varying costs loggers are facing now in their businesses as determined from his study.

Cam Crawford, President of the SC Forestry Association, presented SC Legislative issues affecting our state's forestry industry in the SC General Assembly this session. Several key issues were the SCFC budget, tort reform, weight permit, protecting the sales tax exemptions for off-road diesel and replacement parts for logging and agricultural equipment, enhancing the right to practice forestry law to further protect forestry operations from local and county ordinances adversely impacting forestry. He discussed the Attorney General's opinion letter stating local and county governments could not enact ordinances contrary to the Right To Practice Forestry law.

The second General Session featured G. Kent "GK" Mangelson of the American Society for Asset Protection. GK did a 90-minute presentation entitled How Loggers Can Save Thousands in Taxes and Become Invincible to Lawsuits. This informative message detailed how logging business owners and their families can structure their personal and business assets to save money for tax liabilities as well as avoid legal liabilities. GK offered a very meaningful and worthy approach to these topics to assist in protecting assets.



Speaker G. K. Mangelson

The Saturday luncheon featured Deb Hawkin-

son, President of the Forest Resources Association. Her presentation was "Pulpwood & Politics" showing how important it is to be involved with the legislative processes in Washington, DC and in state and local governmental processes. She detailed how FRA had made changes in their structure and related what issues FRA was active with in DC legislatively.



FRA's Deb Hawkinson

The Business Session opened with the 2012 financial report by CPA Larry Godwin of Sheheen, Hancock & Godwin, LLP. Members were provided the statement as he reviewed the association's financial status. He talked about the financial stress the association endured in the fourth quarter and how the board and members stepped up to get the association through it. Without the revenue from additional dues and members increasing their dues, the financial status would have been very poor. The year-end financial statement showed a small amount of black ink which was basically the result of the additional dues contributed.

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

Board member Billy McKinney reported there were no bylaws changes to be approved at this meeting.

Nominations Committee Chairman Billy McKinney conducted the Board of Directors Seats 1, 3 and 8 elections. Three candidates ran for the seats and were Rickey Chapman, Chapman Timber, Inc., Newberry, Robby Crowder, Land & Timber, LLC, Greenwood and Joseph "BoBo" Seckinger, Seckinger Forest Products, Inc., Hampton. Ricky and Robby were appointed in August 2012 to fulfill the term of Seat 1 and 2. BoBo was running for the seat held by Frampton Ferguson, Ferguson Forest Products, Inc. as Frampton decided to not run for re-election. There were no other nominations and the membership elected the three to serve full four-year terms. Welcome to the board and we look forward to your leadership and service.

The luncheon awards session began with Nick Carter of Forestry Mutual Insurance Company presenting their company's SC Logger of the Year award to Jamie Ayer, Southern Forest Products,

(Continued on page 3)

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Nick Carter and Jamie & Sara Ayer
with FMIC Award

LLC of Ehrhardt. Jamie and his operations were awarded the honor for their safety and performance as a Forestry Mutual customer.

Next Greg Hutson, Swamp Fox Agency, Inc. presented their Timber

Industry Leadership Award to Joe Young, Low Country Forest Products, Inc., Georgetown for his outstanding leadership for SC's professional logging industry and sustainable forestry.

SCTPA President Crad Jaynes presented the Distinguished Board of Directors Service Award to Frampton Ferguson. Frampton had served on the board since 2001 and was recognized for his leadership and service. Next the president presented the President's Award to Joe Dunn of S.C. Dunn & Sons, Inc., Pickens, for outstanding association support, service, commitment and support for sustainable forestry.

Crad proudly presented the 2012 Gene Collins Logger Activist Award to Danny McKittrick, McKittrick Timber, LLC, Heath Springs for outstanding work in professional timber harvesting operations, positive advocacy, community activity, professional business practices, association leadership and positively representing the logging profession and sustainable forestry.

Annual meeting sponsors were recognized and thanked for their tremendous financial support as well as the exhibitors for displaying their services and products. Nineteen exhibitors were on hand with display tables and equipment in the parking lot.

Companies with outside equipment exhibits were: In-woods chippers by Vermeer Mid Atlantic & Bandit of the Southeast; two Peterbilt tractors by Peterbilt Truck Center, Western Star tractors by Triple T Freightliner and Shealy's Truck Center; CAT Grapple Skidder by Blanchard Machinery Company & Pioneer SC, and Diamondback Trailers, LLC with a double deck plantation trailer.

Thanks to Delaine, Mary and Brenda for their sales work for the shotgun, Honda ATV, Honda generator and Springmaid Beach Resort stay drawings. Thanks to Nichols Store in Rock Hill for furnishing the Mossberg SA-20 shotgun and a case of ammo won by Nick Carter of Forestry Mutual Insurance Company. Thanks to everyone for

buying those shotgun tickets.

Our Silent Auction was successful again raising funds to assist the association's operating budget.

Thanks to all the wonderful members, allied suppliers and friends for your donations.

Thanks to everyone for purchasing the Big Drawing tickets for the Honda ATV, the Honda EU2000i Quiet Portable Generator and the four days / three nights at Springmaid Beach Resort. Winners were drawn after the business session with Ricky Smith winning the Springmaid Beach Resort gift certificate, Rickey Chapman, Chapman Timber, Inc., winning the Honda generator and David McKittrick, Demack Timber, LLC, winning the Honda ATV. Thanks to everyone who participated for making this a successful fund raising event to support the association.

Saturday afternoon's workshop featured SC Forestry Commission's BMP Chief Guy Sabin and



BMP foresters Holly Welch and Tonya Smith leading the session for the SFI Trained TOP Update DVD Module. Ninety loggers and foresters attended fulfilling their annual SFI Trained status continuing education requirement.

Sunday's prayer breakfast was outstanding featuring the spirit filled southern gospel trio SON-RISE of Lexington, SC returning for this year's event. The prayer breakfast was dedicated to the memory of Crawford Wilks who fell in love with this group yet lost his battle with cancer last August. Sonrise told their story of how Crawford was unable to attend the performance at his church so they went to Crawford's home and performed. This talented group provided an inspirational message through song and testimonies to make this a blessed event. As they said, "We love the Lord and

(Continued from page 3)

want to share His love, mercy and grace in song and praise.” Thanks guys, you were tremendous.

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

Thanks again to our sponsors, exhibitors, silent auction and door prize donors for your contributions and willingness to attend.

And THANKS again to everyone for attending. It was a great 14th Annual Meeting!



MORE ANNUAL PHOTOS ARE SHOWN ON PAGES 26 & 27

AS WE SEE IT ...

AMERICAN LOGGERS COUNCIL

APRIL 2013



*Danny Dructor
Executive VP*

GETTING ACTIVE

By the time that this editorial goes to press in February, a delegation of the American Loggers Council will have already made its way to Washington, DC to measure the mood of the members of the new Congress, or in better words, their willingness to try and accomplish things that will help to return this great nation to sound fiscal policy and to become a nation that leads in job creation and prosperity.

There is a lot of unfinished business, including the U.S. Supreme Court decision on the NPDES permitting requirement for logging roads, and designing a road map that will lead us to energy independence, including the use of woody biomass as a renewable energy resource. There is still a lot of work needed to improve the offerings from the federal timber sale program that would benefit the logging industry and timber dependent communities. There is not much reason to offer a biomass component in a timber sale if those markets do not exist, and even less need to tally firewood removals as a part of a viable timber sale program.

Regulatory uncertainty is still a major concern for our industry, and the administration has yet to release any indicators as to how many new regulations might be promulgated during the upcoming year, but you can be assured that we will be working closely with other organizations, federal agencies, legislators and their committees to en-

sure that the voice of the professional timber harvesters are once again heard and that our unique perspective on our industry is understood by all.

If you have yet to join up with your state and/or regional logging association, there is no better time than now to become active. There is a lot of concern over the decline in logging capacity as we begin to see an uptick in housing markets, but access to credit and a sustainable workforce need to be addressed, as do the need for long term contracts to help stabilize businesses.

We are beginning to see a swing in the mindset of many of those entities that need the goods and services that we provide, and by being active in your association can help you stay better informed of the changes and opportunities that may be coming your way.

The American Loggers Council will continue to be the voice in 2013 for professional timber harvesters across the country, and your commitment and actions for this industry will help us to attain the level of recognition that you so justly deserve. Please visit our web site at www.americanloggers.org to find out more about what this organization is doing to serve you and our industry. You will be glad you did.

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

SC STATE TRANSPORT POLICE MEETING



A meeting was held on February 20th with SC State Transport Police's Colonel Leroy Taylor, Captain Bruce Bailey and Captain John Price to discuss issues regarding unmanufactured forest products (UFP) trucking in South Carolina. SCTPA's Chairman

Danny McKittrick and President Crad Jaynes represented the association.

Over the past several months, SCTPA had received calls and emails regarding procedures SCSTP was using as well as incidences related to UFP trucking.

SCTPA has always had a good relationship and partnership with State Transport Police and STP has always been responsive to our concerns. As it has always been related to STP, this association encourages and promotes safe, compliant UFP trucks on our state highways.

Several incidences and issues were presented for discussion as had been related.

- STP officers have been holding trucks in line while weighing and/or inspecting another truck. This occurred at a mill in the Piedmont. Officers are not to hold up other trucks while performing their duties.
- STP officers setting up at mills for lengthy amounts of time such as on consecutive days. Officers will set up at the mills to provide safer locations. And by law, if a truck is stopped roadside and is overweight, then the load has to be reduced to legal weight. This is time consuming, costly and not a safe practice for motorists, the officer and the driver.
- An officer was seen weighing a tractor/trailer, not a UFP truck, on I-85 near Spartanburg on a narrow shoulder on the interstate that posed a safety risk to the officer, driver and passing motorists.
- An STP officer was seen weighing a UFP truck on a bridge on SC Hwy 223 blocking the north bound lane.
- Discussed the discrepancies of portable scales and certified wood receiving mill scales when the difference in weights appears to be unusually high. An example citation and mill scale ticket were furnished. STP indicated the portable scales might need to be checked more often.

- Officers have been seen setting up in unsafe locations near curves on a road leading into a receiving mill such as the case at a Piedmont mill and blocking one lane of traffic creating backups on the road.
- Appears to have been an increased amount of activity where compliant trucks versus less compliant trucks were being stopped, inspected and weighed and delayed for lengthy periods.
- Off-road fuel had been seen being used in on-road trucks. STP might need to consider more fuel checks.
- Fuel thefts from loggers' trucks had increased in certain areas. STP related they do investigate the incidences and gather the evidence and then turn the case over to the SC Department of Revenue for further actions.
- Appears newer officers in some areas are somewhat over zealous in their inspections, weighing and holding UFP trucks too long when the truck is found to be in compliance.
- Realizing it is a federal interstate weight issue, officers working Charleston County at the intersection of U.S. Hwy 17 and I-526 seemed to be over regulating UFP chip trucks hauling to a North Charleston mill versus other trucks using the same highway. STP related there would be a more balanced approach used, but due to the number of recent terrible and fatal accidents on I-526, enforcement had been increased for all trucks.

As related to STP, this meeting was not intended to be anything more than offering discussion points brought to the association's attention by members. Colonel

Taylor was appreciative of our points and indicated that this is why we, STP and SCTPA, should communicate as partners to improve the UFP trucking segment for safety, compliance and reduction of crashes and fatalities in South Carolina.

This meeting proved very helpful to STP and to the association. It is the association's commitment to work with SCSTP to continue our partnership to improve unmanufactured forest products trucking in South Carolina.





For Immediate Release

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Loggers Testify In Washington

*American Loggers Council Board Member Matt Jensen Testifies
Before House Subcommittee on Public Lands and Environmental Regulation*

February 26, 2013 – Hemphill, TX. – Loggers voices were heard once again in Washington, DC as a representative for the American Loggers Council (ALC) testified at the February 26 House Natural Resources Public Lands and Environmental Regulation Subcommittee hearing on “*State Forest Management: a Model for Promoting Healthy Forests, Rural Schools and Jobs.*”

Wisconsin logger Matt Jensen met with members of the committee to discuss differences in efficiencies and bureaucracy that exists between Federal, State and local government timber sale programs .

Mr. Jensen’s testimony included comments comparing the State Timber Sale program in Wisconsin as opposed to dealing with the federal timber sale program on the Chequamegon-Nicolet National Forest in Wisconsin and the effectiveness of both programs in establishing healthy forests and creating jobs in his home state.

When questioned about the efficiencies of the Federal Timber Sale program to the State program, Matt responded that there was no comparison between the two in that State sales were much more reliable and returned more value per acre to the forest than the federal timber sale program.

Matt detailed the efficiency to which the state was able to respond to a forest health issue such as a recent tornado damage event harvesting the majority of the down and damaged trees before they lost economic value, whereas the Forest Service delayed action due to litigation and red tape. Matt displayed a copy of a current federal timber sale contract that consisted of more than 100 pages of contract language and compared that to a state sale consisting of approximately 20 pages.

Mr. Jensen went on to recommend to the subcommittee that they consider legislation that would adopt a State trust management approach to managing federal lands suitable for timber harvesting in order to increase the allowable sale volumes made available from US Forest Service lands. Those increased revenues would be used to help fund the counties and schools that depend on receipts from the federal timber sale program as well as fund other forest restoration activities.

ALC Executive Vice President Danny Dructor stated that “Matt did a great job today in Washington, relating actual on the ground activities and actions which are impacting loggers all across this country when dealing with the federal timber sale program. He has laid the groundwork with the subcommittee to consider a paradigm shift in the way we manage our National Forests to not only increase the revenue from these assets, but to also promote healthy, sustainable forests. We look forward to working with members of Congress as these discussions continue.”

About the American Loggers Council

The American Loggers Council is a 501 (c)(6) non-profit organization representing professional timber harvesters in 30 state across the U.S. For more information, visit their web site at www.americanloggers.org.



ALC TAKING MESSAGE TO WASHINGTON

On Tuesday, February 26, 2013, ALC Past President Matt Jensen carried the loggers' message to Washington. Matt testified before the House Natural Resources Subcommittee on Public Lands and Environmental Regulations, primarily about the differences that exist between Federal and State timber sale programs.

Matt not only represented the American Loggers Council, but also the voices of the nation's professional timber harvesters throughout the country. His testimony included the need for timber sale programs in which the forest products industry could rally around and make the needed investments to provide jobs and economic opportunities for rural Americans dependent on the forest industry.

Matt cited lack of management, forest health issues and no real concern for generating revenues as reasons why the federal government should consider placing the management of the federal forests into state trusts which have a much better track record of taking care of the forests and generating real value to the general public.

Matt was able to provide real time, on-the-ground information to the subcommittee on the implementation of a federal timber sale contract and the issues that logging businesses across the country have when working with a federal timber sale contract as compared to a State timber sale contract.

Members and leadership of the American Loggers Council intend on making themselves available for hearings in Washington as well as other parts of the country that are pertinent to the timber harvesting community and are already making plans for their Spring Fly-In and Board of Directors meeting to be held April 11-13 in our nation's capitol.

To learn more about the positions that the American Loggers Council is taking on the nation's loggers' behalf, visit www.americanloggers.org and look on the advocacy page. You will also find contact information for your state representatives.

About the American Loggers Council:

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TRUCK WEIGHT REFORM INTRODUCED IN HOUSE

On February 12, an evenly bipartisan group of six House members—Reps. Reid Ribble (R-Wisconsin), Mike Michaud (D-Maine), Tim Walz (D-Minnesota), Kurt Schrader (D-Oregon), Don Young (R-Alaska), and Mike Simpson (R-Idaho)—introduced the Safe & Efficient Transportation Act (SETA - HR 612), with provisions similar to those of the bill with the same name that Forest Resources Association (FRA) advocated in the last Congress.

As before, SETA would enable states to opt to authorize six-axle semi-trucks weighing up to 97,000 pounds on the Interstate system, or designated sections. SETA supporters will work to ensure inclusion of this reform within the Highway

Reauthorization bill, anticipated for action in late 2014, coinciding

with the report from a study of potential impacts, which the federal Department of Transportation is to publish at about that time.

We are optimistic about favorable treatment in this Congress's House Transportation & Infrastructure Committee, since key Republican leaders now on the Committee were on record as favoring SETA in the last Congress:

- T&I Chairman Bill Shuster (R-Pennsylvania)
- Highways & Transit Subcommittee Chairman Tom Petri (R-Wisconsin)
- Highways & Transit Subcommittee Vice Chairman Reid Ribble (R-Wisconsin)

Meanwhile, in mid-January, the Federal Motor Carrier Safety Administration announced plans to

conduct a study measuring the braking distances of "overweight" 5-axle trucks (loaded in excess of 80,000 pounds).

SETA supporters were apprehensive that the results of such a study could be prejudicial in Truck Weight Reform advocacy if cited out of context, so on January 23, Reps. Ribble and Michaud jointly signed a letter to FMCSA Administrator Anne Ferro, urging her to ensure that the same study included data for 6-axle rigs as well, to establish the relevance of the extra axle's additional braking capacity. (FMCSA's study is separate from the Congressionally mandated DOT study mentioned above.)

Reprinted from February 14, 2013 FRA Bulletin.



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AMERICAN INCOME LIFE - MEMBER BENEFIT PROGRAM

We are pleased to announce that SCTPA members are now covered by a \$2,000 Accidental Death and Dismemberment (AD&D) benefit at no cost. This benefit is jointly sponsored with American Income Life Insurance Company (AIL), a company serving working families for more than 60 years. The benefit covers all members of the SCTPA engaged in timber harvesting, timber supply (dealers) and transportation (truckers).



American Income Life has earned an A+ (Superior) rating from A.M. Best Co for the past three years. They are active in our communities, protecting our children with Child Safe kits and contributing continuously to food banks to assist those in need.

American Income Life will send all active SCTPA members indicated above a notification of benefits letter, informing them of their \$2,000 Accidental Death and Dismemberment policy. Postage-paid response cards are included with the letter, and members who return the response card will be contacted by an AIL representative. You may have already received your letter.

Whether or not you receive and/or respond to the mailing, all members engaged in timber harvesting, timber supply and trucking are covered by the SCTPA's master AD&D policy.

For those members who send in the response card, an AIL representative will, by pre-arranged appointment, deliver your individual certificate of AD&D coverage and confirm your beneficiary designation.

These members will also receive Child Safe Kits and an opportunity to participate (at no cost) in a Health Services Discount Plan, which can save 10 -60% off vision, chiropractic, hearing, and prescription drug costs.

Representatives will explain American Income's affordable supplemental insurance programs and answer any questions.

If you have any questions, please feel free to contact our American Income representative, Christina Stableford. She can be reached at 919-847-5405 (office) or 919-809-2613 (cell), or via email at: crstableford@aillife.com.

SCTPA MEMBER BENEFIT PROGRAM

AMERICAN INCOME LIFE: ASSOCIATIONS PROGRAM COMMONLY ASKED QUESTIONS

When a notification of benefits is mailed out through your association, you may receive phone calls from your members with questions. Your positive response will be very helpful in promoting goodwill between American Income Life Insurance Company (AIL), the association, and your members.

What is all this about? Is this legit?

All members have a fully paid group Accidental Death and Dismemberment (AD&D) benefit through the co-operation of your group and American Income Life Insurance Company, at no cost to the Association or the member.

Do we have to return the card to receive the benefits?

No, all designated members of the association are covered for the AD&D benefit whether or not they return their card. If members **do not** return the card they will **not** receive an individual Certificate of Coverage for the AD&D program and will not be able to take advantage of the AIL Health Services Discount program or the Child Safe Kit(s).

Members who **do** return their cards can designate their beneficiary intent, receive an individual certificate of AD&D coverage for their records; receive the Health Services Discount card information, receive Child Safe kit(s); and

receive a follow-up courtesy visit. These members will also be offered the option to extend these benefits to their employees and/or contractors.

Are they going to try to sell me insurance?

AIL is an insurance company that offers members additional supplemental insurance benefits. It is a voluntary program and we encourage you to consider participating in the insurance needs analysis offered by the AIL representative. Many individuals have found this process to be informative and helpful.

Am I covered only at work?

No, the coverage is 24 hours a day, 7 days a week and will provide coverage for all business, association or social activities anywhere in the world.

How did they get my name?

You were sent a letter regarding the no cost benefits. Enclosed with your letter was a reply card that was sent back to the **AIL** office. Someone in your home would have sent back the card. **AIL** contacts only those who voluntarily return the completed card.

Members may be referred to your AIL representative:

Christina Stableford

Office: 919-847-5405

Cell: 919-809-2613

Email: crstableford@aillife.com

14th SCTPA Annual Meeting Sponsors

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FORESTRY MUTUAL INSURANCE COMPANY
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GENE COLLINS LOGGER ACTIVIST AWARD

McKittrick Timber, LLC Heath Springs, SC

The 2012 Gene Collins Logger Activist Award is proudly presented to Danny McKittrick, McKittrick Timber, LLC, for their sincere commitment to professional timber harvesting, supporting this association, participating in community and industry activities, practicing sustainable timber harvesting, promoting education and positive promotion of professional business practices.

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

McKittrick Timber operates two tree length crews thinning and clearcutting private landowner tracts and timber purchased from land clearing companies. Brothers Asa and Andy run the crews while Danny purchases timber tracts, works between the crews and oversees the business. Son Dylan works in the woods operations when not in school at USC Lancaster. Wife Kendra is office manager handling the business administrative duties.

Weekly total production averages 2,000 tons with pulpwood, sawtimber and logs delivered to International Paper Eastover, Chester Wood Products, LLC, New South/Canfor, Resolute Forest Products, Edwards Wood Products and Circle S Shaving Mill.

The range of equipment for the two crews is three John Deere grapple skidders, one Tigercat grapple skidder, two Tigercat feller bunchers, two Tigercat loaders, one Prentice loader,

CAT bulldozer and CAT motor grader. The operation runs four trucks and utilizes subcontract haulers as well as participates in the Trimble Navigation Limited Trucking System for wood hauled to IP Eastover.

Not only does Danny run his business, he also oversees the wood procurement for the Circle S Shaving Mill. McKittrick Timber operates as a logger/dealer utilizing the harvesting services of two subcontract loggers.

Growing up working at his father's sawmill, Danny ran the company logging crew. He attended the National Hardwood Lumber Association lumber grading school in Memphis, Tennessee becoming a certified hardwood lumber grader. In 1981 he took over his grandfather's short wood logging business and in 1986 he started his own tree length logging business.

Danny has served on the association board of directors since 2003 when he filled the term of Gerald Truesdell. He has served as Vice Chairman and since 2008 as Chairman providing leadership for the association to move forward. In 2010, Danny received the association's Jimmy Watkins Community Service Award.

His professional service includes attending Wood Supply Research Institute meetings, traveling to Washington, DC to participate in the American Loggers Council Spring Board Meetings and visits to our SC Congressional delegation to promote issues affecting SC's logging and forestry industry. He attends the American



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Loggers Council annual meetings and represents SCTPA on the American Loggers Council board of directors.

He has worked in educating local students by participating in the association's educational program at Andrew Jackson Middle School for 164 students. He help lead a forestry tour and cook lunch at Goodwill Plantation in Eastover for the Ag & Forestry class at Andrew Jackson High School. He serves on the Andrew Jackson High School Ag & Forestry Advisory Board.



He participated and led discussions with Lancaster County Council and attended Council meetings regarding a proposed ordinance to prohibit "big" trucks parking on private property in rural areas. He was instrumental in stopping this adverse ordinance.

His discussions with a local SC House member and county officials prevented Lancaster County from enacting an ordinance requiring unmanufactured forest products trucks to have a permit to use county roads.

Danny has participated on the SC Teachers Tour by being on the logging tour stop to interact with the teachers. He provided hay wagons for the 2008 Teachers Tour to transport the teachers to Ideal Logging's logging job tour stop.

Community service not only includes involvement in your local area, but also active involvement in making a difference within your industry's community. Over the years Danny McKittrick has shown his sincere commitment to total community service.

Danny should be called the "Local Chef." He is always volunteering his services in supporting local events being the cook and in some cases even the dishwasher. And he has gained quite a reputation for his culinary talents. His featured local events are the McKittrick Community Labor Day BBQ as well as the Duncan Creek Farms Thanksgiving BBQ.

Community involvement is a way of life for Danny and his family. He provided his home cooked food for the Andrew Jackson High School football

and baseball teams while son Dylan was playing and been an active booster club member. He was recently elected Vice President of the Andrew Jackson High School Booster Club. He displays a sign at football games showing the SCTPA and ALC logos.



A member of Faith Baptist Church he cooks for the Valentine's Day and Mother's Day events. He is a Gideon, Youth Group sponsor, serves on the Mission Board, a church trustee and has been church greeter.

Danny does not shy away from lending support to local events. He and his company have sponsored the Muscular Dystrophy Golf Tournament in Kershaw, the Partners for Youth Golf Tournament in Lancaster, Andrew Jackson High School Booster Club Golf Tournament and Lancaster County Parks and Recreation baseball and football. He is also a member of the Cattlemen's Association.

Even with his involvement in his business and community activities Danny offers the services of his small sawmill to saw lumber for people's needs.

Danny is a SC SFI Trained logger. The company emphasizes sustainable harvesting practices, safety, professionalism, SC Timber Harvesting Best Management Practices and works conscientiously to meet landowner expectations through exceptional environmental, harvesting and business practice standards.

He believes promoting and practicing professional timber harvesting and sustainable forestry principles are integral to his business, industry and success. Danny says, "You have to practice what you say to help the public, landowners and our customers understand we are professionals harvesting timber. We take a great deal of pride in our business and work hard to meet and exceed our customers' expectations."

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



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ing the critical public regarding professional timber harvesting, demonstrating a stewardship attitude about our sustainable and renewable forest resources and our environment



are all important issues to the company's business and operational standards.

Danny says, "Our association is dedicated to representing and servicing the timber harvesting segment of our state's forestry industry. I have been able to watch as the association has grown and been able to see first hand what it has accomplished. Sure, we've had our tough times just like the logging business. But our association is there as a resource to act on issues to help loggers operate their businesses. Being involved with the American Loggers Council has shown me we have a professional organization representing America's logging professionals in Washington, DC and around the country for important issues affecting our industry. We need to keep working to gain more loggers supporting the association to continue its efforts to be there for us for issues, legislation, regulations and education. I am proud of the association's partnership with SC Forestry Association and SC Forestry Commission. Cooperatively we can continue working on issues affecting harvesting, supplying, trucking, regulations, markets and economics."

Dedicated to his family, wife Kendra, daughters Savannah, Blair, Cassidy and Shannon, son Dylan, and grandchildren Jordan and Aidan, his Faith in The Lord and the logging profession, these are Danny's priorities in life.

As an association and industry leader with a sincere commitment to professional logging, sustainable forestry, community, family and the principles of outstanding business, SCTPA is proud *McKittrick Timber* is our 2012 *Gene Collins Logger Activist Award* recipient.



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Mission Statement

Forestry Mutual Insurance company provides the forestry community with high quality insurance emphasizing safety and loss prevention, excellent service, competitive pricing and increasing support for the sound use and management of the forest resources.

Forestry Mutual Company History

- Established in 1971 as NC Forestry Association Self Insures Fund
- Formed to provide stable source of WC coverage to loggers in NC
- Converted to Mutual in 1999 - NC Forestry Association Mutual Ins Co
- Created FMIC Agency in 1999 to provide all lines of insurance
- Adopted current name Forestry Mutual Insurance Company in 2000

Forestry Mutual Written Premium Highlights

- Writing Workers' Compensation in NC, SC, TN & VA
- \$16.6 M annual premium: 75% Logging -25% Sawmill/Manufacturing

Forestry Mutual Focus on Loss Control and Training

- FMIC Company President and Director of Operations started careers in loss control
- 12 employees have logging/forestry back grounds
- Director of loss control, (8) Loss Control Engineers, Logging Operations Trainer, Manufacturer Trainer
- Every account inspected at least once annually – most multiple times
- Only US Carrier with full time Logging Operations Trainer
- FMIC provides safety training – Pro-Logger, Sharpe Logger, Top Logger, Master Logger
- Perform all audits

Forestry Mutual Associations Endorsements

1. North Carolina Association of Professional Loggers
2. North Carolina Forestry Association
3. South Carolina Timber Producers Association
4. Virginia Loggers Association
5. Tennessee Forestry Association

Forestry Mutual Additional Trade Association Support and Involvement

1. American Loggers Council – Sponsor/Supporter
2. Forest Resources Association – Board Member
3. THATS Foundation – Board Member
4. South Carolina Forestry Association Sponsor/Supporter
5. Virginia Forestry Association Sponsor/Supporter

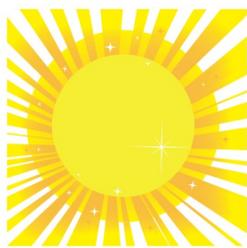
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3. Coordinates Forestry Mutual Loss Control Services for other lines coverage with various Specialized Logging and Forest Industry Programs

High quality service and an experienced driven understanding of the Forest Industry

And God Made a Logger

By Jim Peterson,
Evergreen Foundation



And on the eighth day, God looked down on the earth he had created and said, "I need an old school conservationist, someone who will care for the forests I've created, someone who understands that I planted these forests for man's pleasure and needs." So, God made a logger.

God said, "I need somebody who will get up at three o'clock in the morning and drive a hundred miles into the woods, just to get to the trees I want him to cut, so that my forests will continue to grow and provide shelter for the billions of people who will populate my earth."

"I need a man with the strength of a mule who can pack a 60-pound chain saw and a gunny sack full of tools up and down steep hills all day long, rain or shine."

"I need a family man who always has time for his wife and children, even when he is dead tired, a man who teaches his children the importance of honesty and the value of hard work."

So God made a logger.

Then God said, "I need a careful man willing to face danger, because working in the woods will be dangerous work. Some men will die there, crushed beneath falling trees or tons of machinery, or killed by a falling limb they never heard."

"I need an artist who can maneuver a 60-ton machine through a stand of fine timber without tearing the bark off the trees, then reach out and pluck the three trees that need to be cut without harming the rest of the stand."

"I need someone who is devoted to his community, who can go home after a long day in the woods, eat supper and go out to a town hall meeting that won't end until past midnight."

So, God made a logger.

Then God said, "I need a man with simple faith, someone who doesn't get discouraged when his prospects look dim, a man who faces every day with a smile on his face, even when he doesn't know what the day will bring or where he will find his next job."

"I need an innovator, a problem solver with practical skills that only years of woods experience can teach, a man who isn't afraid to try something new, even if the textbooks say it can't be done."

"I need a guy with horse sense who can keep a small business together, meet a payroll every Friday and explain to his banker why he needs to borrow three million dollars to buy new equipment to replace the stuff he bought five years ago that's already worn out."

So, God made a logger.

God said, "I need someone with the constitution of an ox, someone who isn't afraid to get his hands dirty, someone who sees opportunity in life's disappointments and is willing to just keep working when nothing else seems to work."

"I need a mechanical wizard who can fix almost anything, anytime, anywhere with a nine-sixteenths socket wrench, a screwdriver and a roll of duct tape, someone who won't quit on me on the nights when he has to work in his shop until 2 a.m. fixing what he couldn't fix in the woods 18 hours earlier."

"I need a man who takes pride in his work, someone who will go the last mile to be sure that the streams just down the hill are protected, who fells his timber carefully, cleans up after himself and never forgets that the soil beneath his feet is where the next forest will grow."

So, God made a logger.

God said, "I need somebody with a generous heart willing to give up his weekends when he'd rather be home napping on the couch, a man willing to help out at the county fair, referee a high school basketball game, or take his son or daughter's youth group on a camping trip in the same woods that break his back five days a week."

So, God made a logger.

"I need a man with the patience of Job, who can overlook the insults hurled at him by people who have no appreciation for the wonderful work he does, someone who will explain for the umpteenth time that forests aren't fragile, that the last forest will be replaced by the next forest and that trees turned into lumber are the best building material I ever made."

"I need a man who won't turn his back on the less fortunate, someone who will throw all of his pocket change in a Salvation Army Christmas pot, or write a check to a local soup kitchen or sponsor a 4-H group, an FFA club or the Little League baseball team that hasn't won a game in 10 years."

So, God made a logger.

"I need someone who loves the woods as much as I love them, a big man who admires wil-

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derness areas, trout streams, elk herds, birds and wildflowers as much as he respects the forests that put food on his table and a roof over his head.

Then God said, “And last and most important of all, I need a father who won’t discourage his sons and daughters from following in his footsteps, because I will always need good loggers.”

So, God made another logger.

A note from Jim Petersen, co-founder of the Evergreen Foundation, February 7, 2013: I wrote this last night, having been inspired by Chrysler Corporation’s Super Bowl advertisement featuring Paul Harvey’s famous “And God Made a Farmer” monologue. Its author is unknown.

FOREST WORKER CAPACITY CRISIS, CANADIAN STYLE

A February 4 *Canadian Globe and Mail* article begins on a familiar note: “After a decade of downsizing, Canada’s forestry sector is gearing for a recruitment drive to attract young workers during an industry upswing,” and notes that the Forest Products Association of Canada has launched a “hiring” campaign, via a web site at www.TheGreenestWorkforce.ca, advocating the job satisfactions of a life in the forest-dependent industries to those who (the article notes) “would otherwise be drawn to the higher pay offered in the energy sector.” FPAC suggests quality-of-life factors—such as the ability to go home at night and the obvious amenities of forested communities—might entice some whom the oil patch might otherwise tempt.

Visitors to the web site will notice the innovative use of social media the promotion draws upon, including sponsorship of a contest for young people to post YouTube videos of themselves expressing why they might be attracted to work in the sector, and to cast votes for the most appealing presentations, via Facebook — with internships, cash and other prizes, and job interviews going to the winners.

We were, however, a bit surprised to note that the site never mentions the word “logger” or “logging worker” in so many words. In the job description section, under the heading “Woodlands Operations,” one may make note

of Heavy Equipment Operator and Logging Truck Driver, which cover some of that delicate territory, but the tendency to down-play activity at the stump is notable in this promotion.

With logging capacity growing as a preoccupation in the U.S., FRA is conferring with other national associations — *above all, the American Loggers Council* — to develop an effective course of action.

The question of “personnel” (not only in logging but throughout the industry) which the Canadians have identified is key, and we are working with allies to inventory existing, successful vocational programs for logging and forestry-related workers as well as means to promote these programs, and to promote logging as a vocation and profession, to the next generation.

Other essential pieces are: to improve loggers’ (and all forest-related businesses’) credit access and to reduce the burden of regulation that stifles business growth and job creation.

Reprinted from February 14, 2013 FRA Bulletin.



... and to promote logging as a vocation and profession, to the next generation.



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ACCIDENT MEDICAL EXPENSE MEMBER BENEFIT PROGRAM

From Crad Jaynes, SCTPA

2013 is going to be a challenging year for all members. The increased aggressiveness of federal and state agencies for more regulations requires our on-going attention, and both federal and state governments continue to look for ways to shore up their finances through increased taxes, fees, and fines.

A new challenge faces us now, and that is the financial impact of Obama Care, The Affordable Health Care Act, to our members as individuals or business owners. As more regulations are published, we will keep you advised regarding the most cost effective ways to comply.

Current Obama Care mandates have resulted in significant health insurance premium increases whether you are part of a group or purchase insurance individually.

For most of us, the only way to combat higher premiums is to increase the policy deductible, thus assuming more out-of-pocket costs before any benefits are paid.

SCTPA is introducing a very low cost medical

supplements program to fill in the health insurance gaps by providing first dollar benefits not covered by your policy.

The basic and most popular is the \$ 5,000 Accident Medical Expense. This policy insures the entire family for \$39.95 per month deducted from your checking account.

Four other options are available so you may purchase a benefit to match need and budget.

Policy terms and benefits are easy to understand, and enrollment is simple (no medical questions) and can be accomplished by email or a fax to the office of Marvel Financial, Richard Marvel, located in Aiken, SC. Richard "Dick" Marvel will be the SCTPA company representative available to answer any questions and provide on-going policy-holder service. If you are currently uninsured, Dick Marvel may have a low cost program available.

SCTPA will soon be providing an information brochure and enrollment package to members via mail and email. If you would like to receive the information, contact the SCTPA office.

SCTPA is proud to partner with Dick Marvel, Marvel Financial, 149 Glen Haven Circle, Aiken, SC 29803, to offer this member benefits program. Dick Marvel, 781-258-9121, rmmjm149@atlanticbb.net

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Washington Resource Report - USA

Month Ending 2-28-13

Forestland Investment: The National Council of Real Estate Investment Fiduciaries (NCREIF) has released fourth quarter 2012 results of the NCREIF Timberland Index. The 5.92% total return was the highest since fourth quarter 2007. The return was split between 5.33% appreciation and 0.59% income. For the year, timberland returned 7.76%, split 2.68% income and 4.97% appreciation. The 5.33% capital appreciation return was the strongest in five years. The last time appreciation was greater than 5% was fourth quarter 2007 when timberland appreciated 8.71%. Even though the index has had three consecutive quarters of positive appreciation, the index remains more than 5% below its previous peak. The Pacific Northwest continues to be the strongest region, with a total return of 10.02%, of which 0.97% was income. This marks the sixth consecutive quarter that it was the leading region in the index. The Lake States were the worst performing region with a total return of 1.68%. This quarter marked the third consecutive quarter that all four regions had positive appreciation. There hasn't been three consecutive quarters with all regions have positive appreciation since the second half of 1999 and the first quarter 2000.

ESA: Twenty-three Republican senators say the Obama administration's proposed revision to the way it calculates the economic impact of designating critical habitat risks hiding the true costs of endangered species listings to local jobs and private property owners. At issue is the 2012 White House guidance to the Interior Department instructing it to more swiftly calculate economic impacts when it considers critical habitat protections under the Endangered Species Act. Senate Environment and Public Works Committee ranking member David Vitter (R-LA) said the policy is an attempt to manipulate economic factors. The administration's solution, Vitter said in a statement, "is to change the rules so they can hide the costs associated with the species listing. Instead of fixing the problem."

Forest Roads: On February 1, numerous forest community stakeholders filed a motion to intervene in the U.S. Court of Appeals for the Ninth Circuit to defend the EPA rule clarifying that forest roads do not require point source industrial discharge permits under the Clean Water Act. The

motion responds to a new lawsuit filed by the Northwest Environmental Defense Center (NEDC) to challenge the EPA rule. The question before the Court is whether the new EPA rule resolves all issues in the case. The best result for landowners would be removal the Ninth Circuit precedent. Yet, even if the Supreme Court wipes the Ninth Circuit slate clean, continued litigation is likely. Supreme Court action has basically suspended the case until June 1.

Regulation: More than a year after it was first passed by the House, a bill that would overhaul the federal rulemaking process has been reintroduced by Rep. Todd Young (R-IN). Under the "Regulations from the Executive in Need of Scrutiny Act," congressional approval would be required for any federal regulation that has an economic impact of \$100 million or more. The House approved the measure in December 2011, after House Democrats harshly criticized it on the floor. But, it was never taken up by the Senate. Today, H.R. 367, is identical to the version passed by the House. So far, it has garnered 121 co-sponsors. *House Small Business Committee Republicans will launch a new effort aimed at getting small business owners more involved in the federal rule-making process. "Small Biz Reg Watch" is designed as an early alert system for regulations that would affect small companies, using emails and social media to call attention to five to 10 rules in the regulatory pipeline. The program will direct participants to a committee website that will allow companies to send official comments to the rule-making agency. Chairman Sam Graves (R-MO) said in a statement the effort is designed to aid those small businesses that don't have the time and resources it takes to monitor and engage in the federal rulemaking process.

Green Building: The General Services Administration is seeking public input on the federal government's use of third-party certification systems to rate energy-efficient buildings. Because GSA is required to evaluate the green building certification systems every five years, the agency is examining the LEED 2009 system, the Green Building Initiative's Green Globes and the International Living Future Institute's Living Building Challenge. Currently, the government uses the U.S. Green Build-

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ing Council's LEED 2009 to evaluate federal buildings. GSA will use the public feedback it receives in the next 60 days to make a recommendation to the Energy Department on which system to use. It could recommend that DOE use one system, multiple systems or no system. Currently, the LEED program only recognizes as acceptable one forest/wood certification - FSC.

Logging & RCW: The Fish and Wildlife Service has agreed to revamp its management plan for Mississippi's Noxubee National Wildlife Refuge and suspend most timber harvests there until the plan is finalized, as part of a settlement agreement with environmental groups. The Center for Biological Diversity, Wild South and a longtime refuge volunteer sued the agency in January 2012 to stop logging in the refuge, which they argued was harming the endangered red-cockaded woodpecker (RCW). Shortly after the suit was filed, the parties began negotiating a settlement, said Marc Fink, an attorney with the Center for Biological Diversity. The settlement agreement was approved today by the U.S. District Court for the Northern District of Mississippi. This agree may hold hope for logging on private lands within the RCW-habitat region.

Walden's Woods: As modern development tests the strength of New England's forests, conservationists and landowners are teaming up to protect the region's woodlands. New England has long been hailed as nature's success story. Even after early settlers cleared land for agriculture, native forests were able to grow back. But now, modern development is taxing their vitality. Data collected over the past few years suggest forest cover in the Northeast is on the decline. Groups of dedicated conservationists and landowners are determined, however, to reverse the trend. The group has come together to try to keep the woods as woods. The grant-supported group buys land easements and some land parcels outright. It also educates landowners about the benefits -- like tax breaks -- of maintaining lands as forests.

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They are active supporters of the American Loggers Council and are endorsed by the Virginia Loggers Association, NC Association of Professional Loggers, NC Forestry Association and Tennessee Forestry Association.

SCTPA is very proud to endorse Forestry Mutual Insurance Company to provide workers compensation and commercial insurance needs to our members.

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WEYERHAEUSER POSTS BEST SALES IN 4 YEARS ON U.S. HOUSING RECOVERY

January 25, 2013

Weyerhaeuser Co, a century-old producer of forest products, reported its highest revenue in more than four years, adding heft to recent government data showing that a recovery in the U.S. housing market has taken hold.

Fourth-quarter revenue rose 25 per cent to \$2-billion (U.S.) – best since the third quarter of 2008 – and the company said it expected significantly higher current-quarter earnings in its wood products business, its largest.

The business, which sells lumbers and structural panels to residential and light commercial markets, had net revenue of \$832-million in the December quarter. About 21 per cent of the company's pre-tax earnings of \$182-million came from the business.

Chief Executive Dan Fulton said the recovering housing market helped Weyerhaeuser improve its profit and raise dividend last year, and that the com-

pany would look to build on that.

Housing starts rose 12.1 per cent last month to their highest level since June 2008, a report from the U.S. Commerce Department showed last week. Permits for future home construction were also the highest in about 4-1/2 years.

The recovery in the housing market has already helped Weyerhaeuser, with its shares jumping 58 per cent over the past year. It has a market value of about \$17-billion. Rival Plum Creek Timber Co Inc.'s shares rose 21 per cent.

Weyerhaeuser, starting out as Weyerhaeuser Timber Co in 1900 when Frederick Weyerhaeuser and 15 partners bought 900,000 acres of timberland, now owns or controls more than 6 million acres, mainly in the United States, and manages another 14 million acres under long-term licenses in Canada.

Its net income for the fourth quarter more than doubled to \$143-million, or 26 cents per share, from \$65-million, or 12 cents per share, a year earlier. Gross margin rose 41 per cent to \$420-million.

Analysts had expected a profit of 21 cents on revenue of \$1.82-billion for the Federal Way, Washington-based company, according to Thomson Reuters I/B/E/S.

From the desk of...

**STATE FORESTER
Gene Kodama**



Good day,

Austrian-based Klausner Holdings' consideration for building a major sawmill operation in Orangeburg, SC has been the topic of a lot of discussion and media attention lately. Some questions and concerns about this potential project have been directed to the SC Forestry Commission. The following summary is designed to respond to most of the questions asked without breaching business confidentiality requirements.

Klausner contacted the Forestry Commission in November of 2010 for information on the forest resource in South Carolina. Inventory information is critical to determining resource capacity to support a forest products mill. As would be the case with any company researching large-scale investments, their inquiry was obligingly kept confidential. Klausner has been reviewing potential sites in the US for years with a focus on NC, FL, and SC. On December 20, 2012, the company announced their intention to build a mill in North Carolina and on January 25, 2013 in Florida. A requested SCDHEC air quality public hearing delayed a decision on a possible Klausner project in South Carolina. That hearing was held December 13, 2012, and a permit was approved on January 13, 2013. There was no appeal, and to the best of our knowledge, a Klausner mill remains a possibility in South Carolina.

If the Klausner operation is built to its "Phase One" size of 350-million board feet of lumber production annually, it will use about 1.5 million green tons of wood. It would also be the largest sawmill in the state. For comparison, the largest individual pulp and paper mill locations in the state consume up to about 3 million green tons of wood annually. If Klausner were to enlarge its mill operation to its potential "Phase Two" size (for which, it has obtained permits), its capacity and wood consumption would double. It would then likely be one of the world's largest sawmills.

Klausner asked the Forestry Commission about the forest resource's ability to supply wood at the Phase One level of production. The Commission's

analysis of the resource determined that the forests in the mill's "woodshed" (operating radius) could easily support the mill at this operational level. Several other resource studies conducted for Klausner supported this conclusion. To further put the Phase One, 1.5 million-ton level of consumption into perspective, total annual wood consumption by all currently active primary forest product mills in the state is about 20 million green tons. This usage figure has been as high as 23 million tons prior to the 2008 recession when both the economy and housing market peaked.

Coincidentally, the forestry community (comprised of this agency, the SC Forestry Association, and other partners) has been working on its "20/15" project and a South Carolina forest resource study to identify opportunities for the industry's expansion. The 20/15 project is designed to increase forest industry's annual economic impact in this state from \$17 billion to \$20 billion by the year 2015. An intended effect of this growth would be an increase in forestry jobs from 90,000 to a projected 104,000. So, to include Klausner's potential wood consumption in the resource study, the company's wood use was inserted into the study's wood demand assumptions (along with other considerations such as recovery of existing sawmill production and future wood pellet production). Early results of this study indicate the resource can sustain considerably more consumption due to record levels of standing timber and growth rates which have been increasing for several years. The increase has been largely the result of aggressive tree planting programs in the past, post-Hurricane Hugo resource recovery, and recession-induced reductions in tree harvesting. However, because the distribution of forest age classes is uneven (unequal acres of each age class), there's now concern about the low volume of younger age trees. Of course, those are the trees which will be needed in the future after older classes are harvested and regenerated.

To help address these long-term forest resource questions, additional research is underway to determine if the state's forest resource can sustain varied rates of wood consumption in future decades. We're also looking at what can be done in the near term to influence the long term. This long-term view is fundamental to the forestry community which must look beyond today to improve forest conditions for the future. (Par for the course for professional foresters.)

Managing age classes is a common challenge

(Continued on page 29)

(Continued from page 28)

in our field, but the lack of balance is extreme right now in South Carolina (and also in some other southern states). Since the existing resource is finite and was determined by past management and wood consumption trends, we must manage the use of the wood currently available and actively shape the wood resource of the future. This can be done by ensuring the state's forests are actively well managed going forward. The key to this are the 350,000 private landowners in the state who own 88% of our 13 million forested acres. These landowners supply 92% of the wood that is consumed by an industry which is the number-one manufacturing sector with regard to job numbers and the salaries those jobs pay (\$4.1 billion).

An emphasis on active management to include intensive tree planting benefits the state and the entire forestry cycle: landowners, loggers, truckers, vendors, suppliers, manufacturers, and exporters. Maintaining this positive business climate directly enhances our state's enviable quality of life for its citizens and the environment as a whole.

Klausner Holdings' potential investment in South Carolina has prompted conversation about state incentives aimed at attracting the company. The Forestry Commission focuses on providing forest resource information to prospective investors and does not make business decisions, nor does it prepare incentive packages. Incentive packages are developed primarily by the SC Department of Commerce and local governments. We do, however, understand that forest industry differs from most other manufacturing sectors in that primary forestry manufacturing is almost totally dependent on the timber available within a given mill's woodshed. Other industries that the Department of Commerce and others typically try to attract do not have competitors already operating in SC which rely on an existing land-based resource (like forests) for their raw material.

So, forest industry is very different in this regard and, thus, very susceptible to competitiveness issues. Ideally, state and local governments would encourage existing forestry businesses to add jobs. Governments would concurrently attract outside companies in a balanced way to attract new business where the forest resource can support it. For example, the state does a great job of

assisting the tourism industry with expansion and could do the same for the forest industry.

Regarding future wood demand and whether or not markets will exist for trees years from now, we look to the past for answers. Demand has consistently increased for many decades with expected declines during recessions. But, demand always rises to new heights thereafter. Today, wood product demand is rapidly increasing due to an improving economy. Predictions say worldwide wood consumption will exceed supply in just a few years creating tremendous opportunities for our state and other primary tree growing regions.

*The South is a major
"wood basket" for the
world.*

The global population will rise from 7 billion to 9 billion by 2050. Wood consumption per person will continue to rise. South Carolina is in a position to play an important role as

these two factors are realized. The South is a major "wood basket" for the world. Rebounds in wood consumption and product production after recessionary periods are normal and don't destroy or eliminate forests. These natural economic fluctuations will only continue to alter forest age class distributions and provide growth opportunities for forestry.

The immediate matter at hand is Klausner's potential world-class sawmill in South Carolina. Studies say the forest resource is clearly adequate to support their planned Phase One and should be adequate to support the higher level of consumption of Phase Two for many years if it is implemented. The forestry community's 20/15 Project's ongoing state wide forest resource studies will help confirm this. One thing is for certain in this discussion, and that is that near-term active forest management and tree planting by private landowners will increase future long-term wood supplies and job creation.

However, to capture this job growth opportunity and meet increases in demand, South Carolina must immediately begin aggressive programs to encourage landowners to grow more trees. The Forestry Commission, the SC Forestry Association and their many partners in the forestry community will work together to seize this important opportunity for South Carolina.

Best regards,

Gene Kodama

CHAINSAW REQUIREMENTS FOR SAWMILL OPERATIONS

In the lumber industry, more and more injuries are reported from employees using a chain saw and not wearing the required personal protective equipment (PPE). Using a chainsaw is the most dangerous hand tool that can be used in the lumber industry and using PPE will protect employees against saw cuts and potential life threatening injuries.

As our field staff visits our policyholders, we have seen an increase in the number of safety violations from employees while operating a chainsaw at sawmills, planing mills, and pallet mill operations. There seems to be a misconception that the personal protective equipment (PPE) required by logging industry does not apply to mill operations. But the OSHA regulation (1910.266) is very specific when it comes to chainsaw operations. The PPE for chainsaw operations is listed under the logging industry but applies to all industries. This particular requirement is known as a "horizontal standard." Meaning, though you may be conducting operations in another industry; if you are using a chainsaw in that industry then the PPE requirement for chainsaws found in the 1910.266 regulation applies to you.

In that regulation you will find the following PPE guidelines: All employers that use a chainsaw in their operations shall:

- assure that personal protective equipment, including any personal protective equipment provided by an employee, is maintained in a serviceable condition.
- provide hand protection which provides adequate

protection from puncture wounds, cuts and lacerations.

- provide leg protection constructed with cut-resistant material, such as ballistic nylon. The leg protection shall cover the full length of the thigh to the top of the boot on each leg to protect against contact with a moving chain saw.
- assure that foot protection that is constructed with cut-resistant material which will protect the employee against contact with a running chain saw.
- assure that head protection (hard hats) is worn if there is potential for head injury from falling or flying objects.
- provide eye protection that guards against fly debris. Logger-type mesh screens may be worn but the eyes must still be protected with safety glasses.
- provide approved hearing protection (ear muffs are the recommended since audiometric testing rates chainsaw noise at over 100 decibels).

If your company requires additional information of chainsaw safety or chainsaw training, please contact Forestry Mutual Insurance Company at 800-849-7788.



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We specialize in equipment leasing programs because of the many benefits leasing can provide. Leasing arrangements can be quickly made, (we have had lease programs close within 48 hours), to keep up with the pace of business. Our fund-

ing sources are custom designed for an individual business's needs, providing solid financial options. We give free consultations for you and/or your tax and financial advisors.

We offer competitive programs and TIMELY processing. Customized terms will allow for seasonal cycles and flexible payment options. Some of the other benefits of a leasing program over purchasing equipment include tax advantages, little to no upfront costs or deposits, ease of equipment upgrades, and flexible program acceptance.

We are often asked "Why lease instead of purchase?" Consider that banks often require 20-30% down for purchases. With a lease, capital is saved as your lease will typically require only a first and last month

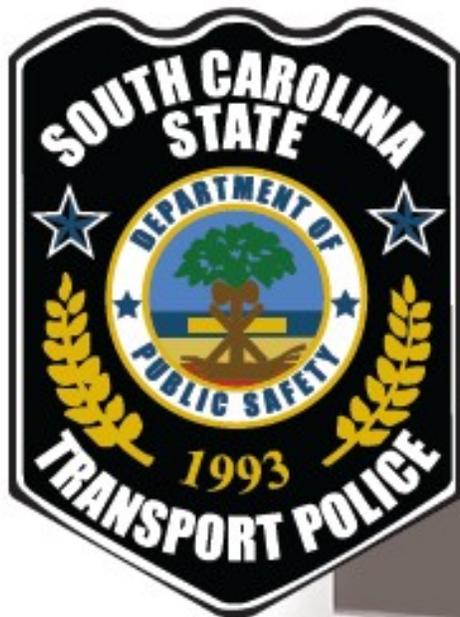
payment. Tax advantages should also be considered: your equipment can be kept off your balance sheet and the entire lease payment can be deductible for the duration of your lease. Another of the biggest advantages is that equipment is easily upgraded.

Elite Financial consultants are happy to discuss your particular business needs, and offer options that make sense for your company's financial health.

Elite Financial happily serves the timber and logging industry and is a member of the South Carolina Timber Producers Association and the Better Business Bureau.

For information, contact Mick Rekiel at 803-341-1115. Elite Financial is located in Aiken, SC.

2013 COMMERCIAL MOTOR VEHICLE SAFETY FAIR



SC State Farmers Market
3483 Charleston Hwy. West Columbia, SC
Friday, April 5th, 2013
9am-5pm



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And Much More

In Partnership With SC State Transport Police



PLEASE LET US KNOW IF YOU ARE ABLE TO ATTEND, RSVP Requested By March 29th
Email: mjstill@scdps.gov

Global Timber and Wood Products Market Update

- a news brief from
Wood Resources International LLC

Wood pellet exports from North America to Europe were up over 70% in the 3Q/12 year-over-year, reports the North American Wood Fiber Review

Rapid expansion of wood pellet production in both the US South and British Columbia has dramatically increased pellet exports from North America to Europe the past year, according to the North American Wood Fiber Review. In the 3Q/12, total shipments were up 70 percent year-over-year to 860,000 tons. The growth is expected to continue with numerous plans for adding capacity, particularly in the US South.

Seattle, USA. Pellet exports from the two primary pellet-producing regions on the North American continent, the US South and British Columbia, continued to increase in the 3Q/12 and reached a new record of 860,000 tons. Shipments in the 3Q/12 were over 70 percent higher than the same quarter in 2011, according to the North American Wood Fiber Review (www.woodprices.com), which compiles and publishes pellet trade based on customs data and surveys of pellet exporters each quarter. Pellet exports from the US South have skyrocketed the past two years with a quadrupling to 485,000 tons from the 3Q/10 to 3Q/12. Canadian exports have also gone up the past few years, but at a slower pace.

Beyond the trade statistics tracking the rise of pellet export volumes, another spate of export pellet plant announcements – detailed in the NAWFR – emphasized the quickly growing trade relations that are being established between European power utilities and US pellet producers. The most striking announcement came in mid-December when Drax, a United Kingdom power company, stated its intention to build two 450,000 tons pellet plants, one in the state of Louisiana and one in Mississippi. Most other export oriented pellet plants, while invested in by European utilities, are separate US-based entities, with supply agreements and MOU's defining the business relationship.

The three major European pellet import countries

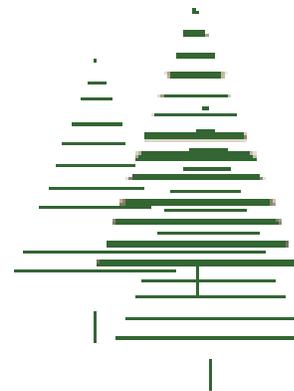
remain the UK, the Netherlands, and Belgium, while Italy, Denmark and Sweden are notably involved in pellet imports from North America, but on a much smaller scale. Denmark's Dong Energy utility, however, announced its intentions to switch to woody biomass at three of its coal plants, an action likely to add demand from the US Southeast.

Announced US South pellet export plants increased sharply in the 2nd half of 2012. Export pellet facilities, which are under construction, conversion or redesigned will add an additional 1.7 million tons of capacity during 2013, as reported in the NAWFR. In addition to these plants that are already under construction, five additional plants have been announced, and if they are actually built on the disclosed sites, they would bring another 2.3 million tons of capacity into play by the end of 2014.

*The North American Wood Fiber Review has tracked wood fiber markets in the US and Canada for over 20 years and it is the **only publication** that includes prices for sawlogs, pulpwood, wood chips and biomass in North America. The 36-page quarterly report includes wood market updates for 15 regions on the continent in addition to the latest export statistics for sawlogs, wood pellets and wood chips.*

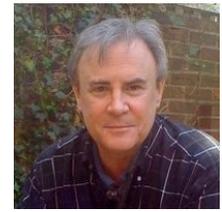
Contact Information

Wood Resources International LLC
Hakan Ekstrom
info@wri-ltd.com
www.woodprices.com





FRANK STEWART JOINS ALC TEAM



The American Loggers Council is pleased to announce that Frank Stewart has joined us as our “Liaison” in Washington, DC. Frank has worked with the ALC in the past, but now his firm, Washington Resource, has been contracted to help focus ALC in Washington and strengthen the “loggers voice” both on the Hill and with the agencies that develop and implement the regulations that impact professional timber harvesters and log truckers.

Stewart is principal of Washington Resource, an association management and advocacy firm specializing in forest-based initiatives located in Alexandria, Virginia. He is a Registered Forester, a Registered and Certified Lobbyist and a former logger.

His duties will include efforts to win harvesters the same rights to employ their children as farm-

ers currently enjoy, certain transportation weight issues, monitoring federal renewable energy policies and other Executive and Legislative branch efforts as directed by ALC Executive Vice President Danny Dructor.

“Frank has been an advocate for the forest industry for many years in Washington and we are pleased to retain his services in this more substantial capacity. This added focus is not intended to duplicate on-going action, but will support a new and greater effort for ALC and our members in our nation’s capital,” said Dructor.

Besides monitoring and doing exploratory work on legislative issues, Stewart will also help organize and facilitate Capitol Hill appointments for ALC members when visiting Washington.

Current and previous experience includes working with the Forest Landowners Tax Council and the Forest Landowners Association.

Stewart said “I grew-up in the sawmill town of Vredenburgh, Alabama and began working in the woods when I was 13 years old. I believe that I know your issues and understand the industry. I’m looking forward to working with the American Loggers Council.”

About the American Loggers Council:

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

Canfor Southern Pine expanding facility in Horry County

\$3.6 million investment expected to create 56 new jobs

COLUMBIA, S.C. – January 9, 2013 – Canfor Southern Pine, a manufacturer of dimension lumber, today announced that it will expand its existing lumber production facility in Horry County. The \$3.6 million investment is expected to generate 56 new jobs.

“We decided to expand our facility in Conway and invest in Horry County because of the quality of the workforce here. We have been pleased with the quality of the employees and low turnover rates in Horry County. In addition to that we were impressed with the incentive package we were offered by the MBREDC and Brad Lofton’s team. These two things helped make the decision to expand here possible,” said Canfor’s Director of Human Resources Debbie Sand.

Canfor plans to install a continuous kiln system to increase its lumber drying capacity at the facility by 50 percent. The expansion is expected to be complete by mid-July of this year.

“It’s exciting to see another South Carolina company decide to increase its operations right here at home. We celebrate Canfor Southern Pine’s decision to invest \$3.6 million and create 56 new jobs in Conway. Announcements like this one show that our state’s business-friendly climate and skilled workers are helping companies succeed and grow in the Palmetto State,” said Gov. Nikki Haley.

Since January 2011, South Carolina has recruited more than \$530 million in capital investment and more than 2,200 jobs in the agribusiness sector.

“The agribusiness and forestry products sectors have been part of the South Carolina economy for centuries. Canfor’s expansion is another sign that those industries remain strong in the Palmetto State. This expansion also

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creates jobs that will have an impact in Horry County and throughout the region,” said Secretary of Commerce Bobby Hitt.

Canfor, headquartered in Vancouver, British Columbia, has been in business in Horry County since March of 2006 when it acquired locally owned New South Companies. The Conway facility on Highway 501 was built in 1957 and was one of four New South lumber plants acquired by Canfor. New South’s corporate office and trucking division were also part of the purchase.

“As housing recovers nationally, South Carolina’s forest resource is well-positioned to provide the raw material needed for expanding existing sawmills. Increasing demand for wood products worldwide is a good sign for forest landowners and job seekers. Growing and processing more wood is good for the economy and the environment,” said State Forester Henry E. “Gene” Kodama.

Canfor is a nationally recognized name in the lumber industry and supplies companies like Lowes and Home Depot with their lumber stock.

“A major part of our mission with the Myrtle Beach Regional EDC is to not only bring in new businesses to the area but also to take care of our existing industries like Canfor. More than 80 percent of announcements made come from existing businesses within the community. We are proud to have the opportunity to help yet another local business expand and create more jobs,” said MBREDC Chairman Doug Wendel.

Canfor is currently taking applications to fill the new available positions. Canfor is in need of truck drivers, electricians and qualified machine operators. Interested applicants are asked to go to the Conway facility to apply located at 1283 U.S. Hwy 501 Business.

The Coordinating Council for Economic Development approved job development credits, which will be available when hiring targets are met.

For more information about the company, please visit www.canfor.com.

LOGGING TOWNS ARE ON A ROLL; HOUSING RECOVERY SPURS LUMBER DEMAND, BOOSTING REGIONS SUCH AS EUGENE, ORE.

US sawmills rehire workers, restore production hours as Random Lengths North American framing lumber composite reaches highest level since 2005 at US\$415/mbf; homebuilding recovery, increased lumber exports to China, seen as key demand drivers

Feb 27, 2013 – Industry Intelligence Inc.

LOS ANGELES, February 27, 2013 (Industry Intelligence Inc.) – U.S. sawmills are rehiring employees and restoring production hours that were cut during the recession as the housing recovery fuels rising lumber demand and prices, according to a report by The Wall Street Journal.

Oregon’s Swanson Group. Inc., which eliminated 720 positions at its operations in the Eugene, Oregon area during the recession, says it has restored 200 of those positions and plans to hire another 50 workers by late spring, taking its total workforce to 800 employees compared with 550 in 2009.

Another mill returning to pre-recession production levels is Seneca Sawmill Co., which has restored some of hours cut during the recession for its 375 employees in the Eugene, Oregon, area, who have almost returned to five-day workweeks, The Wall Street Journal reported.

In January, Southern Parallel Forest Products Corp. indicated it was planning to reopen its sawmill in Albertville, Alabama, this spring, creating 130 jobs. In addition, hardwood company Baillie Lumber Co. of Hamburg, New York, recently announced

plans to reopen a sawmill in Davenport, New York, that has been shuttered since 2008.

As homebuilding recovers and pushes up demand, increased exports to China are squeezing availability still further and adding to the upward pressure on prices, which have more than doubled since 2009. The Random Lengths North American framing lumber composite reached US\$415 per thousand board feet (mbf) as of Feb. 22, up from \$190/mbf in January 2009 - a 46% increase over the price a year ago (\$284/mbf) and the highest composite price for framing lumber since 2005.

According to the Bureau of Labor Statistics, logging employment in the U.S. increased 7% in December to 51,000 people, up from a post-recession low of 47,700 in 2010. That level is still 14% below the 59,200 workers recorded in the industry in 2007.





SC BMP COMPLIANCE REPORTS

From Guy R. Sabin,
SC Forestry Commission

I am pleased to announce two new publications from the South Carolina Forestry Commission's Environmental Program. Both are available on the Commission website at www.state.sc.us/forest/menvir.htm, or contact me if you would like to receive printed copies.

Compliance and Implementation Monitoring of Forestry Best Management Practices in South Carolina 2011-2012 is our ninth study of BMP application in the state.

Overall BMP compliance on harvesting operations was 93.4%. Follow-up visits over the next two years will provide additional information on the outcome of BMP practices over time and compliance on non-harvest operations.

The results of this study will be used to target training programs, outreach, and technical assistance to further improve protection of water resources during forestry operations. Highlights include:

- High overall compliance with BMPs.
- Improved landowner awareness of BMPs and increased use of written contracts that require BMP compliance.

- Stream crossings and streamside management zones present the greatest opportunities for improving compliance.
- Increased attention is needed on fire breaks, especially on steep slopes and near streams.

Second, as interest in using woody biomass for energy production grows so do concerns about potential on-site impacts. Some biomass harvests may be much like conventional operations, but we also need to address those of greater intensity and frequency.

Forest Biomass Harvesting Recommendations: A Supplement to South Carolina's Best Management Practices for Forestry provides additional guidelines for operations where more woody material is removed than conventional logging. They are designed to work with existing BMPs for situations that may require additional consideration for soil stabilization, site productivity, and biological diversity.

It is my hope that these publications will contribute to the continued success of environmental protection by the forestry community. Please contact me at (803) 896-8593 or gsabin@forestry.state.sc.us if you have any questions.

Sincerely,
Guy R. Sabin
Environmental Program Manager

New Insurance Regulation Will Go By Size of Companies' Staff in 2013

Emily Maltby, Wall Street Journal, January 17, 2013

Start counting your staffers now. That is the upshot of regulatory guidance issued by the government on December 28, 2012, when few small business owners noticed in the midst of the holidays and the "fiscal cliff" debate.

Small business owners have been bracing for 2014, when a health-care provision is scheduled to kick in, potentially subjecting them to penalties if they don't offer health insurance. Many are planning to keep the number of "full-time-equivalent" employees under 50 to avoid being subject to the provisions of the law.

But one critical detail that many business owners might not know is that the government will rely on data about the composition of their companies' workforces this year in order to determine whether a firm will be liable under that provision.

That means employers need to adjust or manage the makeup of their staff's now – not in one year's time, as many of them likely planned.

"Business owners who don't prepare will find themselves paying potentially significant penalties in 2014," says Monique Warren, partner at workplace law firm Jackson Lewis LLP in White Plains, NY.

"I don't think there is a high level of awareness" of the law's provisions, says Penny C. Wofford, employment law attorney at Ogletree, Deakins, Nash, Smoak & Stewart, P.C. in Greenville, SC. "It's such a complex law and most employers don't fully understand it. But they have to get a handle on it this quarter so they have the option to make adjustments."

Under the law, only the smallest businesses will be exempt from penalties if they don't offer health insurance in 2014. This provision is commonly called the "employer mandate."

To determine the size of their firm, and whether it would be subject to the employer mandate, business owners have the choice to calculate their head counts by averaging the full 12 months of 2013 or a consecutive six-month period during the year.

If a firm falls under the employer mandate and doesn't

(Continued on page 36)

(Continued from page 35)

offer health coverage to their employees or their children up to age 26, and if at least one employee receives federal insurance subsidies, the penalty is \$2,000 per year for each full-time employee in excess of 30 full-time employees. There are no penalties if part-time employees aren't offered coverage.

There are other penalties if coverage is considered "unaffordable" or doesn't provide "minimum value," according to guidelines written in the law.

SCTPA Comments: Further information was obtained from a CPA to add to the above article. As of January 1, 2014, employers will be required to provide affordable health insurance for their full-time employees or pay a penalty. The "employer shared responsibility" provisions apply to those who employ at least 50 "full-time-equivalent" employees. This is calculated from a combination of full-time and part-time employees. It

applies to for-profit, non-profit and government entity employers.

Employers have talked about cutting employee hours to get them under the 30-hours per week. But that will not necessarily get them out of this requirement. An example is: 40 full-time employees employed 30 or more hours per week on average plus 20 half-time employees employed 15 hours per week on average are equivalent to 50 full-time employees.

The calculation must take into account employees of "all entities with common ownership." Employers cannot manipulate this by forming multiple companies.

Employers' 2013 payrolls will generally determine if they fall under the required insurance rules for 2014.

Employers should consult their accountant, attorney or a qualified health law professional to hopefully avoid any surprises regarding the Affordable Health Care Law.

Annual Meeting Photo Gallery



Joe Young and Deb Hawkin son



Danny McKittrick, Forestry Mutual's
Nick Carter & Keith Biggs



Dale Greene, Danny McKittrick &
Cam Crawford

“Moving Forward” in Photos



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Special Member Pricing On Goodyear® Tires For South Carolina Timber Producers Association, Inc. Members!

Qualified members of the South Carolina Timber Producers Association, Inc. are now eligible to receive special member pricing on a wide selection of popular Goodyear and Dunlop® tires. Simply present your South Carolina Timber Producers Association, Inc. member card and this ad to a participating Goodyear Truck Tire Dealer to start saving.

Choose from innovative tires featuring Fuel Max® Technology and DuraSeal® Technology to help put your fleet on the road to savings. Plus, save even more with full access to *fleethQ*™ – tire and service solutions that help reduce operating costs for fleets of any size! For more information about *fleethQ*, visit fleethQ.com.



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Mark Your Calendar

March 2013

- 14 SCTPA Board of Directors Meeting, SCFC Headquarters, Columbia, 10 a.m.
- 26 Newberry District 2 Meeting, Goodies By Design Restaurant, Newberry, 7 p.m.

April 2013

- 11 - 13 American Loggers Council Spring Board Meeting & Legislative Visits, Washington, DC
- 17 Wood Supply Research Institute Annual Meeting, Hyatt Regency Riverfront, Jacksonville, FL
- 18 Walterboro/Lowcountry District 7 Meeting, Old House Café, Walterboro, 7 p.m.
- 25 SCTPA Board of Directors Meeting, SCFC Headquarters, Columbia, 10 a.m.
- 30 Newberry District 2 Meeting, Goodies By Design Restaurant, Newberry, 7 p.m.

May 2013

- 2 Clinton/Greenwood District 5 Meeting, Blue Ocean Restaurant, Clinton, 7 p.m.
- 7 Richburg/Mid-Upstate District 3 Meeting, Front Porch Restaurant, 7 p.m.
- 9 Easley/Upstate District 4 Meeting, Fatz Restaurant, Easley, 7 p.m.
- 14 Georgetown/Coastal District 9 Meeting, Big Bill's Lowcountry BBQ, Georgetown, 7 p.m.
- 21 Union Area District 3 Meeting, Midway BBQ, Buffalo, 7 p.m.
- 23 Edgefield/Saluda District 1 Meeting, Pleasant Lane Baptist Church, Edgefield, 7 p.m.
- 27 Lugoff/Midlands District 9 Meeting, Hall's Restaurant, Lugoff, 7 p.m.
- 28 Newberry District 2 Meeting, Goodies By Design Restaurant, Newberry, 7 p.m.

- *Saluda/Edgefield/Aiken District 1 Members and Non-Members invited to attend the Newberry District 2 Meetings.*
- *Meeting notices mailed. Dates subject to change. Check the meeting flyer when received.*

PLEASE NOTE:

Event & meeting dates may change. Notices are mailed prior to SCTPA events.

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 lock-out & tagout, hazardous materials spill control on logging sites and forestry aesthetics.

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

Notices for SCTPA workshops & events will be forwarded.

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Heath Springs

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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.