



TIMBER TALK

Your Voice for South Carolina Timber Harvesting

March/April 2010

SCTPA VISITS THE HILL

Association Chairman Danny McKittrick, Vice Chairman Billy McKinney and past Chairman and board member Tommy Barnes traveled to Washington, DC March 18 –20 for the Spring American Loggers Council board meeting and legislative visits to our SC Congressional delegation.

The atmosphere in DC was filled with the smell of Health Care Reform because that was the week of the big vote. Meetings were planned with SC's House members and Senators and staffs. The board members did meet personally with Congressmen Joe Wilson, John Spratt and Henry Brown. In fact, Joe Wilson temporarily adjourned a meeting he was chairing to meet his "timber boys from South Carolina" over in the Capitol building.

The issues presented were the ALC position papers as well as issues impacting our industry here in South Carolina such as supporting more woody biomass alternative market development in SC from the federal side

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AS I SEE IT ...

AMERICAN LOGGERS COUNCIL

PRESIDENT MIKE WIEDEMAN, ENTERPRISE, OREGON



May 2010

LOGGERS LOBBYING IN DC

After a four day whirlwind visit to Capitol Hill, the eleven hour return trip home gave me plenty of time for reflection.

March 23rd marked the halfway threshold of my tenure as ALC President. It's all down hill from here! Our recent spring board meeting in Washington DC was a good indication of just how far ALC has come in the last 15 years. The twenty plus lobby teams had nearly 150 appointments and met face to

face with 80 Congressman and Senators, officials from the Administration, and representatives of various Federal Agencies.

The menu of topics that each lobby team spoke to included: access to credit, timber supply off Federal lands, BCAP, Forest Service and BLM budgets, truck weights, foreign trade and access to new markets.

One of the things being considered by the Forest Service is using the ID team concept to facilitate woody biomass utilization off Federal lands. I believe this is a great concept and needs to be explored on a National level. The idea

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AS I SEE IT ...

AMERICAN LOGGERS COUNCIL

PRESIDENT MIKE WIEDEMAN, ENTERPRISE, OREGON



June 2010

Winter is still hanging on in the high country. We have had a skiff of snow the last few mornings. I don't know if winter is getting longer or as I get older I just notice it more. I tend to stay by the fire a little longer and look for excuses not to go outside till it warms up.



At first I thought it might be just in the Northwest but as I travel around the country I see a trend that is too large to ignore. **I am not alone when it comes to getting older.** Data indicates that the average age of logging contractors is on the long side of 55. In one sense the logging industry is blessed with a wealth of experienced professionals that have seen it all before and realize what goes around comes around and don't panic over issues that they have no control over, but without an infusion of new blood all that experience will do little good in the future.

Generational transition, retirement, and personal health are items we all need to meet head on. We can ill afford to continue to put off these issues and expect them to take care of themselves.

Generational transition is a complicated issue that needs professional guidance. We all hate to pay for legal advice; but in the case of passing on your business to your heirs, legal and financial advice from professionals is critical if you want to have anything to pass on. Federal and state capital gains taxes can be avoided but it takes time. You have worked too hard to give the bulk of your assets to the government just because you put off estate planning, don't put it off any longer.

Is retirement a curse or a blessing? I guess it all comes down to planning and perception. If you have taken adequate steps to prepare, then retirement can be a blessing, if not, watch out. You need to focus on retirement with the same energy and vision that you put into your business decisions. It is easy to put issues of retirement on the back burner and the "I'll get to that later" syndrome is just a poor excuse not a real malady.

I don't have a very good track record when it comes to this issue. It is easy to talk the talk, walking the walk is a different story. The decision comes down to putting personal assets into your business and plan-

ning for the future or winding down and looking towards retirement. Each of us has an obligation to our families to take a realistic look and make the tough decision.

Sometimes it takes a lightning bolt to start a forest fire and some times it takes just a spark from a cable rubbing on a rock. The results may be the same but the causes are dramatically different.

I was struck by that lightning bolt about six weeks ago. A close personal friend of more than thirty years had a debilitating stroke. He is the kind of person we all aspire to be. He never said no to anyone's request for help. He was the consummate volunteer; first to arrive and last to leave. The one thing he didn't do was take care of his own health. He always had an excuse for not going to the doctor for a checkup.

Look, you are no good to anyone if you are pushing up daisies or worse yet a medical burden to your family. Get an appointment with a physician - actually go, and if they request follow up, do it!

*"To each his sufferings: all are men,
Condemn'd alike to groan,
The tender for another's pain,
The unfeeling for his own,
Yet ah! Why should they know their fate,
Since sorrow never comes to late,
And happiness to swiftly flies?
Thought would destroy their paradise.
No more; where ignorance is bliss,
'Tis folly to be wise.*

Thomas Gray
1716-1771

Mike Weideman is the President of the American Loggers Council, which represents over 50,000 logging professionals in 30 states. Mike's operation, BTO Logging, is headquartered in Enterprise, Oregon. For more information please contact the American Loggers Council office at 409-625-0206 or e-mail at americanlogger@aol.com.

HILLANDALE ELEMENTARY CAREER DAY



*Noble & Melissa Capps
Noble Capps, Jr. Logging, LLC*

job discussing a career in professional timber harvesting and sustainable forestry. Great job y'all!

SCTPA is available to assist members with educational programs. Just let us know.

SCTPA President Crad Jaynes was proud to be on hand to assist member Noble Capps, Jr. Logging, LLC, Zirconia, NC, with Career Day at Hillandale Elementary School in East Flat Rock, NC.

Melissa and Noble's son Holt attends Hillandale Elementary. Melissa and Noble did a great



Explaining a career in professional logging and sustainable forestry.



Logging scene made by Noble and his son Holt



The National Voice for Professional Loggers

P.O. Box 966, Hemphill, TX 75948

Phone: 409-625-0206 • Fax: 409-625-0207

americanlogger@aol.com • www.americanloggers.org

Position of the American Loggers Council On the Healthy Forest Restoration Amendments Act of 2009 – HR 4233 IH

The American Loggers Council (ALC) is a non-profit organization representing professional timber harvesters in 30 States across the United States. Our members have a responsibility for sustainably harvesting forest products from all of our nation's forests, including both private and public lands. The members of the ALC support the Healthy Forest Restoration Amendment Act, HR 4233, which would:

1. Expand the areas of Federal land on which hazardous fuels reduction projects may be conducted

- ALC views forests as a strategic renewable natural resource and supports healthy forests across all acreages of federal forest land for the production of the full spectrum of woody materials that will not only reduce the risk of catastrophic wildfire, but disease and insect infestations as well.
- Intensive forest management can improve growth rates and productivity of forest stands resulting in increases in woody biomass (and other forest products) and greater ability of forests to sequester carbon.

2. Add protection of infrastructure in rural communities as an additional part of the Healthy Forest Restoration Act of 2003

- The Wildland-Urban Interface is now an integral area of consideration when planning activities allowed under the Healthy Forest Restoration Act of 2003 and language should be included that would protect the infrastructure of those communities and not give the residents of those communities a false sense of security that the forests are being properly managed and at low risk for catastrophic fire events.

The American Loggers Council commends the bipartisan effort of Congress to amend the Healthy Forest Restoration Act of 2003 to include these important changes that will help to restore our forests to healthier conditions and less susceptible to catastrophic fire events and insect and disease infestations.

(Continued from page 1)

with more funding, BCAP problems with mills cutting delivery prices and violating the intent of the program, state allowed GVW to be operated on the interstate system within SC and other issues such as the revision of the Clean Water Act that would impact timber harvesting adversely.

The three attended the ALC board meeting and briefings, the BCAP meeting with FSA representative Kelly Novak and the John Deere meeting regarding the global economy and how it is affecting the forest products industry.

Overall, the SCTPA delegation did absolutely great. The three musketeer loggers were a little skeptical since President Crad was unable to travel due to his mother's hospitalization.

But bottom line is, our House and Senate members know us and recognize us and look forward to hearing

what we have to say and want to talk to us about the issues impacting our industry in South Carolina and nationally.

If a SC Congressman will adjourn a meeting just to see three SC professional loggers, I'd say we have come a long way baby.



ALC D.C. meeting with Congressman Aaron Schock.

(Continued from page 1)

is to put together a team that has expertise from stewardship projects to marketing and everything in between. The team would be used to speed up the process and help open markets.

One of the many highlights was the opportunity to sit down with the Healthy Forest Caucus. This bipartisan group of House members advocate for healthy forests, healthy rural communities, family wage "green" jobs, supporting rural infrastructure through timber harvest, and renewable energy from woody biomass. I would like to thank Congressmen Greg Walden and Kurt Schrader for leading this effort.

I would also like to thank Andrew Bonde and Nate Clark from John Deere. They were personally responsible for organizing a meeting that focused on how the global economy has affected the North American wood products industry.

Tony Halstead, from the Foreign Agricultural Service USDA, provided insight into the function of the world economy as it relates to commodities. Eric Norland, from the National Institute of Food and Agriculture USDA, spoke to the value of the logging industry in achieving the goals of sustainability and a healthy environment.

Megan Ceronsky, from Van Ness Fieldman briefed us on the potential benefits and risks from Cap and Trade on the wood products industry. Congressman Aaron Schock took 45 minutes out of his hectic schedule to share his insights and listen to our concerns. We greatly appreciate the time and energy of each of these

individuals.

On Saturday along with the business meeting, we had a presentation from Kelly Novak from the Farm Service Administration. Kelly did a great job explaining the function of the BCAP program and how we can impact the current rule making process.

One of the things that continue to amaze me is how much we have matured as an organization. Under the leadership of our Board and with the guidance from our association execs, we are able to tackle complex issues that are sometimes quite contentious and eventually reach a compromise that we can all live with. I have a suggestion for our next DC lobby trip. We invite the leadership of the Congress to sit in on our Board meeting. They just might learn how to deal with contentious issues and reach a mutually beneficial compromise.

ALC is made up of some pretty special people. Their dedication to improving the plight of America's loggers goes above and beyond. The ALC Executive committee would like to recognize all of the Logging Association Executives for the exceptional job they do for all of us in our home states as well as with the ALC. If you are operating in a state that does not currently have an organization that represents the logging profession, I would highly recommend that you consider getting organized at home and then join the American Loggers Council or else consider supporting the ALC by becoming an individual logger member. Details on how to join and membership categories can be found on our website at

www.americanloggers.org.

Finally to our Associate members and sponsors: Thank you for your continued financial support of ALC. In these times of tight budgets, support of ALC has never been more important.

I would urge you to evaluate your contributions and see if there might be an opportunity to increase your support. ALC has never been stronger and its recognition on the national stage has never been more important. If your organization is not yet affiliated with the ALC, I would ask that you please consider joining. The investment that you make today will help ensure the future of our industry.

Mike Weideman is the President of the American Loggers Council, which represents over 50,000 logging professionals in 30 states. Mike's operation, BTO Logging, is headquartered in Enterprise, Oregon. For more information please contact the American Loggers Council office at 409-625-0206 or e-mail at americanlogger@aol.com.





THE BILKING CAPITAL AWAY FROM PRODUCERS PROGRAM BCAP REVISITED

By Danny Ductor, American
Loggers Council

In 2008, members of Congress did an exceptionally rare thing. They approved legislation that could actually benefit both timber harvesters and those landowners interested in growing biomass for renewable energy production. They titled it the Biomass Crop Assistance Program or BCAP for short, and it set dormant until May 5, 2009 when President Obama issued a directive to his agencies establishing a Biofuels Interagency Working Group to aggressively accelerate the development of advanced biofuels.

One aspect of the larger effort outlined in the memorandum is the issuance of guidance and support related to the collection, harvest, storage and transportation of eligible materials for use in biomass conversion facilities – a component of the BCAP. On June 11, 2009, the Farm Service Agency (FSA) published a BCAP Notice Of Funds Availability (NOFA) in the federal register for the collection, harvest, storage and transportation of materials (CHST).

In the 2008 Farm Bill, it is clearly the intent of Congress to establish the BCAP program to help stimulate investment and growth in both the growing and harvesting of biomass which would lead to more efficient operations and the ability to be competitive with traditional fossil fuels, thus reducing our dependence on foreign oil while helping to reduce greenhouse gas emissions, all good and noble intentions.

The reality of the program has been since the NOFA, traditional forest products corporations have been figuring ways to get their hands on the funds and have reduced the price of biomass at their gates to absorb any gains or incentives that should be passed down to both the landowners and producers (loggers), thus, the new title of “Bilk Capital Away from Producers” program. It will be impossible to meet the intent of Congress to stimulate growth in the “collection, harvesting, storage and transportation” of biomass if those receiving and “converting” the biomass to energy products are the only ones benefiting.

While dropping prices and absorbing funds from the program, the U.S. taxpayers are essentially subsidizing the same corporations that cry foul every time there is a hint of a thought to do something that would help stimulate growth in biomass markets. There is absolutely nothing illegal about their activities, but we should certainly question their sincerity to be good corporate neighbors that are only operating in communities to create jobs and community wealth (just as long as there are no new markets or competitors so that they can control both stumpage prices to the landowners and cut and haul rates to the mill).

These same corporations use the “sustainability” issue as a way to defeat legislation that might incentivize the biomass industry. “We can’t put a wood-fired electrical generation plant here, we don’t have the resources to supply it with,” not mentioning that “ABC” Paper just shuttered a one million ton per year mill just miles down the road. As a real time example, legislation was recently defeated in Virginia that would have lifted or at least raised the cap on woody biomass that would have been eligible to be utilized for electrical generation. The pulp and paper industry helped to defeat this legislation, even though the closure of a facility utilizing close to 3 million tons in Virginia had recently been announced.

The only sustainability that the industry appears to be truly worried about is the ability to sustain control over the prices that are being paid for wood fiber delivered across their scales, which impacts not only cut and haul rates, but stumpage prices as well. We see protectionist clauses everywhere, including examples of “renewable woody biomass does not include products from the forest that have higher value uses.” Why does that need to be stated? Wouldn’t it be foolish for a logger or landowner to sell their timber to a lesser market than one that is paying a higher price and available? But what if we found that fiber was worth more

converted to energy than it is to wood products or paper? Or even more insightful, what if we found out that these same corporations



that have been setting the price for wood could pay a higher price if competition existed?

These are the same companies that also preach that we need to let the markets dictate who will survive and who will have to diversify. Following its acceptance as a qualified biomass conversion facility, one letter from a struggling corporation stated that, “Effective January 25, 2010, this is your new residue price delivered to the xxxxx Mill. It is imperative to our company to get the cost down as we are trying to come out of bankruptcy.” We can certainly understand the necessity to be profitable, but should the taxpayers be funding the recovery of the corporation thru the BCAP program. This same company shuttered one of its operations at the end of 2009 following the termination of the black liquor subsidies. That was an unforgettable Christmas present to the employees at the facility, as well as the hundreds of folks whose jobs depended on being the suppliers of the raw materials and mill residues to the facility. They fed at the government trough until the money was gone, then defecated on those that paid the taxes for the subsidies that they say that they oppose because it might cause unfair competition for the feedstock that they no longer use. Fare thee well Titanc, fare thee well!

Our concerns about these practices have not gone unheard in the local and Washington, DC offices of the FSA,

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MEMBER TIRE PROGRAM

“Qualified Members Only” Forestry & Truck Tire Discount Program

“The new tire program with Continental Tire offers tangible savings today as well as tomorrow. On our first sale through the program, our customer, your member, saved almost half of his yearly dues to your association with only a four-tire purchase. This is a win-win situation for you, your member and Best One Tire.”

Bobby Welch – Best One Tire, Florence



SCTPA's Qualified Members Only Forestry and Truck Tire Discount Program with ALLIANCE TIRE USA and CONTINENTAL TIRE – GENERAL TIRE COMPANY is off to a fast start. The program was Effective March 1, 2010.

Already many members have saved money on truck and forestry tire purchases.

Alliance Tire USA Forestry Tires and Continental – General Tire Company Truck Tires are THE SCTPA ENDORSED FORESTRY AND TRUCK TIRES.

Qualified Member Logger and Unmanufactured Forest Products (UFP) Truck Owners can purchase Alliance Tire USA Forestry Tires and Continental and General Truck and Trailer Tires at substantially discounted prices at participating tire dealers. **Qualified Members are:** Logger and UFP Trucker Member Categories in good standing with DUES PAID.

To utilize this valuable membership benefit, certain steps are required:

- SCTPA will soon be issuing Membership Cards to Qualified Members.
- Qualified Membership Cards will show the member name, member contact, membership period and member number. *Only those members classed as Loggers and Truckers with dues paid qualify for this program.*
- Qualified Members will take their member card to the tire dealer. The dealer will have to see your member card, make a copy of the card and see proper identification. No card, no ID, no discount.
- *“Members Only” Tire Pricing can be obtained from the SCTPA office.* Just contact the office via phone, email or fax. The tire pricing is not public and for Member Use Only. Only qualified members can receive the pricing. The tire pricing is not to be disclosed to others by the qualified member. Qualified Members cannot share their member card with anyone. Qualified Members cannot use the card to purchase tires for a Non-Member. If such abuse results, member will be terminated from participating in the program.

Until Member Cards Are Processed & Distributed, Please Follow These Steps.

- Qualified Dues Paid Members can visit the participating dealers.
- The tire dealer or the member must contact SCTPA for a Member Verification Form.
- SCTPA will fax a Member Verification Form to the dealer to verify current qualified member status. Qualified Member Renewal or New Dues must be paid to be eligible for the program. Prompt dues payment maintains eligibility for the tire discounts.

We are excited to partner with Alliance Tire USA and Continental – General Tire Company to offer this cost saving program to qualified members.

- To locate an **Alliance Tire** dealer, contact **Andy McAllister, 912-288-7417.**
- To locate a **Continental Tire** dealer, contact **Tim Moffatt, 803-431-1193.**

ALLIANCE TIRE DEALERS

As of May 10, 2010

- Gore Tire** - 423 Main Street, Marion, SC, H. V. Gore, 843-423-5000
- Blacks Tire** – 1705 East Palmetto Street, Florence, Tommy Hutching, 910-840-6860
- Hill Tire Centers** – 506 Robertson Blvd, Walterboro, Ken Hill, 800-841-8473
- Blacks Tire** – 1501 Third Avenue, Conway, Tommy Hutching, 910-840-6860
- Jim Whitehead Tire** – 1118 First Street South, Columbia, Wally Weir, 803-374-5788
- The Tire Shop** – 1018 South Jonesville Hwy, Jonesville, Mike, 864-674-5260
- Interstate Tire** - 1851 Hwy 8, Pelzer, Brandon Bennett, 864-979-9204

CONTINENTAL – GENERAL TIRE DEALERS

As of May 10, 2010

- Jim Whitehead Tire** - 1118 First Street South, Columbia, Wally Weir, 803-776-4888
- Jim Whitehead Tire** – 1920 Cherry Street, Augusta, GA, Wally Weir, Jim Whitehead, Jr., 706-738-5126
- GCR Tire Centers** - 425 North Hwy 52, Moncks Corner, Henry Augustine, 843-761-6700
- GCR Tire Centers** - 4010 College Street, Newberry, Earl Alford, 803-276-5104
- GCR Tire Centers** - 324 West Main Street, Lake City, David McClam, 843-394-8817
- GCR Tire Centers** - 405 Oak Road, Piedmont, Eddie Muzika, 864-269-3900
- Snider Tire** - 1010 Idlewilde Blvd, Columbia, Chris Harley, 803-799-0106
- Snider Tire** - 3360 Business Circle, North Charleston, John Wilkes, 843-207-1730
- Snider Tire** - 1915 North Cashua Drive, Florence, Terry Fischer, 843-661-7171
- Snider Tire** - 5806 Augusta Road, Greenville, Ricky Summey, 864-277-7877
- Snider Tire** - 181 Judge Street, Harleyville, John Wilkes, 843-462-7400
- Snider Tire** – 540 Locust Grove Road, Spartanburg, Brian Pace, 864-582-4474
- Snider Tire** – 1806 Carmichael Court, Augusta, GA, Jason Peterson, 706-771-9657
- Best One Tire** – 2959 West Black Creek Road, Florence, Bobby Welch, 843-662-0334
- Best One Tire** – 7248 Peppermill Pkwy, North Charleston, Arnold Murdock, 843-225-6638
- Best One Tire** – 906 Hwy 501 East, Conway, Bob Donaldson, 843-234-3103
- Best One Tire** – 2708 Shop Road, Columbia, Joe Jones, 803-741-5110
- S & S Tire** – 847 Rosewood Drive, Columbia, Mike Cook, 803-319-2960
- Gibson Tire** – 1800 Meeting Street, Charleston, Brian Golden, 843-723-3367
- Blacks Tire** – 1280 3rd Avenue South, Myrtle Beach, Ed Faye, 843-626-7402
- Blacks Tire** – 2415 Hwy 17 South, North Myrtle Beach, Mark Heflin, 843-272-3875
- Blacks Tire** – 1501 Third Avenue, Conway, David Holmes, 843-248-2835
- Blacks Tire** – 1705 East Palmetto Street, Florence, Chris Durant, 843-669-2233
- Blacks Tire** – 620 North Colt Street, Florence, Randy, 843-678-4124

**SCTPA is proud to offer our qualified members this
TIRE DISCOUNT PROGRAM TO SAVE YOU MONEY!**

*Crad Jaynes
President & CEO*

WELCOME NEW MEMBERS

SCTPA welcomes our new as well as our restarted members. Your support is appreciated.

New

- Baine Logging, *Sharon*
- Dodson Logging, *Barnwell*
- Carolina Shavings, Inc., *Clinton*
- Coastal Timber Co., Inc., *Conway*
- Cross Pulp & Timber, Inc., *Eastover*
- Cooper Land & Timber, LLC, *Marrietta*
- Riley Forest Products, LLC, *Allendale*
- John Smith, Jr. Logging, Inc., *Walterboro*
- J. L. Woodard & Associates, Inc., *Manning*
- ProCure, LLC, *Georgetown*

Rejoined

- Dr. Tire, *Estill*
- Creekwood, Inc., *Olar*
- KerWest, Inc., *Westville*
- CMIII Logging, LLC, *Florence*
- DeMack Timber, LLC, *Clinton*
- Harmon Pulpwood, Inc., *Newberry*
- Holmes Timber Co., Inc., *Batesburg*
- Atlantic Land & Timber Corp., *Darlington*
- Crosby Logging & Timber, Inc., *Ridgeland*
- Carolina Land & Timber, Inc., *Moncks Corner*

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

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but unfortunately, there is no mechanism within the BCAP program, as outlined in the 2008 Farm Bill, that gives the FSA the authority to track prices and look at irregularities that may prohibit the intent of Congress from being met. What we have seen and heard of is the suspension of some receiving facilities BCAP eligibility while they are being investigated for abuses as well as the issuance of a directive from the FSA entitled BCAP-10 which specifically illustrates what would be considered an abuse of BCAP funding.

On February 8, 2010, the Farm Service Agency posted the proposed rules for the BCAP program which will have a 60-day comment period open to the public as well as a

period of time following the comment period in which the Agency will consider all comments submitted.

Loggers and forest landowners alike should submit comments that address the abuses that are taking place in the program with the argument that the intent of Congress is not being met. If we are truly going to have competitive markets for what we are growing and producing, and wish to move away from markets dominated by just one or two players, then this will be a good first step to making that a reality. Talk to your Congressman and your Senators, unless they hear from you, chances are, they don't even know their well intended program is getting screwed up right out of the gate.

ALC COMMENTS ON BCAP PROGRAM

The American Loggers Council forwarded these comments to the USDA and Farm Service Agency during the Biomass Crop Assistance Program comment period.

To whom it may concern:

The American Loggers Council is pleased to submit the following comments on the Biomass Crop Assistance Program as requested by the Farm Service Agency for the Federal Register dated February 8, 2010.

The American Loggers Council is a National Trade Association representing the professional timber harvesters in 30 states across the U.S. Our members are the family owned businesses that actually do represent those that will be responsible for the collection, harvest, transportation and storage of renewable woody biomass.

We are not in the conversion to energy business, but we do supply the raw material to the conversion facilities.

To begin commenting on the Biomass Crop Assistance Program, we should first go back to the origin of the program, the Food, Conservation and Energy Act of 2008.

Title IX, Section 9011 of the Food, Conservation and Energy Act of 2008, often referred to as the 2008 Farm Bill, established a program called the Biomass Crop Assistance Program (BCAP) to support establishment and production of eligible crops for conversion to bioenergy, and to assist agricultural and forest landowners with collection, harvest, storage and transportation of these crops to conversion facilities.

Language in the Bill reads:

- (b) **ESTABLISHMENT AND PURPOSE** – *The Secretary shall establish and administer a Biomass Crop Assistance Program to —*
 - (1) *support the establishment and production of eligible crops for conversion to bioenergy in selected BCAP project areas;*
 - and*
 - (2) *assist agricultural and forest landowners and operators with collection, harvest, storage, and transportation of eligible material for use in a biomass conversion facility...*
- (d) **ASSISTANCE WITH COLLECTION, HARVEST STORAGE AND TRANSPORTATION** —
 - (1) **IN GENERAL** — *The Secretary shall make a payment for the delivery of eligible material to a biomass conversion facility to —*
 - (A) *a producer of an eligible crop that is produced on BCAP contract acreage; or*
 - (B) *a person with the right to collect or harvest eligible material.*
 - (2) **PAYMENTS** —
 - (A) **COSTS COVERED** — *A payment under this subsection shall be in an amount described in subparagraph (B) for —*
 - (i) *collection;*
 - (ii) *harvest;*
 - (iii) *storage; and*
 - (iv) *transportation to a biomass conversion facility.*



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(B) AMOUNT — Subject to paragraph (3), the Secretary may provide matching payments at a rate of \$1 for each \$1 per ton provided by the biomass conversion facility, in an amount equal to not more than \$45 per ton for a period of 2 years.

It is clear that the intent of Congress for the BCAP program as described in the 2008 Farm Bill was to assist with the Collection, Harvest, Storage and Transportation of renewable biomass to be delivered to biomass conversion facilities. The USDA Economic Research Service website also indicates this interpretation of the Bill.

What we are seeing is the trend by many traditional forest products manufacturers and some already existing wood-fired electrical generation facilities to immediately drop their delivered rates for woody biomass materials once they become enrolled in the BCAP program as an eligible Biomass Conversion Facility (BCF) by as much as 40%.

This artificial manipulation of market prices capitalizing on funds available through the BCAP program is not allowing the intent of Congress to encourage the growing and harvesting of biomass to be met.

With the incentives going to the conversion facilities, there is no incentive for eligible landowners or producers to invest in improvements in the collecting, harvesting, storing and transporting of biomass; much less the establishment of more acreage in biomass crops for future use as was intended by the program.

The FSA has recommended 3 options for payments under the BCAP program in the proposed final rules. We believe FSA should revisit these options. None of these options ensure that the intent of Congress is being met and that the program would then encourage new growth and investment in a biomass/bioenergy industry.

Our recommendation is to figure out a payment option that would best serve the intent of Congress in creating the program. The ALC stands ready to help the FSA craft an option that not only meets the intent of Congress, but would insure (return) integrity to the process.

If any of the options being considered are to be implemented, then there must be some sort of mechanism in place that allows the FSA to monitor delivered rates to eligible BCF's and make certain that the funds that are intended for the growers and producers of the program are actually making it to the growers and producers and not being absorbed by the BCF's in the form of delivered rate reductions if the BCAP program is going to meet the intent of Congress when authorizing the program in the 2008 Farm Bill.

We sincerely thank you for the opportunity to comment on the BCAP program, and it is our sincere belief that if the intent of Congress can be met in the administering of the program, then the program can do much in the way of increasing investments in the planting of biomass crops and the investment in technology and equipment that will enable us to more efficiently harvest and transport to biomass conversion facilities, that will in turn convert the material to energy, that will lessen our dependence on traditional fossil fuels while at the same time help reduce greenhouse gas emissions into the atmosphere.

Best regards,

Daniel J. Dructor
Executive Vice President
American Loggers Council

FSA RECOMMENDED BCAP PAYMENT OPTIONS

§1450.106 Payments.

Option 1:

- (a) Payments under this subpart will be for a term not to exceed two years beginning the date that the first matching payment to a person or entity is issued by CCC.
- (b) Payments under this subpart will be paid at a rate of \$1 for each \$1 per ton received from a qualified biomass conversion facility for the commercial sale of eligible biomass materials used to produce anything other than cellulosic ethanol (heat, power or biobased products) in an amount up to \$16 per ton. P
- (c) Payments under this subpart will be paid at a rate of \$1 for each \$1 per ton received from a qualified biomass conversion facility for the commercial sale of materials used to produce cellulosic ethanol in an amount up to \$45 per ton.

Option 2:

- (a) Payments under this subpart will be for a term not to exceed two years beginning the date that the first matching payment to a person or entity is issued by CCC.
- (b) Payments under this subpart will be paid at a rate of \$1 for each \$1 per ton received from a qualified biomass conversion facility for the commercial sale of eligible material in an amount up to \$45 per ton.
- (c) For those biomass conversion facilities converting vegetative waste materials, such as wood waste and wood residues, to heat or power consumed by the facility, no payments may be made under this subpart for material unless the material is converted to heat or power above that facility's historical baseline for heat or power production from renewable biomass as established by the Deputy Administrator.

Option 3:

- (a) Payments under this subpart will be for a term not to exceed two years beginning the date that the first matching payment to a person or entity is issued by CCC.
- (b) Payments under this subpart will be paid at a rate of \$1 for each \$1 per ton received from a qualified biomass conversion facility for the commercial sale of eligible material in an amount up to \$45 per ton to facilities that:
 - 1. Fully Convert from fossil fuel consumption to renewable biomass feedstocks;
 - 2. For eligible material showing exceptional promise for producing innovative advanced biofuels, renewable energy or biobased products; or
 - 3. For every ton of renewable biomass consumption above a facility's established historical baseline.
- (c) Payments under this subpart will be paid at a rate of \$1 per ton received from a qualified biomass conversion facility for the commercial sale of eligible material in an amount up to \$16 per ton for those facilities that do not increase renewable biomass consumption over a historical baseline.

An American Loggers Council Opinion Hesitate Before You Regulate



Jobs in private industry that are sustainable have always been a function of confidence and understanding the limits that control a business. The following pieces of legislation have grown from their original intent and now factor into a steady stream of job losses throughout the United States.

- Occupational Safety and Health Act
- Clean Water Act
- Clean Air Act
- National Environmental Policy Act
- Endangered Species Act
- US Labor laws

They are all well-intentioned acts of Congress each with the promise of either protecting the environment or workers. Each sets a standard for Federal oversight and regulation into the way that businesses in the US are allowed to operate.

Over the past several decades, we have seen a shift to offshore investments in the steel, textile, and furniture industries because of the cost of doing business here in the United States, and now our wood products sector is following suite. With this movement comes the loss of good paying manufacturing jobs both in the mills and out in the forests.

Who's paying the price for these over reaching regulations?

- America's business community, skilled workforce and ultimately America's consumers

Who's impacted most by these regulations?

- The natural resource based communities in rural America, who are dependent on access to America's abundant natural resources.

It's time to level the playing field. While certainly members of Congress meant no real economic harm to American citizens when promulgating these statutes, the real impact has been the loss of manufacturing jobs in the U.S. economy to regions of the world where such regulations are either non-existent or are not enforced.

Currently Congress is considering Carbon Cap & Trade legislation while at the same time the President through the use of an executive order has instructed the EPA to begin regulating CO2 emissions. Members of Congress are also considering making healthcare mandatory for all people and requiring or else penalizing those businesses that do not provide insurance to their employees.

As this current Congress continues to expound on their desire to do what is best for the struggling economy, realizing that the vast majority of new jobs created in the U.S. are created by small businesses, they seem to be more intent in driving up the cost of doing business here in the U.S. rather than trying to figure out ways to make us more competitive.

Our recommendations to Congress are these:

1. Take a look at the regulations that currently exist in the U.S. and how they are being implemented; compare them to other countries. Determine what we can do to encourage other countries to meet our current regulations before placing more regulations on those businesses here in the United States that already can not compete.
2. Take a look at the regulations that exist in this country and determine which ones are being abused by special interest groups to halt economic growth, not because of real harm to endangered species, water sources or air quality, but because the regulations themselves are so convoluted that they are subject to any interpretation that a courtroom might find appropriate on any given day.
3. Monitor, and if necessary, amend these acts to meet the original intent of Congress in order to prevent abuse and misinterpretation by federal employees and the courtroom by providing specific guidance and parameters for interpretation.

We have some of the cleanest air and water in the world, and we are not recommending that any of these statutes go away; but what we do recommend is leveling the playing field for all world countries doing business with the United States so that we can remain competitive and maintain a manufacturing sector that has historically made the United States' economy strong.

Stop penalizing businesses here in the United States for trying to do things right, adding costs to the system, while competing with those abroad that could care less about environmental or workplace issues.

Without these manufacturing jobs and our ability to produce and export goods from the U.S., we will be destined to rely on a service economy that is dependent on the rest of the world for survival.

Let's don't put ourselves in that position. Let's hesitate before we regulate.



CSA 2010

Changing Safety Ratings for Trucking

The Federal Motor Carrier Safety Administration (FMCSA) is rolling out Comprehensive Safety Analysis 2010 (CSA 2010) that is designed to improve safety and accountability and will make major changes to the ways the FMCSA and its state counterparts interact with motor carriers.

Although substantive regulations governing motor carriers will not change, motor carriers must be able to understand how the FMCSA could impact their day-to-day operations.

One of the most important changes CSA 2010 will make is the replacement of SafeStat with the Safety Measurement System (SMS). Unlike SafeStat, which relies primarily on the results of on-site inspections by DOT officials, SMS will combine data from a number of sources to determine a carrier's safety rating.

Specifically, SMS will look at the following measurements:

- ❑ Unsafe driving – i.e. traffic violations
- ❑ Driver fatigue – based on a review of driver logs
- ❑ Driver fitness – based on, among other things, a review of accidents caused by inexperience
- ❑ Controlled substances / alcohol – review of accidents caused by controlled substances and of random driver screening
- ❑ Vehicle maintenance

- ❑ Cargo related – accidents occurring due to shifting or improperly secured cargo
- ❑ Crash indicators – a review of frequency of accidents based on accident reports

Based on SMS, the FMCSA will evaluate a carrier's safety. However, the old "satisfactory" and "unsatisfactory" ratings will disappear.

Instead, a carrier will receive a safety fitness determination (SFD) that will determine what type of "intervention" is necessary. The most serious level of intervention will be an unfit suspension, which prohibits a carrier from operating.

CSA 2010 will have an impact on Intrastate and Interstate Unmanufactured Forest Products Trucking. CDL drivers will be affected more than before because more violations will be counted.

UFP trucks are reminded if your trucks operate inside SC only, "intrastate," you need to go ahead and obtain your SC Intrastate Registration Number. This will be mandatory in 2011.

If you operate across state lines, "interstate," then you need to register for a Federal DOT Number. With a Federal DOT Number, then the SC Intrastate Number is not required.

You should go to ...

<http://csa2010.fmcsa.dot.gov> ... for CSA 2010 information.



Timber Talk

*Your Voice for South Carolina
Timber Harvesting*

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



SCTPA HEALTH INSURANCE PROGRAM

SCTPA offers our membership access to Health Insurance through our "Endorsed" Health Insurance Provider, Mark Snelson of Pawleys Island.

Mark is an independent broker with access to several health insurance markets. Mark has been our resource for health insurance coverage and has worked with members for several years to provide reasonable health insurance to business owners and employees and their families.

SCTPA encourages members to contact Mark to see what he can offer you and your business for health insurance services.

March 23, 2010

Dear Association Members:

I want to begin by thanking all the members who have worked with me over the past few years in allowing me to service their employee benefit needs. Constant changes in the health insurance industry continue to challenge all employers in a struggling economy.

Health care is a serious national issue and many of you have expressed your concerns regarding affordability and what the future may bring. We know the passage of health care reform legislation raises many questions. Unfortunately (especially with the situation in Washington) the answers right now are about "as clear as mud." I truly believe that good common sense reform is needed in our industry, but government intrusion is not the answer.

My philosophy is to review your needs and options on an annual basis and deal with next year at renewal. As Jesus said in Matthew, "Therefore do not worry about tomorrow, for tomorrow will worry about itself."

As an independent broker, I am able to research the market with several carriers, and recommend multiple options for your company and employees.

With 29 years of experience, I offer group and individual insurance. My primary lines of coverage are health, dental, life, disability and long-term care.

Also, please remember that the South Carolina Timber Producers Association will continue to benefit financially from all past and future business conducted through us.

Again, I appreciate the trust and confidence that you have placed in me. Members may reach me at (843) 325-1211, or email me at msnelson@sc.rr.com. Call me for a quote today!

Sincerely,
Mark Snelson

District Meeting Sponsors

Our appreciation and thanks are extended to these supporters for their meal sponsorships at our Spring District Meetings.

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Newberry District 2 / Edgefield/ Saluda District 1 at Newberry

THANKING A PROFESSIONAL LOGGER

This letter sent to SCTPA member Wilkerson Logging, Inc., Hickory Grove, recognizes a professional job well done. Thanks Wilkerson Logging for making us proud.

Dr. Gene A. Kasparek

October 24, 2009

Wilkerson Logging, Inc.
4815 Triple W Farm Road
Hickory Grove, SC 29717

Dear Wilkerson and Sons,

I want to thank you for the excellent job you and your sons did cutting my timber. I had heard so many horror stories on the mess made by loggers that I had reservation on ever cutting timber on my property. I was impressed with the professionalism of all involved, and amazed at how clean you left the sites.

If you should ever need to use a land owner you have previously done work for, or of a reference, I would be glad to give Wilkerson an excellent recommendation. When it is time to make the next cut, you will be first on my list to bid it.

Sincerely,

Gene Kasparek

A PERSONAL NOTE

I want to personally thank the many members and friends who have extended their thoughts, prayers and support for my family and I during this time of the passing of my Mother.

Thanks to those who called or emailed, those that came to Augusta for visitation, the lovely cards, beautiful flowers, generous donations to my Mother's church and the wonderful kindness and support extended to my family and me during this time of remembering, mourning and healing.

We just celebrated Mother's Day, May 9th, and I know my Mom is okay as she is in Heaven. But a dear friend of my Mom sent me this and I wanted to share it.

Your Mother is always with you ...

She's the whisper of the leaves as you walk down the street; She's the smell of beach in your fresh laundered socks; She's the cool hand on your brow when you're not well. Your mother lives inside your laughter and she's crystallized in every tear drop. She's the place you come from, your first home; and she's the map you follow with every step you take. She's your first love and your first heartbreak. And nothing on earth can separate you. Not time, not space ... not death.

Again, on behalf of Jason, Erin, Brenda, my brother Greg, his wife Carol, I thank you for your support, kindness and prayers.

Sincerely,

Crad

AS I SEE IT ...

AMERICAN LOGGERS COUNCIL

PRESIDENT MIKE WIEDEMAN, ENTERPRISE, OREGON



March 2010

APPLIED SCIENCES -vs- POLITICS



One of the benefits of this job is that I see a lot of information about issues concerning forestry and logging from a lot of different sources. Some of what I receive is opinion but the majority of the information has basis in one or more of the applied sciences although political science plays a far bigger role than it should.

I would like to focus on a particular study that was completed in 2008 but hasn't received the recognition that it deserves. The study titled "**Greenhouse gas emissions from four California wildfires; opportunities to prevent and reverse environmental and climate impacts**" authored by Dr. Bonnicksen, Professor Emeritus of Forest Science at Texas A&M University.

The study looks at four separate wildfires in California: the Angora Fire (2007), the Fountain Fire (1992), the Star Fire (2001) and the Moonlight Fire (2007). The study looks at the carbon footprint of these fires as it is related to actions taken post-fire and then uses automobile emissions as the measurement to give a real world example of the effects of these fires. The fires covered 144,825 acres of diverse forest types and each had different types of mitigation. The initial combustion had a carbon footprint equal to 1,868,624 passenger cars for one year but the long-term effect of decay had a carbon footprint equal to an additional 5,098,009 passenger cars for one year.

The unique element of this study is the development of a computer model, Forest Carbon and Emissions Model or FCEM. Dr. Bonnicksen incorporated four elements in his model, carbon released in the initial fire, carbon released by decay over time, carbon sequestration in wood products and the effect on carbon of timely replanting.

If CO2 emissions are the major contributing factor to the frenzy over perceived global climate change then the role of forestland and the net effect on CO2 must be the driving force in the calculus of forest management. Harvest, reforestation, sequestration, risk, and benefit are primary considerations. If we are to honestly take an integrated look at forest management, then the role of

carbon and the consequences of non-management must be considered.

One of the most important elements of the report focuses on the value of reducing overstocking to mitigate risk as well as the value of uneven age management. Another element of the study measures the positive effects of harvest and replanting. The idea that after a wildfire the most effective way to reduce the long term release of CO2 is to aggressively harvest and quickly replant also makes a lot of sense. The conclusions reached by the study are common sense practical approaches to managing our forest and dealing with the issue of carbon emissions.

I think Dr. Bonnicksen sums up the issue best when he states, "Our most important question is: Can we recover from our mistakes of letting forests become unnaturally overcrowded with trees vulnerable to catastrophic wildfires? The answer is yes if we care about restoring our forests and fighting global climate change." He goes on to say, "Reducing the number and severity of wildfires may be the single most important action we can take in the short term to lower greenhouse gas emissions."

If the U.S. Government and the world community are going to regulate carbon emissions then it is high time that the federal agencies and policymakers in charge of forest policy and regulations recognize their responsibility and quit screwing around and listening to the radical fringe. By thinning the forests, salvaging dead and dying trees immediately following a catastrophic fire or insect infestation, replanting the forest, and promoting the use of solid wood products for construction and remodeling, we can reduce greenhouse gas emissions.

A link to the Bonnicksen study is available at www.calforesfoundation.org/FCEM-2.pdf.

Mike Weideman is the President of the American Loggers Council, which represents over 50,000 logging professionals in 28 states. Mike's operation, BTO Logging, is headquartered in Enterprise, Oregon. For more information please contact the American Loggers Council office at 409-625-0206 or e-mail at americanlogger@aol.com

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MOBILE: _____ FAX: _____

E-MAIL: _____

CHECK PRIMARY OPERATION: _____ LOGGING _____ CHIPPING _____ THINNING
(CHECK ONE AS PRIMARY BUSINESS) _____ GRINDING

___ TRUCKING - "FROM HARVESTING SITES." _____ TRUCKING - "FROM MILLS & OTHER SITES."

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Allied Supporting = National Forest Products Co., Consulting Forestry Firm, TIMO, etc. @ \$250

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Thanks For Your Support!
Crad Jaynes, President & CEO

SCTPA is a Non-Profit 501(c)(6) association. SC FEIN: 57-0883563

*90% OF ANNUAL INVESTMENT IS TAX DEDUCTIBLE BUSINESS EXPENSE.
10% DESIGNATED FOR LOBBYING & NOT TAX DEDUCTIBLE.*

AS I SEE IT ...

AMERICAN LOGGERS COUNCIL

PRESIDENT MIKE WIEDEMAN, ENTERPRISE, OREGON



April 2010

As the U.S. and world economy struggle to overcome their self induced trauma the role of Government on all levels is called into question. Extremists on both sides rail for alternatives of “let the economy run its course” to “Government control is the only solution.” Pragmatists on both sides eloquently defend their positions leaving little room for compromise.



If decision makers would get their fingers out of their ears and listen to the real emissaries of the economy, the small business owners that make tough compromising decisions every day, they would hear an entirely different scenario than the blather they hear from their own personal yes-men.

Everyday small businesses weigh short-term profit against long term stability. Everyday small business's make tough decisions and live with the consequences. **There are no re-do's!**

Small businesses can't print money to make up for ill conceived and poorly thought out agendas. Small businesses can't borrow their way to prosperity. When your personal future is at risk every alternative and its' consequences are measured against the probability of success. It's called risk and reward!

Government has forgotten that they **serve** at the pleasure of the electorate. No one likes to be lectured on what they are or aren't doing for the greater good. The sacrifices of the few for the benefits of the masses rings pretty hollow when it is your ox that is getting gored especially when small business is the ox and the “to big to fail” quasi government companies are the ones that are sticking it to them.

Our decision makers talk the talk, but that is about as far as it gets. Tax breaks, bailouts, special deals, stimulus package, priority contracting, Davis Bacon, registered contractor, qualified bidder.... etc. All are geared to make it as difficult as possible for truly small business.

Supposedly small business makes up two thirds of the jobs in the U.S. economy.

If I had a nickel for every time I've heard a decision maker lament on how this tax break or that incentive was going to benefit small business, I'd have enough to pay down the national debt. We don't need any more band aids! What we need is a spinal transplant in our elected officials. Quit screwing around trying to “fine tune” this program or that tax break, listen to the people that actually pay your salary

What we need is meaningful reform. Clear the bureaucratic hurdles that prevent economic growth; get government out of the way. It is government's job to facilitate not to flatulate.

Government needs to put as much emphasis on the economic well being of small business as it does to the well being of the grey wolf or the red cockaded woodpecker.

Inheritance rules need to be reformed to encourage generational transitions. We need tort reform, limits and consequences for frivolous litigation. We need realistic monetary policy that encourages investment.

But most of all we need a return to common sense.

“The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all try something.”-- Franklin Delano Roosevelt, May 22, 1932.

Mike Weideman is the President of the American Loggers Council, which represents over 50,000 logging professionals in 28 states. Mike's operation, BTO Logging, is headquartered in Enterprise, Oregon. For more information please contact the American Loggers Council office at 409-625-0206 or e-mail at americanlogger.com



ANALYZING YOUR INDEPENDENT CONTRACTOR ARRANGEMENTS

He's Not My Employee? Or Is He?

Engaging an independent contractor instead of hiring an employee can save costs, if done right. It can also multiply costs if done wrong.

Misclassifying an employee as an independent contractor can cause a host of liability issues – back over-time pay, federal and state taxes, FICA contributions, penalties from the IRS and exposure for Workers Compensation, unemployment and federal discrimination claims.

From time to time, courts give employers pointed reminders that simply calling someone an “independent contractor” does not make it so.

In January, the North Carolina Court of Appeals considered the situation of a trucking company that leased a truck to a third party and contracted with a driver to run the third party's trucking routes. The driver had to qualify with the third party under its driver training program, including its physical fitness test and its rules and regulations. As the court found, the third party had “exclusive control, possession, and use” over the company's truck and directed where and when the driver would make runs. The trucking company arranged with the driver to pay him a flat fee per mile based on the job assigned by the third party.

The court, however, found sufficient control by the trucking company to make the driver its employee instead of its independent contractor. It could refuse an assignment from the third party (although the court did not find it ever did so). It required the driver to report the truck's condition and to bring the truck in for repairs. It held the accident insurance policy for his driving. It paid for his gas. Ultimately, it had a right to end the relationship with the driver.

On this basis, the court found the trucking company employed the driver, owed him Workers Compensation coverage and was responsible for benefits owed to him following an accident – proving that improper classification as a contractor can be costly.

The IRS plans to audit at random 2,000 companies for each of the next 3 years, beginning February 2010 – to determine compliance with worker classifications and employment tax rules.

Carefully analyze your independent contractor arrangements, paying particular attention to your right to control his or her actions.

Reprinted from Smith Moore Leatherwood's Spring 2010 Transportation Industry Newsletter. Smith Moore Leatherwood LLP, Attorneys at Law, Greenville, SC.

BCAP COMMENTS AMASS

By Anna Austin
April 14, 2010

The USDA's Biomass Crop Assistance Program proposed rule comment period expired April 9. Those anxious for the final rule release and/or the current freeze on the program to cease can now only wait for the USDA to sort through the 24,000-plus comment submissions in order to formulate a fair and consensus-driven rule.

When exactly that will be, however, remains unclear. Public Affairs Chief Kenneth Politsch said the USDA hadn't gone through enough com-

ments to project when the rule would be out, though some industry-relevant groups have speculated that it will likely come out later this summer.

The proposed rule was released Feb. 8, and a 60-day time frame was allowed for individuals or groups to weigh in on BCAP by submitting feedback on numerous program elements. Some key provisions in the proposed rule included eliminating the dry tonnage measure and adapting to industry norms, scaling back matching collection, harvest, storage and transport (CHST) payments

(Continued on page 19)

(Continued from page 18)

of certain qualifiers, and seemingly the most debated provision, a prohibition on wood materials that might otherwise be used for higher-value purposes.

The prohibition mainly stemmed from concerns expressed by the composite panel and fiberboard industries, alleging that the CHST payments for certain eligible materials such as saw dust and wood shavings were directly increasing prices and competition for a market that already was established, potentially causing devastating market distortion.

The wording in the proposed rule is as follows, "CCC proposes that vegetative wastes, such as wood waste and wood residues, collected or harvested from both public and private lands should be limited to only those that would not otherwise be used for a higher-value product. More specifically, for materials collected from both public and private lands, CCC is proposing to exclude from matching payment eligibility wood wastes and residues derived from mill residues (i.e. tailings, etc.) or other production processes that create residual byproducts that are typically used as inputs for higher value-added production (i.e. particle board [sic], fiberboard, plywood, or other wood product market."

Many groups have expressed varying opinions. Some strongly support the prohibition, some oppose it and others call for a much clearer explanation. Donna Harman, CEO of the American Forest and Paper Association said AF&PA supports USDA's stated goal of avoiding diversion of materials potentially eligible for the BCAP matching payments from existing value-added production processes already occurring in the marketplace.

"Unfortunately, we have serious concerns with USDA's proposed approach to implementation," she said. "If USDA focuses the matching payments component on woody biomass materials without a viable market, it can avoid diversion of materials from existing value-added production processes ..."

The Biomass Thermal Energy Council commented that BCAP should preserve the program eligibility of vegetative waste materials such as wood wastes and residues, while the Biomass Power Association suggested that saw dust and wood shavings from saw mills be explicitly excluded from the eligible materials list, but that suppliers of the materials be allowed to petition USDA for eligibility where it can be demonstrated that no higher value use currently exists. "This safeguards biomass used by the composite panel facilities but

only when there is a demonstration that such materials will actually be put to such use," said BPA President Bob Cleaves. "There are areas of the Pacific Northwest where saw dust and shavings are an important biomass-to-power fuel and where no competing higher-value use currently exists."

The Pellet Fuels Institute disagreed with the tapering of the eligible material definition, commenting that use of the materials in danger of being excluded, as a pellet feedstock, is the highest-value purpose in many areas and should not be excluded in this proposed rule.

Assuming that the USDA will move forward with the motion, the Composite Panel Association suggested a clearer definition of the prohibition proposal, commenting that the terms "wood waste" and "wood residue" are not defined in the proposed rule nor discussed in any legislative history. CPA recommended that it be clearly stated that eligible wood waste and wood residues do not include scraps, saw dust, chips and shavings from saw mills and other wood mill facilities, either in a stand-alone definition of those terms or in the definitions of renewable biomass.

USDA Deputy Secretary Kathleen Merrigan said the agency will be working as quickly as it can to organize and analyze the comments. Meanwhile, a full copy of the BCAP proposed rule can be retrieved at www.fsa.usda.gov.

Article appeared in *Biomass Magazine*, April 14, 2010. http://www.biomassmagazine.com/article.jsp?article_id=3659

"Unfortunately, we have serious concerns with USDA's proposed approach to implementation."

Donna Harman, CEO
American Forest & Paper Assn.



The National Voice for Professional Loggers

Briefing Summary State-legal Loads On The Interstate System Agricultural (Including Forest) Commodities

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

Generally, Title 23, Section 127(a), U.S. Code sets Interstate System weight limits at 20,000 pounds on a single axle; 34,000 pounds on tandems and a gross weight of 80,000 pounds on a 36 foot tandem spread. A bridge formula is used to recognize different axle spreads. These maximums include enforcement tolerances.

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

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

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

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

AMERICAN LOGGERS COUNCIL

P.O. Box 966 • Hemphill, Texas 75948

Phone (409)625-0206 • Fax (409) 625-0207

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ALC Position Paper presented during legislative visits in Washington, DC.

SMALL BUSINESS FINANCIAL TUNE-UP

Small businesses are often created in a flurry of activity. According to the U.S. Small Business Administration, over 50 percent of small businesses fail in the first year and 95 percent fail within the first five years. [www.sba.gov; 2005]

A few make it beyond this start-up period, usually due to managed growth and access to commercial credit. Of these successful small businesses, a small percent grow into public companies — the Microsofts and IBMs of tomorrow. A smaller percentage still remains in the hands of the original owners and is eventually transitioned to younger-generation family members at the owners' death, disability, or retirement.

Wherever your small business lies on the business lifecycle, it may be time for a Financial Tune-Up. Like the name implies, a financial tune-up is a fresh look at how well your small business is working for you, the owner.

Here's a short list of things to consider.

Type of business entity—Many small businesses start out as unincorporated sole proprietorships. The advantages are ease of formation and simplicity of operation. The disadvantages are exposure of personal assets to business liabilities and reporting net business earnings on your personal income tax return. If your business has grown since you started out, it may make sense to consider a operating under a different business form. Some types of business entities popular with small business owners—limited liability companies, S corporations, and regular C corporations—protect the individual business owner's personal assets from claims of business contractual and tort creditor. Furthermore, some of these other business forms offer tax advantages to small business owners that are not available to sole proprietors. For example, unincorporated sole proprietors pay self-employment taxes of 15.3 percent on net income up to \$106,800 (2009). By comparison, an S corporation owner/employee is subject employment tax withholding on his or her compensation. However, net earnings over and above a reasonable sal-

ary are included in income, but are not subject to employment taxes.

Retirement plan—When is the last time you considered whether your employer-sponsored retirement plan was the best plan for you? Or, if you don't have an employer-sponsored retirement plan, when is the last time you evaluated the benefits of starting a plan? The landscape for employer-sponsored retirement plans has changed considerably over the past few years and you may be missing out on a great opportunity for both you and your employees. One change has been an increase in the maximum allowable contribution for employer-sponsored defined contribution plans such as profit-sharing plans and Simplified Employee Pensions (SEPs). Did you know that in 2009, your business can deduct the

lesser of 25 percent of your salary (20 percent of net earnings for an unincorporated individual) or \$49,000? If your business sponsored a 401(k) plan, you and your employees could save as much put away as much as \$16,500 pre-tax from salary in 2009, and up to \$5,500 more if the participant will be age 50 or older in 2005.

Health Insurance Plan—Rising health insurance costs remain a major concern for many small business owners, but there are new options on the scene that lower costs through tax incentives. The newest and perhaps most promising is the Health Savings Account that were part of the massive Medicare changes legislated by Congress in December of 2003. With an HSA, employees—and their employers, if they choose—contribute pre-tax dollars to an account earmarked for out-of-pocket health expenses. In addition to not paying tax on contributions, participants also pay no tax on earnings that accumulate in the HSA. Moreover, money not withdrawn to pay for medical care is carried over to the next year and continues growing tax-deferred. And, provided money in the account is used for health-related expenses or to pay health insurance premiums, the participant pays no tax when withdrawals are made. Single participants can contribute up to \$3000 pre-tax, while married couples can contribute up to \$5,950 for a family plan. And for participants over age 55, there is a catch-up provision of \$1,000. There is the only catch—not everyone is eligible for a Health Savings Account. To qualify, you can only be covered by

(Continued on page 22)



(Continued from page 21)

a high-deductible medical insurance policy, either through your employer or one you purchase yourself as a self-employed person. "High-deductible" means the policy must not pay benefits until you have accumulated at least \$1,150 worth of out-of-pocket medical expenses that year. The family deductible must be at least \$2300.

Life and Disability Insurance--Small businesses often find it challenging to attract and retain human resources. Employee benefits offerings such as life and disability income insurance are often necessary to compete with the "big boys." Group plans provide affordable coverage without the need for individual underwriting. These coverages can be offered as an employee benefit paid for solely by the employer, an employer-sponsored plan paid for by the employee, or a combination plan. Furthermore, employer-paid premiums are generally deductible and are excludible from employee income (only the cost of the first \$50,000 of group life insurance is tax-free to the employee). If you haven't considered these plans recently, you'll find that the market has changed significantly. An emphasis on rehabilitation and returning disabled employees to work has helped keep group disability income premiums in check. And, group life plans with supplemental individual coverage are commonly used to meet the needs of highly-compensated executives and owners.

Key-Person Insurance—Small businesses routinely insure their premises, equipment, and inventory. Less common is the business that insures its most valuable assets, its key employees. If you haven't increased the amount of existing key person life and disability coverage to keep pace with increasing profits and business lines of credit or to reflect the addition of new key employees, there's no better time to do so than now. As employees and their family members age and/or become health-impaired insurance, especially long-term care, becomes more expensive or outright unavailable. When it comes to acquiring key person insurance, the sooner you act the better.

Business Succession Planning— When business owners think about wealth transfer, they usually think about the transfer of their business or its value. Typically, businesses have only three options available to them at the death of an owner. These include the fol-

lowing:

- Sale of the business to an outsider
- Retention of the business for family members or other surviving owners
- Liquidation of the business

Liquidation of the business is typically what happens in the absence of a business succession plan. Lacking a plan, the owner's executor is forced to sell business assets piecemeal. This results in loss of "going concern" value—the "goodwill" of a successful business due to its customer, supplier, and lender relationships.

This means that business succession planning usually comes down to the decision to sell or retain the business. The decision is not an easy one. If your business has experienced growth, if you've brought a family member into the business, or if you are approaching retirement, it makes sense to revisit your business succession plan.

A tune-up can be as painless as an oil change and lube job, or it can uncover some major work. But the benefit of a tune-up is that it puts you in control and minimizes the chance of getting stranded on a lonely road at night. A financial tune-up offers the same benefit—it prevents you from getting stranded without adequate retirement benefits, attractive employee benefits, or an up-to-date business succession plan.

Provided courtesy of The Prudential Insurance Company of America. For more information, contact Candace Riddle, a Financial Service Associate with The Prudential Insurance Company of America's South Carolina Agency located in Myrtle Beach, SC. Candace Riddle can be reached at (843) 443-9284 x 7036 or (843) 446-1013.

This article provides general information for the subject matter covered. It is not intended to render legal or tax advice. An individual's particular circumstances should be discussed with a personal tax or legal advisor. The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102-3777.

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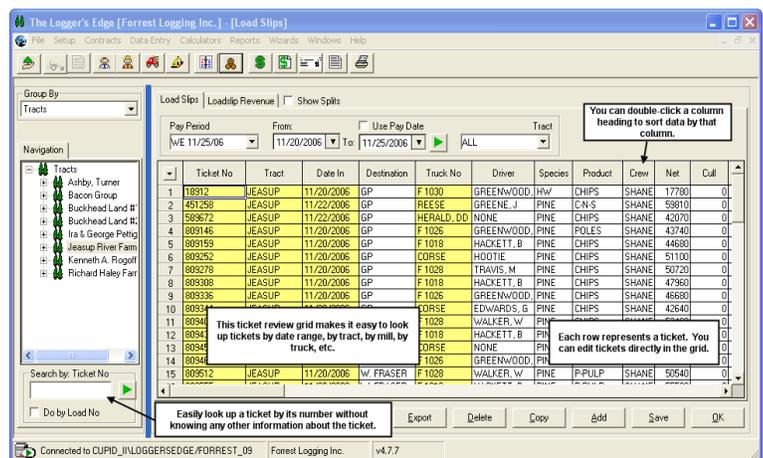
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Hannah Timber Company		
Pay To: Wilson Brothers Box 2312 Caribou, Maine 04756	1545 County Road 31 Caribou, ME 04739	Statement No: 114 Pay Period: WE 9/24/2009 Start Date: 9/18/2009 End Date: 9/24/2009
Payment Description	Pay Basis	Payment Amount
Pay By: Loadslips		
Hauling		
CPT - EA09068	(Load Count: 15) 532.650 TON	3,208.72
CPT - EA09068	(Load Count: 42) 42.000 LOAD	5,040.00
CPT - EA09069	(Load Count: 16) 450.010 TON	2,712.64
CPT - EA09069	(Load Count: 45) 45.000 LOAD	5,360.00
Hauling Total (Load Count: 121)		\$16,321.36
Logging		
CPT - EA09068	(Load Count: 60) 1,802.650 TON	19,833.55
CPT - EA09069	(Load Count: 61) 1,708.920 TON	18,798.12
Logging Total (Load Count: 121)		\$38,631.67
Pay By: Loadslips Total		\$54,953.03
Statement Sub Total:		\$54,953.03
Statement Total:		\$54,953.03

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Support “Open Equal Access to Justice Act of 2010”- HR 4714

Background: The Equal Access to Justice Act (EAJA) was passed in 1980 to give ordinary citizens, perhaps those having a once in a lifetime grievance with their government, access to the legal system in which the federal government can be formidable. The Act was amended in 1985 and again in 1996 to allow non-profit 501 (c)(3) organizations this same access to sue their government. Since then, lawsuits by non-profit organizations have proliferated. By June 2004, there were 7100 environmental lawsuits in courts. A well-intended law has now become the primary fundraiser for many organizations as they regularly sue the government, collect taxpayer funds for exorbitant legal fees, even if the group prevails on a very limited basis. During the 1990’s, the U.S. Treasury paid \$31.6 million in legal fees for environmental cases filed against the government and they continue to escalate.

Rationale: Using the EAJA in conjunction with other well-intended legislation such as the Endangered Species Act (ESA) and the National Environmental Policy Act (NEPA), environmental groups have systematically sued the government on numerous resource management proposals in the last three decades and in some areas brought active management to a halt. The U.S. Fish and Wildlife Service has lost its flexibility with the bottomless pit of litigation driving listings and critical habitat designations. In 2007, it was determined that 75% of the allowable harvest volumes on public lands managed by the US Forest Service were currently under litigation. Frivolous lawsuits jeopardize vital forest health and fire prevention projects, needed energy production projects and jobs while rural communities face an economic crisis and taxpayers foot the bill. Because most environmental groups have acquired 502 (c)(3) status through the IRS, the Equal Access to Justice Act currently allows them to file “risk free” lawsuits and recover attorney fees and expenses at no cost to themselves regardless of the trial or ruling. The EAJA sets net worth parameters of less than \$2 million for individuals and under \$7 million with fewer than 500 employees for businesses. In other words, organizations like the Sierra Club and Earthjustice Institute, with millions of dollars in assets, still have non-profit status with the IRS and qualify for EAJA compensation of legal fees and expenses when they file a lawsuit.

Position: The American Loggers Council (ALC) supports revising the Equal Access to Justice Act to add accountability and consequences. This well intended Act has been misused and abused by environmental groups filing frivolous lawsuits and lawsuits without merit and the resulting impact is the loss of jobs and thousands of Americans who have lost their livelihood. Rural schools are losing the ability to fund their existence and rely on funding from the Secure Rural Schools Act. The U.S. Forest Service is

losing its ability to actively manage our treasured national forests, resulting in smaller workforces, shrinking budgets, escalating fire suppression costs, and millions of acres of forests destroyed by invasive pests, diseases and catastrophic wildfires. Many non-profit environmental organizations simply use serial litigation as a “cash cow” to pad their pockets and halt management of our national forests.

The ALC supports HR 4714, along with the following changes to the Act to add accountability without limiting the private individual’s right to protect their individual liberties in court:

- Require the federal government to create a publicly searchable database of all attorney fees awarded under the Equal Access to Justice Act (EAJA) including the total amount of attorney and expert fees paid in each case, the hourly attorney fee charged and who is collecting the money.
- Add a means test for non-profits to meet the same qualifications as individuals or small businesses.
- To ensure meaningful accountability, require plaintiffs to post significant bond to cover loss of the economic value of timber or other resources during the course of court proceedings and other costs should the lawsuit be found to be without merit or frivolous,
- Consider having plaintiffs pay government attorneys’ fees if lawsuit is found to be without merit or frivolous,
- Use the average hourly rate for attorneys in the State in which the case is filed to keep the awards in check,
- Limits on total amounts awarded
- Prorate costs based on claims supported or lost

Conclusion: There are a myriad of conflicting and overlapping laws and regulations that foster conflict and litigation in resource management and has led to the “analysis paralysis” of federal land management agencies. Community efforts and collaboration to find common ground and cooperation in resource issues become pointless when litigation violates the trust participants had established. **Congress can begin to resolve resource management issues by implementing the revisions to the Equal Access to Justice Act that HR 4714 outlines and then furthering that action by considering other revisions to the EAJA that ALC supports. Don’t limit the right to sue the Federal Government, just the profitability that comes with serial litigation.**

ALC Position Paper presented during legislative visits in Washington, DC.

**FOREST RESOURCES ASSOCIATION
NEWS RELEASE
May 10, 2010**

FRA DEFENDS REFORESTATION GUESTWORKER STATUS

Rockville, MD - Timely action by the Forest Resources Association's National Forestry Contractors Task Group has saved the U.S. wood supply chain an estimated \$145 million in annual reforestation costs, by successfully opposing the U.S. Department of Labor's proposal to transfer reforestation guest workers from the H-2B visa program to the more burdensome H-2A program. The Department of Labor announced the favorable outcome this spring.

"This decision comes at a time of widespread concern about a decline in tree planting nationwide," commented FRA President Richard Lewis. "Preserving reforestation contractors' ability to respond flexibly to the logistical realities of ensuring timely reforestation and related stand-improvement tasks will keep us on track as a competitive industry."

U.S. reforestation draws heavily on guestworkers brought in from Mexico and Central America through a special work visa program which the Department of Labor regulates.

In FRA's submitted comment to the record on DOL's proposal, Lewis pointed out that the H-2A visa program, directed toward conventional farm work, does not have the flexibility to deal with the special needs of tree planting, brush clearing, and pre-commercial thinning. He noted that the need to determine work locations and working hours, and to schedule inspected housing, months in advance of actual work, ignores the logistical decisions that must often be made within very short time-frames because of weather and other variables.

FRA's statement also observed that guestworkers employed in reforestation under the H-2B program are already covered under the federal Migrant and Seasonal Workers Protection Act (MSPA), which addresses basic issues of housing, sanitation, and fair treatment.

The Department of Labor has stated that it will also revise the H-2B guest worker visa program rules in 2010. FRA's National Forestry Contractors Task Group is organizing now to participate in this Rulemaking process as well.



Support S.J. Resolution 26 Support H.J. Resolution 76

The ALC supports S. J. RES. 26 and its companion H. J. RES. 76, that would effectively disapprove the rule submitted by the Environmental Protection Agency relating to the endangerment finding and the cause or contribute findings for greenhouse gases under section 202(a) of the Clean air Act (published at 74 Fed. Reg. 66496 (December 15, 2009)).

With the debate still ongoing over the actual impacts of man-made greenhouse gases on the environment and whether or not they are in any way responsible for climate change, it would be irresponsible of Congress to allow the Environmental Protection Agency to regulate greenhouse gases at the expense of the businesses that would be impacted by such regulations. We are already facing double-digit unemployment here in the United States, and more regulations that would further burden our currently fragile economy and cause the loss of more jobs should be avoided.

There is no guarantee that other countries would follow suit, and by jumping out and regulating these gases without those guarantees would only be compromising those U.S. based businesses that are already falling behind their ability to compete globally due to current regulations.

Please support S.J. RES. 26 and H. J. RES. 76.

ALC Position Paper presented during legislative visits in Washington, DC.



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HEALTH CARE REFORM ISSUES FOR SMALL BUSINESSES

McMaster off-base in health law critique

By Frank Knapp, Jr. - Guest Columnist, The State Newspaper, April 6, 2010

I wasn't planning on responding to Henry McMaster's Thursday guest column about why he is suing the federal government over health care reform. After all, he is the state's attorney general, and I'm not a constitutional attorney. Heck, I'm not even a lawyer.

However at the end of his column, Mr. McMaster strayed into my area of expertise - small business. So game on.

As the co-founder and president of the S.C. Small Business Chamber of Commerce and the owner of several small businesses, it is important for me to correct misinformation Mr. McMaster is offering about the new health insurance reform law.

Mr. McMaster misleads the reader when he writes that small businesses "will be unable to bear the financial pressure" of health insurance reform and "many would be forced to lay off employees or even go out of business." He calls the reform a "jobs killer."

Now, Mr. McMaster is a fine person, and I consider him a friend. But he obviously has been out of touch with real small businesses for too long.

While he and all his employees have generous health care benefits subsidized by our tax dollars, small businesses today are breaking under the "financial pressure" of years of double-digit health insurance premium increases. No one has been helping small businesses with their health insurance costs.

As a result, small businesses continue dropping this employee benefit. Today more than 60 percent of our state's businesses with fewer than 50 employees do not offer health insurance primarily because they can't afford to. Many uninsured small business owners have had to file for bankruptcy and close their businesses because of their own medical bills.

In addition, the high cost of health insurance for a fit person and the refusal to offer health insurance to a person with a pre-existing condition continues to block the creation of small businesses. Would-be entrepreneurs simply can't afford to strike out on their own to build and grow a business because they are locked out of the health insurance market. Today's health insurance system is the real "jobs killer."

But this situation is about to change. In spite of

the false assertions of some of our state's leaders, the health insurance reform offers hope for affordable health insurance for small businesses.

First, let's deal with the fear mongering.

About 95 percent of our state's businesses have 50 or fewer employees and will not be required to offer health insurance or be penalized if they don't. Of the rest, according to the Kaiser Family Foundation, 97.6 percent already offer health insurance. That leaves fewer than 150 out of our 105,000 businesses in the state that will have to make a decision by 2014 either to take advantage of lower health insurance costs or possibly pay at most

\$2,000 a year per employee.

Here's what is really in store for small businesses from health

Today's health insurance system is the real "jobs killer."

insurance reform. Starting this year, small businesses with fewer than 25 employees - about 90 percent of our businesses - will be eligible for health insurance tax credits. Many small businesses now will be able to afford health insurance, and those already offering the benefit will save money. Then in 2014, small businesses will be able to obtain health insurance through the newly created health insurance exchange that will leverage very large numbers of people in a pool to drive down premiums of the insurance companies competing for their business.

This year, high-risk pools will receive federal subsidies to bring affordable health insurance to previously uninsured business owners. When the insurance exchanges are in place in 2014, new entrepreneurs no longer will be blocked from starting new businesses by unaffordable health insurance.

All this with no new taxes on small businesses unless they are offering exceptionally high health insurance benefits.

Mr. McMaster might find political advantage in challenging the constitutionality of health insurance. But he should base his efforts on the law and not misrepresenting the components of the reform that will help our small businesses.

Mr. Knapp is the President and CEO of the S.C. Small Business Chamber of Commerce,



SOUTH CAROLINA UFP TRUCKING STATS

SCTPA held its annual review with SC State Transport Police's Captain Rick Shell and Sergeant Don Rhodes to discuss issues regarding the SC Unmanufactured Forest Products (UFP) Trucking segment of our state's trucking industry.

Several topics such as UFP truck crashes, inspections, citations, oversize and overweight issues were discussed.

Over the past five years, there have been 1,176 collisions involving logging trucks in South Carolina. There have been 31 fatal collisions involving logging trucks over the same time period of 2005 – 2009. A total of 34 people have been killed in these collisions.

The number of fatal collisions and fatalities decreased 50% from 2005 to 2006. Then in 2007, the number of fatal collisions stayed the same and fatalities increased significantly, 75%, from 2006 to 2007.

*Logging Truck Crashes – 2005 – 2009**

Year	Collision Type			Total	Persons Killed	Persons Injured
	Fatal	Injury	PDO**			
2005	8	74	143	225	8	116
2006	4	77	167	248	4	114
2007	4	92	165	261	7	138
2008	7	65	152	224	7	98
2009*	8	72	138	218	8	112
TOTAL	31	380	765	1,176	34	578

2009* - Preliminary as of this report.

PDO** - Property Damage Only

SCTPA received the UFP Inspection Activity Report for the Fiscal Years 2007 through 2009. This report indicated the Violation Section Code and Violation Breakdowns by the trucking regulations.

Several Section Codes and the Violations Issued are noted here due to the number of violations issued and the nature of the violation. Several violations are directly related to safely operating a Commercial Motor Vehicle hauling unmanufactured forest products.

(Continued on page 35)

(Continued from page 34)

Number Violations Breakdown

Section Code	Number Violations Breakdown		
	FY 2007	FY 2008	FY 2009
290.21B - Marking on door	59	97	121
392.16 - Seat Belts	36	151	196
392.2 - General moving violations	1,244	1,371	1,342
392.2W - Overweight	3,559	3,713	2,826
393.205C - Frames	222	367	322
393.25F - Brake Lights	388	625	745
393.47E - Brake Adjustments	39	206	335
393.60C - Windshield	72	134	227
393.75C - Tires	782	1,209	1,379
393.9 - Inoperative Lights; tractor & trailer	685	956	1,345
393.95A - Fire extinguisher	189	271	298
393.9H - Head lamps	66	99	184
393.9TS - Turn signals	234	714	896
396.17C - Annual Inspection	949	1,107	1,107
396.3A1BOS - Brakes out of service; Exceeds 20% Adjustment	0	0	62
396.9D2 - Not repaired due to Out of Service	1	3	47

Total Inspections & Violations

Fiscal Year	2007	2008	2009
Total Inspections	4,666	5,698	4,934
Total Violations	10,321	13,623	14,304

Reviewing the numbers of violations in several section codes indicates trends. And based on the section codes and number of violations, some of the trends are not positive indicators of improving safety and operations of UFP trucks.

Some of the indicators appear to be functions of economics. But those same indicators are directly related to operating safely. UFP trucks cannot compromise the safety of the motoring public as well as its own drivers because of some maintenance or operational area that goes unchecked and unmaintained to meet legal section code.

It is imperative our South Carolina UFP Trucking Sector continually be diligent regarding the proper maintenance and safe operation of Commercial Motor Vehicles.

SCTPA Comments: SCTPA will look to schedule our Driver Training Classes this summer around the state. These classes are interactive with assistance from SC State Transport Police. Check www.scloggers.com for classes.

FOREST FACTS: TELLING THE TRUTH ABOUT THE FOREST PRODUCTS INDUSTRY AND THE ENVIRONMENT

By DeAnna Stephens, 3/1/2010

Have you ever been told that the forest products industry is destroying America's environment?

Rumors and myths about the affect the forest products industry in the United States has on forests and the environment abound. These "facts" that "everyone knows" get tossed around with no idea as to where they originated. Though you know most of them are not true, do you know what is true? Just as importantly, do you know what benefits the American forest products industry brings to the environment?

Here are a few facts that are important to any conversation on the subject. The next time you are asked these questions, you'll know the answer and have the facts to back it up.

The source for each fact is cited with a reference number after each fact.

Aren't we running out of forests?

Contrary to popular belief, forests in the United States are not disappearing. In fact, the amount of forestland in the U.S. has remained rather steady for the last 100 years. What's more, there are many safeguards in place to ensure that U.S. forests will never disappear because of logging.

- There are 751 million acres of forests in the U.S. – roughly one third of its total land area (1).
- Forest area has been relatively stable since 1910 (7).
- Over 75 million acres of forests are reserved for non-timber use, such as parks and wilderness areas (7).
- The average volume of growing timber per acre is rising. In some areas, the volume per acre is nearly double what it was 50 years ago (7).
- The net growth of timber has consistently exceeded removal over the past 50 years (7).
- Almost 50% of timber in the U.S. is over 50 years old; 5% is more than 175 years old (7).
- Over 25% of private forestlands in the U.S. are certified to sustainable forestry management certification systems, compared to just 10% worldwide (1).
- Forest planting in the U.S. currently averages about 1.8 million acres per year (7).
- Private U.S. landowners plant around 4 million trees every day, five trees each year for every person in America (1).
- Timber harvests on U.S. forests are relatively low, below 2% of standing inventory (10).

Forests and forest products in the U.S. store enough carbon each year to offset about 10% of the country's CO2 emissions (1).

Doesn't logging destroy the forest?

U.S. forests are among the best managed forests in the world. Proper and complete forest management is the best way to ensure that forests continue to thrive and provide habitats for numerous plant and animal species. What many people do not realize is that harvesting is part of good forest management.

- Deforestation is not a single event, such as logging. It is the continuous process of preventing forests from growing back by human intervention such as buildings, pavement and agriculture (5).
- An ugly looking clearcut is not the same as permanent destruction of the environment. The stumps and broken wood are all organic and will grow back (5).
- As long as land is left alone after a forest is destroyed, the forest will recover and all species that were in it will return (5).
- Within one or two years of harvesting, clearcuts generally have higher biodiversity than meadows (5).
- Human intervention can actually speed the recovery of an ecosystem after a natural disaster (5).
- Clearcutting is most prevalent in areas with tree species that need open sunlight to regenerate (7).
- Excess biofuels left in overgrown forests actually reduce forest health and increase the risk of wildfires (4).

The industry spends more than \$1 billion per year on environmental improvements and \$2.9 billion on pollution control (9).

Haven't Entire Species Gone Extinct Because of Logging?

One of the most common emotional arguments against logging is making people think that animals everywhere are losing their home because of proper forest management. The reality is that forest management has actually increased the population of some species.

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There is no list of species that have become extinct due to logging (5).

Logging does not destroy animal and plant species. The white-tailed deer population has grown over the last 30 years from 4.5 million to more than 16 million and the pronghorn antelope that was near extinction now has a population over 1 million, as a result of careful forest management (2).

Can't We Use Something Besides Wood?

Wood is used for many things in everyday life. Some of the most common uses are, of course, paper products, energy, buildings and furniture. Wood does not stop serving the environment when it is cut. One of the best advantages of wood products is that the carbon absorbed by the tree is stored for the life of the product. Also, unlike the other major construction materials, it does not take massive amounts of energy to manufacture.

- *Wood represents 47% of all raw material used in the United States. But the energy used to produce wood products is just 4% of the energy used to make all manufactured materials (6).*

Around 85 million tons of paper and paperboard are used in the U.S. each year (8).

It takes 13,127 board feet of framing lumber to build a 2,085 square foot home (2).

- *All wood used in home construction stores carbon dioxide. This includes doors, flooring, framing, and furniture (6).*

- *The policy of using less wood is anti-environmental (5).*

- *Using wood reduces the need to burn fossil fuels. Compared to other materials, wood requires less energy to extract, process, transport, construct and maintain over time (3).*

Using woody biomass to produce energy is a carbon neutral process. It only releases the amount of carbon that the tree absorbed from the atmosphere during its lifetime (4).

What About Green Energy?

With all the recent focus on climate change, sustainable energy solutions and U.S. energy security, the forest products industry stands to play a key role in solving these energy-related concerns. Wood biomass is a renewable, abundant, energy source that can be widely used for producing heat, power and even fuel.

- *The forest products industry is the largest producer of renewable biomass energy in the country, generating 77% of the nation's industrial biomass energy. Additionally, the renewable energy generated by the forest products industry exceeds all of the nation's solar, wind and geothermal energy generation combined (1).*

- *Co-generation technology is widely recognized as the most efficient method for producing electricity, and co-generation power plants are often 50 to 70% more efficient than single-generation facilities. The forest products industry is a leader in the use of co-generation technology and is second only to the chemical industry in its use (1).*

- *On average, paper and wood products mills generate 65% of their energy needs from renewable biomass (1)*

A wood biofuels industry could revitalize rural communities hurt by declines in timber harvesting (10).

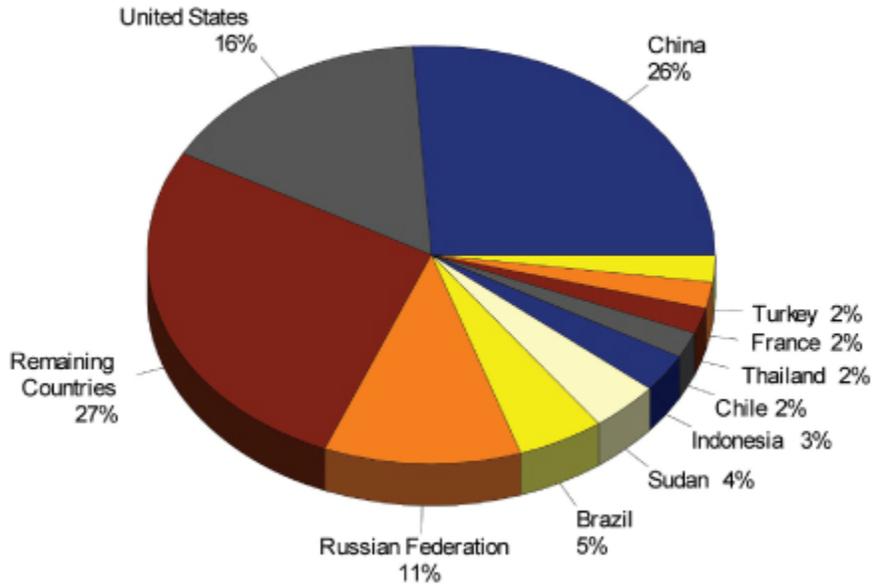
Because of the careful forest management that is in place today, the forests of the United States are growing and thriving. Though the "horror" stories continue to swirl, the fact is that the forest products industry has more of an interest in maintaining a healthy forest than anyone else. After all, our livelihood depends on it.

Fact Sources

- 1. American Forest & Paper Association (AF&PA)*
- 2. Temperate Forest Foundation*
- 3. Wood Promotion Network*
- 4. Forest Foundation*
- 5. Greenspirit*
- 6. National Hardwood Lumber Association*
- 7. USDA Forest Service Forest Inventory and Analysis National Program*
- 8. Environmental Protection Agency*
- 9. U.S. Department of Energy*
- 10. Society of American Foresters*

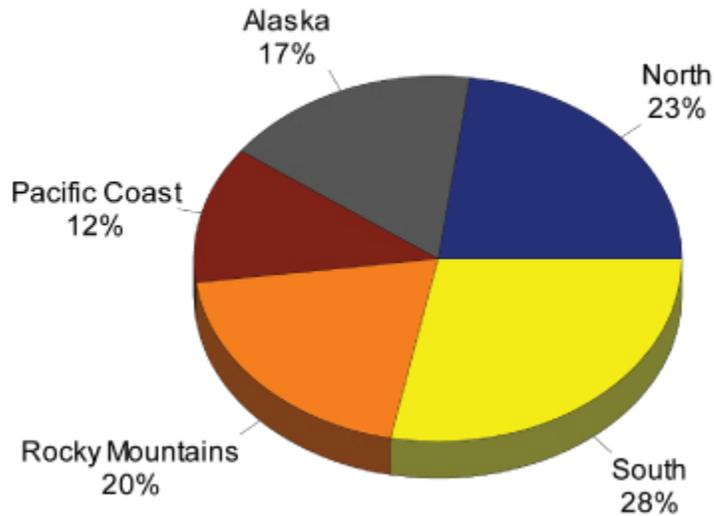
(Continued on page 38)

Countries with the Largest Area of Productive Forest Plantations 2005



Source: Food and Agriculture Organization. 2005. *Global Forest Resources Assessment 2005. Progress Towards Sustainable Forest Management*. Rom.

Forestland Distribution in the United States 2005



Source: USDA Forest Service, *Forest Inventory Analysis Program*. 2006.



Mark Your Calendar

MAY 2010

25 Newberry District 2 Meeting, Farm Bureau, Newberry, 7 pm.
Saluda/Edgefield District 1 Members & Non-Members Invited.

JUNE 2010

11 – 12 Timber & Biomass Expo Southeast, Valdosta, GA. www.timber-expose.com
16 TOP Biodiversity & Aesthetics Class, Georgetown.
17 TOP Practical BMP's Class, Georgetown.
17 SCTPA Board of Directors Meeting, Columbia, SCFC Headquarters, 10 a.m.
22 – 25 SC Teachers Tour, Pee Dee Area, Florence.

JULY 2010

16 – 17 American loggers Council Summer Board Meeting, St. Louis, MO.

AUGUST 2010

4 TOP Safety Management for Pro Loggers Class, Greenwood.
5 TOP Harvest Planning Class, Greenwood.
26 SCTPA Board of Directors Meeting, Columbia, SCFC Headquarters, 10 a.m.

SEPTEMBER 2010

8,9 TOP 3-Day Classes for Initial SFI Trained Status, Columbia.
& 16

Saluda/ Edgefield District 1 Members and Non-Members are invited to the Newberry District 2 Meetings. Saluda meetings discontinued due to lack of attendance.

PLEASE NOTE:

Event & meeting dates may change. Notices are mailed prior to SCTPA events.
SCTPA events & meetings qualify for SFI Trained Continuing Education Credits.

Need Training & SFI Trained Credits?

SCTPA can provide training programs for members for SFI Trained Continuing Education Credits. Programs offered for safety, driver training, equipment lockout & tagout, hazardous materials spill control on logging sites and forestry aesthetics.

Truck Driver Training Workshops will be scheduled. Watch the Mark Your Calendar section of this newsletter for dates.
Notices for SCTPA workshops & events will be forwarded.

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SCTPA

PO Box 811, Lexington, SC 29071

800-371-2240 ■ Fax: 803-957-8990

bcjpaw@windstream.net



PO Box 811
Lexington, SC 29071
800-371-2240
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**For more information contact:
David Hayes, Bill Hoff, Matt Hoover & Greg Hutson**

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



*“Serving the Forestry Industry
For Over 25 Years.”*



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.