



TIMBER TALK

Your Voice for South Carolina Timber Harvesting

May/June 2012

2012 SOUTH CAROLINA TEACHERS' TOUR

On June 19, twenty-five educators from across the state met at Harbison State Forest in Columbia to participate in this year's SC Teachers' Tour. For three days the teachers participated in Project Learning Tree (PLT) activities and listened to guest speakers as they learned about the social, economic, and environmental importance of forestry in our state.

Guest speakers from the SC Forestry Commission led the discussion with welcoming and an overview of forestry in SC from State Forester Gene Kodama, followed over the next three days by discussions from other forestry professionals. Guy Sabin discussed Best Management Practices and Darryl Jones talked about the protection of endangered species. Jimmy Walters discussed forest protection while Laurie Reid taught about insects and disease that affect our forests. Denise Bonnett, with the SC Tree Farm Committee, shared information about the Tree Farm program, and the SFI certification process. Bill Wylie spoke about wildfire protection while Sam St. Louis talked about law enforcement in the forest industry.

Program coordinator Jerry Shrum, new assistant coordinator Matt Schnabel, and SCFC employees Stephanie Kolok and Russell Hubright facilitated many hands-on activities during this 3-day advanced PLT workshop, using PLT curriculum materials to teach the participants about trees as a renewable resource, forest management practices, global connections of SC forests to the forest of the world, and forest sustainability practices. The teachers were quite impressed with the PLT materials and activities. *"I enjoyed the active participation. I learn best by seeing and doing. Books*

are great, but showing us how to use them and then using them is so much better...and seeing the operations helps make them real," said Jan Ward, 6th grade teacher at Covenant Classical Christian School in Columbia. Some of the PLT activities that teachers participated in included: Tree Cookies, Monitoring Forest Health, Every Tree for Itself, Renewable or Not, Tree Factory, Adopt-A-Tree, Forest to Faucet, and Seeking Sustainability.



Picture shows teacher Reggie Williams participating in PLT activity "How Big is Your Tree?"

Thanks go out to the many sponsors of the Teachers' Tour who furnished meals and scholarships. The Association of Consulting Foresters sponsored a BBQ meal the first night and members of the Enoree Chapter of the Society of American Foresters provided an outdoor cookout on Wednesday. Needless to say the teachers packed on a few pounds during the entire event.

On Monday of the following week the teachers met in Columbia to begin four days of touring different forests and forest industries in the Midlands region of the state. Stops from tree farms to forest products mills around the Midlands area showed teachers

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the “forest to the product” chain. Following is a daily journal of the activities and reactions of the educators during the tour.

Monday, June 26

Morning: Joe Young of Low Country Forest Products and Crad Jaynes of the SC Timber Producers Association welcomed the teachers and discussed the role of harvesting in the state. Mr. Young described how the forest industry has been an integral part of his life and his entire family. He also passionately explained the “Log-A-Load” program where loggers can give back to local hospitals to buy much needed equipment to help save young children’s lives.

Afternoon: We quickly grabbed our box lunches and rode the bus to Congaree National Park. The mosquito meter read “severe” but we armed ourselves with plenty of Deep Woods Off to protect ourselves from the little blood-suckers. We learned about the role of our National Parks and other public lands in protecting unique and important forestlands.



Teachers ringing the second largest loblolly pine in Congaree National Park.

Our hike was led by Teachers’ Tour participant and ranger Vikki Pasco, who works part-time at Congaree National Park as part of the “Teacher-Ranger-Teacher” program. **Evening:** We headed up the Congaree and we guests of Marion Burnside at the Millaree Hunt Club for our evening meal.

The Central Carolina Chapter of the SAF provided a delicious and filling meal (most of us had never seen grilled chicken breasts so large!). We enjoyed the beauty of the bottomland forest while talking to many professionals in the forest industry.

Tuesday, June 27

Morning: Bright and early at 7:45, the bus departed the hotel for the Weston Lake Recreational Area at Fort Jackson. Here, forester John Maitland showed us how the Army manages their forests while also utilizing it for training of its soldiers. Then biologist Stanley Rikard talked about the dating service he provides for the red-cockaded woodpeckers (an endangered species who prefers long-leaf pine savanna ecosystems) on base and how the Army is helping in the recovery of this species.

We then headed up to Camden for a tour of the Canfor Southern Pine Sawmill. Dave Dodge, chairman of the SC Forestry Association, welcomed us and then we all headed out in groups to tour the mill. Thankfully, we all

returned safely with all fingers and toes accounted for, had a quick lunch (provided by Canfor), and then boarded the bus for our next destination.



Teachers at Canfor learning how logs are cut into various products using computer technology.

Afternoon: As we arrived to Billy Cate’s property, we were treated to a bucolic landscape of forest and farmland. We walked through various tracts of forest with different management prescriptions and learned about the American Tree Farm Program and conservation easements. The theme of the connections between forest stewardship, economics, and family legacy and enjoyment were very apparent in Mr. Cate’s management of his land. Back on the bus again, we headed down to Eastover to the International Paper (IP) paper mill. Everybody thought we would smell the mill before we saw it, but surprisingly, there was little smell at all. The immense size of the mill impressed us all. We were welcomed by Samantha Hood and here we saw the local to global connections that the forest industry has in the world. They discussed skills and knowledge they needed to teach in order to make productive employees in today’s technological forest products manufacturing plants. *“I had no idea the wide range of products that trees provide for us. I did not realize the importance of forestry to our state economy. I was amazed by the use of computer technology in the equipment,”* said Louise Hope, teacher at Pickens Middle School in Pickens.

Evening: To end our day, we were guests of IP at the Kensington Mansion, restored and managed for public tours by IP, for a white tablecloth dinner on the beautiful grounds of the property. We were transported back in time to the mid-1800’s during our tour of the mansion when we heard about the history of the old plantation.

Wednesday, June 28

Morning: We started the day with a drive up to the Enoree District of Sumter National Forest where we met with Gwen Beavans of the U.S. Forest Service. She explained how the USFS manages their lands in South Carolina and specifically the Indian Creek Wildlife Restoration Project. Here, they were using a combination of

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fire management and seed-tree cutting techniques to restore habitat for many wildlife species including bobwhite quail.

Pressed forward by Teachers' Tour assistant coordinator Dean Carson with his cattle prod, we boarded the bus to head down to a logging site, owned by a private land owner, being logged by Michael Doolittle and Charles K. Doolittle Inc. For many teachers, this was the most anticipated and impressive stop of the tour. It was amazing to see the machines in action and to meet some real loggers on the job. This is always one of the highlights of the tour. A delicious lunch was provided by the SC Timber Producers Association.

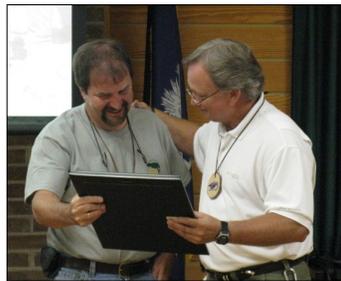


Michael Doolittle explains the operation of a feller-buncher as the teachers look on.

Afternoon: We next got a different perspective on forest management by visiting an industrial forest site (Old Town Tract) being managed by Plum Creek Inc. Here, Plum Creek forester Jon Welch showed us how they sustainably manage forests for profit while also protecting soil, air, and water quality. Ruth Engasser, informal educator who leads a 4-H club said, *"I love the idea that it really is a sustainable industry and it is good for the environment, wildlife, clean air, etc."*

We quickly boarded the bus and headed down the road to the Georgia Pacific Plywood Mill in Prosperity. Here, Bobby Derhart led us on a tour where they made "Plytanium" plywood. Again, the sheer size and intricacy of the factory made a lasting impression on the teachers. At every mill on the tour, we were all impressed that nothing on the tree was ever wasted, from bark, shavings, to trimmings in the processing of a tree.

Evening: Dusty and dirty, we headed back to the hotel for a quick (Dean made sure of that) clean-up before heading back to Harbison State Forest for the sponsors reception and dinner. It was a wonderful evening where



Joey Ferguson (right) presents Jerry with award.

teachers had a chance to talk to the sponsors who help make the Teachers' Tour possible. It was an especially important evening because Jerry Shrum was recognized for his many years of service with the tour and because the "Project Learning Tree Outstanding Teacher of the Year" award was renamed in Jerry's honor. After many handshakes, hugs, toasts, and kind words at the dinner, we all headed back to the hotel and continued the fun and deepening of new friendships. James Roberts, teacher at Aynor High School in Horry County said, *"I enjoyed the friendships that kindled during our time together. Relationships, whether among people or with people and the environment are important to me."*

Thursday, June 29

Morning: We headed back to Harbison State Forest for a few more sessions of forestry education and final procedures before heading home. Dean Carson spoke about engineered wood products and gave away a door prize (various hand-crafted wooden items for the home) to each teacher. Crad Jaynes showed off various pieces of heavy forestry equipment used in logging operations. Finally, we shared testimonials about our experiences on the Teachers' Tour and how attitudes were changed over the past two weeks. We shared final hugs and goodbyes and promised to stay in touch (Matt Schnabel is creating a Facebook page specifically for past and present Teachers' Tour participants).

The SC Teachers' Tour has had over 525 educators participate in the event since it began in 1997. Over the past 15 years, countless students and other educators have been influenced by the knowledge and experience the teachers gain during this event. Many have gone on to become more involved in Project Learning Tree as facilitators to train other teachers, and some have even won state and national awards because of the inspiration they received during this event and actions they were motivated to do as a result of the Teachers' Tour. But don't take just our word for this, listen to the comments of Marilyn Showers, a 3rd grade teacher from Divine Redeemer School in Hanahan who was on this year's tour:

"My perception of the forest has changed how I think about forestry, the forest industry, foresters, and public and private lands. I knew nothing about each part and I learned how each part works together for a common goal. The forest industry is a very organized, professional, passionate, and knowledgeable organization. I enjoyed listening to each guest speaker and how they connected and helped us put everything in perspective."



*See more photos
in our
Teacher's Tour
Photo Gallery
beginning on
page 42.*

**2012 Teachers' Tour participants along with instructors
(bottom: Dean Carson, Matt Schnabel, Stephanie Kolok, and Jerry Shrum)**

2012 SC Teachers Tour Participants

Last Name	First Name	City	School	Grade Levels
Crow	Elizabeth	Cheraw	Petersburg Primary School	PreK-3
Culbreath	Johnnie	Orangeburg	Edisto High School	6-12
Duren	Christy	Aiken	South Aiken Baptist Christian Sch.	2 - 3
Eberly	Andrew	Clover	Clover High School	9-12
Enggasser	Ruth	Greenville	G'ville Co. -Sterline School	Informal Ed.
Enggasser	Edward	Greenville	Greenville County school	Informal Ed.
Hope	Louise	Pickens	Pickens Middle School	6,7,& 8th
Hughes	Elizabeth	Goose Creek	Divine Redeemer Catholic School	6th - 8th
Kelley	Jennifer	Aiken	South Aiken Baptist Christian Sch.	1-5
McCannon	Nancy	Pendleton	Calhoun Falls Public Charter Sch.	8-12
Middleton	Mclver	Gaffney	Cherokee Tech. Center	9-12
Pasco	Victoria	Blythewood	Catawba Trail Elementary	K-5th
Pease	Louise	North Charleston	Divine Redeemer Catholic School	5 thru 8th
Roberts	James	Bladenboro	Aynor High	9-12
Roehl	Edwin (Trey)	Greer	Greenbrier Elementary	4th
Satterfield	Nancy	Pauline	Sims Middle School	7th
Shannon	Doug	Chester	Birchwood High	9-12
Showers	Marilyn	Goose Creek	Divine Redeemer School	3rd
Sparks	Robert	Gaffney	Daniel Morgan Tech Center	10 - 12
Ware	Marion	Due West	Cherokee Trail Elementary	K-3
Ward	Janis	Ridgeway	Covenant Classical CS	6th
Weatherford	Beverly	Sumter	Thomas Sumter Academy	9-12

SC Teachers' Tour Testimonials

"I love the idea that it really is a sustainable industry and it's good for the environment, wildlife in particular, clean air, etc. It creates jobs in so many areas from technical engineering down to machine operators and truck drivers. I'm a convert!" – Ruth Engasser, 4-H Informal Educator

"Everything was amazing. The site visits were incredible. To see the beginning to the end gave me a better understanding of the forest industry." – Stephanie Williams, 5th grade science teacher, Alexander Elementary, Greenville

"It is all right for trees to be cut down! Many trees are planted for every one tree harvested. Every inch of a tree harvested is used in some way. Numerous products are derived from trees." – Elizabeth Crow, Kindergarten teacher, Petersburg Primary, Pageland

"The future is good for landowners, employees, investors, and the public for the forest products industry. As with other industries, the need for a better educated population is essential for employment and effective consumption." – Doug Shannon, high school teacher, Birchwood School, Columbia

"Cutting down trees is a vital part of sustainable forestry and is not destroying our environment like I thought before this course. I never realized how much technology, engineering, chemistry, etc. there is in the forest industry." – Christy Duren, 2nd grade teacher, South Aiken Christian School, Aiken

"I have come from a point of almost total ignorance to one of basic understanding about the forest industry in SC. If you had asked me about logging prior to the class, I would have admonished it. Now I understand its place, and am impressed and supportive of the industry." – Trey Roehl, 4th grade teacher, Greenville Elementary, Greenville

"I personally enjoyed 'seeing' the industry 'up close and personal.' Our visits to plants, forests, and logging sites make a distinct, unforgettable impression of the industry as a whole. I always feel it's important to improve our environment whenever possible – sustainable forestry is a 'win-win' situation." – Louise Pease, 5th-8th grade teacher, Divine Redeemer Catholic School, Hanahan

"I enjoyed all of it. In a nutshell, I've developed an understanding that most growers/loggers and product industry people have a vetted interest in managing the industry in the best possible way." – Vikki Pasco, K-5th grade teacher, Catawba Trail Elementary, Elgin

"I was amazed at the number of jobs and industries that are connected to the forest industry...also, how they utilized every part that was cut down. I was impressed by their professionalism and the passion they have for the work they do." – Beverly Weatherford, high school teacher, Thomas Sumter Academy, Dalzell

"I learned that our forests are growing, that our foresters are very much involved in sustainability and the good health of our forests...very knowledgeable!" – Jan Ward, 6th grade teacher, Covenant Classical Christian School, Columbia



"This is field of opportunity for our children. There is a wealth of history and know-how about this field that is misunderstood. It is very educational." – Johnnie Culbreath, 6th-12th grade teacher, Edisto High, Orangeburg

"Biggest and most professional industry in SC because of the professional associations and willingness to work together as a family!" – Robert Sparks, high school teacher, Daniel Morgan Technology Center, Spartanburg

"I enjoyed the PLT activities immensely. I'm thrilled to have the PLT book with the wealth of activities (DVD's, books, CD's, etc.). I can use everything in my classroom. I really enjoyed doing some of the activities last week." – Marilyn Showers, 3rd grade teacher, Divine Redeemer Catholic School, Hanahan

"I enjoyed the industry side of the tour the most. I found the mills and logging site to be fascinating. It was very educational to see the tree go from the land to finished product." – Jennifer Kelley, 1st grade teacher, South Aiken Christian School, Aiken

"Many new perceptions: We have more trees than 50 years ago. SFI is a beneficial process. Loggers, harvesters, buyers work closely together to make sure practices are beneficial to our state." – Marion Ware, Kindergarten teacher, Cherokee Trail Elementary, Abbeville County

"I always thought of trees as living in the woods. But now, I can see the importance of forests to all of us. I also know the importance of maintaining healthy forests for all of us in South Carolina." – Elizabeth Hughes, 6th-8th grade science teacher, Divine Redeemer Catholic School, Hanahan

"I am and always have been pro-logging. Now I am pro-sustainable logging. I can't wait to get to school and develop lesson plans. We have a 5-acre plot that I

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hope we can develop into a demonstration plot.” – James Roberts, agriculture and forestry teacher, Aynor High, Horry County

“I had heard the term ‘sustainability’ but never knew its true meaning in terms of forestry. I had never thought about timbering helping forests! I had no idea of the wide range of products that trees provide for us. I did not realize the importance of forestry to our state economy. I was amazed by the use of computer technology in the equipment...especially at the sawmill.” – Louise Hope, middle school teacher, Pickens Middle, Pickens

“I appreciate the fact that the forest will regenerate itself over time and that trees are a crop just like corn.” – McIver Middleton, 10th-12th grade teacher, SC School for the Deaf & Blind

“I saw the interactive working relationship between land owners, loggers, foresters, and mills...all giving us their time. I also saw that private land owners can get help and support for decisions and plans for their land for the best use.” – Judy Williams, 1st grade teacher, Mt. Gallant Elementary, Rock Hill

“Seeds are being actively planted and our state’s forests

are growing. If the land is not being actively utilized for its timber producing potential, then there is a good chance it will be cleared for other uses.” – Edward Engasser, 4-H Informal Educator, Greenville

“I learned the scope of forestry in SC and the role played by professional loggers in protecting the environment. Forestry is important as farming.” – Nancy McCannon, 8th-12th grade teacher, Calhoun Falls Carter School, Calhoun Falls

“Wow! My entire thought process about trees and forests has changed. I found the amount of technology involved in all aspects amazing. I had no idea!” – Nancy Satterfield, 7th grade teacher, Sims Middle, Union

“The new perceptions I made were: forests are sustainable, burning is necessary for a variety of reasons, there are unlimited opportunities in the forest products industry for STEM careers.” – Andrew Eberly, Clover High, Clover

“New perceptions included: clear cutting and thinning can help a forest, prescribed burning helps to regenerate the forest, educational level of loggers is exceptional, the vast amount of products derived from the forest is astounding, the process of maintaining a forest is very detailed.” – Reginald Williams, 5th grade teacher, Alexander Elementary, Greenville

AS WE SEE IT ...

AMERICAN LOGGERS COUNCIL

JUNE 2012

Part of the Process

By Steve Sherich, President
American Loggers Council



Our Spring Washington D.C. trip still weighs heavily on my mind, and I wanted to share with you a few of the thoughts that I have had since our visit. Results of these trips are hard to measure immediately but I know we left some good impressions with our representatives in D.C. I am very proud of everyone who showed up to represent the loggers all across America and the American Loggers Council, as they are a part of the process.

I am disappointed that the Silviculture Regulatory Consistency Act, S. 1369, has not moved out of committee and on to the Senate floor for a vote.

Our plan now is to get other industries that will also be affected by the Ninth Circuit Court of Appeals decision to join us, putting pressure on the leadership in the Senate to move the bill forward. This decision by the courts could be the largest regulatory burden that our industry has ever faced, impacting timber harvesting on both federal and private lands.

Several of us visited with Tom Tidwell, Chief of the U.S. Forest Service, and expressed our concerns about the health of our forests, jobs, rural counties and schools. When we explained to Chief Tidwell how increased volumes could help our rural schools, he became defensive and told us the U.S. Forest Service was “not in the business to make money.” While this is true, one might think that with our growing deficits, someone in D.C. might take it under consideration to at least create revenue from the forests in order to fund other pro-



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grams and projects and to make our federal timber dependent communities whole. With target volumes set at 3 billion board feet for 2012, a 80% reduction in historical high volumes during the 70's and 80's, it is unlikely that the agency will meet those targets.

I personally feel our national forests that were set aside for multiple uses are the largest, most productive farms in America. The American Loggers Council continues to go on record asking Congress to support full funding for the USDA Forest Service Timber Products line item.

A broad definition for renewable biomass has been on our agenda for the last six years and it appears that the definition that we fought for in the current Farm Bill will remain intact as Congress debates reauthorization of the bill this year. We realize with natural gas being so inexpensive woody biomass will have a hard time competing, but if we are going to meet the 25% renewable energy goal by 2025, our forests will have to be included as a source for producing renewable energy.

For our industry partners in California and other western states, we asked members of Congress, and the U.S Fish and Wildlife Service to change the "two year protocol" for surveys of the northern spotted owl. We asked that it be moved back to a one year permitting process permanently. It is impossible to predict markets from two to three years out before harvest can occur. Forest landowners in western states should not be required to have a two year wait (possibly three) from the time they make the decision to harvest timber, to getting the approval, if granted, from the US Fish and Wildlife Service.

We asked for an appointment with the U.S. Department of Labor (DOL) and were told that they did not have anyone that could visit with us. We would have liked to have asked that our sixteen and seventeen year old children be granted the same rights as farmers and ranchers have under the existing farm child labor laws to be able to work and begin their training at an earlier stage in life. The Department of Labor has recently been engaged in attempting to change policies which would not allow youth to work on farms and ranches, but after much outcry from the farming community, they have backed off of the issue. We can't help but wonder if the reason that we were not allowed an audience with the DOL was because of their desire to change the child labor exemptions for children in the agricultural community and certainly didn't wish to see another agricultural related industry asking for those same exemptions that they were attempt-

ing to abolish. It is important that we have future generations to take over our businesses and I have already heard from one of my Congressman and a Senator that they understand the issue and agree with our view. We don't expect a change soon, but it will continue to be on our agenda.

There have been several coalitions pushing for changes in weight limits on the Federal Interstate Highway System this year, but with the likelihood of a transportation bill being passed prior to the November general elections being slim to none, it is doubtful that we will see any changes in the near future. The American Loggers Council will continue to look for opportunities to insert language into the proposed bill that would make your state tolerances legal on the Interstates, providing for a safer and more efficient route to existing mills.

November elections are only a few months away, and we need leaders in Washington D.C. that will take the initiative and use common sense to move this nation and our industry forward. Now more than ever, we are asking that you know the candidates, know their platforms, and support those that are willing to do what is right for all Americans. We are asking you to be a part of that process.

JULY 2012

Trucking Businesses Reverse, Neutral or Forward?

By Doug Duncan, Chair
American Loggers Council
Transportation Committee



Log Truckers, have you had your fill of added costs from rising fuel prices, elaborate record-keeping, the Federal data cast net called CSA, or your state weight enforcement? Are you idling, or moving backward in trucking and not taking the steps needed to figure out how to make it a more profitable activity? If you haven't taken the opportunity to reevaluate your business practices internally, it should come as no surprise that many of the recent changes in trucking operations stem from third party actions.

Remember when the first lightweight trailers, in-woods and on-board scales, and GPS systems were introduced? The first loggers to use them gained cost reduction and increased profit. It was

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when the rest of the pack caught up that lower hauling rates became the norm because everyone was now more “efficient”. You became part of that “average tons per load” calculation. “Efficiency” in trucking has been the buzz word for a number of years, and we’ve all heard it, “be efficient and lower your costs.” Unfortunately, if you operate in a geographical area dominated by one or just a few delivery markets you have some added insight at what “efficiency” really means: declining trucking rates are directly related to increased trucking efficiencies. You can’t expect your profit margins to increase while others are figuring out a way to directly benefit from your actions.

Most improvement initiatives have elements of safety, favorable regulations, customer satisfaction, and profitability walking hand in hand. Add in some technology that keeps a real time stopwatch on your handy work and you are almost there. What is still missing is the fact that the hauling experts in our industry, our loggers and log truckers, are not putting some of these elements together for their own benefit, letting third parties dictate these actions and taking their percentage off the top: ***Improving your trucking operations means taking the initiative yourself.***

Using dispatch trucking as an example, we all know that logging and chipping operations depend on a smooth, consistent and predictable flow across the deck. Central dispatch trucking systems that will improve the percentage of loaded miles is not a bad concept if you can reap the profit from your efforts. Losing control of haul schedules and having potential for bottlenecks at the loading deck are real issues to address. A logger who has honed a fine-tuned trucking business for himself might see his profit margins diminished under a central dispatching system. Some regions of the country are seeing mill operated dispatch systems where the loggers have been asked to become part of the pool and are left wondering how it helped their bottom line. If it makes for higher efficiency and lowers cost, why can’t loggers do it themselves? The transportation committee of the American Loggers Council (ALC) exists to try and address some of these issues. By interacting with loggers and log haulers from all across the country, we benefit from the hundreds of years of cumulative experience that can speak to the many issues that are impacting our nation’s forest

commodity producers.

Examples of solutions that have stemmed from the activities of the ALC include defining what is considered an off-road vehicle for tax purposes, working with the IRS to hold up the partial exemptions of the Highway Use Vehicle Tax, working with members of Congress to allow State legal weight tolerances on the Federal Interstate Highway system (a work in progress), and setting up a website at www.foresthauling.org to provide a comprehensive listing of links to all federal and state agencies dealing with regulations, permitting and guidelines for the forest commodity trucking industry.

We invite you to become active in these discussions and to take the rig out of neutral and begin moving forward in these discussions and ask yourself, is my trucking business in reverse, neutral or forward.

Doug Duncan is the Executive Director for the North Carolina Association of Professional Loggers and the Chair of the American Loggers Council Transportation Committee, His offices are located in Cary, North Carolina and he can be reached at 919-271-9050 or contact@ncloggers.com.

About the American Loggers Council:

The American Loggers Council is a non-profit 501(c)(6) trade association representing professional timber harvesters in 30 States across the U.S. You can visit their web site at www.americanloggers.org or contact them at 281-622-7244 for more information.



From the desk of...

STATE FORESTER
Gene Kodama



TREE COUNTRY SC

June 27, 2012

South Carolina Forestry Commission
Employee News Bulletin

Good day,

In our last Bulletin dated June 13th, I started out my comments with this statement, "We did it!" But, I was celebrating a bit too early.

The firefighting legislation, H4082, that was approved by the General Assembly on June 6th was vetoed on June 18th.

This meant the bill would have to appear before the SC House and Senate again and receive a 2/3rds majority vote to override the veto. So, we and our many partners went back to work last week requesting the overrides.

Please see the text below from an email that I distributed last week for more details including sincere appreciation to all for helping to improve the safety of all firefighters and the public.

Friends:

We have finally done it. The Senate voted 42 to 1 this afternoon to override the Governor's veto of H4082, so it will become law. The law will generate about \$3+ million annually for 5 years starting July 1, 2013 for firefighting and firefighting equipment.

We began working on recurring funding alternatives for firefighting equipment in late 2008 and worked through several options before settling on the H4082 idea based on insurance premium taxes. 4082 was introduced in April of 2011 by Rep. Vick and Edge with help from Hiott.

We and our partners worked all of last summer and fall generating support for the bill to be ready for the January 2012 start of the General Assembly's second year of a two year session. We had a very difficult time getting the bill through the House Ways and Means Committee with much negotiations needed to get the bill modified and passed out of Committee and through the House (103/0).

We had similar challenges in the Senate Finance Committee and full Senate, but prevailed (unanimously, I think) with the help of our entire forestry community and its many partners. The overrides of the Governor's veto needed in the House (108/2) and Senate (42/1) this week were also quite a task, but once again we were successful with the Senate vote today and now the bill becomes law.

Our forestry community has had a stellar two-year legislative session including two successful Commission budgets, the Right to Practice Forestry

Act, the Prescribed Fire Act, the Timber Theft Act, and now the Property and Firefighter Protection Act.

These successes are the result of a lot of hard work by many within forestry, conservation, and agribusiness, and our many partners, including our friends in the Governor's office and the General Assembly. A lot of prayers were also involved and that helped immensely.

Please accept my sincere appreciation for your support of forestry, conservation, agribusiness, and all natural resources. Our state is in a better condition today than it was yesterday because of your hard work.

I have tried to include everyone that I could think of that played an active role in our legislative activities, but I am sure to have missed someone.

Please forward this note as you see fit, or let me know of those that I have omitted.

Have a blessed evening.

Gene



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A GREAT DAY FOR SC FORESTRY

It was a great day for SC Forestry on June 6th as the SC Forestry Commission showcased one new complete Fire Fighting Unit (haul truck, CAT D5K Bulldozer with enclosed cab & fire plow) along with another new CAT D5K Dozer parked beside a 1996 open cab dozer all in front of the Statehouse in Columbia.

A press conference was held to thank the SC General Assembly and Governor Haley for the funding allocations to allow the SC Forestry Commission to order ten new wildfire fighting units. Representative Ted Vick and Senator Ronnie Cromer were on hand along with other General Assembly members. A host of SCFC fire fighters were present to say thanks.

State Forester Gene Kodama, SC Forestry Association's Cam Crawford and Governor Nikki Haley spoke to the press. Gene said, "The unveiling of the state's first enclosed-cab dozers is a historic moment in SC as it is the last state in the South to have this new technology. This is wonderful day for our state as we begin to acquire much safer and reliable dozers and trucks that will save lives, timber, and homes. This action will also help to ensure the presence of the timber needed to supply wood to the forest industry which is the #1 manufacturing segment in the state regarding number of jobs and wages paid."

Governor Haley called the new dozer an example of what the state should be spending money on and referred to the old dozer as a piece

of equipment that should be removed from use. Governor Haley even called up Technician Supervisor Terry Cook to the podium. Terri was very reluctant, but spoke about her experience of being caught in a burn-over in the April 2009 North Myrtle Beach wild fire and having to abandon her stuck tractor, lie in a wet spot using her aluminum fire shelter over her as the fire burned over. She was operating a dozer without an enclosed cab. Terry said, "The open cab can be a death trap. We've all been in situations that have been dangerous. The enclosed cabs mean so much to us in a daily part of our lives."

Now the new bulldozers have enclosed cabs providing operators with substantial protection from the elements involved in a wildfire. These new units were quite awesome sitting in front of the Statehouse. But also there was the stark contrast of one new dozer parked next to a fifteen-year old unit significantly displaying the vast differences of what the Commission is

using now and to what they are going to be using. And as Deputy State Forester Joel Felder told SCTPA's Crad Jaynes, when they unloaded the old tractor and got it parked, it began to leak.

Thank goodness for the oil-dry. That was not planned, it just happened.

So congratulations to our General Assembly, Governor Haley and SC Forestry Commission for working cooperatively to make the lives of our fire fighters safer when they are in harm's way.

SCTPA is proud to have been a part of the efforts to help SCFC gain the needed funding and to have been present for this great day.

SCTPA also thanks SCFA's Cam Crawford

(Continued on page 13)



Senator Ronnie Cromer inspects new dozer.



Governor Haley looks at dozer.

(Continued from page 12)



and Patty Pierce, SCFA legislative rep, and all the supporters and individuals in the SC forestry community for assisting in the efforts to make the new fire fighting units a reality.

WSRI
Wood Supply Research Institute

c/o Forest Resources Association
600 Jefferson Plaza, Suite 350
Rockville, MD 20852
ph: 301/838-9385

WSRI SUPPLIER CONSUMER RELATIONS PROJECT

by Don Taylor

The prevailing wood procurement practice in the U.S. forest industry depends on a working relationship with a myriad of supplier business enterprises. The quality of that relationship is highly important to the function and efficiency of the forest industry supply chain. It needs to be clearly understood that the term "relationship" is not about everybody "feeling good" about each other. The overriding focus of the Wood Supply Research Institute's Supplier-Consumer Relationships Project, which I undertook during the past year, is about the cultivation of a mutually beneficial business environment that translates into operational and cost efficiencies. It is about a dependable and sustainable wood supply chain.

The Project begins with the following hypothesis: *that there are significant improvements in the "people part" of supply chain management, in terms of relationships between suppliers and consumers, that can be discovered. If recognized and implemented, these improvements will lead to a more effective supply chain, benefiting all business structures. Further, the proposition is that a trusting relationship among all segments, with each party having confidence in the others' capabilities and actions, is among the most important elements of a successful supply chain.*

The Project defines "effectiveness" in a supply chain application as the optimization of inputs and outputs, eliminating waste of both human and material resources. A Supplier-Consumer relationship is defined as being high quality when (1) each side conducts business with mutual respect, (2) interactions proceed in an open manner, and (3) all parties act in an ethical framework aided by consistent communications. This approach enables all parties to perform their obligations at maximum efficiency. WSRI itself is based on these principles, and its membership believes that they are paramount to the sustainability of the supply chain.

Methodology

Our objective was to evaluate the working relationship between suppliers and consuming mill procurement. We structured the Project to obtain *quantifiable* data on how routine interactions between suppliers and procurement people actually function.

I conducted over 225 face-to-face interviews across the U.S. with suppliers and procurement people over a seven-month period beginning in late spring of 2011 through January of 2012. Each interview had three parts.

First, I asked participants a set of structured questions, asking them to select among a range of responses that best described the nature and quality of the interactions. The categories of the interactions were divided into four categories as follows:

- 1) Negotiations
- 2) Joint Planning
- 3) Feedback
- 4) Problem Solving/Communications

(Continued on page 14)

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Each category had a set of questions, designed to measure the quality of those basic interactions. It is important to note that both suppliers and consumer procurement were asked “mirrored” questions. The rationale was to enable a comparison of perceptions and examine how the relationships were viewed from both sides. If a pattern of significantly different perceptions between suppliers and procurement organizations were detected, then a follow-up analysis would be conducted.

Secondly, the Project collected open-ended comments on how the supplier or consumer procurement participants viewed the working relationship, and I analyzed any comments that I perceived to have impact on the working relationship on a qualitative basis. In the event that a supplier’s or consumer procurement participant’s comments revealed a pattern of dysfunctional interactions, I conducted a follow up discussion to investigate whether that pattern resulted in lost production and therefore caused avoidable inefficiencies. If I could determine that the dysfunctional pattern actually caused lost production, then I extrapolated an annual lost volume (on a conservative basis). I collected examples of incidents that had caused lost production within the past 12 months. Likewise, when subjects cited “best practices” and confirmed them in actual examples, I recorded those and entered them into the database.

I worked with Dr. Brenden Kendall of Clemson University to organize the database, generate reports, and analyze results (omitting names and company affiliations from all entries). We prepared reports on a regional basis, as follows:

- Mid-Atlantic Region (North Carolina, Virginia, West Virginia)
- North-East Region (Maine, New Hampshire, Vermont, New York)
- Lake States Region (Michigan, Minnesota, Wisconsin)
- South-East Region (Georgia, South Carolina, Florida, Alabama)
- South-Central Region (Mississippi, Arkansas, Texas, Louisiana)
- Western Region (Oregon, Montana, Washington, California)

We classified participants according to the following categories.

Suppliers	Consumers
Direct Contractor/Operator	Pulp-Paper
Dealer	Composite
Larger Landowner (TIMO, REIT, Private)	Solid Wood
Producer Indirect	Combination

Results

Let’s make note, first of all, of the “business context” in which the Project took place. The forest industry has just come through one of the most painful economic recessions within the last 50 years. Currently (early 2012) paper markets are mixed, and the solid wood business continues in a trough with no immediate relief in housing starts in sight. That this study occurred during a time of extreme economic stress for both suppliers and consumers is an important contextual framework to bear in mind.

I would like to focus on three major findings, common in all regions, which I have concluded call for the full attention of the forest industry. If my candor here seems somewhat blunt, please believe that it is not my intent or desire to be provocative—just to be sure that my observations emerge as clearly as possible. (The full Report’s individual region reports contain an expanded listing and region-by-region analyses.)

Finding Number One – Relationship Damage

In my 40+ years in this business serving the industry in various wood procurement functions, I don’t think that I have ever seen supplier morale at a lower level. Based on anecdotal evidence and confidential hard data prepared by accounting firms, almost 40% of the contract loggers/truckers were found to be operating at a loss financially, or at

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best break-even.

The focus of this Project is not logging or trucking economics; however, the prolonged financial stress under which both suppliers and consumers operate is having an inescapable impact on the working relationship.

Suppliers in general like and respect the *procurement representatives* they work with day to day, but they have come to resent the *procurement system* that many consumer companies have set in place. Likewise, procurement people have a high regard for the suppliers and are indeed apprehensive that cost-control policies may have damaged the supply chain.

The consumer companies have necessarily focused on cost reduction to keep the mills running, and all segments of the supplier community understand that the forest industry is experiencing a deep recession and that suppliers had to suffer as well. However, a large part of the suppliers stated that they perceive that consuming mills have "abandoned" them. The recession has put a deep divide in the relationships. Rather than working together to manage through the crisis, most of the suppliers say they experienced increased isolation.

Some consumer procurement policies may be described as the "commodity approach." That approach may be characterized as "let market forces decide the survivors." It sends a clear message that relationships don't count.

For example, many consumers abruptly cancelled pre-recession commitments and placed all production orders on a week-to-week basis, providing no security in terms of volume or delivered pricing. Across the South, there was typically no recognition given to sharply rising fuel prices or any other rising expenses presumed to be recession-proof. In the West, many consuming mills and large landowners implemented bidding policies on harvest and transportation services, effectively breaking any long-term relationships. Suppliers that had inventories of stumpage purchased ahead found themselves at the mercy of falling stumpage prices and reduced delivery prices.

More recently, there is additional stress due to another spike in fuel prices. I can say confidently, having been in the bowels of the wood business, that almost 40% of today's logging-trucking capacity is at risk of business failure.

Many consumer procurement organizations pulled back in relationships at a time when the suppliers needed a *managed capacity reduction* to match reduced wood demand so they could stay viable through the downturn. Supplier company owners stated a common sentiment "*we know the mills had to survive and*

we needed them to keep running, but why couldn't consuming mills and large corporate landowners just work with us to minimize the damage?"

There were, however, some consuming companies that did take a more supportive approach and worked closely with suppliers to navigate the recession. Both consuming mills and large corporate landowners worked with loggers and truckers to downsize to minimize the damage as all suffered through the recession over the last three years. Several Northeast and Lake States consuming companies have implementing longer-term commitments over the last two years that have resulted in improved relations with their suppliers and stable supply chains.

But more than 66% of the suppliers throughout the South and Western regions expressed dismay and hurt. *Bottom line:* it will take some dramatic changes before the logging-trucking community can rebuild an acceptable level of confidence that the forest industry cares about the sustainability of its services.

Finding Number Two – Logging Capacity Disinvestment

The economic strain has resulted in significant disinvestment in logging capacity. Disinvestment may happen in any of three ways.

- 1) Close the business, and sell equipment.
- 2) Downsize to adjust to lower market demand, and sell excess equipment.
- 3) Keep running, but hold off on normal equipment replacement and minimize any investment in stumpage (i.e., burn up business equity).

It was clear that the majority of the suppliers are in a "hunker down" mode if they are still operating. At least half of loggers nationwide have delayed normal equipment replacement schedules. Interviews with several logging equipment regional sales managers confirmed that sales of new equipment have been at 25% to 40% of normal levels during the last 3 years.

Trucking capacity in the Western states and in spots across the South is classified as "very tight." Maintenance costs rise and downtime increases as equipment gets older, exacerbating logging economics. Although the generally mild weather conditions across the U.S. and periodic mill outages have not really tested the wood supply system in most areas for the last two years, most (75%) of the procurement people I interviewed expressed concern about the adequacy of logging capacity once building products markets recover or some long-term inclement weather systems occur.

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To be sure, past history shows that the logging business has been able to recover in down economic cycles and bounce back. However, today there are serious barriers that cast doubt about the recurrence of that pattern. The reasons for this doubt are obvious:

- Tight money for logging equipment due to more restrictive banking regulations
- High cost of new equipment
- Doubts about consuming mills' economic viability
- Aging ownership of logging businesses, that tend to be risk-averse
- Concern about future timber supply
- Concern about getting and holding reliable labor
- Training requirements for certification

Again, I must point out that nationwide production capacity is in serious danger of being damaged beyond a quick recovery. Those of us that have been around for a while have seen logging capacity go through tough times and then consistently bounce back, with adequate people willing to invest in the business when the situation stabilizes. My opinion is that this time is different. Even people who are willing to invest will not be able to get the capital from traditional sources.

Finding Number Three – Productivity Leakage

The issues this Project raises have impacted working relationships and resulted in a loss of trust in the system. That observation alone is important, but the more critical factor is that *breakdowns in relationship often result in lost productivity.*

Consider, for example, a breakdown in communication related to a mill outage. The result is trucks being dispatched to the closed mill and then having to return to the woods, be reloaded to go to another destination, losing several loads that day. Another example: the procurement organization decides to take wood from a non-regular source to surge inventory levels, and the following week places all regular suppliers on quota. Apart from these two examples, there are numerous other situations resulting in lost production that cannot be regained. Lost production hurts suppliers' bottom-lines and ultimately adds cost to the consuming mills.

The following table shows a nationwide estimated annual lost production tonnage designated by suppliers, on a conservative basis

Lost Production Summary – All Regions

INTERACTION AREA	TOTAL TONNAGE REPORTED	AVG/SUPPLIER
Negotiations	1,707,900	11,090
Planning	1,963,100	12,831
Feedback	126,000	846
Problem Solving and Communications	806,300	5,485
Annual Totals	4,603,300	30,252
Total Sample Production	65,927,000	425,335.48
Loss% of Total Sample	7.0%	7.1%

As the table shows, relationships have quantifiable monetary value to the supply chain. Suppliers I interviewed reported a total annual loss of production of 4.6 million tons, representing seven percent of the total sample. I calculated an average annual loss of 30,000 tons for each supplier sampled.

This data contains some large dealerships and large landowners. A more typical logging company that is capable of producing 75 loads per week would stand to lose 270 loads annually at the 7% rate. Logging has plenty of unavoidable production losses such as:

- Inoperable ground conditions due to inclement weather
- Equipment breakdowns
- Moving between tracts

But when the relationship is dysfunctional, the following factors, theoretically controllable, fall out of control:

- Frequent variable quotas
- Truck delays due to poor woodyard management
- Poor communications
- Poor planning

According to this study, losses due to controllable factors can amount to 4% to 15%, depending on the region. Approximately 45% to 50% of logging costs are fixed in nature. A small percentage of loads per week, compounded by the effects of uncontrollable natural events, can have a huge impact on margins and cash flow.

Suppliers need consistent base commitments from their customer mills to be able to have some reasonable planning horizon for their business. A large percentage of the suppliers nationwide basically work week to week with no firm commitments beyond the following week. Is it reasonable that highly professional people, dealing with that kind of uncertainty, would continue to stay in the business?

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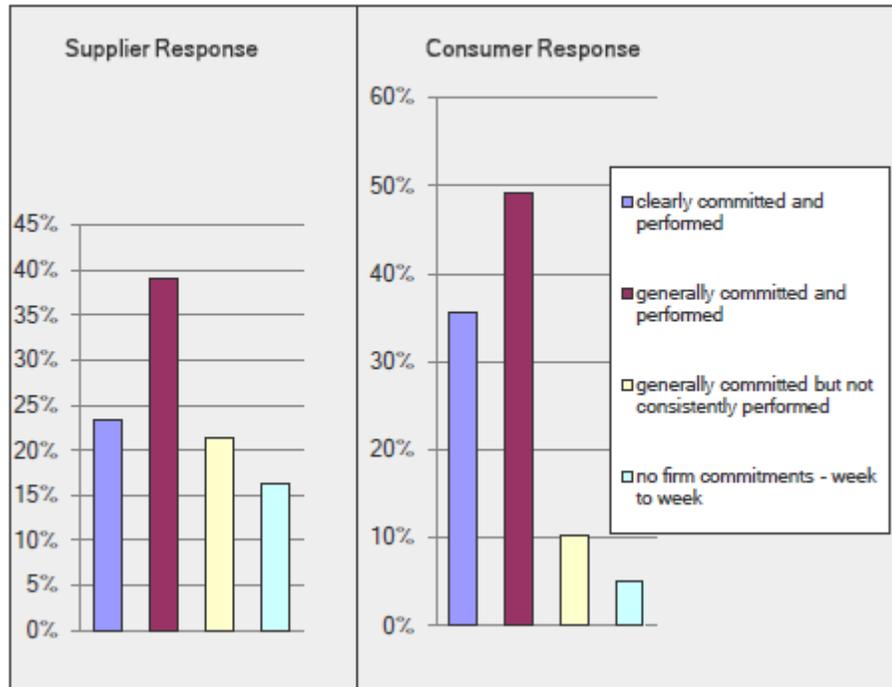
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Procurement staffs point out that a large percentage of their roundwood supply is set up through "tract-specific transactions" that recognize the need for stability in stumpage purchases. That practice has really helped suppliers that purchase stumpage. The following Chart provides a summary of how Suppliers and Consumer Procurement people view volume commitments.

Negotiated Volume Commitments



What is significant in this response summary, across all the regions, is that 63% of the suppliers interviewed stated that they had verbal volume commitments that were dependable. In contrast, 85% of the consumer procurement stated that they provided dependable volume commitments. Part of the response disparity may be from logging contractors interviewed that worked within a dealer structure and did not directly receive solid volume commitments. .

Recommendations

Assuming that the Supplier/Consumer relationship assessment presented in this paper is accurate, the following are some broad recommendations offered to set strategy to stabilize the supply chain relationship. I would strongly urge all procurement organizations to address these issues energetically. The consequence of letting a large portion of loggers-truckers drop out would be more damage than consumers can absorb. Each individual company will have to assess the status of its relationship with suppliers and then develop appropriate actions to follow. It is important for all procurement personnel to step back and take an honest assessment of the real situation. Here are some broad first step actions to be considered:

- ***I strongly recommend that the first step is for the senior procurement managers to communicate the real situation clearly to the company's top management.*** This is a business strategy, not a "feel good" mission. The suppliers do not need charity; they need a chance to work with their customer companies toward raw material supply security for the consuming plants. The operating mills are the future of all the stakeholders and must stay viable. Viability in the logging operations is necessary for that to happen.
- ***What seems to be missing is awareness that the independent wood supply contract system is an essential asset to the forest industry that contributes clearly to the industry's global competitiveness.*** Consider the following points.
 - o Promoting the continuation of professional and ethical suppliers with good management

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skills is as much a part of viable manufacturing as having experienced/competent employees or state-of-the art manufacturing equipment. If the raw-material supply chain asset in its current form is seriously damaged or goes extinct, then there is a huge price to pay to replace it. These remaining suppliers who have survived one of the worst downturns in our history have had to become as efficient as possible.

- o In addition, there are few younger supplier owner/operators who are willing to make a career in the business. Don't forget that the contract suppliers have critical skills to purchase stumpage, build credibility with landowners, and provide certifiable logging systems. These attributes are not replaced without years of careful development and huge capital investment.
- o The quality of the people in the business is still very high, and these people need a healthy working relationship with their customers. U.S. independent wood suppliers are producing a commodity in raw wood, *but the complex function and organization of procuring stumpage and managing compliant harvesting/trucking systems requires very specialized and critical skill sets not easily duplicated in any other systems.*

Provide a more stable operating environment to your key suppliers. It is absolutely amazing that many of the suppliers work with no security, no firm volumes (except week to week), under arbitrary decisions made from outside their influence, under increasingly restrictive regulations, and bearing the burden of huge, risky capital investments of standing timber and equipment-apart from constantly changing weather conditions. In developing this stable operating environment, I recommend establishing alliances with key suppliers in terms of strategic stumpage purchases, careful planning to maximize woodyard storage, and a focused effort to revive the economic health of the suppliers.

For the supplier community, you need to move away from a negative attitude. In spite of the tough times, clinging to a negative attitude will only discourage initiatives from your customers. Your customers are not the enemy. They have pressures on them, from stockholders and other business forces through the recession that have dominated the business environment. Maintaining the surviving manufacturing base and moving it back to profitability has been an essential focus. A positive, non-threatening approach will be critical to a successful rebuilding of the relationships. Put the past in the rear-view mirror and focus on the future.

The industry is at a turning point and must respond to the reality of the situation or face some severe cost pressures. The manufacturing company and supplier capacity that have survived the last few difficult years have all gained tremendous efficiencies. It is time for each consuming company to take a fresh approach to its wood and fiber supply system, focusing on how it can be stabilized, by means of a deliberate look forward. "Reacting" is not enough. Procurement organizations need well-thought-out strategies for working with suppliers to nurture the system by jointly planning ahead. *Rebuilding trust* between suppliers and consumer organizations must be a priority. I am calling for basic *cultural* change on both sides in order to make a lasting *structural* change in the system. Contracts need to be of value to both the consumer companies and the suppliers. Contracts need to have credibility to the financial institutions and for business succession purposes to build a stable supply chain for the future. Suppliers of all sizes and all business structures need to focus on building a positive working relationship, to do everything they can to make their customers successful. If firm commitments are offered and accepted then suppliers need to understand that performance of those commitments is not optional.

In Closing

This is a great industry, and WSRI's purpose is to bring straightforward issues to the table that is in the interest of the Wood Supply System. This Project's intent, in line with that purpose, is to provide real data that can aid in developing intelligent approaches to working toward supply chain optimization.

We will continue to face real and current issues that are important to all the stakeholders. It is important for each individual participant to develop sound business strategies based on the best data available.

THE AUTHOR

Don Taylor currently owns and operates **Sustainable Resource Systems LLC** that specializes in strategy and organization of all aspects of wood supply systems. Don has over 40 years in the forest industry beginning with Champion International serving in regional operations to Vice President of Forest Resources in Stamford, Connecticut. After retiring from Champion he joined PricewaterhouseCoopers in their Forest and Paper practice. He lives in Greenville, South Carolina, working in his consulting business, and has conducted research projects in two nation-wide Logging Capacity projects and this project. He holds a bachelor and master degree in forest science, and an MBA.

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Professional Wood Supplier's Top Five Factors for Success

Introduction

In the initial stages of the "Supplier-Consumer Relations Study", a proposal was offered for a separate research project entitled "Top Factors for Success in the Wood Business". Given that the Supplier-Consumer Relations study was going to a significant number of suppliers nation-wide to conduct confidential face to face interviews, it made sense to merge "Factors for Success" and the "Supplier-Consumer" projects. The subject matter for both projects is closely related.

Methodology

Interviews with roundwood suppliers were conducted over six regions of the U.S. At the end of each interview the question was structured as follows:

"If you had a son or daughter who wanted to go into the forest harvesting related business, what would you say are the top five factors for success - with number one being of highest importance?"

The responses were recorded in a manner that the first response was the most important, the second response as the second most important through a total of five factors. Each individual response was entered into a database by their importance ranking and assigned a category designation. A point system was developed to provide weighting in accordance to the importance ranking as follows:

Number one response = 5 points
Number two response = 4 points
Number three response = 3 points
Number four response = 2 points
Number five response = 1 point

Further the responses were assigned category identification and grouped accordingly. For example: a response from a supplier such as; "to be a success in the wood business, you must be able to monitor your costs and know where you are financially at all times". The category for this comment was "business knowledge". Another example; "to be a success in the wood business, you must understand that this is not a 8 to 5 job and you need to be ready to work long hours". The category for this comment was "time investment". So a matrix of weighted responses and category classifications were constructed, and an excerpt was written for the top five categories according to highest number of total points by response category.

Results

The quality of the responses received from the suppliers interviewed was very good and patterned consistently throughout all six regions studied. Most suppliers were very thoughtful and carefully answered the question below:

"If you had a son or daughter who wanted to go into the forest harvesting related business, what would you say are the top five factors for success - with number one being of highest importance?"

There were only 11 suppliers out of 149 total suppliers interviewed that declined to comment on the question or were negative about anyone entering the wood business. Given the current economic circumstances in the forest industry and logging business in particular, it is not surprising that there were some who would not respond. However, over 95% of them were positive with their comments and seriously responded to the question.

In the next section, the top five factors for success are summarized.

Top Factors for Success

1. **Business Knowledge:** *The number one factor for success from suppliers is a broad-based knowledge of business that include cost monitoring, business finance, operations management, and legal/ regulatory compliance.*

Professional Suppliers consistently commented on the current complexity of running a business compared to 20 years ago. Some of the more common themes were recorded as follows:

- a. Understanding how to plan and grow the business at a reasonable pace without getting over-leveraged or beyond the ability of the market to absorb their production.
- b. Having an accounting system in place so financial performance can be monitored consistently (knowing where you are financially).
- c. Having management skills to motivate and lead people in an effective way to maximize production in a safe manner.
- d. Keeping current on all regulations so that the business is not jeopardized by non-compliance violations.

(Continued on page 24)

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2. **Relationships:** *The number two factor for success from suppliers is the necessity to establish and maintain excellent relationships with people that are critical to the function of the business such as procurement managers, landowners, financial institutions, employees, and equipment sales-service providers.*

Professional Suppliers frequently linked success to functional relationships that are important to operate their businesses. Elements of critical relationships are as follows:

- a. Relationships are necessary to function in every aspect of the business.
- b. Relationships must be cultivated and cannot be taken for granted.
- c. Good communications are required to maintain relationships
- d. The establishment of trust and integrity are absolutely foundational to a good business relationship.
- e. Many suppliers also pointed out the value of being active in associations and community organizations to receive a broader view outside their day to day world. Involvement in the community affairs is sometimes necessary to advocate forest business interests.

3. **Integrity:** *The number three factor for success from suppliers is to consistently maintain a high degree of integrity in every aspect of the business.*

Professional Suppliers without exception place integrity as a high priority to long-term success of a forest operations business. The nature of timber acquisition, landowner transactions, financial ratings, development of good employees, and commitments made to customer mills is highly dependent on the integrity of the business owner-operator.

4. **Time Investment:** *The number four factor for success from suppliers is a willingness to commit the personal time demanded for this kind of operation.*

Almost every Professional Supplier interviewed stressed the fact that the wood business required a willingness to work long-hard hours. At the core of these statements is the "work ethic". Their points can be summarized as follows:

- a. This is a business that cannot be run remotely – too many things can happen if the owner-operator is not on the job.
- b. Operations of this nature cannot afford to experience excessive lost time.

- c. The planning, supervision, and technical aspects required for the wood business can be overwhelming and cannot be neglected.
- d. Continuous training to keep up with the latest regulations and voluntary best practices results in a constant demand on time for the owner and their key employees.

5. **Employee Quality:** *The number five factor for success from suppliers is recruiting and holding capable and dependable employees.*

Many Professional Suppliers made the statement that your people (employees) can either make or break a wood supply business. As logging operations have trended toward mechanization, the equipment operators and support people have become highly important. The consistent care for the equipment and skills needed to gain maximum productivity under a wide variety of conditions requires competent people that can be trusted. Obviously, the way employees are treated has a huge influence on retaining good employees.

Other Frequently Mentioned Factors

The following is a listing of other significant factors listed by suppliers that did not make the top five list but were important to mention:

1. A focus on doing **quality harvesting work consistently**. This is highly important to landowners and to the suppliers in maintaining a reputation as someone that will do it right the first time.
2. A **basic love for the doing forest harvesting work**. This is not a profession that one would want to enter if there is not a deep appreciation for forestry principles and the logging operations.
3. A willingness to stay **flexible and to be willing to innovate** to make the harvesting and transportation operations more efficient. If a supplier has a difficult time changing or adjusting when necessary, the business cannot be sustained.
4. As the wood business evolves and becomes more complex, the **level of education** increases. Many suppliers advise sons/daughters considering being in the business to first earn a college degree in business, forestry, or operational management.
5. **Personal and Family health** and attention to your family was an important factor for long-term success in the wood business especially due to the high demand for time required to be successful. Two suppliers mentioned the need for an understanding spouse.
6. **Equipment care and maintenance** was indi-

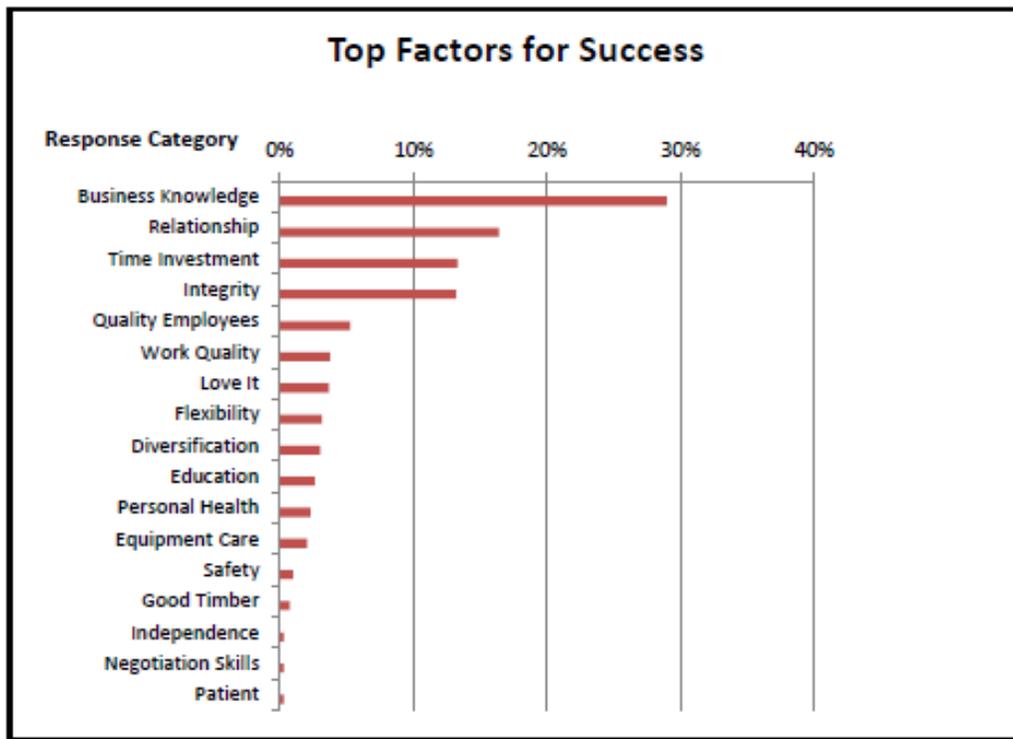
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rectly included in the top factors for success but some suppliers insisted that it is a separate and highly important factor.

7. Other honorable mention factors **were safety, having good timber, independence in the market place, and negotiation skills.**

It should be understood that none of the factors mentioned are unimportant. But the task of this study was *to identify those of highest importance from well experienced professional wood suppliers.* A ranking of Success Factors is shown in the following graph. That rank order is by Response Category with the highest percentage of total accumulated points to the lowest.



Overall, the quality input received from the supplier community is another strong indication that there is a wealth of high caliber people in this business. Those that have survived the last few years have gained some valuable experience and are very aware that this business cannot be successful without bringing to bear a multitude of skills. Going forward, it will be highly important for the forest industry to clearly understand the demands on owners and operators of the forest harvesting and transportation business and the importance of holding capable people to sustain the independent wood supply system.

Don R. Taylor
Sustainable Resource Systems, LLC
for Wood Supply Research Institute
5-25-2011

AMERICAN LOGGERS COUNCIL



**18th Annual Meeting
October 4 – 6, 2012
Coeur d'Alene, Idaho**

“Experience Idaho”

On behalf of the American Loggers Council, I invite you to attend our 18th Annual meeting in beautiful and historic Coeur d'Alene, Idaho. The Coeur d'Alene area offers one of the most scenic vistas found anywhere in the continental U.S.

The Coeur d'Alene Golf & Spa Resort is located on the shore of beautiful Lake Coeur d'Alene, in the heart of the quaint downtown district offering unique shopping, dining and entertainment.

Your flight into Spokane, Washington will allow you to take the short drive east to Coeur d'Alene and arrive at the resort in about 40 minutes.

The five-star resort offers amenities such as golf, a full service European

Spa, lake cruises, private beaches, shopping and a whole host of other activities that will make your visit here a memorable one.

Jena' and I are excited that you are visiting our part of the country, and she and I, as well as the Associated Logging Contractors of Idaho, will do all that we can to make this a trip that you will enjoy. Come relax in the surroundings and find out why we are proud to call this part of Idaho our home.

Steve Sherich
President – American Loggers Council

SCTPA Comments: *This ALC annual meeting will be a great experience. Many events are scheduled including the ALC board of directors and full member meetings, golf outing, president's reception, dinner and farewell banquet, ALC auction, ladies Lake Coeur d'Alene cruise and brunch, logging jobsite tour, technical sessions for the history of logging in northern Idaho and exploring off shore markets for your products, Hatton-Brown Publishing and Timber Harvesting magazine Logging Business of the Year award, President's and Bubba awards and a host of opportunities to visit this beautiful part of Idaho.*

For information and registration, contact ALC's Danny Dructor at 409-625-0206 or email at americanlogger@aol.com SCTPA has registration packages if you are interested. Contact the SCTPA office.



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SCTPA 2013 Annual Meeting ... A Venue Change

SCTPA is excited to announce our 2013 Annual Meeting will be held February 1 - 3 at the Springmaid Beach Resort & Conference Center, 3200 South Ocean Boulevard, Myrtle Beach.

After many years of conducting our annual meeting at the Crown Reef Resort and Conference Center, a venue change was needed. And this change is exciting.

SCTPA's president visited with Pam Reis, Springmaid Beach Resort Sales Director, on June 19th to discuss the 2013 annual meeting. Pam was Sales Director at Crown Reef and knows how our annual meeting functions. So this is very good in terms of knowing what we expect, need and want.

Several guest rooms and the conference center were toured. The facilities were very impressive. Springmaid had just completed in May a \$6.5 million renovation of guest rooms. All new beds, mattresses, marble counter tops, carpet, paint, fixtures, coffee makers and big screen televisions were installed.

Rooms connected to the conference center are all double queen beds equipped with a full size refrigerator-freezer and two sinks, one inside and one outside the bathroom. Rooms with king bed along with one and two bedroom suites are located in a building across the property. There is a limited number of king and suites available.

The Conference Center was impressive. There will be a slight change in how the annual meeting functions,

as the conference center has three floors. There is a small function scheduled for the first floor that will not interfere with our meeting. SCTPA will utilize the second and third floors.

The second floor will be used for registration desk, exhibitors and speaker presentations. The third floor will be used for the Friday night reception, Saturday breakfasts and lunch and Sunday's prayer breakfast. The third floor has a panoramic view of the beach and Atlantic Ocean.

Marlin's is the on-site restaurant and should be open. Barnacles restaurant is located on Springmaid Pier adjacent to the resort and also may be available.

The usual flow of events will be scheduled. There will be more exhibitor space on the second floor available. We'll also be able to utilize the parking lot for outside exhibitors with equipment, trucks and trailers.

Room rates have been negotiated as follow; Live Oaks - \$ 54 for single, double, triple & quad rate: 2 Bedroom Suite - \$ 84 for single, double, triple & quad rate: 1 Bedroom Suite - \$ 74 for single, double, triple & quad rate. Room block cut off is January 7, 2013.

Meeting preparations and speaker invitations are already underway. Annual meeting packages will be mailed this Fall.

Check out Springmaid Beach Resort at Springmaid-Beach.com



SC TEACHERS' TOUR RESPONSES TO SCTPA

These comments have been received by SCTPA for our participation in the 2012 SC Teachers Tour. Just thought these should be shared to re-emphasize the importance of the tour to educate our teachers so they can go forth and "preach the gospel of South Carolina sustainable forestry and professional timber harvesting industry."

Louise N. Pease, Divine Redeemer Catholic School, 5th – 8th Grades, Language Arts, North Charleston

Dear Crad,

Thank you for helping to make the "2012 Teachers' Tour" an amazing experience. You represent the Timber Producers well. I was not familiar with "Log-A-Load" and its generosity. This course was the best I've

taken. It was well organized, content rich and inspirational. P.S. Thanks for the great lunch!

Edward Enggasser, Informal Educator, 4H Watershed Ecology, Greenville

Dear SCTPA & Crad,

Thank you for your support of the PLT Teachers Tour this year. Through your sponsorship and direct involvement, I have gained a valuable understanding and appreciation of the forests and industry it maintains in South Carolina. P.S. Looking forward to sharing this new perspective and also really like the America At Work – Forestry book – has received great feedback already.

James Roberts, Aynor High School, 9th – 12th Grades, Forestry, Wildlife & AgriScience, Aynor

Dear Mr. Crad Jaynes,

I recently attended the 2012 SC Sustainable Forestry Teachers' Tour. I would like to thank you and your company for sponsoring this worthy event. The staff was very knowledgeable and the tours were informative. SC Forestry is in great hands with professionals

(Continued on page 30)



SC TOP Program 2012 Revision Reminder

This year brings a new look to the SC Timber Operations Professional (TOP) Program originally created in 1994. The program assists loggers and Sustainable Forestry Initiative (SFI) certified companies to provide essential training to address environmental issues.

Based on feedback from SFI TOP Trained individuals and other factors, the SCFA TOP Committee has decided to revise the training requirements and program administration. Additionally, SC Timber Producers Association members have worked closely in formulating the changes and endorse the improved revision.

Details have been finalized to make the program requirements simplified and easy to understand. New logger training topics required by the SFI 2010-2014 Standard will be incorporated into this revision.

Basic requirements for the newly revised TOP program include the following elements.

- In order to be eligible to migrate to the new training system you must be a current TOP trained individual as of June 30, 2012. This means expired TOP individuals in 2011 must have completed and submitted to SCFA all training hours needed under the current system by June 30, 2012.
- All participants will now have a common annual expiration date of June 30th each year. The first expiration date for all current TOP SFI Trained individuals is June 30, 2013.
- All participants will be required to view a SCFA TOP Committee produced training DVD annually. Viewing sessions will be offered and coordinated by approved facilitators.
- All participants will pay an \$80 annual fee to maintain current TOP SFI Trained status. The SC TOP Committee will use fees to pay for DVD production costs and various program administrative expenses.
- After implementation, any TOP SFI Trained individual that does not view the training DVD and pay their \$80 annual fee by the June 30th expiration date must complete the 3-Day TOP class and pay the fee to reinstate their TOP SFI Trained status.
- **Implementation began July 1, 2012.**

The SCFA TOP Committee and SC Timber Producers Association are confident you will be pleased with this new revision and the advantages it will offer in meeting everyone's needs. Further information can be found on the SCFA website www.scforestry.org by clicking Logger Training on the SCFA Programs page.

You may check your TOP SFI Trained status by clicking the SFI Trained Individuals list on this page. To order program materials, become a facilitator, or find out more about the new program, please contact TOP Program Administrator Sally Tucker at 803-798-4170 or sally@scforestry.org.

(Continued from page 28)

such as you who see the need to educate not only the public but the youth of this state about the wonderful things happening in the forestry industry.

I am an agriculture teacher at Aynor High School and I will implement what I have learned into my curriculum. I learned much that my students can benefit from and that I may also put to use on my personal farm. Once again, thanks for your part in this outstanding event. P.S. Thanks for answering our questions.



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THANKS TO OUR LOGGING STOP LUNCH SPONSORS

Thanks to the eleven members for your donations to help SCTPA sponsor the Teachers Tour Logging Stop and In The Woods Lunch. Your donations greatly helped the association with the event cost. This stop is always the most exciting for the teachers so we strive to make it the best stop on the tour.

The professional timber harvesting stop was at the jobsite of Michael Doolittle, Charles K. Doolittle, Inc., Newberry, on Tom Counts' property on U.S. 176 in Newberry County.

The tract was outstanding for the teachers to see a fully mechanized treelength harvesting operation along with woody biomass chipping. Pine pulpwood and sawtimber, poles and pilings, hardwood pulpwood and sawtimber were being harvested for delivery to local markets. Michael was also fuel chipping unmerchantable understory for delivery to Norbord SC for renewable energy production for the OSB mill.

Michael did a great job explaining his entire operation, landowner goals, individual machines and answering the multitude of questions presented by the teachers. He even shut the job down for a period so the teachers could get an up close look at the equipment, trucks and trailers. Thanks Michael for a great job.

SCTPA provided each teacher an information package containing an Honorary Timber Harvester Member certificate, articles and stories about professional timber harvesting, association stickers, and description of Michael's operation with a complete equipment spread list with each unit's replacement cost. SCTPA caps were given to each teacher on the opening day of the week.

After the jobsite tour, lunch was served catered by Goodies By Design in Newberry. Tents, tables, chairs and even a port-a-john

were provided on site. The teachers had an opportunity to eat and ask more questions about the operations. It was a great meal and a great time for the teachers to get up close to a professional logger and crew.



Lunch sponsor Steve Smith and Alan Brockington, Cross Creek Timber, LLC, along with Danny McKittrick, McKittrick Timber, LLC, Billy McKinney, Highland Timber Co., LLC, Rickey Chapman, Chapman Timber, Inc. and Travis Doolittle, CKD, Inc. were on hand to talk with the teachers, answer questions and have lunch.

Special thanks to Billy, Rickey and Charles Doolittle for their help in setting up the tents, tables and chairs. Likewise thanks to the break down crew of

Rickey, Billy, Danny, Steve, Alan and Travis. Couldn't have done it without you guys. Thanks again.

The stop was a memorable learning experience. Thanks again to Michael and his crew and to our members for helping sponsor this tour stop so the teachers could see "the greatest show on earth."

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Williams Forest Products, Inc.
Bay Area Forest Products, LLC
United Wood Treating Company
SC Timber Producers Association



(l-r) Rickey Chapman, Alan Brockington, Steve Smith, Crad Jaynes, Danny McKittrick, Billy McKinney

SCTPA SUPPORTS REGULATORY REFORM

William Kovacs, Senior Vice President, Environment, Technology & Regulatory Affairs, U. S. Chamber of Commerce, sent the below multi-industry letter to SCTPA that the association has signed on to as a supporter.

Bill spoke at our 2012 Annual Meeting this past February. He provided a tremendous insight into how regulatory agencies such as the U.S. Environmental Protection Agency and other agencies stifle economic growth in this country with over burdensome regulations.

This package of regulatory reform bills is anticipated to go to the U.S. House floor during the July 23rd week. Bill wrote, "This is an unprecedented effort by the House to reform the regulatory process. The various bills, which would be considered during "Red Tape Week," would reduce the crushing regulatory burden on businesses and promote policy that would help jumpstart our economy."

July, 2012

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

The undersigned groups strongly urge you to pass a package of bills which would streamline the federal permitting process, impose transparency on the abused sue and settle process used by agencies and environmental groups to circumvent the rulemaking process, and to prohibit agencies from proposing or finalizing major midnight regulations. The common sense reforms in these bills would make the nation's regulatory process more transparent, efficient, and workable for businesses that create jobs and contribute to economic growth. Sound regulatory policy is not possible unless the process is open and public participation is welcomed by agencies. At the center of these regulatory reform bills is an effort to promote good government practices that encourage efficiency, sound analysis, and public involvement.

To achieve these objectives, **we strongly support:**

H.R. 4377, the "Responsibly and Professionally Invigorating Development (RAPID) Act of 2012." Millions of jobs are never created because of a dysfunctional permitting system that stalls or cancels major projects. For example, 351 stalled energy projects reviewed in a U.S. Chamber of Commerce 2010 study had a total economic value of over \$1 trillion and represented 1.9 million American jobs not created. The RAPID Act would provide a streamlined process for developers to obtain environmental permits and approvals for their projects in a timely and efficient manner, allowing jobs to be created and the economy to grow.

H.R. 3862, the "Sunshine for Regulatory Decrees and Settlements Act of 2012."

Environmental advocacy groups sue federal agencies to issue regulations and then agencies settle these lawsuits behind closed doors. Only *after* a settlement has been agreed to does the public have a chance to provide any comments. This is a pointless exercise because the damage has already been done. More troubling, these settlements often allow advocacy groups and agencies to effectively dictate major policy on their own by circumventing the protections that exist for public participation in our regulatory system. The "Sunshine for Regulatory Decrees and Settlements Act of 2012" would promote openness and transparency in the regulatory process by requiring agencies to

(Continued on page 36)



When the Smoke Clears

Danny Dructor – Executive Vice President

As of this writing, the residents of Colorado are beginning to re-enter the area near Colorado Springs in an attempt to reclaim what is left of the neighborhoods that were taken from them during the peak of the Waldo Canyon Fire. The fire consumed over 17,000 acres of forestland, destroyed at least 346 homes, caused the emergency evacuation of 35,000 people and as of July 1 had cost the taxpayers over 8 million dollars in suppression efforts. After seeing first-hand the dead and dying forests in Colorado we, like other natural resource professionals, knew that it was a question of when, not if, those forests would burn. While the Walden Canyon Fire garners much of the media attention because of the huge economic impact and potential for loss of property and life in and around the Colorado Springs area, there are major fires burning throughout the Western States, wrecking havoc on rural communities, and consuming millions of acres of our nation's federal forest lands. The politically correct press reports that the reasons behind the intense fires are such things as low humidity, below average rainfall, global warming, and yes, even arson, but after reading press release after press release, we have failed to find any mention of the diseased and dying federal forests that have become the catalyst for the intense wildfires that we are seeing in our nation's forest today.

There are reasons the forests are burning beyond what the press will report, perhaps not as sensational to the public, but nonetheless just as important. We have federal policies in place to help protect the forests; the Clean Water Act (CWA), the Endangered Species Act (ESA) and the benchmark National Environmental Policy Act (NEPA). All are all well-intentioned policies promulgated by Congress to assist and guide resource professionals in properly managing the forests, but most are now being used in litigation in federal courtrooms to obstruct professional management of our national forests.

According to a recent document the US House Natural Resources committee obtained from the Department of Justice, more than \$15 million has been paid in attorneys' fees in more than 570 En-

dangered Species Act cases in the last four years. Between 1989 and 2005, there were 949 federal lawsuits filed against the US Forest Service alone as reported by the U.S. Chamber of Commerce. Many of those cases involved NEPA litigation, CWA litigation and ESA litigation. Often during litigation, a project is stalled or shut down while litigation proceeds.

Fire and insects do not pay attention to federal court orders or litigation. As projects are delayed that could prove beneficial to the health of our forests, environmental organizations are lining their pockets with taxpayer dollars at the expense of our National Forests. The CWA, ESA, and NEPA regulations have all become tools to be used at the forest and taxpayers expense in the game that is being played between "non-profit" environmental organizations and liberal courtrooms who are more than willing to interpret these well intended laws as a means of managing our forests for their own political agendas instead of the health of our environment.

Real reform in our environmental laws is needed to restore balance to the management of the National Forest system.

When the smoke clears, will there be an outcry to amend these policies which have become instruments for litigation, or will the general public and the administration once again forget about the need to properly manage our nation's forests simply because they are no longer newsworthy? We intend to keep our focus on these issues because we care about the health and sustainability of our forests and the communities that depend on those forests.

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



Washington Resource Report - USA

Month Ending 06/21/12

Farm Bill: U.S. House Committee on Agriculture Chairman Frank Lucas (R-OK) issued the following statement today after the U.S. Senate passed S. 3240, the Agriculture Reform, Food, and Jobs Act. "I commend Chairwoman Stabenow and Ranking Member Roberts on passage of S. 3240, the Agriculture Reform, Food, and Jobs Act. It was a challenge to move this legislation and their efforts have made it possible. Although there will be differences between the Senate approach and our own, I hope my colleagues are encouraged by this success when we meet on the 11th to consider our own legislation. The House Agriculture Committee will consider a balanced proposal that saves taxpayers billions of dollars, recognizes the diversity of American agriculture, respects the risks producers face, and preserves the tools necessary for food production."

BioPreferred: U.S. Representatives Glenn 'GT' Thompson (R-PA) and Kurt Schrader (D-OR) have introduced the Forest Products Fairness Act of 2012, bipartisan legislation that would open new opportunities for American forestry producers by allowing their products to qualify for the USDA Biobased Markets Program, also known as BioPreferred. The program was originally designed "to increase the purchase and use of biobased products." The program requires USDA to set federal procurement standards and a voluntary label for biobased products, which allows producers to market their products as "USDA certified biobased." As currently implemented by USDA, most forest products are excluded from both the federal procurement preference and the "USDA certified" label. As a result, foreign-produced, imported materials are given preference in the program, rather than U.S.-made forest products. The Forest Products Fairness Act of 2012 would modify the definition of "biobased product" – as defined in the Federal Farm Bill – to include U.S. forest products in the Biobased Markets Program.

Global Warming: Climate change is creating unexpected forests in the Arctic, according to recent studies. While global warming has contributed to the loss of large swaths of boreal forest, it also appears to be producing new trees in the Polar Ural Mountains on the southern Yamal Peninsula in West Siberia, Russia. This Arctic region has historically been home to a variety of low tundra shrubs, but over the past 50 years, they have grown into small trees, according to research published Sunday in the journal *Nature Climate Change*.

Wood vs Steel: Cross-laminated timber, a wood product strong enough to replace steel and concrete in large buildings, is popular in Europe as a cheaper and environmentally friendly alternative, and its proponents are hoping it will catch on in the United States. In London, a 29-unit building made of the material reaches nine sto-

ries high. The panels are built from narrow planks laid side by side to form layers, which are glued together, pressed and trimmed. The panels use a lot of wood, but with good forest management, trees are a sustainable resource. And since photosynthesis removes carbon dioxide from the atmosphere, carbon stored in the panels helps offset greenhouse gases emitted during the construction process and the production and transport of other building materials. Cross-laminated timber buildings could also provide a good use for the millions of pine trees killed in North America by a beetle infestation that has left dead trees as a fire risk in Western forests. But architects, engineers and officials who enforce building codes need to learn more about the material.

ESA: On June 19th the House Natural Resources Committee continued its series of Full Committee oversight hearings to examine how the Endangered Species Act could be improved and updated to help species and people. The hearing, titled "Taxpayer-Funded Litigation: Benefitting Lawyers and Harming Species, Jobs and Schools," focused on how litigious groups use the ESA and other federal laws to hinder species recovery, jobs and societal needs like education.

Wetlands: Legislation intended to block the Obama administration's effort to expand federal pollution and wetlands-filling regulations under the Clean Water Act has won committee approval, setting the stage for a vote by the full House. The House Transportation and Infrastructure Committee voted 33-18 to support a substitute amendment to the bill (H.R. 4965) introduced last month by both Republican and Democratic leaders of the Transportation and Agriculture committees. The bill now has 68 co-sponsors. The legislation would prohibit EPA or the Army Corps of Engineers from finalizing Clean Water Act regulatory guidance proposed by the Obama administration last year that would widen federal Clean Water Act jurisdiction over seemingly isolated streams and wetlands.

Regulation: Republican leaders in Congress are calling on President Obama to commit not to issue any regulations in the final months of his first term, saying that issuing such "midnight rules" would undercut his commitment to transparency and deny lawmakers their proper oversight role. Often times, these new rules are too controversial to have been adopted earlier and result in last minute giveaways to special interests or intentionally ties the hands of a newly elected president. In addition, such regulations may not be subject to the normal political checks and balances of the electorate and timely Congressional oversight. GOP leaders also question Obama's claim in his State of the Union address earlier this year that he has issued fewer regulations than his predecessor. While that is technically true, the number of economically significant federal rules, defined as those having an annual effect on the economy of \$100 million or more, has increased significantly.

(Continued from page 33)

notify the public of these lawsuits before they are settled and giving the public a meaningful voice in the process.

H.R. 4607, the “Midnight Rule Relief Act of 2012.” When there is a lame-duck President, agencies rush rules through the regulatory process after a presidential election and prior to the inauguration of a new President (the so-called “midnight period”). Rules issued during this lame-duck period lead to poorly considered policy due to the rushed process and the lack of accountability imposed on lame-duck Presidents. The “Midnight Rule Relief Act of 2012” would address the problem of midnight rules by prohibiting agencies from proposing or finalizing major rules during the midnight period.

H.R. 4078, the “Regulatory Freeze for Jobs Act of 2012.” The most costly and significant regulations hinder economic growth and job creation. The “Regulatory Freeze for Jobs Act of 2012” would prohibit agencies from issuing the most costly and significant rules until the unemployment rate drops to 6 percent or less.

H.R. 373, the “Unfunded Mandates Information and Transparency Act of 2012.” The “Unfunded Mandates Information and Transparency Act of 2012” would improve upon and help fulfill the promise of the Unfunded Mandates Reform Act of 1995. The new legislation would provide Congress and the public with better information on the effects of unfunded mandates, including those imposed on the private sector.

We strongly urge you to support these important bills.

Sincerely,

FOR IMMEDIATE RELEASE

June 21, 2012
Contact: Rick Cantrell
SFI Vice President and COO
864-653-7224



Award-winning Tree Farmer Skeet Burris Joins SFI Board

WASHINGTON – Award-winning tree farmer Dr. Skeet (A.G.) Burris of South Carolina has been elected to the independent Sustainable Forestry Initiative Inc.® (SFI®) Board of Directors.

Burris and his family turned an abandoned farm in Hampton County, SC, into a 2,700-acre (1,092-hectare) model tree farm certified to the American Tree Farm System (ATFS), winning many national, state and regional conservation and forestry awards, including Private Conservationist of the Year, Forest Landowner of the Year and National Outstanding Tree Farmer.

“I’m proud to have been part of the SFI program since it began because it represents the kind of values my family and I honor every day at

Cypress Bay Plantation,” Burris said today. “SFI stands behind the good work of tree farmers, opening up markets for our products and helping us practice sustainable forestry. It is an honor to represent family forest owners on the SFI board.”

“At SFI, we know how important tree farmers like Skeet Burris are to rural communities across North America, and our standard requirements reflect this,” said SFI President and CEO Kathy Abusow. “Dr. Burris is a welcome addition to our board; he will bring a fresh perspective so we can continue to address the needs of all North Americans fairly and responsibly.”



About 10 million family forest owners account for more than 60 percent of private forest lands in the United States. Through its unique fiber sourcing objectives, the SFI program requires that all

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program participants – both those who manage forest lands and those who buy raw materials – must show they are sourcing fiber from responsible sources and sharing management and stewardship knowledge. SFI Inc. collaborates with the American Tree Farm System to increase certification on family forest lands, and accepts fiber from lands certified to Tree Farm standards as certified content for the SFI on product label. The three-chamber SFI board represents environmental, economic and social interests equally, and members include representatives of environmental, professional and academic groups, independent loggers, family forest landowners, public officials, labor and the forest products sector. Burris replaces Mary Motlow of Tennessee as the representative for family forest owners in the social chamber.

About SFI Inc. (www.sfiprogram.org)

SFI Inc. is an independent 501(c)(3) non-profit charitable organization, and is solely responsible for maintaining, overseeing and improving the internationally recognized Sustainable Forestry Initiative (SFI) program. Across North America, more than 195 million acres/79 million hectares are certified to the SFI forest management standard, making it the largest single forest standard in the world.



**BACKGROUNDER:
Dr. A.G. (Skeet) Burris**

Dr. Skeet (A.G) Burris is an orthodontist in South Carolina whose family owns 2,700-acre (1,092- hectare) Cypress Bay Plantation in Hampton County. Burris and his wife Gail bought an abandoned farm in 1986, and turned it into a model for tree farmers, adding more lands over time as well as leasing 700 acres (283

hectares) and managing them for wildlife such as white-tailed deer, wild turkey and common bobwhite. In addition to producing timber, Cypress Bay Plantation is a popular hunting location. The Burris family planted close to 1 million trees, including valuable timber species such as longleaf and loblolly pine, and five species of oak and ornamental trees as mast crops. They also planted grasses, forbs, shrubs, grains, corn, and sunflowers to feed game and non-game species.

Burris has worked with organizations such as Quail Unlimited, the Quality Deer Management Association, the National Wild Turkey Federation, the South Carolina Waterfowl Association, South Carolina Department of Natural Resources and Clemson University's Extension Service to improve wildlife habitat.

Cypress Bay Plantation has been the site of many field days and tours aimed at raising awareness of the value of sustainable forest management among private forest owners. In 1999, it was the first tree farm in the United States selected as a site for Forested Flyways, a project involving American Tree Farm System, Ducks Unlimited, and International Paper that improved waterfowl habitat and promoted sustainable forest management.

Burris has won many national, state and regional conservation and forestry awards. National awards included Private Conservationist of the Year (2001), Forest Landowner of the Year (2001), National Outstanding Tree Farmer (2000), Outstanding Achievement in Sustainable Forestry Award (1999), Rural Sportsman's Stewardship Farm of the Year for Big Game Management (1999). State awards included the Environmental Awareness Award (2003), Master Tree Farmer of the Year (2000), and South Carolina Tree Farmer of the Year (1995). Burris served as member of the Sustainable Forestry Board (predecessor of the SFI Board of Directors) from 2000 to 2003, and is currently Commissioner for the South Carolina Forestry Commission. He also served on a number of forestry, business and professional associations including National Tree Farm, the South Carolina Forestry Association and Forest Landowners. He was founder of the Hampton County Forest Landowners and Wildlife Management Association. Recently Burris has become active in land preservation through the use of conservation easements, including placing conservation easements on his tree farm.





American Loggers Council

**Quarterly Report to the States
April 1, 2012 – June 30, 2012**

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

Executive Committee

The Executive Committee has met on two separate conference calls in May and June.

The first call held on in May reviewed the minutes from the February 7, 2012 teleconference, the Treasurer's report dated May 2, 2012, and then went into committee reports, including the Legislative Committee, Communications Committee and Membership Committee. The Executive Committee passed a motion for the American Loggers Council to become an associate member of the Federal Forest Resource Coalition.

The second call, held on in June reviewed the minutes from the May 8, 2012 Executive Committee Conference call, the Treasurer's report dated June 4, 2012 and heard committee reports from the Legislative Committee, Transportation Committee, Communications Committee, Membership Committee and Biomass Committee. A recommendation from the Membership Committee pertaining to the results of the dues survey was discussed and will be presented to the Board at the Summer Board of Directors meeting.

Legislation

The legislative committee did not formally meet during the quarter, but both Jim Geisinger and Danny Druactor continue to monitor pending legislation in Congress. Issues that are still working their way through Congress include the 2012 Farm Bill and the Transportation Bill.

The ALC has written and submitted comments on the EPA Notice of Intent to revise stormwater regulations to specify that an NPDES permit is not required for stormwater discharges from logging roads and continues to pursue a permanent legislative remedy to the issue. The ALC continues to participate on weekly conference calls hosted by the National Association of Forest Owners (NAFO) discussing strategy on the Clean Water Act/Forest Roads issue.

The ALC has been working with members of Congress and the Forests in the Farm Bill Coalition to pursue language in the 2012 Farm Bill that would encourage woody biomass for energy programs that would lead to the development of new markets.

On May 18, ALC Board member Richard Schwab testified before the House Agriculture Conservation, Energy and Forests Subcommittee on both the Conservation and Energy Titles of the 2012 Farm Bill. The ALC helped Richard to formulate his comments around the issues that are important to the logging industry, including the need for new markets that are not artificially manipulated by existing markets, fairness in the Bio-based preferred market program, the Forest Inventory Analysis program and extensions for existing USFS Timber Sale contracts that were awarded when market prices were higher, but now can not be produced at a profit due to the decline in the markets.

The ALC has been asked by members of Congress for feedback on several bills that have been introduced in the House, including HR 4109 and the proposed "Self-Sufficient Community Lands Act of 2012" that will be introduced by Congressman Labrador.

The ALC was one of only 2 forestry organizations that weighed in and supported the National Oceans Policy Act, HR 5326, which would not allow the administration to use an Executive Order issued by the President to further regulate waters of the US, including streams and rivers that run into the oceans.

The ALC also participated in the National Labor Management Committee via conference call in April.

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Transportation

The ALC transportation committee met in May via teleconference to discuss actions pertaining to the Surface Transportation and Reauthorization Act. The ALC has been working with members of Congress who sit on the Conference Committee asking for inclusion of the ALC truck weight language to be inserted into the Bill.

The ALC has also been working with the Owner Operator Independent Driver Association (OOIDA) seeking removal of language found in the Senate version of the Transportation bill that would require that all trucks have On-Board Electronic Recorders. ALC members in Louisiana, Oregon and Wisconsin have sent requests to their respective Congressmen and Senators who are currently sitting on the Transportation Bill Working Group that is focusing on this issue.

Communications

There have been monthly "As We See It" columns produced in April, May and June that have been authored by SFI Board Chairman Bob Luoto, ALC Transportation Committee Chair Doug Duncan, ALC Vice President Myles Anderson, and President, Steve Sherich.

The ALC web site store is now active and items with the ALC branding are now for sale. There have been a few video submissions and that section of the home page is now up and running as well. News articles continue to be added to the site. The Annual Meeting registration information has also been added to the web site.

The ALC produced an editorial for the "Timberlines" section of the May/June edition of Timber Harvesting & Wood Fiber Operations Magazine based on the findings of the WSRI study conducted by Don Taylor on mill/supplier relationships and distributed a copy of the editorial to the member states.

The ALC was also interviewed for an article that will be appearing in the National Woodland Owners magazine to be published in July.

The ALC and Facebook and Twitter pages are active and are being updated with timely information.

Membership

The membership committee held a conference call in June to discuss the membership dues survey results and to formulate a recommendation to the Board as a result of those findings. The recommendation was discussed with the Executive Committee on June 11 and will be presented to the full Board at the Summer Board of Directors meeting.

The sponsorship drive has reached 106% of its target for 2012 with commitments totaling \$132,000 out of a \$125,000 target. The budget required a minimum of \$80,000 in sponsorships for 2012.

Work continues as an ongoing process to recruit new sponsors for the ALC.

This year's Membership committee chairman, Nate Clark, has done an excellent job, however a new position with Deere has resulted in him having to step down from this position. ALC Vice President, Myles Anderson has taken the leadership role on this committee.

Biomass Committee

There has not been any action from this committee during the 2nd quarter. The ALC will remain engaged on energy policies in Washington as they emerge (i.e. Farm Bill). During the June Executive committee conference call, it was decided that the committee host a teleconference with committee participants to help formalize the committee and work on strategy for any energy policies that might be forthcoming out of Washington.

Master Logger Certification Committee

There has not been any action or report from this committee during the 2nd quarter. The ALC will continue to promote the MLC© program as well as continue to work with the Sustainable Forestry Board in a Resources Committee member capacity. The SFI© Resources Committee met once during the quarter and the ALC was represented via conference call.

Wood Supply Research Institute

ALC members have been solicited to support the WSRI. Danny Ductor sent out email notices to the Western States Executive Directors inquiring about their position of support for the WSRI. There will be a

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meeting of the Association Executives at the Summer Board of Directors meeting to further discuss.

Travel

Travel in the 2nd Quarter of 2012 involved a trip in April to Shreveport, Louisiana to visit with Encana Gas to learn more about the potential for utilizing natural gas as a fuel source for transportation vehicles and to try and recruit Encana Gas as a sponsor for the ALC.

Danny traveled to Idaho in April to attend the Associated Logging Contactors, Inc. Annual Meeting as well as to visit and make plans for the ALC 2012 Annual Meeting in Coeur d'Alene, Idaho. Danny met with Steve and Jena Sherich and Shawn Keough, as well as staff from the Coeur d'Alene Resort.

In May, Danny Dructor and Travis Taylor traveled to Richmond, Virginia to attend the Richmond Expo. While there, they met with many of the current sponsors of the ALC as well as attempted to recruit new sponsors. Follow-up to those visits continue.

In June, Danny attended the Forestry Research Advisory Council meeting in Washington, DC. While there, he also visited with Frank Stewart and

discussed strategy for moving ALC positions forward in pending legislation.

Washington Resource

Frank Stewart (Washington Resource) has assisted the ALC in the 2nd quarter by producing monthly updates on pending legislation, attending two meetings that were not priority for the ALC, and most importantly assisting in the timely reproduction and delivery of Richard Schwab's testimony to the House Subcommittee on Conservation, Energy and Forestry prior to Richard's appearance. Frank also attended the hearing. Frank has also worked with Congressman Southerland's staff to help relay ALC positions and information in a timely manner.

National Advisory Committee for Implementation of the National Forest System Land Management Planning Rule

Jim Geisinger was not selected to serve on the committee, but Tom Troxel was and Jim has indicated that Tom will be a good advocate for our industry. The ALC received a phone call from Bill Timko, USFS DC office, explaining that he would have liked to have had Jim serve on the committee, but the applicant list was very long and Jim was simply not chosen.

CULTURAL CHANGE NEEDED IN PROCUREMENT SYSTEMS

By Daniel J. Dructor

As our industry continues to struggle during a period that can only be defined as a recession, a recent study completed by the Wood Supply Research Institute (WSRI) helps us to understand the relationships that exist between suppliers and the mills, and the real benefits that can be gained by both parties if they can work together to make a lasting cultural change in the system.

Over the past 12 months, Don Taylor, who contracted with the WSRI for the mill-supplier relationship study, conducted over 225 face-to-face interviews across the U.S. with logging contractors, procurement managers, TIMO representatives and other forest landowners; first asking structured questions and then receiving open-end comments related to mill/supplier relationships.

To no one's surprise, the findings indicated there are differing opinions based on the participants' respective turf, as to how well those business relationships are working.

Don did an excellent job in recording and reporting on these differences, noting that many of the issues and divides revolve around supply contracts themselves, and that there are significant gains to be had by both suppliers and mills in rebuilding the "trust" factor that is so important in both personal and business relationships.

Nationally, there were three findings that were consistent across the country; 1) relationship damage, 2) logging capacity disinvestment, and 3) productivity leakage.

Relationship Damage

In the report, Don indicated that 40% of the



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contract loggers/truckers involved were operating at a loss, or at best break-even. A similar finding surfaced early last year in *Timber Harvesting's* 2011 exhaustive Logging Business Survey. While the focus of the WSRI study was not on economics, the impact associated with long-term financial stress can certainly have negative effects on relationships. Among contractors the study uncovered a "feeling that the mills had abandoned them," leading Don to comment: "In my 40+ years in this business serving the industry in various wood procurement functions, I don't think that I have ever seen supplier morale at a lower level."

Logging Capacity Disinvestment

The report indicated that the ongoing economic strain has led to significant disinvestment in the logging sector. New machine sales as reported by regional dealers appear to be down by 25% to 40% over the past three years and downsizing or closing of logging businesses are all indicators cited in the study. "Nationwide, production capacity is in serious danger of being damaged beyond a quick recovery, Taylor noted, adding, "75% of the procurement people interviewed expressed concern about the adequacy of logging capacity once building products markets recover or some long-term inclement weather systems occur."

Productivity Leakage

Don noted that the issues highlighted by this project impacted working relationships and resulted in a loss of trust in the system, leading to lost productivity. "Lost production hurts suppliers' bottom lines and ultimately adds costs to the consuming mills," he observed. The report indicated that there is an actual 7.1 % loss of production based on such factors as negotiations, planning, feedback, problem solving and communications, or an average of 30,000 tons for each supplier sampled. Don reported that "a large percentage of the suppliers nationwide basically work week-to-week with no firm commitments beyond the following week." He asked: "Is it reasonable that highly professional people, dealing with that kind of uncertainty, would continue to stay in business?"

Perhaps the most significant cites from

"In my 40+ years in this business serving the industry in various wood procurement functions, I don't think that I have ever seen supplier morale at a lower level."

the report were the recommendations to help stabilize the supply chain relationship. The first suggestion was for "senior procurement managers to communicate the real situation clearly to the company's top management; followed by "recognizing that the independent wood supply contract system is an essential asset to the forest industry that contributes clearly to the industry's global competitiveness;" "providing a more stable operating environment for key suppliers;" "suppliers needing to move away from negative attitudes;" and responding to the "reality of the situation of facing severe cost pressure."

The primary questions we have received at the American Loggers Council office, as related to the report, have been: 1) "Now that we have this information, will the mills consider the report and take measures to implement the recommendations?", and 2) "Will we

actually be invited to the table and be made a part of the decision-making process?"

There is real concern that the results of the study will collect dust rather than be implemented. For the good of all concerned, we sincerely hope that is not the case.

The challenge continues to be our ability to remain competitive in a global economy. If we are going to thrive and have an industry into the next generation, then we all need to have a seat at the table and rebuild the trust Don Taylor emphasized. Any responses to these questions from those involved in implementing significant cultural change in our supply system would be deeply appreciated by this office. If you were involved in this project, or have thoughts and suggestions related to it, we would love to hear from you. Contact us at 409-625-0206 or email americanlogger@aol.com.

Dructor is the Executive Vice President of the American Loggers Council, a 501 (c)(6) non-profit association representing professional timber harvesters in 30 states. Its office is located in Hemphill, Tex.

Photo Gallery



(l-r) Joe Young, Dean Carson and Jerry Shrum started SC Teachers' Tour 16 years ago.



Crad addresses advocacy for sustainable forestry.



Joe keynotes opening day of tour stop week



Michael explains feller buncher saw teeth.



Wildfire & prescribed fire education



Fire ecology



Teachers with their autographed hard hats.



Dean talks engineered wood products.



Kensington Mansion



Fort Jackson Forest Management



Ronnie Byrd (right) presents Jerry with award



IP Eastover mill



Millaree Plantation



Michael's professional crew.



Canfor Sawmill control room.



Edward Enggasser checks out the new fire protection dozer.



Congaree National Park



Plum Creek Forest Management





Gwen explains Sumter National Forest



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Mark Your Calendar

August 2012

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

September 2012

5, 6 3-Day TOP Class, Harbison Environmental Ed Center, Columbia.
24-28 Wood Magic Forest Fair, SCFC Piedmont Forestry Center, Tamassee.

Fall District Meetings Will Be Scheduled In August & Published In The July/
August Timber Talk Issue.

CDL Driver Supervisors Reasonable Suspicion Training Classes

SCTPA will be offering again and soon scheduling the Reasonable Suspicion Training classes. This class provides training for Supervisors of CDL Drivers in order to be in compliance with Trucking Regulations 38-382.307 (c) – Reasonable Suspicion Testing and 38-382.603 – Training for Supervisors Under CFR Part 38-382 – Controlled Substances & Alcohol Use and Testing for SC Intrastate Unmanufactured Forest Products Trucking and Federal Interstate Trucking Regulations.

Class dates, locations and registration information will be emailed to email capable members in the SCTPA database. SCTPA will also mail notices prior to the classes.

This training IS REQUIRED in order to be compliant with the Trucking Regulations.

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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Crad Jaynes

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SCTPA

PO Box 811, Lexington, SC 29071
800-371-2240 ■ Fax: 803-957-8990

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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.