

CONGRESSIONAL TIDE TURNING ON HARDWOOD ISSUES

By Kristen McIntosh

How RTA Members Can Help

Dana Lee Cole is executive director of the Hardwood Federation. Hired three years ago following 12 years in former Michigan Gov. John Engler's administration in a variety of roles and later as corporate board secretary for the National Association of Manufacturers, Cole said she has seen the hardwood lumber industry take an optimistic turn.

"When I came in, the effects of 2008 were just starting to subside," she said. "What I've seen over the last three years is that the businesses in this industry seem to be healthier, and owners have a more positive attitude about the future. They are becoming more interested in the public policy arena and are working to create a more positive federal regulatory environment for their businesses." Cole said the top issue for Hardwood Federation since early last year is the northern long-eared bat.



Dana Lee Cole



This northern long-eared bat is exhibiting symptoms of the deadly white-nose syndrome disease.

Q: Tell us the latest on the issue of the northern long-eared bat, and what it means to the hardwood industry.

A: The bat issue is particularly troublesome because it has a 39-state range and is found in almost every forest in every state east of the Mississippi River. Under the ESA, Fish & Wildlife doesn't really have many ways to address the threat other than manage habitat, which is a problem for hardwood businesses.

Our strong contention is that the white-nose syndrome disease is killing the bat, not the harvesting activities in the forest. We're concerned that rather than managing the disease, Fish & Wildlife is managing habitat and limiting important harvesting activities, especially during June and July—pup rearing season—in an effort to conserve the bat population. These limitations will not have a long-termed impact on the viability of the bat.

The good news is that scientists have been working on a cure for the disease and have successfully treated and returned some

to the wild. There are preliminary positive steps being made to cure this syndrome, which is good not only for this bat but also for other species of bats that are susceptible to the disease.

At the same time, we've had very positive response at the federal level to communicate down the pipeline to state and regional levels about what does and does not need to happen with regard to harvesting this year.

We've done a lot of communicating with members of Congress and their staffs and generate a lot of conversation on Capitol Hill. We've talked a great deal to the U.S. Department of the Interior, which houses the Fish & Wildlife Service. We've talked to the U.S. Forest Service, which will also have to comply with the rule. Along with our allied forest products associations, we have also provided extensive comments to Fish & Wildlife at every step of the rule-making process. And we will continue to do so until the rule is final.

At the local level, we are doing a lot of speaking to groups, are busy coordinating activities in Washington, D.C., and taking a lead with a forest products coalition on the issue.

Q: What can RTA members do to help your efforts on the northern long-eared bat?

A: It's always good to raise issues with your congressional representatives. Members of Congress will be in their home districts in August during the recess. We can supply needed information, and encourage members to speak to their peers in

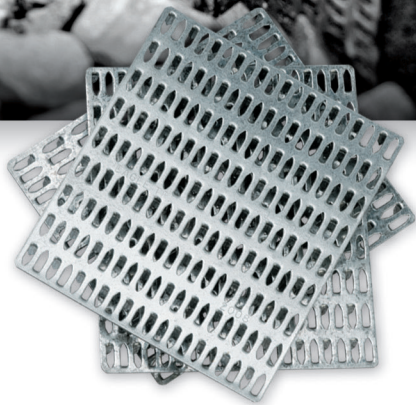
the industry and in their local community so they can help link what's happening at the federal level to their local businesses and local economies. This is an issue with a potential domino effect and could have much more far-reaching implications on the industry than appear on the surface.

Q: I understand federal forest management is among your top issues for the year. Could you provide some background on this issue?

A: A longtime concern is that the federal forestlands are providing less and less board feet of raw material to the industry. This has been an issue of resources, permitting processes constantly under fire, and more. As soon as you start to move forward to harvest on federal forestlands, someone is going to sue you because they don't want the forest touched. People don't understand the sustainability of harvesting and timber.

The attitude on Capitol Hill is really changing, and more and more members on both sides of the aisle are starting to think about the forests and why there are so many forest fires. We don't do the appropriate thinning and harvesting. There are an awful lot of dead and decaying trees on federal lands, which makes wildfires burn hotter, longer and farther. The same could be said of disease, which is much more of an Eastern United States issue. The ability to get in and harvest trees right before or right after disease hits is really hamstrung by the ability to constantly perpetuate lawsuits with no resolution. Congress is having almost weekly hearings about these issues. Leaders ▶

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are very interested in how to improve the situation. This issue is one where incremental change would be made in the next year and a half, but it is more of a long-term approach. With the election year starting soon, things will slow down a lot, but then we will be looking forward to the next president's plan. What we do now lays the groundwork for the future. It is always important to be talking about these issues.

Q: Tell us about the environmental regulation reform initiatives you are working on.

A: There are some rules coming out of EPA that are particularly concerning, especially in how biomass—sawdust or tree trimmings—is considered under the Clean Air Act when burned in a mill or on a lumber yard. We strongly believe it is a carbon neutral emission, but there are those who want it treated like fossil fuel.

Q: What about the "Waters of the United States" Clean Water Rule? Any concerns here?

A: We are concerned that the rule goes way beyond the spirit of the Clean Water act in regulating certain bodies of water like culverts, ditches and temporary streams.

These bodies of water are not currently regulated, but if the rule goes forward as written, if someone with land has one of those types of bodies on it, they could be required to get a water discharge permit.

Q: What recommendations do you have for RTA members to play a role in furthering the agenda of the Hardwood Federation?

A: One of the ways you can get involved without leaving your place of business is to host an elected official, at any level, in your hardwood facility. Meetings and personal interaction with your local and state and federally elected politicians are excellent ways to let them know what is going on with the hardwood industry and really drive home the importance of our issues. Hearing directly from business executives in their districts is an effective way to reinforce the message we convey here in Washington. You will find that giving a first-hand look at your operations and seeing your employees in action will resonate with members at all levels. You are their constituents and, ►

Q&A cont.

ultimately, they answer to you.

Hosting lawmakers in your facility really shows them what it is that the forest products industry does. Not only will they see your employees—and their voters—but

you can also explain the entire supply chain and how you are a driver of local, state and national economies. These are points that that will stick in the mind of your guest and help them as they make future policy decisions. ■

To submit news briefs, photos or member news for the Sawmill Focus Section, please submit information to ties@RTA.org or call (770) 460-5553 for assistance.



Hardwood Checkoff Update

Hardwood Checkoff To Go To VOTE After All Industrial Products Exclusion Proposed, Yet Many Remain Opposed

The U.S. Department of Agriculture (USDA) recently announced it would modify the Hardwood Checkoff Program but still intends to ask for an industry-wide vote.

Railway Tie Association (RTA) and many others opposed the structure of the originally proposed program, which included industrial products such as crossties. The new rule proposes to now exclude these products.

USDA wrote, "For purposes of this Order, hardwood lumber would not include industrial products which remain in board or block form such as ties, cants, crane mat material and pallet stock or products which are transformed from boards or blocks of lumber into other products such as furniture, tight cooperage, cabinetry, and constructed pallets."

At this point, the exemption of industrial products is only a proposed change to the original Checkoff program. According to the US Hardwood Lumber Industry Coalition (USHLIC), this does not assure the final proposal, which will go to industry referendum, would, in fact, exclude industrial products.

Moreover, this in and of itself does not address every stakeholder's concerns as several state and national groups remain opposed. In their original comments, The Association of Timber Industries (Maryland), the Missouri Forest Products Association and the Michigan Association of Timbermen all opposed the order.

In February, the Virginia Forest Products

Association changed its official position from Neutral to Oppose, and recently the Ohio Forestry Association (OFA) and the Western Hardwood Association (WHA) both came out against the USDA's proposal.

OFA had expected the program would not move forward, but when they learned that the group that formulated the proposal had renewed its bond to push forward to a vote, and USDA was rewriting the rule, they took definitive action. Stating that an overwhelming majority of its members opposed the order, OFA's board approved a public position reflecting that opposition. WHA in early June announced that a poll of its membership produced majority opposition by a 3-1 margin.

The lead organization opposing the Checkoff program is USHLIC, which is made up of hardwood producers and pallet manufacturers. USHLIC remains committed to its opposition toward any Hardwood Checkoff Program.

Jeff Edwards of Edwards Lumber Products and co-chairman of USHLIC said, "The plain truth is, this proposal has been very contentious since it was first looked at more than 20 years ago and voted down by the industry in 1995. When this latest plan came up in late 2013, most trade associations chose to remain neutral because of that history of controversy, but now there is a clear consensus forming in the hardwood industry that this Checkoff proposal is wrongheaded, and the actions taken by the Virginia Forest Products, Ohio Forestry, and Western Hardwood Associations underscore that."

Members may read the proposed rule and provide comment by Aug. 10 at <https://www.federalregister.gov/articles/2015/06/09/2015-13719/hardwood-lumber-and-hardwood-plywood-promotion-research-and-information-order>.

RTA would also like to hear from members with thoughts about the proposed rule changes. All emails regarding this or other industry related matters should be sent to ties@rta.org. ■



USDA Awards Funds To Expand, Accelerate Wood Energy Markets

WASHINGTON—On April 9, Agriculture Secretary Tom Vilsack announced the award of more than \$9 million to expand and accelerate wood energy and other wood products markets. The federal funds will leverage \$22 million in investments from partners, resulting in a total investment of \$31 million in 23 states.

"Working with our partners, the Forest Service is promoting deployment of new technologies designed to support new market opportunities for wood energy and innovative wood building materials," Vilsack said. "This funding also supports forest management needs on the National Forest System and other forest lands throughout the United States."

"The forest Service recognizes the need for a strong forest products industry to help accomplish forest restoration work," said Forest Service Chief Tom Tidwell. "One of the best opportunities for reducing the cost of restoration treatments is to ensure strong markets for the byproducts of these treatments."

States receiving funding include Alaska, Arizona, California, Colorado, Idaho, Illinois, Louisiana, Massachusetts, Michigan, Minnesota, Montana, North Carolina, Nebraska, Nevada, Oregon, Pennsylvania, South Carolina, South Dakota, Utah, Virginia, Vermont, Washington and Wisconsin. ■