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.

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
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-termed 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.

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 Or-
der, 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 pro-
posal, 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 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 overwhelm-
ing majority of its members opposed the
order, OFA’s board approved a public posi-
tion reflecting that opposition. WHA in early
June announced that a poll of its member-
ship 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 manu-
facturers. USHLIC remains committed to its
opposition toward any Hardwood Checkoff
Program.

Jeff Edwards of Edwards Lumber Prod-
ucts 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 his-
tory 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 Hard-
wood 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 mem-
bers with thoughts about the proposed rule
changes. All emails regarding this or other
industry related matters should be sent to
ties@rta.org.