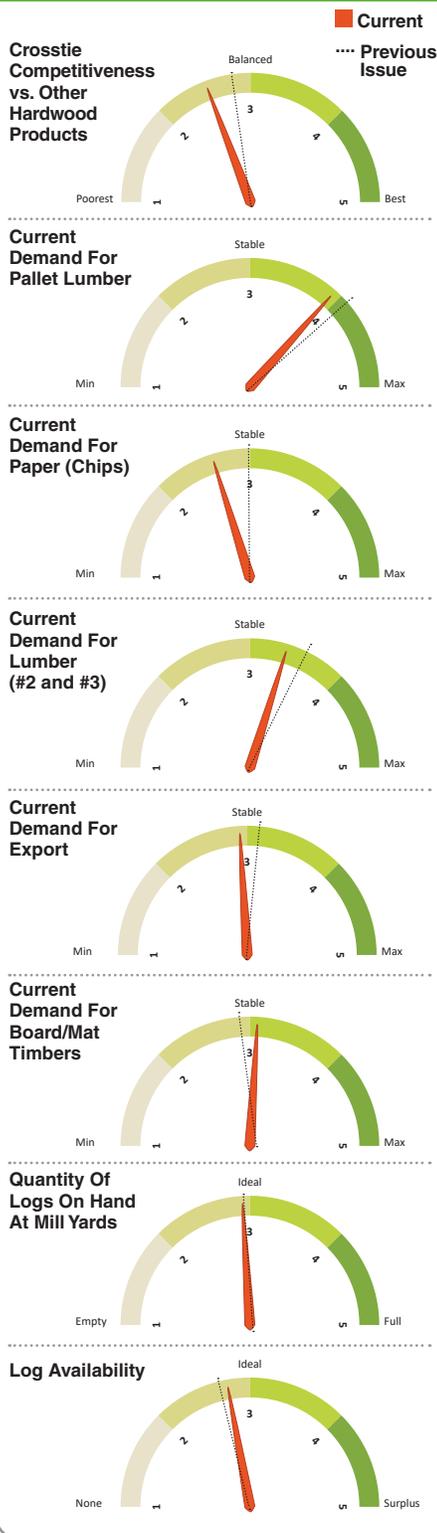


HARDWOOD PROCUREMENT TRENDS EASTERN HALF U.S. MAY 2022

The gauges below represent "snapshot in time" opinions of in-the-field wood tie buyers who procure untreated crossties from sawmills in their regions. RTA does not warrant nor accept responsibility for the accuracy of the data generated. See more on rtastats.org.



Hardwoods Deliver Solutions

By Dana Lee Cole

As the Biden Administration approaches its two-year mark, the federal government has undertaken many initiatives to place climate mitigation front and center on policies ranging from agriculture to forest management.

During his first week in office, President Biden issued Executive Order 14008, titled “Tackling the Climate Crisis at Home and Abroad,” a sweeping directive placing the climate issue at the center of all executive branch actions.

Not surprisingly, the United States Department of Agriculture (USDA) was one of the first agencies to get the memo and wasted no time to initiate two actions impacting the hardwood industry: a request for comments on a proposed strategy for a “Climate Smart Agriculture and Forestry (CSAF)” program in March 2021, followed up by a request for information in September 2021 soliciting feedback on possible characteristics of a CSAF program that would promote new markets for climate smart commodities.

The Federation submitted comments to USDA on both proposals, underscoring ways that increased use of hardwood products could help meet the administration’s goals outlined in its executive order and subsequent actions.

That said, the administration doesn’t run a monopoly on climate policy. To cite one landmark example, last fall, Congress passed the bipartisan Infrastructure and Jobs Act, a law that includes provisions creating a new federal system for subsidizing sawmills and other wood processing facilities, along with \$400 million in new financial assistance. The provision specifies that “close proximity” to a sawmill would become a factor for agencies to consider when funding federal land restoration. One of the ongoing challenges to making thinning projects economical is access to processing facilities; existing wood processing infrastructure is not in close proximity to many federal forests that desperately need active management.

The Infrastructure Bill also authorized a bioproduct pilot program to explore the use of agricultural commodities in building construction materials and products. The provision provides \$4 million to the USDA to partner with a college or university to examine cost savings of using alternative materials, greenhouse gas emissions benefits, landfill quantity and waste management cost reduction benefits, and other factors.

The Infrastructure and Jobs Act serves as one example of how hardwoods can fill in many pieces of the climate and broader environmental puzzle as defined by the current administration.

Hardwoods Deliver Federal Climate Objectives

Looking forward to potential legislation in the coming months, the Federation regularly reminds policy makers they should recognize and include the long-term storage value of carbon benefits of hardwood products in carbon reduction policies and legislation.

For example, American hardwood forests actively siphon carbon from the atmosphere throughout their growth cycle. This carbon is then stored throughout the life of long-lived hardwood forest products that are sought-after fixtures in homes and businesses across the United States and the world—not only because of their aesthetic appeal but also because of their superior environmental performance.

Companies and employees engaged in the U.S. hardwood economy firmly believe the sustainable forestry practices used to grow raw materials and the products derived from the harvest of hardwood trees are an essential part of the solution to problems associated with atmospheric carbon sought by the president. For example, the Biden Administration and congressional leaders publicly acknowledge that the American forest system is vital to reducing atmospheric carbon, offsetting 12-15 percent of U.S. carbon emissions each year.

It is important to recognize that the carbon benefits of the forests do not end with tree growth. Markets for products derived from trees are an important piece of the solution as well. For example, wood products are 50 percent carbon by weight, continuing to store carbon for the life of the product.

Also, on the production front, it's important to note that wood products make up 47 percent of all industrial materials in the United States but consume only 4 percent of the total energy to manufacture those materials. This wholistic life cycle perspective shows that wood products outperform alternative materials such as plastic and concrete from a sustainability perspective.

Hardwood Trees and Products Deliver Environmental & Economic Co-Benefits

The Federation works every day to educate federal policy makers on how to leverage the hardwood story to reach their environmental policy goals, essentially

offering a two birds and one stone approach to federal initiatives.

Because well-managed hardwood trees and forests protect water resources and support critical habitat and wildlife diversity, current forestry practices have the potential to create safe harbors from counterproductive regulation under the Clean Water Act and Endangered Species Act.

In addition to providing benefits from an environmental compliance perspective, well-managed forests also prevent devastation caused by wildfires. Proper thinning, for example, can mitigate losses from wildfires and insect infestations.

On the economic development front, hardwoods also create employment opportunities for rural and underserved communities and supply chains, addressing the administration's environmental justice and diversity and inclusion (D&I) priorities.

When there is a steady demand for fiber and the resulting wood products, hardwood operations ensure that forests

will remain as forests in the future and make up a key element of promoting a healthy environment. To that end, the USDA officially recognizes hardwoods as a "Green and Renewable" product that is sustainably managed and an environmentally preferred natural resource. This seal of approval illustrates the versatility of the hardwood industry and its potential to thrive in a challenging environmental policy landscape.

If you have questions about the Hardwood Federation, please visit our website at www.hardwoodfederation.com or email us at hardwood.federation@hardwoodfederation.com. ■



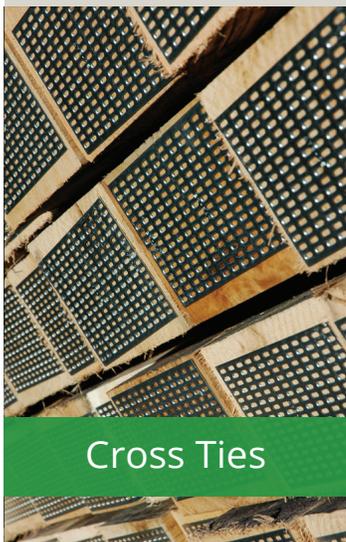
Dana Lee Cole is executive director of the Hardwood Federation, which serves as the voice of 28 associations dedicated to promoting and supporting the hardwood industry.

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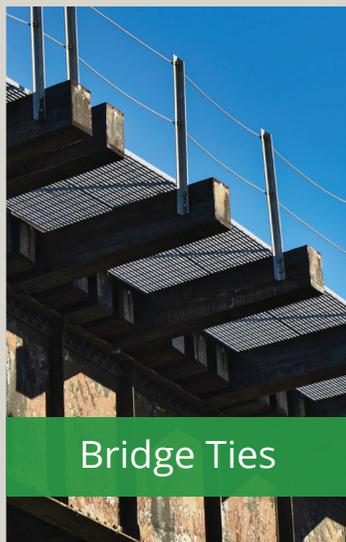


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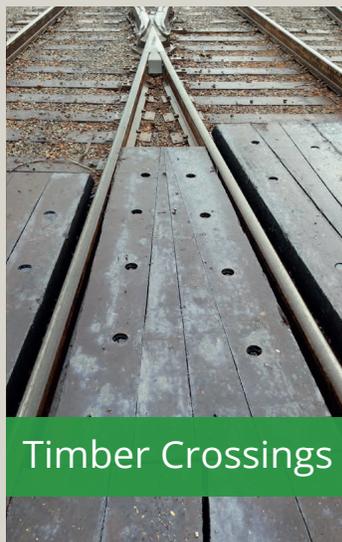
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