December 2018/January 2019

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Lake States Lumber Association

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From the President

This past year was an economically strong year for many of us. We all have a lot to be thankful for even though the word "tariff" has been a throbbing thorn in many of our sides for much of 2018. It is amazing how far our industry has come these last ten years since the last downturn and US economic crisis. We can only hope that 2019 will continue this upward trend of slow and steady growth within our industry and economy. With the mild start to Winter and lack of snow thus far, it is hard to believe another year has come and gone. Our 2019 Winter meeting will be here before we know it.

The 2019 LSLA Winter Meeting will be held once again in Appleton, WI at the same venue as last year, however the name has been now changed to the Red Lion Hotel Paper Valley. Besides the name change, our location at the venue has been changed from the basement to their Grand Ballroom on the main floor. The LSLA Board had a chance to tour the new floorspace and we feel everyone will greatly prefer the sessions and banquet in this new space.

There are still several sponsorship opportunities for this year's LSLA Winter Meeting. Some of the sponsorships we are still looking to receive are:

> *Legacy Load of Lumber Sponsors- \$250-\$1,500+ *Gift Bag Sponsorship- \$250 *Lake Superior Sponsorship- \$1,000 *Lake Michigan Sponsorship- \$750 *Lake Ontario Sponsorship- \$500

On top of these sponsorship opportunities, we also have Exhibitor space available for \$500 per exhibitor that also includes one admission to the Winter Meeting. The Exhibitor space represents a great opportunity to showcase your company while networking and meeting and greeting with members. Last but not least, we are still looking for items that can be donated for our live and silent auction. LSLA's yearly contribution to the Hardwood Federation is greatly dependent upon these auction items. If you have an item(s) you or your company would like to donate to the auction or have any questions about the auction, please reach out to myself or Dave Schroed-

Continued on page 3



LAKE STATES LUMBER ASSOCIATION, INC... PROVIDING LEADERSHIP AND EDUCATION TO ASSURE THE SUSTAINABILITY OF OUR FOREST RESOURCES



2018 LSLA BOARD OF DIRECTORS



Back Row (left to right): Jim Maltese (Stella-Jones Corp.), Fred "Butch" Fisher (AJD Forest Products), Dennis "Gus" Gustafson (Besse Forest Products), Gus Welter (Granite Valley Forest Products), Steve Peters (Rockland Flooring), Pete Johnson (AAA Hardwoods).

Front Row (left to right): Larry Krueger (Krueger Lumber), Margaret Minerick (Sagola Hardwoods), Brady Francois (Snowbelt Hardwoods), Rob Paradise (Devereaux Sawmill), Jennifer Lu (WI DATCP), Maryanne Dainsberg (LSLA Admin. Coord.). Photo courtesy of Zach Miller, Miller Publications.

The Log is published bi-monthly by the Lake States Lumber Association, Inc. For address corrections or to contribute news articles, opinion pages, classified ads, or advertising, contact us at:

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HARDWOOD FEDERATION UPDATE

By Dana Lee Cole - Executive Director of the Hardwood Federation

Election 2018—Mixed Results for Democrats and Republicans The dust has almost completely settled on the wild and historic 2018 Midterm Elections and the narrative for both parties remains a mixed bag. Democrats claimed the House and maintain a 235 - 200 edge. Democrat control of the House was an outcome that many political operatives had expected, and whether you call this a "Blue Wave" or not, this will make the landscape look completely different from the All-Republican majorities of the last cycle. The Senate elections are complete after the Nov. 27th runoff in Mississippi with Cindy Hyde-Smith holding on and Republicans were able to increase their majority - a major advantage heading into 2020 where the map does not break their way guite as well as it did in 2018 - and hold a 53-47 edge. Democratic incumbents, Senators Heidi Heitkamp (ND), Joe Donnelly (IN), Claire McCaskill (MO) and Bill Nelson (FL) were defeated but Democrats picked up Republican-held open seats in Nevada and Arizona.

So what does all of this mean? The first take-away is that although we will be working in a very different political environment in 2019, what doesn't change is the Hardwood Federation's commitment to our key policy priorities, including federal forest management reform, support for federal export promotion programs, science based regulations governing the forest products industry, and a tax structure that supports the small and medium sized businesses that comprise the majority of our

FROM THE PRESIDENT (CONT'D)

er at <u>gmc@jefnet.com</u>. All auction items, large and small, are greatly appreciated.

One last comment, the LSLA Board has selected a new representative to lobby on behalf of LSLA in Wisconsin starting January 1, 2019. LSLA's new Wisconsin lobbyist is Amy Boyer of Boyer Consulting, LLC located in Madison, WI. Amy has more than two decades of lobbying experience and has built strong relationships within the Legislature and Administration that will be a large asset for LSLA. Amy will be attending the Winter meeting and I encourage our membership to introduce yourselves and welcome Amy to our LSLA Family.

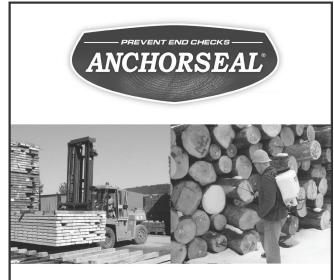
Thank you once again to all our members for another great year! I wish everyone a Merry Christmas and a Happy New Year. I will see everyone come January in Appleton, WI.

Brady Francois Snowbelt Hardwoods, Inc. LSLA President industry.

With a split Congress, any legislation that passes will be done on a bi-partisan basis. There simply aren't enough votes from one party to move partisan bills through both chambers. This probably means that some of the issues that we have focused on like federal forest management reform will not move dramatically forward...but it will be our job to make sure that steps are not taken to reverse course. This is an often forgotten, but tremendously important, function of trade associations and Washington representatives. Some issues, where we have had past success gaining both Republican and Democratic support, may have a somewhat less difficult path to navigate as everyone will be looking to rack up some successes before the next election in 2020.

The biggest impact by far on our day to day work will be in the House, where all of the committee chairmanships will change at the beginning of the 116th Congress in 2019. Below is a snapshot of key committees for the Hardwood Federation and the new leaders—

House Agriculture Committee: Rep. Collin Peterson (D-MN) will take over this panel next year. We know Mr. Peterson and his committee staff team well. They are well-versed in our policy priorities and *Continued on next page*



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HARDWOOD FEDERATION UPDATE (CONT'D)

have been helpful in advancing hardwood-supported provisions in Farm Bill negotiations this year.

- House Energy & Commerce Committee: Rep. Frank Pallone (D-NJ) takes over for Rep. Greg Walden (R-OR). Mr. Pallone has not been supportive of some key issues of interest to the hardwood sector over the years, including Boiler MACT relief legislation and measures related to biomass energy and the carbon profile of biomass combustion.
- House Natural Resources Committee: Rep. Raul Grijalva (D-AZ) will take over for Rep. Rob Bishop (R-UT). Mr. Grijalva does not share Rep. Bishop's perspective on issues related to federal forest management and Endangered Species Act reform. Education efforts around the benefits of forest management with him and his committee staff will be critical. The Hardwood Federation is well poised to frame this issue as a national one that affects Lake States and Eastern forests and is not just a Western concern.
- House Transportation & Infrastructure: Rep. Peter DeFazio (D-OR) will chair this panel. Mr. DeFazio has entertained truck weight reform on our nation's interstate highways as potentially viable and has vowed to make transportation infrastructure investment a top priority in the next Congress. Mr. DeFazio has been a supporter of the hardwood industry in the past, particularly on federal forest management reform and we have worked well with him and his team.
- House Ways & Means Committee: Rep. Richie Neal (D-MA) takes over for Rep. Kevin Brady (R-TX). Mr. Neal comes from a district heavily populated with antibiomass advocates and so education efforts will be made with him and his staff on the benefits and efficiencies of heating and powering our mills with biomass residuals. We can expect committee efforts to make changes to the Tax Cuts and Jobs Act as well.

In the Senate, committee leadership will largely remain the same with the exception of the Senate Finance and Senate Foreign Relations Committees. Both chairmen—Orrin Hatch (R-UT) and Bob Corker (R-TN) are retiring. Regarding the Finance Committee, Senator Chuck Grassley is expected to give up his gavel on the Judiciary Committee and take the helm of the Finance Committee, but no decisions have been made yet. And if Sen. Nelson does not prevail in Florida, there is speculation that Sen. Maria Cantwell (D-WA) may move from her Ranking Member position on the Senate Energy and Natural Resources Committee to take Nelson's Ranking Member slot on the Senate Commerce Committee.

So what happens during the balance of 2018? Members of Congress have returned to Washington for what promises to be a relatively short Lame Duck session of Congress. Leadership elections are being held, with Republicans selecting Rep. Kevin McCarthy (R-CA) as their leader in the House with Rep. Steve Scalise (R-LA) as the Minority Whip. Democrats have yet to take a leadership vote. Rep. Nancy Pelosi (D-CA) is still expected to be elected Speaker, but opposition in the Democrat ranks continues to grow and may prevent her from securing the requisite votes. The Democrat caucus will hold its leadership elections November 28. In the Senate, Majority Leader Mitch McConnell (R-KY) was reelected and Senator John Thune (R-SD) was elected Republican Whip, replacing term-limited Senator John Cornyn (R-TX). Thune's elevation into the Whip position will mean he relinquishes his post as Chairman of the Senate Commerce Committee. Sen. Roger Wicker (R-MS) is in line to succeed Thune at Commerce.

As mentioned above, the upcoming Lame Duck session of Congress will likely be brief. The highest priority for the Hardwood Federation is the Farm Bill and we are hopeful that House and Senate conferees can finish their work and send a final conference report to the President for his signature. As you know, the fate our trade promotion programs is tied up in Farm Bill negotiations. The provisions for FMD and MAP are favorable, but the bottom line is we need a Farm Bill to be signed this year and we have been making the rounds with Farm Bill negotiators to forcefully make that point.

Other items on the table include a government funding measure. The federal government is funded through December 7 and so an extension in to the new year will be necessary. Also potentially on the docket is the annual tax extenders ritual, where a package of expired tax provisions—a few related to biomass energy—is considered.

Your Hardwood Federation team is gearing up for the action and is reviewing the roster of the many new Members of Congress that were elected. We will be reaching out to all of these new Members to make sure that they know the value our sector brings to communities around the country and the economy as a whole.

New Mailing Address

LSLA has a new mailing address. Please update your records and address all future mail to:

1353 W Hwy US 2 Suite #2 Crystal Falls MI 49920

THE MICHIGAN REPORT By Scott Everett, LSLA Michigan Legislative Consultant

SB 396 – Logging Equipment

Logging equipment would have more flexibility to travel in late winter and early spring under legislation that moving through the legislature. SB 396 originally failed to pass the Senate but returned later in the week with some late amendments to make it palatable to enough Republicans. The bill previously failed, 17-19, after the County Road Association of Michigan (CRA) convinced lawmakers that making it easier for logging companies to get permits will add weight to the roads during thawing period, making the roads subject to more damage.

Sen. Tom CASPERSON (R-Escanaba) said he introduced SB 396 in response to the concerns of new mill in Grayling that is having trouble getting cut wood trucked to them. The changes also allows loggers to run their trucks during potential frost warnings if they agree to post a \$5,000-a-mile bond and give a county road commission the power to shut down the route if they see damage to the road.

SB 1035 Qualified Forest Act Changes

The amount of forest property in Michigan that would be exempt from local school operating taxes would increase from 1.2 million acres to 2.5 million acres beginning in Fiscal Year 2019. SB 1034, is also on the move through the legislature passing the Senate 26-10. Sponsored by Sen. Darwin BOOHER (R-Evart) bill would also lower the minimum acres required from 20 to 10

Wetlands SB 1211

The Department of Environmental Quality would have limited leeway in determining if Michigan's wetlands, inland lakes and streams are being violated under legislation that has passed the Senate. "This clarifies the rules process where -- in the last paragraph -- it gives the department discretion,"

Sen. Tom CASPERSON (R-Escanaba), the sponsor of SB 1211, said. "Our argument is that's "discretion" that has been getting everybody in trouble."

New Tunnel Authority Bill For Line 5 Passes Senate

Legislation creating a separate government entity to oversee a proposed utility tunnel to encase a replacement for Enbridge's light crude pipeline, Line 5 has passed the Senate. The authority would have until Dec. 31 to strike an agreement on the construction, maintenance, operation and decommissioning of a new utility tunnel running from the lower to the upper peninsula as long as the Governor presents the authority his proposed tunnel agreement with Enbridge.

2019 WINTER MEETING

Mark your calendars now for the 2019 Winter Meeting! January 16-18 we will be at the Paper Valley Hotel in Appleton, WI. This time we will be meeting in the Grand Ballroom right off the hotel lobby, so you'll have an easier time finding us!

The Winter Meeting is a prime time to meet other LSLA members, learn about topics important to our industry, and network with prospective customers and suppliers.

Plan now to attend the 2019 Winter Meeting on January 16-18, 2019.



Bob Bernklau - President 152 N. Cedar St., P.O. Box 159 Stetsonville, Wisconsin 54480 Phone: (715) 678-2400 Fax: (715) 678-2430





LSLA Education's Career Exploration Videos are Shared with Wisconsin's K-12 Educators

LEAF, Wisconsin's K-12 forestry education program, provides professional development and resources to hundreds of Wisconsin's teachers each year. LEAF recently developed a forest products kit that allows students across Wisconsin to learn about the value of the forest industry, its products, and associated careers, through hands-on exploration. With the donation of various forest products, eleven Forest Product Kits with corresponding curriculum were developed and are housed throughout the state for K-12 educator's complimentary use. LEAF distributed the kits at the Fall In-Services for Agricultural Education Teachers in 2018. Already, over 270 Agriculture teachers were taught how to use the Forest Products Kit with their students.

With the kit, students are able to *Track that Product: From Forest to Finish*, explore a forest product case study and trace a product's journey through the forest, processing, and product. Each case study includes information about the tree, properties that make it important for specific products, and samples of the products themselves. In addition, students can compare between 12 specially engraved wood blocks of common Wisconsin tree species used in forest products and explore wood properties, density, and cell structure. Inline with both teacher and industry demands, the kit contains a mix of career-focused resources and literacy components.

In the Product Processing Section of the curriculum, LEAF included links to LSLA Education's promotional videos for careers in the wood industry. The videos included career profiles for a Head Sawyer, Log Scaler, Lumber Inspector and Saw Filer. Teachers were encouraged to show these videos to their students to give them an idea of careers in wood product processing. The videos can be viewed on the LSLA Education webpage at: www.lsla.com/education/

During workshops with teachers, LEAF received interest in student tours and classroom presentations. If your organization is willing to offer student visits to your facility or would like to present in a classroom, please reach out to the LSLA office and we will connect you with LEAF.

To learn more about LEAF and their forest products kit program you can visit their website at www.uwsp.edu/cnr/leaf or on Facebook at www.facebook.com/UWSPCNRLEAF/

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Focus on Energy

2637 Tulip Lane, Suite 220 Green Bay, WI 54313 www.focusonenergy.com



Focus on Energy recently joined LSLA in 2018.

Focus on Energy offers energy efficiency consulting and financial incentives by partnering with utilities across Wisconsin to help residents and businesses reduce energy waste.

Their work delivers real, measurable energy and financial savings for Wisconsin's residents and businesses. Installing cost-effective energy efficiency and renewable energy projects creates jobs, upgrades local infrastructure and improves the environment. Bottom line, the energy and dollars saved through Focus on Energy programs strengthens Wisconsin's economy.

Eliminating energy waste reduces the need to purchase coal and natural gas from other states. This keeps dollars in Wisconsin and lessens the need to build additional power plants. For every \$1.00 invested into Focus on Energy projects, the program delivers \$5.93 in benefits back to the state of Wisconsin. All told, since 2001, Focus on Energy has delivered more than \$1 billion worth of net economic benefits to Wisconsin.

You can contact Focus on Energy for a free copy of the 2019 Energy Infographic for Wood Products Manufacturing.



Meet Our Members is offered to all LSLA members. If you would like your company featured in an issue of The Log, please email to us the article, including the name of your company, address, type of business, product manufactured,

years in business, and other information that your fellow members will find interesting. If you have a picture you would like included, please email along with the article to lsla@lsla.com. **Connor Sports Flooring** 251 Industrial Park Rd Amasa, MI 49903 www.connorsports.com



Connor Sports Flooring recently joined LSLA in 2018.

Connor Sports[®], a Gerflor[®] company, was founded in 1872 and is a market leader in portable and permanent wood sports flooring systems and growing provider of synthetic sports flooring. Connor Sports has built maple hardwood courts for over a dozen NBA teams and countless numbers of NCAA schools and universities, with products for every level of competition — from park and rec centers to high schools to the top college basketball programs in the country. In fact, Connor is proud to be the exclusive supplier of the championship floors for both the Men's and Women's NCAA[®] Final Four[®].

Connor Sport operates from an ISO-certified lumber mill in Amasa, MI producing a wide range of products. All Connor floors are ISO-certified and DIN and STEM tested. We are a charter member of the Maple Flooring Manufacturer's Association (MFMA) and the first member of that group to be certified by the Rainforest Alliance.

Aside from its history in production, Connor Sports has a history of partnering with the leaders in sports. Connor Sports was the Official Court of the 2014 FIBA® Basketball World Cup, supplied RIO 2016® with its basketball courts, and is currently the Official Court of the NCAA Final Four basketball tournament, and a number of international sports organizations have all made Connor Sports their #OfficialCourt.

In 2005, Connor Sports joined industry leader Sport Court[®] and then in 2014 Gerflor acquired both brands. It's little wonder why more athletic events are played on Gerflor surfaces than on any other sports flooring in the world.

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U·C COATINGS

WOOD PROTECTION PRODUCTS

Buffalo, NY – September 12, 2018 – U-C Coatings, LLC, a leading manufacturer of wood protection products including end coatings and sealants for logs and lumber, has acquired Contechem, Inc. of Portland, Oregon. Contechem, which was founded in 1985 by Gene Mitch and Gary Anderson, is a leading producer of sapstain control products for the lumber industry on the west coast. The merger of the two companies, both owned by High Road Capital Partners, creates a complementary single-source supplier of wood protection products for the hardwood and softwood markets across the country.

"This partnership of two quality companies with important products for wood processing will allow each of us to work together in research and development and distribution of our products from coast-to-coast," explained Tom Johel, CEO of U-C Coatings.

"This is an incredible opportunity to increase our resources to grow our business in protecting freshly cut lumber and logs," added Steve Anderson, Contechem Vice President. "Now, we can have an even greater, positive impact on our customer's bottom-line with more ways to protect wood, increase yield and reduce waste."

U-C Coatings is a leader in wood protection with its bestin-class wax end sealer, Anchorseal[®]. For more than 35 years, Anchorseal has been used by hardwood and softwood log and lumber producers to protect against end checking and splitting during drying. Up to 90% or more of end splits are avoided by applying Anchorseal as soon as logs and lumber are cut, resulting in higher yields with less waste.

Contechem's products are the gold standard in sapstain control. Its Britewood[®] XL is specifically formulated for the protection of hardwood and softwood lumber against stain and mold-causing fungi. It is also the manu-

facturer of Sol-Brite, a brightener that can be used on all hardwood and softwood species to remove unsightly iron stains caused by saw blades and oxidation.

Both companies will continue operations at their respective manufacturing facilities in Buffalo and Portland, without change. All personnel at both U-C Coatings and Contechem will continue to carry on their mission of providing the best possible products and service their customers.

About U-C Coatings, LLC

U-C Coatings, LLC is a Buffalo, NY based manufacturer of premium wood protection products, including market leading brand names such as, Anchorseal[®], Gempaint[®], LogSavers[®], Bates[®] and SEAL-ONCE[®]. U-C Coatings is a leading supplier in the logging, lumber and woodworking industries, where its products help their customers achieve higher yields and less waste.

For more information, visit **www.uccoatings.com**. About Contechem, Inc.

Contechem, Inc. is a leading producer of sapstain control products for the forest products industry, serving customers in the Western United States. Based in Portland, OR, Contechem provides compliance guidance, operator training and customized delivery systems.

For more information, visit www.contechem.com.



GOT MEMBER NEWS?

If you are a member of LSLA and your company has news to share, we have the space for it! Significant personnel changes, new products, business expansion or relocation, or any other notable developments with your business — here is where you can make an announcement. Send us the information or press release, along with any photos you may want to accompany the article, and we'll do our best to include it in *The Log.* It's a great way to let your fellow LSLA members know what's happening. Contact us at Isla@Isla.com or 920-884-0409.

2019 Membership Renewals

It is time to renew your membership with LSLA for 2019. You can find membership renewal and buyer's guide entry forms at Isla.com. Note that membership dues must be paid before the date of the first day of the 2019 Winter Meeting (Jan. 16, 2019).

The 2019 Buyers Guide will be coming out in March, so to assure you are included in the Guide, send in your renewals and buyers guide entry forms on time.

LSLA members are welcome to submit articles that are of interest to our membership. Contact our office at LSLA@LSLA.COM if you are interested in submitting an article or if you have member news of general interest to our industry.





David R. Oberstar Attorney

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