Volume 6, Issue 1

TREELINE,

TENNESSEE FORESTRY ASSOCIATION

March, 2009

TFASWCG Successful Year in 2008

Candace Dinwiddie, TFA Executive Director, would like to congratulate and thank the Tennessee Forestry Association Selective Workers Compensation fund for another great year in 2008. The workers comp. fund offers competitively priced coverage with top-notch safety programs and claims management. Since 1993, the TFASWCG has proven to be a valuable membership service for our sawmill and secondary wood manufacturing members. Candace would like to extend a note of deep appreciation to our manufacturing members who carry their workers comp. in the TFA Selective Workers Compensation fund. She also encourages other manufacturing members to contact Mike Whitley, Interim Director of the fund, to receive more information on the fund or to be provided a quote for workers comp. coverage. Mike can be reached at the TFA office; 615 883-3832 or mwhitley@tnforestry.com.

TFASWCG Off to a Great Start in 2009

By: Mike Whitley, Interim Director of TFASWCG

The TFASWCG continues to provide excellent service and individual support to the TFA manufacturing members who carry coverage in the self-insurance program. Listed below are several points of interest that highlight the success of the TFASWCG fund:

95% membership retention rate
2008 Loss ratio as of 12/31/08=26.40%
2009 Loss ratio as of 3/14/09=9.02%
Membership Count: 12/31/08 130; 1/1/09 123

2009 Safety Seminars will be held in Jackson and Nashville during the month of May. There is a possibility that a Cookeville seminar will be added to the schedule should there be enough attendees sign up for that location. Dates, locations and times will be provided to the entire membership as plans are finalized. I encourage every TFASWCG member to attend the safety seminars as they are very beneficial to business owners, safety managers and key operational personnel.

TFASWCG losses continue to be in a manageable range as claims frequency continues to decrease. However, payroll and employee count continue to cause the total premium of TFASWCG to decrease. The impact of the current economic situation is reflected throughout the majority of the membership of our fund. TFASWCG endeavors to weather the storm of the current condition of the industry with our members.

As Interim Director of TFASWCG, I would ask that members contact me should there be any questions regarding the operations of the fund. I look forward to serving the TFASWCG membership under the direction of the TFASWCG Board of Trustees....it is truly an honor. In addition, I plan to visit TFASWCG members at their opereations to address questions, concerns, or ideas that members may have. I would like to thank the TFA manufacturing members that continue to support and participate in the TFASWCG insurance fund, THANK YOU.

UPCOMING EVENTS

TN Forest Assessment Public Meetings

March 24 Chattanooga TDEC Development Resource Center.
March 26 Cookeville Hyder-Burks Agricultural Pavilion
April 1 Morristown Morristown Utilities Building
April 6 Jackson UT West TN Agriculture Center.
Assessment meetings organized per the 2008 Farm Bill.
Sponsored by: TDA/TDF; UT (times are 6-8 p.m.)

TN Healthy Hardwoods Field Days
Theme: "Income Opportunities for Your Forest"

May 2 Chickasaw State Forest Henderson
May 30 UT Forest Resources Center Oak Ridge
(no charge to attend/program starts at 8:10 a.m.)

TFA Teachers Conservation Workshops

June 21-26 UT Knoxville
July 12-17 Pickwick Landing State Park near Savannah
(no charge for teachers to attend)

West TN Regional Meeting

June 18 Catfish Cabin, Jackson
Social 5:00 P.M. Dinner: 6:00 P.M.
Program: TBA
Registration: $15.00 (pay at door)

2009 TFA Annual Convention

October 7-9 Pickwick Landing State Park near Savannah
Room Rate: $75.00
More Information will be Coming Soon!

FOR INFORMATION ON ANY OF THESE EVENTS, CHECK THE TFA WEBSITE: www.tnforestry.com.

The Financial Crisis and the Wood Products Industry

By: Brian Perkins and Al Schuler, Virginia Tech University - Center Focus Newsletter Fall/Winter Edition

The financial crisis that started in August 2007 has been a long time coming and unfortunately the current recession won't be going away soon. This article will summarize the causes of this crisis, then discuss the impact it has had and could have on the forest products industry, and finally recommend actions that could help mitigate the crisis's effects and build for long-term performance. At the time of this writing, the full effect of the crisis's impact is largely unknown. The government response so far has yet to fix the 1¼ year old crisis. Currently, the banks are hoarding money in order to build their reserves against future losses, the Federal Reserve Bank has largely run out of fire power (near zero interest rate and a balance sheet full of questionable collateral), international trade is coming to a standstill as letters of credit dry up, and the deflationary pressures of falling real estate, energy, and equity prices are having an effect on consumers. If bank lending to qualified customers doesn't come back soon, there will be even more severe consequences to the real economy. First, let's review how we got here and then look at how it will impact the industry and what companies can do about it.

THE CAUSES

The financial crisis is global in scope due to the flow of international capital despite its acute causes that are mainly attributable to the U.S. financial system. There are a number of causes that led to the current financial crisis including the securitization of credit, negligence of credit rating agencies, deregulation, creation of the housing bubble, and excessive use of leverage. A review of each cause in more detail is presented below.

The credit crunch started with a loss of investor confidence in securities such as mortgage backed securities (MBS); assets backed securities (ABS), and collateralized debt obligations (CDO), etc. These securities bundled mortgages, commercial loans and other bank loans in order to spread the risk of losses. Many of these securities were given AAA ratings by credit rating agencies, who were paid by the securities issuer (a clear conflict of interest and a departure from historical norms of being paid by the securities purchaser), despite being made up of loans which had an elevated risk of defaulting (i.e.: subprime). Since these new securities were AAA rated, they could be purchased by pension funds, banks, and other investors seeking a "safe investment." These securities were sold by banks and mortgage originators to other banks and investors around the world. Many banks created off balance sheet entities that purchased these securities. In late 2006 and 2007, high interest rates caused adjustable rate mortgages to reset to higher payments which in turn caused the underlying loans to default and the securities themselves began to be devalued. Some securities lost over 75% of their initial value and this has lead to huge losses for purchasers of these securities. This securitization of credit effectively allowed banks to initiate more loans than their reserves should have enabled them to because they had sold the original loan. These securities failed to mitigate risk and the credit rating agencies that rated them failed to diligently assess risk.

This type of bank behavior was enabled by the repeal of parts of the Glass-Steagal Act which regulated commercial banks after the Great Depression. The barrier between commercial banks and investment banks was removed by the law's repeal and a new era of deregulation, speculation, and financial innovation was ushered in. Investment and commercial banks merged into behemoths and became too big to fail. The independence of these banks were called into question as the investment side tried to sell the securities produced on the commercial side. The regulation of banks became a lot more difficult as loans were chopped up and sold away. The true amount of risk a bank was exposed to was unknown. The use of derivatives grew exponentially and the Federal Reserve and the Securities and Exchange Commission neglected to adequately regulate these new financial products. At the same time, free market ideology intoxicated the regulators, policy makers, and politicians who were supposed to be protecting the financial system. Deregulation and inadequate enforcement of existing regulations helped create the equity and housing bubbles along with its exotic financial innovations.

The housing bubble, which has yet to deflate all the way, was characterized by the doubling of housing prices over the past decade. With everyone believing that house prices would always go up, people speculated and hurried to buy in order to get property while it was still cheap." This was reinforced by official government policy to help subsidize home ownership through tax breaks on mortgage interests and the activities of government-sponsored enterprises – Fannie Mae and Freddie Mac. Many economists have pointed out that this is terribly wasteful since this subsidy doesn't increase our competitiveness or improve our productivity. There was simply too much investment in housing which is a non-productive asset. Growth in house prices during this bubble far outpaced growth in household income so financing had to get creative. Enter adjustable rate mortgages, no down payments, no document loans and securitization of credit. Nearly anyone with a heartbeat could get a mortgage evidenced by the so-called "ninja" loans: No-Income, No-Job or Assets. What happened to 20% down? As interest rates increased, these adjustable rate mortgage loans began to default and this lead to losses on the securitized debts (MBS's etc).

The housing bubble also became a way for homeowners to make up for the lack of real income growth. With house prices appreciating, homeowners extracted equity from their homes. Over half of all subprime loans were home equity loans. These new loans and exotic securities only provided the illusion of progress. People couldn't afford these homes, but they and the mortgages originators fooled themselves into believing that they could. Real progress would be an increase in income, job security, and savings that would really enable higher home ownership. The subprime and even prime loans were made available and cheap to nearly everyone by an overabundance of credit supply in the U.S. which was created in part by foreign governments appetite for Treasury bonds (in order to maintain their currency pegs), a net savings rate in Asian countries, and a federal funds interest rate that was kept too low for too long by Alan Greenspan. This excess credit availability drove the housing and equity bubbles and it should have been stopped. Regulators, policy makers, and some economists were aware of it, but they did not do anything to slow it down.

During this time period (mid 90s to current), investors, banks, and hedge funds were looking to boost returns. They achieved this through the use of leverage. By borrowing money (debt) and investing it, they could achieve higher returns than just investing their

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own money (equity). This worked quite well for a while. Indeed, the financial industry was responsible for 46% of all earnings in the S&P 500 during the last bull run. The financial industry accounted for nearly 8% of GDP in this time period. Now, the financial industry is deleveraging and having to write down the losses on the loans that can't be paid back. Because of their extremely high leverage, there isn't much equity to absorb losses. This is why the government has to come in and bail them out. The bottom line is that the financial industry has gotten too big and must be scaled back to historic proportions. It must serve the needs of the economy and small businesses, not the other way around.

IMPACTS

The housing slowdown, which began in 2006 and declined rapidly since then, has been impacting the industry for a while. The current financial crisis is like the second punch in a powerful 1-2 combo that has knocked many companies out of business. Housing starts are down; home prices are down; unsold home inventories are up; non-residential construction and remolding activity have also declined; consumer confidence and builder confidence have decreased, and manufacturing activity has decreased despite dramatically decreased interest rates. These trends have and will continue to have drastic effects on the wood products industry since most of the industry's demand is driven by construction and consumer demand. The question is how long will this downturn last and how severe will it be.

The recession is already one year old and will not abate for at least another year. This downturn will be longer than normal also because there is a housing recession in conjunction with a financial crisis. The credit that drove the housing bubble will not be available to aid in the economic recovery. Also there are a large number of adjustable rate mortgages (ARM) that reset in 2010 and 2011. These could end up in foreclosure just like the subprime ARMs in 2008. There must be a large, effective program to stem the increase in foreclosures in order for the housing industry to stabilize. If banks were willing to give households the option to rent-to-own, this could be beneficial to both parties. Banks would get more than if the house was sold in a foreclosure and people would get to stay in their home. Even with good policies and economic stimulus, this could be the longest recession since the 43-month recession during the Great Depression. Given the policy response of the U.S. government so far, some observers think that the U.S. is headed the Japan route. Japan suffered a long (15 years) no growth period after its asset bubbles burst in 1990. If this is the case, the economy is unlikely to quickly and robustly recover in 2010.

The recession is also likely to be relentless for the forest products industry. Housing starts will fail to break 1 million units in 2008 and possibly only 800,000 units in 2009. This would be a 61% decline from the 2 million starts in 2005. This steep decline is comparable to the 51% decline over three years from 1972 to 1975. Then, housing restarts rebounded above their long term average (1.5 million units) the next year. We are unlikely to see housing starts rebound that quickly in the current scenario. House prices must fall further and household incomes must rise in order to revert to their long term trends (Figure 1). People must be able to afford houses to purchase them and until this happens there won't be a housing recovery. This recession looks to be a long and deep one.

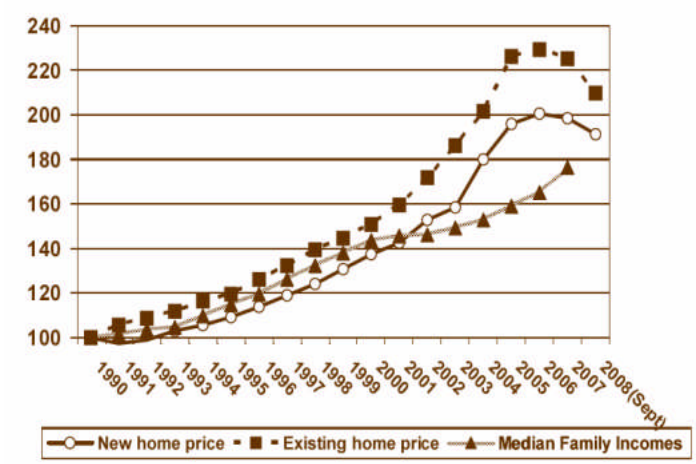

Figure 1. Home Price and Household Income Relationship   Source: Al Schuler, USDA Forest Service

Companies across the forest products industry from logging to cabinetry have already closed operations, some temporarily and some permanently. Since January 2006 according to Bureau of Labor Statistics data, job losses in wood products manufacturing have totaled 126,000 (22% of the total industry employment). Production cut backs and consumption declines in nearly every segment of the industry have been significant: softwood lumber down 30%; hardwood lumber down 30%; structural panels down 26%; and engineered wood products (EWP) down 20-30%. We have seen a rebalancing of supply and demand in lumber, EWPs, and panels but this may have to occur again as housing-related demand continues to decrease in 2009 and deflationary pressures further erode prices. The historic low prices of lumber and panels in conjunction with high costs have caused many companies to become unprofitable. The S&P Global Timber & Forestry Index has fallen 55% from its apex in early 2007. In the short term, the job losses, plant closures, and financial losses in the industry will have to continue into 2009 so that supply is brought back in line with demand.

SHORT TERM RESPONSES

What can we do as an industry to cope with this deep, protracted recession? The necessary responses by the industry aren't actions that companies like to take but they must. The list includes cutting production, shutting down temporarily, dramatically cutting costs, conserving cash, finding new markets, diversifying into other markets, and going out of business. We'll review a number of these actions but a combination of all of the above is probably necessary.

First things first, the industry should position itself to take advantage of the coming economic stimulus. The stimulus is likely to be made up of infrastructure investment, state and local government spending, extension of unemployment benefits, and green energy investments. Can your manufacturing facility be retrofitted to produce renewable energy from wood residue? Despite low energy prices, now is a good time to layout a long-term strategy for diversifying into energy production. There has been much research on how to use wood for transportation infrastructure. Does this market fit with your existing capabilities? Finding new markets not tied to housing and diversifying your product portfolio are critical during these times but also make for a good long-term strategy.

Production decreases and temporary shut downs go hand-in-hand with cutting costs and conserving cash. Fortunately, there has been some relief in the form of decreased energy costs recently along with lower international shipping rates. In order to deal with

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declining sales revenue and profitability, firms have to cut costs in order to survive. Expenses that seem to be non-essential are the first to get cut such as the holiday bonus and party, along with postponement of computer and machinery upgrades. More important expenses such as advertising, research and development, dividend payments, and pay raises are next in line. The more difficult costs to cut are the large ones: raw materials, labor, energy, supplies, etc. The cutbacks in production help reduce these costs but they also reduce cash flow which is critical. Without adequate cash flow, companies go bankrupt. Proper management of cash flow is especially important during a downturn. Companies can demand payment up front, decrease their account receivables, and try to extend their account payables in order to stretch their cash flow. Decreasing costs and conserving cash during a downturn are just as important as trying to increase sales or capture market share.

There is a natural inclination to look for growing markets overseas for current production as domestic markets shrink. The past few years has seen an increase in exports as the dollar declined and developing countries grew rapidly. Unfortunately, in the current recession there isn't likely to be many opportunities. Are there small, niche markets that are growing for some products? Yes, of course, but foreign markets are generally not attractive right now. The European Union and developing countries of BRIC (Brazil, Russia, India and China) are in a downturn also. This downturn will be global. China is likely to be harshly affected due to its export and currency imbalances.

China is in a position similar to that of the U.S. prior to the Great Depression. At that time, the U.S. was a large net exporter and had amassed large gold reserves as a result. There wasn't much domestic demand in the U.S. We were a net saver effectively exporting our lack of demand. At that time, Europe was indebted to the U.S. and eventually they were forced to default on their debt. The U.S. went off the gold standard, the dollar dropped 40% and then the economy was able to recover. China is currently a large net exporter, has large foreign exchange reserves (the dollar has taken the place of gold), has comparatively weak domestic demand, and has financed much of the U.S.'s overconsumption. The current policy responses of China (export subsidies and currency support) are counterproductive. China must stimulate domestic demand in order to avoid the effects of the global recession. In summary, now isn't the time to enter foreign markets, especially China.

The capital improvements and cost reductions that the industry has invested in and the new products and markets they have developed and entered may pay off during the downturn. Companies that haven't changed any of their operations or marketing may suffer as competition intensifies just as it did with globalization. However, those companies with large debt payments will suffer from tighter cash flow than those with smaller debt payments. Good accounting and financial analysis is especially important when company finances become tight. A close eye must be kept on competitors especially those that may go under. Will you be able to service their customers or does it make since to acquire their operations? These are some of the short term responses that management must consider during these difficult times.

LONG TERM RESPONSES

What we must do as a country is to invest in our forest products industry and the larger manufacturing industry for the long term. Given the global imbalances in trade, specifically forest products, we as a country must produce more with our given resources. We are going to have to invest in the long-term productivity and sustainability of our forestlands. This forestland in turn must be available to supply us the fiber, fuel, food, fresh air, sequestered carbon, wildlife, clean water, etc. that we need to improve our economic well being. In a couple years, as asset prices reach bottom, those companies looking to acquire forestland may find some good values.

Wood product manufacturers must figure out a way to reduce lead times, reduce inventory, and shorten the supply chain. We just can't produce products that people don't want to buy. Are there new products/ services that are needed in the market? Good market research will help answer that question. Companies need to become more responsive to the consumer and understand their behavior. Now is the time to get closer to your customers and understand them better. Firms must find out what markets they are competitive and profitable in and produce only the value-added features that customers are willing to pay for. Companies must correctly position themselves to take advantage of the green building, and climate change mitigation trends. If your company owns forestland, are you prepared to benefit from carbon trading? Have you performed a cost benefit analysis on forest certification? This economic downturn will be notable but with good management and good marketing, the wood products industry can emerge stronger, more competitive and more sustainable.

TFA Announces Partnership with Outdoor Underwriters, Inc.

TFA has partnered with Outdoors Underwriters, Inc. to handle our organization's hunt club and timberland liability insurance programs. Tom Skaggs, TFA Board Member, will be representing Outdoor Underwriters, Inc. in Tennessee and neighboring southern states. Tom is a graduate forester with 20+ years of experience in both the forest and insurance industry. He will be assisting TFA in marketing these programs to our members.

The liability insurance programs have been in place over 20 years in the Lloyds of London market and managed by Ed Wilson, a Ph.D Forester. Tom joins Ed's team at Outdoor Underwriters which has worked together over 20 years to provide outstanding coverage at competitive and reasonable rates.

Outdoor Underwriters, Inc. also carries insurance products for consulting foresters liability, wildlife consultants liability, standing timber and prescribed burn liability.

Check the TFA website at www.tnforestry.com. to download applications for the hunt club and timberland liability insurance programs. To speak to Tom regarding insurance products offered by Outdoor Underwriters, inc. call 803-451-8526 or Tom's direct line at 865-766-0900.

SOUTHERN
GOVERNORS' ASSOCIATION

Resolution on Unfair Canadian Lumber Imports
Approved on February 22, 2009
Southern Governors' Winter Business Meeting
Washington, D.C.

WHEREAS sawmilling and forestry are major industries in the southern United States, accounting for thousands of direct jobs, and

WHEREAS the administration of every U.S. President since President Reagan has found that Canadian lumber is unfairly traded, and

WHEREAS the U.S. federal government has repeatedly found that Canadian provinces unfairly subsidize Canadian lumber producers by providing them government timber for a fraction of its value, and

WHEREAS the U.S. federal government has also found that Canadian producers dump lumber into the United States at unfairly low prices, and

WHEREAS unfair Canadian lumber imports undermine U.S. southern sawmills, their workers, family tree farms and communities depending on forestry and forest products, and

WHEREAS Canada committed in the 2006 Softwood Lumber Agreement with the United States to impose lumber export restraints to offset its subsidies and to forego new or increased lumber subsidies, And

WHEREAS Canada has repeatedly violated the Softwood Lumber Agreement by not fully applying lumber export restraints and by providing new and increased lumber subsidies, and

WHEREAS most egregiously, British Columbia has vastly expanded its stumpage subsidies by changing timber grading and timber price-calculation policies, leading to average public stumpage reduction of approximately 65% since the beginning of 2007, and

WHEREAS these intensified Canadian unfair practices, in violation of commitments to the United States, greatly exacerbate the injury to U.S. southern sawmills, their workers, family tree farms and communities centered on forestry and forest products, and

WHEREAS the United States needs to enforce its trade rights, particularly in this time of deep economic recession and vast job losses, now, therefore be it

RESOLVED that the Southern Governors' Association call on President Barack Obama to do everything in his power to ensure that Canada abides by the Softwood Lumber Agreement and, if Canada fails to do so, to take whatever action is necessary fully to address Canada unfair trade practices in the softwood lumber sector.

HALL OF THE STATES 444 NORTH CAPITOL STREET, NW SUITE 200 WASHINGTON, DC 20001
202/624-5897 FAX 202-624-7797 WWW.SOUTHERNGOVERNORS.ORG
Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia, West Virginia

Tennessee's Cumberland Plateau….Changes in the Landscape

By Kevin Hoyt, TFA East TN Vice-President

A new forest landowner study conducted by the University of Tennessee-Knoxville on the Cumberland Plateau was recently completed. The study was undertaken to gain new insight on the socio-demographics of Plateau NIPF landowners and to understand their forest management objectives and intentions for future timber harvesting activities. A mail survey using a stratified random sample of 1600 Nonindustrial Private Forest (NIPF) landowners owning 40 or more acres of forestland (confined to the US forest Service FIA Cumberland Plateau survey unit) obtained a 39 percent response rate.

The study revealed that almost 50 percent of the respondents were retired or employed as professionals and lived on or within 60 miles of their forest land. Ninety-one percent of all respondents had either purchased or inherited their forest land, and the majority indicated they intended to pass their forest land on to their heirs. The top three non-consumptive ownership objectives were to enjoy scenery, for peacefulness, and to preserve nature. Timber management was ranked as only moderately important. Forty-five percent of all respondents indicated that they had previously sold or harvested timber from their forest land, but only 30 percent indicated they intended to sell timber in the future.

Logit regression analysis revealed that NIPF landowners most likely to consider a future timber sale had sold timber in the past, had a higher interest in timber production, had received forest management advice in the past, and had a higher interest in maintaining the health of their forest. Factor analysis revealed landowners most likely to consider selling timber in the future fit into three main groupings: 1) Improvers; 2) Investors; 3) or Legacy Owners.

Kevin Hoyt, TFA's East Tennessee Vice-President, completed this study as part of his doctoral degree program at the University of Tennessee. Kevin has since received his PhD in Natural Resources from UT going through the hooding ceremony this past December.

PLT is Alive and Kicking

By Dave Walters, TFA Interim Educational Outreach Chairman

The PLT steering committee met on March 19 to affirm plans 2009. Besides continuing to support our excellent PLT training for pre-service teachers at universities across the state, we have plans to conduct PLT workshops for Corps of Engineers Rangers in Nashville on April 9, for Teachers attending the Outdoor Symposium at Montgomery Bell State Park on May 9, for Jasper Elementary in early August and we're making plans to conduct a PLT training session during the annual TFA meeting.

Our motto for this year is "just schedule it" so our facilitators are offering to come to County Forestry Association meetings to explain PLT and solicit TFA members to make contacts with local schools. Through local support, we may be better able to infuse our award winning program into our schools. Contact the TFA office for more information.

Also remember to let your local teachers know about our Teacher Conservation workshops…we still have space and we guarantee the teachers will be glad they went!

TFA and the Firewise Program

Each year wildfires burn down homes in TN. In 2007, 3,269 wildfires burned 44,067 acres and resulted in the loss of 34 homes and 195 outbuildings. If Firewise practices would have been in place, almost none of these structures would have burned- even if fire fighters and engines never left their station!

The Firewise program is coordinated by the TN Division of Forestry (TDF) FREE of charge. It is a national effort to protect homes from wildfire- before a fire starts. This is done by getting homeowners, community leaders, community planners, developers, and others to work together. Firewise emphasizes community responsibility for planning a safe community and individual responsibility for safer home construction and design, landscaping, and maintenance.

TDF provides many free services to assist homeowners and communities in making wise choices when making decisions about community design, home building materials and landscaping, and simply how to maintain a Firewise home. TDF will hold town and community meetings to explain in detail what can be done to design, build and maintain safe communities and homes. In addition, TDF gives presentations to civic and professional organizations explaining the details of how to make your home and community safe. The concepts and principles of Firewise are explained in pamphlets, brochures, and DVD's distributed during those presentations.

TFA members can be of great assistance in implementing this important program by learning more about it, employing it at home, and sharing the knowledge with their neighbors and community leaders. To learn more about how homes can be made safe- even in the absence of firefighters and engines, visit www.BurnSafeTN.org, contact your local Forester or Leon Konz, the TDF Prevention and Firewise Coordinator at leonkonz@comcast.net or (865) 414-5667.

Tennessee Forestry Association's Supporters

Tennessee Forestry Association
"The Voice of Forestry"

P.O. Box 290693
Nashville, TN 37229

Phone: 615-883-3832
Fax: 615-883-0515
E-mail: info@tnforestry.com
Website: www.tnforestry.com

2009 MASTER LOGGER

Continuing Education Classes:

Thursday, March 26, 2009
Location: Cumberland Heights School
Clarksville, TN
Topic: "Stream Crossings"
Instructor: Mike Sherrill,
TN Division of Forestry

Tuesday, March 31, 2009
Location: Public Library
Ext. Office - Dickson, TN
Topic: "Stream Crossings"
Instructor: Mike Sherrill,
TN Division of Forestry

Thursday, April 2, 2009
Location: Ralph Hastings Building
Fayetteville, TN
Topic: "Stream Crossings"
Instructor: Mike Sherrill,
TN Division of Forestry

Tuesday, May 5, 2009
Location: Roane ST Community College
Crossville, TN
Topic: "Log Bucking "
Instructor: Adam Taylor,
University of TN, Forest Products Center

Thursday, May 21, 2009
Location: City of Parsons Life Center
Parson, TN
Topic: "Visual Impacts "
Instructor: David Mercker,
University of TN

Thursday, May 27, 2009
Location: UT Research Center
Jackson, TN
Topic: "Visual Impacts "
Instructor: David Mercker,
University of TN

Master Logger 5 Day Courses

Wednesday, March 25, 2009
Rock Island @ The Landing
868 Seamons Road ~ Doyle, TN 38581

Wed., March 25th -Safety/ OSHA
Wed., April 8th - BMP's
Wed., April 15th - Silviculture
Wed., April 22nd - First Aid / CPR
Wed., April 29th - Business / Graduation

Lumber Companies Make Money While Moving Towards A More Sustainable Future

For many lumber companies, energy is one of the largest business costs, which is why we've explored different ways to help our members manage those costs more effectively. One immediate opportunity is to enroll in the TVA-EnerNOC Demand Response Program, which pays large energy users, like lumber companies, in exchange for their willingness to reduce non-essential energy usage during times of peak demand, which occur just a few times a year.

The process for participating in demand response is simple. EnerNOC, which is a member of TFA and has worked with lumber companies throughout the United States, will work with you to identify an energy reduction plan that can dramatically cut energy usage for a few hours, without adversely impacting business operations. The company installs its free energy monitoring software, PowerTrak, which is used to monitor energy consumption during demand response events, but can also be used to identify additional energy savings opportunities year round. Regardless of whether or not an event is ever called, participating businesses are paid just for being on standby. If an event is called, businesses are eligible to receive supplemental payments based on how much energy they reduce over the course of the event.

The amount of money a lumber mill can earn varies based on how much they are willing to reduce. As an example, a mill that agrees to shut down 1 MW of electricity could earn approximately $30,000 over the course of the year. The benefits of participating in demand response extend beyond the financial payments. Demand response helps to ensure that reliable, affordable electricity is available throughout the Tennessee Valley region. It also helps to decrease reliance on fossil-fuel burning peaking power plants, which can be harmful to the environment.

TFA members can go to www.enernoc.com/get-started and fill out the contact form or contact TFA member Tyler Gill at tgill@enernoc.com. When using the EnerNOC website please be sure to identify yourself as a TFA member! We will help answer your questions and discuss how you can start earning money through this new program. If you would like to see how a lumber company is already participating in demand response please go to: www.enernoc.com/customers/