



Annual Meeting
of the
Pennsylvania Forest Products
Association
September 15, 2009
Williamsport, Pa.

Meeting Agenda

5:30pm-7:00pm Reception

7:00pm Dinner and Program

- **PFPA Business Meeting**
- **Invocation and Dinner**
- **Program**

Thank You to Our Event Sponsors and Contributors

Bingaman & Son Lumber, Inc.
Cherrywood Lumberman's Association
Cleveland Brothers Equipment Co., Inc.
Conestoga Wood Specialties Corporation
Cummings Lumber Company, Inc.
Kane Hardwoods, Div. of Collins Pine Co.
Keystone Wood Products Association
Matson Lumber Company
McDonough Manufacturing
Parente Randolph LLC
REMMEY – The Pallet Company
U•C Coatings Corporation
Weaver, Inc.

**Forest Products Executive
Development Workshop Sponsor:**
Ag Choice Farm Credit

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Bob Rorabaugh, Rorabaugh Lumber Company
(Immediate Past Chairman)

PFPA Staff

Paul Lyskava, Executive Director
Michelle McManus, Business Manager

The Pennsylvania Forest Products Association

Mission:

To promote the common interests of the forest products industry within Pennsylvania by:

Creating a regulatory environment in Pennsylvania that enhances the profitability of the entire forest products industry;

Creating among the general public an increased knowledge of, and appreciation for, the value of the forest products industry in Pennsylvania, and the contributions the industry makes to forest sustainability; and

Increasing the amount of information available to the industry about legislative and regulatory issues, technical matters, and activities within the industry.

PFPA Financial Report

The balance in the PFPA General Operating Account as of August 31, 2009 (eleven months of the fiscal year) was \$40,650. For the first eleven months of the fiscal year, revenue for the unrestricted general operating account was \$260,251 and expenses were \$297,251, resulting in a net loss of \$36,877.

The balance in the Capital Campaign, other restricted fund accounts and reserves as of August 31, 2009 was \$371,033. For the first eleven months of the fiscal year, revenue for these accounts was \$67,317 and expenses were \$15,450, resulting in a net gain of \$51,867.

The balance in HLMA Educational Inc as of August 31, 2009 (eight months of the fiscal year) was \$18,429. For the first eight months of the fiscal year, revenue for HLMA Education Inc. was \$16,095 and expenses were \$8,414, resulting in a net gain of \$7,681.

Membership:

As of August 31, 2009, PFPA membership includes 175 companies, individuals and organizations. Since October 2008, PFPA has added 7 new members and lost 26 members, for a net loss of 19 members.

PFPA Government Affairs Program (Oct. 2007 - Sept. 2008)

Highlights of Legislative and Regulatory Activities

PFPA supported recently enacted legislation that addresses the regulatory and legal barriers and promotes wider use of prescribed burning as a sustainable forest and habitat management tool.

PFPA lobbying efforts helped enact legislation in late 2008 that allows forest product and ag customers of farm credit agencies to access certain state economic development loan guarantee programs.

Last winter also saw PFPA-supported changes to the state's existing electric renewable portfolio standards law that enhance the value of electricity produced from paper and wood manufacturing residuals.

PFPA's meetings with PDA Secretary Dennis Wolff and other Administration officials led to a series of business financing summits for logging and wood companies.

PFPA worked with local legislators to get PennDOT to implement relief for loggers and sawmills who are facing an explosion of state road posting in PennDOT District 3.

We have obtained favorable changes to numerous green building bills and a state economic development lending policy that lessens the chance of discriminatory practices against the use of wood by expanding the number of qualifying green programs.

Recommendations by PFPA were incorporated into a recently introduced state housing and remodeling stimulus bill.

PFPA maintains the fight for continuation of the Department of Agriculture's Hardwoods Development Council during this difficult state budget year. Department intervention prevented elimination of promised HDC grants last winter. The Department has also retained HDC staff during the ongoing budget impasse. Meanwhile, PFPA continues to try to secure continued dedicated funding for the HDC.

PFPA continues to work closely with state and federal agencies and educate our industry related to the regulations addressing Emerald Ash Borer.

This year, PFPA has testified at hearings of the Agriculture and Rural Affairs Committees in both the Senate and House. We have also hosted issue briefings for the House Timber Caucus.

PFPA worked with the Jt. Conservation Committee to hold hearings and informational meetings on important forest topics, including riparian areas, green building mandates and the development of the state's wood pellet industry.

PFPA continues to advocate for increased access to timber on state-owned lands, emphasizing the importance of these lands to support the eventual industry recovery and replace increasingly scarce private timber.

PFPA again prevented the introduction of legislation that would mandate the licensing and regulation of foresters and forestry operations in the state.

We oppose excessive restrictions on logging near streams.

PFPA opposes proposals that increase taxes and fees on forest product manufacturers.

PFPA is opposing more excessive criminal penalties and civil damages for accidental, nonconsensual tree removals.

PFPA has sought to protect industry interests by providing input to DCNR and Bureau of Forestry on various policy and guideline issues, such as carbon sequestration, timber contracting, biomass harvesting and green building materials.

More than 80 legislators, legislative staff and key agency personnel attended PFPA's Legislative Event in April, 2009.

Staff responded to dozens of member inquiries on state and local regulatory matters. Questions and issues related to local road posting and bonding; municipal timber ordinances and EAB quarantine dominated this activity.

Acting as industry spokesperson, PFPA fielded media inquiries, issued press releases and submitted letters to the editor on a variety of issues impacting our industry.

PFPA staff provided legislative updates and issue specific presentations to a number of outside organizations. PFPA also met with New York legislators and Ag officials to help the Empire State Forest Products Association enact their own state hardwood council statute.

PFPA provides financial support to the Hardwood Federation, which conducts lobbying on federal hardwood industry issues.

Industry Representation

PFPA represented industry interests at more than 60 separate meetings of the various formal committees and advisory groups, working on various policy and regulatory issues. PFPA formally participates in the following groups:

- Pennsylvania Hardwoods Development Council
- Joint Legislative Conservation Committee Forestry Task Force Advisory Committee
- Governor's Advisory Council on Rural Affairs
- Governor's Invasive Species Council
- DCNR Citizen's Advisory Committee
- DCNR Forest Stewardship Committee
- DCNR Ecosystem Management Advisory Committee
- DCNR Carbon Sequestration Work Group
- DCNR Nature Inn Focus Group
- DEP's Non-Point Source Liaison Work Group
- PennDOT's Motor Carrier Safety Advisory Committee
- Penn State School of Forest Resources Advisory Committee
- Pennsylvania Prescribed Fire Council
- Penn State Ag Council
- Hardwood Federation
- Northeast Hardwood States Legislative Conference
- Sustainable Forestry Initiative® State Implementation Committee

TimberPAC

PFPA's political action committee raised nearly \$25,800 in calendar year 2008, as nearly 75 separate individuals made contributions to the PAC. In both instances, these are single year highs. PFPA was able to provide financial support to more than 50 legislators and incumbents in 2008.

TimberPAC is now raising funds for the 2010 elections. Thus far in 2009, TimberPAC has provided financial support to the re-election campaigns of 14 state legislative incumbents.

Other Activities and Initiatives

Timber 2009

Timber 2009 Forest Products Equipment and Technology Exposition was held May 29-30 at the Ag Progress grounds in Rock Spring, Pa. The show was again co-hosted by PFPA and Penn State College of Agriculture. Ag Choice Farm Credit and Pennsylvania Department of Agriculture/Hardwoods Development Council were primary show sponsors.

The show featured 74 exhibitors and show attendance was estimated to be 1,800. Both of these figures were about 20 percent less than the 2007 event, but comparable to the 2005 event.

New to the show in 2009 was an 'in-the-woods' demonstration area, which added to the event's expanded list of equipment demonstrations. The show's business seminar schedule attracted an attendance of 300, including an estimated 40 loggers who used the event to meet their annual SFI® continuing education training requirements.

Sustainable Forestry Initiative®

The Sustainable Forestry Initiative® State Implementation Committee is a committee of the PFPA Board. PFPA helped secure a \$47,000 HDC grant to support SFI's continuing activities. Since its inception, more than 3,330 individuals have participated in logging safety and environmental training and more than 26,000 outreach and education packets have been distributed to Pennsylvania forest landowners.

The Pennsylvania SFI® program has made changes to its staffing and office situation to address current economic conditions and ensure the continued viability of the program. The new contact information for PA SFI® is:

PA SFI®
P.O. Box 276
Bellefonte, PA 16823
Telephone: (814) 355-3970
Toll Free: (888) 734-9366
Fax: (814) 355-3971
Email: pasfi@verizon.net

Pennsylvania WoodMobile

PFPA partners with the Pennsylvania Department of Agriculture's Hardwoods Development Council to provide the Pennsylvania WoodMobile as a educational resource for schools and public events. Last year, sixteen PFPA members stepped up to sponsor a new truck for the project.

Despite an uncertain state budget climate, the WoodMobile has remained operational throughout 2009 – thus far on the road for 93 days and participating in 40 programs and public events. This year, it has hosted an estimated 78,000 visitors, including over 5,000 students and teachers.

Log a Load for Kids

This year, PFPA became involved in the Log a Load for Kids charity, hosting a bird shoot in March and a loader competition at Timber 2009. The two events raised more than \$2,700 for Children's Miracle Network hospitals.

Lauchle Scholarship

PFPA has assisted the Keystone Wood Products Association in the development and promotion of the Richard P. Lauchle Scholarship Fund, which will eventually support an individual enrolled in the Forest Technology Associates program at Pennsylvania College of Technology. Dick Lauchle was part of the first class of that institution's forest tech program. He was a former officer and longtime supporter of PFPA and a dedicated advocate for the forest industry.

Industry Outreach, Education & Networking

The following activities and initiatives keep members informed and provide marketing and networking opportunities:

- PFPA Annual Meeting and Golf Event
- PFPA Legislative Event
- Regional Meetings
- The Ticker – weekly government affairs fax update
- Annual Membership Directory and Buyers Guide
- Pennsylvania Marketing Bulletin
- Informational brochures
- PFPA Website – www.paforestproducts.org