



May 2020 *Issue*

VA Loggers Association

News & Updates



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TO OUR MEMBERS

Thank you members for supporting VLA's mission through good and hard times. We will be even stronger!

Putting our members first and proudly serving the interests of Virginia loggers!

VLA is grateful to Lilley International for their generous donation when a VLA member purchased trucks.

VLA is grateful to Enviva Biomass for the first and generous sponsorship for our 2020 annual meeting.

Congratulations Binky & Guke Tapscott for being named FRA's 2020 Southeastern Region Outstanding Logger.

IMPORTANT 2020 DATES

MAY 1-2	Richmond Logging Expo	CANCELLED DUE TO COVID-19
MAY 10	Mother's Day	
MAY 19	Zoom Legal COVID-19 Challenges	
MAY 25	Memorial Day	
JUNE 24	Safety Seminar at Keystone Antique Truck & Tractor Museum	
JULY 24-25	ALC Summer Board meeting	
AUG 20-23	VLA Annual Conference	
SEP 24-26	ALC 26th Annual Membership Meeting	
OCT 14-16	FRA Annual Meeting (Logger of the Year Award)	

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March 31, 2020

Believe & Develop Passion **It's worth the fight!**

By Ervin Bielmyer – Bielmyer Forestry & Wood, LLC

Oftentimes large government agencies bring forth ideas and concepts for projects for the common good. Equally often we as citizens too frequently disregard the calls for public input because we think our voice won't count in the long run.

This was the recent example in Dinwiddie County when the Virginia Department of Transportation (VDOT) proposed the Median -U – Turn (MUT) design for the Intersection located at HWY 460 and Courthouse Road.

After decades of multiple deaths and accidents, the Dinwiddie County Board of Supervisors requested VDOT to propose a design for a safer intersection at Hwy 460 and Courthouse Rd. VDOT proposed a Median U-Turn (MUT) design for a safer intersection. By early September 2019, construction equipment was placed on the site and ready to proceed with the project. At the end of September, the equipment was removed, without starting construction, and a sign was placed announcing a public hearing on October 17, 2019 at 5:00 PM and requested the input of its citizens.

At the VDOT designed hearing, the public displayed a lot of opposition to the MUT design. After the public hearing, I realized the importance of engaging the public and affected industries in the discussion. If Dinwiddie County citizens and businesses were going to receive the safest possible solution, we needed to rally people to think about alternative designs. I decided to make our opposition heard at VDOT. I also recognized that if we were going to be successful, the focus was not only going to be at the local level but also at the Richmond level. Initially I sent emails and made many phone calls to Virginia Loggers Association (VLA) and various local loggers to "Rally the Troops".

Many emails and phone calls were made to our Virginia State Delegate, State Senator, Virginia Farm Bureau, Dinwiddie County and VDOT to bring attention to what I believed could be flaws of the MUT design. VLA and I had a one on one meeting with a VDOT Engineer. Other one - on - one meetings and many phone conversations with the Dinwiddie County Administrator, Sheriff, and the local County Board of Supervisors discussing the flaws and concerns of the citizens kept the conversation alive! Attending Dinwiddie County Transportation meetings, School Board meetings, and Board of Supervisors meetings to discuss VDOT's proposal kept us very busy. We had a site visit with the State Delegate, to observe the traffic flow thru the intersection. I had many conversations with citizens, encouraging them to be involved, for the local and state government officials to hear their voice. Our State Senator captivated the Virginia Secretary of Transportation's attention by suggesting "to listen to the citizens."

With the citizens being activists, the County Administrator set the parameters to VDOT that certain stakeholders, i.e. VLA, Dinwiddie County's Sheriff Department, School Superintendent, and Farm Bureau, would have to approve the proposed MUT for Dinwiddie County Supervisors to approve. There was no approval. VDOT and Dinwiddie County Administrator developed a compromise for the intersection, gaining approval from all. This end result exceeded everyone's expectations and we believe provided a safer more effective and less costly solution. The final design would not include the MUT intersection, but one that implemented Pronounced Rumble Strips, and a single lane traffic flow thru intersection to reduce speed.

VDOT and Dinwiddie Co. official's response was, **"This is the way it is supposed to work. Citizens becoming active with government listening."**

In summary we hope everyone reading this article will see the importance of involvement and participating in the public process available to us in Virginia.



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COVID-19: THIS TOO SHALL PASS AND WE'LL BE BACK TO NORMAL SOON

When I was in school, I worked in a Ruby Tuesday, and my manager gave me a nickname: Dr. Dave. Since I was working towards a master's degree at the time, he said I was the most highly educated bartender in Alabama. The name stuck. Even today, almost 20 years later, a lot of people who knew me from back then still call me Dr. Dave, or in some cases, Doc.

Well, let me tell you: I am not a doctor. I don't even play one on T.V. I'm pretty sure I'm not smart enough to have made it through any sort of medical training; not even close. That's not how God made me. I'm a writer and storyteller by nature; an observer/documentarian of the forest products industry by profession; and a political scientist by education.

One thing I learned in my studies of politics: I don't trust politicians. I know some who enter into politics are people of integrity—my grandfather and grandmother both held political office in Arkansas in the '50s, and I'd like to think they were honorable—but as a rule, I think what politicians say should be taken with a grain of salt.

Point being: I am not a doctor, so you should if I give you medical advice, don't listen to it. If I try spout an opinion regarding public policy on coronavirus, ignore me: I'm not qualified to say. I don't know anything about any of it.

No, nicknames aside, I'm not a doctor...and neither are most of the politicians and media pundits constantly giving their opinions. Some of them are telling us to stay home, some are saying to get back to normal. How can we know who to believe? To me it's simple: what are the actual experts saying? What is their majority consensus? That's the only opinion that means anything to me. I'm going to trust the healthcare experts who put in the time and effort to earn the education and experience to, generally, know what they're talking about. Until I see solid evidence to the contrary...not based on conjecture or speculation, but real proof... then I remain confident that the consensus of the medical community is reliable and true.

So that's my only medical advice to you and anyone: don't listen to me, Rush Limbaugh, Rachel Maddow, Donald Trump or Nancy Pelosi. Let's listen to the doctors.

Our society has gone to great lengths—some say too far, others not far enough—in an attempt to limit the spread of COVID-19 to manageable numbers so that we don't overwhelm our healthcare

system beyond its capacity. It looks to me like, overall, we've been succeeding so far. Yes, the numbers are high, and all of those lost lives matter. If we believe the official numbers from the hospitals, CDC and Johns Hopkins, then in just about two months, about as many Americans have died of complications related to coronavirus as died in the entire Vietnam War (about 58,000). But, if we hadn't done anything, it could have been much worse. If we had gone about life as normal, those numbers could have been so much higher. Despite some of the more conspiracy-minded hype one might find on social media, it does appear that, even with all the extreme measures taken, coronavirus has claimed more American lives in under two months than even a bad seasonal flu does in a whole year—unless we just assume that the doctors and hospitals are all lying to us, and, again, I'm willing to make the opposite assumption.

Speaking just for me, frankly, I trust the healthcare pros that I know, like my sister and my mother-in-law, more than I do internet memes, professional talking heads on TV and radio, politicians, or even various businesspeople who, understandably, are eager to get back to work. I understand their concerns; I share them. But I figure they're generally not experts on immunology and therefore as unqualified as I am to know what's best in this situation. As long as the doctors and nurses, the ones who are qualified, are telling me we need to keep our distance, I'm going to assume that their years of education and experience mean they know what they're talking about more than the rest of us non-medically trained folks do. So every time I hear a radio or TV talk show host, or a politician, or some random person on social media, say what they think we need to do, I only have one question: what are the doctors saying? Theirs is the opinion that counts most to me in this situation.

That said, I am hopeful that the numbers of confirmed new cases and deaths will start on a steady decline soon. The data doesn't support that yet, but I hope it will soon, and that this virus will, as have some other pandemics in the past, run its course, with or without a vaccine. It's too soon to know if that will be the case, but I'm optimistic. Again, I don't know anything, I have no facts on which to base that, I am not predicting that; I'm just hoping.

I know a lot of people who own or work in small businesses, who have had little or no income, are hurting economically. I'm sympathetic, I'm not discounting their suffering. I hope, for all our sakes, that we can get things back to normal soon. I believe that we as Americans can be strong enough to get through this, like

Continued on page 8

my grandparents got through the double whammy of the Great Depression and World War II some 75-90 years ago. I know we need to get everyone back to work as soon as possible, and I want that too; everyone does. But I want us to do it in a smart way.

I just finished contributing to articles for the May issues of Southern Loggin' Times and Timber Harvesting about how the pandemic has affected the logging industry. We talked to loggers and industry advocates and representatives from all over the country. I came away with a sense that loggers are smarter than most other people I know. You guys have the basic common sense to take the simple precautions to keep this thing from spreading. Loggers are voluntarily, without needing government to force them, doing things like restricting the number of workers riding in the same vehicle to reduce the risk of exposure. Social distancing comes with the job.

Some other observations: It looks to me like industry association heads in states all over the country have done an absolutely outstanding job of advocating for your interests and keeping their members informed on every aspect of this, from safety to finance. Nationwide, forest products industry has been recognized as essential to society and infrastructure (imagine that?). I understand there have been some delays with parts and some complications with some markets, especially with solid wood products or anything tied to construction. But it's not so different from the ups and downs these markets endure every year. I don't have a crystal ball but I do believe that this will pass and we will get back to normal before you know it.

David Abbott grew up in a logging family, and worked for Abbott Logging Co. during high school and college. He has been a writer for Southern Loggin' Times, Timber Harvesting and other Hatton-Brown Publications since 2005. He lives outside Birmingham, Alabama with his wife Casey and their four children.



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TAPSCOTT BROTHERS LOGGING, INC: FRA'S 2020 SOUTHEASTERN REGION OUTSTANDING LOGGER

The Forest Resources Association has selected Tapscott Brothers Logging of Scottsville, Virginia, as the winner of FRA's 2020 Southeastern Region Outstanding Logger Award. FRA's SE Region encompasses the geographic area from eastern Virginia/Maryland to Florida.

Charles ("Binky") Tapscott and Troy ("Guke") Tapscott started logging in their late teens with their father, Harvey, and his brother. While Harvey is now 90 years old and still somewhat involved in the business, Binky and Guke have been the primary managers for years. They have grown the operation from a very small entity in the early 1980's into the current business that now operates five logging crews and one chipping crew, numerous company-owned and contract trucks, and a large inventory of mostly-in-house-built log and chip trailers. The Tapscotts' multi-faceted harvesting operations deliver wood to numerous mills throughout Virginia and beyond. Additionally, the Tapscotts' outstanding ability to maintain logging equipment led them to form their own logging equipment dealership, Forest Pro, affiliated primarily with the Tigercat brand. Forest Pro now has three stores located across central Virginia.

The Tapscotts maintain close contact with their insurance carriers and provide regular safety training and safety meetings for all their woods and trucking employees. All their trucks are equipped with GPS and some with dash cams. They contract with a safety consultant to provide additional safety training and participate in a random drug-testing program for all employees.

The Tapscotts have a long history of innovating. They were one of the very first logging contractors in Virginia to employ a farm tractor with a "street sweeper" brush and a water truck to clean the roads if their truckers happen to track any mud onto a public roadway. Binky and Guke have always been mechanically gifted, building their own gate delimbers and fabricating their own log trailers. Binky created his own version of a chain flail delimeter and patented a reversible slasher saw. They also created their own gigantic clambunk trailer for long hauls from the woods to the log deck. Binky is experimenting with a drone for monitoring the progress of his crews' forest harvesting and BMP work.

The Tapscotts are known across Virginia for their ability to conduct all types of timber harvests, and they receive high praise from the landowners whose timber they harvest. Proud of their harvesting operations, Binky and his team have often cooperated with the Virginia Department of Forestry and local schools to allow students and others to observe their harvesting operation and learn more about logging and forestry.

The Tapscotts became big supporters of the Log A Load for Kids program soon after it first started in Virginia. Additionally, Binky Tapscott has been a longtime member of the Virginia Forestry Association and the Virginia Loggers Association (VLA), and he serves on the VLA Board of Directors. Each year he and other forest industry members visit Virginia's legislators and educate them on important forest issues in Virginia and the nation. Binky and his wife have made numerous visits to Washington, DC with the VLA as part of the American Loggers Council's annual legislative Fly-Ins.

As recipients of FRA's Southeastern Region 2020 Outstanding Logger Award, the Tapscotts received a cash award and a gift certificate for a STIHL MS 462 chain saw from STIHL Incorporated, along with a walnut and cherry-wood crosscut saw plaque from FRA.

FRA's Outstanding Logger Award program is designed to raise the visibility of professional logging contractors and to encourage other loggers to adopt the performance of the award winners. The Regional Award winner becomes a nominee for FRA's National Outstanding Logger recognition.

The Forest Resources Association Inc. is a nonprofit trade association concerned with the safe, efficient, and sustainable harvest of forest products and their transport from woods to mill. FRA represents wood consumers, independent logging contractors, and wood dealers, as well as businesses providing products and services to the forest resource-based industries.

STIHL Incorporated serves as the sponsor of FRA's Regional and National Outstanding Logger Awards.



Photo: Binky (right) and Guke (left) Tapscott, owners of Tapscott Brothers Logging, Inc. and Forest Pro, Inc.

EXECUTIVE DIRECTOR'S CORNER

Ron Jenkins

Markets – Loggers' Take

This short story is about the loggers' perspectives on markets with a focus in Virginia. Loggers have changed their business models over time due to necessity, to remain viable, or to take advantage of better markets. Many have adapted their businesses to meet new market conditions and invested their time and energy into marketing their own products from their harvests.

Forest products are a complexity of natural resources and human interventions. The science, physiology and botanical secrets of forests are generally well - understood. The human element is more complicated and difficult to predict.

Regardless of how much we know about humans, corporate behavior and individual decisions are more complex. Forest products are made up of many competing interests. Everybody loves to win for their team, and every sector has heavy investments to protect or lose. The players include the forest landowners, processing mills, forestry consultants, loggers, haulers, financial markets, stock owners, regulators, policy makers, many small business service providers and more.

Loggers

Forest harvesting businesses must always balance extremely narrow financial margins between landowners and mills. And, they are subject to many regulations and laws. DOF monitors all forest harvests for water quality. VDOT oversees permitting for compliance with log road entrances into highways. Debris on the road, such as mud, can lead to a felony. VOSHA regulates safety for the workplaces. FMCSA regulates commercial trucking. Finally, DMV monitors for size and weights. The logging community members must also attend SHARP loggers training to meet sustainability standards in the marketplace.

The business must invest heavily in capital equipment to start and maintain their business. Skidders, cutters, loaders, trucks, vans, and more are very expensive even when purchased as used equipment. Once those investments are made, they must hire the best workforce in a competitive market. Loggers have seen much better times and a little prosperity. However, most are faced today with just sustaining their investments and making it though week to week.

Business owners who harvest forests interact with many other human sectors but generally have the least control of their business especially in limited markets. Decades ago, loggers typically worked under contract to mills. Today some still work directly with mills, while many have chosen to buy their own timber stumpage with the goal of marketing products from the sale areas. Sometimes these business owners find themselves competing.

Markets

Problems in Virginia's forest products are frequently thought to be due to limited markets. The pulp market is controlled by one company and there

are a limited number of sawmills, panel mills and other choices for loggers. Biomass for electricity production became popular but demand is waning due to lower demand for electricity and biomass becoming an uneconomic source.

These businesses have also faced reductions in their production and pricing pressures too. Business owners believe this is a result of fewer markets in Virginia and nearby states. It is a fact that some companies are only working 2 to 3 days per week before they have met their production quotas and are forced to find new ways to keep their workforce on their payrolls.

Mechanical and technology equipment advancements have led the industry to a highly mechanized, highly productive level in many parts of Virginia but interestingly that business investment has only been rebuffed by quotas on production. In earlier times, our mills and utility companies encouraged loggers to make those investments when they needed higher supplies. Shutdowns and quotas are hurting the smaller business owner and there is nothing for the smaller business to do but try to survive. Some of the slowdowns in the last two years have been unprecedented for many long - time loggers.

The effect has varied among our businesses. Some sold their equipment when they could and got out of the logging business. Others sold part of their business capital and maintained just enough to keep afloat. Others have tried to diversify into new lines of business. Others are trying to persevere and hope the years of building relationships will help them "cobble" together enough production to make it through a full week. Business owners made different decisions, but most agree the best approach is diversification. The outcomes have been very consistent among all these businesses i.e. constant pressure and sleepless nights.

Government

Government policy is generally good for Virginia forest products' businesses. However, we are seeing more pressure on biomass as a source to produce electricity. The Virginia Clean Economy Act (2020) should be of great interest to anyone selling biomass to the electric utility. We suggest you have a serious discussion with the utility to help with decisions on future equipment purchases. In addition, there is added pressure on smaller businesses to increase minimum wage and add paid sick leave for their employees.

Finance

Finance markets have been generally good for businesses in forest harvesting. Lower interest rates make financing a little easier, but the equipment costs continue to rise and that just means higher payments and the need to make more production.

Continued on page 11

Markets are the business owners' antagonist. All owners interviewed say they are operating on thinner financial margins and sometimes must take from savings or make temporary loans to make payroll. They favor a new pine sawmill in southeastern Virginia sooner rather than later. A CLT mill might be perfect! Hardwood markets are also badly needed, especially the lower quality hardwoods.

According to the forest scientists and statistic experts, we are growing more than twice as much pine and hardwood as we are harvesting. So, the supply is more than adequate for more markets and our existing businesses should be able to easily ramp up production. Forest harvesters say it is time to bring additional markets for lumber and logs.

Business owners also agree that the Commonwealth of Virginia should actively pursue more wood products' economic development to southern Virginia. Markets for all products are needed now. Smaller business owners also hope that larger corporations will bring back corporate loyalty and support for those they depend upon to provide raw materials.

Faced with rapidly changing technology and global marketing expansion, loggers also need to look inward and adapt their businesses to the opportunities of the future. Change will be required to return logging to profitability and insure a path for the next generation. We must adopt the philosophy of accepting what we cannot change but take charge of what is in our control.

Loggers understand the need to change and adapt to new markets and business norms. Many also hope for the return of closer ties among mills that count on their services. All support an aggressive economic development plan to encourage a mill(s) to settle in Virginia.

Our business owners strongly believe that our forest resources are sustainable with more markets. These business owners are always competing with each other.

Thank you and be safe!

WAYNE SUGG, ELLERBE, NC
[SUGG LOGGING]



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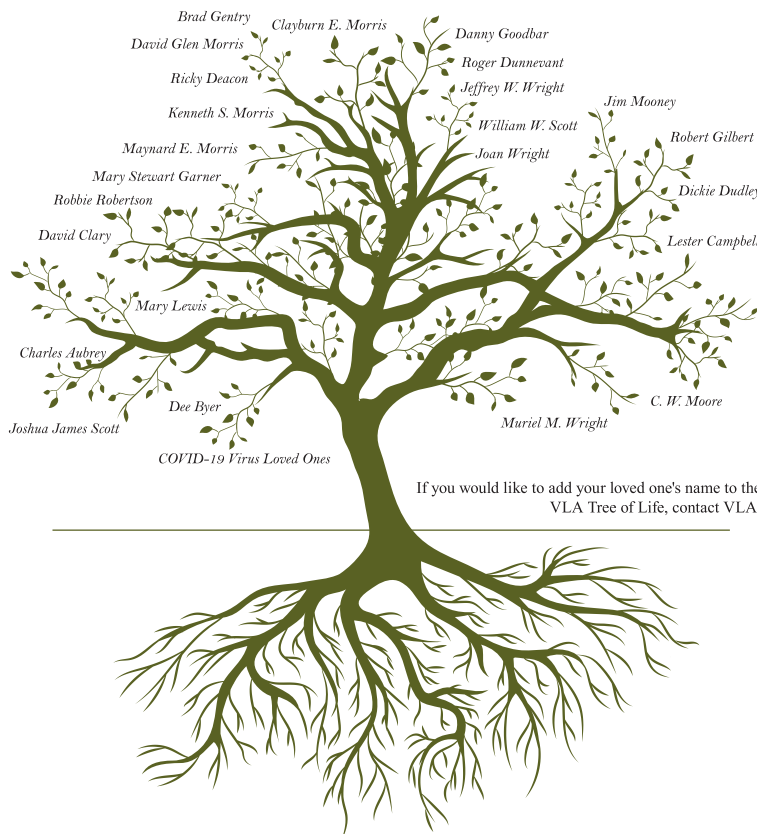


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NEWS AND UPDATES FROM VIRGINIA TECH FOREST OPERATIONS EXTENSION

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Extension Specialist,
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Coordinator for the VA
SHARP Logger Program

VA Tech Department of
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IT'S GOOD TO BE ESSENTIAL

I hope that everyone and their families are doing well as we adjust to our new normal. Within the period of a few weeks things were turned upside down and our normal routines were thrown into chaos. We have all added some new vocabulary like COVID-19, pandemic, and social distancing. Schools and businesses have had to shut down or go online. Everyone has had to adjust and for many people it has major implications. I know that there are a lot of hardships now but I also know that we will get through this even if we don't know exactly how long that will take. While there is an overwhelming amount of negatives we could talk about, I'd rather focus on trying to find some positives in this whole situation.

I think one of the positive outcomes from this will be a new appreciation of what is essential in our lives. The forest industry was designated as essential so they could stay open and continue producing the products that are essential for consumers. Many people started to realize how important the essential businesses, and the workers they employ, are to our lives. These essential businesses bring us food, forest products, health care, energy and more. All of a sudden many in our society started to realize the importance of truck drivers to deliver products, grocery store workers to keep food on the shelves, health care workers to care for the sick, and of course the forest industry. The forest industry provides the boxes, bags, and packaging to deliver products including all of those online orders shipped to our door now that people shifted their buying online to avoid stores. And then there is toilet paper. Toilet paper. Who would have thought that one of the key items in this whole pandemic to highlight the impacts of a national shortage would be toilet paper. Store shelves have been bare where toilet paper used to be stocked. It seems like everyone is trying to find a supply of toilet paper. News stories have focused on the supply chain and production of toilet paper. With all of the interest surrounding toilet paper and the news stories related to mills producing toilet paper, I can't help but think that many people also now realize that toilet paper comes from trees. And trees are delivered to the mill by our essential truck drivers coming from the essential logging businesses so that the essential mills can keep producing toilet paper. We all realize that it takes more than toilet paper to keep the forest industry running, but if toilet paper can be one of the things to help consumers realize how essential the forest industry is, then maybe at least that can be one positive outcome from this whole situation. I am optimistic that when this is all over, one of the positives for our society will be a better appreciation of just what is essential to our lives and to our economy. Loggers and the forest industry are essential to our society.

Thank you for the essential work that you do. I am hopeful that I will get to see many of you at the annual meeting in August and we can talk about getting back to a new normal after this is behind us. Until then, I hope you and your family stay safe and enjoy the time that you have with family and friends.



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Virginia Logging Businesses Have New Law to Help!

Virginia legislators unanimously approved giving localities the option to exempt all personal property and tools & machinery taxes on forest harvesting & silvicultural equipment. VLA is now reaching out across the Commonwealth to county Board of Supervisors to offer detailed information and assistance. Once we make contact in a county VLA will contact VLA members in the respective county. Please be patient as our work may take several years to reach our ultimate goal.

Your VLA Board of Directors took action to help industry business owners struggling annually to cover a burdensome tax on their equipment. They pointed out that logging equipment is a single use equipment solely designed to harvest tree fiber crops just as agricultural equipment is designed to harvest food and fiber.

Please contact VLA at info@valoggers.org or 804 677 - 4290, or a board member with questions and your story.



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Forestry: Meeting Essential Needs During a Global Pandemic

By: Nick Smith – Healthy Forests, Healthy Communities

COVID-19 is challenging our society in many ways. Today we appreciate the men and women who are serving on the front lines of this epidemic and making personal sacrifices to provide care to those in need.

Judging by shortages of medical supplies and many household items, the epidemic should give us an appreciation for the basic resources we depend on- and those who provide them.

Foresters and loggers practiced social distancing long before the pandemic response required it. But there are good reasons why the U.S. Department of Homeland Security identified the forest sector as an essential critical infrastructure workforce as the nation responds to COVID-19. Those who harvest, manufacture and transport wood-based products are helping ensure our medical professionals, first-responders and the rest of us have the essentials we need to weather this crisis.

These essentials include, but are not limited to:

- Masks
- Filters
- Tissue papers
- Disinfecting wipes
- Cleaning products
- Cellulose-based pill fillers
- Latex gloves and other protective products
- Wood pallets to move food, medical supplies and other critical goods
- Lumber and plywood for emergency structures and shelters
- Fuel for energy production and heating

We are all in this together. We all have a role to play, even if that is simply staying home and staying healthy to protect others. Our forests and those who work in the woods are also doing their jobs, and hopefully our society will remember our important connection to this natural resource long after our nation has recovered.

VIRGINIA DEPARTMENT OF LABOR AND INDUSTRY



– Logging Sector (COVID-19 Resources) –



According to the World Health Organization (WHO), COVID-19 is now a pandemic (meaning a global outbreak of disease). On March 13, 2020, the President of the United States declared the COVID-19 outbreak a national emergency. The virus that causes COVID-19 seems to be spreading in the community (“community spread”) in some affected geographic areas.

Community spread means people have been infected with the virus in an area, including some who are not sure how or where they became infected. Different parts of the United States are seeing different levels of COVID-19 activity. U.S. COVID-19 cases include those among travelers, cases among close contacts of a known case, and community spread.

The Department of Homeland Security’s Cybersecurity and Infrastructure Security Agency on March 19 issued guidance on the essential critical infrastructure workforce. That guidance identifies workers who support the manufacture and distribution of forest products, including, but not limited to timber, paper, and other wood products as essential members of the workforce during the COVID-19 pandemic.



The initial list of essential critical infrastructure workers aims to help state and local officials as they work to protect their communities, while ensuring continuity of functions critical to public health and safety, as well as economic and national security.

Safe work practices for the Logging Sector during the pandemic are of great importance for Employer and Employee alike.

The Department of Labor and Industry of Virginia – VOSH developed a COVID-19 resources platform, which provides information, state specific guidelines and links that can help a Logging Sector business and its workforce during the pandemic.

Please review the link:

<https://www.doli.virginia.gov/vosh-programs/coronavirus-covid-19-resources/>

Furthermore, Center for Diseases Control and Prevention (CDC) has provided several additional posters/resources that can be extremely useful for Logging Sector workplaces.

<https://www.cdc.gov/coronavirus/2019-ncov/communication/factsheets.html>

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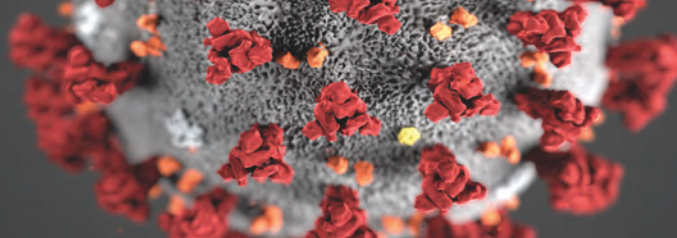


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Ten Steps All Workplaces Can Take to Reduce Risk of Exposure to Coronavirus

All workplaces can take the following infection prevention measures to protect workers:

- 1** Encourage workers to stay home if sick.
- 2** Encourage respiratory etiquette, including covering coughs and sneezes.
- 3** Provide a place to wash hands or alcohol-based hand rubs containing at least 60% alcohol.
- 4** Limit worksite access to only essential workers, if possible.
- 5** Establish flexible worksites (e.g., telecommuting) and flexible work hours (e.g., staggered shifts), if feasible.
- 6** Discourage workers from using other workers' phones, desks, or other work tools and equipment.
- 7** Regularly clean and disinfect surfaces, equipment, and other elements of the work environment.
- 8** Use Environmental Protection Agency (EPA)-approved cleaning chemicals with label claims against the coronavirus.
- 9** Follow the manufacturer's instructions for use of all cleaning and disinfection products.
- 10** Encourage workers to report any safety and health concerns.

For more information, visit www.osha.gov/coronavirus or call 1-800-321-OSHA (6742).



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It's the End of the World, But First We're Getting Sued

Along with panic buying toilet paper, hand sanitizer, and hand soap, mocking the COVID-19 or "Wuhan" Coronavirus has become something of a pastime of mine. Efforts to cash in on the bad news are not limited to investments, snake oil, and hoarding food, we're also seeing CNN podcasts and continuing legal education seminars on the subject. Not wanting to make light of what could be a very serious situation – eventually – I found myself wondering how this might actually affect firm clients. Here are some cheery thoughts on the subject:

The Plaintiff Lottery

The lawsuits have already started. Walmart is being sued for the death of an employee from COVID-19. One woman has sued claiming she was terminated after being sent home to quarantine for 14 days. Here's one over employees seeking hazard pay, and another just generally blaming China. Businesses are already suing their insurers over their losses. Ignoring the merits of any of these, a viable claim is not a prerequisite to the filing of a lawsuit.

Workers' Compensation?

Could a pandemic be considered compensable under workers' compensation?

In a very, very recent case the VA Court of appeals affirmed the Virginia Workers' Compensation Commission in a case where spider bites in the workplace were found to be compensable. Part of the standard that has always been considered for compensability asks whether the condition or injury "arises out of" employment as a result of some risk particular to the employment. Quoting the opinion: "A claimant can prove actual risk by showing employment conditions create 'an enhanced risk' of injury." "A workplace condition that 'increase[s] the risk of injury' implicates the actual risk test." In the spider bite case the evidence showed that work being done in a boiler room nearby had caused spiders to move around, and that many spiders had been seen in the general vicinity recently. Again quoting the opinion: "... the evidence established both a physical and temporal proximity between a peculiar or unusual workplace condition (i.e., construction causing a proliferation of spiders in an office suite where they were not usually found) and claimant's spider-bite injury. Accordingly, claimant proved the necessary 'critical link.'"

Does exposure to a pandemic as a result of a job that requires frequent travel – like trucking – qualify? What about frequent air

travel? How about forward-facing customer contact positions, like cashiers, wait staff, etc? I won't venture an answer here except to say that it's probably fact-specific, and I'm not the only one to wonder.

OSHA and FMLA?

Federal OSHA and the US Department of Labor already have web pages offering guidance on the effect of COVID-19 in the workplace, relating not only to OSHA, but also to the Fair Labor Standards Act and Family and Medical Leave Act.

OSHA identifies as those with exposure risk: Healthcare workers, Deathcare workers (that's cheerful), Airline operations, Waste management, and those who travel to areas "where the virus is spreading." You know, like New York and Virginia... One concern under the FLSA is the use of volunteers, in case "your business has a shortage of workers and is looking to 'volunteers' to help out" (probably illegal, by the way. Pay your workers.). While the page relating to FMLA is titled "pandemic" and refers primarily to flu, it reminds that:

Covered employers must abide by the FMLA as well as any applicable state FMLA laws. An employee who is sick, or whose family members are sick, may be entitled to leave under the FMLA. The FMLA entitles eligible employees of covered employers to take up to 12 weeks of unpaid, job-protected leave in a designated 12-month leave year for specified family and medical reasons which may include the flu where complications arise that create a 'serious health condition' as defined by the FMLA.

Not all employees are entitled to FMLA leave, and not all employers are required to follow it, but that's probably worth looking into if your business is facing a pandemic.

Force Majeure (Act of God)?

Oddly, this might be the most important possible impact of a significant epidemiological outbreak. Limiting my thoughts to Virginia caselaw, though the issue is obviously broader:

Most contracts, whether they be for construction, or performance, or delivery or whatever have a "force majeure" or "act of God" clause. With varying language, these contracts excuse performance in the event of some event outside the control of the parties that renders performance effectively impossible. The best written of these will carefully define where it applies, and such clauses are generally enforceable under Virginia law where they are "clear and unambigu-

Continued on page 19



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ous.” Unless excluded, acts of government, such as, say, travel restrictions, quarantines, etc. may constitute force majeure.

Most notably, force majeure may be sword and shield – used offensively or defensively. If you can’t haul cargo up and down Route 95 because the government made it illegal to prevent the spread of a plague, you may have a force majeure argument. On the other hand, if your customer can’t ship goods because they’re stuck on a boat that can’t dock to prevent the spread of a plague, your customer probably has a force majeure argument too. If you have a problem and your contracts don’t have force majeure clauses, hope for the best and stock up on hand sanitizer.

Also, I’d like to suggest some light screen-time options. How about Contagion (2011)? 28 Days Later... (2002)? Outbreak (1995) is a classic with a happy ending... Oh, and wash your damn hands.

If you have questions about this article, contact Dov Szego (dszego@setlifflaw.com) at 804-377-1263 or Steve Setliff (ssetliff@setliff-law.com) at 804-377-1261.

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RISK MITIGATION IN TIMES OF CRISIS



FOREST PRODUCTS AND MARKETS VIRGINIA WOOD PRODUCTS UPDATE

Henry Quesada

Associate Professor
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Specialist

Department of
Sustainable
Biomaterials,
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**If you have any
questions about this
topic, please contact
Dr. Henry Quesada at
quesada@vt.edu.**

Over the last 2 months our country has gone through a very difficult time. Not only is public health being impacted, but also the social and economic aspects of our communities.

As citizens, communities, and industries are trying to follow state and federal guidelines to remain healthy, we have seen unprecedented damage to our economy and the forest products industry is not exempt from this global crisis.

Every single forest products company should be aware of the short and medium term implications of this crisis. How is this situation going to impact my customers, suppliers, labor, and financial bottom line? What should I do to mitigate risk? These are two questions that are buzzing around managers' heads in these days. Here are some tips they could use to try to mitigate risk in this time of global crisis.

Supply Chain risks

Without the proper supply of raw materials, manufacturing cannot move forward. A forest products industry manager should have a deep understanding of their suppliers related to the quality, consistency, lead times, flexibility, payment terms, cost and sharing of information. Consider these aspects and prepare a document where you classify the performance of your suppliers based on some of these metrics. Which ones are more likely to fail to perform? Good communications with suppliers is also critical to manage supply and demand and to prepare for the unexpected. Managers need to understand that long-term relationships with suppliers are one of the best business practices to mitigate risk in the procurement of raw materials.

Labor risks

Manufacturing in forest products industries cannot deliver value-added products without the proper labor. State and federal guidelines are encouraging citizens to stay home as much as allowed. There are cases where this mandate could be easily achieved if the business associate can deliver their work using software, phone, and similar types of electronic communications. For production workers, it is not the case as they are required to be on the front lines

handling equipment or work-in-process inventory. Managers should come up with a plan to minimize the risk of exposure for those that need to come to work. Good people are hard to replace in our industry and taking care of the most precious asset a company has, the people, is fundamental to keep moving the business forward.

Customer relationships

Similar to suppliers, a good manager should be able to classify the company's customers based on different aspects such as market segments, type of products, billing cycle, volume, flexibility, term of the relationship, location, and level of communication. A manager should prioritize customers based on some of these aspects and open a line of communication with them. Inform your customers about your strategy to handle the company during this crisis and explain the potential impacts on the products related to lead times, availability, quality, and payment terms. Most of customers are willing to listen because most likely, they are also being affected by this crisis. Working together, communicating, and being flexible will give your business a considerable competitive advantage over other competitors.

Financial support

Communicate with your creditors and stakeholders. As any business, most likely your business must make periodic payments on loans that are used for capital investments or just to improve your cash flow. Banks are willing to listen and redefine the loan conditions to improve interest and payment terms. One thing banks in your community do not want is seeing your business closing down, so banks will try to do anything they can to help out your business during these hard times. There are also several state and federal emergency programs that could provide much needed additional cash to water these difficult times. Make sure you know and have access to these economic relief opportunities.

Finally, we all are in this together. We should continue to fight for our companies and don't give up. We will prevail but you need to do your part to mitigate the risks associated with this crisis.

GLOBAL FOREST PRODUCTS AND MARKETS SOFTEN DURING THE COVID-19 CRISIS

By: Caitlin Clark, International Marketing Specialist, VDACS

With schools and retail businesses closed and families isolating themselves inside their homes as much as possible, the U.S. economy has dived into a recession with unemployment skyrocketing to levels not seen since the Great Depression.

Thankfully, the forest products supply chain has been deemed essential so loggers and processors are permitted to continue operations as able. But while domestic demand softens, so does global demand as markets around the world batten down the hatches against the coronavirus.



Shows Pine Logs on Yard for Exports

Virginia forest products exports dropped 16 percent in 2019 because of the U.S. trade war with China. Forest products exports to China dropped more than 45 percent last year as tariffs between 5 and 25 percent were applied to imports of U.S. lumber and

logs, which are the Commonwealth's third and fourth largest exports to that market. Exporters were looking forward to some return to normalcy as "Phase One" of a U.S.-China trade deal in January included lumber as part of the Chinese purchasing agreement of U.S. manufactured goods. However, by the time China announced a process for companies to apply for retaliatory tariff exemptions of softwood lumber on February 18 and then announced the removal of tariffs on U.S. hardwood lumber and logs beginning on February 28, optimism about an immediate impact was tempered by concerns about the novel coronavirus.

Now all of our top forest products export markets are advising or enforcing social distancing measures and our buyers in those markets are either closed or operating limited hours due to lockdown or reduced demand for their products. The trade representative offices held by the Virginia Department of Agriculture and Consumer Services' (VDACS) Office of International Marketing have been actively reaching out to forest products importers to understand the current situation in their respective markets and their outlook for purchase orders to Virginia exporters.

China

In China, our top forest products export market even at the height of the trade war, sawmills and further processing facilities resumed operations in early March when the virus began to be contained in the country. However, soft demand has many Chinese factories operating at only a fraction of previous production. China's economy has been slowing for a couple years, resulting in lackluster domestic demand

even before the spread of the novel coronavirus. With global demand for finished goods dropping off as the rest of the world responds to the COVID threat, some factories report that sales have dropped more than 50 percent. A few timber importers interviewed have

begun to order smaller volumes of lumber for production of flooring, furniture, and other products primarily for the Chinese domestic market, but also report that manufacturers still have inventory because they used so little material during China's lockdown. They have also noted that a shortage of empty containers in the U.S. has resulted in higher freight prices, temporarily negating the impact of the lower tariffs on landed cost of U.S. lumber and logs in China. In summary, Chinese importers do not foresee wood trade picking up until closer toward the fourth quarter of 2020, once the virus is contained across the globe. Even then, they are concerned that a recession in China and abroad could have a longer-term impact on the industry.

Vietnam

In Vietnam, Virginia's second largest forest products export market, some borders to China, Cambodia, and Laos are closed. Seaports are still open, but shipments are being closely inspected and are taking a longer time to clear customs than usual. The strongest narrative emerging from conversations with Vietnamese, importers, distributors, and manufacturers of wood products is COVID's impact on the industry's export orders. Many Vietnamese factories are seeing cancellation of export orders by the U.S., EU, and other countries. In Dong Nai and Binh Duong provinces, where the wood products industry is concentrated, the drop in overseas business has caused some sawmills and factories to stop production and lay off workers. While commercial banks have started launching credit packages to assist companies during this time, there is still no government stimulus to speak of. Other governments in the Southeast Asia region are reacting differently to the COVID threat. As of late March, Malaysia was totally locked down and businesses were closed. Domestic transport in the country was at a complete standstill and containers were stuck.

United Kingdom

In the United Kingdom, Virginia's third largest forest products export market, building supply depots such as lumber yards are deemed key industry sectors and are able to remain open with sales being handled by workers from home and deliveries being made to construction sites and facilities as necessary. Sales of certain products has actually been relatively stable due to the demand for materials for the construction of field hospitals across the country.



Continued on page 23

Mexico

In other markets like Mexico, some importers have temporarily closed while others continue to operate. However, the Mexican importers that continue to operate have cited a drastically fluctuating exchange rate as a challenge to issuing new purchase orders to U.S. sawmills.

Reports from our trading partners paint a bleak picture of export demand over the next couple of quarters. The U.S. forest products supply chain can perhaps take some comfort in the expectation that many of our export markets are expected to issue stimulus packages to assist in their economic recoveries as the COVID crisis eases. U.S. agriculture and forest products would also likely benefit from these stimulus packages. Even as the crisis continues in the U.S. and travel restrictions remain in place around the globe, the VDACS Office of International Marketing is working to connect forest products exporters with new buyers in both current export markets and new export markets via email introductions and virtual trade missions. The Office of International Marketing is also beginning to leverage digital media strategies in key export markets and launching longer-term market research and development programs for products that have not traditionally been big export commodities for the Commonwealth, including softwood logs. Through these programs, the Office International Marketing hopes to continue to tee the Virginia forest products industry up for success in foreign markets now and in the future.

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FOREST PRODUCTS AND MARKETS

FOREST PRODUCTS MISCELLANEOUS TRENDS

VLA is grateful to individuals and a variety of sources providing forest products' market data. We hope you can use this information as you plan and make decisions about your business. Some data is just a snapshot so we recommend an abundance of caution as it may be more helpful to understanding what has already happened versus predicting a trend for the future. Please do your own research!

In general, demand is sharply down for most finished products and pricing is spiraling downward too. Panel demand and pricing is one of those hard - hit markets. US Hardwood exports demand is also significantly lower as exporter prices have followed the same trend. Biomass has some positive signs. Expansion of production is underway in Virginia, North Carolina and elsewhere. We are all waiting to learn of various decisions from European countries on their climate policy and biomass. Pulp and paper are changing but predictions show growth to be positive for the near future. Tariff wars have impacted exports and COVID-19 virus has resulted in restrictions on movement, stay at home orders, social distancing and a broad general concern for human health and wellness. The forest products industry has been identified as an essential service.

Eastern US Hardwood Production

Eastern United States hardwood production has declined 7.2% from 2018 to 2019. Grade hardwood consumption dropped 3.7% while demand for pallet lumber, cants, ties, and boards increased by the same.

The United States remains the world's largest sawn hardwood exporter but data shows sharp declines of 39.8% in hardwood exports and sharp accompanying price declines of red oak and others.



The Economic and Trade Agreement between the United States and People's Republic of China offers hope. Hardwood lumber is included in the agreement and is expected to increase significantly over the 2017 baseline.

US exporters and forest landowners are fortunate that many organizations are working on improvements. We hope these efforts are successful at increasing markets and sales, improving industry stability, educational awareness and even new products.

Energy – Virginia Utility

Virginia Clean Economy Act – The latest effort on Virginia's energy policy passed by the Virginia 2020 General Assembly and approved

by Governor Northam. The new legislation fits well with Virginia Executive Order 43 in which Commonwealth of Virginia sets its goal to produce 100 percent of electricity from carbon-free sources by 2050. Biomass as an energy source for utilities is under severe stress in Virginia.

Panel Market Report

Oriented Strand Board – A chaotic and uncertain market shapes OSB. Experts report low demand in all regions with some exception in a few southern states. Prices have been slashed too.

Southern Plywood – Generally southern plywood is seeing low demand and downward pricing pressure too. Experts a few bright opportunities. Manufacturers look for buyers, but they are staying on the side lines. Implication is that buyers are cautious and waiting for clearer optimism.



Veneer – Again veneer was also a mixed story. Experts see the strongest demand for hardwood plywood and weakest for softwood. They see a price weakness too.

Paper & Pulp

Pulp and paper are the most abundant raw material worldwide. Consumption is worldwide but have changing metrics.

Brazil, Canada, Indonesia, Finland, USA, Chile and China are the key producers of paper and pulp. China is the leader in consumption and leading importer.



Good news is that the segment is expected to grow possibly up to 5% in the next five years. Despite digitization it appears paper and forest products have exciting prospects for growth. The growth may be slower though.

There has been consolidation in some segments of the industry but with selected focus. North America container board and coated fine paper is a heavy concentrated segment corporate choice.

This industry is generally positioned with high margins and low

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debt. Data shows increased demand for packaging and tissue on a global scale. China's growth rate is not easy to predict.

Graphic papers (newsprint & coated papers) are in severe failing demand. Consumer packaging and tissue growth is predicted to be on par with Gross Domestic Product. Transporting industrial packaging is largely driven by e-commerce.

Although the outlook appears brighter, businesses will have some major decisions to think about as they move their companies into the future.

Pellets

Wood pellets production are expanding at Enviva Biomass plants in Southampton, VA and Northampton, NC as well as Hamlet, NC. We are hoping to see the increase in production at the Southampton and Northampton plants in the second and third quarters 2020 according to recent news.

According to recent news, there is hope for continued increases in biomass demand from Germany, Belgium, Netherlands, United Kingdom, Japan and maybe others. These countries and the European Commission, and others are moving away from coal fired electric utility plants. The hope is that future policies will include biomass to help achieve their climate neutral goals.

Summary

Keeping faith that our markets will return to normalcy is healthy. Just keep in mind that old norms are not necessarily going to be our new norms. Efforts are underway for improvements at government and corporate levels. A wise man once told me when one door closes another will open...look forward. Finding that door is not always easy as time may need to pass before it is evident. Once you do find a new path, you may allow doubt and fear to keep you from entering. Have faith and confidence and keep your ingenuity alive and well. Many of our readers have faced tougher times. Together we will get through this and plan to come out better than before. Small business owners and larger organizations both face challenges and need clear insights into making very important decisions about their destinies. We are connected in our business model and need strong large globally competitive corporations and healthy robust small businesses too.

Michelin North America, Inc. Tire Discount Program



VLA Board of Directors has some exciting news to share with all members. VLA Board of Directors and Michelin entered a partnership to provide VLA members with great discounts on purchases of Michelin tires. Michelin North American, Inc. is a member of the VLA and only VLA and members of other state logging associations have access to Michelin's tire discount program

You must follow the procedure below to open your account and receive the full benefits.

Below is the process of setting up a Michelin Account and the guidelines.

Michelin Logging Program

- 1) Interested VLA Members should reach out to your Local Michelin Dealer.
- 2) Complete the application and send it to Desmond Hall (desmond.hall@michelin.com) or Kallie Golicher (kallie.golicher@michelin.com) **They will verify the account with Ron Jenkins.**
- 3) Once the application is verified it will be sent to Michelin for approval.
- 4) Michelin will provide the customer with a Bill To and Ship To number. (Account Number) **At that time they will have to Register their account at Michelinb2b.com and upload their Credit or Debit Card.**
- 5) Program available to ALL members with the VLA.
- 6) Program for Michelin and BF Goodrich tires. Tires available are Truck, Light Truck, Passengers Car, Agricultural Tires, Industrial Tires, Off Road Tires, Retreads
- 7) Once a member is registered on Michelinb2b they will have access to all their purchases reports and pricing
- 8) Members can go to any Michelin dealer to purchase tires
- 9) Tires cannot be ordered online or shipped to customer. They must go through a Michelin Dealer.

Please let me know if you have any other questions. Thank you!

You may also direct your inquiries direct to the following Michelin contact:

Desmond Hall
Territory Business Manager
Michelin North America, Inc., Richmond, VA
(804) 993-4119 | desmond.hall@michelin.com



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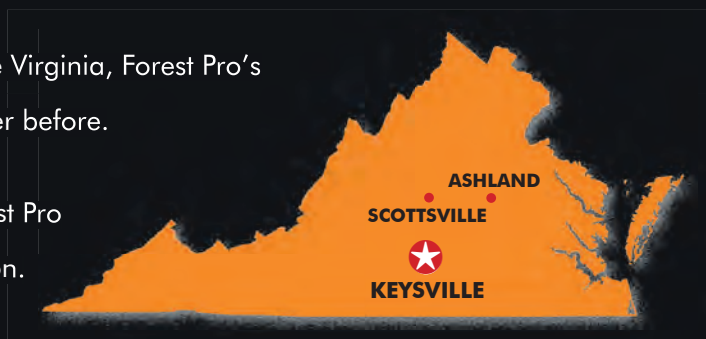


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