

THE LUMBER LOG

A PUBLICATION OF THE LUMBER ASSOCIATION OF CALIFORNIA & NEVADA

JULY 2011



CELEBRATE AMERICA – 2011

Still time to register for LACN Second Growth Summer Conference

35th Anniversary of Second Growth

LACN's Second Growth Annual Summer Conference is set for July 21-22 at Rancho Las Palmas Resort & Spa, in Rancho Mirage. The program this year features a special presentation on the increasing market in China for wood products.

Gordon Culbertson will help everyone understand the nature of the Chinese wood products market and what it means for this industry in the near future. Culbertson is regional manager for Forest2Market, an industry consulting firm, with more than 30 years experience in the forest products industry. His analyses of emerging trends and practices make him a popular presenter.

The program also includes a program on industry mentoring. There's also golf, networking and time to relax at a great facility.



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In the news

■ **The California Redwood Company** has announced it has completed the acquisition of the assets of Siskiyou Lumber Products, a California-based company specializing in remanufacturing and wholesale lumber distribution. Siskiyou's Woodland, California, operations and its Ukiah, California, fence plant will now operate as part of The California Redwood Company, distributing redwood lumber products, Douglas-fir lumber and treated lumber.

"The acquisition of Siskiyou Lumber Products provides us the opportunity to get closer to consumers and allows us to offer a full range of premium redwood products directly to retail such as decking, railing, fencing and garden accessories. To better access core redwood markets and effectively service consumers, we will continue to use a combination of both internal and traditional distribution channels," said Carl Schoenhofer, Vice President and General Manager for The California Redwood Company. "We also plan to expand our product development efforts and value-added applications for redwood

The California Redwood Company, headquartered in Eureka, California, manufactures and distributes high-quality redwood and Douglas-fir lumber products for use in outdoor living, and is a wholly-owned subsidiary of Green Diamond Resource Company.

■ **iLevel by Weyerhaeuser** has announced the release of Stellar[®] 2011 v4.3 fabrication software which offers solutions to cut structural frame materials and accessories for roofs, as well as floors, along with adding other features to help building material dealers optimize framing material inventory. In conjunction with iLevel[®] Javelin[®] design software, dealers can use Stellar software to provide builders with pre-cut and labeled framing materials that help speed construction and reduce jobsite waste. Stellar software converts framing plans into detailed instructions for automated saws and fabrication equipment, batches jobs, enables more efficient production runs, and makes better use of short drops.

With Stellar 2011 software, dealers can specify multiple types of cuts in roof members, including birdsmouth cuts, seat cuts, V-cut blocking for roof ventilation, and single- and double-bevel bearing plates. The software also produces custom stair stringers, and 45° columns for framing angled walls.

iLevel by Weyerhaeuser provides the building industry's a comprehensive and innovative collection of structural framing products, technical support and software for homes, multi-family and light construction. It is a leader in developing ways to help builders and dealers improve quality, reduce costs and streamline construction. Weyerhaeuser Company, one of the world's largest forest products companies, began operations in 1900. At the end of 2010, the company employed approximately 14,000 employees in 10 countries, with customers worldwide and \$6.6 billion in sales in 2010.

■ **Pacific Wood Preserving of Oregon, Inc. ("PWPO")** has announced the use of "Penta" as a preservative for the manufacture of wood utility poles, according to a company news release Pentachlorophenol ("Penta") is being reintroduced as a wood preservative at the plant as part of its agreements with the U.S. Environmental Protection Agency, the Oregon Department of Environmental Quality and the U.S. and Oregon Departments of Justice. The preservative previously used at the plant, copper naphthenate, is no longer being manufactured at this time, and a substitute was needed.

"We couldn't be more pleased" with the announcement, said Roland Mueller, General Manager of Production for the Pacific Wood Preserving Companies. "This will mean job security for our existing employees and likely the addition of new jobs going forward." PWPO employs approximately 50 full-time employees and anticipates hiring an additional 10-20 employees over the next year or two. "PWPO will begin treating with Penta immediately," Mueller added.

PWPO treats primarily Douglas fir poles at its Sheridan, OR plant, servicing national and international markets. Customers are large investor-owned utilities, contractors for these utilities,

municipalities and rural electric districts. It is also a manufacturer of treated lumber and timbers sold in the Pacific Northwest and Hawaii.

■ **Spruce Computer Systems'** campaign has won a 2011 Communicator Award of Distinction. A Spruce Computer Systems advertising campaign highlighting the quality of the company and its SpruceWare.NET software has won a prestigious Communicator Award, an international award program which honors excellence in communications. FingerPaint Marketing, a Saratoga Springs-based advertising and marketing agency, received a Communicator Award of Distinction for its creative production of the series of print advertisements, which were featured in ProSales, LBM Journal, Hardware Retailing, and The Lumber Co-operator.

Founded in 1985, Spruce Computer Systems, Inc. is a provider of business management software to lumber and building material dealers, home centers, and hardware stores. The company has its corporate headquarters in Latham, NY, with an additional support center in Waukesha, WI and satellite offices in Derby, KS; Larkspur, CA; Pensacola, FL; and Surrey, England.

State Fair Forest Center volunteer opportunities

The California State Fair is July 14-31 this summer in Sacramento and volunteers are always needed at the Forest Center. Volunteer shifts are 3-4 hours long (mid-day or early evening) which also gives you plenty of time to enjoy the fair as part of your day. The Forest Center, sponsored by The Forest Foundation, is a great way to show the public all aspects of the wood products industry and forests. As a volunteer you'll get free admission to the fair, free parking in a nearby lot, snacks and cool drinks. You do not need to be an expert on the industry – just a friendly face representing the industry and steering visitors to the displays and activities at the center.

The Forest Center is a cool place – literally and figuratively – with updated displays and it's located in the trees on the fairgrounds with its own stream. Lots of people come through with general interest in the industry, looking for the free trees handed out and 99% of them highly supportive of the wood products industry.

Shifts are Monday-Friday, 1-4 PM or 4-7 PM; Friday –Sunday 11AM-3 PM or 3-7 PM. Contact the Forest Foundation at 1-866-241-TREE or e-mail Pam Sawyer at ps@calforestfoundation.org. CA state law (Megan's Law) also requires your full name, drivers license number, birth date and residence zip code.



Need a small meeting room for a meeting in the Sacramento area?

LACN's new offices has a conference room that will accommodate up to about 18 people easily. This is available without charge to any LACN member – Dealer, Affiliate, Associate. Perfect for small sales meetings, client meetings, or for smaller office meeting when you just need to get away. Free coffee! We've also got a refrigerator for your soft drinks and water, copier and fax availability. Lots of free parking. Small service kitchen with a microwave. Many choices for meals within a mile of the office and we're easily found at Exit 23 on Hwy 50, north on Folsom Blvd 1.8 miles and left onto Parkshore Dr.



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About SGIJ

Simpson, Garity, Innes and Jacuzzi, P.C. is a California-based employment and labor law firm comprised of a team of experienced, efficient and strategically-minded attorneys. The Firm's four named principals, Paul Simpson, Ron Garity, Laura Innes and Marc Jacuzzi, collectively have more than 90 years of employment and labor law experience. All of the Firm's associate attorneys possess multiple years of specialized experience. Whether your business employs 15 or 50,000 employees, SGIJ is ready to meet your risk reduction and litigation needs. The Firm offers a full-range of employment law-related services to its clients. Whether the matter requires a response to an emergency employment decision, or representation in state or federal court litigation, SGIJ strives to satisfy its clients' highest expectations.

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Laura Innes, a director of Simpson, Garity, Innes & Jacuzzi, PC, has been engaged exclusively in the practice of labor and employment law for > 24 years. Her practice combines preventive counseling for management with civil and administrative litigation defense. Recognized by Martindale Hubbell as an "AV" rated practitioner, Ms. Innes regularly publishes articles on a wide range of employment law topics and is a frequent speaker to client and community groups. Beginning in 2004, Ms. Innes annually has been named a Northern California "Super Lawyer" – one of the top 5% of lawyers in Northern California – by San Francisco Magazine (2004-2010) and was featured in an interview entitled "America's Most Influential Women" for the Forbes SkyRadio program airing on American Airlines and United Airlines flights in January and March 2005, respectively. Ms. Innes acts as a mediator in labor and employment matters; and serves as an Expert Witness regarding all labor and employment matters with special emphasis on employment practices, discrimination and sexual harassment claims and wage and hour disputes.

Ms. Innes is a member of the Editorial Advisory Committee for the Employer's Resource Institute and is a member of the Associated General Contractors Legal Advisory Committee. Ms. Innes is a member of the Labor and Employment Law Section State Bar of California, American Bar Association, San Francisco Bar Association, San Mateo County Bar Association; and the Marin County Bar Association.

Ms. Innes has represented member companies of the LACN for more than 20 years.

Softwood lumber promotion program approved

The U.S. Department of Agriculture (USDA) has announced that domestic manufacturers and importers of softwood lumber have voted to approve the formation of a softwood lumber research and promotion program.

USDA's Agricultural Marketing Service (AMS) held a referendum from May 23 to June 10, 2011, to determine whether to implement the Softwood Lumber Research Promotion, Consumer Education and Industry Information Order. In the final tally, 67 percent of voters, representing 80 percent of the volume of softwood lumber manufactured by those voting on the referendum, supported implementing a new program. Because the program received a majority of the votes and volume by those voting, the referendum passes.

Research and promotion programs help to expand, maintain and develop markets for individual commodities in the United States and abroad. These self-help programs are administered by board members, who have been selected by the U.S. Secretary of Agriculture, and are funded through industry member assessments. Research and promotion programs allow commodity groups to conduct promotion, market and production research, and new product development for the benefit of their industries.

NLBMDA disappointed in Federal Reserve Board credit card actions

The National Lumber and Building Materials Dealers Association has expressed disappointment in the Federal Reserve Board's decision to delay and reduce the interchange fee caps that retailers had sought to reduce the onerous fees charged by big banks and financial institutions on their customers' debit card transactions.

The board voted to approve a final rule that would institute a 21-cent cap on interchange, or "swipe," fees, rather than the 12-cent cap initially proposed in December. The board also delayed the effective date of the new regulations from July to October 1 in the face of intense lobbying campaigns by big banks. The fees currently average 44-cents per transaction. Small financial institutions with assets under \$10 billion will be exempt from the new caps.

Last year, Senator Richard Durbin (D-IL) attached provisions to the financial industry reform legislation to direct the Federal Reserve to issue rules for "reasonable and proportional" fees for debit card transactions. NLBMDA joined other retailer groups in support of the Durbin amendment and filed comments in support of the Board's proposed rule in December.

Grassroots lobbying by NLBMDA members helped defeat a recent Senate measure that would have delayed swipe fee relief by more than a year.

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Seven Ways to Keep Insurance Costs Under Control

These guidelines can help you keep your insurance costs under control:

Find a trusted insurance advisor.

Select an insurance advisor who really understands your industry and your business and takes the time to properly design an insurance program.

Align yourself with an insurance company that specializes in your industry.

Insurance carriers may enter into a market for short-term financial gain. What happens if their venture falters and they pull out? Can you easily find another carrier? At what cost? Insurance companies with a long history of commitment to your industry and your association typically are in it for the long haul. Loyalty to your industry does matter!

Get serious about safety!

Implement appropriate risk management policies and practices. Introduce an effective safety program to help prevent losses. Look for an insurance provider that makes safety and loss prevention resources available and is able to help with implementation.

Review claims.

Review your claims at least annually. Confirm accuracy and discuss any open claims or reserves.

Implement practices that help prevent those claims from reoccurring.

Be prepared.

Review coverages and services with your insurance representative at least two to three months before renewal to see if they still meet your needs.

Don't buy on price alone!

While price is a component, other features—coverages, safety assistance, claims services—can help contribute to significant savings over time. Lower “front-end” premiums may result in more “back-end” costs with claims that are either not covered or have limitations.

Consider self-insuring or partially self-insuring some risks.

To save costs and improve your loss record, consider increasing deductibles on your policies, implementing a well-designed self-insurance program, or installing a Workers Compensation Retrospective plan.

Federated Insurance is endorsed by LACN for property & casualty needs and financial protection services. For more information, contact LACN at 800/266-434

The Flume

Ken Dunham
LACN Executive Director



It's a mixed bag

It's the start of another hot summer in Sacramento, and the state - for better or for worse - got a budget last week. How good or how bad a budget? Depends on your point of view. The budget may be based on dubious and hopeful revenue but that's not unique. The budget is some \$5 billion less than the previous year's. The legislators were forced - and I do mean forced - to look at some programs hard.

Hopefully what we've seen this past spring is the start of pressure on the legislature to quit spending money the state does not have, and that increasing taxes and fees is not acceptable. The calls for reform of the legislature have included ideas like a unicameral house and a return to part time legislators. I'm not a fan of single house legislatures because in theory the two houses and then the executive branch signing or vetoing legislation provides more time to consider actions.

Part time legislators is probably an OK idea. But with so little oversight of the various regulatory agencies and their actions already it would likely mean more agency actions without any controls. It's bad enough as it is, with the actions of the Air Resources Board as "exhibit A."

A constitutional convention keeps popping up from time to time. I've been part of two of those in other states as a reporter and commentator and was impressed by the results. In both instances the elected delegates generally took a statesman-like long term view and curbed their egos, special interest positions and personal gain. I'm not sure that can occur at this time in this place.

It concerns me the number of legislators who list their profession as "legislator" or simply list some other elected or appointed government position they hold or help.

What's ahead? It sure looks like we will continue to pass legislation by ballot issues. That's a real mixed bag of some good ideas and a lot of bad ideas passed in a vacuum with little analyses of the consequences. Proposition 65 is one of those. A good idea gone completely out of control.

We're going to probably see the state continue to try to shift programs and spending to more local levels. That may actually be better in the long run as it might be easier to keep track of spending locally.

The message that economic growth and jobs comes from a thriving private sector has to be the message we continue to push.

On this Independence Day weekend that seems to be a highly appropriate message.



LACN 2nd Growth Summer Conference

2011 - Celebrating 35 Years of 2nd Growth!

Thursday, July 21

6:00 a.m.
6:00 p.m. – 9:00 p.m.

Golf Tee Times – Rancho Las Palmas West/South Courses
Opening Reception/Group Dinner/Educational Program
Professional Speaker, Kurt Swann, will present his hilarious economic forecast for the lumber and building materials industry and teach us what areas of the economy will show greatest improvement first.

Friday, July 22

8:30 a.m.
9:00 a.m. – 11:00 a.m.

Breakfast
Gordon Culbertson, Forest 2 Market
The China Syndrome; how will historical trends affecting timber resources and growth in developing countries shape future US markets?

The western forest industry has witnessed dramatic changes over recent decades. We will explore timber resources, assess the national housing recovery and preview how growing global demand will influence our wood supply.

11:00 a.m. – 12:00 noon

Industry Mentoring, Our Past, Present, and Future
Hear from our industry professionals about their experiences in today's markets vs. markets of the past, how we got here, and where we are headed. This is certain to be an extremely informative and interactive session you won't want to miss!

Be sure to make your own hotel reservations directly with Rancho Las Palmas Resort & Spa. A room rate of \$95 plus applicable taxes has been negotiated for our group. Please indicate you are with LACN 2nd Growth Summer Conference to receive group rate.

REGISTRATION:

Company: _____

Name: _____

Name: _____

Address/City/State/Zip: _____

Phone: _____

Email: _____

Please register me/us for the following:

_____ @ \$315 – 2nd Growth Member = \$ _____

_____ @ \$250 – Member Spouse = \$ _____

_____ @ \$615 – Non Member = \$ _____

_____ @ \$100 – Golf = \$ _____

= \$ _____ **TOTAL AMOUNT DUE**

To pay for this meeting by credit card please complete the following information and fax to 916-235-7496 or email to: jeanh@lumberassociation.org

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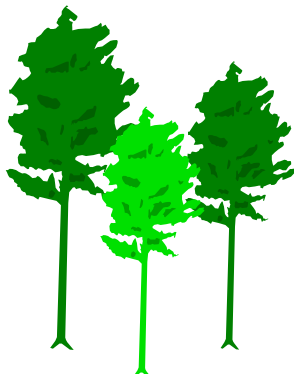
Cancellation policy: NO REFUNDS will be issued after July 8, 2011. If you register and are unable to attend, you will be responsible for payment.

Rancho Las Palmas Resort & Spa

July 21-22, 2011

41000 Bob Hope Drive, Rancho Mirage, CA 92270

(866) 423-1195



2nd Growth



LACN 2nd Growth Annual Summer Conference July 21-22, 2011

2011 Sponsorship Form

The Lumber Association of California & Nevada's 2nd Growth will host their Annual Summer Conference July 21-22, 2011 at the Rancho Las Palmas Resort & Spa in Rancho Mirage, CA.

This year, sponsorship opportunities for the summer conference include three different levels. Sponsorships will help secure additional key industry speakers for the summer conference as well as future meetings.

2nd Growth is asking all LACN member companies to consider sponsoring a level at this year's conference. Levels available for sponsorship are:

- \$250 Complete Summer Conference Sponsor**
Includes one tabletop exhibit space during Thursday's opening reception/dinner and all day during Friday's educational program. Your company name will also be posted at all events.
- \$150 Opening Reception Sponsor**
Your company name will be posted at Thursday's opening reception/dinner.
- \$75 Golf Sponsor**
Your company name will be posted at Thursday morning's golf event and on all golf registration materials.

All sponsoring companies will receive recognition in future issues of LACN's electronic monthly newsletter, *Lumber Log* and weekly email updates.

If you are interested in sponsoring the 2011 conference, please complete this form by indicating which level you wish to sponsor, and fax back to the LACN office at (916) 235-7496 or email to jeanh@lumberassociation.org. If you have any questions, please call the LACN office at (800) 266-4344. We look forward to another successful year!

Company: _____

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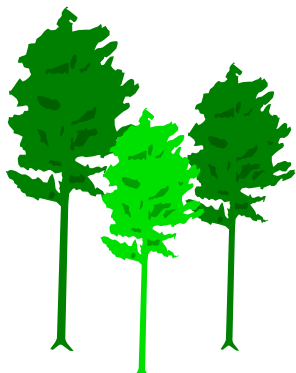
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2nd Growth

The Lumber Log



A publication of the Lumber Association of California & Nevada

2011 Advertising rates and information

The **LUMBER LOG** is published electronically monthly by LACN and is the organization's official publication. With a mix of industry news, political and government affairs information, business advice, safety and management articles and industry opinion, the **LUMBER LOG** is an excellent choice for advertising. The **LUMBER LOG** is regularly e-mailed to nearly 1,000 LACN members and others, and often e-mailed to an additional 300+ in the industry.

Member Advertising Rates

(rate per month)

AD Size	1 Month	3 Months	6 Months	12 Months
Full Page	\$340	\$310	\$280	\$240
Half Page	\$240	\$210	\$180	\$160
Quarter Page	\$160	\$140	\$120	\$100
One Eighth Page	\$100	\$90	\$80	\$70

NON-MEMBER RATES ARE 1.5x MEMBER RATES.
PAYMENT FOR NON-MEMBER ADS IS REQUIRED IN ADVANCE.

SIZE & FORMAT REQUIREMENTS

Ads should be submitted in either **WORD** format or a **PDF** file.

Full page is 7 ½ x 10 in. Half Page is 7½ x 5 in (horiz) or 3 ¼ x 10 (vert)

Quarter Page is 3 ½ x 5 in Eighth page is 3 ¼ x 2 ½ .

Frequency rate discounts apply to ads purchased in the calendar year beginning January, 2011

Copy changes and ad rotations allowed. Ads or changes must be received by 15th of month prior to publication date. All ad sales are non-commissionable and not subject to brokerage.

AD Size [] Full page [] Half Page [] Quarter Page [] Eighth Page
FREQUENCY [] 12 mon rate [] 6 mon rate [] 3 mon rate [] 1 mon rate

(For less than 12 month frequency, note months ad is to run at frequency rate)

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For additional information contact LACN Executive Director Ken Dunham at 800-266-4344 or kend@lumberassociation.org

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