



Timber Products Company
THE TREMENDOUS RESOURCE

timberline

FALL 2013

5 Questions

Timberline connects with HPVA President Kip Howlett. Page 3.

Sweepstakes Winner

Minnesota cabinet shop captures \$1,000 of decorative panels. Page 4.

Project Profile: New Juniper Networks Briefing Center Embodies Silicon Valley Design Trend

The Silicon Valley near San Francisco may be built on a foundation of technological innovation, but large high-tech corporations are increasingly turning to wood to convey company values as they renovate campuses and build new corporate headquarters.

“Designers are seeking new ways to use traditional materials,” said Sharon de la Cruz, manager of marketing and business development for Mission Bell, a family owned architectural millwork, woodwork and casework company located in Northern California. “They want to reflect the values of the company in details such as finishes. This trend provides an opportunity for traditional wood millwork to shine.”

In 2012, Mission Bell was tasked by worldwide networking giant Juniper

woodwork for beams in the elevator lobbies on each of the 16 floors. When the Douglas Fir arrived on-site, it was too rustic for the elegant touches in the facility. Pemberton and Mission Bell were called in to find a fast solution that would maintain the elegance of the design.

“I saw the Timber Products Walnut MDF sheet stock that our distributor, Aura Hardwoods, had on hand, and I knew it was right for the job,” said Pemberton. He was so confident, in fact, that he ordered and purchased enough of the Walnut veneer for three floors of beams, and had the material within four days to make up for lost time.

Pemberton’s hunch was right and the Walnut was a success. Mission Bell ordered more than 5,000 square feet of



Juniper Networks’ new executive briefing center is one of the many new corporate facilities popping up in Silicon Valley.

Building Council LEED Gold application, which is still pending.

Future work

After the November 15 deadline was met, the Mission Bell team was given a tour of the headquarters by the construction manager for the project.

“Our client told us that it was the first time his team’s work was ever commended by the board of directors. It’s unheard of for the construction team to be recognized,” said Pemberton.

For Mission Bell, the success of the project started with its millworkers.

“We had to turn things quickly,” Pemberton said. “We have an excellent staff and the best woodworking people in Northern California who turn out amaz-

ing things. Aura Hardwoods and Timber Products were a key part of the team.”

According to Mission Bell, the Juniper Networks project is just one of many large Silicon Valley projects on the horizon. That means millworkers in the region should continue to be busy fulfilling the requests for unique woods and finishes from other Silicon Valley companies.

“New corporate headquarters like Juniper Networks are trending in the Silicon Valley,” said de la Cruz. “Word on the street is that more campuses in the region will be under construction. These new buildings in the high-tech world offer another opportunity to highlight the beauty and resilience of wood and fine finishes.”



When it came time to tackle the break rooms on each floor, Mission Bell turned to Aura Hardwoods and Timber Products Company for FSC certified melamine for the cabinet interiors.

Networks to reflect the simplicity, security and openness of its product in the millwork of a new executive briefing center. The building was to be a showcase environment for clients such as top global service providers and government agencies. The building would also house labs for their engineers to continue transforming the networks that Juniper builds. Mission Bell called on Aura Hardwoods and Timber Products Company to make its vision a reality.

Stock materials

“The design plan focused on elegance. It had to be upscale and contemporary,” said Chuck Pemberton, senior project manager for Mission Bell. “It also had to be a fast turnaround. Mission Bell arrived at the jobsite in August, and had a hard deadline of November 15 due to an upcoming conference.”

The Juniper Networks design team had originally decided on Douglas Fir

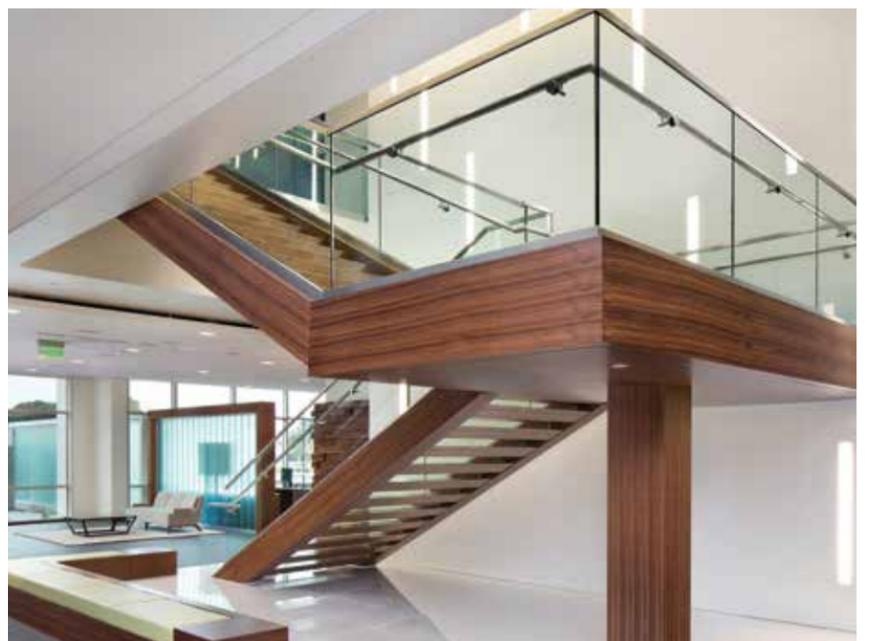
Timber Products FSC Walnut and 70,000 sq. feet of FSC certified Walnut veneer that was used for paneling, credenzas, reception stairs, cabinetry and the beams in the elevator lobbies.

“We had to end match the panels for longer beams, and the consistency of the grain made it very easy,” said Pemberton. “Then, we added a clear lacquer finish for a natural look. The customer was thrilled.”

When it came time to tackle the break rooms on each floor, Mission Bell turned once again to Aura Hardwoods and Timber Products for FSC certified melamine for the cabinet interiors.

“Aura had on hand what we needed because it stocks Timber Products sheet goods, which made the whole process efficient,” Pemberton noted.

All of the materials in the building needed to meet environmental certification. The Timber Products panels contributed materials and resources credit for the project’s U.S. Green



Mission Bell ordered more than 5,000 square feet of Timber Products Company’s FSC Walnut and 70,000 sq. feet of FSC certified Walnut veneer that was used for paneling, credenzas, reception stairs, cabinetry and the beams in the elevator lobbies.



See a new video of the Juniper Networks project, with commentary from Aura Hardwoods, Timber Products Company and Mission Bell, at <http://bit.ly/TPVideos>.



California Forests Working for You

By **David Bischel**, a licensed professional forester and president and CEO of the California Forestry Association (Calforests)

Wood products from local California forests that are managed for multiple purposes including wood production, environmental functions and recreation activities are possible and beneficial. In California, the wood products industry has been practicing sustainable forestry for decades; today the state has about 9.5 million acres of private forestlands that can be managed to provide wood products.

Some people are opposed to forest management, afraid that it will cause harm to the environment. However, it is essential to know that cutting one tree provides the opportunity for another to grow and that harvesting

trees as a part of responsible forestry is not the same as deforestation, but reforestation.

The California Forestry Association (Calforests) is a membership organization made up of private forestland owners and forestry professionals committed to taking care of our natural resources through environmentally sound policies and sustainable use of this beautiful renewable resource. Healthy forests can provide the state with clean water and air, thriving wildlife habitats and sustainable, locally grown wood products. We are dedicated to working with our members and the industry to continue our commitment in promoting high environmental standards and thriving forest practices in the wood products sector. We are proud to have Timber Products Company, and it's Timberland Company, Michigan-California Timber Company, as a member. They are true stewards of their 114,000 acres of timberlands in the Yreka, CA area.

Private forest landowners are responsibly managing their forests for the long term to provide continuous economic and environmental value – essential goods and services, good jobs and economic support to communities

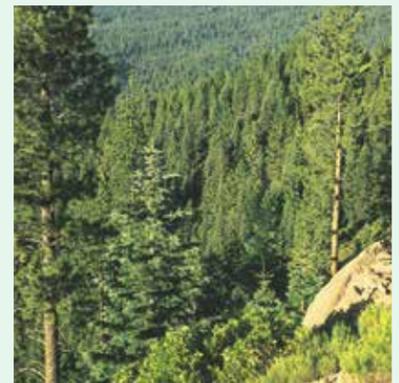
through good management practices to maintain our forest's health.

The forest sector is a small part of the California economy, but still provides more than 149,000 direct and indirect jobs throughout the state, and in some areas is the main employer giving local economies well paying jobs and sales revenue. The sector supplies 25 percent of the wood products consumed in the state. The other 75 percent is imported from other states and countries. Local products not only support rural economies, but help sustain forested landscapes threatened with development, and can reduce the environmental impact of shipping goods from distant locations.

Two of the biggest threats to California forests today are strip malls and parking lots. The population of the United States is growing. Many rural landowners are being tempted to sell their forestland for development. Private forest landowners see it as their responsibility to maintain and enhance the forests to continue to be healthy and productive to supply sustainable wood products to our ever-growing population. However, it is becoming harder and harder to harvest lumber in California.

When you purchase California-grown wood from Timber Products Company, you are supporting a company that upholds the most stringent environmental regulations and generates new forests by replanting after a harvest. Buying local wood products can help to ensure the continued existence California's famous rolling forestland, sustainable wood products supply and continued investment in environmental stewardship.

Keep up with what's going on with California working forests and Calforests Team by following us on Twitter and Liking us on Facebook.



Michigan-California Timber Company Forestland

What's Next:

Chinese Imports Resolution Coming Soon

There's little doubt that the U.S. hardwood plywood industry has dramatically changed in the last decade. In addition to a steep and painful housing crash, the industry has been battling a growing influx of low-cost Chinese imports that have created an unfair playing field for domestic manufacturers.

Consider these facts:

- In 2002, Chinese hardwood plywood imports accounted for \$117¹ million in sales. A few years later, during the height of the housing boom, sales totaled \$1.16 billion¹. During our recent recession when sales of domestic products were severely battered, sales of Chinese hardwood plywood in America continued strong because of cheap prices.
- The U.S. industry estimates that nearly 25,000 U.S. jobs throughout the value chain have been lost because of these imports.
- Many U.S. manufacturers report that Chinese producers can import North American logs for plywood manufacturing, and then export the finished product for sale in the U.S. market at a price that is lower than domestic manufacturer's cost of production.

Something is not right here.

Timber Products Company has always supported free trade that is fair trade. That is not the case with imports of hardwood plywood from China.

Because of these realities, Timber Products Company joined the Coalition for Fair Trade of Hardwood Plywood (CFTHP) in 2012. The members of the CFTHP represent the vast majority of U.S. production of hardwood plywood. The Coalition filed a complaint with the U.S. Department of Commerce in an effort to level the playing field.

In the spring of 2013, the U.S. Department of Commerce made a preliminary ruling that all but four Chinese hardwood plywood manufacturers have imported products into the U.S. in violation of various unfair trade laws. Preliminary duty deposit requirements were specified to compensate for the levels of unfair trading. Basically, the Commerce Department determined that the Chinese companies were not playing by the same rules, were breaking US and international trade laws, and in doing so were harming U.S. manufacturers.

Timber Products Global, the import division of Timber Products Company, has been and will continue to import hardwood plywood from China and other countries from around the world to meet the product and price point needs of our customers as part of our company-wide portfolio of product offerings. We do business with mills that comply with all relevant US trade laws and our company standards for product quality and reliability. We will continue to seek out global partners to fill the needs of the marketplace where domestic products are not a fit.

What's next in this investigation? The Commerce Department will announce the final duty deposit levels (representing the quantity of unfair trading) in Mid-September. At the same time, the U.S. International Trade Commission will conduct a hearing in its final phase investigation, which is focused on the impact which unfairly traded imports from China have had on the U.S. manufacturing industry. A final determination by the ITC is expected in late October. At the end of this investigation, we will hopefully see the re-emergence of a fair marketplace and a level playing field.

What does this mean for you? We firmly believe that a resolution that is good for the U.S. hardwood plywood industry will be good for your business as well.

Should you have any questions, contact Mike Clausen, VP Hardwood and International Sales in our Springfield office. The Coalition website is also a good resource: www.hardwoodplywoodfairtrade.org.

Stay tuned!



The Best of Both Worlds: SpectraBoard Offers Veneer and Laminate on Single Panel

The phone rings and your customer needs a single panel for the exterior and interior of an entertainment center. The interior must match the exterior, but does not need to be real wood veneer. What do you do?

Developed for such scenarios, SpectraBoard from Timber Products Company is a decorative panel that features a decorative veneer on one side and a decorative laminate on the other. Most commonly used by cabinet manufacturers, SpectraBoard can help save time and money during the manufacturing process and is available with nearly 70 laminate color choices.

 A new video at TimberProductsTV on YouTube gives you an inside look at the benefits of SpectraBoard and how it can help your customers. Watch it here: <http://bit.ly/TPVideos>.

1. Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

AWFS 2013: Housing Recovery Fuels Excitement

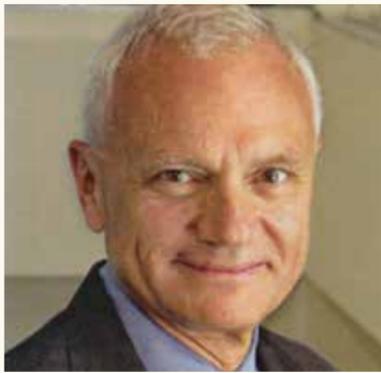


The show floor was buzzing, attendees were in the market for machines and materials, and the optimism was high at the 2013 Association of Woodworking and Furniture Suppliers (AWFS) Fair in Las Vegas.

A housing rebound helped fuel the enthusiasm during the show, according to those who stopped by the Timber Products Company booth. The event was a great opportunity for Timber Products Company to connect with old friends, meet new customers and get a pulse of what's going on in the industry.

As usual, the highlight was the annual customer appreciation party with our sister company, SierraPine. After a long day on the trade show floor, everyone kicked back and enjoyed some great food and beverages with friends before heading out on the town.

Thank you to everyone who came by to see us at AWFS, and to those of you who followed all the action on our Twitter and Facebook channels. We'll see you at IWF 2014 in Atlanta!



5 Questions for Kip Howlett, President, HPVA

C.T. "Kip" Howlett Jr. is the president of the Hardwood Plywood & Veneer Association (HPVA) in Reston, Va. HPVA represents the North American manufacturers of hardwood plywood, veneer and engineered flooring, and their value chain including suppliers, distributors and fabricators.

HPVA develops national consensus standards for the industry, provides laboratory testing and certification services, promotes the products of its members, and represents the industry in public policy venues.

Timberline recently caught up with Howlett to discuss the state of the industry and timely wood products issues.

Timberline: How did the domestic hardwood plywood business fare in the recent recession? Were there many plant closures?

Howlett: A dozen companies went out of business in the veneer and hardwood plywood sector, reducing production capacity by 25 percent and reducing the operating rates to only 40 percent. Operating rates are still below 45 percent for the industry, and total production actually fell last year from 2011 levels. As the economy in general, and housing specifically, continues its slow rebound, U.S. manufacturers are poised to meet growing demand with quality produced North American hardwood plywood. We can certainly produce enough to meet demand.

TL: Several of your members are part of a coalition that filed an unfair trading petition with the Department of Commerce and the International Trade Commission regarding hardwood plywood imported from China. Why did they take this action?

Howlett: Chinese producers of hardwood plywood have a 50 percent U.S. market share and are supported by that Communist government's export policies and programs which subsidize their industry, as well as clear indications of dumping product below cost into the U.S. market. These practices are in violation of U.S. trade

law. The U.S. Commerce Department's preliminary determinations confirmed these practices. Final determinations of the amount of the antidumping and countervailing duties will be made in September. The International Trade Commission will hold a hearing in September on whether to put those duties in place for five years.

TL: The latest version of LEED has been approved by the USGBC. What are your thoughts on how this program treats certified wood like hardwood plywood?

Howlett: The latest LEED program continues its preference for only FSC certified wood, which forecloses a significant portion of sustainably managed North American hardwoods from qualifying for that LEED point. An encouraging development is the introduction of Life Cycle Analysis of competing substitute materials to wood which is a renewable resource that permanently sequesters the 50 percent carbon in wood during its product life. Wood has always been the truly "green" material.

TL: Give us an update on the federal EPA rules on formaldehyde emissions for composite panels.

Howlett: Following the California formaldehyde regulatory emission standards for composite woods products including hardwood plywood, the federal EPA is nationalizing those performance requirements. As a California 3rd Party Certifier, over 80 percent of the hardwood plywood produced in North America has achieved low enough emission levels to qualify for exemption from the most stringent of the limits.

TL: What major trends do you see taking shape with your industry in the next few years? Will veneer core continue to dominate customer demand?

Howlett: Veneer core hardwood plywood will continue to hold its 65 percent market share because of its performance properties. Other cores provide performance and price points for specific applications. American-produced veneer core hardwood plywood offers a clear quality advantage with the consistency of veneer thicknesses, consistency of the resin bonds across the panel and within the panel, and the aesthetics of maple, birch, cherry, oak and other hardwoods indigenous to North America. It is an American "quality advantage."

Species Spotlight: Rustic on the Rise



Hickory



Cherry



Knotty Pine

Years ago there was only one species that dominated the rustic category: Knotty Pine. However, rustic as a design is trending and a number of species are now used to provide the rich qualities that go along with the style. For example, in addition to the traditional western species of Alder, Idaho White Pine and Western Red Cedar, eastern species such as Maple, Cherry, Red Oak, Hickory and Walnut are being specified for rustic flair. Rustic has also shifted the mindset of those who supply and produce panels. Veneer suppliers have always strived to provide the cleanest veneers possible. It was a challenge to teach them that in the case of rustic, we wanted as much character as possible. That's a complete 180-degree shift in philosophy.

Here's more on the rustic trend:

Definition: Rustic is a veneer arrangement that maximizes character in its appearance. For example, heartsap contrast and knots make that veneer more desirable in some cases. Most of the time rustic veneers are planked matched but occasionally we do find some rustic whole piece veneers.

Cherry, Walnut and Red Oak are plain sliced and planked matched.

Uses: Rustic veneers are used almost exclusively in kitchen cabinets. The other use case is with store fixtures. The Rocky Mountain region uses the most rustic material; however, rustic is becoming more widespread in other U.S. areas and Canada.

Advantages: Rustic is a good value for the cost. Usually, it's less expensive than A-grade material.

Did you know? European Steamed Beech has some rustic configurations. Beech is more color consistent across the face than North American species. In addition, Hickory has a sharp contrast between heartwood and sapwood, and this calico appearance is a most desirable appearance for rustic.

Top Rustic Veneers*

1. Alder (more than all other rustics combined)
2. Knotty Pine
3. Hickory
4. Cherry
5. Maple
6. European Beech
7. Walnut
8. Western Red Cedar
9. Red Oak
10. Birch

*rankings based on Timber Products use report



Minnesota Cabinet Maker Wins \$1,000 Sweepstakes

And the winner is...

Greg Rask from Crystal Cabinet Works in Princeton, Minn., is the recipient of \$1,000 of decorative panels in the Timberline sweepstakes. Greg entered the contest by attending the Woodworking Network Panel Yield webinar on July 30 sponsored by Timber Products Company and Stiles Machinery. Crystal Cabinet Works will be able to select the species and core of its choosing. Stay tuned for how the decorative panels will be used. Congratulations, Greg and Crystal Cabinet Works, and thanks to everyone who entered!



The True Secret to Getting a Better Yield From Wood Panels

We recently received a call from a potential customer who wanted to talk about waste. He said that with the cost and availability of raw materials at a premium these days, waste is the last thing he could afford to generate with his projects. This is a common issue we are increasingly hearing from the field.

The panel sizes this customer was ordering just weren't doing the job for him, and he was curious if Timber Products could help.

That's when we told him the real secret to getting a better yield from panels: order different-sized panels.

Simple as it sounds, many woodworkers are still buying panels that are too big for their jobs. This outdated ordering philosophy generates waste and drains profits. Sure, shops might rely on cutting software to get the best yield they can, but in the long run they could be doing better by purchasing different-sized panels. The easiest way to get the best panel optimization is to work with a company that can make a panel in the size that you want.

For example, if you are purchasing 4x10 panels and lopping off a foot during manufacturing, you should be ordering 4x9 panels. Why pay for an extra foot and reduce your profits?

Here's how to find out what panel sizes you need to dramatically reduce your waste ratio: use your software to find out the optimum panel size for the components you cut, then call Timber Products Company. We make custom dimension panels in a variety of sizes that can give you the exact dimensions that you need for your cuts. Need a 4x9? We can make that, or any other size that fits your projects.

By taking a new approach to ordering panels, you can generate zero waste and increase your bottom line on each project.

What questions do you have?

Find out more about ordering specific panel dimensions by contacting your regional Timber Products Company sale representative and mentioning this article.

Commentary: Forests Need Thinning

Former Secretary of the U.S. Department of Agriculture from 1981 to 1985, John Block issues a regular report on his website, www.johnblockreports.com. We thought you might be interested in his early August report:

Just like we've seen in past summers, large wildfires are leading the evening news as big tracts of federal forests go up in smoke. Large fires are burning in Idaho, Montana, Oregon and elsewhere in the West. We've seen over 2.4 million acres burned so far, with more to come. Let's not forget the lives lost, including more than 30 firefighters.

Even though the Forest Service manages about only 25 percent of the nation's forests, they have more fires, and more acres burned, than other forests across the country. Some argue that the fires burning out West are solely the result of climate change.

Even if true, (I don't agree), that's no excuse for neglecting to take necessary action to reduce the number of fires.

When forests burn catastrophically, they not only destroy valuable timber, these fires can char the soil, damage the watershed and impede water yield

for decades. Farmers, ranchers and small towns all suffer. Even the wildlife, including birds and animals, is burned to death.

Our forests need to be thinned. The lack of harvest in our federal forests has let the number of trees per acre skyrocket. Many of our forests which should have between 80 and 100 trees per acre have stands with as many as 800. The situation gets worse the longer we allow our overstocked national forests to keep growing. Harvests plummeted in the late 1980s and got worse in the 1990s when Forest Management adopted a plan to reduce harvest rates, set aside millions of acres and instituted "let it be" management that has allowed forests to overgrow, setting up the tinderbox we see every summer.

The Forest Service, which is part of the Department of Agriculture, can do better. They can manage these forests to prevent fires, produce timber and protect our watershed and water supplies. Congress and the Secretary of Agriculture need to give the Forest Service the tools, and the resources, and tell them to get to work.

Get to Know: Michigan Hardwood Lumber

Hardwood plywood and decorative panels might be the most high-profile products at Timber Products Company, but did you know that the company's Michigan Division is one of the leading producers of high-quality hardwood lumber?

The Michigan Division manufactures a full range of lumber from premium northern hardwoods and currently churns out roughly 15,000 mbf of hardwood lumber annually.

The wood is meticulously inspected and sorted, utilizing a computerized dry grading and sorting system to ensure the consistency and quality of each piece of lumber. The hardwood lumber is used by customers all over the country in a wide range of applications, including moulding, furniture components, flooring and flooring systems, cabinetry, pallets and railroad ties.

You might have also seen Michigan Division's lumber in the NCAA Final Four basketball courts the past few years.

The hardwood lumber is available in Hard Maple, Soft Maple, Beech, Birch, Ash, Cherry, Basswood and Red Oak.

For more information on our Michigan Division and our hardwood lumber offering, visit our website or contact Mike Fox at 906-799-2000 or mfox@ner.timberproducts.com

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Timberline is a publication for our employees, families and customers.

Requests for additional copies, or to be included on the Timberline mailing list may be sent to timberline@timberproducts.com.

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