

Building a Stronger Industry

by Ian Faight Executive Vice President, HMA



First things first, Happy New Year! And now that we're officially in 2025, it's time to take care of some important HMA business. Following are a few items for your to-do lists.

Dues Recalculation Forms

The HMA office recently sent out 2025 Dues Recalculation Forms via mail and email. As you know, HMA dues are based on your company's

production from the prior year. So that we may ensure you're being invoiced fairly, please provide us with an update on your annual production by January 15. And if you need another form sent to you, email me at ian@hardwood.org.

The forms also include ways in which you may provide extra financial support to the HMA. We'd appreciate if you'd consider making one—or both—of the following:

- Sustaining Member Contributions support HMA's Member Services activities.
- Voluntary Member Promotion Contributions support HMA's Promotion & Education Campaign.

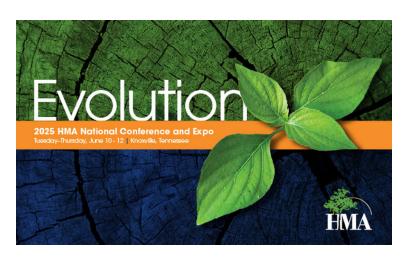
Susan M. Regan Memorial Scholarship Applications

Do you know a student who is enrolled in an accredited forestry or wood products program, and could benefit from financial assistance? If so, applications are being accepted for the Susan M. Regan Memorial Scholarship. Completed applications, along with all transcripts and references, must be received by January 31. All information is available online at **HMAmembers.org**.

National Conference and Expo Heads to Knoxville

One final reminder for now. HMA will be heading to Tennessee for our 2025 National Conference and Expo, **Tuesday-Thursday, June 10-12**, at the Marriott Knoxville Downtown. Our theme will be **Evolution**. Registration, hotel, and exhibitor details will soon be available. Keep a look out!





NatCon Golf Tournament

The third annual HMA National Conference and Expo Golf Tournament will take place on **Thursday**, **June 12**, at the Egwani Farms Golf Course, 20 minutes south of the Marriott Knoxville Downtown. Golf will be followed by a BBQ meal and the presentation of prizes and results.

Sponsorships are available and proceeds will benefit the Real American Hardwood Coalition.

Please direct questions to golf coordinator Peter McCarty at <u>peterm@tsman.com</u>.



NTC is Offering Two Certificate Programs in March

Northcentral Technical College (NTC), HMA's partner in education, is offering two courses to further the education of practicing mill workers beginning in March 2025. The Mill Technology Certificate program and the Band Saw Filer Certificate program offer students opportunities to learn with hands-on experience from experienced instructors. Both courses will be taught in person at NTC's 27,000-square-foot, state-of-the-art Wood Technology Center of Excellence in Antigo, Wisconsin.

Mill Technology Certificate

The revamped Mill Technology Certificate (formerly the Hardwood Manufacturers Certificate) program is open to all hardwood industry stakeholders and is geared to shape the next generation of leaders in the hardwood industry. Training topics include:

- Hardwood species identification, uses, and markets
- Hardwood veneer and plywood production
- Physical and mechanical properties of wood
- Reducing machining defects in wood products
- Steps to reduce product failure from wood movement

The course is free and will run **March 17-April 17**, and is limited to 12 participants. All tuition, materials, housing costs, and meal stipends are covered through a Workforce Innovation Grant.

Interested participants may apply online at <u>NTC.edu</u>. Direct questions to <u>ce@ntc.edu</u> or **715.803.1965**.





Band Saw Filer Certificate

The Band Saw Filer Certificate program is a hands-on, intensive training that prepares learners for careers in the saw filing profession. This is the only accredited Band Saw Filing Certificate program in the U.S.

Excellence

Over four weeks, students will learn to

- Maintain, align, and time band saw grinders
- Use measuring tools and equipment
- Apply trade-based formulas
- Bench band saws (level and tension)
- Fit band saws (swage, shape, and grind)
- Weld band saws using MIG and Oxy Acetylene torch equipment
- Maintain saw guides
- Align band mill
- Practice personal safety when handling saws

Participants will practice these fundamental skills under the direction of an expert instructor utilizing NTC's modern saw filing facility.

The spring session will run **March 25-April 17**, and the cost is \$1,320.

For more information and to apply, visit <u>NTC.edu</u>. If you have questions about this program, contact the NTC Career Coaches at <u>admissions@ntc.edu</u> or **715.803.1645**.

Designing with Hardwood

by Wendy Silverstein

I'm a longtime admirer of the Brooklyn-based multidisciplinary design studio Workstead. Founded in 2009 by Stefanie Brechbuehler and Robert Highsmith, the firm's projects range from architecture and interiors to lighting and home products—all of them featuring striking aesthetics, refined craftsmanship, and a skillful blend of traditional and contemporary influences. Most of all, I love the fresh and innovative ways Workstead uses Real American Hardwood® in residential spaces. Whether it's an old favorite like oak or a less familiar one like cypress, their custom millwork always delights and inspires. Here are three examples of their work.



Asked to add personality to a bland Brooklyn town house, Workstead installed finely crafted woodwork, including some of the most characterful kitchen cabinets imaginable.

Photo courtesy of Matthew Williams

Instead of hardware handles, the doors and drawers feature finger grips in the form of ½-inch-deep wedges carved into the solid wood. This transforms the surface of the cabinetry into a bas-relief sculpture across which the light plays, creating dynamic visual effects throughout the day. For the wood, the designers chose beech with a hardwax-oil finish because its light color and subtle grain complement rather than compete with the distinctive design—as do the Pietra Cardosa countertops and backsplash.



Hired to design the interiors of a two-story converted carriage house from the 1800s on Charleston, South Carolina's historic Bee's Row, Workstead made a number of additions and alterations

Photo courtesy of Jeff Holt

that sensitively fuse past and present. Among the most notable of these is the extensive use of cypress, a hardwood celebrated for its golden color, smooth texture, and straight grain. In one of the bedrooms, beautifully milled and finished cypress planks line the walls, creating a warm and welcoming cocoon of a space that introduces a clean, modern sensibility to the neighborhood's traditional Southern architecture.

To accommodate living spaces, bedrooms, and a kitchen, Workstead added a new two-story pavilion to a 19th-century mansion they were restoring in New York's Hudson Valley. The light and airy interiors of the modern structure imaginatively reinterpret the region's traditional Shaker and Dutch vernacular architecture on



Photo courtesy of Matthew Williams

a larger scale. The kitchen features custom cherry cabinetry that pairs elegant simplicity with rich wood tones. Topped with black granite, the cabinets and central island feel unmistakably contemporary yet would not look out of place in the Victorian house next door.



Wendy Silverstein is a former editor at Architectural Digest, Home, Kitchen & Bath Customer Planner, and Home/Style magazines. A consultant to the design industry, she works closely with interior designers, architects and other professionals in the field.

Real American Hardwood Advertising Campaign Exceeds Expectations

by Ian Faight

Executive Vice President, HMA | Digital Community Manager, RAHC

Over the past two years, the Real American Hardwood Coalition (RAHC) united the collective efforts of the hardwood industry, engaged with creative minds and entertainment partners, and launched its Build Your World® advertising campaign—the industry's first-ever, collaborative national advertising campaign targeting consumers. And the numbers are in.

During two, six-month runs spanning the second halves of 2023 and 2024, the Build Your World campaign produced:

- 116.4 million impressions on the Magnolia Network
- 33.1 million impressions on Instagram + Facebook
- 7.4 million impressions on YouTube
- 14.3 million impressions on the Google Display Network
- 627,000 impressions via Google Search

For those counting, that's approaching 172 million combined impressions across the various TV, social, and digital platforms. While the results of the campaign are impressive and outperformed expectations, there's more work to be done.

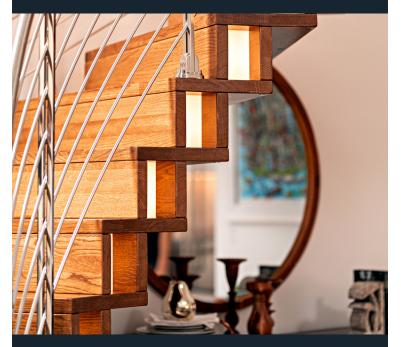
Entering year three of the Build Your World campaign, the RAHC's messaging will shift from the previous awareness and engagement stages to the consideration stage—ultimately influencing decisions when it's time for consumers to purchase flooring, cabinetry, furniture, and millwork to bring into their homes. And as you may have guessed, this is the most critical stage of the campaign and the RAHC is working to ensure Real American Hardwood is the natural choice.

In addition to continuing advertisements on the Magnolia Network, social, and digital platforms in 2025, the RAHC is adding a new tool to its website at realamericanhardwood.com that'll help visitors source Real American Hardwood products to purchase. That's right, if you're a secondary manufacturer producing finished goods, your company will have an opportunity to capitalize on the Build Your World campaign's success and gain new customers.

As the industry continues to navigate an uncertain economy and seeks to reclaim market share from alternative, wood-look products, the need for increased and consistent promotion and education has never been more apparent. No other product shares Real American Hardwood's natural beauty, dependable performance, lasting value, healthy home attributes, or environmental story. Now is the time to support the RAHC and Build Your World for a sustainable future—for your company and the industry as a whole.

To learn more about the RAHC and its work to promote Real American Hardwood products and educate consumers and design professionals, visit **realamericanhardwood.com/industry**.

Take the Next Step & Build Your World.



Contribute today!



The Latest from Capitol Hill

by Dana Lee Cole Executive Director, Hardwood Federation



Another EU Hurdle Cleared Towards Delay of Deforestation Rule

On December 3, the European Union (EU) agreed to postpone implementation of the deforestation regulation until December 30, 2025. The final, official step will be publication in the EU journal before the end of the year, following a plenary vote that took place on

December 17. These developments follow in the wake of rejection of a "no risk" category intended to provide flexibility for countries that practice sustainable forestry, among other requirements. The American Hardwood Export Council has been leading the charge for the industry on this issue and will prepare an in-depth analysis on where we go from here. The Federation will continue to work closely with AHEC and will share any information they provide.

East Coast, Gulf Port Strike Looms in Early 2025

On December 6, the Federation joined industry allies in a letter to the International Longshoremen's **Association** (ILA) and U.S. Maritime Alliance (USMX) urging both parties to get back to negotiations ASAP. As reported earlier, the ILA walked away from the bargaining table because of ongoing concerns about automation. With the contract extension due to expire on January 16, there is a concern that a situation could arise where the ILA again goes on strike. Unfortunately, election dynamics complicate the situation. The fact that outgoing President Biden has a track record of non-intervention doesn't bode well for his engagement during the final weeks of his Administration. Also, President-elect Trump is on record indicating support for the ILA on the automation issue, further complicating the prospects for an agreement when he assumes office on January 20.

Federal Court Suspends Enforcement of Corporate Transparency Act

In a victory for small businesses, a federal court **issued a nationwide injunction** that suspends the enforcement of disclosure requirements under the Corporate Transparency Act (CTA). The CTA took effect in 2024 and requires small businesses and other covered entities to report the personal information of their owners and managers to the Financial Crimes Enforcement Network at the Treasury Department. Although the court action grants a reprieve for filing cisc coures at the end of the year, the issue must work its way through the court system in anticipation of a challenge by the Treasury Department.

NDAA Moves Forward, Drops Anti-Forest Management Provisions

On December 22, the Senate overwhelmingly passed the National Defense Authorization Act (NDAA), following House passage on December 11, and pushed the legislation over the finish line. As part of the NDAA process, two amendments were filed to remove a large portion of the Hoosier National Forest in Indiana from any type of forest management activity. Outgoing Sen. Mike Braun (R-IN) has led the effort and filed the amendments that mirror language in S. 4402, the Benjamin Harrison National Recreation Area and Wilderness Establishment Act of 2024. Fortunately, these amendments were not included in a larger "manager's amendment" and will not be considered by the full Senate.

The Federation team has been working on this process aggressively over the last few weeks to oppose any attempt to allow Sen. Braun's legislation to ride on the NDAA. Likewise, we have been actively engaged in the Farm Bill reauthorization space as Sen. Braun successfully included these provisions in Senate Ag Committee Chairman Debbie Stabenow's bill that was unveiled in November.

Also, the Senate Armed Services Committee Report included language directing the Department of Defense and the General Services Administration to move swiftly in transitioning from endangered apitong to domestically produced red oak for trailer beds and other applications. The Federation is confirming whether the language will be included in the Conference Report that accompanies the final bill.

Stop-Gap Spending Bill Signed, Farm Bill Extended

After a tense few days on Capitol Hill, President Biden signed a Continuing Resolution to fund the U.S. government through March 14, 2025. The agreement only defers what will continue to be a contentious debate around spending levels and the national debt ceiling in the new year.

The deal does include a one-year extension of the Farm Bill which will continue funding for the export promotion programs that support the international marketing activities of the American Hardwood Export Council in 2025. This was of primary concern for the Federation and AHEC. We anticipate passing a fiveyear extension of the Farm Bill will be a top priority for the new Congress in January and are hopeful that the proposed doubling of export promotion funds will remain in the next version of the reauthorization bill.

Pending Changes in Tax Legislation

by Paul Impellicceiri CPA, Partner | A.F. McGervey & Co., LLC

2024 has come to a close and the country is set to welcome a new administration. Individuals and business owners alike are hoping for some clarity regarding future tax structure. The Tax Cuts and Job Act (TCJA) passed in the early part of the first Trump administration made several changes that are set to expire at the end of 2025.

The 20% qualified business income deduction is scheduled to sunset at the end of 2025. This provision offered certain pass-through entities the opportunity to have their income taxed at the same reduced tax rates as C corporations.

Bonus depreciation, which allowed many companies to expense all or a large portion of the purchase of equipment and fixed assets, continues to be phased out and will be eliminated in 2027.

The lifetime gift and estate tax exemptions are scheduled to drop significantly at the end of 2025 if Congress does not act. In 2025, the exemption amount is \$13,990,000 per person, which would drop to approximately \$7 million without extension.



On the individual side, tax rates are scheduled to revert to pre-2018 levels, raising the top rates for high income earners. The standard deduction, and personal exemptions also would be reset. The limit on the deduction of state, local, and real estate taxes would be lifted from the current \$10,000, among other provisions.

The incoming Trump administration has indicated that it favors:

- Extending the Qualified Business deduction and current individual income tax rates
- Maintaining the gift and estate tax exemptions, making 100% bonus depreciation permanent
- Reducing the corporate tax rate from 21% to 20%
- Removing the \$10,000 cap on state and local income tax deduction.

With the Republicans in control of the House and Senate, there is a good possibility that several of these provisions will be passed.

One other item that business owners need to be aware of is the Reporting of Beneficial Ownership requirements under the Corporate Transparency Act implemented in 2024. Companies who meet the parameters of the reporting requirements are required to provide certain information regarding the beneficial ownership of their entity.

For companies in existence prior to January 1, 2024, the initial deadline was December 31, 2024. Companies created in 2024 had a 90-day reporting requirement. Entities that fail to follow the reporting guidelines may face significant penalties. The accounting industry—in conjunction with many small business advocacy groups—have been fighting these regulations and continue to work through the court system to have them repealed, but the outcome remains uncertain.

Paul Impellicceiri is a partner at Pittsburgh-based accounting/auditing firm, A. F. McGervey & Company, LLC, and can be reached at <u>impell@afmcgervey.com</u> or 412.653.6101 for comment.

Building Your Brand's Image to Build Profit

by Sara Skwaryk

Communications and Administrative Coordinator, HMA

When it comes to the day-to-day work you find yourself doing for your business, I'm sure focusing on branding is at the bottom of the list. However, like most marketing strategies, you only get out what you put in! A great example of this is your company's branding.

Today, customers expect a brand to have a cohesive look that utilizes the same style as it defines a company's personality, values, and the reasons customers may choose it over competitors. A strong brand boosts recognition, trust, financial value, and employee morale.

Recognition A simple and professional logo has the power to make a lasting impression, and consistently incorporating a brand's logo across marketing materials, communication channels, and digital platforms makes it more memorable.

Trust | When communicating professionalism, a brand builds credibility and trust among customers, in turn making it more likely they will do business with you. It also increases the likelihood of gaining referrals and new customers.

Greater Financial Value | A strong, recognizable brand that customers trust helps ensure future business, consistently building the value of your brand and—ultimately—your financial return.

Inspired Employees | When employees understand what your brand stands for, they will feel pride in working toward the company's goals.



To begin, keep in mind that consistency is key in branding. A disjointed brand, with inconsistent logos and messaging, can confuse customers and damage trust. To build your brand, consider what your business values are and what story you want to tell. Your logo should align with this narrative, and all elements—fonts, colors, and imagery—should be used consistently across all platforms. Even small details like invoices and social media posts can strengthen your brand's impact when consistent.

For more details on creating a brand image, consider reading *The Power of Consistent Branding That Tells a Story* by Amanda Brinkman at **Forbes.com**.



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