



## In the News

### **No Biomass Plant in Shelton, WA**

The Kitsap Sun reported that the 550-megawatt biomass power plant that was to be built in Shelton, Wash., has been scrapped. Adage, a joint-venture energy company, abandoned its plan for a power plant fueled by wood waste because it didn't pencil out.

Tom DePonty, spokesman for the company said, "We've always said there are three key parts to developing a project. "First there was permitting, which was going very well. Then there was the fuel supply, which also was going very well.

"The third part was the contract for power," he added. "Demand has been stagnant for new projects, and low natural gas prices and economic uncertainty have put downward pressure on the price of electricity."

### **Lumber Trades Higher After Quake**

After the quake rocked Japan in early March, a variety of stocks went up — including lumber. U.S. Steel was up 3.6%, Nucor was up 3.2%, and AK Steel was the top performing S&P 500 stock, up nearly 6%. Caterpillar was also up 0.5%. Also, lumber futures are trading about 1% higher, according to data provider FactSet.

### **Senator Baucus Urges USFS to Change Practices**

Montana's senior U.S. Senator, Max Baucus, says the USFS rules discriminate against American-grown wood and hurt Montana forestry jobs. Baucus is leading a bipartisan effort, urging the USFS to make changes.

"Well over a million acres of Montana forests are unfairly left out of Forest Service construction projects because of this rule. We have a wealth of environmentally sustainable building materials in Montana, and I'm going to push the Forest Service to use our homegrown products first. Montana jobs depend on it," said Baucus. Baucus says the Forest Service mandates that new construction must adhere to its green building rating system. However, he says, the system fails to recognize SFI (Sustainable Forestry Initiative) and the American Tree Farm system. 1.2 million acres of forests in Montana are certified through the two systems. A letter urging change went out to Chief Thomas Tidwell on March 10 signed by both Baucus and U.S. Senator David Vitter.

Tongass Gets Federal Roadless Protection U.S. District Judge John W. Sedwick invalidated an "exemption to the Roadless Rules" crafted under the Bush administration. The exemption was intended to boost the timber industry in Southeast Alaska.

Portions of three timber sales had been proposed in roadless areas of the forest, prior to the ruling. Under the Obama administration, the U.S. Secretary of Agriculture is conducting independent reviews on all proposed roadless timber sales, and Judge Sedwick declined to vacate those pending sales.



## Mills Eye Foreign Markets

For some local mills to stay profitable, they are looking outside the U.S. — to Australia, China, and Asia. Vaagen Brothers will be taking over operations of the Midwall mill in British Columbia (known as the Boundary mill) to produce specialty metric lumber for Australia.

The Boundary mill needs some substantial investment and will have to be re-tooled to be more like our mill in Colville that handles smaller diameter logs," said Russ Vaagen, vice president of Vaagen Brothers. "But there is a good supply of Lodgepole Pine, Douglas Fir, and Western Larch in the area. The landscape and elevation are very similar to Stevens County."

Stimson Lumber is also looking abroad, says Inland Regional Manager Nick Ausman.

"We are pretty confident in our business plan right now that allows us to continue to supply program-related markets via Lowes and Home Depot, but we are also looking at exporting to parts of Asia and China."

Changes to Washington Clean Energy Law In early March, the Washington State Senate approved a bill that amends a clean energy law approved by voters in 2006. It grandfathered-in pulp mills and forest product manufacturers as renewable energy facilities.

If the bill becomes law, certain plants built before 1999 will be counted as renewable energy facilities and certain byproducts of wood mills and solid human waste will be accepted biomass.

The supporters of this bill say it will keep people employed in Washington. Some of the facilities affected by this bill include: Longview Fibre and Weyerhaeuser plants in Cowlitz County; Kettle Falls in Stevens County; SDS Lumber in Klickitat County; Cosmos Specialty Fibers in Grays Harbor County; Georgia-Pacific in Clark County; and Simpson Tacoma Kraft in Pierce County.

The bill now moves to the House for consideration.