



Bear Creek Lumber **TIMBERLINE**

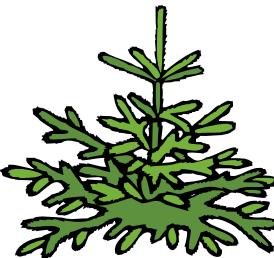
Volume 18 Number 4 April 2004
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Product Spotlight: Douglas Fir KD Timbers

Bear Creek Lumber can supply top quality fir timbers, in both green and kiln dried (KD). If you specify KD timbers, we can offer you clean, on-grade products in clear or dense select structural grade. These are available with three finishes: mill run rough, band resawn after drying, or even and bright band sawn texture.

Kiln drying will slightly shrink timbers, usually 1/16-1/8 th inch in thickness and the same in width. The timbers suntan slightly, and there can be shadow marks where sticks were placed. Overall, kiln drying makes the timbers lighter in weight and minimizes checking. Warp and twist is also less likely.



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Thanks to SSG Brandon Petersen (not shown) stationed in Baghdad, Iraq for sharing these pictures with us!

Saying Thank You To the Troops Overseas

Bear Creek Lumber was approached last year about contributing a care package to the troops in Iraq by a mother of one of those deployed there. We collected magazines and sent a chess board, given to us by Viking Office Supplies, that we gave to Dixie Petersen of Winthrop, to mail along with other local contributions, such as a case of gummi bears and decks of cards. Dixie received back these pictures from her son, Brandon, along with the following message:

Its about 110-120 degrees in these pictures. The troops circle their tanks when they stop for the day and run netting between them for shade.

Since these pictures were taken, the troops have moved into a bombed-out palace. They will leave all the games donated to them for the new troop deployment that replaces them March 31st.

While the chess board and old magazines were a small gift in the big picture of the war, they seemed to be a good way to say thank you for the task that our men and women are undertaking. Bear Creek Lumber urges all our readers to contribute what they can to our troops in their various deployments. If you have a local person making the effort to get these care boxes out, look around for items to contribute. It's the right thing to do, and a great thank you for a hard job. Gifts as simple as candy, magazines and games make home a whole lot closer.

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Exporting Jobs: A Timber Viewpoint

Complying with local, state, and federal regulations is part of the cost of doing business for timber managers across North America. But perhaps nowhere are the regulations more extensive, and the cost higher than in California.

One timber company has concluded that it's easier to ship seedlings out than keep the timber management here in the US. Soper-Wheeler Co. has arranged with a tree nursery to grow and ship about 150,000 Redwood seedling to a New Zealand plantation. The seedlings would be planted this summer with harvest to begin in about 35 years, with the logs then to be returned to U.S. mills.

While Soper-Wheeler owns about 103,000 acres of timberlands, including 10,000 acres of Redwoods in Mendocino County, the company has concluded that it is no longer cost effective to make forestry investments in California.

With 90% of California's population living in urban areas, the forest products industry is an ever shrinking piece of the state's economy (far less than in Oregon or Washington). This contributes to a regulatory environment driven by urban sentiment, he said.

The application for a permit to log private timber routinely cost \$25,000. This cost was not as much of an issue when the value of stumpage was rising. However, stumpage has stopped rising, while regulatory costs continue to mount. Some observers suggest rising regulatory cost is part of a concerted strategy by logging opponents to make timber harvesting so expensive that there is no profit in it.

That goal, they warn, could have unintended consequences. Given the state's population pressures, private forest landowners could opt to develop ranchettes or subdivisions, instead of managing forestlands for commercial harvest. The issue facing state legislators is not between clear cuts and ancient forest, but between managed forest and subdivisions. Timberland, once developed, is gone forever.

The regulatory pressures in the state are unrelenting, industry sources note. On March 19, state legislators introduced a package of bills that would further restrict logging, and give local water quality boards authority to block logging proposals.

Advocates of the legislation said the bills would have little impact on the timber industry, but the industry representatives have a different opinion.

"That package, in its entirety spells complete devastation for our industry", said one.

Source: Random Lengths

"The more we don't produce here, the more it will come from other areas. We're just shuffling our environmental impacts somewhere else." - William Stewart, chief of California's Fire and Resource Assessment program, talking about lumber production.



California : A Burning Question

"Our forests are detonating like napalm bombs. We need to remove dead and dying bug-killed timber", said Rep. Wally Herger, R-Calif. ten-years ago, in a plea to Congress for additional funding for timber management and firefighting assistance. 3 million acres of Western forest lands burned that year, and 14 firefighters were killed. In 2002, wildfires burned close to 7 million acres, killed 23 firefighters, destroyed more than 800 homes, and cost taxpayers \$1.5 billion.

In 2003, blazes that torched 760,000 acres in San Diego and four other Southern California counties last fall, claimed 25 lives, and more than 3,600 homes. Property damage topped \$ 3.5 billion.

Bad as it was, the disaster won't slow migration into fire-prone areas, demographers say. It will take more than the worst fire disaster in California history to douse this decades-long trend.

Growth pressure will worsen an alarming fire risk in the West, experts say. Whether it's driven by the tug of nature, hope for affordable housing, the dream of a vacation home or a yen

to leave congestion behind, suburban sprawl to the metropolitan fringe will increasingly encroach on timberlands.

Outside California, population has grown rapidly in the nation's other high-risk region, the eight Rocky Mountain states -- particularly around Denver, in the Bitterroot Valley in western Montana and parts of Arizona, New Mexico, Utah and Idaho.

Fires often plague Florida too, but woodlands elsewhere in the USA pose less risk than the West because of wetter climates, effective programs to thin vegetation or a prevalence of hardwood species that rarely burn. Those areas include the rural lands around greater Atlanta, the pine forests of the Carolinas, central Michigan's jack-pine woods, New Jersey's Pine Barrens and the heavily wooded Pacific Northwest.

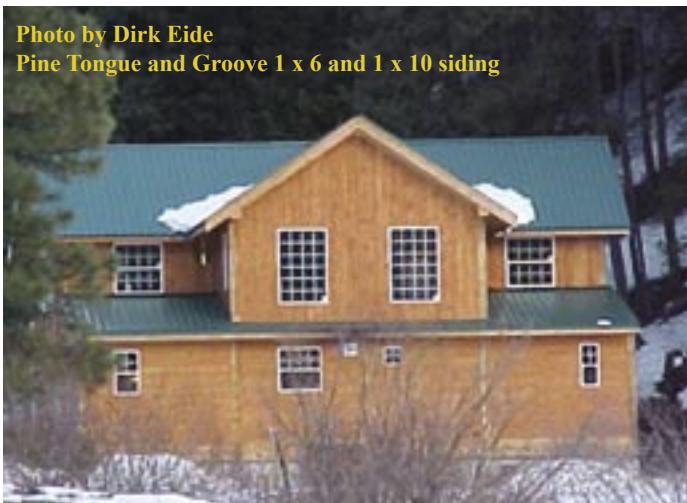
Nowhere are the stakes higher than in the nation's most populous state, where a Mediterranean climate's wet winters and warm, dry summers make fire seasonal, and habitual. "California has been fire central forever," says Greg Aplet, senior forest scientist with the Wilderness Society. The state forestry department says 7.2 million homes -- more than half the state's total -- are vulnerable to wildfire.

Pictures provided by Dick Barnes
The Florence, Oregon fire of 2002



Industry News

**Photo by Dirk Eide
Pine Tongue and Groove 1 x 6 and 1 x 10 siding**



With mortgage interest rates remaining historically low, continued strength in the housing market will depend more on improvement in the labor markets, according to the National Association of Realtors, David Lereah, NAR's chief economist, said the 30-year fixed-rate mortgage will move modestly higher this year. "Fixed rate loans currently are around 5.7 percent, but we project a gradual rise to 6.5 percent in the fourth quarter," he said. "As interest rates move up, the strength of the housing market will depend largely on job growth, which we expect to accelerate and drive demand for homes as the year progresses."

Lereah said the unemployment rate should decline to 5.5 percent by the fourth quarter. "The economy is solid, and job gains in the second quarter should lead to increased spending in the second half of the year."

Growth in the U.S. gross domestic product (GDP) is forecast at 4.6 percent this year. "Business spending is accelerating and record profits will help to stimulate additional activity," Lereah said. The GDP also will benefit from rising exports in the second half of the year.

Existing-home sales are expected to total 5.89 million in 2004, second only to 6.10 million last year. New homes also should have their second best year with 1.03 million sales. Housing starts are projected at 1.78 million units this year, off from a 25-year peak of 1.85 million in 2003.

Inflation is likely to be very low this year with the consumer price index increasing only 1.3 percent. Inflation-adjusted disposable personal income should rise by 3.9 percent in 2004, while the consumer confidence index is seen to rise to 100 by the fourth quarter.

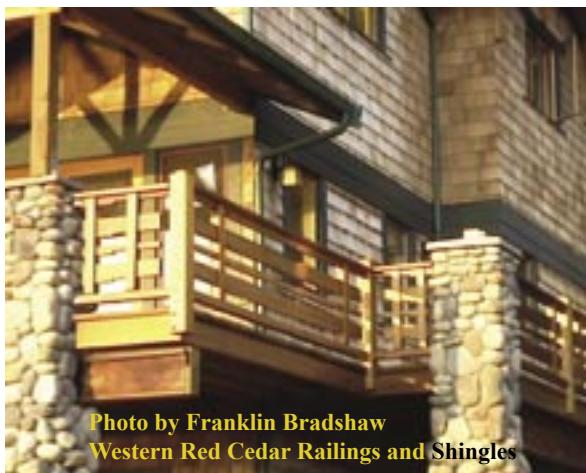
More detailed information about the associations economic outlook, as well as other analysis of real estate industry statistics, can be found in the February issue of NAR's "Real Estate Outlook: Market Trends and Insights." The publication may be purchased by calling 800-874-6500. The National Association of Realtors, "The Voice for Real Estate," is America's largest trade association, representing more than 972,000 members involved in all aspects of the residential and commercial real estate industries. Information about NAR is available at <http://realtor.org>.

Minorities Lag in Ownership of Homes

Homeownership steadily increased in 2003, eclipsing previous records, but the growing gap between the number of white and minority homeowners is creating a push for equality. By the end of 2003, 72.6 million people owned or were making payments on a house, the Census Bureau said this week. That's a record-setting 69 percent ownership rate in relation to the total U.S. population, up from 68 percent in 2002, and 64 percent in 1990.

In an effort to narrow the difference, Fannie Mae, the nation's largest source of financing for home mortgages, announced last week a pledge to help 6 million families, including 1.8 million minority families, become first-time homeowners during the next 10 years. As a part of President Bush's Minority Homeownership Initiative, Fannie Mae expects to push the minority homeownership rate to 55 percent, with the ultimate goal of closing the gaps between minority homeownership rates, and non-minority homeownership rates entirely. To reach this goal, Franklin Raines, chief executive of Fannie Mae, said the company will have to increase its average annual financing of first-time homebuyers by more than 250,000 households, or 70 percent more than the annual average for the last four years.

Raines said Fannie Mae will have to approve an additional 93,000 minorities for loans to reach its pledge, a level equivalent to more than double the annual average during the last four years.



**Photo by Franklin Bradshaw
Western Red Cedar Railings and Shingles**

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