



Timber Talks

A Newsletter for WRLA Members & Colleagues

JANUARY 2010

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120th Annual WRLA Convention
February 10th & 11th, 2010
Kalahari Resort & Convention Center,
Wisconsin Dells, Wisconsin

From the Desk of William Wood, President of WRLA

As I look forward to the upcoming convention, I think about how proud I am to be part of an organization that has been supporting the lumber industry in Wisconsin and Upper Michigan for 120 years.

The WRLA has played a role in the success of all our businesses. With the support of you, the members, the WRLA is able to lobby on behalf of small business on the state and federal levels; provide products and services that we all use to run our businesses; and keep us informed through newsletters, websites and of course the annual convention.

As president of the WRLA, I would like to take this time to personally invite all lumber dealers and their families to attend the 120th Annual WRLA Convention at the Kalahari Resort and Convention Center in Wisconsin Dells, Wisconsin on February 10th -11th. It is a great opportunity to catch up with industry news, see the latest products, and visit with friends and colleagues.

I encourage you to invite your contractors to join you on Thursday, February 11th to meet with exhibitors, socialize at the reception and attend informative seminars including *Wisconsin Building Codes Update*; *Keeping Your Team Motivated*, and product "how to" sessions from three of this year's exhibitors.

All Dealers who return their registration by January 15th will qualify for \$120 Early Bird drawing that will take place at the Showcase Reception.

The WRLA unification with the Northwestern Lumber Association will take place on January 1, 2011. With this unification the WRLA will gain strength in numbers and benefits but will still maintain its own annual convention, district meetings and educational opportunities. I hope we will see your continued support by attending this year's convention and future WRLA events.

See you in Wisconsin Dells!

Bill Wood, Fennimore Lumber Co.

P.S. Don't forget to book your room by January 10th to receive the special WRLA rate of \$99 per night.

Happy New Year!

Coming Events

Call the WRLA office for details on coming events

February 10-11, 2010

WRLA 120th Annual Convention

Kalahari Resort
Wisconsin Dells, WI

March 15-17, 2010

NLBMDA Legislative Conference

Washington DC

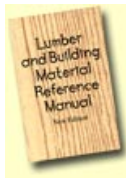
Holiday Office Hours

December 31st

Office closing at Noon

January 1st

Closed



This pocket size reference manual was developed for all building material employees including sales, warehouse, purchasing, receiving, etc.

Lumber and Building Material Reference Manual

Over 30 topics covered in this reference manual.

WRLA Member Price—
\$15.00 each
Plus sales tax & postage



To order call the WRLA office at 800-236-3534

WRLA Annual Convention

We would like to extend a special **Thank You** to our 2010 Convention sponsors

Badger Corrugating Co
CertainTeed Roofing Products
Federated Insurance
Guardian Building Products
Integrated Merchant Alliance
Krauter Solutions

Manions Wholesale Building Supplies
MIDCO-BAY Insulation
Pennsylvania Lumbermens Mutual Insurance
Quality Edge Inc
Western Building Products Inc

Along with the dealer and exhibitor grand prizes that the WRLA will be giving away, many of our exhibitors have donated door prizes that will be drawn for during show hours. Our **Thanks** to the following who will make convention extra special for some lucky people:

Ads That Care Inc
CP Supply a Division of Packaging Inc
The Empire Company
Hutchison Lumber
Maze Nails
Metal Sales Manufacturing
MIDCO-BAY Insulation Inc

Millwork Distributors Inc
Prince Building Systems
Quality Edge Inc
Rayner and Rinn-Scott Inc
Western Building Products Inc
Whirlwind Building Components

Exhibitors who are interested in being a convention sponsor and/or donating door prizes, please contact the WRLA office so your company is included in the printed materials and on the convention signs.

A complete convention program and registration form can be found at our web site at: www.wrlamsi.com. To have a copy mailed to you, call the WRLA office at 800-236-3534 or e-mail us at wrla@wrlamsi.com. **Hope to see you February 10th & 11th at the Kalahari!**

10% OFF COUPON

Stop by the WRLA registration desk at convention for your **Convention Special - 10% Discount** coupon. Save 10% on your next order of business forms or envelopes from the WRLA.

*New orders must be accompanied by a sample form.

This offer is good on one order only.

Standard Mileage Rates

The 2010 optional standard mileage rates used to calculate the deductible costs of operating an automobile starting January 1 are 50 cents per mile for business miles driven, 16.5 cents per mile driven for medical or moving purposes, and 14 cents per mile driven in service of charitable organizations, the Internal Revenue Service said December 3 in Revenue Procedure 2009-54. The rates for business, medical, and moving purposes are slightly lower than last years.

WRLA Membership Meeting

There will be a Wisconsin Retail Lumber Association Membership meeting on Thursday, February 11th, 2010 at the Kalahari Resort & Convention Center in Wisconsin Dells, WI. All members are encouraged to attend the Grand Luncheon meeting. Lunch will be served at 12:00 noon. Tickets for lunch should be ordered using the convention registration form.

Dealers Mostly Optimistic About 2010, Survey Finds

Source: ProSales, Dec 12 2009

Just under half of America's LBM dealers responding to the ProSales survey predict sales will increase next year and another quarter think they'll hold steady, poll results released on December 12 show.

Those 2010 expectations follow a year in which roughly 60% of the respondents said sales were down at least 20%, close to 43% said profit margins had shrunk, and just over half expected their location would post an operating loss.

ProSales' online survey, launched Nov. 18 and concluded December 1, drew 308 responses from shortline and two-step building material dealers from across the country. Nearly 90% of the operations were pro-oriented, and yards of all sizes were represented.

For a complete copy of the ProSales survey visit <http://www.prosalesmagazine.com/industry-news.asp?sectionID=0&articleID=1134083> or call the WRLA office.

WRLA Lumber Person of the Year Nominations

All nominations must be received by the WRLA office no later than January 10th.

In an effort to recognize outstanding qualities and show appreciation for a "job well done," we are now accepting nominations for the Outstanding Lumber Person of the Year award. Each year one retail or associate member will earn this award. The award will be presented to the recipient during the Grand Luncheon/Membership Meeting on Thursday, February 11th at the WRLA Convention.

The following criteria may help in making your selection of this person: ♦Success in business ♦ Personal integrity ♦Industry knowledge ♦ Professionalism ♦ Leadership ♦Dedication Participation in WRLA and other industry organizations.

Send your nominations name, company name and tell us what makes your nominee the lumber person of the year.

IRS Issues New Guidance on NOL Expansion

Source: NLBMDA E-Update Nov. 30, 2009

The IRS has issued new guidance on the expansion of the Net Operating Loss Carryback provision enacted last month by Congress. The expansion allows taxpayers to elect a 3, 4, or 5 year net operating loss (NOL) carryback instead of the usual 2-year carryback.

The election applies to an applicable NOL, which is an NOL for a taxable year ending after December 31, 2007, and beginning before January 1, 2010. The revenue procedure tells taxpayers the time and manner for making the election if the taxpayer (1) has not claimed a deduction for an applicable NOL; (2) previously claimed a deduction for an applicable NOL; or (3) previously file an election to forgo the NOL carryback. Text of Rev. Proc. 2009-52 is available at <http://www.irs.gov/pub/irs-drop/rp-09-52.pdf>

Here are some considerations:

- If you have a NOL generated in 2008 and did not elect to forgo the carryback and have not already filed a carryback for the previous two years, then it would be advantageous to see about carrying the NOL back 3, 4 or 5 years. It depends on the tax paid in those years.
- The ruling does not affect the carryback rules for the state returns so you might be able to carry back the NOL for federal purposes 3, 4 or 5 years but depending on the state where you file, you might be able to carryback for only two years or maybe not at all.

Members are advised to discuss this option with their CPA prior to filing their tax returns.

Injury and Illness Recordkeeping Take it Step by Step

Now more than ever, employers must understand how and when to record employee injuries and illnesses, as well as what not to record. Taking a step-by-step approach through the maze of regulatory requirements can help you determine if your company is covered and if so, how to document and maintain accurate records of work-related injuries and illnesses.

Determine whether the recordkeeping rule applies; 2) make sure you use the correct forms; 3) determine the employment status of your workers; 4) decide if an injury or illness is work related; 5)

determine if a case is recordable; 6) decide if a case is new or a continuation; 7) determine if the injury/illness is a privacy case; 8) record specific types of cases; 9) report fatalities and hospitalization incidents.

Form 300A, Summary of Work Related Injuries and Illnesses is to be posted February 1– April 30. Forms are available on the OSHA website www.osha.gov, or call the WRLA office to have a copy sent to you.

Green Homes Red-Hot

Source: *USA Today*

The home building industry is struggling, but one sector is booming: green homes. The number of homes winning the government's Energy Star designation since the program began in 1995 has crossed the one million mark. Despite an overall housing slump, 75,000 have been added so far this year for a total of 1,024,200.

Last year, Energy Star homes accounted for nearly 17 percent of all single-family homes built, up from 12 percent in 2007.

The Energy Star label means a house is at least 20% more energy-efficient than other new homes.

"They are better homes" with more efficient windows, lighting, appliances, insulation, heating and cooling, says Maria Vargas of the Environmental Protection Agency's Energy Star Program.

Existing homes are going green too: 68% of people survey by USA Today took steps this year to make their homes more-energy-efficient. Of those who did, 71% said it was "mostly to save money" and 26% "mostly to save the environment".

For the complete article visit: http://www.usatoday.com/news/nation/environment/2009-12-03-green-house-energy-star-new-homes_N.htm

2010 Legislative Conference March 15-17

Throughout the world, organizations are feeling the impact of a suffering global economy. Companies are cutting budgets and resources in an effort to survive slow times. Now more than ever, it's important for building material dealers, distributors, manufacturers, and suppliers to encourage change. For this reason, NBMDA, NLBMDA and WDMA are joining forces to provide a forum for discussing the policy issues facing our industry and to take our message to Capitol Hill and the federal agencies. One thing is certain—without a housing recovery, we will not see an end to this prolonged recession.

Join us, March 15-17, 2010 at the Marriott Washington in Washington, DC to discuss legislative and regulatory issues and to hear directly from federal policymakers about current issues impacting the industry. This unique event, bringing together three of the leading organizations in the building material industry, will help create a strong, united voice for all members.

Not only will each of our associations conduct our regular business meetings and hear from some top-notch speakers, we will also have to opportunity to network with each other and make some valuable business contacts for the future.

Take advantage of this opportunity to share the concerns of your company and to be a part of a collective voice. Help us bring change to the building industry so that 2010 is a year of growth and new opportunities. Register today with your respective association and we hope to see you this March in Washington.

For more information go to <http://www.2010legcon.org/> If you have questions, please contact NLBMDA at 800.634.8645 or info@dealer.org.



Groups Decry Senate Health Care Bill Forcing Coverage at Small Firms

Source: *ProSales Online*, Dec. 23, 2009

Builder groups including the National Lumber and Building Material Dealers Association (NLBMDA) urged their members to protest a little-noticed amendments to the Senate's health care bill that requires construction industry employers with as few as five employees to provide health insurance to their workers starting in 2014.

The amendment, which NLBMDA said was added to Senate Majority Leader Harry Reid's package of changes, revised a section of the bill that exempts small employers from having to provide coverage. The exemption previously applied to companies with as many as 50 employees.

It is not immediately clear what impact the revision would have on building material dealers and other parts of the construction supply chain. The actual language in the manager's amendment says the five-employee rule will apply to any employer with "substantial annual gross receipts... attributable to the construction industry" and with annual payroll expenses exceeding \$250,000. The provision would take effect starting after Dec. 31, 2013.

While the measure apparently was intended to affect small homebuilders, theoretically it could apply as well to truss makers, panel plants, millwork shops and even separately incorporated installed sales units at lumberyards. On the other hand, the amendment's impact on building material dealers could be limited, as a *ProSales* survey conducted last fall indicates that more than 90% of dealers—even those with less than \$10 million in sales—provide health care insurance. But that same survey also turned up anecdotal evidence that some dealers had dropped their coverage this year.

For a complete copy of the article go to ProSales online -www.prosalesmagazine.com.



Build with us.

Enjoy standout savings.

Members of the Wisconsin Retail Lumber Association can enjoy incredible savings along with a dedicated Account Manager who knows your business and will design a customized program to deliver the results you're looking for, plus all of this:

- Great Product Selection and Savings
- Outstanding Customer Service
- Fast and FREE Delivery
- Furniture Solutions
- Promotional Products
- Technology Solutions
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Contact Joel Wood at (800) 670-9555 ext 1146 or email Joel at joel.wood@staples.com

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Names in the News

Congratulations **Campbellsport Building Supply (CBS)** on the acquisition of **Drexel Interiors**, a cabinetry and flooring company based in Brookfield, Wisconsin.

The acquisition combines Drexel's flooring, window treatment and cabinetry resources with CBS's unparalleled portfolio of name brand quality building material products and services, resulting in vast potential for customers and the building industry in the Milwaukee and outlying areas. Currently CBS and their sister stores, Berlin Building Supply and Kiel Building Supply employ 84 full time team members throughout South Eastern and Central Wisconsin. By acquired Drexel 43 full time positions have been retained as well. Additional jobs and opportunities will be stimulated by this merger.

CBS was ranked the 81st largest pro-dealer in the nation for 2009 according to *ProSales* magazine and their Berlin location was the 311st fastest growing company in the nation per Inc. Magazine.

Metal Sales Manufacturing Corp. was named **Vendor of the Year** in the lumber and building materials commodities division by Do it Best Corp. The selection is determined by input from Do it Best Corp. commodity traders in all regions across the country and includes breadth and desirability of product offerings in the supplier's overall program. Congratulations Metal Sales.

New Associate Member

Firestone Metal Products

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 Anoka MN 55303

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www.unaclad.com

Build Repeat Business

Source: OCSA Quick Net News Dec. 7, 2009

Satisfying your customers is one thing. Luring them back is quite another. It used to be enough to offer a friendly handshake and a solemn pledge to do better when you made a mistake. Those days are long gone. Cut throat competition has raised the bar for the level of service customers expect. Here are a few basic rules to help you prevent customers from hopping over to the competition:

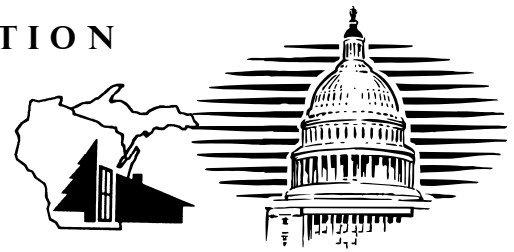
- Determine who your customers are, where they're from, and how they found you.
- Established unparalleled standards for quality services.
- Develop relationship with your customers based on trust, respect and continuous feedback.
- Exceed customer expectations.

Remember, it's easy enough to dazzle a customer and make one sale. The idea is to dazzle them every day.✍

The information contained in this newsletter is not intended to be, nor does it constitute, legal advice. Don't apply or interpret the law without the aid of a trained expert who knows the facts. Your particular situation may change the application of the law.

Legislative Update

JANUARY 2010



Historic, Dangerous Trend in Wisconsin Workforce Government Employees Outnumber Manufacturing Workers

Source: WMC News Release, Dec. 21, 2009

MADISON – As 2009 draws to a close, Wisconsin has more people working for government than in manufacturing, Wisconsin Manufacturers & Commerce announced Monday. A review of state employment data by WMC found this to be a first since records have been kept.

“This is a very disturbing development,” said James A. Buchen, WMC vice president of government relations. “An economy that has more government jobs than manufacturing jobs cannot be sustained for the long-term. Manufacturing is critical to the success of a strong economy.”

Manufacturing jobs earn the highest wages and offer the best benefits that support families, provide a middle class lifestyle, and sustain strong communities. A strong manufacturing sector supports jobs in other sectors of the economy.

The Department of Workforce Development reported that Wisconsin in November had 435,800 jobs in manufacturing and 438,200 government workers. That occurred in April and May of this year also, the *Milwaukee Journal Sentinel* reported.

Fifty years ago, Wisconsin manufacturing workers outnumbered government workers by a 3-to-1 ratio. In 1959, 459,800 people were employed in manufacturing, but only 155,000 were employed in the government.

“Wisconsin needs to turn this trend around quickly,” Buchen said. “Your economy is in a crisis when manufacturing jobs are outnumbered by government jobs.”

WMC – which represents manufacturers – supports growing the economy by controlling government spending increases, lowering taxes, controlling regulations, limiting litigation, and providing incentives for manufacturers to expand and relocate to Wisconsin.

“Wisconsin can become the shining star of the snow belt again by getting serious about promoting manufacturing jobs,” Buchen said.

In the most recent legislative session, the Legislature and Governor approved over \$2 billion in higher taxes. They approved increased taxes on businesses, increased income tax rates, increased capital gains taxes, repealed property tax controls, approved health insurance mandates, approved expanded liability for employers, and increased state spending by 6.5 percent. “That’s created government jobs, and killed manufacturing jobs,” Buchen said.

If you have a regulatory issues you would like to see addressed, please contact the WRLA Office. The WRLA works with the National Lumber and Building Materials Dealers Association (NLBMDA) on national issues and with the Wisconsin Manufacturers and Commerce (WMC) to lobby on state of Wisconsin regulatory issues. You can reach the WRLA via phone at 800-236-3534 or via email at wrla@wrlamsi.com.