

**Lake Champlain
Basin Program**

A Sustainable Working Forest and Competitive Wood Products Industry

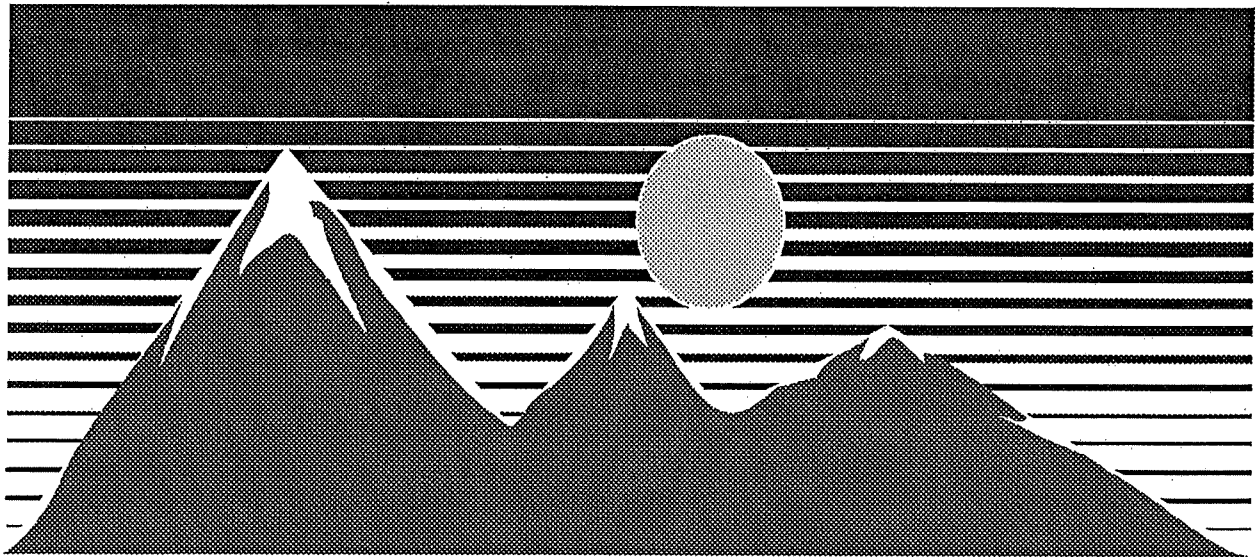
Prepared by
Economic Development Council of
Northern Vermont, Inc.

for
Lake Champlain Management Conference

July 1997

A SUSTAINABLE WORKING FOREST AND COMPETITIVE WOOD PRODUCTS INDUSTRY

**Prepared For:
Lake Champlain Management Conference**



**Prepared By:
Economic Development Council of
Northern Vermont, Inc.
155 Lake Street
St. Albans, Vermont 05478
(802) 524-4546**

This demonstration report is the tenth in a series of reports prepared under the Lake Champlain Basin Program. Those in print are listed below.

Lake Champlain Basin Program Demonstration Reports

1. *Case Study of the Town of Champlain.* Yellow Wood Associates. October 1993.
2. *(A) Demonstration of Local Economic/Other Community Impacts.* Community Case Studies for Economic Plan Elements. The City of Vergennes, Vermont. Economic and Financial Consulting Associates, Inc. October 1993.

(B) Demonstration of Local Economic/Other Community Impacts. Community Case Studies for Economic Plan Elements. Appendix. The City of Vergennes, Vermont. Economic and Financial Consulting Associates, Inc. October 1993.
3. *The Archeology on the Farm Project.* Improving Cultural Resource Protection on Agricultural Lands: A Vermont Example. Jack Rossen. May 1994.
4. *(A) The 1992 Fort Ticonderoga-Mount Independence Submerged Cultural Resource Survey. Executive Summary.* Arthur Cohn. May 1995.

(B) The 1992 Fort Ticonderoga-Mount Independence Submerged Cultural Resource Survey. Arthur Cohn. May 1995.

(C) The Great Bridge "From Ticonderoga to Independant Point". Arthur Cohn. May 1995.

(D) Geophysical Reconnaissance in the Mount Independence Area: Larrabee's Point to Chipman Point. Patricia Manley, Roger Flood, Todd Hannahs. May 1995.

(E) Ticonderoga's Floating Drawbridge; 1871-1920. Peter Barranco, Jr. May 1995.

(F) Bottom Morphology and Boundary Currents of Southern Lake Champlain. Hollistir Hodson. May 1995.
5. *Implementation, Demonstration, and Evaluation of BMPs for Water Quality: Application Methods ("Manure Injections") for Improved Management of Manure Nutrients.* Bill Jokela, Sid Bosworth and Don Meals. September 1995.
6. *(A) Malletts Bay Recreation Resource Management Plan.* T.J. Boyle and Associates, Resource Systems Group, Associates in Rural Development and Engineering Ventures. October 1995.

(B) Malletts Bay Recreation Resource Management Plan. Executive Summary. T.J. Boyle and Associates. October 1995.

(C) Review and Relevant Studies. Malletts Bay Recreation Resource Management Plan. T.J. Boyle and Associates. October 1995.

(D) Natural and Built Resources Inventory: Data Documentation. Malletts Bay Recreation Resource Management Plan. Associates in Rural Development. October 1995. This report will not be published but data is available at the LCBP office.

(E) Survey Implementation and Analysis. Malletts Bay Recreation Resource Management Plan. Resource Systems Group. October 1995.

(F) *Institutional Review and Analysis. Malletts Bay Recreation Resource Management Plan.* Engineering Ventures. October 1995.

7. *The Best River Ever. A conservation plan to protect and restore Vermont's beautiful Mad River Watershed.* Mad River Planning District and Friends of the Mad River. December 1995.
8. *On Farm Composting Demonstration Project.* Clinton County Soil & Water Conservation District. December 1996.
9. *Addison County Demonstration Project - Alternative Sewage Disposal Technologies.* Judy Bond. February 1997.
10. *A Sustainable Working Forest and Competitive Wood Products Industry.* Economic Development Council of Northern Vermont, Inc. July 1997.

This report was funded and prepared under the authority of the Lake Champlain Special Designation Act of 1990, P.L. 101-596, through the U.S. Environmental Protection Agency (EPA grant #EPA X 001840-01). Publication of this report does not signify that the contents necessarily reflect the views of the States of New York and Vermont, the Lake Champlain Basin Program, or the U.S. Environmental Protection Agency.

TABLE OF CONTENTS

Executive Summary.....	i
I. Introduction.....	1
II. The Importance of the Forest for the Basin.....	2
III. Vermont Dependence on Log Exports.....	3
A. The Log Export Problem.....	3
B. Timber Sales and Harvesting Transactions in the Lake Champlain Basin.....	4
1. Non-Industrial Private Sellers.....	5
2. Industrial Sellers.....	5
3. Public Sellers.....	5
IV. Timber Producer Certification in the Lake Champlain Basin.....	6
A. Vermont Logger Education to Advance Professionalism Program.....	7
B. New York State Cooperating Timber Harvester Program.....	8
V. Logging and Water Quality: Vermont and New York - Success through the AMP's and BMP's.....	10
VI. State of the Primary and Secondary Segments in Vermont.....	13
A. Introduction.....	13
B. Comments.....	13
C. Preliminary Findings.....	15
VII. What is a Flexible Manufacturing Network?.....	16
VIII. Advantages to the Basin's Manufacturers Starting a Network?.....	18
IX. Successful Network Start-ups in New York State.....	18
A. The Empire State Forest Products Association.....	18
B. Furniture New York (FNY).....	19
C. The New York City Wood Research and Action Project.....	19
D. Greenpoint Manufacturing & Design Center.....	20
X. Network Start-up Initiatives in Vermont.....	21
A. The Creation of a Vermont Wood Products and Accessories Catalogue.....	21
1. Concept.....	21
2. Appearance and Contents.....	21
3. Budget and Financing.....	21
4. Recruitment and Production.....	22
5. Distribution.....	22
6. Evaluation.....	22
7. Investment.....	23
B. Assistance through Workshops.....	23
1. Training and Financing.....	23
2. Sales and Marketing.....	23
XI. Resource Network Concepts for the Vermont Manufacturing Network.....	24
A. The Vermont Manufacturing Network.....	24
1. Mission Statement.....	24
2. The Vision.....	25
3. The Objectives.....	25

4. Ongoing Strategies.....	26
5. Membership Features.....	26
B. Northern Forest Service Provider's Network.....	27
1. The Concept.....	27
2. The Services.....	27
3. Collaboration Between The Network and Resource Directors.....	27
4. An Alternative: The Services Delivery by Service Providers.....	28
5. Conclusion.....	29
XII. Vermont State and Federal Land Management Projects.....	29
A. State Program - Urban and Community Forestry Program.....	30
B. Federal Program - The Stewardship Incentive Program/NY and VT.....	32
1. List of Stewardship Incentive Program (SIP) Practices.....	33
XIII. Bibliography.....	36
XIV. Appendix: The Lake Champlain Basin Resource Network.....	37

Executive Summary

Forests are the dominant land cover in the Lake Champlain Basin, occupying 62% of the total of the land area. The Basin's forests are a major component of the region's natural, scenic and working landscapes. Forests provide timber for the wood industry, habitat for wildlife, and numerous recreational opportunities for residents and visitors in the area. Forests lend to the biological diversity and scenic beauty of our region and our quality of life. When properly managed, forests also are among the least polluting of land use types within the basin. Extensive forest cover protects and enhances the water quality of the Basin and Lake Champlain.

The Northern Forest, a 26-million acre expanse of mostly private land stretching from Maine to the Western Adirondacks which includes the forests of the Lake Champlain Basin, is a uniquely sustainable natural and economic resource, and as such needs to be protected and improved.

This study was undertaken with the understanding that the ultimate goal would be to explore and, if determined to be feasible, implement a Vermont/New York Lake Champlain Basin network that would collaborate on the manufacturing and marketing of wood products that are produced in this region. However, the State of New York has already established forest product networks in their area while the Vermont producers are not as far along in their development of such entities. For this reason, many of the recommendations that are made in this report reflect the need for Vermont producers to "catch up" with their New York counterparts so that a true Lake Champlain Basin network can be fostered and come to fruiting. In the context of the "bigger picture", the reader should understand that this report advocates a Basin-wide network and that it is our recommendation that, once established, the Vermont and New York networks consider merging.

Objectives of the report. This project was pursued with the intent of assisting the forest industry located on both sides of the Lake Champlain Basin in the areas of forest management, network implementation, education and environmental issues. Overall, the work plan was addressed. However, the inherent difficulties of organizing a flexible manufacturing network amongst various wood producers in Vermont and joining that network with the networks established in New York State was beyond the expertise of the Economic Development Council of Northern Vermont. What follows are the initial objectives that the project undertook and the progress achieved for each.

- 1) Identify federal and state forestry and agricultural land management programs which provide economic incentives to promote sound land management practices in the Lake Champlain Basin.

There is a federal program, the Stewardship Incentive Program (SIP), that is utilized in the states of New York and Vermont and provides an economic incentive by encouraging

long-term stewardship and management of non-industrial private forest lands. This is done by sharing the cost of developing and carrying out an approved Landowner Forest Stewardship Plan which includes a Forest Stewardship Assessment. Landowners must agree to maintain cost-shared practices for ten years. To qualify for SIP cost-sharing practices landowners are required to provide the county/service foresters with a description and the location of the planned treatment sufficient to determine the potential to fulfill the technical specifications for the practice(s). Cost sharing is not allowed for any practice or measure which can be accomplished through commercial silvicultural or logging operations. A commercial operation is defined as removal of more than 1000 board feet of USFS #2 quality sawlogs or better per acre. In New York, a commercial operation is where someone will pay to cut the trees or even cut trees in exchange for services.

In Vermont, the maximum allowable cost-share that a landowner can receive for planning, designing, layout and marking costs of a professional resource manager for all practices during any one federal fiscal year is \$400 exclusive of the cost-share allowed for Landowner Forest Stewardship Plan Development. New York state does not have a maximum for planning. Maximum payment limitation for all SIP payments is \$10,000 per landowner and per federal fiscal year.

2) Conduct a conference in 1995 to introduce the network concept to the Lake Champlain Basin business community.

On August 4, 1995 in Berlin, Vermont the Economic Development Council offered a conference to the Vermont wood industry focusing on training and financing resources available to the industry. Detailed information was provided on financing options, the loan application process and business planning. A discussion of training opportunities in education, operation of high technology machinery, manufacturing management and the need for a strong basic education for individuals in the wood industry was presented.

The keynote speaker discussed the plight and the challenges of the New York wood industry. A project that was undertaken to identify issues facing southern New York wood products manufacturers led a group of industry leaders to form the New York Wood Council. This Council acts as a catalyst for the development of resources, communication and business ventures between the New York State wood manufacturers.

The EDC also sponsored a one-day educational program "Expanding Sales Through Marketing: Practical Solutions for Wood Products Businesses," which was held in Hardwick, Vermont on September 8, 1995. The workshop was designed for craft people, manufacturers, artisans, and designers who work with wood and included manufacturers located within the Vermont boundaries.

- 3) Explore and physically implement the concept of flexible manufacturing network as a tool to strengthen the Lake Champlain basin forest industry.

The inherent difficulties of organizing a flexible manufacturing network amongst various wood producers in Vermont and joining that network with the networks established in New York state was beyond the expertise of the Economic Development Council of Northern Vermont. As a wood products manufacturing network is being revived in the Vermont (Vermont Furniture Manufacturers Association), the developers have identified the need for effective and efficient access to information and services. Most, if not all, of the information and services identified are already in existence or the capacities are in place. The challenge then becomes to join the providers in a more careful process so that the manufacturing network members can enjoy access in ways that best suit their needs. The general concept of interest is to provide two point linkage between the manufacturing and service networks. These two points would be two people: one would be the manufacturing network administrator and the other would be a service ombudsperson. The above outline offers the potential for the development of an action plan for a Vermont manufacturing network organization. A resource network, formal or informal organization, could provide expertise in market research, product development, financial planning, raw material sourcing, etc., to the Vermont Furniture Manufacturers Association (VFMA) or other Lake Champlain Basin Wood product networks. If the two aforementioned segments are able to network, then the next course of action will be to merge with the New York networks to form a true Lake Champlain Basin network.

- 4) Put together a resource network composed of service providers, etc., to assist in the development of the manufacturing network.

This objective was addressed in the preceding objective and is part and parcel of the aforementioned action plan.

- 5) Identify all existing interstate forestry and agricultural related cooperatives or networks.

This report was able to locate four unique networks in New York State that can serve as examples for the proposed Vermont network.

- 6) Analyze the importance of the interrelationship between sustainable forest management and Lake Champlain basin conservation.

Large tracts of forest lands, especially those near shorelines and scenic places, are being subdivided and converted to other types of use, many of which are more polluting. Export of Vermont logs to worldwide destinations has increased dramatically and at an alarming pace. More and more people moving into the Basin come from an urban culture that has no connection with the land, and little understanding of what it means to make a

living from it. There is a general lack of understanding of what sustainable forest management is all about, particularly in relation to long-term productivity and environmental quality. Prevailing market conditions also promote exploitation over sustainable use. The Northern Forest Lands Council found that, "...until the economic rules are changed so that the markets reward long-term sustainability and recognize the worth of well-functioning natural systems, existing market forces will continue to encourage shorter-term exploitation instead of long term conservation of the Northern Forest" (NFLC, Finding Common Ground: Conserving the Northern Forest, September 1994, p. 11).

Research strongly indicates that the wood industry is plagued with a variety of problems (i.e., weak marketing opportunities, limited capital, difficult operational management). The region needs to actively pursue new ways to add value to local wood products. Projects need to be undertaken to expand applications of local wood and to both identify and manufacture products that are not currently be made. There is a need to diversify and create markets for underutilized and low quality trees as well as enhance our capability to produce higher quality trees

Findings.

Given the Basin's forests represent: 1) a dominant, least polluting land cover type within the Basin; 2) an important natural resource that is critical to the biodiversity and environmental quality of the region, and 3) a significant, sustainable economic resource which contributes to the basin's timber, wood products, recreation and tourism industries, it, therefore, makes sense for both reasons of economy and water quality protection to enhance this resource base and strengthen the industries which it supports.

Recommendations.

Given the need to sustain the Basin's forests while providing economic opportunities for its wood producers a network approach to changing global markets should be pursued with the assistance of whatever groups or government entities who can offer to facilitate such an endeavor. Small firms who want to improve their competitiveness, develop new products, penetrate new markets, adopt new technology, upgrade their workforce skills while retaining the unique lifestyle of a small business should be interested in the network approach. Significant progress on these fronts can be achieved more easily in a well functioning network than in isolation. The competitive disadvantages of small firms provide the most powerful rationale for the formation of such networks. United with firms with similar ambitions, these competitive challenges can be overcome. A major advantage of the network approach would allow small firms to remain small. While a great deal of job growth and prosperity can come from the very dynamic firms that grow into larger firms, the reality is that not all entrepreneurs want to preside over the development of a giant concern, and many of them do lose their positions of control in the process. For those small business owners that want to remain small, but successful, the network

approach offers access to new markets and technology within an organizational arrangement permitting them to control the size of their individual firms.

I. Introduction

Forests are the dominant land cover in the Lake Champlain Basin, occupying 62% of the total of the land area. The Basin's forests are a major component of the region's natural, scenic and working landscapes. Forests provide timber for the wood industry, habitat for wildlife, and numerous recreational opportunities for residents and visitors in the area. Forests lend to the biological diversity and scenic beauty of our region and our quality of life. When properly managed, forests also are among the least polluting of land use types within the basin. Extensive forest cover protects and enhances the water quality of the Basin and Lake Champlain.

The Northern Forest, a 26-million acre expanse of mostly private land stretching from Maine to the Western Adirondacks which includes the forests of the Lake Champlain Basin, is a uniquely sustainable natural and economic resource, and as such needs to be protected and improved. This was made clear in the recently completed work of the Northern Forest Lands Council. Long range planning for the management of this resource should be a critical component of the overall management plan of the Basin. As reported from the Lake Champlain Management Conference's Economic Database Project: "While the Basin economy continues toward a healthy diversification in such areas as education, health care, tourism, prisons, and manufacturing, the more traditional, rural industries of agriculture, timber harvesting, and mining continue to make significant contributions to local economies" (Holmes and Artuso, Executive Summary, 1993, p. 1-5). Forestry has helped shape the working landscape, and is deeply embedded in the traditions that have shaped our communities. In many respects, the success of the region's travel, tourism and recreation industry is also directly influenced by the "look" of the landscape - broad mountain vistas, forested hillsides, and wooded lake shores.

Given that the Basin's forests represent: 1) a dominant, least-polluting land cover type within the Basin, 2) an important natural resource that is critical to the biodiversity and environmental quality of the region, and 3) a significant, sustainable economic resource which contributes to the Basin's timber, wood products, recreation and tourism industries; it makes sense for both reasons of economy and water quality protection to enhance this resource base, and strengthen the industries which it supports.

This study was undertaken with the understanding that the ultimate goal would be to explore and, if determined to be feasible, implement a Vermont/ New York Lake Champlain Basin network that would collaborate on the manufacturing and marketing of wood products that are produced in this region. However, the state of New York has already established forest products networks in their area while the Vermont producers are not as far along in their development of such entities. For this reason, many of the recommendations that are made in this report reflect the need for Vermont producers to "catch up" with their New York counterparts so that a true Lake Champlain Basin network can be fostered and come to fruition. In the context of the "bigger picture", the reader should understand that this report advocates a Basin-wide network, and that it is

our recommendation that, once established, the Vermont and New York networks consider merging.

Pressures to our forests are many. Large tracts of forest lands, especially those near shorelines and scenic places, are being subdivided and converted to other types of use, many of which are more polluting. Export of Vermont logs to worldwide destinations has increased dramatically and at an alarming pace. More and more people moving into the Basin come from an urban culture that has no connection with the land, and little understanding of what it means to make a living from it. There is a general lack of understanding of what sustainable forest management is all about, particularly in relation to long-term productivity and environmental quality. Prevailing market conditions also promote exploitation over sustainable use. The Northern Forest Lands Council found that, "...until the economic rules are changed so that the markets reward long-term sustainability and recognize the worth of well-functioning natural systems, existing market forces will continue to encourage shorter-term exploitation instead of long term conservation of the Northern Forest" (NFLC, Finding Common Ground: Conserving the Northern Forest, September 1994, p. 11).

II. The Importance of the Forest for the Basin

Forestry is a segment of the Lake Champlain Basin's economy that is closely related to, and in some cases, overlaps with the agricultural sector. Forest land is the dominant land use in the Champlain Basin occupying from 51% to 80% of the land area. Forest land provides wood for a significant wood industry, recreational opportunities, habitat for wildlife and water quality protection for hundred of miles of water courses that drain into Lake Champlain. Long range planning for the management of this resource is a critical issue for the management of the basin. Forested lands - 62% of the Basin's land use - contributes to water quality protection and generates a minimal amount of non-point source pollutants - 16% phosphorus load annually. The protection and development of this industry segment is extremely dependent for the Lake Champlain Basin's future. This industry composed of logging, sawmills and basic wood processing has grown modestly during 1992 as world wide demand for timber remained strong. However, Vermont's hardwood and softwood-based industry, with proper management, can achieve significant increases and can therefore remain a key factor in the control of lake water quality, and in the sustainability of our tourism industry.

In order to prevent the forest land from becoming open land that will be used in suburban development or agricultural projects, it is essential to strengthen the wood products industry and improve its management practices in the Vermont. Dart Thalman, of the International Conservation Institute and the School for International Training based in Brattleboro, has a vision for the future of Vermont's "working landscape". He stated, "Much of the farming and forestry landscape that characterizes Vermont is being replaced by strip development, shopping malls and haphazard housing developments." He

emphasizes the need for maintaining a healthy farm and forest economy to enrich the state's economy and provide people with occupations that allow independence and self-respect. Review of available data shows a segment of the Lake Champlain Basin's economy that has been in a transition for the past five years. The data collected from two sources (A Wood Products Development Strategy for Northern New York prepared by Yellow Wood Associates, Inc. and A Market-Based Strategy for the Forest Industry in Northern Vermont and Northern New Hampshire prepared by The Economic Development Council of Northern Vermont, Inc. for the period from 1980 to 1990), shows an industry that is in both in New York and Vermont that has seen declines in the number of units reporting, as well as total employment. However, while total employment may be decreasing, the industry is not in a state of decline based on output and productivity since 1980. The industry has weathered a variety of pressures over the years. Such factors as: (1) competition for labor in the eighties and higher wages in other industries, (2) policies and regulations which favor cleaner industry in more affluent - suburban parts of the states, (3) mechanization and (4) increasing shift hours within remaining plants to maintain production and competitiveness. In the period between 1989 - 1992, the recession, the credit crunch, increased bankruptcies, consolidation and continued mechanization have lead to the development of a long term vision to keep the working forests of the Northern Forest sustainable while not sacrificing the competitive edge that is needed for the region's wood products industry.

III. Vermont Dependence on Log Exports

A. The Log Export Problem

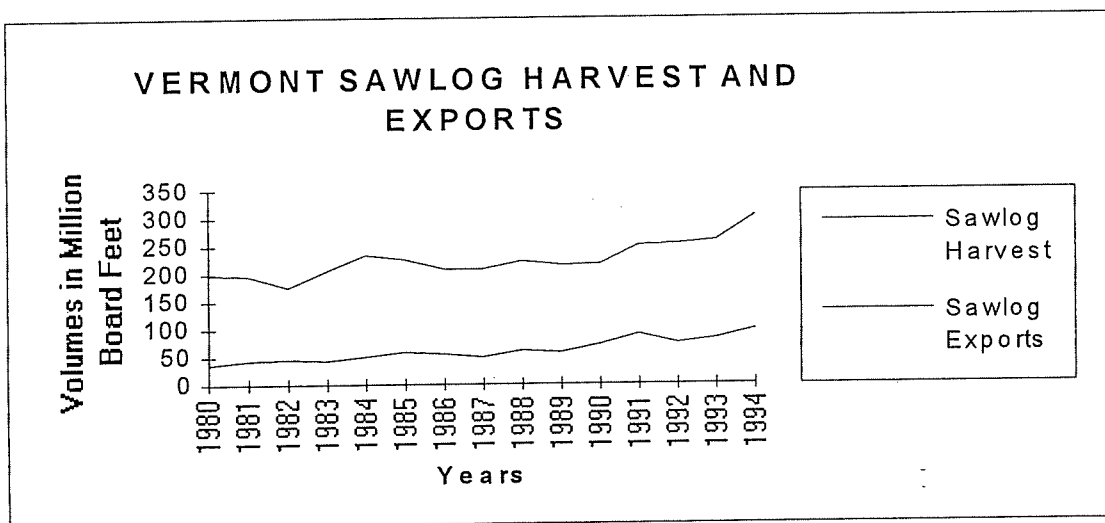
The State of Vermont's forest product industry is significantly dependent on the log exports trade with Canada. The log issue has galvanized people concerned about the Northern Forest. Industry and environmentalists worry that the State's major role as a primary log supplier for an increasing world market is depressing economic growth in Vermont while accelerating the harvest of the forest. The value of those logs is not being directed to the processing potential in Vermont. Vermont mill buyers often find themselves competing against Canadian companies and experience difficulties matching bids from these buyers.

A mill owner in Rutland County, Vermont, noted "It's very difficult to tell a landowner or a logger he can't sell the logs for a higher price. We would all like to see value-added kept in this country. How we do it is another question." The fundamental dilemma is determining how Vermont can develop a critically needed manufacturing capacity, create a more innovative infrastructure in the State, compete for raw material prices, and reduce log exports.

Totaling more than 1.5 million acres, forestland covers over three quarters of Vermont's five northern counties (Caledonia, Essex, Orleans, Lamoille, Franklin) that are part of

Economic Development Council's (EDC) development district and represents a 26 million acre block that stretches from Northern New York eastward to Maine. Greater than two thirds or one million acres of this forest is considered productive timberland. Over 90% of the region's timberland is privately owned - nearly 18% in parcels over 5,000 acres. A majority of the remaining acres are held in parcels ranging from 100 and 500 acres. Vermont's forest products industry employs approximately 10,000 people statewide and comprises approximately 10% or \$900 million annually of the State's domestic product. Forest products are second only to electronics in their importance to the statewide manufacturing economy.

The shortage of local hardwood to "feed" the Quebec sawmills situated South of the Saint Lawrence River is compensated by the import of American logs originating from the border States, but also from States located further South (Pennsylvania). Imported logs from the United States represent 30% of Quebec hardwood log supplies (80% for the sawmills located South of the Saint Lawrence River.) Thirty percent of the logs harvested in Vermont are exported. Of that volume, 50% is consistently exported to Canada



Source: State of Vermont / Department of Forests, Parks and Recreation

If a Vermont forest economy based on a raw log export market is pursued, the only option available to add jobs and financial gains will be increased harvesting. By developing a more creative approach to secondary processing infrastructure in Vermont, the value of the resource will be increased and the harvest ultimately decreased.

B. Timber Sales and Harvesting Transactions in the Lake Champlain Basin

Removals of timber from timberland give an indication of harvest activity, although such removals may include clearing of trees not for timber production. Annual timber removal for the State of Vermont was 1.2 million cords, the Lake Champlain Basin forests

contributing for one third of the total harvest. Non-industrial private lands represent for about 78% of the State total harvest and represent 98% for the Lake Champlain Basin forests.

Percentage of Timber Removals by Ownerships in 1994 State of Vermont and Lake Champlain Basin		
Ownership	Percentage of Average Annual removals	
	Vermont	Basin
Nonindustrial private and farms	78%	92%
Industrial	15%	5%
Public	7%	3%

Source: Robert De Geus, Department of Forests, Parks and Recreation.

1. Non Industrial Private Sellers

Non industrial private and farmer timber sellers make few sales but represent 88% of the land ownership in the Lake Champlain Basin. Timber sales are not their primary activity or source of income, nor are they well informed regarding timber prices, timber markets, or harvesting processes.. The average length of non-industrial private ownership ranges from 7-10 years in Vermont. Most non-industrial private timber sales are undertaken without professional or technical assistance, although it is available in several forms and from a variety of sources. Consulting foresters supply direct technical and professional assistance to landowners for a fee. Voluntary institutions and other institutional structures such as the Vermont Department of Natural Resources produce educational programs and provide limited free technical assistance to non-industrial timber sellers.

2. Industrial Sellers

Industrial timber sellers who represent 10% of the ownership pattern in the Lake Champlain Basin make frequent sales and are well informed regarding market conditions and timber supply. Sales from industrial lands accounts for 15% of the State of Vermont and to 5% for the Basin. These sales are controlled by contracts with buyers and producers. Timber selling is their primary occupation and is the primary source of income for the wood lands divisions of their corporations

3. Public Sellers

Markets for public timber are well organized. The Vermont Agency of Natural Resources (ANR) and the USDA-Forest Service specify the manner in which and under what

conditions timber from state forests and national forests may be sold. Sales are conducted by written contracts. Timber sales are the primary occupation for both buyers and sellers or their agents, and all have full information on the timber being traded. The percentage of average timber removals from Vermont public forests is about 7%, the Lake Champlain Basin, public forests representing 3% of the removals. The New York Department of Environmental Conservation (NYDEC) administers public sales outside of preserve lands also through written contract.

IV. Timber Producer Certification in the Lake Champlain Basin

Some people argue that government regulation of the timber industry is needed to protect the environment and to create more uniform pricing. Other disagree and say that the free market can adjust and help all loggers and consumers by using an independent certification process. The debate between government regulations versus private certification is at the heart of the timber controversy.

Those who want government regulation argue that all loggers should be licensed in the "public interest". Only loggers who have licenses would be allowed to cut and sell timber. In this plan, some kind of review board would establish the standards people had to meet to be licensed. These standards might include on-the-job experience as well as passing a rigorous test. The point is that legislators and timber producers would work together to regulate who could and could not cut and sell timber.

There are historic problems with government regulation; however, timber producers could use licensing to restrict entry into their profession. For centuries, trade associations and unions have claimed that they wanted to limit their membership to protect the consumers from inferior goods. Instead these unions have increased the costs to consumers by reducing the numbers of their competitors. Licensing timber sellers could have this same result. If the licensing test is too difficult or costly, few people will be cutting or selling timber.

Even if the timbermen are purely motivated by the public good, they have to work with Vermont State legislators who come to the table with agendas of their own. Most legislators will have no idea how much or what kinds of experience or education is needed to buy and sell timber and protect the environment and the water quality of Lake Champlain.

The costs of government regulation are often enormous. In the timber industry, the States of Maryland and Virginia have already found that government licensing programs are expensive to administer and operate. If more government regulation is required, Vermont wood products could cost more.

A final objection to government regulation is that it threatens property rights. People who own property are not allowed to use land in the way they think best, even if their actions

harm no one else. Regulators tend to overregulate because they would rather be safe (and restrict property rights) than sorry (and have to hear complaints of environmental damage). Therefore, regulators tend to prohibit industrial development even when it will almost certainly cause no damage. Also, existing federal regulations on the environment protect everything in the forest from rivers and streams to endangered species. New state regulations would probably complicate timber harvesting in the Lake Champlain basin and Vermont at large and certainly raise the price of wood products for everyone.

If government regulation is arbitrary and expensive, what would work better? Many experts think that self-certification is the answer. The State of Vermont certifies its logging force through the Logger Education to Advance Professionalism Program (LEAP). This program teaches timber producers how, where and when to cut trees. Almost half of Vermont's loggers have completed this program and received certification. These graduates have been acting in harvesting timber efficiently and with careful concern to water quality and other environment concerns. The state forester in Vermont credits LEAP with reducing the number of water-quality violations in the State.(Potter-Witter, 1995, p.3.)

While this report is intended to deal with region wide issues, the issues that exist in each respective state, that is, New York and Vermont, are handled by each state in their own respective ways. What works in one state might not be applicable due to the political climate, special interest groups or other factors. However, each state's programs have the overarching mission of practicing stewardship on this renewable and sustainable resource.

A. Vermont Logger Education to Advance Professionalism Program

Known as the Silviculture Education for Loggers Project, this program offers Vermont loggers a series of three day-long workshops on the art and science of tending forests for timber production. The curriculum was initially offered to loggers in 1988, again in 1989, and more recently in the spring of 1993.

Forest water quality and erosion control was the subject of the first workshop. Loggers learned how to lessen the potentially negative impacts of logging on water quality by using knowledge about soils and topography to develop a harvest plan. They also studied laws that define acceptable practices to prevent discharges of soil and other pollutants in forest streams. Since the 1986 amendments to Vermont's water quality law make it one of the most stringent in the nation, it is in the landowner's best interest to work with loggers who can demonstrate a firm grasp of the Acceptable Management Practices (AMPs).

Forest ecology was the topic of the second workshop. Within the vast realm of this technical and highly theoretical discipline, the curriculum developers chose to emphasize three major concepts:

- The factors that determine and influence forest sites.

- Basic tree biology and forest succession.
- The effects of stress and disturbance, especially from logging, on forest ecosystems.

Important silviculture systems for Vermont were studied in the third and final workshop. Silviculture is the art and science of tending forests, based on principles of forest ecology. Building upon information from the first two workshops, the last session emphasized how foresters develop prescriptions for forest stands. Vermont loggers learned the importance of establishing prescription objectives and how to weigh the success or failure of a treatment. Technical silviculture terminology was simplified to establish a common language, improving communication between foresters and loggers. (University of Vermont Extension Service, 1993, pp. 1 & 2).

B. New York State Cooperating Timber Harvester Program and New York Logger Training

The Cooperating Timber Harvester (CTH) Program, sponsored by the New York State Department of Environmental Conservation (DEC), is designed to improve relations between landowners and timber harvesters in New York State and to help protect New York forests, lands and water resources by promoting the use of the Timber Harvesting Guidelines for New York and Forest Practice Standards.

Additional support for this program has been obtained through co-sponsorship by the New York State Timber Producers Association. The Association supports the goals and objectives of the program, and agrees to encourage its members and other timber harvesters to enroll.

Under this program, DEC:

- maintains and distributes a list of Cooperating Timber Harvesters to interested landowners;
- maintains and makes available to cooperating harvesters, a listing of landowners who have agreed to being so listed;
- on request, provides cooperating harvesters with business management assistance, and with advice on forest management and forest products marketing;
- encourages landowners to use written contracts which protect both parties
- upon request by a cooperating harvester, provide future notices of the sale of forest products on State lands;
- conducts an annual meeting for cooperating harvesters in each DEC Region

Under the CTH Program, Cooperating Timber Harvesters:

- encourage landowners to use written contracts for timber sales in order to protect both themselves and timber harvesters;
- encourage landowners to contact DEC Foresters for forest management advice;
- follow the Timber Harvesting Guidelines for New York State;
- harvest only those trees which have been designated for removal by a DEC Forester, a Cooperating Consultant Forester, or the landowner, in order to preserve the integrity of the forest management prescribed.

New York Logger Training

New York Logger Training (NYLT) is a group of timber harvesters, forest industry, government and education representatives formed to coordinate the delivery of resources to timber harvesters which will help them to improve their skills and use environmentally sound practices, enabling a safer means to greater productivity, more profitability and a better quality of life. The essence of the training program requires knowledge of silviculture/ ecology, first aid/ CPR and chainsaw safety. The goals and objectives of NYLT that have been identified by its Board of Directors consist of the following:

- * Communicate training opportunities;
- * Improve worker safety;
- * Improve profitability;
- * Improve worker productivity;
- * Reduce workers' compensation costs;
- * Protect long term productivity of all forest resources;
- * Protect long term availability of all forest resources;
- * Improve public understanding of timber harvesting.

NYLT has a video lending library with over thirty videotapes on various safety topics that are available free of charge to employers or harvesters. The videos can be used as a part of training programs which will help harvesters work safer and more efficiently and will meet OSHA requirements.

V. Logging and Water Quality: Vermont and New York - Success through the AMPs and BMPs

To protect water quality, a number of management practices - Acceptable Management Practices (AMPs) in the State of Vermont and silvicultural Best Management Practices (BMPs) in the State of New York - have been implemented in both states. In order to avoid adverse water quality impacts, sound forest management practices have been developed. The following factors are the cause of water quality deterioration:

- Sediments from transportation networks.
- Equipment crossing of streams.
- Timber removal immediately adjacent to streams.

The primary water quality impacts are increased turbidity and sedimentation and also an increase in stream temperatures. These stream changes have an adverse effect on aquatic life, especially cold water fisheries.

A portion of the study undertaken by the University of Vermont School of Natural Resources' Research Team was to conduct an evaluation of water quality impacts from timber harvesting operations in Vermont.

Seventy eight timber harvesting operations were evaluated by the UVM research team for compliance with existing statutes, rules and regulations as well as for impact on water quality.

The UVM research team evaluated compliance with three State regulations related to water quality: Act 250 (10 V.S.A. 6001 (Sec.3), 6081), a permit to alter or modify a stream (10 V.S.A. 1021, 1025), the Water Pollution Control Act (10 V.S.A. 1259, 1274). Operations were evaluated for compliance with 18 of the 24 Acceptable Management Practices (Vermont Department Of Forests, Parks and Recreation 1987). Six of the AMPs applied to active operations and could not be evaluated after completion of the operation. In New York a stream crossing permit is required through NYDEC for all classified streams.

Their recommendations outlined below would increase compliance with water quality regulations in the State of Vermont if properly implemented:

- Timber harvesting transportation network receive repeated use over time. Design of timber harvesting transportation networks should anticipate post-harvest use; and cost-share programs that facilitate long-lasting design should be encouraged.

- Post-harvest use of skid trails, truck roads, and log landings was commonly encountered but post-harvest maintenance was not common. Transportation network layout and close-out activities should be conducted so the post-harvest uses are accommodated without increased erosion and sedimentation. In situations where post-harvest use is not appropriate, close-out activities should actively restrict access by installing sufficiently large drainage structures
- The use of log waterbars on skid trails and broad-based dips on truck roads should be encouraged.
- Tables for drainage structure spacing on truck roads and skid trails appear to require more structures than needed, and the recommended spacing between waterbars and other structures should be examined in light of current research. The excessive number of structures required may discourage the use of any structures
- Skid trails and truck roads should be more carefully located with respect to stream crossings. The number of stream crossings should be minimized, and crossings should be made in the most appropriate locations. It should be recognized that stream crossings will receive repeated future uses.
- Fords of permanent streams should not be allowed except under unusual circumstances.
- Crossing streams over brush fords should be discouraged because they are frequently not removed.
- The AMPs should clearly specify what constitutes a stream to make it clearer as to when the AMPs pertaining to streams should be applied.
- The impact of slash in streams should be re-evaluated.
- Stream crossings are the major source of the sediment from timber harvesting operations in Vermont; methods to reduce these impacts should be evaluated in detail.
- The protective strip is critical for maintaining stream temperatures and preventing sedimentation. Protective strip entries and cutting should be minimized and conducted under optimal conditions. Most operations have excellent protective strips, and operators should be encouraged to continue this extremely important practice.
- Additional research on the short and long term impacts of timber harvesting operations on water quality is essential. Most of the research that has been conducted to date has evaluated the impact of timber harvesting without the application of appropriate management practices. Harvesting operations in Vermont fall between these two extremes and these impacts have not been studied.

- Educational efforts aimed at reducing water quality impacts should continue, and demonstration areas on public and private lands should be established.

Conversation with the team leader at the University of Vermont School of Natural Resources indicated that no follow-up study has been undertaken since 1990 in order to assess if the above recommendations have been implemented. (University of Vermont School of Natural resources, 1990, pp. 8-19 & 8-20).

In 1986, the Vermont legislature passed amendments to Vermont's Quality Statutes declaring that "it is the policy of the State to seek over the long-term to upgrade the quality of waters and to reduce existing risks to water quality."

According to the revised law, permits are now required for discharges of "any waste, substance or material into the waters of the state." However, individual permits are not required for those discharges caused by logging operations if "acceptable management practices" (AMP's) are in place, that is, if loggers and landowners have followed proper measures to protect the waters of the state.

The AMP's have the force of law and violations can be costly, so it is important to understand the conditions under which they can be enforced. These conditions are as follows:

- * A violation occurs only if there is a discharge. If no discharge occurs, the logger or landowner cannot be fined or prosecuted for not having the AMP's in place.
- * If there is a discharge and the AMP's are properly in place, there is no violation.
- * If there is discharge and the AMP's have not been followed, there is a violation.
- * "Slash," that is, branches, bark or pieces of wood in a stream or other water body is automatically considered a violation, except for temporary "brushing in" of streams during frozen conditions.
- * In cases where for some reason the AMP's cannot be applied and it is uncertain that discharges can be prevented, there is a legal alternative: a landowner or logger can apply to the Department of Environmental Conservation for a discharge permit. It is unlikely, however, that permits will be granted only in extraordinary circumstances.

In summary, a logger or landowner is liable to legal action only when a discharge takes place and either no permit has been obtained or the AMP's are not only basic to sound forestry, they also legally protect the logger and landowner during and after timber harvesting. Loggers and landowners who cause discharges of sediment or other pollutants from logging jobs and who have not followed either AMP's or conditions of a permit may be subject to enforcement action.

Landowners are ultimately responsible for application of these AMP's; however, a good timber sale contract will transfer this responsibility to the logger during the harvesting operation. Landowners are responsible for maintaining erosion control devices after a logging operation is completed.

Since adoption of the AMP's, the Department of Forests, Parks and Recreation has worked with the Vermont Forest Products Association (V. F. P. A.) to support the Agency of Natural Resources Enforcement Division in an effort to eliminate discharges resulting from logging operations.

VI. State of the Primary and Secondary Segments in Vermont

A. Introduction

To assess the needs of wood manufacturers, a comprehensive inventory of existing networks and associations was conducted during the month of August 1995. The Economic Development Council visited twenty wood related businesses during the month of August 1995. Personal interviews with plant owners and managers were conducted on site.

B. Comments

All the companies visited were eager to share their concerns and needs. For primary processors, log supply, qualified labor, OSHA and State regulations are still major concerns. All agree that 1992, 1993 and 1994 were profitable years for the sawmill business. However, as one owner pointed out, 1995 was a challenging year. The construction sector is down and there is a surplus of lumber on the market. To compete, mills had to sell the lumber cheaper than the competition. Labor competence was negatively perceived at every site but one. This critical issue is aggravated by the fact that mill owners feel that workers take advantage of workers' compensation benefits by working incomplete shifts at the mill. A mill manager noted that some of the workforce was unwilling to learn and did not take pride in their jobs. All explained that their willingness to join an association was dictated by the negative business climate that they faced and the determination to advocate for their industry. One owner explained that he belongs to the Vermont Forest Products Association because this organization does lobbying in Montpelier. Another owner explained that he belonged to the New England Lumber Association to take advantage of insurance rates and training programs that are offered to his labor force through the Company's membership.

The secondary wood products industry that was targeted by EDC was highly diverse. The group sample was dominated by small companies (one-man shops) but also included larger ones (> forty employees). However, despite their differences in labor force and capacity, they share the same ultimate goal: to find lucrative markets for their products.

Seventy percent of the companies visited had been members of the Vermont Furniture Manufacturers Association (VFMA). This Association was started about ten years ago and was composed of one hundred and thirty members. Marketing development and trade show participation were the two main issues that led to the creation of the VFMA. Despite a great start and a generous attendance, the VFMA is now dormant since the departure of its Director. During the early years of operation, the organization obtained financial assistance from the State of Vermont (\$20,000), that allowed ten secondary manufacturers to participate in the High Point North Carolina Trade Show.

Several Vermont companies benefited enormously from this show, and overall most companies involved became convinced of the importance of trade shows. The Association also offered some tours of member plants that were very well attended. The owners interviewed stressed the necessity to network with peers and raw material suppliers. A few individuals expressed the desire to meet with companies from the same industry segment with similar capacity and concerns. However, they also emphasized the need to meet with the furniture industry and other segments for collaborative sales and marketing opportunities.

Major trade show efforts are coordinated through the Greater Adirondack Resource Conservation and Development Council doing business as "Adirondack Forest Products" for New York companies. New York trade show efforts include: Interzum Cologne Germany 1993 and 1995, IWF Atlanta, Georgia 1994 and 1996, NEPEX/ Mid-Atlantic, Fort Washington, Pennsylvania 1996 and High Point, North Carolina 1995.

After discussing the future of the VFMA with several members, it appeared that the general consensus was to find an organization or individual to revive the VFMA to its original form or similar format. At the time of the Director's departure, the association was working on creating a marketing catalog to promote Vermont furniture and accessories. VFMA's President expressed to EDC the value of this catalog for the furniture industry segment, and emphasized the importance of such a tool to promote what he calls the high quality products manufactured by the Vermont wood industry. It is also important to note that some of the companies visited were not members of VFMA, but would be interested in joining this association or a similar organization.

Besides being members of the VFMA, seven of the companies visited belong to the Wood Product Manufacturers Association (WPMA). Despite the high cost of the annual membership fee, all members interviewed thought highly of this association. WPMA offers: (1) referral services; (owners have received large orders through WPMA's referral services); (2) competitive insurance rates; (3) an informative newsletter; (4) low telephone rates; and (5) a credit rating service for prospective accounts. Associated Industries of Vermont (AIV) was also mentioned by a few companies. Only one company joined AIV to benefit from Blue Cross-Blue Shield lower group insurance rates.

C. Preliminary Findings

Preliminary research strongly indicates that the wood industry is plagued with a variety of problems (i.e., weak marketing opportunities, limited capital, difficult operational management). However, change doesn't come easily to individuals or businesses, and Vermont wood product entrepreneurs are brought up in a fierce competitive environment. The idea that selective cooperation with another firm may be a superior competitive strategy as opposed to doing it alone is not an easily adopted concept, nor is the creation of the network an easy task. Further, the challenges that the forest industry faces in the Vermont are numerous:

1. It is no longer acceptable just to know your trade. Companies need to know marketing, business management and technology in order to survive.
2. Companies need to be able to quickly respond to opportunities without creating a burden on overhead, labor expenses, financial ability and production systems.
3. The wood products industry needs an advocacy group to voice its concerns and needs.
4. The industry needs quality trained employees so that training costs are not excessive. In addition, more qualified labor would enhance a company's capacity to be more efficient and flexible in its production.
5. There is a need for a more efficient, improved system for local loggers to use when selling their wood in their own region.
6. The region needs to actively pursue new ways to add value to local wood products. Projects need to be undertaken to expand applications of local wood and to both identify and manufacture products that are not currently be made. There is a need to diversify and create markets for underutilized and low quality trees as well as enhance our capability to produce higher quality trees.
7. Wood product businesses need assistance in facilitating exporting opportunities; they are not currently capitalizing on export opportunities.
8. The industry must find ways to reduce the high costs of operating a wood products business in the region in order to be more competitive both nationally and internationally. Key efforts for cost reduction should be focused on taxes, labor, health care and energy.
9. Regulatory pressures on businesses must be lessened. In particular, there is a need to institute sensible OSHA reviews and Act 250 reviews (in Vermont).

10. Access to capital must be provided to businesses for expansion, new product lines and capital investments.

11. Tax incentives should be provided to businesses that add value or expand in New York and Vermont.

12. There is a need to continue to promote access to wood on National Forest Lands following a well-designed and well-administered 10 year plan.

13. The wood products industry needs a better understanding of the implications of the North American Free Trade Agreement.

14. Wood research and development for underutilized tree species needs to be expanded. It is important to enhance forest management systems to insure a long term harvest of high quality wood appropriate to new market needs and opportunities.

15. There is a need to insure that affordable options are available to allow industries to pay for infrastructure improvements and capital facilities for both environmental protection and production efficiency.

16. It is essential to protect the local small scale wood products entrepreneur (and company) and provide the necessary support to ensure their survival and competitive edge in this fierce international market place.

As individual businesses, there is no doubt that dramatic alteration from present markets and production approaches would be very difficult, if not impossible. To effect a significant change in the wood products manufacturing economy of the Vermont, it will take a drastic departure from business as usual.

In conclusion, a response to these challenges faced by the Vermont wood products manufacturers will require a regional broad based effort by single organization of wood products manufacturers and interests (Flexible Manufacturing Network). To assist this group, a Resource Network composed of service providers, business leaders, economic development districts, pertinent state and federal agencies and wood product associations in both states will have to be structured and coordinated. This organization will need to identify logical leaders and encompass various interests into a framework that addresses public policy, regulations, free trade, advocacy, and other issues identified in this study.

VII. What is a Flexible Manufacturing Network?

A flexible network is a group of two or more firms which have ventured together to pursue a new business activity that the members of the network could not achieve independently. The network can involve similar firms which band together to share the costs of developing a new product or market, or dissimilar but complementary firms

which collectively approach the capability of a vertically integrated large firm. Typically, the nature of the cooperation within the network is carefully defined so as to preserve each firm's independence and original lines of business.

The duration of the collaboration may be very short and a limited venture for a particular project to a single customer. A new network may then be assembled with the best configuration to meet the needs of the next customer. This constantly shifting, flexible organization of the production system is typical of flexible manufacturing networks in Italy, and of the new film industry that has replaced the large studios in southern California. Alternatively, a group of firms may form a very long term collaborative effort, as exemplified by a group of Swedish woodworking companies that formed a jointly owned marketing subsidiary thirty years ago.

A flexible production network is not just a joint venture among several firms. The nature of the collaboration tends to be deeper in a true network, and one form of collaborative endeavor tends to lead to others. Shared input procurement to get large scale cost breaks may lead to joint bids or a common workforce training program. Examples of flexible networks can be found in both Europe and the United States. In this country, a group of heat treating firms in Ohio have banded together to share information on new technological developments in heat treating, aid members in adopting such technology, and market the capabilities of member firms in regional, national, and international markets. In an effort to improve the availability of qualified labor, the Metalworking Connection, Inc., a network of 50 small metal fabricators in southern Arkansas, has created an apprenticeship program which allows apprentices to rotate through nearby metal shops, adding to their skill and expertise, and to receive certification as a journeyman at the conclusion of the apprenticeship. In Washington, over 100 small wood working firms have banded together into the Lewis County Woodcrafts Cooperative, an organization that markets their products and provides assistance with product design and the acquisition of input stocks as well.

Examples of newly formed networks can be found in at least a dozen states. The network idea may have originated, or at least have been most extensively applied, in the Emilia-Romagna region of northern Italy, where very small furniture, ceramic textile, and metalworking firms organized in flexible networks have been integrally involved in the industrial renaissance of the region. The province moved from a very backward economic status in one of the most affluent regions within Italy concurrently with the development of small business networks as the dominant form of production. This Emilia-Romagna phenomenon has attracted international attention following the seminal book by Piore and Sabel (1984) called "The Second Industrial Divide."

A few network organizations have also started spontaneously among metal and woodworking firms in other European countries including Sweden, Germany, and Denmark. In the last two years, over 3,000 networks have been formed among small and medium sized Danish manufacturers as a result of a government program aimed at combating the competitive challenges of the emerging Common Market.

VIII. Advantages to the Basin's Manufacturers Starting a Network

Small firms who want to improve their competitiveness, develop new products, penetrate new markets, adopt new technology, upgrade workforce skills while retaining the unique lifestyle of a small business should be interested in the network approach. Significant progress on these fronts can be achieved more easily in a well functioning network than in isolation. It is often maintained that small firms are run by very busy entrepreneurs who spend long hours dealing with day to day operational details. Lacking a large and diverse management staff, there is little time to worry about long run issues such as new market and product development, or incorporating new technology into the production process.

Challenges from far away firms that have become sophisticated international competitors may arrive as devastating surprises since such firms typically lack market scanning capabilities. Surveys of small manufacturers have shown that they typically lag behind larger firms in adopting advanced technology and therefore have lower productivity levels. These competitive disadvantages of small firms provide the most powerful rationale for the formation of flexible manufacturing networks. United with firms with similar ambitions, these competitive challenges can be overcome.

A major advantage of the network approach would allow small firms to remain small. While a great deal of job growth and prosperity can come from very dynamic firms that grow into big firms, the reality is that not all entrepreneurs want to preside over the development of a giant concern, and many of them who do lose their positions of control in the process. For those small business owners that want to remain small, but successful, the network approach offers access to new markets and technology within an organizational arrangement permitting them to control the size of their individual firms. Some idea of the capacity of this approach to meet small and medium sized manufacturer's business needs is provided by the following examples that originated in New York State.

IX. Successful Network Start-ups in New York State

A. The Empire State Forest Products Association

The Empire State Forest Products Association, based in Albany, New York, is dedicated to improving the business operating climate for the forest products industry through interaction with New York's Congressional representatives, state legislators and other state and local decision makers. The Association has established a function of promoting management of New York's forests and informing industry members about legislative issues and regulations important to their businesses. The Association has a capacity to assemble resources and to encourage industry members to work together effectively and efficiently on programs and activities that would be difficult for a single company or

individual to accomplish. The following industry segments are represented in the Empire State Forest Products Association: pulp and paper companies, landowners, sawmills, timber harvesters, equipment dealers, wood manufacturing.

B. Furniture New York (FNY)

Furniture New York is a not-for-profit consortium of New York designers and manufacturers. This network initiative was founded in 1990 by co-chairmen Dennis Miller and Tim Mc Carthy. The original membership of 14 designers has increased to thirty-three designer and manufacturer members, and membership continues to increase. Currently, over a dozen applications are pending from the New York region. FNY has also received inquiries from individual firms and groups outside New York as far away as Europe and Asia. By marketing through successful group exhibitions at foreign and domestic trade shows, Furniture New York has created a globally recognized reputation that extends not only to furniture, but to lighting, home accessories, and lifestyle products.

Furniture New York celebrates its sixth anniversary in 1996. Through the extraordinary efforts of FNY members; its consultants; the New York State Department of Economic Development; the Urban Development Corporation; and the Export Trading Company of the Port Authority of NY & NJ, the group has grown far beyond its original charter. To support these expanded goals, Furniture New York seeks to establish a permanent home and full-time administration. FNY's efforts to provide valuable information for both the novice and established design firm has resulted in a series of designer/manufacturer seminars and workshops. Seminar subjects include finance, insurance, manufacturing, production, intellectual property protection, exporting, etc. In association with major manufacturers, designers and metropolitan areas across the US, Furniture New York is researching innovative materials for the consumer market.

Group participation in foreign and domestic trade shows continues to expand allowing new members the opportunity to take advantage of FNY's international reputation and to exhibit in important international shows that otherwise would take years on a waiting list to enter. Through these important trade events, members have expanded their distribution in both Europe and Asia. Domestically, FNY members have increased their group presence in trade show across America.

C. The New York City Wood Research and Action Project

In early 1994, the Forest Resource Development Council, through the NYS Department of Economic Development, requested that NYC Industrial Technology Assistance Corporation (ITAC) undertake a project to identify issues facing the downstate New York wood products manufacturing industry. The goal of the project - the Wood Research and Action Research (WRAP) - was to mobilize the industry for cooperative action by

developing mechanisms which will enable the local wood products industry to identify and address common needs and issues, and to create a plan to implement an agreed upon agenda.

The outcomes of WRAP were to be:

- * An industry-based advisory committee prepared to assume leadership for ongoing action;
- * An action plan for improving the competitiveness of wood manufacturers, specifically through projects suitable for collaborative implementation;
- * A framework for implementing the projects within the context of state and city economic development and technology extension service systems;

The council's activities consisted of:

- * Five meetings, approximately every two months which followed a clear agenda
- * Two meetings each with two breakout groups
- * Additional communications and activities between meetings

D. Greenpoint Manufacturing & Design Center

The Greenpoint Manufacturing & Design Center, located at 1155-1205 Manhattan Avenue in the Greenpoint section of Brooklyn, is a 360,000 square-foot complex devoted to industry and the arts. The Center provides workshop and studio space for several dozen architectural woodworking firms, fine artists and coordinates a number of programs that complement their interests. First established as a jute mill in the late 19th-century, the complex was privately owned until the late 1970's when it came under City ownership. In 1992, the not-for-profit Greenpoint Manufacturing & Design Center Local Development Corporation was formed to develop the Center and in 1994 purchased the building from the City.

The Center is unique in that it integrates real estate management, architectural preservation, business assistance and support for the arts under one roof. Major objectives include renovating and maintaining the physical plant, enhancing the competitiveness of the woodworking manufacturers, stimulating business expansion and job growth, and promoting appreciation for the arts.

To further these goals, a number of projects are underway. They include major renovation of 90,000 square-feet of industrial space: general building improvements; surveys and studies focusing on wood waste, recycling, finishing technology and product design; educational seminars on technology, production efficiency, office automation, energy

conservation and workplace safety; and dissemination of information to their tenants and other supporters that describes the Center's activities.

X. Network Start-up Initiatives in Vermont

A. The Creation of a Vermont Wood Products and Accessories Catalogue

The personal interviews with manufacturers from the wood industry have strongly demonstrated the importance of networking in the development of business ventures. It appears that of the two group segments, the secondary manufacturers located in Vermont will automatically link with the primary processors into a network approach because of the latter's connection with the raw material. If the two segments are able to network, then the next course of action will be to join with the New York networks to form a Lake Champlain Basin network.

1. Concept

To assist the secondary processors, the State of Vermont, in collaboration with other organizations, will assist in the production of a catalogue that will be used in promoting Vermont as a wood product and craft supplying state. Wood companies from the Vermont will be highly represented. Promotion will be to domestic buyers, distributors, wholesalers, retailers, other associations, and export markets. The catalogue will be high quality and will reflect the workmanship of the contributing companies. The ultimate objective is to develop a base for expanding markets for the contributing companies, increase sales, and stabilize and strengthen businesses.

2. Appearance and Contents

All contributors will occupy a full page with a photo and text allowing a short description of company capabilities and contact information. A page may be shared by as many as three companies jointly depicting their products. Additional text will offer a description of Vermont, its resources and the basic business values of the wood industry. The goal is to create a 100 page catalogue comprised of contributors, photographs and text.

3. Budget and Financing

The cost of production for the catalogue is estimated at \$100,000 for 8,000 copies. The original catalogue concept as developed within the VFMA in 1992, proposed that each company would pay approximately \$2,000 per page. A more realistic estimate may be a maximum of \$500 per page. Additional funding may be available from the following partners:

- Forests, Parks & Recreation up to \$20,000 (on 50/50 match basis, soft match)

- USNET (Federal funds) up to \$25,000 (on match basis, state match)
- Other partners contributions:
 - National Wildlife Federation
 - Appalachian Mountain Club
 - Central Vermont Public Service

The goal is to obtain a minimum of 50% of the cost of publication from non-industry sources (as noted above). Contributions will be acknowledged. Grant funds and other contributions will be solicited by participating businesses, Vermont Department of Forests, Parks & Recreation, Vermont Department of Economic Development, and the Northeast Stewardship Project. Funds and project management will be handled by the Economic Development Council of Northern Vermont, a non-profit corporation.

4. Recruitment and Production

The participating businesses will be recruited by the Vermont Department of Forests, Parks & Recreation, the Vermont Department of Economic Development and the Northeast Stewardship Project. These efforts will be supported and increased by those businesses already committed to the catalogue. The recruitment goal will be 100 companies, and production will be handled by a contractor. The production firm will deal directly with participating businesses regarding all aspects of the catalogue production.

5. Distribution

A minimum printing of 2,500 copies is necessary with a larger volume of 8,000 copies preferred. These catalogues will be distributed to overseas trade representatives, at trade shows in the U.S. and abroad, to regional and national wood products associations, distributors, wholesalers, and selected retailers and marketing specialists in the U.S., selected architectural firms, and other destinations yet to be determined. Distribution of the catalogue will be undertaken by the Vermont Department of Economic Development, Department of Forests, Parks & Recreation, other partners, and contributing businesses.

6. Evaluation

Twelve months after the release of the catalogue, participating companies will be canvassed to determine the volume of sales attributable to the catalogue. A successful venture will be characterized by at least 10% of participating companies obtaining increased contracts and another 25% obtaining single orders. The impact of this marketing tool can be expected to generate orders for up to 30 months after the release of the catalogue. The final evaluation will occur during the same period

7. Investment

Spending as much as \$100,00 to produce a promotional catalogue for Vermont wood products and crafts is hoped to generate a return of \$500,000 in sales.

B. Assistance through Workshops

1. Training and Financing

On August 4, 1995 in Berlin, the Economic Development Council offered a conference to the local wood industry focusing on training and financing resources available to the industry. These were areas manufacturers stressed were important business tools for the successful development of their companies. Opening speaker was Conrad Motyka, Commissioner for Department of Forests, Parks & Recreation, who stressed the importance of the industry to the Vermont economy. Panelists included:

- William Farr, Technical Assistance Specialist, Economic Development Council
- Thomas Schroeder, Northwest Area Specialist, Small Business Development Center

Detailed information was provided on financing options, loan application process and business planning advice by:

- Thomas Lyman, Director of Employee Relations, Department of Employment & Training
- George Robson, Industrial Expansion Coordinator, Department of Economic Development

A discussion of training opportunities in education, operation of high technology machinery, manufacturing management and the need for a strong basic education for individuals in the wood industry was presented.

Keynote speaker was John Zeltsman, Field Engineer, Industrial Assistance Corporation, New York City. Mr. Zeltsman provided a presentation on a research mission that he had completed in Germany and Switzerland for the assessment of the European wood technology and training programs. He discussed the plight and the challenges of the New York wood industry. A project that was undertaken to identify issues facing southern New York wood products manufacturers led a group of industry leaders to form the New York Wood Council. This Council acts as a catalyst for the development of resources, communication and business ventures between the New York State wood manufacturers.

2. Sales and Marketing

The EDC sponsored a one-day educational program "Expanding Sales Through Marketing: Practical Solutions for Wood Products Businesses," which was held in

Hardwick on Friday, September 8, 1995. The workshop was designed for craft people, manufacturers, artisans, and designers who work with wood, and included manufacturers located within the Vermont boundaries.

The program consisted of six presentations beginning with "Marketing Basics" by Dan Bousquet from the University of Vermont and Norm McElvany of Johnson State College. Following this, a series of wood products business owners joined in a panel presentation to share their companies' experience with trade shows, direct mail, and retailing. Linda Aynes of the Export Assistance Center at the University of Vermont Extension addressed "Exporting: Is It For You?" Finally, a panel of wood product distributors, representatives and brokers discussed "Finding, Meeting, and Negotiating with Distributors, Brokers, Buyers and Reps." The day included round-table discussions with reps and distributors and a products showcase featuring the work of those attending. Participants were also invited to display any waste by-products which may be used in making other wood products.

The comments received suggested that participants gained new ideas and the motivation to implement them. Those who discovered that they are already doing many of the right things, took home tips on enhancing the effectiveness of their efforts. The Vermont secondary manufacturers' products offer a high degree of craftsmanship and reflect a positive image on the State economy; however, to sustain jobs and develop the wood industry segment, educational seminars such as the one presented above have a real impact on the future of these small and medium size businesses. By meeting formally and informally with their peers, wood manufacturers discover that there is much to gain in collaborative ventures and network activities.

XI. Resource Network Concepts for the Vermont Manufacturing Network

The following paragraphs outline an action plan for the development of a Vermont manufacturing network organization. A resource network, formal or informal organization, could provide expertise in market research, product development, financial planning, raw material sourcing, etc., to the Vermont Furniture Manufacturers Association (VFMA) or other Lake Champlain Basin Wood product networks. If the two aforementioned segments are able to network (see Section X), then the next course of action will be to merge with the New York networks to form a true Lake Champlain Basin network.

A. The Vermont Manufacturing Network

1. Mission Statement

" To serve as a catalyst for promoting, facilitating and increasing wood products international trade by Vermont's secondary wood manufacturers."

2. The Vision

To establish an organization which will be:

a regional, member supported, "One-Stop-Shop," international trade support and facilitation organization.

the region's first choice resource center for information and services in the area of international trade.

the region's foremost international trade resource for wood products manufacturers.

3. The Objectives

To serve its wood manufacturers members, the Vermont Manufacturing Network will:

promote and facilitate exporting and importing by regional manufacturers

facilitate member's efforts "To Go International"

promote international trade for the region

be a timely resource for information and services

promote regional marketing efforts abroad

To serve its members, the Vermont Manufacturing Network will:

coordinate with Government and other organizations' activities (such as NEPEX, NEFA, Northern Forest Lands Council...) consistent with the need of the regional industry.

advance knowledge and information concerning the benefits of international trade within the region.

develop programs and activities to meet the members' needs as is consistent with the Vermont Manufacturing Network.

4. Ongoing Strategies

initiate member and community awareness programs

maintain focus on developing "One-Stop-Shop" member resource and advisement services, such as:

- timely inquiry handling
- information dissemination
- identification, review and evaluation of member inquiry needs
- develop member driven programs

develop and implement programs for assisting Vermont Manufacturing Network members in their efforts to market their products and services abroad.

plan and hold member networking meetings.

create and distribute newsletters.

develop and implement international trade education programs.

update, distribute and maintain a Vermont Manufacturing Network directories.

network with other organizations promoting international trade.

develop a "global challenge" for the regional industry and its members.

5. Membership Features

prompt inquiry response

problem solving partnership

'One Stop' inquiry point

educational programs

market profiles

product development up-date.

B. Northern Forest Service Provider's Network

1. The Concept

As a wood products manufacturing network is being revived in the Vermont (Vermont Furniture Manufacturers Association), the developers have identified the need for effective and efficient access to information and services. Most, if not all, of the information and services identified are already in existence or the capacities are in place. The challenge then becomes to join the providers in a more careful process so that the manufacturing network members can enjoy access in ways that best suit their needs.

The general concept of interest is to provide two point linkage between the manufacturing and service networks. These two points would be two people: one would be the manufacturing network administrator and the other would be a service ombudsperson (or any service provider - see alternative below).

2. The Services

- For the initial stages of the manufacturing network development and performance, it is proposed that a Utilization Specialist within the Department of Forests, Parks & Recreation serves the role of service ombudsperson. This role would consist of receiving requests from the manufacturing network administrator and shopping around amongst providers for the proper contact.
- Six major service areas have been identified: marketing, financial, management, technical, training and regulation. The service ombudsperson would develop a network of cooperators and partners across all six areas. The ombudsperson would be accountable to the manufacturing network for delivery of services in those cases where delivery is possible. Where delivery is found to be not possible, the ombudsperson would work with existing service network participants to devise ways to deliver the service in question. In the event that the network doesn't contain any capacity for delivery, new partners would be recruited who could fill the capacity for delivery or develop the service.

3. Collaboration Between The Network And Resource Directors

The value in the two network administrators is that the manufacturing network administrator can focus as much attention as possible on working directly with manufacturers. Ultimately, it may be necessary for the manufacturing network administrator to take over the role of the service ombudsperson. In the meantime, the service ombudsperson can devote attention to the focus of

service providers on wood product manufacturers and their needs. Furthermore, the service ombudsperson would serve as a coordinator to prevent duplication. This role would include developing effective communications amongst service providers to support a team approach to problem solving. Ultimately, the ombudsperson would work with the service providers to initiate a proactive service that could compliment the standard reactive service currently available.

In each of the six service areas considerable capacity exists for quality assistance. At present, few of these services are focused on wood products manufacturing. As a matter of strategy, the state's economic development practitioners have chosen to follow the path of focused effort rather than attempting to work the entire economic spectrum. Wood product manufacturing has been tentatively identified as a focus area. Additional capacity for services and their delivery will be needed in order for the manufacturing network to provide maximum benefit to members.

4. An Alternative: The Services Delivery By Service Providers

An alternative to the service ombudsperson concept would provide for all of the features noted above but through a less structured delivery channel. Under the alternative system, any service provider making first contact with a business would possess the capacity to contact appropriate service providers to deal with a clearly identified complex of problems within a reasonable time frame. This initial contact provider would retain the primary responsibility for delivery of services and quality assurance.

A necessary ingredient for this alternative will be a catalogue of service providers. This catalogue will list all public, non-profit, and private service providers. For reference purposes, the catalogue will have extensive cross-referencing of services following the listings of individual providers.

An example of this alternative approach could be that a specialist from the State Department of Economic Development responds to a request for service from a wood product manufacturer. During the initial and following interviews, the specialist notes other problems related to the inquiry that prompted the call. For instance, a business person might call asking for help in obtaining assistance for carrying out an expansion. The economic development specialist responds and during the course of the initial interview the owner notes other related problems that will need attention for the expansion to be accomplished. These other problems involve obtaining additional raw material, assessing new technologies, worker training, and energy efficiency. The development specialist contacts providers of worker training, and the firm's electrical utility. The specialist organizes these providers according to what the owner needs and sets the services in motion.

The specialist monitors the provision of service and relays communication between the owner and the various providers.

Under this alternative, no service provider is in the role of primary interface. Every service provider has the capacity to trigger the formation of a team specific to the range of problems encountered. While primary responsibility for the collected services resides with the provider of the first contact, all providers are accountable to the business seeking service. This system offers flexibility for custom service.

It is conceivable that this system could result in nested responsibilities as well. That is, a resource person brought in as part of an initial team may find reason to call in still other providers for whom that provider is responsible, even as that provider is under the responsibility of the provider of initial contact.

5. Conclusion

In some respects this system may appear to be overly complex. In fact, this system is very complex. Rather than forming new associations of service providers as would have to happen under an ombudsperson system, the alternative system is nothing more than a more conscious application of the system in place now. The main emphasis would be on awareness on the part of all service providers of the population of providers and offerings.

XII. Vermont State and Federal Land Management Projects

Approximately 90% of all forest land located in the Lake Champlain Basin boundaries is in the hands of non-industrial private owners and farmers. The management of these properties will determine the appearance, character, and environmental health of the forest in the Lake Champlain Basin and Vermont.

Several research studies undertaken over the years, including the findings and recommendations of the University of Vermont School of Natural Resources in their report (Impact Assessment of Timber Harvesting Activity in Vermont, March 1990), and those of the Northern Forest Lands Council have acknowledged the importance of private ownership and its interrelationship with the State environment and economy. These studies have also demonstrated the vulnerability of these forests to short term exploitation, clear cutting, conversion to development, and loss of forest value to the log export trade.

A. State Program - Urban and Community Forestry Program

Vermont is the most rural state in the country. Although Vermont's population has grown by only 10% since 1980, a look at population distribution reflects a more appropriate picture. Twenty four percent of Vermont's entire population lives in Chittenden County. Towns around Burlington have increased 30% in population over the past 20 year. Statewide, 40% of Vermonters live in 222 communities with populations greater than 5000. In some locations, Vermont is taking on the appearance of an urban/suburban landscape.

But this not the only change. People are moving into the more rural parts of the state. These shifts have affected Vermont's working forest landscape as changing landowner attitudes and values as opposed to traditional forestry practices. Fragmentation and inequitable taxation makes forestry less viable. The "urban/rural interface" is creating an impact on forest practices. Vermont's Urban Community Forestry Program recognizes the need for multiple perspectives on local forest resource issues.

Urban and Community Forestry Program Goals

Goal 1: To stimulate public awareness of the important role that trees can play in maintaining a healthy environment.

To fulfill this goal, the Urban and Community Forestry program will:

- conduct an information media/advertising campaign on the opportunities within the Urban and Community Forestry Program.
- promote Arbor Day activities and Tree City U.S.A. Program.
- provide educational programs for Vermonters on urban and community forestry.

Goal 2: To promote the formation of, and provide support to, town tree wardens, local tree boards, conservation commissions and local community forestry councils.

Vermont's Urban and Community Forestry Program will provide technical assistance, training, and competitive grants to communities to assure ongoing programs. To fulfill this goal the Urban and Community Forestry Program will:

- develop and provide information on establishment of community programs.
- promote the Town Tree Warden Program.
- establish a community volunteer training program.
- emphasize community independence in program development.

Goal 3: To encourage communities to consider multiple uses and values of trees and forests in municipal planning.

To realize this goal, the Urban and Community Forestry Program will:

- develop planning tools, information and resources for towns and regional planners.
- encourage active management of town forests, green spaces, commons, parks and riparian zones.
- develop recommendations on appropriate roadside vegetative management.
- promote long range planning of community forest resources, and provide technical assistance in planning with FLESA and other tools.

Goal 4: To promote the planning, planting, and maintenance of street and shade trees.

Vermont's Urban and Community Forestry Program should provide support through technical information, professional expertise and community grants. To fulfill this goal, the Urban and Community Forestry Program will:

- promote the establishment of comprehensive local urban and community forestry programs.
- inventory and review existing literature and information on urban and community forests and coordinate their distribution.
- provide technical assistance in the proper selection and placement of street and shade trees.
- make grants available to communities for tree planting and maintenance.
- monitor and evaluate tree health.

Goal 5: To support the Vermont Urban and Community Forestry Council and assist the department in meeting program mission.

The Council will supply a forum for grassroots programs by assisting urban and community forestry initiatives at the local level. To realize this goal, the Urban and Community Program will:

- identify and solicit statewide representation on the Vermont Urban and Community Forestry Council.
- involve the Council in the implementation and evaluation of a State Urban and Community Forestry Action Plan
- review legislation on urban and community forestry. (Vermont Department of Forests, Parks & Recreation, 1993).

B. Federal Program - The Stewardship Incentive Program/NY and VT

The objective of the Stewardship Incentive Program (SIP) is to encourage long-term stewardship and management of non-industrial private forest lands for economic, environmental, and social benefits by sharing the cost of developing and carrying out an approved Landowner Forest Stewardship Plan.

General policies for all SIP practices

Landowners must agree to maintain cost-shared practices for ten years after practice completion.

Landowners are required to have an approved Landowner Forest Stewardship Plan (including the Forest Stewardship Assessment) prior to receiving approval for the other SIP practices. Landowners must agree to intend to manage all of their non-industrial private forest lands located within a contiguous tract under a Landowner Forest Stewardship Plan,

To qualify for SIP cost-sharing practices (with the exception of SIP-1) landowners are required to provide the county/ service foresters with a description and the location of the planned treatment sufficient to determine the potential to fulfill the technical specifications for the practice(s). The description should include information such as the items listed below that are pertinent to the technical specifications:

- Soils
- Site index
- Species and stocking level of vegetation to be favored
- Number of crop trees to be released
- Anticipated undesirable vegetation
- Erosion control measures
- Amount of area to be treated (acres, length, etc.)

Cost sharing is not allowed for any practice or measure which can be accomplished through commercial silvicultural or logging operations. A commercial operation is defined as removal of more than 1000 board feet of USFS #2 quality sawlogs or better per acre. In New York, a commercial operation is where someone will pay to cut the trees or even cut trees in exchange for services.

In Vermont, maximum allowable cost-share that a landowner can receive for planning, designing, layout and marking costs of a professional resource manager for all practices during any one federal fiscal year is \$400 exclusive of the cost-share allowed for SIP-1 Landowner Forest Stewardship Plan Development. New York state does not have a maximum for planning.

Maximum payment limitation for all SIP payments is \$10,000 per landowner and per federal fiscal year.

Fencing - landowners will be eligible for cost-sharing for fencing only where it is determined by the county forester that the primary purpose of the practice will not be achieved if not fenced.

Protection of trees - landowners will only be eligible for the protection by the use of tree guards or tree shelters of trees planted or otherwise regenerated under these practices only where it is determined by the county forester that the primary purpose of a practice will not be achieved if the planted trees are not protected by tree guards or shelters.

1. List of Stewardship Incentive Program (SIP) Practices

SIP-1 Landowner Forest Stewardship Plan Development

- 1) Encourage the long-term stewardship and management of Non-industrial Private Forest (NIPF) lands by advising landowners to more actively manage their forests.
- 2) Assess and document non-industrial forest landowners forest resources and ownership objectives for the parcel.
- 3) Provide NIPF landowners with an action oriented land management plan that:
 - Identifies and describes resource management decisions and practices.
 - Embodies multi-resource stewardship principles.
 - Is compatible with their land ownership objectives
 - Helps to meet future public demand for all forest resources.
 - Helps to provide the environmental and economic benefits that result from good forest stewardship.

SIP-2 Reforestation and Regeneration

- 1) Establish a stand of forest trees for conservation and environmental purposes and timber production.
- 2) Promote natural or artificial regeneration where acceptable growing stock is inadequate.
- 3) Supplement natural regeneration to control future stand composition (increase diversity, stocking levels, species value, etc.).
- 4) Control undesirable competition on better sites.

5) Improve wildlife Habitat

SIP-3 Forest Improvement

- 1) Increase tree growth and quality
- 2) Improve stand vigor and forest health

SIP-4 Windbreak Protection

- 1) This is available in New York but is not used in the Adirondack region.

SIP-5 Soil and Water Protection and Improvement

The purpose of this practice is to protect the resource base by reducing erosion and sedimentation and enhancing water quality on forestland where disturbances have been caused by logging, silvicultural, recreational and other activities.

SIP-6 Riparian and Wetland Protection and Improvement

- 1) Protect, restore, and improve wetlands and riparian areas.
- 2) Maintain or improve water quality by minimizing sedimentation, stream temperature fluctuations, and increasing soil stability.
- 3) Reduce stream bank degradation

SIP-7 Fisheries

- 1) In New York, only fencing is required.

SIP-8 Wildlife Habitat Improvement Practices

In Vermont, the purpose of these wildlife habitat improvement practices is to restore, improve, or establish permanent upland habitat for native, desirable non-native game, and non-game wildlife species and to improve forestland for other compatible forest uses and benefits. In New York, the purpose of this practice is to establish, enhance, and maintain forest openings to provide high quality food for upland game and non-game wildlife species.

SIP-9 Forest Recreation Enhancement

In Vermont, the purpose of this practice is to establish, enhance, and maintain forest openings to provide high quality food for upland game and non-game wildlife species.

(Vermont Department of Forests, Parks & Recreation, 1994). In New York, the purpose of this practice is to establish and enhance forest recreation by the establishment of recreational trails, protecting aesthetic quality and protection of historic places.

XIV. Appendix: The Lake Champlain Basin Resource Network

This guide has been compiled and edited by LINDA D. AINES, Associate Professor and Business Specialist, University of Vermont Extension System/Export Assistance Center, Rutland, Vermont. Substantial contributions and reviews of this guide have been made by members of the Vermont Export Council. A special thanks go to Castleton State College student interns for their invaluable assistance on this project.

About the Vermont Export Council:

The Export Council serves as a forum for public, private, and non-profit service providers in international trade. Its mission is to promote, encourage, and foster international exporting activities within the State of Vermont and to enhance business revenues through stimulation of export activities.

The Vermont Export Council membership includes, but is not limited to:

A.N. Deringer, Inc.
Bijur Lubricating Company
Central Vermont Public Service
Chittenden Bank
U.S. Department of Commerce
Davis, Norton
Economic Development Council of No. Vermont
Hazelett Strip-Casting, Inc.
Howard Bank
Key Bank
Natural Elegance, Inc.
Northeastern Vermont Development Association
Office of Senator James Jeffords
Office of Senator Patrick Leahy
Paul Financial Services, Inc.
St. Michael's College
Stone Environmental, Inc.
U.S. Small Business Administration
Vermont World Trade Office
VT Chamber of Commerce
The Fund Inc.
VT Department of Agriculture
VT Department of Economic Dev.
Vermont Pure Springs
VT Small Business Development Ctr

Membership is open to all.

For further information about the Council, contact:

Vermont Chamber of Commerce

P.O Box 37

Montpelier, VT 05601-0037

Phone: 802-223-3443 Fax: 802-229-4581

GOVERNMENT ASSISTANCE

Many government agencies have departments that deal with international trade. The following is a listing of agencies that can help with different aspects of exporting products.

Agency of Development and Community Affairs

Vermont International Trade Program
Department of Economic Development
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0501
Phone: 802-828-3211 Fax: 802-828-3258
Contact: Tom Myers, Director of International Trade

*Information on how to export with advice, seminars, and counseling. Export financing via EximBank trade shows, missions, leads, statistics, foreign contacts, distributors and agents, technical assistance on documentation, immigration, legal aspects of contracts, tax issues, info on trade agreements, tariffs, duties, and standards.

Export Legal Assistance Network (ELAN)

Virginia Goddard, Attorney at Law
157 Main Street, P. O. Box 419
N. Springfield, VT 05150-0419
Phone: 802-886-2499 Fax: 802-886-2446

*In conjunction with the Federal Bar Association, ELAN offers a one-time free consultation from export knowledgeable attorneys.

Export Assistance Center

UVM Extension System
Howe Center Business Park
1 Scale Ave., Unit 55
Rutland, VT 05701
Phone: 802-773-3349 Fax: 802-775-4840
Contact: Linda Aines, Business Specialist

*The Export Assistance Center is a resource center for exporters which offers free export counseling, market research, international trade leads, foreign contacts, and publications. Export workshops and training are also available throughout the year.

U.S. Customs Service

P.O. Box 1490

St. Albans, VT 05478

Phone: 802-524-7352

Contact: Michael D'Ambrosio, District Director

*Inspects packages for clearance into the U.S. and assesses and collects duties.
Assists in all facets of international trade.

U.S. Department of Commerce

International Trade Administration

109 State Street, 4th Floor

Montpelier, VT 05609

Phone: 802-828-4508 Fax: 802-828-3258

Contact: James M. Cox, Senior Trade Specialist

*The Department of Commerce helps companies expand their international trade capability. Through the Department's International Trade Administration, a Vermont business can tap into a worldwide network of specialists that can provide export counseling and information on products and services. Other networks include: country specialists versed in international economic policies and specific markets; industry specialists who help develop trade promotion programs; and trade specialists who can advise domestic industries with regard to unfairly traded imports.

U.S. Senator James Jeffords

58 State Street

Montpelier, VT 05602

Phone: 800-835-5500 Fax: 802-223-0416

Contact: Susan Murray

*Member of the Foreign Relations Committee. Provides information on exporting assistance available through the Federal Government and Federal Legislation.

U.S. Senator Patrick Leahy

P.O. Box 933 Federal Building

120 State Street

Montpelier, VT 05601

Phone: 802-229-0569 Fax: 802-229-1915

Contact: Mary Miller, Staff Assistant

U.S. Small Business Administration Regional Office (New England)

155 Federal Street

Boston, MA 02110

Phone: 617-451-2047

Fax: 617-424-5495

Contact: John P. Joyce, Regional International Trade Officer

*Central point of contact for SBA export services for all New England states. Officers specialized support to the Montpelier SBA Office in SBA international trade services.

U.S. Small Business Administration, Vermont Office

87 State Street, Room 205

Montpelier, VT 05602-4422

Phone: 802-828-4422

Fax: 802-828-4485

Contact: Brenda Fortier, International Trade Officer

*International trade assistance focuses on one-on-one counseling, training seminars, advice on international law, initial market research to identify best foreign markets and financial assistance through loan guarantees including export working capital.

Vermont/Canada Trade Office

60 Main Street, Suite 102

Burlington, VT 05401

Phone: 802-865-0493

Fax: 802-863-1538

Contact: Roger Klibourn, Executive Director

*Assist Vermont companies with all aspects of doing business in Canada, e.g. exporting, finding distributors/agents, and finding strategic alliance partners. Coordinates Vermont participation in Canadian trade shows.

Vermont Department of Agriculture, Food & Markets

State Office Building

116 State Street

Montpelier, VT 05620-2901

Phone: 802-828-2416

Fax: 802-828-2361

Contact: Roger Clapp, Chief of Agricultural Development

Vermont Department of Forests, Parks and Recreation

103 South Main Street, Bldg. 10-S

Waterbury, VT 05671-0601

Phone: 802-241-3678 Fax: 802-244-1481

Contact: Robert De Geus, Utilization Specialist

*Participants in domestic and foreign trade shows, provides direct assistance to wood product manufacturers in a wide variety of areas, access information through the American Hardwood Export Council

SCORE

Service Corp of Retired Executives

Winston Prouty Federal Building

11 Lincoln Street

Essex Junction, VT 05452

Phone: 802-951-6762/6763

Fax: 802-951-6764

Contact: Houghton Pearl

White River, Lebanon area:

SCORE

First NH Bank Building,

Suite 316

Lebanon, NH 03766

Phone: 603-469-3462

Fax: 603-469-3860

Contact: Walter Lindenthal

*SCORE retired executives provide free business counseling. Select members within the network of executives in VT/NH assist individuals or companies interested in both export and import activities, counseling on freight forwarding, customs, establishing selling organizations outside the U.S.

REGIONAL DEVELOPMENT CORPORATIONS

Regional Development Corporations distribute a regional directory of manufacturers. They promote Canada/U.S. trade, facilitate contacts, networks, partnerships, and joint ventures for Vermont businesses. Some develop trade missions, assist with financing proposals and transactions.

Addison County Economic Development Corporation

2 Court Street

Middlebury, VT 05753

Phone: 802-388-7953 Fax: 802-388-8066

Contact: Jamie Stewart, Executive Director

Bennington County Industrial Corporation

P.O. Box 357

North Bennington, VT 05257

Phone: 802-442-8975 Fax: 802-447-1101

Contact: Lance Matteson, Executive Director

Brattleboro Development Credit Corporation

P.O. Box 1177

Brattleboro, VT 05302

Phone: 802-257-7731

Contact: Francis D. Walsh III, Executive Vice President

Central Vermont Economic Development Corporation

P.O. Box 1439

Montpelier, VT 05621

Phone: 802-223-4654 Fax: 802-223-4655

Contact: Perry Browning, President

*CVEDC involved with Vermont/Karelia Economic Development Corporation and Karelia/Russia Trade House.

Regional Development Corporations cont.

Connecticut River Development Corporation

P.O. Box 88

Windsor, VT 05089

Phone: 802-674-9202

Contact: Winthrop Townsend, III, Property Manager

Franklin County Industrial Development Corporation

P.O. Box 1099, 2 North Main Street

St. Albans, VT 05478-1099

Phone: 802-524-2194

Contact: Timothy J. Soule, Executive Director

Greater Burlington Industrial Corporation

P.O. Box 786, 60 Main Street

Burlington, VT 05402

Phone: 802-862-5726

Fax: 802-860-1899

Contact: Norbert B. Lavigne, President

Green Mountain Economic Corporation

Box 246

White River Jct., VT 05001

Phone: 802-295-3710

Fax: 802-295-3779

Contact: Peter J. Markou, Executive Director

Lake Champlain Island Chamber of Commerce

P.O. Box 213

North Hero, VT 05474

Phone: 802-372-5683

Contact: Barbara Mooney, Executive Director

Regional Development Corporations cont.

Lamoille Economic Development Corporation

Box 455

Morrisville, VT 05661

Phone: 802-888-5640 Fax: 802-888-7612

Contact: Christopher D'Elia, Executive Director

Northeastern Vermont Development Association

P.O. Box 640

St. Johnsbury, VT 05819-0640

Phone: 802-748-1014 or 802-748-5181

Contact: Charles E. Carter, Executive Director

Rutland Industrial Development Corporation

Box 39, 256 N. Main Street

Rutland, VT 05701

Phone: 802-773-9147 Fax: 802-773-2772

Contact: David O'Brien, Executive Director

Springfield Regional Development Corporation

P.O. Box 58

Springfield, VT 05156

Phone: 802-885-3061 Fax: 802-885-3027

Contact: Pat Moulton Powden, Executive Director

*SRDC offers financing through Export-Import Bank and market research.

MULTI-COUNTY ECONOMIC DEVELOPMENT CORPORATIONS

Economic Development Council of Northern Vermont

155 Lake St.

St. Albans, VT 05478

Phone: 802-524-4546

Fax: 802-527-1081

Contact: Connie Stanley Little, Executive Director

Northern Community Investment Corporation

20 Main St.

P.O. Box 904

St. Johnsbury, VT 05819

Phone: 802-748-1884

Contact: James Tibbett, President

New York State Economic Development Entities

The following public sector entities are local contacts for economic development assistance in Clinton, Essex, Franklin, Washington and Warren counties in New York state. This is not a definitive list of all contacts but rather some primary contacts that can be made.

Organizations for Economic Development Assistance in the Champlain Basin of New York

- 1) New York State Department of Environmental Conservation
Wood Products Utilization and Marketing Section
50 Wolf Road, Albany, New York 12233-00001
Phone: 518-457-7431 Fax: 518-457-7431
Services: resource assessment, site location, equipment selection.
- 2) Adirondack North Country Association (ANCA)
183 Saranac Lake, New York 12983-1328
Phone: 518-891-6200 Fax: 518-891-6203
- 3) New York State Department of Economic Development (DED)
Plattsburgh: 185 Margaret Road, Plattsburgh, NY 12901
Phone: 518-561-5642
Ogdensburg: Bridge and Port Authority Building, Ogdensburg NY 13669
Phone: 315-393-3980
Albany: One City Square, 330 Broadway, Albany, NY 12207
Phone: 518-432-2697
- 4) Warren/ Washington Regional Development Corporation
1 Apollo Drive, Glens Falls, NY
Phone: 518-792-9905
- 5) Plattsburgh Airbase Redevelopment Corporation
426 US Oval, Plattsburgh Air Force Base, NY 12903
Phone: 518-561-0232
- 6) U.S. D. A. Forest Service - Forest Products
P.O. Box 640, Concord/ Mast Roads, Durham, New Hampshire 03824
Phone: 603-868-7689 Fax: 603-868-7604
Services: technical assistance in marketing and utilization of wood products.
- 7) Empire State Forest Products Association
123 State St., Albany, NY 12207
Phone: 518-463-1297 Fax: 518-426-9502

8) Small Business Assistance Center
SUNY Plattsburgh

SUNY Potsdam

9) Clinton County Area Development
61 Area Development Drive, Plattsburgh, NY 12901
Phone: 518-563-3100

10) North County Alliance
One Lincoln Blvd., Rouses Point, NY 12979
Phone: 518-297-3216

11) New York State Development Corporation
Regional Economic Development/ Industrial Development
1515 Broadway
New York, NY 10036
Phone: 212-930-0297/ 0355

12) Industrial Effectiveness Program
New York Department of Economic Development
One Commerce Plaza, Room 920
Albany, NY 12245
Phone: 518-474-1131
Offers grants for conducting productivity assessments to identify competitive problem within a firm.

13) New York Job Development Authority
605 Third Avenue, 26th Floor
New York, NY 10158
Phone: 212-818-1700
Offers direct loans for financing of facilities, machinery and equipment to expand or build new facilities; also offers Rural Development Loan Fund.

14) New York State Environmental Facilities Corporation
50 Wolf Road, Albany, NY 12205
Phone: 518-457-4100 or 1- 800-882-9721
Offers technical assistance to help businesses and municipalities reduce, reuse and recycle their wastes.

15) New York State Energy Research and Development Authority

2 Rockefeller Plaza

Albany, NY 12223

Phone: 518-465-6251 or 6214

Strengthens NY industries by helping them to implement innovative energy efficient technologies.

16) New York State Small Business Development Center

State University Plaza, Room South 523

Albany, NY 12246

Phone: 518-443-5398 or 1-800-732-SBDC

17) Franklin County Industrial Development Agency

63 West Main St.,

Malone, NY 12953

Phone: 518-483-6767

18) Essex County Industrial Development Agency

also, Adirondack Development Corporation

P.O. Box 217, Church St.

Elizabethtown, NY 12932

Phone: 518-873-9114

19) Development Authority of the North Country

20) Greater Adirondack Resource Conservation and Development Council

HCO1-Box 29

Chestertown, NY 12817

Phone: 518-623-3090

Fax: 518-623-3140

SMALL BUSINESS DEVELOPMENT CENTERS

The SBDC are "one-stop-shops" providing start up information, counseling, and business-oriented seminars and workshops. They provide individual short-term and in-depth consulting assistance, transferring expertise to small business people.

SBDC Lead Center

Vermont Technical College

P.O. Box 422

Phone: 802-728-9101

Randolph, VT 05060-0422

800-464-SBDC

Contact: Donald L. Kelpinski, State Director Fax: 802-728-3026

Northeastern Vermont SBDC

Northeastern Vermont Development Association

P.O. Box 630

St. Johnsbury, VT 05819-0630

Phone: 802-748-1014

Contact: Joseph P. Wynne

Fax: 802-748-1223

Northwestern Vermont SBDC

Greater Burlington Industrial Corporation

P.O. Box 786

Burlington, VT 05402-0786

Phone: 802-658-9228

Contact: Tom Schroeder

Fax: 802-860-1899

Southeastern Vermont SBDC

Springfield Regional Development Corporation

P.O. Box 58

Springfield, VT 05156-0058

Phone: 802-885-2071

Contact: Vacant

Fax: 802-885-3027

Southwestern Vermont SBDC

Rutland Industrial Development Corporation

P.O. Box 39

Rutland, VT 05702-0039

Phone: 802-773-9147

Contact: Wendy Wilton

Fax: 802-773-2772

SBDC satellite centers are also located at Regional Development Corporations in Brattleboro, Middlebury, Montpelier, Morrisville, North Bennington, North Hero, St. Albans, and White River Junction.

PORT AUTHORITIES

American Association of Port Authorities

1010 Duke St.
Alexandria, VA 22314
Phone: 703-684-5700

Massachusetts Port Authority

Anne D. Aylward, Maritime Director
Maritime Department
Fish Pier East II
Northern Avenue
Boston, MA 02110
Phone: 617-973-5354 Fax: 617-973-5357

The Port Authority of NY and NJ

Lillian C. Liburski, Director
Ports Department
One World Trade Center
63rd Floor East
New York, NY 10048
Phone: 212-466-7000 Fax: 212-839-9261

Port of Montreal

Frank Martini, Manager
Cite Du Havre
Montreal, P.Q. H3C3R5
Phone: 514-283-0829

**FOREIGN FREIGHT FORWARDERS
AND
CUSTOM HOUSE BROKERS**

Custom house brokers clear goods through customs. They are licensed and regulated by the Treasury Department. Custom house brokers deal with imports into the United States.

An international freight forwarder performs a variety of services to assist the export of goods. A freight forwarder may handle export packing, obtain insurance for shipments or write it themselves, prepare collection and shipping documents, book cargo space, oversee loading of the goods, and see the goods through customs at their destination. A freight forwarder can also provide information and advice on U.S. export regulations, shipping methods, and foreign import regulations.

A.N. Deringer, Inc.

P.O. Box 1309, 64-66 N. Main Street
St. Albans, VT 05478

Phone: 802-524-8242 Fax: 802-524-8236

Contact: Donald Tessier, Sales Representative

*Export banking documents, foreign country requirements and regulations, warehouse facilities, consolidations and NVOCC Services to Europe and the U.K. Air and ocean shipments, CL or LCL shipments worldwide. Export advice and logistics services - Canada, Mexico, and worldwide.

A.N. Deringer, Inc.

Route 114

P.O. Box 119

Norton, VT 05907

Phone: 802-822-5252 Fax: 802-873-5204

Contact: Michael Leahy, Branch Manager

A.N. Deringer, Inc.

51 Caswell Avenue

Derby Line, VT 05830

Phone: 802-873-3109 Fax: 802-873-9113

Contact: Mike Leahy, Manager

Foreign Freight Forwarders cont.

A.N. Deringer, Inc.

Burlington International Airport
Bldg 880
So. Burlington, VT 05403
Phone: 802-864-0843 Fax: 802-864-4305
Contact: Matthew Walker, Manager

Champlain Valley International

P.O. Box 13 Airport Access Road
Swanton, VT 05488
Phone: 800-451-3535 Phone: 802-868-3381 Fax: 802-868-3084
Contact: Charles Kenyon, President

*International and domestic air and ocean forwarding. Unit load containerization facility. Motor carrier, contract authority, U.S. and Canadian bonded carrier. Specialize in temperature controlled trucking and air flight containerization.

F.H. Fenderson div. of PBB USA Inc.

HCR 60, Box 1F
Norton, VT 05907
Phone: 802-822-5227 Fax: 802-822-5549
802-822-5228
Contact: Suzanne Isabelle, VT Branch Manager

*Help Vermont businesses export their product *through the port of* Highgate, VT/Phillipsburg, Quebec. Have offices on both sides of the border; brokers for both importing and exporting. Have corresponding brokers for other ports.

F.W. Myers & Co., Inc.

Myers Building
Rouses Point, NY 12979
Phone: 518-297-2222 Fax: 518-297-6650
Contact: G.L. MacConnell, VP - Marketing and Planning

*U.S. Customs Broker & Freight Forwarder, offers a complete door-to-door transportation package, including customs clearance, domestic transportation, air & ocean freight forwarding, warehousing & distribution, NVOCC, EDI, chartering, and insurance.

Foreign Freight Forwarders cont.

John V. Carr & Son, Inc.

6 Maple St.

P.O. Box 307

Derby Line, VT 05830

Phone: 802-873-3157

Fax: 802-873-3430

Contact: Doug McKenny, Manager - Vermont Operations

*Freight and customs needs, consultations available.

Trans-Border Customs Services

P.O. Box 311

St. Albans, VT 05478

Phone: 802-524-0100

Fax: 802-524-7347

Contact: Rob Casey, District Manager

*Specializing in North American Free Trade Agreement (NAFTA)

Trans-Border Customs Services, Inc.

3 Customs Plaza

P.O. Box 500

Derby Line, VT 05830

Phone: 802-873-3011

Fax: 802-873-3412

Contact: N. Roger Poulin, District Manager

*U.S. Customs Brokers, warehousing and distribution services and international freight forwarding and transportation.

U.S. Customs Service

P.O. Box 1490

St. Albans, VT 05478

Phone: 802-524-7352

Contact: Michael D'Ambrosio, District Director

TRADE ASSOCIATIONS

Canadian Importers Association

Quebec Chapter

2020 University St, Office 1600

Montreal, Quebec H3A2A5

Phone: 514-288-6370

Fax: 514-842-1276

Contact: Toby King, Regional Director

Greater Burlington Industrial Corporation

P.O. Box 786, 60 Main Street

Burlington, VT 05402

Phone: 802-862-5726

Fax: 802-860-1899

Contact: Norbert B. Lavigne, President

*Distributes regional directory of manufacturers, promotes Canada, facilitates contacts, networks, partnerships and joint ventures.

International Traders Association

The Mellinger Company

6100 Variel Avenue

Woodland Hills, CA 91367

Phone: 818-884-4400

Fax: 818-594-5804 Cable: OVRHAUL

Contact: Mr. Chris Hardenbrook, Import Manager

*The Mellinger World Trade/Mail Order Plan is a 5-volume reference guide to world trade business procedures. Purchase (\$225) includes 3 year membership in International Traders organization with a monthly magazine and consultation services. Start up companies are taught import sourcing and document procedures and mail order marketing techniques.

New England-Latin American Business Council, Inc.

P.O. Box 307

Hyde Park, MA 02136

Phone: 508-695-2595

Fax: 508-695-2595

Contact: Ed McFarland, Executive Director

*Business to Business networking association, putting local companies interested in Mexico, Central, and South America in contact with similar companies.

Trade Associations cont.

United States Council for International Business

1212 Avenue of the Americas

New York, NY 10036

Phone: 212-354-4480

Fax: 212-944-0012

Contact: Cynthia Duncan, Marketing Manager - Carnet Operations

*Official and sole issuer and guarantor of ATA carnets in the U.S.

TRANSLATION SERVICES

At times it is necessary for an exporter to translate documents either from or into a foreign language. Translations may be required for such things as orders and contracts, other documents, product literature, brochures, and manuals. The firms and/or individuals listed below provide professional translation services. While some may specialize in one or a few languages, many translation firms offer services for numerous languages.

Eric Bye

RR 2 Box 425
Chester, VT 05143
Phone: 802-875-4595
French, Spanish, and German

Judith Rosch Hinds

P.O. Box 1185
Montpelier, VT 05602
Phone: 802-223-6550
French into English

Robert Vegeuez

Dean of Language Schools
Middlebury College
Middlebury, VT 05753-6131
Phone: 802-388-3711 Fax: 802-388-1253
Chinese, French, German, Italian, Japanese, Russian, Spanish

School for International Training

Kipling Rd.
P.O. Box 676
Brattleboro, VT 05302-0676
Phone: 802-257-7751 Fax: 802-258-3248
Contact: Beatriz Fantini, Director, Language & Culture Center

*Translates documents from foreign languages to English.

CHAMBERS OF COMMERCE

Some chambers of commerce are actively involved in the promotion of international trade. In cases where chambers of commerce offer international trade services, they are listed below, along with a summary, where available, of services provided.

Addison County Chamber of Commerce

2 Court St.

Middlebury, VT 05753

Phone: 802-388-7953

Fax: 802-388-7951

Contact: Linda Stearns, Executive Director

*The Addison County Chamber of Commerce provides certificates of origin for exporters. Information and networking are also provided.

Central Vermont Chamber of Commerce

P.O. Box 336

Barre, VT 05641

Phone: 802-229-5711

Contact: George Malek, Executive Vice President

*The Central Vermont Chamber provides certificates of origin for exporters.

Lake Champlain Chamber of Commerce

60 Main Street, Suite 100

Burlington, VT 05401

Phone: 802-863-3489

Fax: 802-863-1538

Contact: LouAnn C. Chaffee, Director, Administrative Services

*The Lake Champlain Regional Chamber has several committees whose goal is to provide seminars and training opportunities to businesses in the area to help expand their knowledge in the export markets.

Chambers of Commerce cont.

Vermont Chamber of Commerce

P.O. Box 37

Montpelier, VT 05601

Phone: 802-223-3443 Fax: 802-229-4581

Contact: Norman James, Program Director

*The Vermont Chamber of Commerce provides networking and referral services for exporters. The Vermont Export Council is a standing committee of the Vermont Chamber of Commerce.

LEGAL CONSULTANTS

Services offered by law firms with international departments include: advice on international law, licensing, technology transfer, intellectual property rights, legal aspects on foreign agents and distributors, import and export regulations, assistance with financial transactions, and assistance with joint ventures and foreign investment, as well as general consulting on overseas business transactions and operations.

Steven Auderieth, Esq.

One Church St.
P.O. Box 1291
Burlington, VT 05402-1291
Phone: 802-862-8063

*Tax structures in Europe, North and South America, and Asia; limited liability companies.

Bloomberg, Oettinger & O'Hara

200 Battery St.
Burlington, VT 05401
Phone: 802-860-1000 Fax: 802-860-0101
Contact: Mark D. Oettinger, Esq.

*Law firm with a general practice including all aspects of commercial law and litigation. Past chair, Vermont Bar Association's International Law and Practice Committee. Focus: Western Europe and Russia.

Burak and Anderson

346 Shelburne St.
P.O. Box 64700
Burlington, VT 05406-4700
Phone: 802-862-0500 Fax: 802-862-8176
Contact: Brian Sullivan, Esq.

*Law firm with a general practice including all aspects of commercial law and litigation, international and regulatory law.

Downs, Rachlin & Martin, PC

199 Main Street, P.O. Box 190
Burlington, VT 05402-0190
Phone: 802-863-2375 Fax: 802-862-7512
Contact: Patricia Gabel, Director

Legal Consultants cont.

Virginia A. Goddard, Attorney at Law

157 Main Street, P. O. Box 419

N. Springfield, VT 05150-0419

Phone: 802-886-2499 Fax: 802-886-2446

Contact: Virginia Goddard

*Provides services for the protection of intellectual property rights (trademarks, copyrights) both domestic and international.

Law Office of Kenneth F. Dusyn

Prior Drive, P.O. Box 56

Killington, VT 05751-0056

Phone: 802-422-3295 Fax: 802-422-3295

Contact: Kenneth F. Dusyn

*Provides services for the protection of all intellectual property interests (patents, trademarks, and copyrights) both domestically and abroad.

Palmer Legal Services

P.O. Box 528

Middlebury, VT 05753

Phone: 802-388-4073 Fax: 802-388-3945

Contact: Michael P. Palmer, President

*International trade law, Germany and Canada.

Greene & Seaver, Inc.

95 St. Paul Street

Burlington, VT 05401

Phone: 802-863-4453 Fax: 802-658-6518

Contact: Howard J. Seaver

Paul, Frank & Collins, Inc.

P.O. Box 1307, One Church St.

Burlington, VT 05402-1307

Phone: 802-658-2311 Fax: 802-658-0042

Contact: B. Michael Frye, Attorney

VERMONT INTERNATIONAL CONSULTANTS

Linda Aines, Business Specialist

Export Assistance Center/UVM Extension System
Howe Center Business Park
1 Scale Ave., Unit 55
Rutland, VT 05701
Phone: 802-773-3349 Fax: 802-775-4840

*The Export Assistance Center is a resource center for exporters which offers free export counseling, market research, international trade leads, foreign contacts, and publications. Export workshops and training are also available throughout the year.

William Averyt, Associate Professor

Director, Canada/U.S. Business Studies
University of Vermont, Business School
Kalkin Hall - Room 317
Burlington, VT 05405
Phone: 802-656-0504 Fax: 802-656-8279

*Offers consulting on trade policy, Canada, Quebec.

Jim Atkins, President

Quality Management Systems of Vermont
14 Governors Lane
Shelburne, VT 05482
Phone: 802-985-5326

*Specialists in the planning and implementation of ISO 9000 Quality Management Systems. ISO 9000 certification will be a requirement of an increasing number of companies throughout the world.

Richard Caffrey, R.F. Caffrey & Associates, Inc.

P.O. Box 319
Brownsville, VT 05037
Phone: 802-484-5956 Fax: 802-484-3823

*Management consultant for U.S. and Europe; offering marketing research and business intelligence services for U.S. and foreign markets.

Vermont International Consultants cont.

James P. Chiasson, President

Information Growth Strategies

84 Pine Street

Burlington, VT 05401

Phone: 802-864-7117

Fax: 802-865-2803

*Has access to a variety of electronic databases for clients interested in obtaining country, industry and company information on worldwide industries such as economic data and industry profiles.

Michael Claudon, President

Geonomics Institute

14 Hillcrest Ave.

Middlebury, VT 05753

Phone: 802-388-9619

Fax: 802-388-9627

Telex: 650482-7133

*An organization of business people, government officials, and researchers that is helping to accelerate the economic reform and enterprise reconstruction in Eastern Europe, the Baltics and the former Soviet Union.

Timothy D'Arcy, Vice President

Market Makers International, Inc.

431 Pine Street

Burlington, VT 05401

Phone: 802-862-3374

Fax: 802-863-1231

*Export management company that specializes in computer peripherals and color displays, computer graphic cards and management consulting services.

Edgar W. Dawes, Principal/Registered Quality System Lead Auditor (RAB-ASQC)

Quality Improvement Associates

4 Wildersburg Common

Barre, VT 05641

Phone: 802-479-0379

Fax: 802-479-0445

*ISO 9000 Quality Systems consulting, training, certification for domestic and export markets. Specialist in European Directive Related Products and ISO 9000 Quality System influences.

Vermont International Consultants cont.

James L. Donohue, CPA

Urbach Kahn & Werlin PC (UKW)

76 St. Paul Street

Burlington, VT 05401

Phone: 802-864-6833

Fax: 802-862-3327

*Worldwide service through UHY International. Offers tax planning, accounting and consulting services. Specializes in import/export structuring for tax advantageous operations, income tax treaty analysis, and pricing issues.

Thomas Essex, General Manager

TSX Union Ltd.

P.O. Box 1479

White River Junction, VT 05001

Phone: 802-765-4011

Fax: 802-765-4229

*Specializes in sales, management, customer service, transportation and distribution for Europe, Germany, United Kingdom, Sweden, Finland, Switzerland, and Austria.

Michael Flynn and Gregory Bourgea

Gallagher, Flynn & Company

77 College Street

Burlington, VT 05402

Phone: 802-863-1331

*Gallagher, Flynn & Company works closely with many Canadian-owned businesses located in Vermont assisting with international tax planning, accounting, and business consulting services.

E. Keith Gaylord, President

The Export Alliance, Inc.

76 Partridge Hill Road

Williston, VT 05495

Phone: 802-879-2029

Fax: 802-879-2029

*Export management services that specializes in non and semi perishable foods, food handling materials, industrial supplies and personal care items. Market focus: Central America, Chile, Argentina, Taiwan, Korea, and Mainland China.

Vermont International Consultants cont.

Erik Glitman, Principal

Fletcher Mountain Group

337 College St.

Burlington, VT 05401

Phone: 802-660-9636

Fax: 802-660-9635

*Market analysis, research and competitive analysis for small to large firms. Firm has world wide capability. Client base ranges from personal hygiene to financial services and from metal fabrication to electronics.

Nancy Holmes, President

NRH Associates, Inc.

P.O. Box 178

Swanton, VT 05488

Phone: 802-868-5015

Fax: 802-868-5015

*Evaluate export potential; develop marketing plans; assist and manage all aspects of export transactions. Produce guides, reports, and publications on international business topics, provide export workshops. Have expertise in primary, secondary wood products, and forestry.

Richard Hunt, Professor

Trinity College of Vermont

208 Colchester Ave.

Burlington, VT 05401

Phone: 802-658-0337 Ext. 307

Fax: 802-658-5446

*Workshops for businesses in Vermont on issues surrounding knowing ones international partners and consumers.

George Klinefelter, Co-owner

K & R Associates

P.O. Box 1504

St. Albans, VT 05478

Phone: 802-868-3222

Fax: 802-524-7714

*Specialists in export control procedures, regulations, and worldwide customs organization.

Vermont International Consultants cont.

Robert Krattli

Scott-European Corp.
58 E. State St.
Montpelier, VT 05602
Phone: 802-223-0262

Fax: 802-223-0265

*Private international trading firm specializing in Russia and the Commonwealth of Independent States.

Robert Letovsky, Assistant Professor

Department of Business Administration & Accounting
St. Michael's College
Winooski Park
Colchester, VT 05439
Phone: 802-654-2312

Fax: 802-655-3680

*Consultant for international marketing strategy, specializing in export financing and distribution issues.

Dale R. Metz, Partner

KPMG Peat Marwick
P.O. Box 564
Burlington, VT 05402
Phone: 802-864-7491

Fax: 802-864-8380

*Offers accounting, tax and management consulting services worldwide through a network of 7600 personnel in 125 countries.

Tracey Miller, Researcher/Bus. Cred.

IGS (Information Growth Strategies)
Financial Plaza
84 Pine Street, Suite 450
Burlington, VT 05401
Phone 802-864-7112

Fax: 802-865-2803

*IGS provides international business and credit information.

Vermont International Consultants cont.

Ronald Notkin, President

Cambridge Associates

P.O. Box 7

Enosburg Falls, VT 05450

Phone: 802-933-4097

Fax: 514-731-8662

Phone: 514-783-4271

*U.S. Canada Free Trade Agreement specialist, provides specific business contacts in a wide range of industries. Verifies competitiveness of products in targeted markets and suggests modifications to products, if necessary, to suit those markets. Prepares and implements marketing strategy and identifies distribution channels and sales representation.

Michael Palmer, Vice President

New England World Trade, Inc.

P.O. Box 528

Middlebury, VT 05753

Phone: 802-383-4073

Fax: 802-388-3945

*Export management company that specializes in miscellaneous manufacturing products in Japan, Canada and Germany.

Ildiko Polony, President

Hungarian-American Ventures Inc.

245 South Street

South Hero, VT 05486

Phone: 802-372-3302

Fax: 802-372-3302

*Export management company that specialized in sourcing products and market research.

Paul Richardson, President

Russian Information Services, Inc.

89 Main Street, Suite 2

Montpelier, VT 05602

Phone: 802-223-4955

Fax: 802-223-6105

*Provides valued market information on Russian laws and business practices, partner search and contact development and publications focusing on the "how-to" of doing business in Russia.

Vermont International Consultants cont.

Lisa and Robert Ritter, Owners

Ritter Creations

P.O. Box 330

Woodstock, VT 05091

Phone: 802-457-3110

Fax: 802-457-4565

*Creative and promotional services, research and development and marketing consultation for the United States and Canada.

Virginia Russell, President

Natural Elegance, Inc.

11 Pearl St.

Brandon, VT 05733

Phone: 802-247-3773

Fax: 802-247-8331

*Offers help in both importing/exporting to Taiwan, and other Asian countries, financial advice in business plans, and trade show assistance. Also produces marble products from Vermont and the United States.

Marcela Rydlova-Ehrlich, President

Global Image Company

RR 1, Box 50

Randolph, VT 05060

Phone: 802-234-5401

Fax: 802-234-5401

*Helps initiate and to develop business contacts in Central, Eastern Europe and Russia. Promotes VT-made and European-made products/services. Also specializes in film distribution and translating services, interpreting for and hosting foreign delegations.

Ronald Savitt, Principal

Savitt Associates

502 Brand Farm Drive

South Burlington, VT 05403

Phone: 802-658-2677

*Strategic planning for export development marketing plans and market development for central and eastern Europe.

Vermont International Consultants cont.

Paul Simons, Vice President

Spring Tree Corporation

P.O. Box 1160

Brattleboro, VT 05301

Phone: 802-254-8784

Fax: 802-254-8648

Telex: 7102271872

*Export management company specializing in pure maple syrup.

Charles Welcome

P.O. Box 552

St. Johnsbury, VT 05819

Phone: 802-748-4291

*Certified export/import transportation and documentation specialist. Offers assistance or training.

BANKS AND FINANCIAL SERVICES

Some Vermont banks provide a full range of international banking services for the State's exporting community. These include letters of credit, collection matters, and foreign exchanges. Local banks often work with foreign countries so that they may provide necessary services and credit investigations of foreign buyers, agents, and representatives.

Bank of Vermont

P.O. Box 949, 149 Bank Street
Burlington, VT 05402

Phone: 802-660-4269 Fax: 802-660-4228

Contact: Peter McCarthy, Commercial Lender

*Offer a variety of trade services, including foreign currency exchange, letters of credit, and collection services.

Chittenden Bank

Two Burlington Square
P.O. Box 820

Burlington, VT 05402

Phone: 802-660-1520

Contact: Larry D. MacKinnon, Senior Vice President Commercial Banking

Export-Import Bank of the United States

811 Vermont Ave. NW
Washington, DC 20571

Phone: 202-566-8981

Contact: Gerald Solomon, Marketing and Program Development

EximBank Export Finance Program

Vermont International Trade Office
Department of Economic Development
109 State Street

Montpelier, VT 05609

Phone: 802-828-3221

Contact: George Robson

Banks and Financial Services cont.

Green Mountain Bank

80 West Street

Rutland, VT 05701

Phone: 802-747-2434

Fax: 802-775-3696

Contact: Albert W. Coffrin, III, Executive VP & Senior Loan Officer

The Howard Bank, N.A.

111 Main Street

Burlington, VT 05401-0409

Phone: 802-658-1010

Fax: 802-860-5542

Contact: Michael R. Tuttle, Executive Vice President

*Provide or coordinate financing and work cooperatively with EximBank.

Wells River Savings Bank

34 Main Street

Wells River, VT 05081

Phone: 802-757-2361

Fax: 802-757-2159

Contact: Frank Tilghman, Executive VP & Treasurer

UNIVERSITY AND COLLEGE INTERNATIONAL EDUCATION PROGRAMS

Many Vermont colleges and universities have international programs in language, business, and other aspects that may be helpful. Their libraries are important sources of international publications, and databases. Contacting them could provide a business with valuable information. Castleton State College, Middlebury College, and University of Vermont libraries are official depositories for government documents and publications and have U.S. Department of Commerce trade information.

International Enterprise Training Corporation

196 N. Pleasant Street

Amherst, MA 01002

Phone: 413-256-8935

Fax: 413-256-1926

Contact: Dr. Fredi Munger, President

*Trains executives and company personnel in language, manners, communication styles and attitudes necessary for developing smooth working relationships anywhere in the world.

The International Business Center of New England, Inc.

World Trade Center Boston, Suite 323

Boston, MA 02210

Phone: 617-439-5280

Fax: 617-439-5289

Contact: Hayden F. Estrada, Ph.D., President

*A private sector membership organization dedicated to global trade development. Provides educational and marketing assistance to its member companies.

Saint Michael's College

Winooski Park

Colchester, VT 05439

Phone: 802-654-2000

Fax: 802-655-3680

Contacts: Prof. Robert Kenny, Chair, Dept. of Business

*The College's Department of Business offers undergraduate courses in International Business, International Marketing, International Finance, and Cross-cultural Management. The Center for International Programs can provide English language training for foreign-born employees as well as cross-cultural training for U.S. business people traveling abroad. The Dept. of Modern languages offers a

variety of courses in language training, including French, Spanish, Japanese, Russian, Italian, and German.

Universities & Colleges cont.

School of Business Administration

University of Vermont

205 Kalkin Hall

Burlington, VT 05405

Phone: 802-656-8273

Fax: 802-656-8279

Contact: Robert A. Clark, Asst. Prof. of Finance

*Offers education concerning international finance to include economic, transaction and translation exposure management; exchange rates, capital markets, and capital budgeting for foreign projects.

Trinity College of Vermont

208 Colchester Avenue

Burlington, VT 05401

Phone: 802-658-0337

Fax: 802-658-5446

Contact: Vernon Lindquist, Chair, Humanities Department

*Provide workshops and seminars aimed at sensitizing the workforce to the cultural identity of potential or actual international clients.

World Learning/School for International Studies

Kipling Road

P.O. Box 676

Brattleboro, VT 05302-0676

Phone: (802)257-7751

Fax: 802-258-3248

Telex: 6817462 EXPER UW

Contact: Janet Pipkin, Marketing Services Coordinator

Beatriz Fantini, Director, Language & Culture Center

*World Learning's broad range of international expertise is represented by its three operating divisions: its accredited college, the *School for International Training*, which offers a bachelor's degree program in international studies, master's degree programs in intercultural management and the teaching of languages, and College Semester Abroad programs in thirty-five countries; its traditional *Citizen and Language Programs*, offers intensive language training, summer abroad for high school students, and cultural exchange programs; and its private, voluntary organization activities operated by *Projects in International Development*. World Learning currently administers more than 260 programs in nearly seventy countries, providing direct program services to more than 54,000 participants.

PUBLIC SOURCES OF MARKET RESEARCH

The Department of State has a diverse staff capable of providing U.S. exporters with trade contacts. These staff members include bureau commercial coordinators and country desk officers. While the Department of Commerce's US & FCS is present in 69 countries, the Department of State provides commercial services in 84 embassies and numerous consular posts.

In the U.S. Department of Commerce, there are many domestic, foreign, and international sources of information concerning foreign markets. Several of these sources are given here, and others may be found in the bibliography.

In the federal government, industry and commodity experts are available through the Department of Commerce, USDA, and SBA. In addition, these agencies provide many publications, many of which can be found in local libraries.

Names, addresses and phone numbers for foreign contacts can be obtained by calling the resources listed in the *Government Assistance* section of the guide. Below is a sample of information available:

- Listing of ITA Industry Desks
- Listing of Export Management Companies
- Department of Commerce Country Desks
- American Embassies
- Foreign Embassies
- American Chambers
- Foreign Chambers
- U.S. Foreign Chambers
- World Trade Centers
- Trade Associations U.S.
- U.S. Port Authorities
- Small Business Administration
- SBDC State Offices
- State Trade Offices
- U.S. Customs Service
- Free Trade Zones
- International Air Carriers
- Ocean Carriers
- Railroads U.S.
- Department of Commerce District Offices
- Finance Sources
- International Trade Administration
- Consulates