

Summary — 2006 TECO Industry Advisory Council Meeting

TECO held its annual Industry Advisory Council (IAC) meeting at The Concourse Hotel in downtown Madison, Wisconsin on May 31 and June 1. The session featured a blend of presentations from industry professionals as well as those outside our industry. Representatives from the faculty of several universities provided their insight on key issues to complement the industry presenters.

Topics for the meeting were grouped into three main areas:

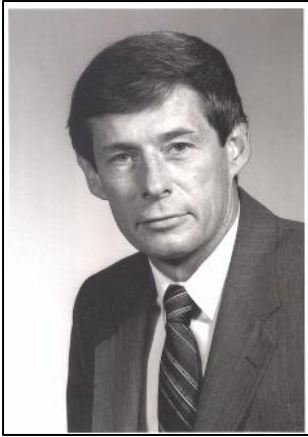
- Forest Products Industry in North America
 - global trends
 - effect of imports
 - forest and wood product certification
- Building codes, home construction and damage from hurricanes; claims and litigation
- Product and service perceptions and preferences; principles of supply chain design and operation

To kick off the meeting, a broad perspective of the forest products business was presented, together with the economic factors that drive it. The impact of wood products imports was discussed, and an update of forest product certification was given. Perceptions and preferences of products and services were presented from both builder and distributor perspectives. U.S. building codes were discussed and the effects of natural disasters on both coastal construction and inadequately-built residences were reviewed. An update on construction litigation was presented by an attorney whose firm specializes in this area, and a local realtor provided his insight on the future of housing. Finally, the principles of supply chain design and operation were presented.

Attendees at the IAC this year included representatives from TECO's plywood and OSB manufacturing clients, several resin manufacturers and industry associations/organizations like the AF&PA, Structural Board Association, the American Institute of Timber Construction, and the USDA Forest Products Laboratory.

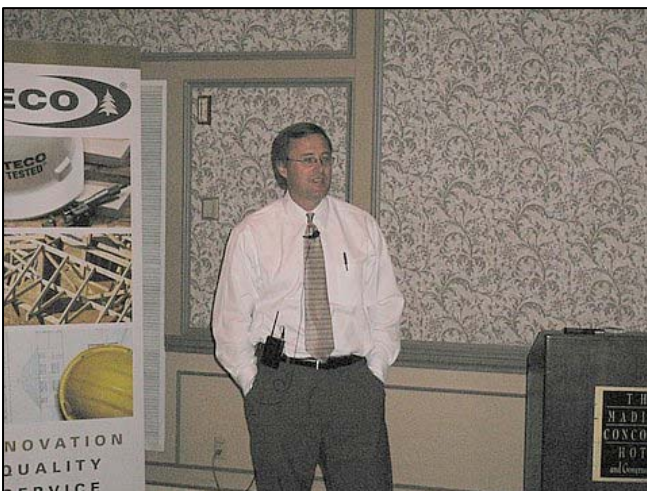
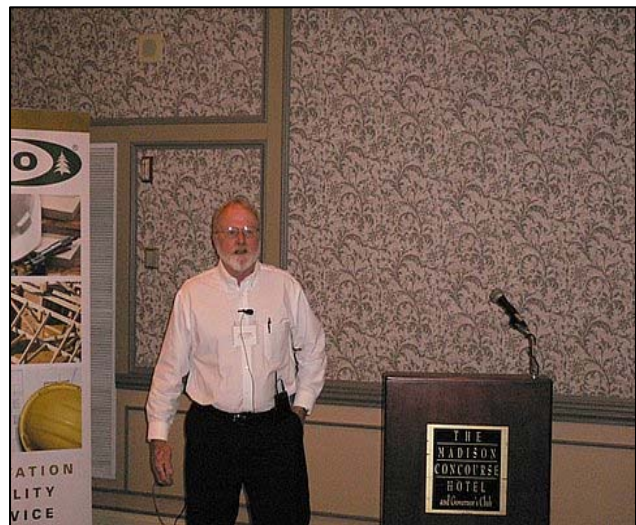
One of highlights of the event was the gathering of TECO's clients on the University of Wisconsin campus for an evening buffet. Clients were joined by representatives of the wood products industry from organizations based in the Madison area, including the USDA Forest Products Laboratory, the Forest Products Society, UW-Madison, PFS Corporation and Qualtim.

Plans for the 2007 IAC are being developed and site and schedule details will be posted when available. Following are summaries from some of the speakers at this year's event.



Dr. Jim Bowyer, recently retired from the University of Minnesota, discussed his vision for the long-term challenges facing the U.S. forest sector. Global “mega-trends” that Bowyer believes companies must be aware of include: expansion of the global economy, energy demands (with special attention to China’s growing need for energy) and the approach of peak petroleum output, increasing interest in bio-energy, and the growth of global fiber supplies.

Larry Warner, VP of Sales and Operations with Roberts & Dybdahl, a large building material supplier in the Midwest, shared with IAC attendees his thoughts on what distributors need from their material suppliers. Warner believes that frequent communication with open and frank discussion is key to developing and maintaining healthy supplier/distributor relationships.



Ken Bland, Director of Codes and Standards for AF&PA’s American Wood Council, gave two presentations. In the first, Ken gave an update on the status of building codes in the U.S., emphasizing that the family of International Codes published by the ICC has gained nationwide acceptance. In his second talk, Ken described the lessons the wood construction industry must take from the damage caused by Hurricanes Katrina and Rita in the fall of 2005.