

Western Region Response Analysis

Interview Participant's Statistics

Supplier/Consumer Experience - Years in Business	Supplier's Average	Consumer's Average
Years =	30.07	32.14

Supplier Business Position	Response Percent	Response Count
Owner	46.7%	14
Partner	40.0%	12
General Manager	13.3%	4

Consumer Procurement Position	Response Percent	Response Count
Front-line	42.9%	3
Senior	57.1%	4

Supplier Business Classification	Response Percent	Response Count
Direct Contractor/Operator	86.7%	26
Dealer	0.0%	0
Large Landowner (TIMO, REIT, Private)	13.3%	4
Producer-Indirect	0.0%	0

Consumer Manufacturing Classification	Response Percent	Response Count
Paper	0.0%	0
Composite	16.7%	1
Solid Wood	100.0%	6
Combination	0.0%	0

Percentage of Stumpage Purchased Directly	Supplier's Average %	Consumer's Average %
% =	6.67	12.29

Description of Supplier's Operation	Response Percent	Response Count
Logging	36.7%	11
Trucking	0.0%	0
Combined	63.3%	19

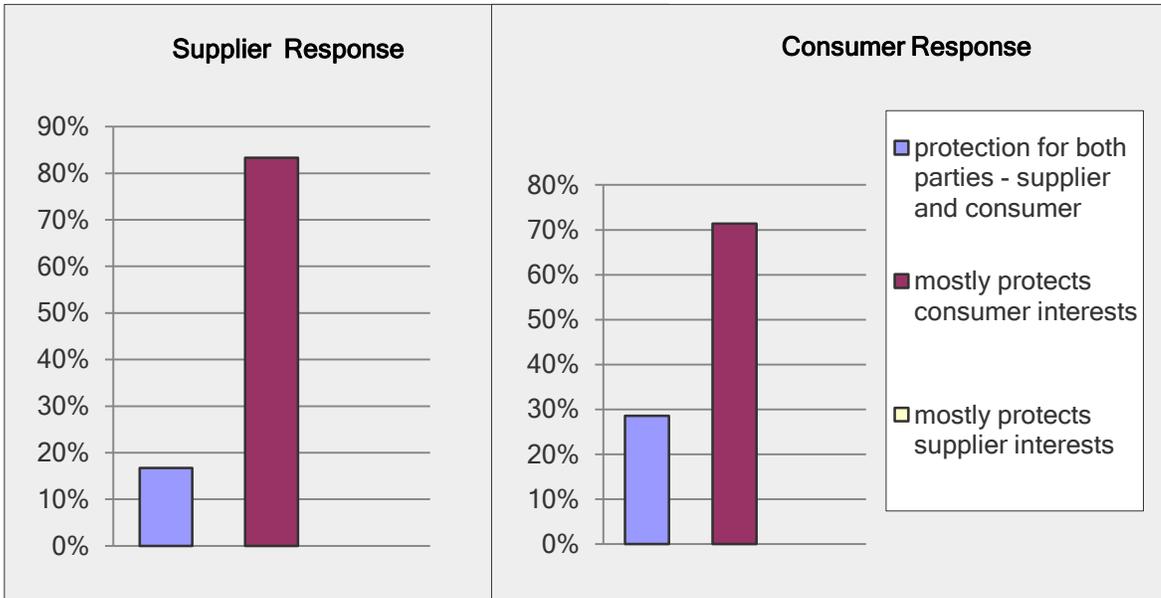
Average Annual Production/Consumption (in Tons)	Suppliers	Consumers
Tons =	236,700.00	742,857.14

Number of Supplier/Procurement Employees	Supplier Average	Consumer Average
# =	24.50	4.57

Western Region Response Analysis

Negotiations Interface

Contract Structure		
Answer Options	Supplier Response Percent	Consumer Response Percent
protection for both parties - supplier and consumer	16.7%	28.6%
mostly protects consumer interests	83.3%	71.4%
mostly protects supplier interests	0.0%	0.0%



Remarks: There is no significant difference in the perception of the legal construct of the contracts provided to the suppliers. Most suppliers and consumers agree that consumer procurement see the contracts as non-negotiable and favoring the consumer mill interest.

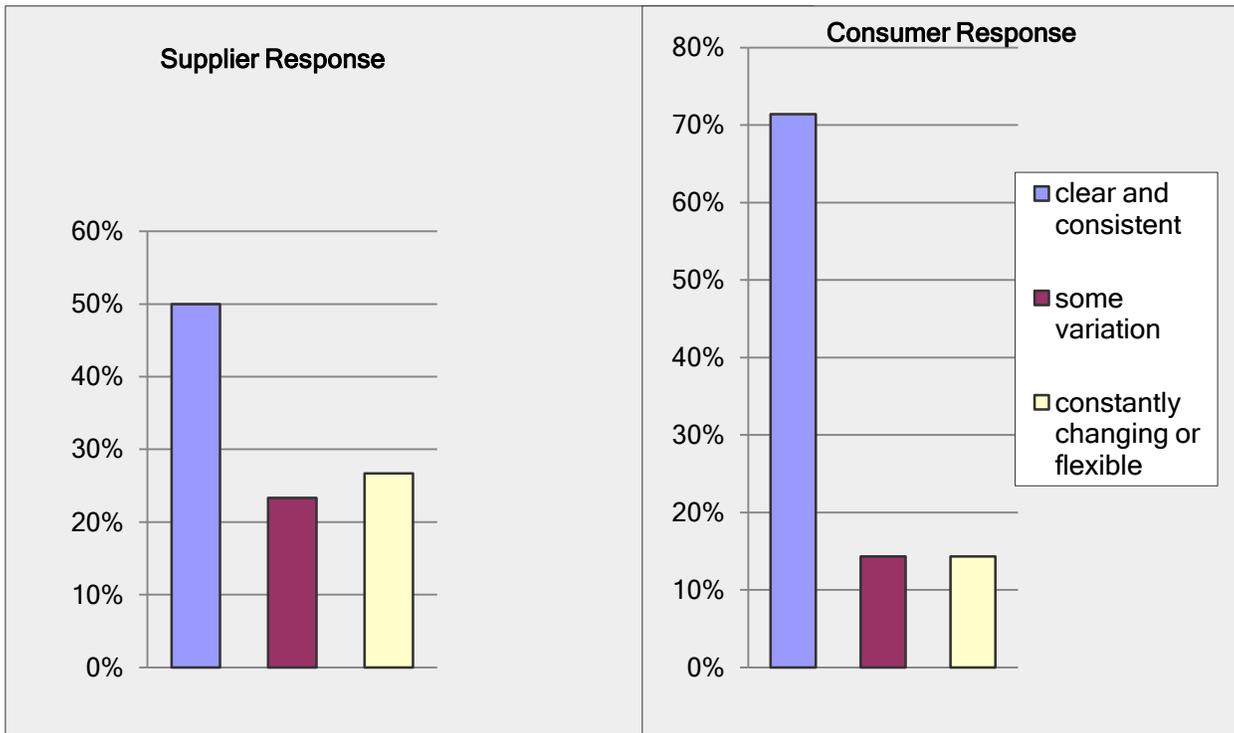
Gap is Insignificant

Western Region Response Analysis

Negotiations Interface

Wood Specifications

Answer Options	Supplier Response Percent	Consumer Response Percent
clear and consistent	50.0%	71.4%
some variation	23.3%	14.3%
constantly changing or flexible	26.7%	14.3%



Remarks: There is a significant difference in perception between suppliers and consumers primarily due to the difference way they look at the issue. About 50% of the suppliers see variation in the enforcement of the wood specifications depending on the current inventory deficit or surplus. Another factor is occasional adjustments in log specifications due to special product orders needed at the mill facility.

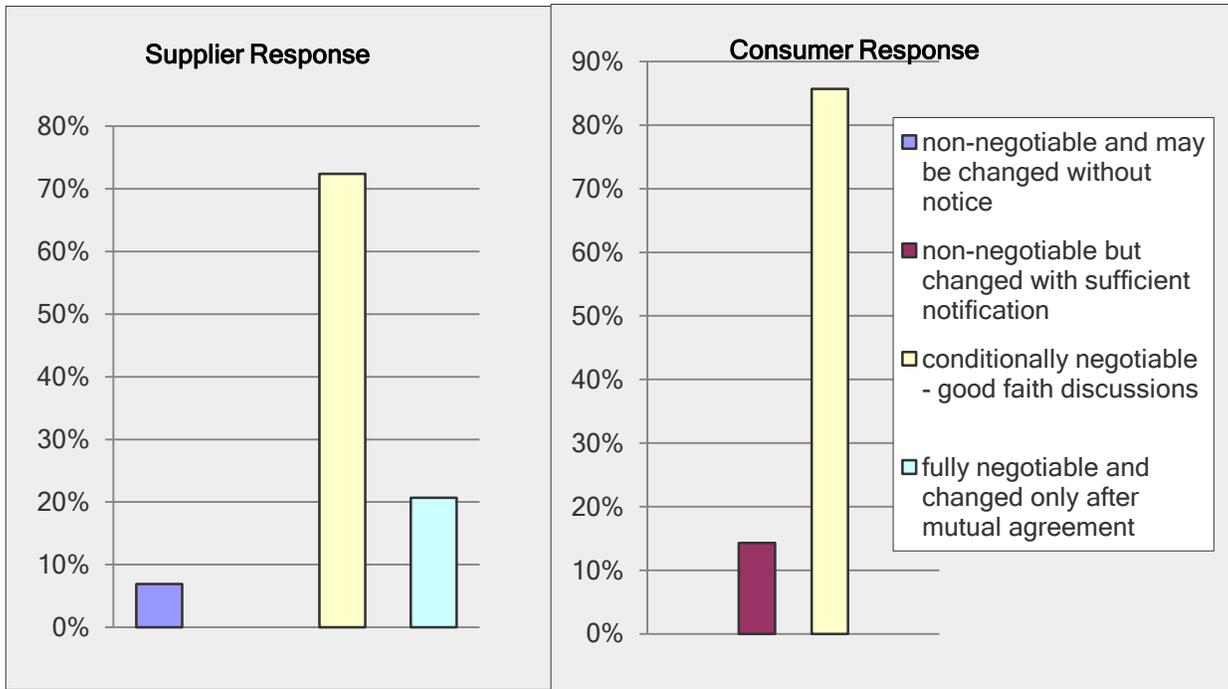
Perception Gap = 21%

Western Region Response Analysis

Negotiations Interface

Harvesting / Trucking Rates (Negotiations Methods Only)

Answer Options	Supplier Response Percent	Consumer Response Percent
non-negotiable and may be changed without notice	6.9%	0.0%
non-negotiable but changed with sufficient notification	0.0%	14.3%
conditionally negotiable - good faith discussions	72.4%	85.7%
fully negotiable and changed only after mutual agreement	20.7%	0.0%



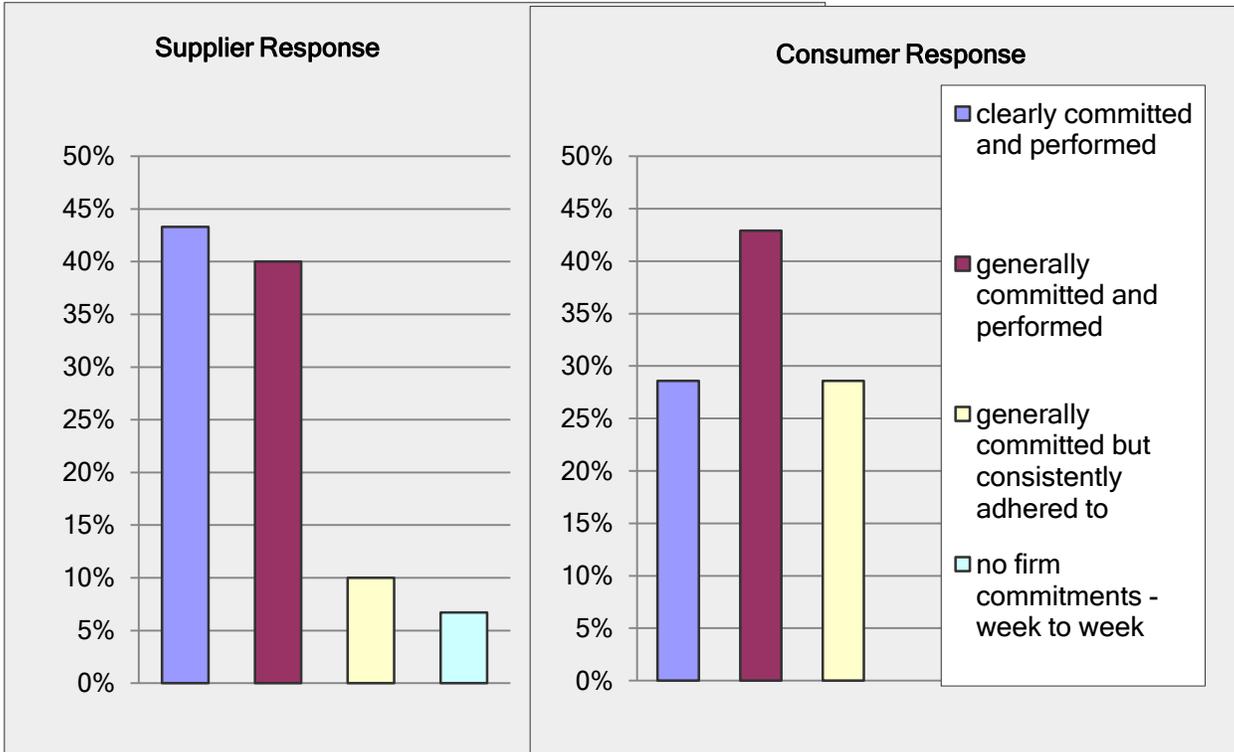
Remarks: There is general agreement from both suppliers and consumers about the nature of the current rate negotiation environment. It is predominantly classified as "conditionally negotiable" by 75% of the suppliers. There is a shortage of logging and trucking capacity in the western Cascades due to the demand in the export log business. However, in the inland areas of the Western Region, negotiations tend to be more non-negotiable or bidding mode.

Western Region Response Analysis

Negotiations Interface

Volumes

Answer Options	Supplier Response Percent	Consumer Response Percent
clearly committed and performed	43.3%	28.6%
generally committed and performed	40.0%	42.9%
generally committed but not honored	10.0%	28.6%
no firm commitments - week to week	6.7%	0.0%



Remarks: This result reflects the more dynamic markets developing in the Western Region primarily on the west side of the Cascades. As logging demand rises, the consumer companies are in transition from depressed markets and logging capacity surplus to a more favorable market situation due to rising export demand and a significant disinvestment in logging capacity over the last few years. The result is that more firm volume commitments are now being offered and it has been positive for the logging industry after some very lean years. Over 80% of the suppliers viewed their situation as having either generally or clearly committed volumes ahead of them. It should be noted that there are some large landowners included in the data and they tend to have more solidly committed volumes from the consumers. There does remain some areas that practice bidding for logging services and a minority of suppliers that operate week to week.

Perception Gap = 15% is not significant.

Western Region Response Analysis

Approximate volume lost by Suppliers annually due to break-down in Negotiations

Supplier Response	Response Average	Response Total
Tons =	4,803.33	144,100

Consumer Response	Response Average	Response Total
Tons =	28,571.43	200,000

Comments on Production Volume Losses:

Example Supplier Comments related to Break-down in Negotiations Statements by Suppliers:

- >Bidding policy by major consumer company on its fee lands - have provided bidding opportunities to non-qualified contractors to drive pricing down - so we have to keep bidding cheaper and cheaper and have no more cash reserves.
- >Bidding practice in pricing - no negotiations When the bidding invitations include unethical contractors creates a real problem ** If I am bidding against ethical and established people = no problem
- >When recession hit - longer term contracts were canceled and volumes stopped
- >One company asked us to cut any employee benefits out of our bid estimates
- >Bidding penalizes you for efficiency Negotiations have been brutal
- >Previously the major consumer companies graded the contractors - but when the recession hit -company went into survival mode - dropped the preferred supplier program - started bidding tracts in place of long-term negotiations and brought back the former loggers they had eliminated.
- >Historically the pricing has been non-negotiable with the company very tight. Now it is conditionally negotiable Due to depressed building products markets
- > Company is sporadic - start, stop, move - most of the item it is really steady * Consuming company promised a fuel adjustment but so far has not been adjusted.
- >Consuming company procurement put everything up to bid last year - which is very hard on the contractors - logging capacity has really suffered
- >Would like to see the company match the cost increases we are experiencing
- > Formerly this contractor had a long-term contract - that the company did not honor - the volume commitment and 2/3 of the volume that was negotiated was taken back and prices were reduced by 50% - so for the last 2 years he has just used up his equipment equity.
- > Negotiations before 2011 was not clear to the logging contractors and interpreted as hard line dictatorial - ended up losing some good logging contractors and truckers.
- > Cannot count on committed volumes due to the changing markets and over-inventory
- >One company tried to back out on a firm contract for tract specific volume and cut the volume by 50% of the committed.
- >Most of the jobs are now being negotiated rather than bid now but were heavy to bid last year.
 - > Consumer Companies have been unreasonable in setting trucking rates - and trucking contractors have left log hauling - costing the logging operations sign cant production.
 - > Contractors are forced to sign the forest practice applications to the state instead of the landowners

Western Region Response Analysis

Examples of Best Practices in Negotiations Statements by Suppliers:

- > One smaller company started negotiating in place of bidding jobs.
- > As the sorts change - you are updated on the spot with current company.
- > Companies that negotiate reasonably and get tracts ahead and we sit down between 2 reasonable people to work out a reasonable rate is how it should work
- > Now - logging capacity is in balance - need logs -so volume commitment is solid.
- > Have good relationship with consumer representative Forester we work with is a good man > > Have mutual trust and respect with the landowning company.
- > We get a contract for one year in advance and you can take it to the bank.
- > Consumer companies are more willing to negotiate - especially for high lead line systems
- > Some companies recognize the added value of the experience, merchandizing skills that the logger brings to the job.
- > Tract by tract negotiations helped and works well.
- > Price each tract and it holds for 30 days and could be extended for another 30 days up or down > > Have a contractor's handbook is issued to all logging contractors

Example of Negotiation Breakdowns from Consumer Mill Procurement

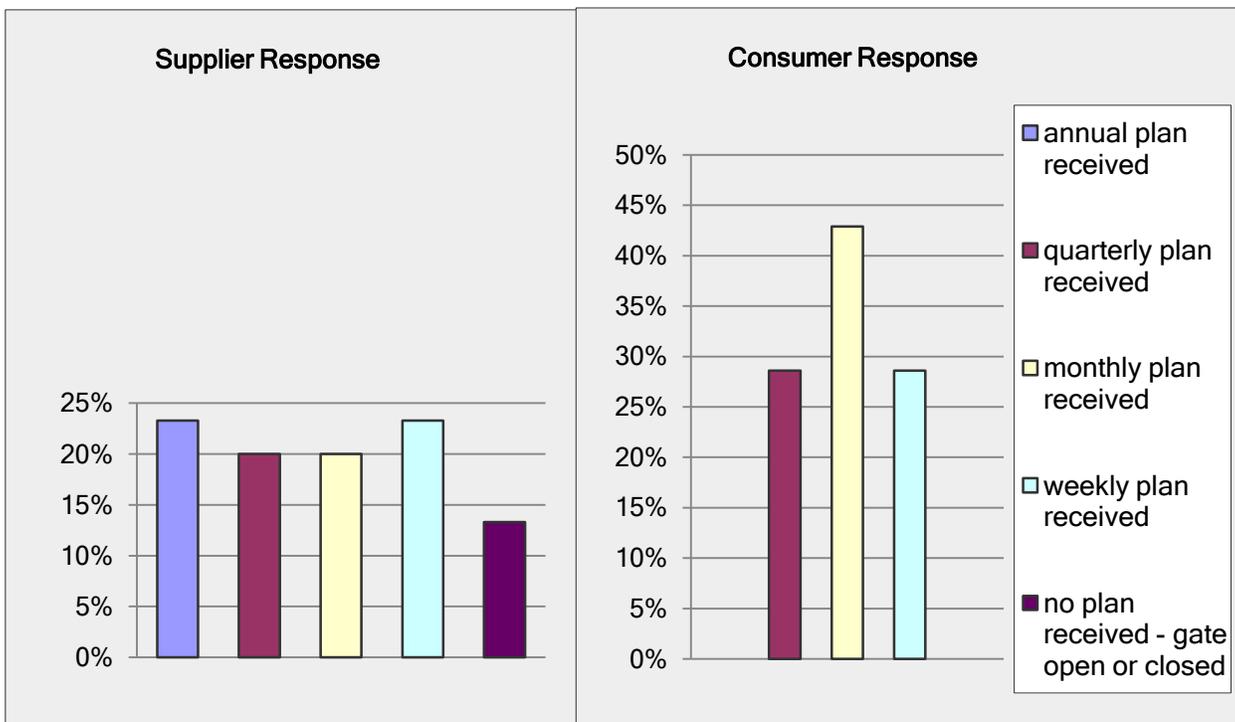
- > Occasionally we cannot get to an acceptable rate for the logging contractor - very few cases
- > Expect our contractors to negotiate for the best price they can
- > Contract structure has so much boiler plate legal language it means nothing to the suppliers.
- > Get call every day - inquiries as to company log specifications - due to multi-species and multi-sorts.

Western Region Response Analysis

Joint Planning Interface

Delivery Scheduling

Answer Options	Supplier Response Percent	Consumer Response Percent
annual plan received	23.3%	0.0%
quarterly plan received	20.0%	28.6%
monthly plan received	20.0%	42.9%
weekly plan received	23.3%	28.6%
no plan received - gate open or closed	13.3%	0.0%
Other (please specify)		



Remarks: The responses in delivery planning differ broadly between supplier and consumers on delivery scheduling. One of the reasons for the wide range of response from suppliers lies in the fact that the "large landowner" is classified as a supplier and they enjoy more annual and quarterly commitments from the consumer mills. The responses from the consuming mills reflect a more typical pattern of delivery scheduling for those suppliers not aligned with a large landowner. Those commitments tend to be quarterly, monthly, and weekly depending on the size of the mill or export yard. It is significant that there is around 13% of the suppliers who fall into the spot market category who have no firm commitments.

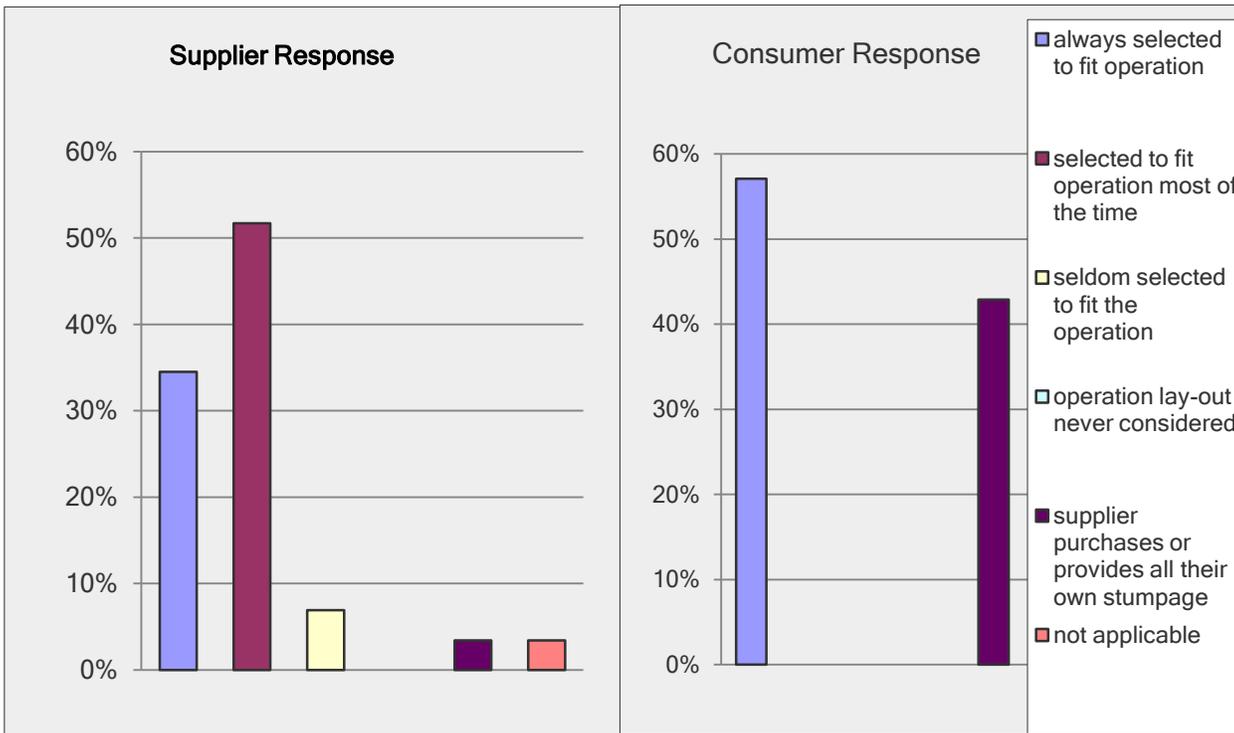
Perception Gap = 23% in weekly delivery scheduling.

Western Region Response Analysis

Joint Planning Interface

Tract Harvest Assignment (if applicable)

Answer Options	Supplier Response Percent	Consumer Response Percent
always selected to fit operation	34.5%	57.1%
selected to fit operation most of the time	51.7%	0.0%
seldom selected to fit the operation	6.9%	0.0%
operation lay-out never considered	0.0%	0.0%
supplier purchases or provides all their own stumpage	3.4%	42.9%
not applicable	3.4%	0.0%
Other (please specify)		



Comments: All of the consumer procurement responses for harvest block selection was that they always consider the logging capability of suppliers in tract assignments. The supplier comments reflected a more reserved response with over 50% indicating the decision to fit their operation happened most of the time. A small minority of the suppliers responded that seldom is consideration given for their equipment capability and in fact they were expected to work areas (mostly steep slopes) largely not suited for their equipment alignment.

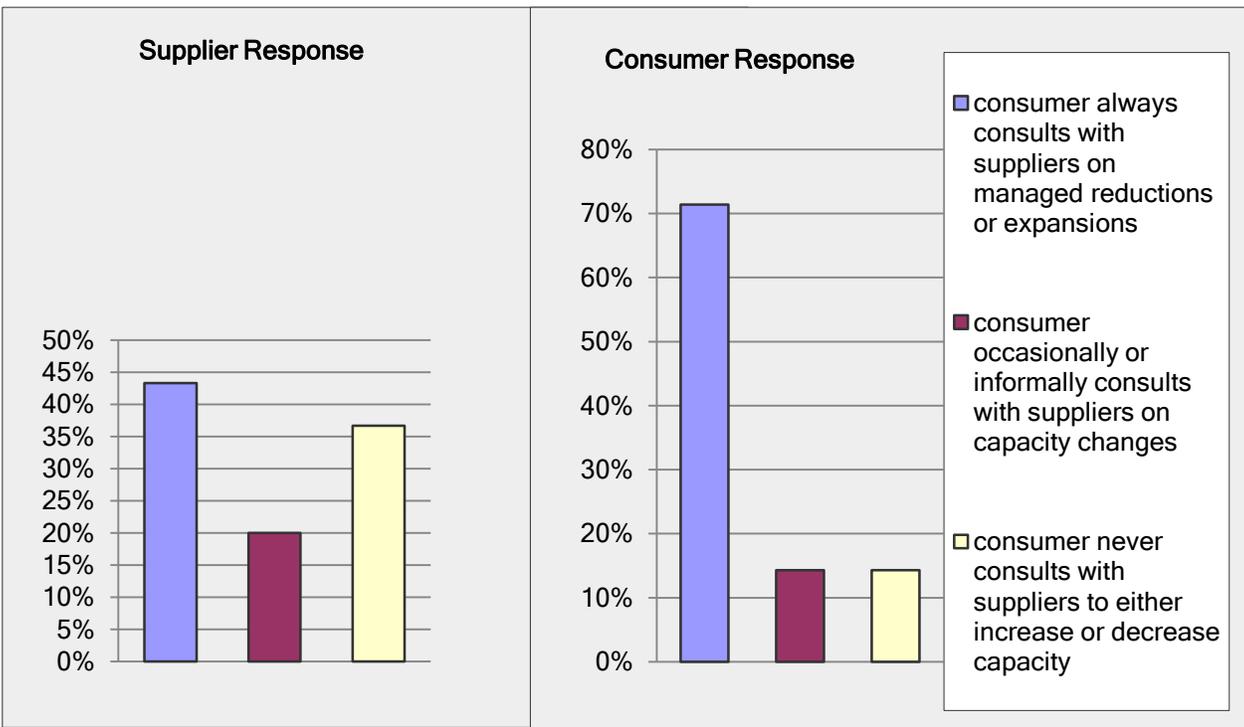
Gap = 52% but not significant

Western Region Response Analysis

Joint Planning Interface

Capacity Addition or Reduction Decisions

Answer Options	Supplier Response Percent	Consumer Response Percent
supplier always consults with consumer representatives	43.3%	71.4%
supplier occasionally or informally consults with consumer	20.0%	14.3%
supplier never consults with any consumer representatives	36.7%	14.3%
Other (please specify)		



Comments: Clearly there is a significant difference in the responses between suppliers and consumer mill procurement. The question asked to the suppliers was -do you always consult with your consumer mill procurement on capacity changes? Only 43% of suppliers interviewed said they would always consult with another 20% indicating they would do so only occasionally or informally. Consumer mill procurement people were asked the same question related to their consultation with suppliers regarding capacity change planning. 70% of consumers indicated they always work with their suppliers in capacity changes up or down. Perhaps a more significant factor in these results are that almost 32% of the suppliers said they never have any capacity consultations with their consumer representatives.

Gap is significant = 28%

Western Region Response Analysis

Suppliers Approximate volume lost annually due to poor planning

Supplier Responses	Response Average	Response Total	Response Count
Tons =	10,466.67	314,000	30

Consumers Approximate volume lost annually due to poor planning

Consumer Responses	Response Average	Response Total	Response Count
Tons =	27,142.86	190,000	7

Examples Provided of Break-down in Joint Planning Statements by Suppliers:

- > Some mills seem to knee-jerk in reacting to inventory changes due to poor planning.
- > Consumer company takes short-cuts on road work and other set-up for harvesting causing loss of production for my crews
- > Bid process negates any planning - have to just assume we will be successful in getting enough tracts to stay
- > Some mills slow down truck unloading at the mills to create a de facto quota.
- > One harvest block was scheduled for winter at 4,000 feet elevation.
- > Sometimes the procurement forester does not properly evaluate the portion of steep slopes in pricing calculations and had to make adjustments
- > Never have more than one tract at a time- generally get 2 - 3 weeks look at the next tract - not enough to really plan ahead.
- > Some contractors are intimidated by the corporate office.
- > Prior to this year, the trucking costs were not separated from the "Loaded on Truck" rate - and caused some delays in getting wood to the mill.
 - > There is very little joint planning from any of the consumer mill companies. - that is used as a negotiation ploy in setting C&H price.
 - > Increasing pressure from headquarters of the landowning company to push contract logging prices down - causing delays in getting approvals for contracts.

Examples Provided of Break-down in Joint Planning Statements by Consumers:

- > Occasionally we have a planning break-down which causes a loss of production or a missed cutting budget
- > No defined-documented plan ahead of the loggers
- > Sometimes contactors fail to disclose that they are moving equipment to another basin
- > Recent long winter and long break-up period - lost some production volumes and took some down-time
- > Not much feedback from the suppliers
- > Uncertainty in the markets - loggers hesitant to commit to anything
- > Fee timber from the REIT he depends on is not as consistent as he would like - impacts advance planning with the loggers

Western Region Response Analysis

Examples Provided of Good Joint Planning Statements by Suppliers:

- > Although there is no written contract - this supplier is provided with stumpage from two large landowning companies that provide 24 months of cut-blocks ahead - has built up trust over the years.
- > Fiber supply agreement provides one year in advance planning.
- > Negotiated two jobs ahead with another company - worked out the details in a professional way.
- > One company does an excellent job of planning with the logging .
- > Consumer company are landowners that prepare an annual schedule of units for 12 months ahead - but no firm contract
- > Not tied to one company -for market diversity -prefer independence .
- > One consumer company has an annual spring meeting with all of its contractors
- > Not bidding any more - when they were bidding - send another package only when almost complete - could be down a month due to the bidding process
- > Work well with the consumer company personnel has an annual sit-down meeting with all contractors - upcoming year's harvest level.
- > Generally keep the contractor's operation on appropriate ground for the season
- > All of the consumer mills are good planners but they are currently driven by whatever sells in a depressed market place.
- > This supplier has diversified his customer base so that he can have flexibility to keep production going . He has also taken steps to diversify his business into contract road construction and contract plowing and other non-logging contracts to supplement his business.
- > Usually have one month to 6 weeks lead time on cut blocks ahead - company does all the road work in advance.
- > One company puts will put motor graders on my job in snow conditions - although it is not in the contract.

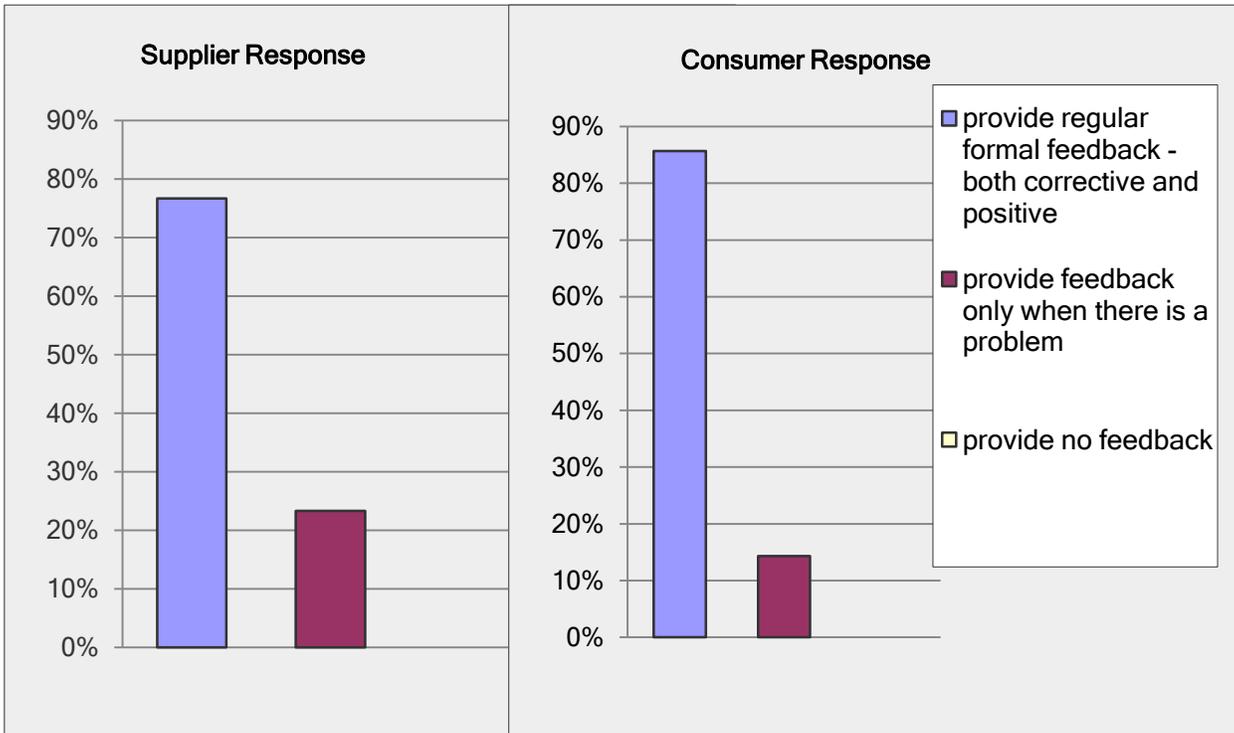
Examples Provided of Good Joint-Planning from Consumer Companies

- > For core logging contractors - we provide a quarterly plan = best practice
- > For the tract by tract - we provide a monthly plan. Each district has an annual plan ->put all operations into a monthly plan.
- > The array of units selected fit the various logging contractors they have.
- > Cut and haul loggers always consult with consumer company
- > Conduct an annual spring meeting with logging contractors to conduct joint planning - mostly informational in nature.
- > We meet together with company REIT managers and do joint forecasting for deliveries into the sawmill on annual basis.

Western Region Response Analysis

Feedback Interaction

Response Options	Supplier Response Percent	Consumer Response Percent
provide regular feedback -both corrective and positive	76.7%	85.7%
receive feedback only when there is a problem	23.3%	14.3%
receive no feedback	0.0%	0.0%
Other (please specify)		



Comments: Feedback for contract compliance to the suppliers response was very similar from both suppliers and consumer mills. Both sides (77% to 86%) indicated clear feedback that was generally documented for both log quality. There was a slight difference between 23% of the suppliers who said they only received feedback when there was a problem against 14% of the consumer sample that stating they provided feedback only when there was a problem.

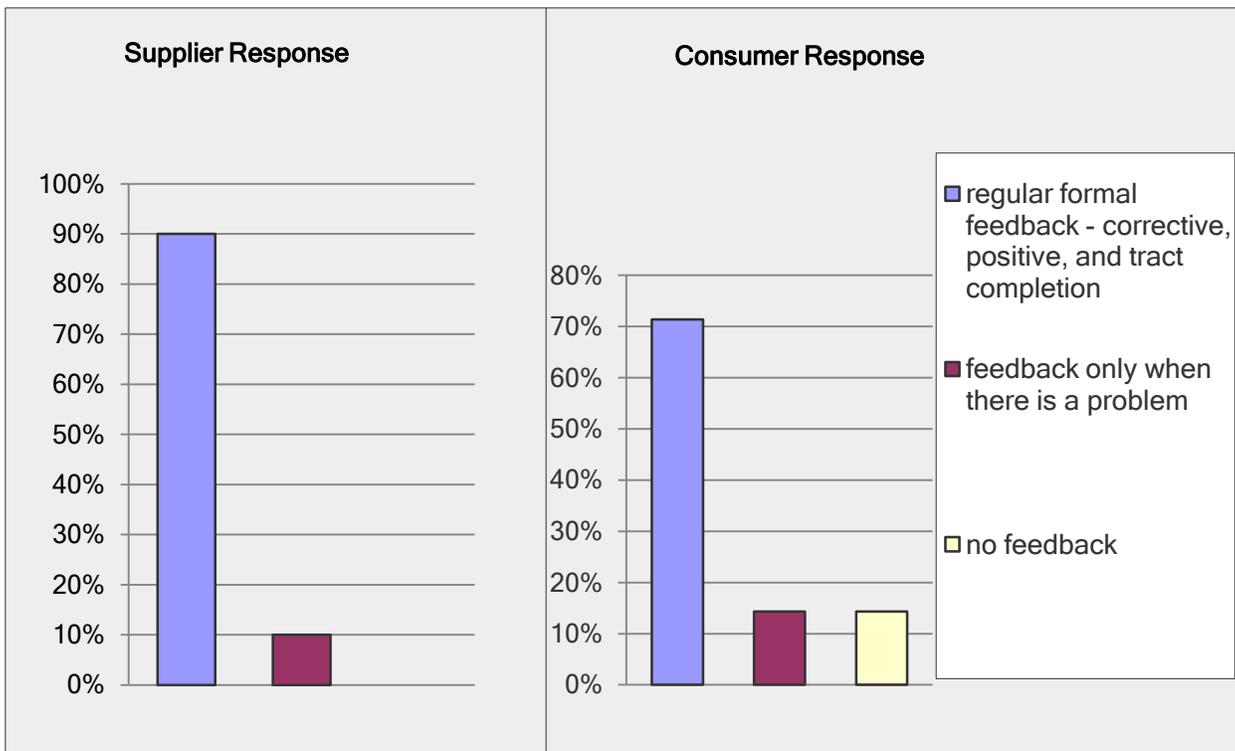
Gap = 9% or not significant

Western Region Response Analysis

Feedback Interface

Harvesting Quality

Answer Options	Supplier Response	Consumer Response
receive regular formal feedback - corrective, positive, and	90.0%	71.4%
receive feedback only when there is a problem	10.0%	14.3%
receive no feedback	0.0%	14.3%
Other (please specify)		



Comments: There is a significant difference in comparing the responses between suppliers and consumers in regard to harvesting quality feedback. But the difference can be explained by the supply structure in the West. The large landowner suppliers are responsible to the state for the forest practice regulations along with certification. Therefore they consistently inspect and are inspected by the state forestry compliance agencies and therefore are always provided with documented feedback. On the other hand the consumer mills only have responsibilities on stumpage they purchase directly on private or public lands.

Western Region Response Analysis

Approximate volume lost annually due to poor feedback from Suppliers

Supplier Responses	Response Average	Response Total
Tons =	166.67	5,000

Approximate volume lost annually due to poor feedback from Consumers

Consumer Responses	Response Average	Response Total
Tons =	.00	

Examples of poor feedback - Supplier Remarks:

- > Occasionally - someone has not communicated a problem in a timely manner and causes minor disruptions.
- > No financial incentives for good quality work from most mills - only hear about it if there is a problem > No positive feedback - but the contractor provides reinforcement for the crew
- > No monetary incentives ** need more positive feedback - our guys really try hard and they don't get enough recognition.
- > Company took the quality bonus away - that would really help
- > Sometimes they talk down to contractors -- Respect-Trust??
- > Never get positive feedback on harvest quality or no recognition for extra good log quality with no incentive for excellence.
- > Consumer company formerly rated their contractors - but dropped the rating over the last 5 years and started bidding process.
- > One mill customer provide very slow feedback - supplier get's surprised when settlement sheet shows excessive culling.
- > Supplier feels that training and SFI is a joke

Examples of poor feedback - Consumer Remarks

- > Incentive for extra good log quality dropped
- > Contractors have let Road maintenance has fall behind
- > Some contractors have been terminated due to poor performance
- > Sometimes there is a delay on corrective feedback from procurement - this sometimes results in an accumulation of bad wood on the yard.

Examples of Good Feedback or Best Practices from Suppliers

- > Customer consumer companies provide a strong safety emphasis and excellent feedback that is very helpful to him.
- > Meet with all the larger consumer mills periodically - to discuss issue - and to develop delivery plans - usually have adequate communications via phone the instant there is a problem.
- > Get a report every week from one of the mill in reference to log quality -documented and recognizes above average work.
- > State inspects harvest quality along with consuming company foresters
- > Monthly reports are helpful ** Doing an excellent job give us the opportunity to be the low bidder o the next job.
- > One company is trying to develop a contractor evaluation system along with an accident report
- > One company has log quality sessions at the mill with the last month
- > Inspection on site are informal but adequate 90% of the time, the state contract administrator present for

Western Region Response Analysis

Examples of Good Feedback of Best Practices from Consumers:

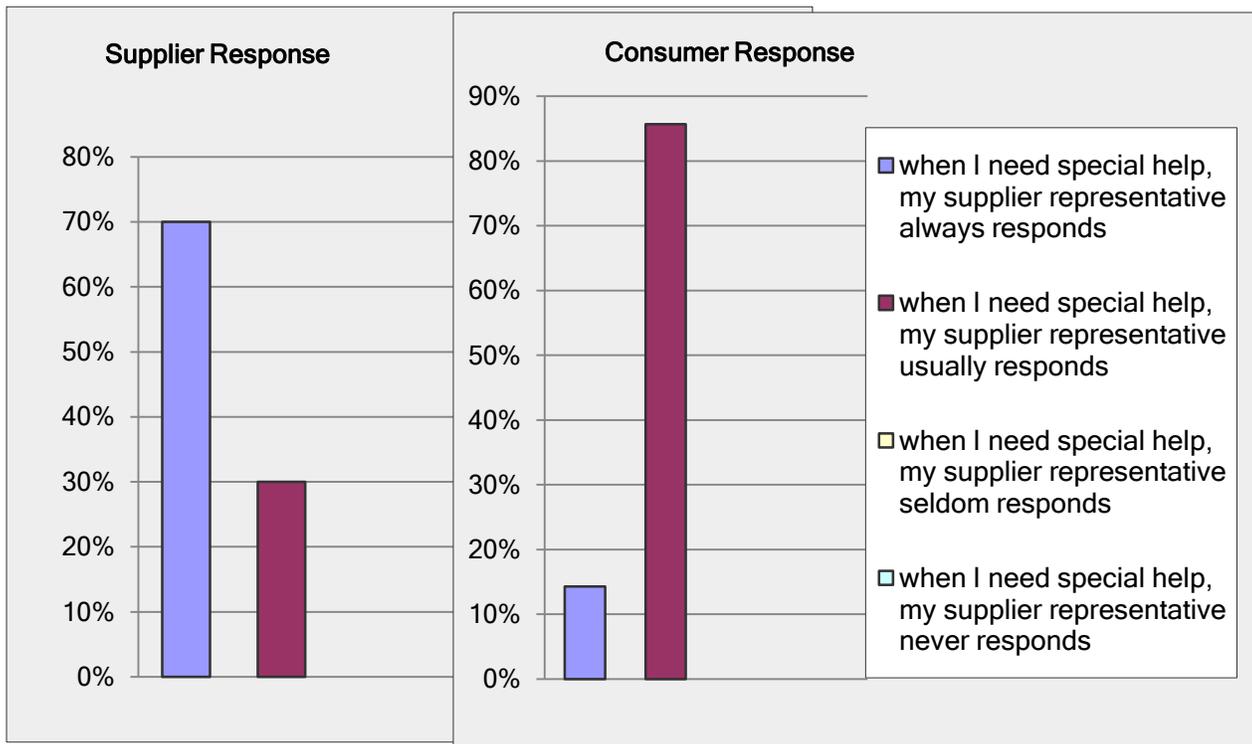
- > Consumer Inspector carries out inspection reports - sorting, delivery performance, log quality, and harvest quality all documented - how loggers are doing - on per setting basis to the harvest managers.
- > Additional log quality auditors are on site all the time helping the loggers get better utilization and merchandising.
- > Provide instant feedback on gatewood loads
- > Contractors -Receive weekly reports - % of down grade - how many loads received and total volumes
- > Pay on-spec basis - get formal quality support - working on development of a bonus system to pay for quality
- > Annual individual contractors reviews to support decisions to add or take away production.
- > Also have annual meetings with all the contractors. Pre-harvest check as well. Company conducts random samples for harvesting compliance - contract field audits are done randomly on cut bolts and merchandising performance. Minimum of 3 written reports on each job - now documented
- > Encourage state to provide BMP compliance training.
- > Consumer company is currently inviting log suppliers to the mill to see how certain log manufacturing problems impact mill productivity and downgrade on a quarterly basis.

Western Region Response Analysis

Problem Solving and Communication interactions

Operational Issues

Answer Options	Supplier Response	Consumer Response
when I need special help - always responds	70.0%	14.3%
when I need special help - usually responds	30.0%	85.7%
when I need special help - seldom responds	0.0%	0.0%
when I need special help - never responds	0.0%	0.0%
Other (please specify)		



Comments: There is clear difference in Responses on this subject. The suppliers (70%) said their procurement representative always respond s when they needed special help. On the other hand, the consumer procurement participants nearly always (86%) said that when they needed special help, the suppliers usually respond. The interpretation here is that there are a some situations in which the consumer procurement people felt the response from the suppliers were less than it should be. The hesitation on the part of the consumers is based primarily on emergency low inventory or special product runs in the mills that required an immediate response from the suppliers. There is room for improvement .

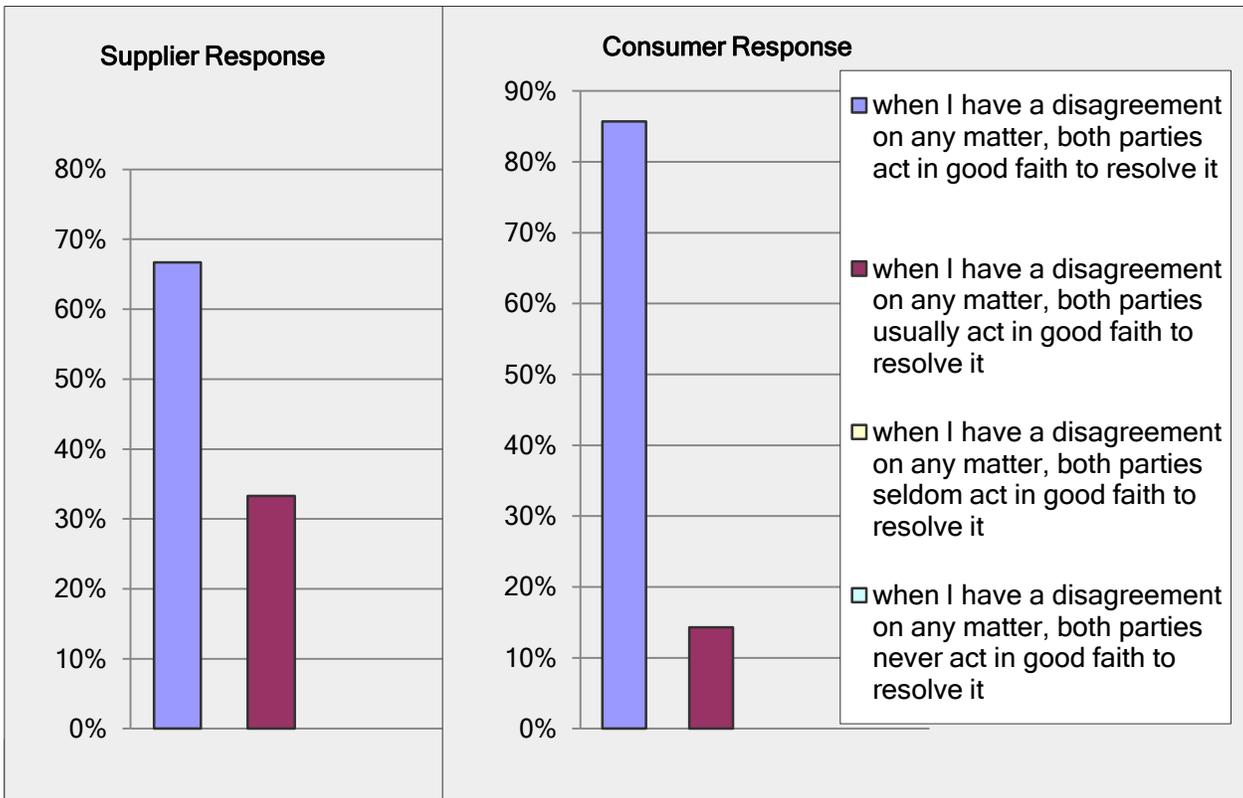
Gap = 56% in terms of responding to special needs from the suppliers as always respond compared to consumer perception of **usually** receiving a satisfactory response from their suppliers.

Western Region Response Analysis

Problem Solving and Communication interactions

Disagreements

Answer Options	Supplier Response	Consumer Response
Disagreement - both parties always act in good faith	66.7%	85.7%
Disagreement - both parties usually act in good faith	33.3%	14.3%
Disagreement - both parties seldom act in good faith	0.0%	0.0%
Disagreement - both parties never act in good faith	0.0%	0.0%
Other (please specify)		



Comments: There was a slight difference in the way both suppliers and consumers view the handling of disagreements. It is clear that both agree in that all disagreements are handled in good faith by both parties. The difference is only in the classifications between always and usually. 30% of the suppliers responded by "usually" that may be due to their perception of deferring to the customer in the relationship.

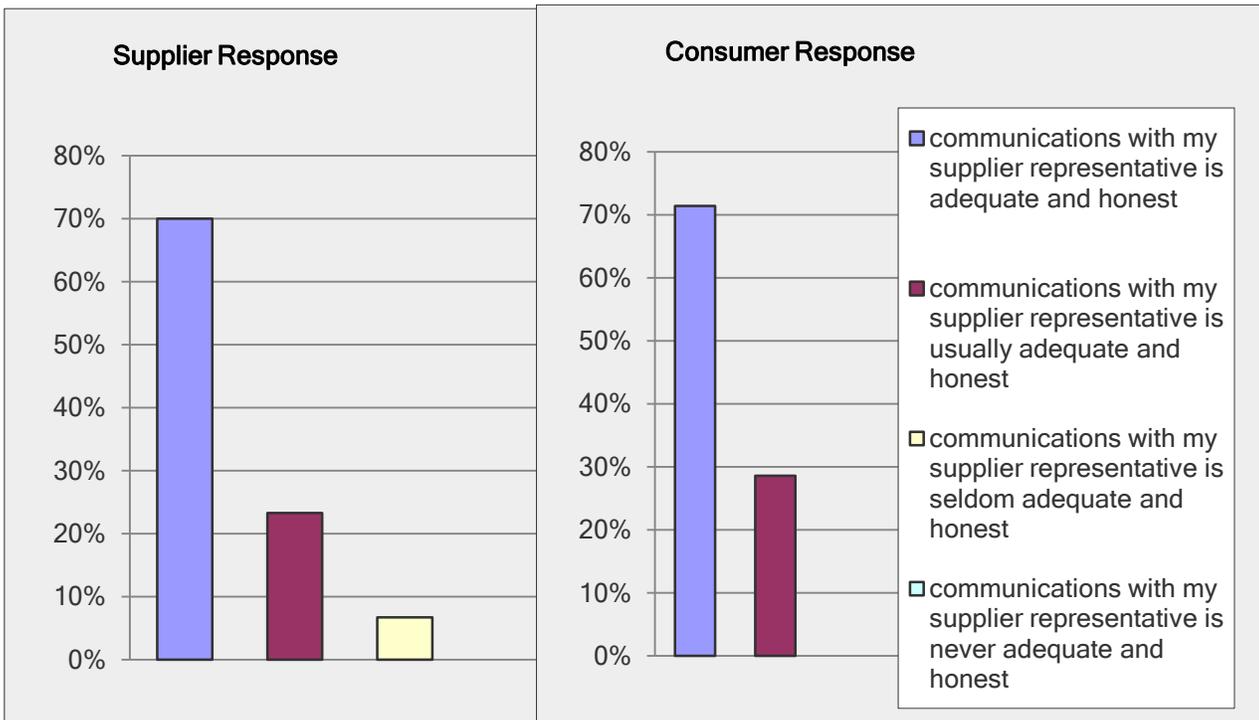
Gap = 16% in terms of problem solving with both parties acting in good faith. Not significant.

Western Region Response Analysis

Problem Solving and Communication interactions

Communications Interface

Answer Options	Supplier Response	Consumer Response
communications - adequate and honest	70.0%	71.4%
communications - usually adequate and honest	23.3%	28.6%
communications - seldom adequate and honest	6.7%	0.0%
communications - never adequate and honest	0.0%	0.0%



Comments: The highest proportion of (70% to 71%) both consumer and supplier respondents classified communications as **always or usually adequate and honest**. However there were some 7% of the supplier respondents who rated communications as **seldom adequate**. Some of those suppliers that rated the communications as poor tended to be smaller operators working in remote locations.

Gap = No significant gap

Western Region Response Analysis

Problem Solving and Communication interactions from Suppliers

Approximate volume lost annually due to poor problem solving and/or communications

Supplier Tonnage Estimates	Response Average	Response Total
Tons =	400.00	12,000

Approximate volume lost annually due to poor problem solving and/or communications

Consumer Tonnage Estimates	Response Average	Response Total
Tons =	7,142.86	50,000

Examples of Remarks from Suppliers related to Poor Problem

Solving/Communications:

- > Some mill customers have to be watched - check on their truthfulness
- > One contract administrator has the personality of a stump and on an ego trip - talks down to us - occasionally have to go over his head.
- > Rock requests is really a problem due to austerity moves and lack of staff
- > Sometimes you would like to have more feedback and discussions with the consumer
- > One consumer company does not allow Saturday logging deliveries and this hurts logging production
- > Would like to see the local guys have more power in decision making
- > Had a big job when fuel was spiking but front-line procurement could not make a correction
- > The logging contractors have had to go through reams of environmental regulations - we are able to solve our own problems - often times we know more than the procurement foresters.
- > Trucking issue - due to the company taking a hard line.
- > Would like to receive more updates from the consumer mill companies on performance.

Examples of Remarks from Suppliers related to Positive Problem

Solving/Communications:

- > The consumer company conducts a bi-monthly meeting with all suppliers, loggers, cutters, and road contractors - all issues are handled in a business like manner.
- > Most are very communicative
- > One situation when they needed to move some specialty products - they really helped on the rates.
- > People we deal with are competent and professional - good to deal with.
- > Fact that this contractor is able to call the GM of timberlands - the way it should be done.
- > Consuming company does primary road work and contractor does close-out and road deactivation work.
- > Finally - senior procurement manager made an immediate correction.
- > Excellent working relationship with procurement The procurement foresters work with you as best they can - do what they can do Negotiate a price - if one or the other has made a mistake - rate too low - company has gone back and made an adjustment. When we receive good communications about a solution and it is approved - we tell the contractors what we are doing to fix it
- > The logger and the company resolved a cull issue by getting the state contract administrator to make adjustments on some heart rot issues - turned into a win-win.
- > Really works pretty well routinely
- > Logging on USFS stewardship sale - logging contracted needed to get extra loads in - Consumer company accommodated him even though they did not need the logs at the time.
- > Consumer mill representative admitted that he was mistaken and apologized.
- > All companies respond well - good people to work with

Western Region Response Analysis

Examples of Remarks from Consumers related to Negative Problem

Solving/Communications:

- > Sometimes the loggers forget to inform us of something important.
- > Sometimes we get surprises from the loggers
- > Some of the logging contractors are fractious by nature
- > Occasionally - destination communications fail to get to the contractors on a timely basis.
- > Need to get more feedback from the logging contractors - they are not communicative enough.
- > Sometimes suppliers fail to communicate adequately or don't tell the whole truth.
- > Contractors have expectations but will do what we want them to do.

Example of Remarks from Consumers related to Positive Problem

Solving/Communications:

- > Have annual meetings + individual meetings + on site visits at least every other week.
- > Company holds monthly internal planning meeting with mill management for 2 to 4 hours for good communications.
- > Company has high log load order consistency and a steady market.
- > Provides constant communications to the suppliers. Quality of logs has increased 100% to high 90's based on good communications and training of the suppliers.

Western Region Response Analysis

Estimated Impact of Break-downs in Relationship in Terms of Productivity

INTERACTION AREA	TOTAL TONNAGE REPORTED	AVG/SUPPLIER
Negotiations	144,100	4,803.33
Planning	314,000	10,466.67
Feedback	5,000	167
Problem Solving and Communications	5,000	400
Annual Total Lost Prod.	468,100	15,837
Total Sample Production	7,101,000	236,700.00
Loss Percent of Sample Tot.	6.6%	6.7%
Approx. Total Western Production (Green Tons)	81,000,000	

Comments:

The total lost production annually estimated by suppliers interviewed in the Western Region totaled 468,000 tons. This represents 6.6% of the total sampled production of 7 million tons. It should be noted that suppliers sampled includes 4 TIMO/REIT organizations. But this table does serve as an indication of the magnitude of production loss between the entities due to break-down in negotiations, joint planning, feedback, and communications. If the sample of 7 million tons was considered an adequate sample for the total Western production (it is not) then the volume implications are huge. If the data could be extrapolated to an average supplier to the industry it would represent over 500 loads of logs annually. The point of this table is that supplier-consumer relations are not just about feeling good about each other. It is about making the supply chain more efficient and impacting costs in a significant way. Improved supplier-consumer relations has the potential to improve throughput of the suppliers by several million tons resulting in a significant improvement of financial performance to the logging operations and ultimately to the supply chain efficiencies. It is also clear that there are significant best practices that are illustrated in the remarks sections. Some consumer companies are working hard to maintain good relationships with their suppliers and loggers that was reflected in the interviews.