



Hardwood Federation - September 2022 Newsletter

From the Executive Director: Federation Partners with Farm Bill Allies, Identifies Priorities

The Hardwood Federation team is preparing for the next Farm Bill, joining forces with coalitions to leverage the Federation's top ag priorities. This includes the "Forests in the Farm Bill" (FIFB) Coalition, a group that convenes every five years to help shape forestry, biomass energy and forest products policy as part of the larger Farm Bill package. This year, HF is serving on a FIFB subgroup to explore programs within the farm bill to increase demand for forest products. The Federation is also participating in the Forest Climate Working Group's (FCWG) efforts to identify common forest related priorities for inclusion in the Farm Bill. FCWG also represents a diverse group of participants focused on forests and forest products as a solution to climate challenges. In addition to the FIFB and FCWG, we are working with our colleague organizations that rely on and support the Market Access and Foreign Market Development programs.

In addition to leveraging partnerships with other industry groups on shared objectives, the Federation is developing an internal list of priority programs that could be memorialized in the 2023 legislation. Some of these include:

- Maintaining or increasing funding for export promotion programs administered by the U.S. Department of Agriculture.
- Including hardwood products in federal carbon accounting systems and programs.
- Improving U.S. Forest Service capacity to manage federal lands, including meeting regional timber harvest objectives and funding of state and local partnership programs.

- Maintaining or increasing funding for the Wood Innovation Grant programs and include specific hardwood projects.
- Maintaining programs that promote biomass energy and the deployment of heating and power systems that rely on wood-based biomass fuel.
- Supporting programs that incentivize private woodland owners to keep forests as forests.

Issues:

Ag Exports Gain Bipartisan Support

On September 23, Senators Angus King (I-ME), Joni Ernst (R-IA), Tina Smith (D-MN), and Chuck Grassley (R-IA) introduced the [Cultivating Revitalization by Expanding American Agricultural Trade and Exports \(CREAATE\) Act of 2022](#), which would double funding for USDA's Market Access Program (MAP) and Foreign Market Development (FMD) Program. Both programs are critical to expanding global market access for U.S. produced agricultural exports, including hardwood products. There is limited time on the current Congressional calendar to move the bill forward before the end of the year, but the hardwood industry remains optimistic that because a bipartisan group of senators agrees on the need to increase support for international agricultural market development, this bill will be reintroduced when a new Congress convenes in January.

Fortunately there is data to back-up industry objectives. According to a [study](#) by IHS Markit Consultants and Texas A&M University, doubling the funding for these programs would generate an additional \$44.4 billion in U.S. agricultural exports over the 2024-2029 time period.

Bipartisan Forest Management Bill Introduced in the Senate

In more positive, bipartisan news from the Hill, on September 21, Senators Joe Manchin (D-WV) and John Barrasso (R-WY) introduced a [bill](#) to improve forest restoration and hazardous fuels reduction efforts at the Forest Service and BLM. The bill requires federal agencies to double the number of acres thinned mechanically by 2025, using 2017 to 2021 as a baseline, and quadruple the number treated by 2027. As with the bill noted above, there is limited time to move this proposal forward, however chances are good it will come back in 2023, perhaps as part of the Farm Bill negotiations. To view a summary of the bill, please [click here](#).

Sen. Manchin Energy Permit Reform Bill Shelved – For Now

When Sen. Joe Manchin (D-WV) unveiled his energy permitting proposal on September 21, officially known as the Energy Security and Independence Act of 2022, he had planned to attach it to a Continuing Resolution (CR) or stop-gap spending measure that Congress passed on September 30 to fund federal operations through December 16. This was the agreement he reached with Senate Majority Leader Chuck Schumer (D-NY) and House Speaker Nancy Pelosi (D-CA), in exchange for his support for the Inflation Reduction Act, delivering the final vote which pushed the bill over the finish line in August. As the clock began ticking toward the end of the fiscal year on September 30, it became clear that attaching the permitting measure would derail the stop-gap funding bill, as members of both parties in both chambers expressed concerns.

To increase the likelihood of future success for what he sees as important permitting reforms, on September 28 Mr. Manchin requested that Senate leadership remove his language from the broader bill, paving the way for passage of the stop-gap funding bill. That said, the Manchin proposal drew criticism from both sides of the aisle. Many Democrats characterized the package as a “give-away” to the oil and gas sector, giving the greenlight for a major natural gas pipeline. Republicans, on the other hand, criticized the measure for including provisions that would do little to streamline reviews for environmental permits. To view a summary of Sen. Manchin’s Energy Security and Independence Act, please [click here](#).

Fish/Wildlife Service Moves on Tri-Colored Bat Regulation

On September 13, the U.S. Fish and Wildlife Service proposed to list the tricolored bat as endangered under the Endangered Species Act, as a result of major population decreases caused by white-nose syndrome. The proposal could lead to new rules expanding buffer zones within the bat’s habitat and seasonal restrictions on forest management practices. USFWS will accept comments on the proposal through November 14, 2022. The Hardwood Federation will offer comments similar to those submitted regarding similar action on the Northern Long Eared Bat.

USTR Extends China Tariffs Pending More Review

On September 2, the United States Trade Representative (USTR) announced that Section 301 tariffs on China would continue, pending further review of the trade sanctions, which cover various types of flooring, plywood and mouldings. In May 2022, USTR kicked off the statutory four-year process to review China tariffs by notifying industry reps of the possible termination of the tariffs and opportunity for industry to request continuation. Because USTR received more than 400 requests for continuation, the tariff actions have not

terminated. USTR will provide details on the next steps in the four-year review process in subsequent notices.

Railway Carriers and Unions Avoid Major Transportation Shutdown

On the heels of yet another unsettling [inflation report](#) released on September 13, the hardwood sector and broader business community dodged a bullet on September 14 when railway carriers and unions reached a tentative labor deal, avoiding a strike that would further disrupt already-stressed supply chains. The [framework](#) extends the so-called “cooling off period” to iron out the details and delivers one of the union’s key demands, a 24% pay raise for workers over a five-year period, a key point brokered by the Administration which intervened in discussions. During the days leading up to the agreement, industry groups including the U.S. Chamber of Commerce, [chemical makers](#), and the Hardwood Federation and a group of allied associations drafted letters urging Congress to take steps that would fast-track a settlement.

HFPAC Sprints Toward Mid-Term Elections

With Congress in session these past two weeks, HFPAC has been making the rounds, supporting a bipartisan group of incumbents who sit on important committees that oversee key industry issues, ranging from carbon captured in hardwood products to small business taxes. The congressional roster includes Sens. Chuck Grassley (R-IA), Ron Wyden (D-OR), Maggie Hassan (D-NH) and Lisa Murkowski (R-AK). The House-side line-up includes Reps. Carol Miller (R-WV), David Kustoff (R-GA), Abigail Spanberger (D-VA), Larry Bucshon (R-IN), Buddy Carter (R-GA), Peter Welch (D-VT), Rick Allen (R-GA), Earl Blumenauer (D-OR), Troy Balderson (R-OH) and Joe Neguse (D-CO).