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| **Hardwood Federation – January 2024 Newsletter** |

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| **From the Executive Director: *Campaign 2024 is in Full Swing. Spotlight on the Farm Bill, How You Can Take Action!***  As everyone is aware, 2024 is an election year. Each and every one of the 435 seats in the U.S. House of Representatives are up for grabs as are 34 Senate seats. Returning members, their opponents and candidates running for open seats, will all be hitting the campaign trail trying to speak to as many constituents as possible. Don’t be caught short if you run into a 2024 hopeful. The Hardwood Federation has talking points on multiple topics you can access.  The Farm Bill includes a forestry title that impacts the U.S. hardwood industry in multiple ways; it is reauthorized every five years. The bill was scheduled for action last year but was deferred until 2024.  Below are several key legislative items the Hardwood Federation is supporting related to the Farm Bill. Many of these were initiated in 2023 and will continue this year.  In most cases, we have already provided recommendations and language to make sure hardwood is included and reflected in program benefits, but we need your voice to support Hardwood Federation requests we have already sent to House and Senate offices to include these measures as part of the final Farm Bill package.  Please encourage candidates to support the following potential provisions in the Farm Bill:  Hardwood Export Promotion Funding – Securing funding for export programs that support the hardwood industry is always at the top of our Farm Bill list. The Hardwood Federation strongly supports the bipartisan Agriculture Export Promotion Act of 2023 which would essentially double the funding for the MAP and FMD programs that fund AHEC operations.  Budget constraints will make it tough for doubled funding to pass, but the Federation continues to advocate aggressively for continued funding for both programs at increased or current levels.    Timber Innovation for Building Rural Communities Act – This bipartisan, bicameral bill, sponsored by Senators Wyden (D-OR) and Crapo (R-ID) and Reps. Salinas (D-OR), Gluesenkamp Perez (D-WA) and Duarte (R-CA) could be folded into a final Farm Bill.  The proposal includes several positive provisions for the industry including establishing a USDA platform measuring, collecting, and sharing data related to the carbon benefits of wood products, and recognizing the value of carbon reduction and environmental benefits of wood in building design and furnishings in USDA grant programs.  Jobs In the Woods Act –This fall, Senate and House members introduced the bipartisan  [“Jobs in the Woods Act.”](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Fu19539728.ct.sendgrid.net%2Fls%2Fclick%3Fupn%3D-2B73de0dREQUDGWQfTM3mhqADtTxt-2B4CwONRxTZY9c3UgK7TkwG3Tsn0SI6wNB4m-2FFvPDAd9sMmQDZcUlYCvlj2Jjessux2Ph9K-2BIiMfiKGIqD3HR9chHvcjKFX4ClwXiURGN_DfShkWCAhoLGP-2FJNrdlPJdV-2FLULhdq7A2Mns4NO8kAbKoy2hBWCjup-2FdSJ4mtav3QZgwkC4yOhBCK4lj-2B12aQnuWZtOhSeMUpcK83NBGhF5Rb-2BNNDBmxxLZN3NSYTwbsyfGslqCbpTpMwkwt-2F6kZdmHcgvX2MUdMla8Eg3ZK3Z1dzz3POpLGB0L2ZMBwYWXc5HBZB-2FLD0CAOzdZIe0hlBpi3EwFRbxWVNKCVc5wy5qr9de3w5Y4nOXALgQerrEWHrvU7rnM7UHnLiPw-2F8DRAJbrlFdFAhfUyyzIEmP3npeyKSPxTtp5Ww-2F0Ho8AzSTikRJPccmghBFMivY8AQLU-2BxzGYWIDgDh1L6UsPZ86d7UXZALh50ovEYzZx7vq2EK1P-2FUwtmX42BkBOx-2Bqv8WxyHMsO3vk-2F9qor2FAHfR89m391KzodVRIzWD1nIzmNFHM0tZt7dd51IpRO8kK6Phjz8EpfkZA1V5CuklweAOe6b6mdXr7Z3fmfPoUkZNmbX7OCLPYSMEoB8s9ei8Veezv8F7NXJjjM0kP0ixJf95bggxs18ScSGrl3NZkSKNeqx1yfJbnedBIRhy3RMRKzAzoQzverxkxyHRYc5ST7E9rRUjT0W26rMNkxLCAkxP1HfrEtiDAIjoEpOrnFxP48acVrcQ-3D-3D&data=05%7C01%7Cbryan.brendle%40hardwoodfederation.com%7Cb3473008c23643278b4308dbd0b1fad1%7C21432cc7b4084b2d92409f556e3dd6cb%7C0%7C0%7C638333235080724371%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=nA%2BA5nJkNe79cg%2Fw0N1qS597QvlCrs81to%2FnM%2FX7tMw%3D&reserved=0) (H.R. 5344, S. 3063), a bill that would provide education grants ranging in size from $500,000 to $2 million to promote jobs in the understaffed timber industry and U.S. Forest Service. Legislative champions include Reps. Chavez-Deremer (R-OR) and Gluesenkamp-Perez (D-WA) on the House side and Sens. King (I-ME) and Risch (R-ID).  Another bill that could potentially be included in the Farm Bill is the Hardwood Access and Development Program. For details related to this important legislative milestone for the hardwood sector, see the full article below.  **Issues:**  ***Bipartisan House Lawmakers Introduce Hardwood Products Access Bill***  In late December, Reps. Tom Tiffany (R-WI) and Annie Kuster (D-NH) formally introduced The Hardwood Access and Development Program Act, a hardwood industry-specific bill intended to grow demand for hardwood products. The bipartisan legislation, if passed, would authorize grants totaling $25 million over a five-year period and fund proposals that bolster domestic industry efforts and research that directly supports end-user information on the benefits of hardwoods. With a House bill in hand, the Federation team is focusing on finding sponsors for a companion bill in the Senate.  Although fiscal constraints will make it very difficult to move HAP legislation as part of the farm bill, the legislation will serve as a high-profile vehicle to educate Congress on the benefits of hardwood products.  This will lay the groundwork for enactment in future years.  You can support the industry by contacting your U.S. representative today and [sending a letter](https://mstr.app/da3bcdb3-e93e-4c5c-9ae1-a6d84058748f) urging more co-sponsors for H.R. 6880.  ***Farm Bill Facing More Hurdles in 2024***  Although much is at stake in this year’s farm bill, many factors are converging to create even more uncertainty related to progress on the massive bill in 2024. Although House Agriculture Committee Chair GT Thompson (R-PA) has talked about bringing a bill to the Agriculture Committee in March, the protracted budget debate and related funding measures now running through March 1 and March 8, per the two-tiered Continuing Resolution (CR) passed in late 2023, threaten to push other legislative priorities, including the farm bill, further up the calendar. Then there’s the price tag attached to the massive bill, which could run as high as $1.5 trillion, that will cause many House Republicans to dig in on issues such as nutrition assistance and other costly items. This could cause a stalemate with the Senate, resulting in protracted negotiations. All these hurdles have led to speculation that Congress may not take up the farm bill until after the election, allowing incumbents from both parties to avoid making difficult votes prior to November. 5. The Federation will keep you posted on developments as they unfold.  ***Federal Government Gives Boost to Red Oak in Military Vehicles***  The General Services Administration (GSA), an agency charged with delivering support services such as transportation across the federal government, has issued a notice designating red oak as the material of choice for floorboards and cargo beds in military vehicles. The boost for hardwoods arrived in the form of a November 27, 2023 [Commercial Item Description (CID)](https://quicksearch.dla.mil/qsDocDetails.aspx?ident_number=285344) entitled “Hardwood: Floorboards for Military Vehicles, Trailers and Platforms.” The goal of the CID is to replace hardwoods sourced from endangered tropical forests with Northern Red Oak, which the agency characterizes as having “the least concern for extinction.” The GSA’s actions will not only grow demand for hardwood products, but it also underscores the benefits of forest management by designating Northern Red Oak in a category that’s effectively described as sustainable.  **Congress Moves Tax Package**  In a surprise development in the House, Speaker Johnson (R-LA) confirmed this week that he would move a package of pro-business tax cuts under expedited procedures - with a vote given the greenlight for later today - to limit debate and demonstrate that two-thirds of House lawmakers support the bill. As reported earlier, on January 16, House Ways and Means Committee Chairman, Rep. Jason Smith (R-MO-08) and Senate Finance Chairman, Sen. Ron Wyden (D-OR) unveiled the bipartisan tax deal, known as the Tax Relief for American Families and Workers Act.  Key components of the bill include a trio of GOP priorities: restoration of business interest deductions; the R&D tax credit and full expensing of equipment. Lawmakers agreed to these breaks in exchange for a more robust child tax credit, which is backed by Democrats. On Friday, January 19, the Committee on Ways and Means approved the package, with only three of the panel’s 43 members voting against it, which bodes well for full passage in the House under expedited procedures. With help from Democrats, the package is expected to pass the House on Wednesday.  **Administration Weighs Stringent Air Quality Standard**  In the near future, perhaps in the next few days, EPA is expected to release a new, more stringent air quality standard for PM 2.5, aka “fine particulate matter.”  Although this would primarily impact large facilities in the wood products sector, there could be [downstream impacts](https://hardwoodfederation.wildapricot.org/resources/Documents/EPA-NAAQS-PM-March-2023.pdf) for smaller operations and manufacturers. There is currently a debate within the Administration holding up release of the final regulations, with White House staff pressuring EPA to reduce the standard to a level of 9 micrograms per cubic meter from the current level of 12 micrograms, a move that could subject many sawmills to more red tape related to environmental permits.  According to Administration sources, EPA had been considering a more flexible standard of 10 micrograms per cubic meter, an outcome that industry prefers over the more costly alternative while still preferring the current standards. The Hardwood Federation team has joined our wood products allies, including the American Wood Council and the American Forest and Paper Association to advocate against imposing unreachable standards. The Federation will keep you posted on EPA’s final decision.  **USFS Announces Plans to Revamp Forest Management Plans, Creates Uncertainty**  On December 20, the USFS released a [notice](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Fu19539728.ct.sendgrid.net%2Fls%2Fclick%3Fupn%3D-2B73de0dREQUDGWQfTM3mhlp-2FpkGInmSAD3UsexVwUWS8q6pn7TRLKaI1YUz743XneGzGlRzKc-2FIJyw8LIsCbw7M4tu3RLeCkQIb1AngtaNFLgA14qff3WfXH9AxxJ-2FavgHX8YLs2rEhbrxZrJ2guQB4CQnnlGN0I8qNOPQZYiP6Ngeof-2BE-2Fjyy86USuon5upJH4mGuEQQukd-2FXh81rGkGDahQbhCthJdPD6wRtsUN1k-3DSafu_DfShkWCAhoLGP-2FJNrdlPJdV-2FLULhdq7A2Mns4NO8kAbKoy2hBWCjup-2FdSJ4mtav3QZgwkC4yOhBCK4lj-2B12aQhFtoDk6tvPjPNT2BGc2IEiRvxL4NQe0NRmr3d9Zy-2FSnfViPx61-2FJTWLv4p-2FOZ1LzkZjkLyFyZiNkqdiAWwoyZrdp5jAPQZwKPlJ3bXsBkfeeooUdEV-2BznT33-2F6ks5gY-2FlqH8WMmoYc-2Fre4EUPjEkdx2lj-2BqTx8zW-2BL6SWYwhrOOsD3CZYuEUVnOMRTwTABO92fP69GrUdz48zhrgqPgsXArdaqpP9EeT-2F2tkun1CPDDGNLq1zzFpXgen-2FI-2BLpf-2BHswX7UK9qBzcCqhI9rH74c3UNtnP0qCzjmDMswiJtZ1CN6cLoNAHkEEZZtei8Evt-2BIGMbTyUXbvk5J4v5jpJsooSZpZBT82T8Ab0AaHKvWOyZnpm-2FzdryAubkTD9yETId1Om-2BQhb7w3dZtmwa1N1W-2B9K0adn6e3aDxhvDGlbK6w37glQTIfXcpN4OQQAKiSDK56kKs3G0HMwYsQ6iHtQ8YdtUbYZe8tCLSbYa1AiA3tt1dNGZN-2BgiCyS4Mpjww2X-2F079brWZtO7neUSwdb4cBC-2FKiR8Gklovm2hKlKfFeHR78kJvQo7u-2BG2iX-2FgjtPH4Bw-3D-3D&data=05%7C02%7Cbryan.brendle%40hardwoodfederation.com%7C1d6f9bdcefb44205d8c108dc12c4ba97%7C21432cc7b4084b2d92409f556e3dd6cb%7C0%7C0%7C638405883355941693%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=egspVKygKGdySEloPaKYR0MFvOFJbsUfSvD2Kd1tJN8%3D&reserved=0) stating its intent to amend all land management plans in an attempt to maximize conservation of old growth forests.  The latest agency action ignores industry [comments](https://nam11.safelinks.protection.outlook.com/?url=https%3A%2F%2Fu19539728.ct.sendgrid.net%2Fls%2Fclick%3Fupn%3D-2B73de0dREQUDGWQfTM3mhmC9y0IWeDSKvW2EltH67kgj022lIASj4G2a3FB2eHq1IUD65Qw4eDw0nGmQuO-2B4xv90eDWKHQ0CAWgRbv7UpN1IgBT0TjAe-2BmlHL9lsy2-2FVTLloxg-2Bdp3Zc1w1tihZsV3GmwpANZ8e-2FrVNBiHf1WJQ-3D24ux_DfShkWCAhoLGP-2FJNrdlPJdV-2FLULhdq7A2Mns4NO8kAbKoy2hBWCjup-2FdSJ4mtav3QZgwkC4yOhBCK4lj-2B12aQhFtoDk6tvPjPNT2BGc2IEiRvxL4NQe0NRmr3d9Zy-2FSnfViPx61-2FJTWLv4p-2FOZ1LzkZjkLyFyZiNkqdiAWwoyZrdp5jAPQZwKPlJ3bXsBkfeeooUdEV-2BznT33-2F6ks5gY-2FlqH8WMmoYc-2Fre4EUPjEkdx2lj-2BqTx8zW-2BL6SWYwhrOOsD3CZYuEUVnOMRTwTABO92fP69GrUdz48zhrgqPgsXArdaqpP9EeT-2F2tkun1CPDDGNLq1zzFpXgen-2FI-2BLpf-2BHswX7UK9qBzcCqhI9rH74c3UNtnP0qCzjmDMswiJtZ1CN6cLoNAHkEEZZtei8Evt-2BIGMbTyUXbvk5J4v5jpJsooSZpZBT82T8Ab0AaHKvWOyZnpm-2FzdryAubkTD9yETId02uvlLcm1ENOcrsXhRGIKuZQqpMcOb9Tg8wQ0hTrFnboFW59-2Fs5lKqc5FB0MWiQwwtYqErJl0PQtRM7Qw7D9CXMD8HAb2HjP2G7ds2FJQy0EIAybhp8aNsD3zq6u6Oa06Fd0zeXp5fdh7pVcVheUQu-2BYjmm9d3GHg75BLzvZsXSrcloW-2BS2cHwPMMhUQSJzpg-3D-3D&data=05%7C02%7Cbryan.brendle%40hardwoodfederation.com%7C1d6f9bdcefb44205d8c108dc12c4ba97%7C21432cc7b4084b2d92409f556e3dd6cb%7C0%7C0%7C638405883355941693%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=HK4C6KY6E5Qbs0XD9XECKEk52bzjehWzkXgove5aQtw%3D&reserved=0) submitted in 2023, urging federal regulators to avoid treatment of old growth and mature forests in a manner that undermines forest management.  The Federation has joined comments led by the Federal Forest Resource Coalition to oppose the agency’s plan.  ***Federal Spending Deadlines Loom Large***  Congress kicked off the second session of the 118th Congress on a relatively high note this week, reaching a broad deal between the House and Senate on so-called “top line” budget numbers, which would cap funding of federal programs at about $1.6 trillion during Fiscal Year (FY) 2024.  Despite the deal, which reduces the possibility of a federal shutdown, Congress only has eight calendar days in which to pass four appropriations bills, including funding for USDA, that will expire on January 19, per the two-track continuing resolution that currently funds government operations at last year’s levels.  Under the current CR, the second funding deadline falls on February 2 and covers six appropriations bills, presenting lawmakers with another hurdle to jump before the possibility of a shutdown in early 2024 can be completely ruled out.  **Congressional Retirements to Spike in 2024**  Election year 2024 portends big changes for the makeup of the new Congress when it convenes in January 2024, given the wave of incumbents who’ve announced that they will not be running for re-election in November.  So far, 38 House lawmakers, or nearly 10 percent of the entire chamber, and seven senators are bowing out of the 2024 race to keep their seats.  On the House side, several lawmakers are running for new offices whereas 22 members are opting for outright retirement in numbers roughly even between party lines.  On the senate side, only Sen. Mike Braun (R-IN) is running for another office, running as a candidate for governor, whereas six are exiting political offices altogether.  *Mark Your Calendar Today!*The Hardwood Federation has scheduled ***Fly-In 2024 for Tuesday, May 21 to Thursday, May 23.*** Save the dates and come to Washington to make your voice heard on Capitol Hill! Stay tuned for details related to registration information and Fly-In agenda. |
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