

Hardwood Federation Update Summer Lessons

*By Dana Lee Cole
Hardwood Federation Executive Director*

This summer, the Hardwood Federation (HF) has been consumed by two issues – Reauthorization of the Farm Bill and the Trade Debate. The first was completely expected and planned for. The second issue came out of nowhere.

- **The Farm Bill** - includes a number of hardwood related programs - forest management reform, funding for export promotion programs, and support for tall wood building research and development - and HF and our allies have been coordinating efforts and laying ground work for months in hopes of final passage sometime this fall.
- **The Trade Debate** – While President Trump campaigned on these issues, few expected the Administration’s actions would have such a swift and dramatic impact on domestic industries. And once the hardwood industry became included in the tariff battles, HF had to refocus, retrench and develop an appropriate response to the vast amount of input received.

Both of these experiences reinforced the following basic tenets of government relations and advocacy.

The Importance of Engagement

Political engagement can take many forms, but it all comes down to ... making our voices heard in the loudest way possible, and keeping our industry issues front and center to ensure they are not forgotten or left behind. HF typically does this by maintaining a constant presence on the Hill and talking to key members and staff so many times they can quote our talking points back to us.

The trade debate of 2018 has brought out the emotional side of engagement, and illustrates the need to be constantly on alert; ready to respond and not necessarily in the logical and measured way we typically would do so. And as the Administration moves into uncharted territory, our advocacy efforts are relaying the pain and fear many in our industry are experiencing.

In this ever changing political landscape, we cannot ignore the need to be vigilant, both in our home states and in our nation’s capital. HF’s September Fly-In to D.C. allows members of the hardwood business community to echo and bring personal experience to the process. The opposite of engagement is surrender, which the HF does not view as a viable option.

The Importance of Data:

Regardless of the issue, the most compelling arguments for policy implementation are always those based on hard data, particularly when it comes to economic policy. For years, the HF has used ‘general’ wood products economic data, not hardwood specific information, as to how the industry positively impacts national and state economies. This is about to change.

Federation member associations, including the Hardwood Manufacturers Association, have come together to fund an Economic Impact Study that will strengthen our advocacy hand in Washington D.C. and our public relations hands back home. The analysis will include economic impact indicators, direct, indirect and induced for:

- **Employment** – jobs supported by the hardwood industry complex. Jobs are measured on a full-time equivalent basis, or one person working for one year.
- **Gross Regional Product** – for National, State and Congressional District and is the total value added by each step in the supply chain. It is the summation of labor income, profit, taxes and indirect business taxes.
- **Labor Income** – comprised of proprietor income, employee wages, and benefits.
- **Output** – defined as the summation of business revenues/industry sales.
- **Taxes** – paid by the hardwood industry from various sources.

The analysis model includes information on income received by the Federal, State and Local Governments. And we anticipate the results will also break out information by product sector including flooring, kitchen cabinets, railway ties, and veneer and plywood.

This is an exciting development for all of the associations that work to provide services to the industry. Having preliminary numbers this fall will help with both the Farm Bill and trade debates. Our real target is to have state and national figures ready for January 2019, when the new Congress will be seated.

Bottom Line: Regardless of the issue, the timing, or the intensity, we much engage using solid, compelling facts. Yes, we're making progress, yet there is more we can and will do to further the American Hardwood industry.