

Hardwood Federation Update What Happened and What's Next?

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Elections are an important reminder as to why organizations like the Hardwood Federation (HF) exist. Having consistent representation in Washington D.C., working on behalf of your interests, is vital because elected officials, administrations and political appointees come and go.

The most important message to take away from the 2016 election is that a significant portion of the nation wants change, looking for transformation through non-traditional means. When the dust settles, we as an industry - and as a country - must look for ways to be positive forces that will enact the change so many want to see. HF intends to be one of those positive forces.

Below you will find our analysis of what the election means for us, plus an overview of our focus for the remainder of this Congressional session and the 115th Congress seated in January 2017.

What happened?

If there is a short version to the election, it's this. The Republican Party shocked professional pollsters and pundits by taking the White House and maintaining control of both the House and Senate.

- The presidential election turned when the so called "Blue Wall" states of Pennsylvania, Michigan, and Wisconsin, which have consistently voted for Democrats, were won by Mr. Trump. Ohio also voted for the Republican candidate. And these wins, along with victories in Florida and North Carolina provided the pathway for Trump to surpass the 270 Electoral College votes needed to become president.
- In the Senate, Republicans also pulled off an upset. Leading up to the election, polling suggested that Democrats were poised to pick-up between four and six Senate seats and reclaim control of the upper chamber. That did not occur.
- In the House, Democrats gained only seven seats - polling had suggested that the party would secure double digit gains in the lower chamber. Republicans now have a 235-191 hold on the House leading into the 115th Congress.

Looking ahead, 2017 will kick off with a new Congress **and** a new President, of the same party. However, keep in mind that while Republicans control the Senate, the party's margin remains slim. Typically, 60 votes are needed to move legislation in the upper chamber, which will require Democratic support to reach that threshold. Of course there are parliamentary ways around this, but historically the 60 vote requirement has been honored.

How Did Our Hardwood Federation PAC (HFPAC) supported Candidates Do?

Many of our advocates will be returning to Washington in 2017. Yes, HF is pleased that almost all those that support the Hardwood industry were successful in their bids for office. We must however, continue to communicate and educate them to ensure future support. And we must and will work hard with new members to develop the same positive relationships we enjoy with current members, on both sides of the aisle.

What to Expect in the Lame Duck

As Members finish out the 114th Congress, enacting a measure to keep the government funded into 2017 will be a key focus. (Recall that the current funding measure runs out December 9, 2016.) We expect that an omnibus spending bill will be fashioned in the weeks leading up to Christmas. That means there remains opportunity for us to enact a number of our policy priorities as part of this bill, including federal forest management reform legislation and provisions codifying the concept of biomass carbon neutrality. These two issues may also see action as part of the energy bill conference committee negotiations. The situation is very fluid and could change dramatically before the end of the year.

What to Look for in 2017

Exactly what policy priorities a Trump Administration will pursue is probably going to be the biggest topic of holiday cocktail parties in Washington D.C. Much will depend on who is appointed to head up federal departments and agencies, and who Mr. Trump surrounds himself with inside the White House.

Exit polls indicated that '**the economy**' was the driving force for voters. If the new administration listens, expect tax and regulatory reform to be big issues in 2017, as well as trade and immigration, which Mr. Trump ran on during his candidacy. This is a big unknown and again will most likely depend on appointed Cabinet members and Administration officials. HF's task will be to identify issues that benefit the Hardwood industry early, and communicate them often to incoming policy makers.

Our Bottom Line: There is still much to do in 2016. And we anticipate that 2017 will be a year of both challenges and opportunities. HF is up to the task as we remain dedicated to pushing federal policies that help sustain and grow the Hardwood industry in the United States.