



# Washington Update

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Hardwood Federation

Hardwood Manufacturers Association  
National Conference  
March 23, 2017



## What is the Hardwood Federation?

- Voice of the Hardwood Industry
- Represents 27 Hardwood trade associations and organizations in DC
- Educate Congress, the Administration and Department staff about the issues that most impact the hardwood business in the U.S.



## 2016 Recap

- Northern Long Eared Bat
- Federal Forest Reform
- Biomass as Carbon Neutral
- Estate & Gift Tax
- Truck Weights

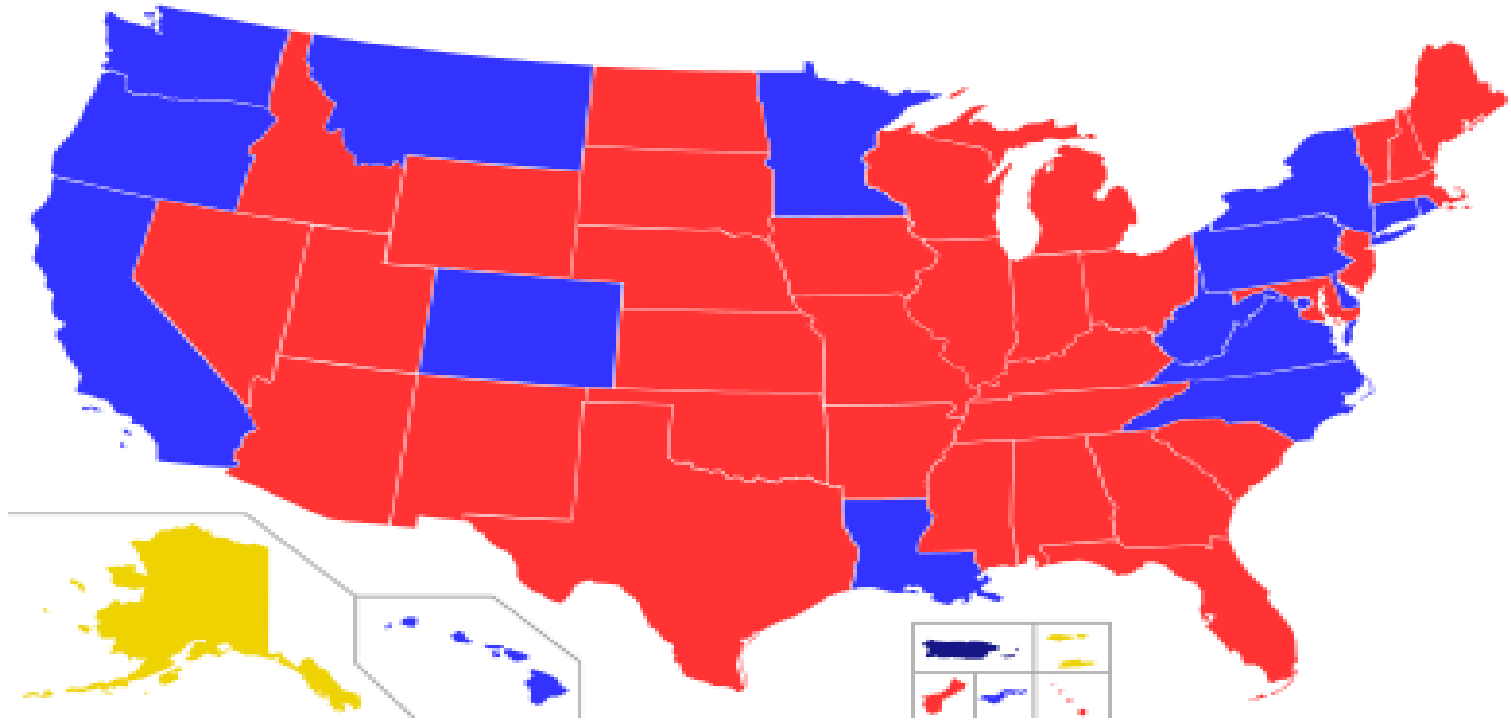


## 2016 Election Results

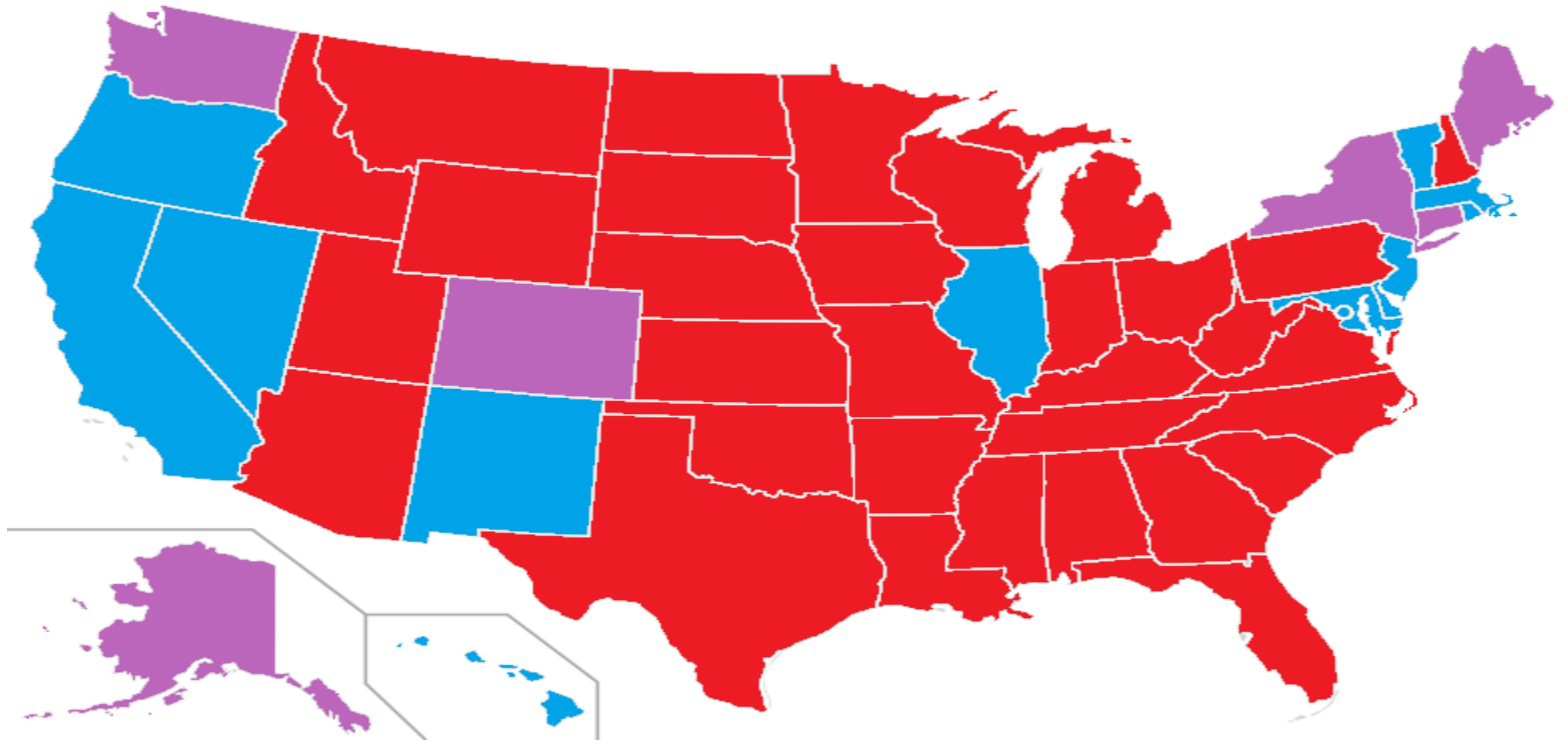
### Republicans Dominate

- ❖ White House – Donald Trump
- ❖ US Senate – Lost 2 seats, retain majority 52-48
- ❖ US House – Retain majority 237-193
- ❖ US Governors-33 Republican, 16 Democrat, 1 Independent
- ❖ State Legislatures-67 Republican, 31 Democrat

# Governors by Party

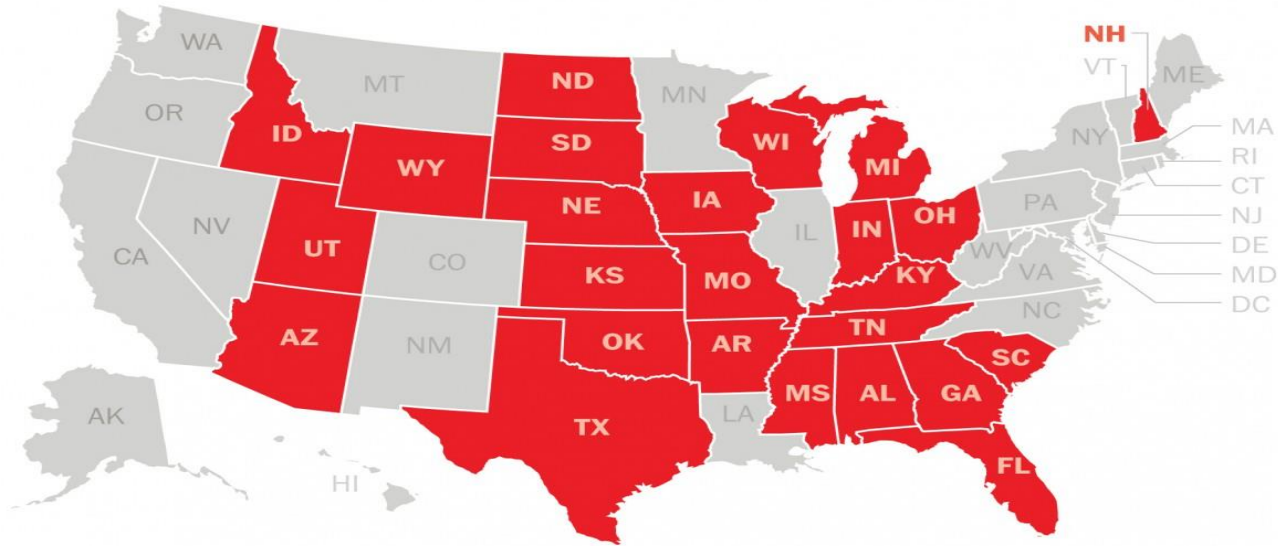


# State Legislature by Party



# A Red America

● 25 states with a Republican governor and Republican state legislature



\*North Carolina could be on this list, but its governor's race is still undecided. Right now the Democrat is leading by 5,000 votes.

\*\*Nebraska's sole legislative chamber is technically nonpartisan but Republican in practice.

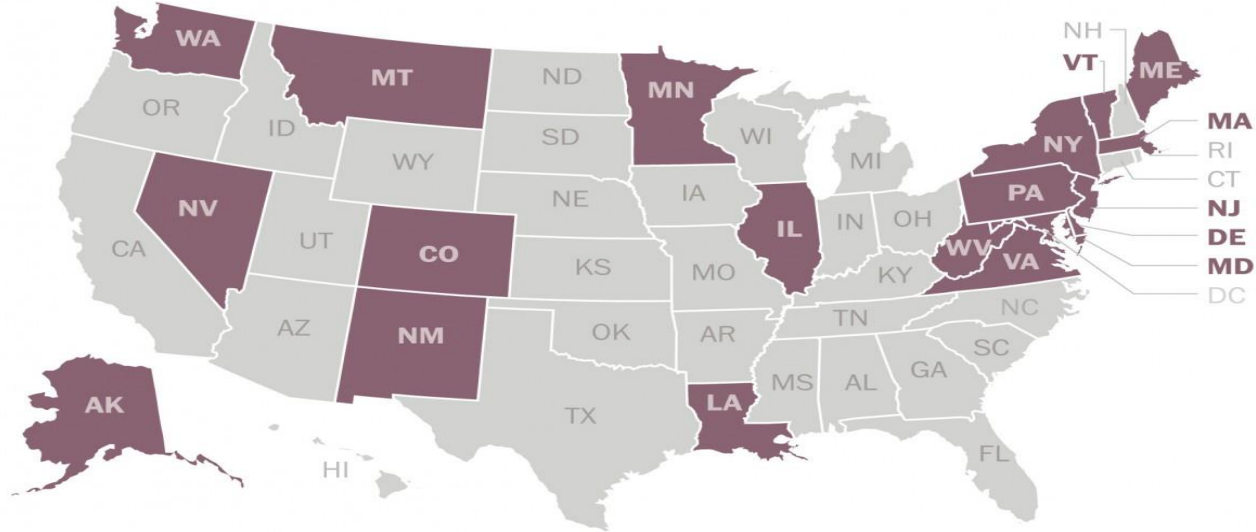
Source: Americans for Tax Reform; 2016 election results

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# Split America

As election results stand, 19 states have some form of Republican control, either in one or both chambers of the legislature, or the governor's mansion

● Split control



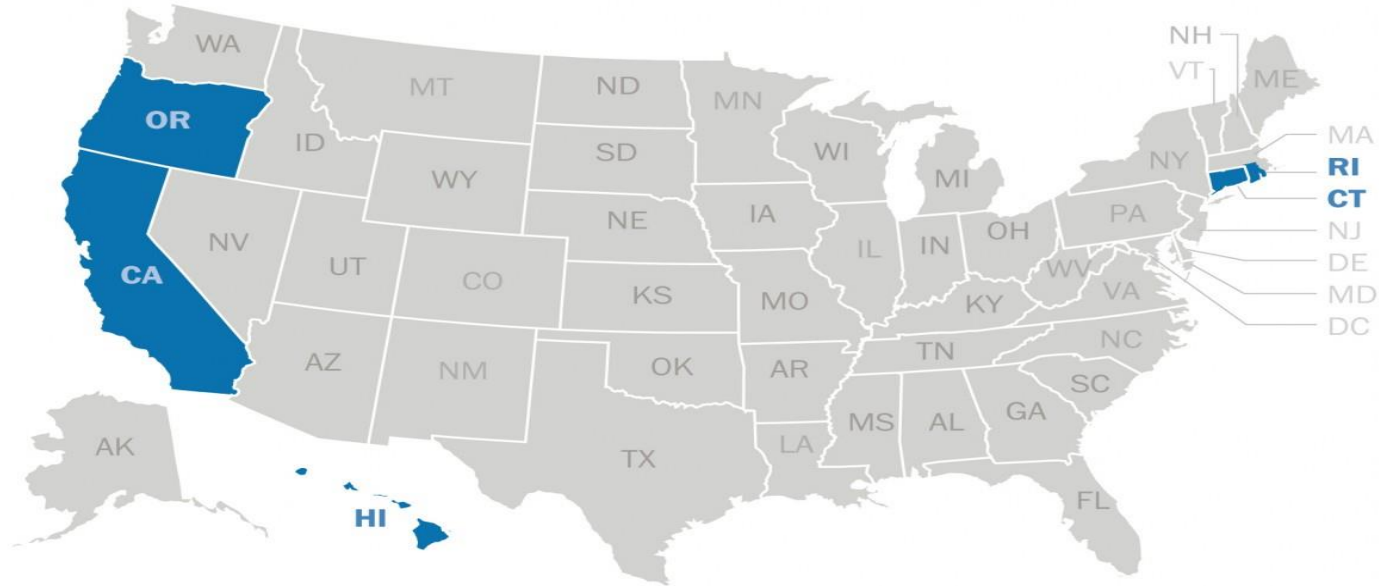
Source: Americans for Tax Reform; 2016 election results

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# Blue America

● Five states with a Democratic governor and Democratic state legislature



\*Connecticut's state Senate is technically a tie, but a tie breaker goes to Democrats

Source: Americans for Tax Reform; 2016 election results

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## 2017 Trump Administration Priorities

- Tax Reform
- Regulatory Reform
- Infrastructure
- Trade



## 2017 Hardwood Federation Priorities

- Federal Forest Management
- Tax and Regulatory Reform
- Farm Bill
- Biomass
- Trade



## 2018 Farm Bill

- Hardwood Export Funding
- Federal Forest Management
  - Timber Harvest
  - Forest Fire Funding
  - Insect & Disease Prevention
- Energy Provisions



## Regulatory Reform

- House and Senate Action
  - HR 5: Requires Least Costly Alternative
  - HR 26: Congress Must Approve over \$100M
  - Use of Congressional Review Act
- Executive Orders
  - Two for One E.O
  - The Regulatory Reform Agenda
  - Clean Power Plan



## The Trade Players

- Peter Navarro, National Trade Council
- Robert Lighthizer, U.S. Trade Representative
- Wilbur Ross, Commerce Secretary
- Terry Branstad, Ambassador to China
- Sonny Perdue, Agriculture Secretary
- Steven Mnuchin, Treasury Secretary



## Hardwood in the Middle

# 8.3 billion board feet produced in 2016

Exporters	Importers
40% of all hardwood lumber.	Chinese hardwood plywood imports increased 35-40% in the last few years.
60% high grade is exported.	Since 2013, Chinese imports have increased by \$300 million.
Trade Surplus of \$1.3 billion.	U.S. imported \$1.1 billion from China in 2015. 50% of the market.



QUESTIONS?