Washington Update

Dana Lee Cole, Executive Director
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
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.

Source: Americans for Tax Reform; 2016 election results
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
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

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