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2021 Wrap-up and 2022 Outlook

by Dana Lee Cole, Executive Director, Hardwood Federation

Surprisingly, 2021 ended with a whimper in Washington, D.C. By December 16, federal lawmakers had decamped from Washington, dodging the possibility of deliberating end-of-year business during the days, if not hours, leading to the holiday.

Issues of Note

- Congress took steps to avoid default on the nation's \$29 trillion debt, passing legislation to raise the federal debt ceiling to an amount that should keep the lights on in the federal government into 2023.
- Democrats fell short of moving some of their key priorities to federal election reform legislation, most notably the \$2 trillion "Build Back Better" bill, also known as the "reconciliation package."

Holiday Cheer for Hardwoods

In December, however, two items benefitting the hardwood industry moved forward. On December 8, the House passed the "Ocean Shipping Reform Act of 2021" (H.R. 4996) by a vote of 364–60. This important bill would update the federal "Shipping Act" and institute remedies for unfair shipping practices that exacerbate global supply chain disruptions caused by the pandemic.

Specifically, the bill would empower the Federal Maritime Commission (FMC) to prevent ocean carriers from declining export cargo if the containers can be loaded safely and within a reasonable time frame. Note: During a discussion with the Hardwood Federation in November, Sen. John Boozman (R-AK) expressed interest in supporting a Senate bill and stated that his colleague, John Thune, will likely offer a slimmer version than H.R. 4996.

On December 15, on the heels of House passage, the Senate voted 89–10 to pass the "National Defense Authorization Act" (NDAA) (H.R. 4350), a \$768 billion bill. Fortunately for the industry, the NDAA includes a provision authorizing a pilot program to evaluate the use of more mass timber in military construction.

Specifically, the NDAA states that "each...military department shall conduct a pilot program" to analyze the impact that "the use of mass timber as the primary construction material in military construction may have on the environmental sustainability, infrastructure resilience, cost effectiveness, and construction timeliness of military construction."

2022 Outlook

As the new year begins, legislators are scheduled to return during the early weeks of January. And as the legislative days begin to go by, the prospects for major legislation moving through Congress will diminish as mid-term elections approach. That said, lawmakers will try to coalesce around consensus issues, and the Hardwood Federation team will be engaged with dozens of industry champions on the Hill discussing:

- **Build Back Better**

Although the bill has gone off the rails, certain provisions could re-emerge in future legislation. These include:

- Research funding for the U.S. Department of Agriculture related to sustainable forestry methods, maximizing carbon sequestration on federal lands, and life cycle analysis of wood products.
- Funding for initiatives through the U.S. Department of Agriculture that protect older and more mature forests in the National Forest System.
- Grant programs that support private landowners entering voluntary carbon market programs.
- Tax increases and other revenue raisers that would impact hardwood businesses, as well as small-and medium-sized business that are organized as S-Corporations or other pass-through structures.

- **Shipping Reform**

An aversion to controversy will likely entice lawmakers to rally around more bipartisan, consensus legislation such as ocean shipping reform, raising the prospects for a companion bill in the Senate. The House bill attracted nearly 100 Democratic and Republican co-sponsors split evenly on party lines, virtually reflecting the party composition of the people's House.

- **Farm Bill**

The current Farm Bill—"Agriculture Policy Act of 2018"—does not expire until 2023, however, because a new Congress and possibly new leadership may convene, members of the House and Senate Agriculture Committees will kick off stakeholder meetings in 2022.

The Hardwood Federation team has already talked to the committee chairs in each chamber, underscoring the need to quantify the important and integral role of forest products in capturing and storing carbon within the context of federal climate policies.

And the Hardwood Federation will continue to make that pitch going into 2022, underscoring, for example, the role that the USDA's Forest Products Laboratory can play to conduct research that will ground industry policy priorities in science.

Additionally, in 2022, Congress will begin to reach out to stakeholders to receive input on 2023 Farm Bill priorities. And as in the past, Hardwood Federation will continue to fight for full funding of the MAP and FMD within the context of the upcoming legislation.

So, stay tuned for developments coming straight from the source!
And Happy New Year from the Hardwood Federation!