



Never a Dull Moment in D.C.

by Dana Lee Cole, Executive Director, Hardwood Federation

House Lawmakers Pivots to FY 2023 Spending Bills

On July 20, the House passed a Fiscal Year (FY) 2023 spending bill that will fund USDA, Interior and other agencies that oversee key programs that have a major impact on the industry:

- **Export Promotion**

The USDA spending bill will fund the Market Access Program (MAP) and the Foreign Market Development (FMD) Program, which support the American Hardwood Export Council's (AHEC) promotion of U.S. hardwood exports.

The Hardwood Federation (HF) has met with House and Senate Ag Committee chairs and panel members to advocate for maintaining or increasing funding for these key programs.

- **Biomass**

Spending bills also present opportunities for lobbyists (and creative lawmakers) to push priorities unrelated to dollar amounts going to federal programs. Case in point: the industry's efforts to enshrine "the carbon neutrality of biomass" into federal law. Since enactment of a spending bill in 2017, there has been a statutory directive, renewed each year, instructing federal agencies to recognize the carbon neutral nature of forest-based biomass in any federal energy or environmental policymaking.

However, the House-passed FY 2023 Interior appropriations measure includes watered down language that acknowledges the "carbon benefits" of biomass energy, but stops short of declaring this type of energy, which we deploy in our mills, as carbon neutral.

HF worked to defeat identical language and preserve the carbon neutrality directive through FY 2022. We're working with our Senate champions to secure a similar outcome for FY 2023.

- **Forest Inventory**

The USDA's Forest Inventory Analysis (FIA) provides information critical for decisions regarding carbon stocks, sustainability, forestry management

practices and existing and expanding markets. FY 2023 includes a significant funding boost for the FIA—a \$15.5 million increase over FY22 levels.

HF Opposes Small Business Tax Increase

On July 11, HF joined with 192 organizations—representing millions of small businesses, employing tens of millions of American workers—in a letter opposing a proposed small business surtax expansion as a means of paying for Medicare funding within the context of the most recent “Build Back Better” (BBB) package. Citing high inflation, a possible recession, and “chronic labor shortages” as major challenges, the coalition urged lawmakers not to add to the growing obstacles confronting small businesses.

What’s the Latest on BBB?

In mid-July, Sen. Joe Manchin (D-WV), announced he would not support the latest BBB plan, including the surtax noted above. Then, on July 27, Manchin issued a statement supporting “The Inflation Reduction Act of 2022,” a compromise bill that includes a “15% corporate minimum tax, a proposal to close the carried interest tax loophole, a provision for IRS enforcement, and historic spending for climate, though it’s on a smaller scale than what the House envisioned last year.” The legislation is now in the hands of the Senate parliamentarian for review.

West Coast Port Contract Negotiations Continue

Despite industry’s win with the passage of the “Ocean Shipping Reform Act,” labor contracts between west coast dockworkers and port operators expired July 1 and threaten to stall progress made on the legislative front. The Pacific Maritime Association, representing the ports, and the International Longshore and Warehouse Union released a joint statement saying that “cargo will keep moving” until parties reach an agreement.

Advocating before the Administration to keep the parties’ feet to the fire, HF joined more than 100 industry allies in a letter to President Biden urging him to use the bully pulpit to assure continuity of operations at the nation’s ports.