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Hardwood Federation Industry Tidbits | August 2023

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August 15 application deadline for USDA “REAP” Grants

USDA is accepting applications for the [Rural Energy for America Program \(REAP\)](#) Technical Assistance Grant Program. (Companies deploying biomass heat and power systems have previously benefited from grants authorized by REAP.)

- Grants will range from \$100,000 to \$500,000.
- Eligible applicants, which include sole proprietorships, not-for-profit groups, among others, will cover activities that help “agricultural producers or rural small businesses to apply for assistance under REAP for energy efficiency improvements, or renewable energy systems.”
- USDA will accept applications through August 15.

USFS Webinar on Mature, Old Growth Forest “Threat Analysis”

In mid-July, hardwood team members participated in USFS’s webinar on developing a “threat analysis” for mature and old growth forests and weighing factors such as wildfire, insect, and disease risk. After expressing our concerns that the exercise would result in further erosion of active forest management and arguing that timber harvest and forest thinning, for example, “do not constitute threats” to federal lands, USFS officials responded that the agency is charged with forest management as part of its core mission and is therefore not likely to cut back on forest management unless Congress directs it to do so through legislation. They also stated that the “threat analysis framework” would be finalized in the winter of 2023 and 2024.

Lawmakers’ “To Do” List Sets Up Legislative Logjam

Confronting lawmakers is the September 30th expiration deadlines of the Fiscal Year 2024 budget and the 2018 Farm Bill. While few are predicting that Congress will reach a budget deal by the September deadline, Farm Bill leaders are expressing confidence that USDA programs, including those that fall under the umbrella of the USFS, will continue on a business-as-usual

basis, even if the 2023 Farm Bill fails to cross the finish line. Senate Ag Committee Chair Debbie Stabenow (D-MI) has stated that in the event Congress doesn't close a deal by the end of September, there is bipartisan consensus to pass a "continuing resolution" on the current legislation.

As you contact your elected officials, echo our key "asks" driven home during the Federation's June Fly-In:

- **Farm Bill** | Congress must establish a grant program educating the public about the benefits of hardwood products, especially recognition of the carbon capture value of hardwood products.
- **Transportation** | Congress must pass a "supply chain package" that creates flexibility for truck weights, grows the dwindling pool of trucker drivers, and expedites implementation of ocean shipping reforms.
- **Taxes** | Congress must make permanent 100% expensing of industrial equipment and the 20% deduction for small business. Congress should also restore full deductibility of business expenses.

Business Community Aligns with Industry on ESA Expansion

In late July, the U.S. Chamber of Commerce conducted a coalition meeting to review environmental policy challenges facing the business community and spotlighted recent proposals by the Administration to expand the scope of the Endangered Species Act (ESA), and focused on two specific initiatives being addressed by the Federation: the USFWS proposal to ban consideration of economic impacts when reviewing ESA designations; and reinstatement of a "blanket rule," which extends almost identical control measures to species classified as "endangered" as those listed as "threatened." The Federation is drafting comments on the proposals, which are due August 21. Stand by.