

665 Rodi Road Suite 305 Pittsburgh, PA 15235 Phone: 412.244.0440 Fax: 412.244.9090 www.HMAmembers.org

Hardwood Federation Presentation recap

Established in 2004, and representing 27 U.S. hardwood trade associations and organizations, the Hardwood Federation (HF) is the voice of the hardwood industry in Washington, educating Congress, the Administration and Department staff about the issues that most impact the hardwood business in the U.S.

Hardwood Federation Executive Director, Dana Lee Cole, was on the dais of HMA's recent National Conference and Expo. Her "**Washington Update**" included a recap of HF 2017 activities, as well as an overview of the 2017 Tax Reform Legislation, speculation regarding the 2018 mid-term election, and a review of the Federation's 2018 Legislative Priorities which include the following:

Federal Forest Management Reform

More than 193 million acres of the National Forest System is managed by the U.S. Forest Service. Of this total, only 46 million acres (24 percent) are designated as allowable for timber harvest, limiting the availability of timber and fiber from federal forests and negatively impacting the general health and sustainability of the forests.

Undermanaged forests are bad for local economies AND for forest health. Permitting needs to be streamlined for timber harvest, especially in the case of critical response areas where forests are at risk.

HF believes that a smart combination of forest management and fire funding reform is needed and will continue to work with all involved to sharpen our approach on moving forest management reform legislation forward.

Farm Bill

The Farm Bill covers a wide variety of programs – agriculture support, conservation programs, nutrition programs – which get 99 percent of the Bill's funding. The remaining 1 percent is spread over 8 program areas, several of which are of interest to the hardwood industry.

HF is a long-time proponent of full funding for the Market Access Program (MAP) and the Foreign Markets Development Program (FMD), which provide essential resources to the development of foreign markets for U.S. hardwood and hardwood products. The American Hardwood Export Council receives funding from both programs, which enables them to create and sustain U.S. hardwood promotional activities across the globe.

Both the House and Senate have approved 2018 Appropriation bills that fully fund MAP and FMD. The challenge, however, is for 2019 funding. And supportive committees, as well as the HF, are working hard to ensure future funding.

Trade

Mexico and Canada are important markets for U.S. hardwoods, and NAFTA negotiations could be an indication of how agricultural products, including hardwood, will be treated in trade negotiations with other countries. The concern that the Administration would impose strict sanctions on China has abated. What has not abated is the industry's concern over the number of logs being exported to China. For some industry stakeholders, this is simply good business. For others, it is an issue of concern, and one that is being monitored by many.

In closing, Dana thanked HMA for both the opportunity to participate in this year's National Conference and Expo, and for HMA's ongoing support of the Hardwood Federation. She was also most appreciative of the individual HMA member donations to the HF Political Action Committee (PAC). These funds will be used to support the members of Congress that support the hardwood industry's policy positions.