



## Hardwood Federation - March 2024 Newsletter

### **From the Executive Director: *Industry Opposes “One Size Fits All” Approach to “Old Growth” Forests***

As the Administration moves forward with its climate policies, the U.S. hardwood industry continues to educate policymakers on the industry’s long history of practicing sustainable forest management, which maximizes environmental benefits while providing well-paying jobs in underserved and rural communities. The industry reminds federal agencies, especially USDA, that effective forest management, which acknowledges the carbon benefits of tree harvest and the variability of regional ecosystems is essential to the Administration’s climate mitigation strategy. This is especially true when sizing up policies related to old growth forests. In April 2022, the Administration released [Executive Order \(E.O.\) 14072](#), focusing on forest health and outlining a path forward to assess mature and old growth forests on federal public lands.

Following the E.O., the Federation submitted comments to USDA’s Request for Information (RFI) in 2022 and Advance Notice of Proposed Rulemaking (ANPRM) in 2023 and urged the Administration to avoid a “one size fits all” approach to defining old growth.

In late 2023, USDA proposed an unprecedented nationwide Forest Plan amendment that would supersede existing Forest Plans to impose “consistent old growth policies” on all 128 forest management plans. This action effectively opens the door to impose a one-size-fits-all approach to classify old growth forests, removing more national forest acreage from sustainable forest management, while also creating complex, new management

requirements. The Federation joined forest sector allies in comments filed in January 2024 opposing the proposal on the grounds that the action would:

- Contradict established federal policy that no single definition of old growth forest represents the diversity of old growth ecosystems.
- That the proposal violates the agency's 2012 Planning Rule, which requires the USFS to engage stakeholders in a science-based process that acknowledges the need for local flexibility.
- And impose requirements to manage forests "adjacent" to existing old growth for old growth characteristics, thereby undermining other Forest Plan goals, including multiple-use objectives.

The wood products sector has requested that USDA withdraw its proposal to amend all 128 forest management plans and continue to address the old growth issue through the locally led forest planning process, governed by the 2012 Planning Rule. This will ensure a thorough and transparent regulatory process consistent with established USFS policies grounded in the National Forest Management Act. The hardwood sector also supports [S. 3929](#), a bill sponsored by Sen. Barrasso (R-WY) that would prevent the USFS from moving forward with its forest plan amendment process. The Federation will keep you posted on developments related to federal "old growth" policies as they unfold.

#### **Issues:**

#### ***FY 2024 Spending Package Includes Boost for Biomass, Truck Weight Flexibility and Carbon Stored in Wood Products***

Racing to get ahead of a partial federal shutdown deadline on March 8, the U.S. House of Representatives overwhelmingly approved a Fiscal Year (FY) 2024 spending [package](#) or "minibus" that includes language classifying biomass as carbon neutral across federal agencies. The 1050-page bill also includes a provision that allows the state of Mississippi to issue a permit for trucks to haul raw forest products on the federal interstate highway system at 88,000 pounds. Raw forest products are defined as logs, pulpwood, biomass or wood chips. The federal interstate highway truck weight limit is 80,000 pounds with 5 axles, so this new law will allow for more efficient truck movements of raw forest product materials from the forests to the mills within Mississippi. Although narrow in scope, we are encouraged by this action and will continue to support the Safe Routes Act which would apply the Mississippi approach nationwide.

Also included in the mix, the new law adopts language provided by the Federation and its allies in the Wood Products Coalition that instructs the Forest Products Laboratory (FPL) to conduct a study quantifying the amount of carbon

stored in wood products. Specifically, the law states that the FPL must “continue research to advance wood markets, including research on the amount of carbon stored annually in wood products, evaluated by specific wood producing sectors.” The law goes on to state that “efforts will also continue to focus on the environmental lifecycle benefits of wood products in the built environment,” providing tools for the industry to utilize when promoting markets for hardwood and other wood products.

### ***Biden Administration Reverses ESA Flexibility, Contravening Industry Comments***

On March 28, the U.S. Fish and Wildlife Service [announced](#) that it would reverse the previous Administration’s policies of allowing consideration of economic impacts as a factor in making ESA designations and banning a one size fits all “blanket rule” to the ESA, which greatly expanded the number of “endangered” listings under the statute. In late June, the USFWS [proposed](#) to modify these measures, initiating a 60-day comment period. In August, the Federation submitted [comments](#) urging federal regulators to continue to allow economic impacts as a factor in making regulatory decisions and another [petition](#) advocating against re-instatement of the “blanket rule.” Unfortunately, federal regulators took this opportunity to create more red tape for industry.

### ***President Outlines \$7.3 Trillion Budget for 2025***

Despite the chaotic funding process that has taken place on Capitol Hill this year, on March 11, the Administration released its [2025 budget](#), a proposal amounting to \$7.3 trillion that constitutes more of a statement outlining policy priorities than serving as a benchmark for final funding for the next fiscal year. Among other high-ticket items, the Administration is requesting \$29 billion for [USDA programs](#), with nutrition assistance receiving the highest recommended allocation of resources, which will add fodder to the debate surrounding the farm bill this year. Buried in the fine print, the document also proposes robust funding for “additional permanent ... wildland firefighters” and resources to “fully staff the Foreign Agriculture Service (FAS),” which promotes the export of hardwood products.

### ***Hardwoods, U.S. Chamber and Allies Push Back on Federal Permitting, Red Tape***

The Hardwood Federation joined the U.S. Chamber of Commerce and other allied groups to support a “Resolution of Disapproval” under the Congressional Review Act (CRA) that would rescind the EPA’s new air quality standards for fine particulate matter (PM). Sen. McConnell (R-KY) introduced the [legislation](#)

on March 14. In February, EPA lowered the [final air quality standard](#) for fine PM from 12 ug per cubic meter to a more stringent 9 ug, a level which could impose up to \$900 million in compliance costs on the wood products sector. Although the legislation would require the President's signature in order to succeed, supporters plan to use the vehicle as a messaging tool to echo broader criticism of the mounting red tape confronting the business community during uncertain economic times.

On March 6, the Hardwood Federation joined the U.S. Chamber of Commerce, the Association of American Railroads, the National Rural Electric Coop Association and other business groups in a conference call with the White House Office and Budget (OMB) urging the Administration to abandon plans to insert policy considerations within the context of the National Environmental Policy Act (NEPA). Specifically, NEPA outlines procedures by which federal agencies issue environmental permits and was not enacted to address specific policy considerations such as wetlands designations and climate impacts. In late September, the Federation joined the Chamber and allied groups in [formal comments](#) submitted in outlining arguments for streamlining the NEPA process rather than expanding its scope. The Federation will keep you posted on developments as they unfold.

### ***Hardwoods Caution USDA Not to Weaken "Bio Preferred" Program***

On March 22, the Federation submitted a letter to USDA urging federal regulators not to take steps that could undermine the purchase of bio-based products, including hardwoods, by federal agencies. Established by the 2002 farm bill, the bio-preferred program is intended to create jobs in rural communities while growing demand for agricultural commodities, including wood products. In an effort to make the program more efficient, USDA [proposed](#) to streamline the process by eliminating stakeholder input, which would effectively block representatives from industry to provide input to USDA on implementing a program that grows demand for wood products. Industry also urged USDA to exempt wood products from mandatory testing to assure their eligibility to participate in the program, on the grounds that wood products are innately bio-based. The Federation will keep you posted on developments.

### ***Industry Reengages Congress to Delay Corporate Transparency Mandates***

When a federal court [ruled](#) in early March that the Corporate Transparency Act (CTA) violated constitutional limits on congressional power, unfortunately the court limited its decision to the parties involved in the actual case. Shortly thereafter, the Department of the Treasury indicated that it intends to move forward with the CTA and mandate its excessive disclosure requirements,

triggering the business community again to turn to Congress for relief. On March 19, the Federation and 120 allies in the business community signed a [letter](#) urging the Senate to take action to delay the law's implementation, which the House agreed to late last year in an overwhelming bipartisan vote. The Federation will keep you posted on developments.

***Make Your Reservation Today!*** The Hardwood Federation has scheduled ***Fly-In 2024 for Tuesday, May 21 to Thursday, May 23.*** Save the dates and come to Washington to make your voice heard on Capitol Hill! To register for Fly-In 2024, please click [here](#).



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