



Washington, DC Update

AHFA Board of Directors Meeting

Presented by: Bill Simmons and
Chris Andresen

Nashville, TN

About the last three weeks...





The new Speaker of the House

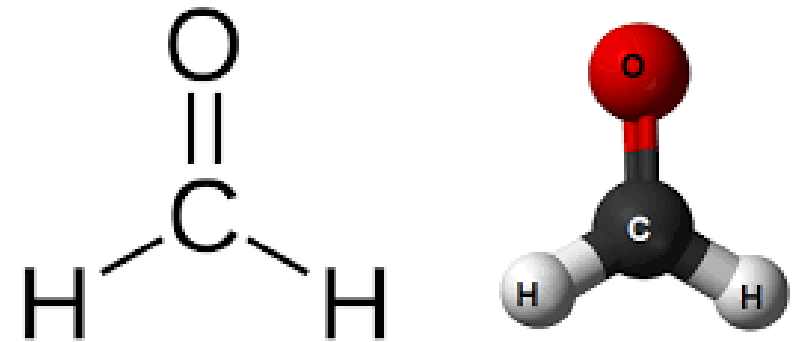
New Face, Same Problems?

- House Republican objections this session have centered on reducing federal spending year over year
- When was the last time that happened? ***Spoiler Alert***
 - Never
- Can Speaker Johnson find consensus within the conference on spending AND negotiate with Democrat controlled Senate and White House?



Remember Me?

- Laminated products not exempted from the definition of hardwood plywood must be tested and certified as meeting the hardwood plywood formaldehyde emission standard beginning **March 22, 2024**
 - Testing certification exemptions exist for no-added formaldehyde (NAF) and ultra low-emitting formaldehyde (ULEF) resins
- AHFA petitioned the EPA for a wider exemption, given the extremely constrained supply of NAF/ULEF options and data showing emission reduction from value added finishing process
 - EPA denied the petition/request
- EPA is also drafting a risk assessment for formaldehyde uses – initially composite wood products were not being considered given the strict emission limits
 - However, EPA recently decided to provide a risk assessment for ALL uses
 - Potential consequence is elimination of the molecule
 - Broader consequences around liability and legal action from outside groups



STURDY Act Compliance

- Clothing storage units and other covered products manufactured AFTER September 2, 2023, must comply with the new safety standard/regulation adopted by the CPSC (ASTM 2057-2023) as required by the STURDY Act
- Units made prior to this date may still be sold
- Congressional authors have sent letters to industry stakeholders to urge immediate compliance



New Majorities in Both Chambers?



- Narrow majorities in both the House and Senate set a low bar for flipping control
- 17 current House Republicans represent districts won by Joe Biden in 2020
 - Will Speaker vacancy impact House Republican prospects?
 - The moderate Republicans remain concerned about overly conservative spending positions
- 3 vulnerable Senate Democrats are in states won by Donald Trump in 2020 (Montana, Ohio, West Virginia)
 - Democrats are defending 8 of the most competitive Senate races this cycle
 - Incumbent Republican Senators are not expected to have significant challenges

Here we go again (?)

- President Biden is a vulnerable incumbent (as Trump was in 2020)
- What's weighing Biden down?
 - Economy
 - Age
 - Student Loan policies
 - Immigration
 - Foreign Wars
- Lingering criminal indictments have not damaged Trump in the Republican primary or the base
 - Each failed/successful Speaker candidate sought his endorsement

