GROWERTALKS

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The Floral Industry and Washington: The First 100 Days

Society of American Florists

While "the first 100 days" is viewed by some as artificial and even unhelpful, it's an accepted benchmark for evaluating a new administration. Here's our take on the first 100 days, with emphasis on the issues SAF took to the Hill during Congressional Action Days (CAD).

During CAD in March, a record number of SAF members visited almost 170 congressional offices and urged Congress to: increase funding for the Floriculture and Nursery Research Initiative (FNRI) by $250,000; exclude imported floral agricultural products from a border adjustment tax in any tax reform measure; and oppose stand-alone mandatory E-Verify worker verification legislation.

Those visits during CAD occurred at a critical time. While SAF members walked the Halls of Congress, lawmakers were drafting tax reform legislation and discussing spending priorities. The visits by SAF members had a very real impact on those discussions on the Hill.

Here's a closer look at where things are and where we think they'll end up.

Floriculture and Nursery Research Initiative Funding

Where it is:

SAF decided early in the Trump Administration to lobby for additional funding for the Floriculture and Nursery Research Initiative (FNRI). The Initiative currently funds a variety of important research projects affecting floral and nursery crops.

CAD attendees asked members of Congress to support an allocation of $250,000 toward the FNRI to help restore the Initiative to its high-water mark of $5.1 million. To date, 15 congressional offices have submitted appropriations requests to increase current funding for FNRI. This is a direct result of the lobbying conducted during Congressional Action Days.

Some of the 15 members of Congress who submitted the FNRI requests include members of the

Appropriations Committee and Agriculture Committee. Those requests carry a great deal of weight and are how things are funded in the federal budget.

What we're hearing:

In the face of significant federal budget constraints, getting 15 congressional offices to submit appropriations requests is a significant achievement. And despite contentious congressional debate in the first 100 days over spending priorities and levels, SAF members' request for $250,000 in FNRI funding was well-received—a decisive accomplishment.

What we anticipate:

Support for FNRI funding exists in the House and the next step is the Senate. It may not be clear until late summer if funding is approved, but we're optimistic about success—due in great part to the lobbying efforts during CAD.

Border Adjustment Tax

Where it is:

The House Republican tax "blueprint" includes a border adjustment tax (BAT) as one of its major provisions. It would eliminate the ability of American businesses to deduct the cost of goods sold for imported products.

In the first 100 days, there has been considerable discussion about the border adjustment tax and the implications it holds for the economy. Importantly, there's much disagreement about the proposal within the business community.

What we're hearing:

While there's some support for the BAT in the House, we've heard there's zero support for it in the Senate. In April, President Trump unveiled an outline of his own tax plan that include tax cuts for individuals and businesses. Notably, it doesn't include a border adjustment provision.

What we anticipate:

There are indications that the House Ways & Means Committee may begin hearings on tax reform very soon. But Treasury Secretary Steven Mnuchin said that enacting tax reform legislation by August is "highly aggressive and not realistic at this point."

Tax reform is one of the highest priorities of Republican congressional leaders and President Trump, but action must begin soon if there's any hope of enacting tax reform this year. If it's not enacted this year, the effort will become much more difficult, if not impossible, during the 2018 election year.

We anticipate the BAT will not be included in any viable tax reform measure.

Immigration Reform

Where it is:

During CAD, SAF members expressed their concerns about the possibility of stand-alone mandatory E-Verify legislation. Since January 20, President Trump has reaffirmed his commitment to fulfilling a campaign promise to enforce immigration laws. Much of the Republican majority in Congress is prepared to work with President Trump and act on border security and possible interior enforcement. But recent discussions about money for a border security package have been very messy.

What we're hearing:

Not much. Immigration reform, beyond talk of the border wall and how to pay for it, has taken a back seat to tax reform and trying to pass legislation to replace the Affordable Care Act.

What we anticipate:

The likelihood of seeing any kind of immigration reform legislation moving forward in 2017 is monumentally low. There may be attempts at some piecemeal legislation, but even that's remote.

A Word on the Budget and Regulatory Reform

After much debate and jockeying for position, the Congress in early May reached an agreement on an omnibus spending bill designed to fund the government through September 30.

Despite their minority status in both chambers, the Democrats obtained a number of concessions from the Republicans. Among them is that none of the $1.5 billion in the spending bill for border security can be used to build a border wall.

Complicating the situation further is that Congress is also drafting appropriations measures to fund the government for fiscal year 2018, which begins on October 1.

Regulatory reform is a top priority for the Trump Administration. The Regulatory Accountability Act (RAA) was passed by the House in January and was introduced in the Senate in late April by Sens. Rob Portman (R-OH) and Heidi Heitkamp (D-ND). The bill would require greater transparency and accountability from federal agencies seeking to issue new regulations.

The RAA would require cost-benefit analyses of regulations, create an automatic review process and invite public comment on large and expensive rules before they can be issued. **GT**