

GROWERTALKS

SAF in the Lobby

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What Do Midterm Election Results Mean for the Floral Industry?

Society of American Florists

International trade agreements, border security and healthcare will be key issues facing the 116th Congress after this week's headline-making midterm elections. Races around the country saw record voter turnout as Democrats regained a majority in the U.S. House of Representatives and Republicans expanded their hold in the U.S. Senate.

The new Congress will face a host of issues that pose challenges for floral industry members, but with a divided body and an ongoing investigation into Russian interference in the 2016 presidential election, how much Congress will accomplish legislatively in these areas remains to be seen.

Industry issues: Areas to watch

Agriculture/Trade—Among many issues affecting agriculture are consideration of the U.S.-Mexico-Canada Agreement and oversight of the Trump Administration's negotiations of bilateral free trade agreements with Japan, the United Kingdom and the European Union.

"As the Trump Administration continues to pressure China to change its trade practices and enforce tariffs on steel and aluminum from all sources, there will be interest in providing additional relief from retaliatory actions that negatively impact agricultural sectors, including tariffs on containers and other products used in the floral industry," said Shawn McBurney, SAF's Senior Director of Government Relations.

In addition, whether Congress can reauthorize the Farm Bill before the end of the year is "one of the most uncertain questions hanging over the lame duck session," Shawn said. "The results of the midterms make the possibility even more speculative, as Democrats may prefer to delay negotiations until they control the House in the next Congress."

Healthcare—After years of Republicans vowing to repeal the Affordable Care Act (ACA) and then failing to do so when they tried, "Democrats will not only seek to protect it, they may look to expand it," said Shawn. "In addition, President Trump has issued several executive orders that Democrats perceive as undermining the ACA. It is possible they may attempt to block those actions with their House majority."

The Environment—The Trump Administration's approach on energy and environmental policy so far has been one of deregulation and downsizing.

"That should continue over the next two years, with the President touting how the Administration's policies have fostered job creation and benefited consumers while placing the United States in strong standing as a global energy leader," Shawn said.

As Democrats prepare to take the reins in the House, they're likely to challenge the Administration at every turn. The new House majority's agenda will include expanding renewable energy, investing in policies and technology to combat climate change, and supporting a carbon tax.

"Democrats have supported imposing a carbon tax for years, but have not been able to move it because the Republican majority, especially in the House, is opposed to it," said Shawn. "Now that they control the House, they may pursue it and work with Democrats in the Senate to develop bipartisan support in that chamber to pass it. "

Labor—"Democrats and organized labor have been frustrated ever since a Democratic-dominated Congress and President Obama failed to enact the Employee Free Choice Act (EFCA), also known as Card Check," Shawn said. "President Obama imposed many parts of EFCA through executive actions, but many have been undone by court rulings and the Trump Administration. And as far as immigration goes, it will still remain contentious."

Border security was one of the most contentious issues in the midterm elections and will likely be center stage during the 2020 presidential campaign. In a similar vein, funding for the border wall in the 2019 Homeland Security appropriations bill remains "perhaps the most challenging issue hanging over the lame duck sessions," Shawn said. "Debate over the border wall will only intensify during the 116th Congress."

Taxes—Last year's passage of the 2017 Tax Cuts and Jobs Act and its aftereffects will remain a central focus of the tax world following the 2018 midterms.

"As Treasury finalizes regulations and businesses continue to digest the effects of the bill during its first tax filing season in spring 2019, pressure will mount to legislatively address ambiguous or unexpected results of the bill left unresolved by the regulations," said Shawn.

Although now under divided control, Congress will not stop legislating on taxes, however, tax policy in the 116th Congress may play a supporting rather than central role in possible efforts to advance infrastructure, health and environmental legislation.

Transportation—Infrastructure legislation provides a possible opportunity for House Democrats to work with President Trump.

"Despite all the talk during the past 24 months about the possibility of major new investments in infrastructure, both from President Trump and Congress, political and fiscal realities have restrained policymakers from fulfilling promises in this area," Shawn said. "Nevertheless, infrastructure remains an issue with strong bipartisan support and will remain on the short list of top agenda items in the coming year."

The Administration has touted the benefits of moving forward on infrastructure packages that include forms of public/private partnerships and private investment with tax incentives to fund projects and address deferred maintenance of public assets such as roads, bridges, airports, railroads and water systems. The new House Democratic majority will likely prioritize oversight of labor agreements, consumer choice and price transparency, and transportation safety for motor carriers." **GT**