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AHFA's Growing Influence in Washington

AS EXPECTED, THE FIRST QUARTER OF 2010 has been packed with legislative and regulatory activity, both at the state and federal levels. Consequently, our newly formed Government Affairs Committee has its plate full.

The committee conducted its first meeting in Washington, D.C., on January 17-18. Among the group's top priorities was to establish a list of current and pending issues of importance to our membership. More than a dozen legislative issues and eight key regulatory issues ended up on the list, along with about a half-dozen state-specific initiatives. Here are the top five:

FORMALDEHYDE. Last September, Senator Amy Klobuchar (D-MN) introduced the Formaldehyde Standards for Composite Wood Products Act. The bill would make California's formaldehyde emission standard applicable to all hardwood plywood, medium-density fiberboard and particleboard sold, supplied, offered for sale or manufactured in the United States. Final voting on this bill is expected in the first half of 2010. AHFA's Bill Perdue is providing leadership on this issue. He has met directly with Senator Klobuchar, as well as with other industry stakeholders and key members of the Senate Environment and Public Works Subcommittee. He has provided industry expertise and worked with industry stakeholders on draft language and potential solutions to compliance challenges.

CPSIA. The Consumer Product Safety Improvement Act (CPSIA) includes measures aimed at making children's products safer and increasing consumer confidence in the marketplace. The requirements, which took effect last summer, include new limits for lead in any component part that is accessible to children; new limits for lead in paint and other surface-coating materials for all consumer products, including furniture; and a stringent requirement for third-party testing demonstrating compliance with these new limits. AHFA has been working directly with the U.S. Consumer Product Safety Commission and has developed detailed compliance guidelines for the membership.

LACEY ACT COMPLIANCE. The Lacey Act combats trafficking in "illegal" wildlife, fish and plants. The 2008 Farm Bill amended the Lacey Act by expanding its protection to a broader range of



plants, including timber and timber products and requiring new import declarations for these products. AHFA offers extensive compliance guidance on the Standards page of its website and has held multiple, free webinars on the topic. As the enforcement deadline for most home furnishings products approaches this fall, AHFA will continue its educational efforts.

FURNITURE FLAMMABILITY. AHFA staff met with CPSC officials last month for an update on the commission's progress in drafting a federal flammability standard. A national standard may still be several months away, but several states are moving forward with their own initiatives. AHFA is working closely with these states to positively impact any new regulations.

INDEPENDENT CONTRACTORS. President Obama's budget plan would raise \$73 billion in revenues through a rewrite of the 1978 law that would enable the IRS to "reclassify" workers currently designated as independent contractors, making them regular employees for the purposes of benefits and workplace protections. It would also make firms responsible for payroll and unemployment taxes on wages, which they can avoid with independent contractors.

AHFA's ability to influence the outcome on these issues in favor of our industry is not a given. Our membership base must remain strong — not only to fund the research, expertise and physical presence at the stakeholder table, but also to ensure our voice carries sufficient weight among legislators and regulators. We are beginning to look for those non-member companies who weaken our influence by their absence from our ranks. We will more aggressively solicit their participation in 2010. As you have the opportunity to network with other industry executives this year, I encourage you to make AHFA membership a key point of conversation.

In the meantime, we will continue making our voice heard in Washington. In May the Board of Directors will hold its spring meeting at the Hay-Adams Hotel. I urge all Board Members to confirm their travel plans and take advantage of this opportunity to meet with legislators face to face and continue our dialog on important furniture industry issues. ★