

## US Hardwood Industry Coalition Files Checkoff Recordkeeping Comments with OMB

The Paperwork Reduction Act (PRA) is a federal law intended to minimize the paperwork burden "resulting from the collection of information by or for the Federal Government." The federal Office of Management and Budget (OMB) in the White House is authorized by the PRA to develop and implement information policies and standards concerning:

- reducing the burden of government paperwork on the public;
- records management activities;
- the privacy of records pertaining to individuals; and
- reviewing federal government information collection requests.

The US Department of Agriculture proposed the Hardwood Lumber and Hardwood Plywood Promotion, Research and Information Order (checkoff) via publication in the Federal Register (78 Fed. Reg. 68298) in November 2013. More than 900 industry comments were filed. The overwhelming majority of those comments opposed the checkoff, and included a request from the US Hardwood Industry Coalition to terminate the proposal. USDA then issued a revised checkoff proposal in June 2015 for which the Coalition filed further comments with OMB. According to the Coalition's official comments:

*This new proposal is significantly more burdensome than the original in terms of increasing cost to small businesses due to the vastly expanded record keeping requirements necessitated by the various exemptions and assessment rates based on product end use and company structure.*

According to the Coalition's analysis, the new checkoff proposal from USDA would:

- Require trace and tracking of hardwood and products after they are sold by the hardwood manufacturer;
- Require a separate set of financial and inventory records to determine compliance with the Checkoff plan;
- Require up to 71 new categories of recordkeeping entries for hardwood companies;

**The cost of these new paperwork burdens on hardwood companies is estimated to total more than \$7.9 million to the hardwood industry. These new compliance and regulatory costs would exceed what the checkoff program generates for industry promotion!**

USDA estimated the original checkoff proposal "should generate about \$10 million annually." The revised order, however, provides numerous exemptions to the original assessments, including industrial products which account for up to 60 percent of all hardwood utilization. The revised order will not raise \$10 million dollars annually, and is likely to generate less than \$6 million for industry research, promotion and education.