

Green Industry Business Summit and NAHSA Legislative Meetings Executive Summary

Introduction:

During its recent strategic meetings, the NAHSA Board of Directors identified a handful of Critical Impact Factors with regards to the industry, the horticultural wholesale channel, and challenges facing NAHSA members as business owners. Within these Impact Factors lies current legislative issues that could have a very serious impact on our industry and membership. Health care and business taxation issues are not particularly new but are at a point where significant decisions may be on the horizon. Illegal immigration reform, while also not a new issue, is a hot topic in the nation's eyes and one that could potentially determine our industry's future.

Green Industry Business Summit:

Given these national issues of such great importance to our members, NAHSA proposed the idea to Greenhouse Business Magazine of a meeting of all of the major associations in the horticulture industry to see how we could coordinate our efforts to the maximum benefit of our respective yet connected memberships. Rich Perkins of Greenhouse Business Magazine ran with this idea and organized the Green Industry Business Summit in Washington D.C. hosted in the offices of the American Nursery & Landscape Association. In attendance at this first-ever, channel-wide horticultural sit-down was:

- American Nursery & Landscape Association
 - Bob Dolibois, Executive Vice President
 - Jonathan Bardzik, Director of Membership and Industry Marketing
 - Craig Regelbrugge, Senior Director of Government Relations (very briefly)
- Society of American Florists
 - Lin Schmale, Senior Director of Government Relations
 - Jeanne Little, Senior Director of Government Relations- Small Businesses
- OFA
 - John Holmes, Executive Director
- National Greenhouse Manufacturers Association
 - Ron Eberly, American Clay Works (unofficially)
- Greenhouse Business Magazine
 - Richard Perkins, Publisher
- North American Horticultural Supply Association
 - Ron Eberly, Industry Advocacy Chair
 - Talbot Gee, Executive Director

ANLA and SAF have full-time government relations staffs as well as separate Political Action Committee funds. After a brief review of the participating organizations and current legislative activities, the associations agreed on four major Federal legislative issues on which each organization had a common interest:

1. Illegal Immigration Reform
2. Agricultural/Horticultural Research Funding
3. Health Care Reform
4. Estate/Business Taxation

While issues 3 and 4 above are certainly of extreme importance to NAHSA members and businesses throughout the horticulture industry, issues 1 and 2 could truly cripple our industry if addressed on the Federal level without the interests of horticulture/agriculture considered. It is

those issues that could rally all sectors of our industry if properly informed, organized and mobilized and it may require such a vast effort to protect our industry.

Grassroots participation by the memberships of each participating organization was identified as the most important factor towards determining the industry's success in influencing a favorable outcome on a Federal level. However, despite overwhelming supporting data, high-level legislative involvement, and consistent communication to date on vital legislative issues by politically active horticultural organizations, grassroots mobilization of green industry businesses has largely paled in comparison to that of opposing caused-based organizations. It is NAHSA's opinion that legislative efforts of the industry must be better coordinated and issue-focused to significantly increase grassroots involvement by green businesses. Summits like this one are a vital first step towards achieving industry-wide positions and arguments on the most important Federal legislative issues. These organizations must then work together to make it easy to explain the issues, articulate the industry's position, provide supporting arguments and data, direct/coordinate member company involvement, and raise the funds necessary to implement these coordinated strategies.

While not traditionally involved in legislative or regulatory activity, NAHSA is well-positioned to have a significant influence as a communication conduit to those businesses, the customers of NAHSA Distributors, on what the key issues are and what each business needs to do to protect the best interests of our industry. Further, NAHSA comprises a membership of wide-ranging types of businesses and interests and a strong understanding of the industry from a variety of perspectives with a singular common interest in perpetuating production of horticultural/floricultural products for the consumer market. From NAHSA's standpoint, the greatest challenge may be generating a sense of accountability and responsibility by largely our Distributor members for the grassroots participation of their customers based on the belief that growers, nurseries, garden centers, and other types of green businesses will be moved to action more so by the education, support, and urging of their suppliers than their peers or representative organizations.

In the short term, efforts will be focused on coordinating communications and messages among all green associations. NAHSA has agreed to promote the initiatives of the lobbying organizations that coincide with the interests of the industry through our Distributor members including Congressional Action Days, letter-writing campaigns, get-out-the-vote efforts, and fundraising.

Legislative Meetings:

NAHSA Industry Advocacy Chair and President of American Clay Works, Ron Eberly and NAHSA Executive Director, Talbot Gee took advantage of our stay in Washington, D.C. and the momentum of our meetings the previous day to meet with the staffs of four elected officials:

- Congressman John Salazar, Colorado
- Senator Ken Salazar, Colorado
- Senator Rick Santorum, Pennsylvania
- Senator Wayne Allard, Colorado

We presented ways the horticultural industry could help federal efforts to conserve energy and reduce U.S. dependence on foreign energy sources through the application of high efficiency equipment and greenhouse growing techniques. This was also seized as an opportunity to explain how small businesses such as Wholesale Distributors and greenhouse growers operated and the greatest challenges they are currently facing. Most notably we stressed how important proper immigration and migrant worker reforms are to the industry and that there are significant challenges

to the viability of small businesses- especially family owned- that need to be addressed such as escalating health care costs and the double taxation of the estate tax.

We impressed upon them how significant the Small Business Health Plans legislation would be for companies in different states to be able to band together, potentially through their trade associations, to generate the buying power necessary to bring the costs of health care down. Further, continued support for consumer-driven health plans would enable small businesses to better predict and forecast health care expenses and provide another way to build employee loyalty as their personal accounts accrue. With regards to the estate tax, we acknowledged the recent compromises that had been reached in Congress to raise the taxable threshold and lower the tax rate but argued that the line between a private business and the individual principals' estates is largely non-existent regardless of the size of the company and that double taxation is not only unjustified but also prohibitive to the private transfer of businesses without, oftentimes, the sale of assets to pay the taxes.

If time allowed we touched on other issues such as the unintended consequences of various EPA regulations that have driven much domestic agricultural production to foreign producers who are often unregulated or regulated by environmental protections that are not enforced who then import products back into the U.S. for our consumption. We also conveyed our support for the NAW-led Lawsuit Abuse Reduction Act. In all, we communicated a message of cooperation and potential solutions for energy conservation and alternative initiatives and a general pro-small-business stance that aligned with no particular political party but rather any elected official who understood the value of small business, the challenges of running them, and the importance of minimizing the governmental cost and burden imposed upon them that jeopardizes their competitiveness or basic viability.