



NATIONAL GRANGE

OF THE ORDER OF PATRONS OF HUSBANDRY

American Values. Hometown Roots.

View from the Hill



POLICY UPDATES and ISSUE NEWS

APRIL 2021 WRAP-UP

WASHINGTON OVERVIEW

April has been a busy month in Washington, as Democrats have turned their attention away from their emergency COVID-19 bill, the American Rescue Plan, to new legislative priorities addressing infrastructure and families. Earlier this month, President Biden released details for his infrastructure package, the American Jobs Plan, which has already begun to change since we last covered it. Most recently, President Biden has unveiled details for his American Family Plan which addresses issues from education to healthcare to family tax credits.

American Jobs Plan Updates

Since we last summarized the American Jobs Plan, the bill's legislative path has become clearer and many influential Democrats have begun to argue for changes to the bill.

Legislatively, Speaker of the House Nancy Pelosi (D-CA) has indicated that she would like to move the bill through the House and over to the Senate by July 4th, an ambitious timeline to move a bill of this size. As well, many believe that the bill will most likely come to a vote through the reconciliation process, a legislative maneuver which allows Democrats to pass the bill in the Senate without any Republican votes, in September when other key bills must also be authorized such as the Surface Transportation Bill and budget agreements.

With regards to the substance of the bill, Senator Joe Manchin (D-WV), the most moderate Senate Democrat, has expressed that he wants the final bill to include more compromises with Republicans and not move through reconciliation. While Manchin personally supports the large infrastructure spending provisions of the bill, he has also expressed skepticism regarding the many billions of dollars in provisions related to healthcare. Whether or not Manchin's concerns are enough to make him not support the bill in the long-run is not yet clear, but his viewpoint will certainly influence the path and substance of the bill going forward.

American Family Plan Unveiled

In late April, President Biden revealed his American Family Plan, a wide-ranging \$1.8 trillion bill which funds education, tax credits addressed towards children and families, and healthcare. It is important to note that this bill is currently just a proposal and will certainly change dramatically as it goes through Congress and will have significant differences by the time it receives a formal vote.

Nevertheless, the proposed bill allocates funds as follows:

- \$200 billion for universal preschool for 3- and 4-year-olds
- \$109 billion for two years of free community college, \$62 billion for student retention at community colleges, \$85 billion for expanded Pell Grants, and \$46 billion for Historically Black Colleges and Universities as well as other minority-serving institutions

- \$225 billion for child care for low- and middle-income families
- \$225 billion for national paid family and medical leave
- \$800 billion to permanently extend recent tax cuts made under the American Rescue Plan including the Child Tax Credit, the Earned Income Tax Credit, and Affordable Care Act premium tax credits

Along with this proposed spending, the Biden administration has also announced changes to the tax code which would seek to pay for the bill over a fifteen-year period. To begin, the plan calls for increased funding for the IRS to collect taxes and decrease tax evasion. Next, the plan calls for returning the top marginal income tax rate to 39.6%, where it sat prior to the Trump administrations 2017 tax cuts. As well, Biden's bill would change the capital gains tax so that households making more than \$1 million would have capital gains taxed at regular income rates. Yet more, the bill would eliminate the step-up in basis for capital gains more than \$1 million. However, the administration has also specified that for family businesses and farms which intend to keep their business/farm in the family after death they will not have to pay the new tax. Finally, the bill would eliminate the carried interest loophole.

President Biden Addresses Congress

On the eve of his 100th day in office, President Biden gave his first address to a socially distanced joint session of Congress. In his speech, Biden highlighted the American Rescue Plan and his administration's COVID-19 response, then pitched the American Jobs Plan and American Family Plan. Yet more, Biden spoke about his interests in a wide range of issues including foreign policy, raising the minimum wage, passing the Equality Act to protect LGBT+ people, democracy reforms, immigration reform, police reform, addressing climate change, and more. Many of these miscellaneous priorities have a limited chance of passing given the tightly divided 50-50 Senate, but they are key indicators of the interests of this White House and Democrats in Congress.

AGRICULTURE AND FOOD

USDA Reopens CFAP2 for Ag Producers

Sign-up to receive additional funding from the Coronavirus Food Assistance Program which extends through May. CFAP2 has been expanded to cover specialty crop producers, beginning, urban, and organic farmers, biofuel producers, timber harvesters and more. Funds are also available to establish partnerships with organizations to provide outreach and technical assistance to socially disadvantaged farmers and ranchers. Consult your local USDA Farm Service Agency to apply.

Grange Asks for Mental Health Funding

The National Grange along with the American Psychological Association, the Farmer Veteran Coalition and other rural and agriculture organizations are asking Congress to fully fund the Farm and Ranch Stress Assistance Network. In a letter to leadership of the Senate and House agriculture appropriations subcommittees, the group urged full funding for FRSAN in FY 2022 to assist the two in three farmers and farm workers who say the COVID-19 pandemic has impacted their mental health.

Diverse Group Petitions USDA to Expand Food Assistance

The National Grange, DC Central Kitchen, One Country, National Consumers League, National Rural Health Association and Tyson Foods have urged Agriculture Secretary Vilsack to expand USDA's food assistance programs. It's expected 42 million people, including 13 million children, will experience food insecurity this year. In addition to traditional SNAP, WIC and school feeding programs, the groups suggest investing in the

infrastructure of local food banks especially in rural areas where banks do not have capacity to store or refrigerate perishable foods.

Grange Suggests Farm Corps Program

The National Grange congratulated Oregon Senators Wyden and Merkley on the introduction of their 21st Century Conservation Corps Act. The Grange suggested adding an amendment to establish a Farm Corps program for apprenticeships and mentoring of new and beginning farmers and ranchers to train new producers desiring to enter the business.

ENVIRONMENT AND CLIMATE CHANGE

The President's Climate Goals

President Biden on Earth Day April 22 pledged to slash U.S. greenhouse gas emissions 50% by 2030 from 2005 levels. The aggressive goal will require retooling the world's largest economy in an effort to put the U.S. at the forefront of the international campaign to slow climate change. By comparison, China will allow its carbon emissions to continue to peak until 2030 but insisted it can be carbon neutral by 2060. China presently accounts for 30% of global emissions followed by the U.S. at 15%, the European Union at 9% and India at 7%.

Committee Adopts Growing Climate Solutions Act

Senate Ag Committee Chair Debbie Stabenow's (D-MI) bipartisan Growing Climate Solutions Act passed her committee April 22 (Earth Day) on a unanimous voice vote. The bill has 21 Democrats and 21 Republicans cosponsoring. The legislation lays the groundwork for voluntary ag carbon markets by putting USDA in charge of creating a program to certify credit verification services and technical assistance providers. It would also create a USDA advisory committee with extensive authority to shape certification requirements and continually review the program. The majority of committee members must be farmers, ranchers and private forest owners. House Ag Committee members Spanberger (D-VA) and Bacon (R-NB) are expected to introduce a similar version of the bill in the House. The National Grange issued a statement saying, "The National Grange looks forward to ensuring this legislation continues to be voluntary and farmer and rancher focused as it moves through the legislative process and into the implementation phase."

Food and Ag Coalition Responds to USDA Climate Request

The Food and Agriculture Climate Alliance (National Grange is a member) submitted an extensive official response to USDA's Request For Information regarding USDA's authorities, opportunities and obligations to encourage voluntary adoption of climate-smart practices on working farms, ranches and forest lands. The Alliance response centered around three guiding principles:

- Support voluntary market-based and incentive-based policies
- Advance and accelerate science-based outcomes
- Promote resilience and help rural communities better adapt to climate change

Secretary Vilsack says "No Land Grab" in 30x30 Goal

President Biden has set a goal of permanently conserving 30% of the country's land and coastal waters by 2030. Currently about 12% of the land mass is protected, mostly on public lands such as national forests, national parks, wilderness areas, national monuments and wildlife refuges. Around 26% of coastal waters are protected now. To reach the 30% land conservation target, private land will need to be included and that has set off alarms

in many parts of the country. On Earth Day April 22, Secretary Vilsack addressed those fears saying, “There’s no intention to have a land grab.” Instead, Vilsack stressed the need to increase the number of acres in USDA’s Conservation Reserve Program (CRP) and other voluntary private land programs.

Label Non-Dairy Accurately

Clear, accurate labeling information for consumers is still lacking at the dairy counter. Plant-based substitutes continue to be labeled as “milk” even though those products have nothing to do with dairy. Senators Baldwin (D-WI) and Risch (R-ID) along with Representatives Welch (D-VT) and Simpson (R-ID) have reintroduced the Dairy Pride Act to require the Food and Drug Administration to enforce its existing standards of identity on imitation dairy products.

HEALTH CARE

Major Drug Pricing Bill Introduced

In mid-April, House Democrats reintroduced the Lower Drug Costs Now Act (H.R. 3) which passed the House in 2019. The sweeping drug pricing bill would require U.S. drug manufacturers to negotiate price with the federal government based on an international price index of prices paid in several other countries. In essence the Act would place government price controls on prescription drugs sold in America. Unfortunately, the Act establishes a \$2,000 cap for Medicare Part D beneficiaries who now have no limit on costs for their prescription drugs. Reducing patient drug costs is a top priority for the National Grange but price controls raise several additional questions about drug availability and new drug innovation. The National Grange is committed to working with lawmakers on patient-centered reforms that give access to life-saving medicines without compromising research and development leading to next generation cures.

Huber a Founding Member of Community Corps

The White House invited National Grange president Betsy Huber to become a founding member of its COVID Community Corps. The Community Corps relies on trusted community messengers to share the message about the safety and efficacy of COVID-19 vaccinations.

Fair Arbitration for Air Medical Response.

The No Surprise Act (prohibits surprise medical bills) was included in the 2021 omnibus spending bill and is now in the rule-making process at Health and Human Services. The air ambulance industry and many insurance companies have in the past been unable to establish equitable reimbursement rates for emergency services. The National Grange wrote HHS Secretary Becerra to suggest that the HHS rulemaking ensure a fair arbitration process that does not endanger the nationwide availability of emergency air ambulance services in rural and underserved areas of the country.

INFRASTRUCTURE

American Jobs Plan

President Biden unveiled his American Jobs Plan infrastructure proposal in early April. The \$2.25 trillion package goes well beyond the traditional definition of infrastructure. The major provisions in the infrastructure plan are:

- Transportation infrastructure
- Domestic manufacturing, research and development, and job training initiatives

- Home health care services and additional support for care workers
- Clean energy tax credits
- Build energy efficient housing, modernize schools and child care facilities, upgrade VA hospitals and federal buildings
- Provide broadband, electric power infrastructure and clean drinking water

Questions About Broadband

The plan's \$100 billion in new broadband funding has the goal to connect every American to high-speed internet. However, the broadband provisions are already drawing fire because it prioritizes funding support for broadband networks owned, operated by or affiliated with local governments, nonprofits, and cooperatives which are providers with less pressure to turn profits and are committed to serving entire communities. However, by removing private companies from equal eligibility to compete, will rural America actually receive the best connectivity possible at the lowest possible price and will connectivity actually reach that rural "last mile" before the funding runs out and time limits expire?

TAXES

Now Comes the Pay-For

President Biden's American Jobs Plan (infrastructure, etc.), American Families Plan (childcare, free community college, universal prekindergarten, family leave, etc.) and related proposed programs represent a huge invoice to the American public. What are the plans to pay down the public bill? The Administration's Made in America Tax Plan suggests these as an example:

- Raise the corporate income tax rate from 21 to 28 percent
- Enforce global minimum tax for multinational corporations
- Enact a 15 percent minimum tax on corporate "book" income
- Eliminate deduction for foreign-derived intangible income
- Prevent U.S. corporations from claiming offshore tax havens as their residence
- Eliminate tax preferences for fossil fuels
- Raise taxes on individuals making more than \$400,000

What About Agriculture and Small Business

Farmers, ranchers and small business owners are bracing for the details on proposed higher taxes on inherited assets, capital gains, stepped-up basis, special use valuation and qualified business income deduction. In the meantime, several bipartisan members of Congress have introduced bills to repeal death taxes and expand the special use valuation. National Grange policy supports both initiatives.

TELECOMMUNICATIONS

Remove Impediments to Broadband Expansion

Rights of way issues and disagreements could slow and even stifle getting internet to rural areas. Rights of ways, utility easements and utility poles are generally owned by private entities. An equitable arrangement for access to these internet pathways must be achieved for effective and efficient broadband expansion. The National Grange joined several other user advocacy groups on a letter followed by Hill visits to the Senate and House

Rural Broadband Caucuses co-chairs to call for utility access reform. Such reforms are needed to ensure timely access, fair cost-sharing, and expedited resolution of disputes.

We're Ahead of Europe

You may have heard the EU's intensive framework for broadband regulation gives consumers a superior experience and should be replicated in the U.S. Not so. The U.S. framework that incentivizes private investment over government regulation has actually yielded more broadband deployment, adoption, investment and competition than the European system.

PERPESPECTIVES

- “ It is not enough to have lived. We should be determined to live for something. ”
Winston Churchill
- “ Make your work to be in keeping with your purpose. ”
Leonardo D a Vinci
- “ It is not enough to be industrious; so are ants. What are you industrious about? ”
Henry David Thoreau
- “ The greatest thing in this world is not so much where we stand as in what direction we are moving. ”
Johann Wolfgang Von Goethe
- “ What I am living for and what I am dying for are the same question ”
Margaret Atwood