



NATIONAL GRANGE

OF THE ORDER OF PATRONS OF HUSBANDRY

American Values. Hometown Roots.

View from the Hill



POLICY UPDATES and ISSUE NEWS

MAY 2021 WRAP-UP

WASHINGTON OVERVIEW

Infrastructure Debates Continue

Since President Biden announced his American Jobs Plan and American Family Plan in April, two large spending bills meant to address issues ranging from traditional infrastructure to child poverty, Washington has been gripped by public and private discussions of the packages. In recent weeks, the White House has hosted meetings with Republicans looking to craft a bipartisan compromise, progressive Democrats have pushed for increased funding for their priorities, and the timeline and method the bill will be passed has changed multiple times.

From the beginning, President Biden and moderate Democratic Senators such as Joe Manchin (D-WV) and Kyrsten Sinema (D-AZ) have publicly indicated that he would like for both of these plans, particularly the American Jobs Plan which focuses on infrastructure, to be passed in a bipartisan manner. As a result, over the past month President Biden has hosted discussions with House Minority Leader Kevin McCarthy (R-CA), Senate Minority Leader Mitch McConnell (R-KY), and a group of Republican Senators led by the Ranking Member of the Senate Environment and Public Works Committee, Shelley Moore Capito (R-WV).

At the onset of the negotiations, Capito proposed an \$568 billion infrastructure package focused on hard infrastructure such as roads, bridges, and railways which would be funded by repurposing money allocated to fight COVID-19 and increased user fees. The Biden administration indicated that this proposal was a nonstarter for its failure to address key issues such as green infrastructure, affordable housing, and eldercare. As well, Republicans have indicated that they do not support any of the Democrats proposed tax provisions, particularly those which would change the 2017 Tax Cuts and Jobs Act.

At the same time, President Biden is under constant pressure from members of his own party to not compromise on his plan, and in fact to go even farther than he has proposed, making a bipartisan compromise appear unlikely. Nevertheless, negotiations continue and Capito is likely to make another counteroffer soon, along with a new proposal being drafted by a small bipartisan group of Senators.

Another important change in recent weeks has come with regard to the timeline for the bill. Originally, Democrats had made clear behind closed doors that they intended to pass the bill by September so as to pass it during the 2021 fiscal year. However, with a recent rules change allowing for the Democrats to pass multiple bills through the reconciliation process (a process which allows them to pass bills in the Senate with a simple majority vote) and internal party divisions over the bill not yet resolved, this timeline is likely to be pushed later into the fall of this year.

Other Priorities Making Progress

While infrastructure debates have dominated the past month, Democrats have moved other key bills forward before the Memorial Day recess. Significant progress has been made in recent weeks on Senate Majority Leader Chuck Schumer's (D-NY) Endless Frontiers Act, a bipartisan bill which will fund research and development and create new policy tools to address US competition with China. The bill is currently undergoing a bipartisan amendment process in the Senate, and Schumer intends to pass the bill before the end of May. Leaders in the House and Senate have also indicated progress on a bipartisan policing reform bill being negotiated by Rep. Karen Bass (D-CA), Senator Cory Booker (D-NJ), and Senator Tim Scott (D-SC).

AGRICULTURE AND FOOD

Grange Supports America Grows Act

The National Grange joined over a hundred agriculture, food, forestry, consumer and university groups in expressing support for the American Grows Act of 2021 (S.1371) championed by Senators Durbin (D-IL) and Moran (R-KS). The bill would significantly increase the nation's investment in agriculture research and development. The Grange also encouraged the leadership of the Senate and House Agriculture Committees to include agriculture research infrastructure investment in new initiatives moving through Congress to support the rural and agricultural economy.

USDA To Begin Socially Disadvantaged Farmer Payments

With funds authorized by the \$1.9 trillion American Rescue Plan in March, Native American/Alaskan, Black, Hispanic, and Asian/Pacific Islander borrowers who have USDA loans that no longer have collateral are eligible to receive payments at 120% of their indebtedness. Secretary Vilsack says the debt relief payments will begin in June.

USDA Sets Strategy for "Climate-Smart" Ag and Forestry

The blueprint lays out broad goals but provides no specific policy proposals. Strategy includes paying farmers and ranchers for the wider use of existing conservation programs such as the Environmental Quality Incentives Program, Conservation Stewardship Program, Agricultural Conservation Easement Program and Conservation Reserve Program.

ENVIRONMENT AND CLIMATE CHANGE

Climate Alliance Recommends Pilot Projects

The Food and Agriculture Climate Alliance (National Grange is a member) worked the past three months to develop specific recommendations for how USDA should approach a potential carbon bank. These recommendations have been shared with USDA and Congress. If the Administration considers a voluntary, USDA-led carbon bank, USDA should first develop a series of pilot projects that would focus on four areas:

- Pilot projects should help increase adoption of climate-smart practices and provide infrastructure to increase the capacity of farmers, ranchers and forest owners to adapt to climate change while ensuring food and economic security.
- Pilot projects should encourage widespread adoption of climate-smart practices by making it easier for producers and landowners to adopt these practices

- USDA should develop consistent and credible criteria to account for carbon sequestration and greenhouse gas reduction and determine how to verify the climate benefits delivered by specific practices and management approaches
- Pilot projects must provide equitable opportunities for small-scale, minority and socially disadvantaged producers.

Boost Conservation Funding

Senate Agriculture Chairwoman Debbie Stabenow (D-MI) says the American Jobs Plan is inadequate to fund climate-friendly farming practices. She says, “I am working to get significant resources in there to fund conservation.”

HEALTH CARE

Senators Call for Telehealth Permanency

A bipartisan group of 30 senators led by Schatz (D-HI) and Wicker (R-MS) are calling for the expansion of access to telehealth services during the COVID-19 pandemic to be made permanent. This would assure patient care is not interrupted when the pandemic ends and provide certainty to health care providers that use of telehealth is a sound long-term investment. The National Grange is supportive of this initiative.

Seniors Immunization

The National Grange joined seniors patient groups to advocate for Medicare Part D to reimburse seniors for a broader range of immunizations. In a letter to House and Senate leadership, the group said that Part D immunizations (shingles, tetanus, diphtheria, Tdap) should be available at no cost to the beneficiary as they are under Medicare Part B (COVID-19, flu, pneumonia).

COVID Relief for India

America’s biopharmaceutical companies are providing much needed support to India’s COVID battle. They are delivering therapeutics and vaccines, building capacity with Indian manufacturers, entering into licensing agreements, and collaborating with global health authorities.

White House to Focus on Rural Vaccination

The Biden administration will allocate more resources to rural communities in an effort to increase vaccination rates. Vaccines will be sent directly to rural health clinics and \$100 million in American Rescue Plan funding will be provided to 4,600 clinics and hospitals to use for vaccine outreach in rural communities. Another \$130 million will target organizations with a history of supporting rural communities, racial and ethnic minorities, and those with disabilities for educational materials, toolkits about the vaccine, improving vaccination availability, and having trusted figures encourage residents to get vaccinated.

TAXES

Protect Sound Tax policy

The Tax Aggie Coalition sent a letter signed by the National Grange and 40 national and regional agriculture organizations to House and Senate leadership to express significant concerns with proposals that would

jeopardize the future of family-owned farm, ranch and timber businesses. As Congress struggles to pay for trillions of dollars in stimulus and relief aid, three critically important tax provisions were highlighted to preserve:

- **Stepped-Up Basis** – Resetting the basis of the value of land, buildings and livestock on the date of the owner’s death to ensure family members survive the tax liability and have future financial stability in the operation.
- **Like-Kind Exchanges** – This allows businesses to buy and sell like assets without tax consequences
- **Section 199A Business Income Deduction** – The qualified business income deduction is necessary in order to maintain a reasonable level of taxation for businesses like farms and ranches.

Business Groups Deliver Stepped Up Basis Study

The National Grange and 111 other members of the Family Business Estate Tax Coalition have called upon the chairmen and ranking members of the Senate Finance and House Ways and Means Committees (tax writing committees of Congress) to continue the stepped-up basis. The coalition also delivered a study by EY that illustrates the economic damage that step-up repeal via tax at death would inflict. Repealing stepped-up basis by imposing capital gains taxes when assets transfer ownership at death would force many family -owned businesses to sell assets to cover the tax burden. The new tax would be imposed on top of any existing estate tax liability, further compounding the negative impacts and creating a second tax at death.

Rural Democrats Weigh In

Nine Democratic members of the House Agriculture Committee are urging House leadership to fully exempt family-owned farms from President Biden’s tax plan. “The repeal of stepped-up basis for capital gains and immediate taxation could especially hurt family farms, some of which have been in families for generations; therefore, we strongly urge you to provide full exemption for these family farms and small businesses that are critical to our communities,” the lawmakers said.

TELECOMMUNICATIONS

Target Rural Digital Opportunity Funds

The Federal Communications Commission has called the RDOF its single biggest step to close the digital divide. The National Grange recently petitioned the FCC to assure RDOF funds are targeted to residents without internet service and those with outdated slow internet speeds. Recently released information from the Competitive Carriers Association (CCA) indicates some RDOF funds could subsidize construction and operation of broadband facilities in areas that already have at least 25/3 Mbps service.

PERPESPECTIVES

- “ Collecting more taxes than is absolutely necessary is legalized robbery. ~ **Calvin Coolidge** ”
- “ Taxes are like and unlike the rain, they fall on the just and the unjust; most hardly the just because they will not resort to devious ways to escape the imposition. ~ **Paul Carus** ”
- “ Taxes grow without rain. ~ **Jewish Proverb** ”
- “ Tax reform is taking the taxes off things that have been taxed in the past and putting taxes on things that haven’t been taxed before. ~ **Art Buchwald** ”