



NATIONAL GRANGE

OF THE ORDER OF PATRONS OF HUSBANDRY

American Values. Hometown Roots.

View from the Hill



POLICY UPDATES and ISSUE NEWS

MARCH 2022 WRAP-UP

WASHINGTON OVERVIEW

Supreme Court Nominee Moves Forward

Following a series of tumultuous hearings, Judge Ketanji Brown Jackson is poised to successfully be confirmed as an Associate Justice of the Supreme Court, replacing retiring Justice Stephen Breyer. Senate Majority Leader has announced his intention to move Jackson's nomination through the Senate early next week as she is expected to receive narrow bipartisan support with Senator Susan Collins (R-ME) having announced that she will join Senate Democrats in supporting the nomination. Jackson is likely to follow a similar judicial philosophy to Breyer, so the ideological make-up of the court will not shift significantly from this appointment.

Supply Chain Bills Move Forward

In late March, progress was made on two significant bills related to the myriad supply chain issues which have persisted since the beginning of the COVID-19 pandemic. On March 28th, the Senate, in a bipartisan vote, passed its version of the America COMPETES Act which had passed the House in February of this year. The bill provides \$52 billion in funding for the semiconductor industry to incentivize increased domestic manufacturing of microchips as well as advanced research and development of the technology. As well, the bill includes a variety of other provisions intended to increase American cybersecurity and supply chain resiliency in the context of competing with China. With the Senate version having passed, the bill must go through a conference with the House to smooth out differences between the two bills before it is able to make its way to the President's desk.

Another bill aimed at tackling pandemic supply chain issues that moved in late March was the Ocean Shipping Reform Act (OSRA). OSRA is a bipartisan bill that would seek to reform American port operations and infrastructure in a way that is intended to increase US exports and decrease delays at ports. Specifically, the bill takes aim at ocean shipping companies by authorizing the Federal Maritime Commission to address unfair practices and price gouging at the expense of American exporters. Supporters of the bill have argued that this would be particularly beneficial for American agriculture as the industry would be able to move its goods to foreign markets in a more timely and cost-effective manner. The bill has wide bipartisan support and has been made a priority by both parties in the House and Senate. The House passed its version of the Ocean Shipping Reform Act earlier this month, and the Senate is currently looking to pass its own version on an expedited timeline.

President Biden Releases 2023 Budget

Although it was only in early March that Congress was able to finally pass the federal budget for 2022, in late March President Biden began the budget process for 2023 with the release of a new budget proposal. In broad terms, the budget would be \$5.8 trillion, a moderate 7% increase over last year's budget, with major increases in spending coming with a 4% proposed increase in military spending and significant new funding for law enforcement. Other new spending would come for initiatives on affordable housing, climate change, supply chain issues, and inflation related programs. The US Department of Agriculture would see a spending increase of \$2.6 billion with funding spread across nutrition, conservation/climate, and rural development programs.

Notably, the budget would also reduce the federal deficit by \$1 trillion over the next decade as new spending is more than compensated for by new tax proposals. Specifically, the budget includes new proposed taxes meant to target corporations and wealthier Americans. These taxes include a proposed minimum tax on billionaires, which would include taxation of unrealized gains on certain assets such as stocks and bonds, an increase in the corporate tax rate from 21% to 28%, an increase in the highest income tax rate from 37% to 39.6%, an increase in the capital gains rate to 30.6% on income over \$1 million, and many more technical changes to the treatment of trusts and estates. While the stated intent of these tax changes is to target wealthy Americans, some observers have raised concerns that their effects could also impact small business owners and farmers, depending on the exact details of the proposed changes. However, the President's budget proposal is not a formal legislative proposal and Congress will certainly make significant changes to whatever package ultimately becomes law in a process that will take many months.

AGRICULTURE AND FOOD

Keep West Coast Ports Shipping During Labor Negotiations

America's fragile supply chain cannot afford any more pauses in shipping. The National Grange and 24 additional members of the Agricultural Transportation Working Group Sent a letter to President Biden requesting his administration take an active role in ensuring upcoming contract negotiations for West Coast ports do not result in any labor disruptions. The current contract between the International Longshore and Warehouse Union and the Pacific Maritime Association expires July 1, 2022.

Pass Ocean Shipping Reform

The National Grange is urging the Senate to pass the Ocean Shipping Reform Act. The legislation, introduced by Senators Klobuchar (D-MN) and Thune (R-SD), would clear up port congestion and take action against price-gouging for exports. It would also add pricing transparency and give the Federal Maritime Commission authority to collect and report aggregate numbers on exports. The House passed its more stringent version in December.

USDA Commits More Processing Capacity Funds

In addition to previous commitments of \$1 billion, USDA will make an additional \$215 million available in grants to expand existing small meat and poultry processing plants by:

- Offsetting costs of construction, expansion and acquisition of equipment
- Expanding existing workforce development programs to recruit, train and retrain adequate labor
- Establishing partnerships with organizations who specialize in meat and poultry processing

Supreme Court to Review California Animal Housing Law

California's Proposition 12 law that requires pork sold in the state must come from sows housed in a minimum amount of space, and the Ninth Circuit Court of Appeals decision that upheld the law, will now be reviewed by the Supreme Court. The petition was filed by the National Pork Producers Council and American Farm Bureau Federation and backed by 20 states and several animal agriculture groups. At issue is the constitutionality of California's law imposing requirements on farmers and ranchers outside its borders.

Fund Wildlife Damage Protection

Over 130 organizations, including the National Grange, wrote the leadership of the House and Senate committees on appropriations to request that USDA Wildlife Services receive full funding for fiscal year 2023

which begins October 1. Wildlife Services works to prevent, minimize or manage wildlife damage and to protect human health and safety from conflicts with wildlife. In FY 21, Wildlife Services responded to farm crop and animal losses, COVID outbreaks in domestic mink, property damage, infrastructure deterioration, private and military aircraft strikes, and much more.

CONSERVATION AND ENVIRONMENT

Extend Deadline for Climate-Smart Pilot Projects

The National Grange cosigned a letter with the National Association of State Departments of Agriculture and over 40 other groups to request a 30-day extension by USDA for applications for climate-smart pilot projects. USDA previously called for applications for pilot projects to find ways farms can profit from low carbon commodities produced through practices that reduce greenhouse gas emissions. Cosigners felt the turnaround time was too short to produce the highest quality of diverse applications.

Farmers Willing but Conservation Programs Can't Pay

Despite billion-dollar budgets, conservation programs are not equipped to deal with the demand, forcing USDA's Natural Resources Conservation Service to turn away the majority of applicants. Authorized under the conservation title of the farm bill, the Environmental Quality Incentive Program (EQUIP) was able to accept only 27% of applicants and the Conservation Security Program (CSP) only awarded contracts to 25% of applicants in 2020. EQUIP and CSP are popular working lands conservation programs. Leading into the new farm bill debate in 2023, producers are beginning to suggest these programs be scrutinized to determine which covered practices actually have big impacts on carbon sequestration, carbon emissions reduction and lowering greenhouse gas emissions.

Bring CRP Land into Production?

The European Union (EU) will allow farmers to bring up to 9.9 million fallow conservation acres back into food production to compensate for the Russian war-torn hole in international markets. The Ukraine is a major world supplier of wheat, other small grains and corn. Members of Congress and several ag groups are suggesting the administration open some of America's Conservation Reserve Program (CRP) idle acres for food production this year as well. USDA has the authority to do open these acres for emergency use.

HEALTH CARE

Rule to Lower Prescription Drug Costs

The Centers for Medicare and Medicaid Services (CMS) should finalize a rule to help lower the cost for prescription drugs for Medicare Part D beneficiaries through pharmacy direct and indirect remuneration (DIR) fee reform. This is according to the National Grange and 231 other signatories on a letter to CMS. A similar letter was cosigned by 30 bipartisan members of the Senate. DIR fees grew more than 107,400 percent between 2010 and 2020. These fees are rebates and discounts that were not passed along to patients at the pharmacy counter but instead were used by insurance companies and middlemen known as pharmacy benefit managers. It is important that the CMS rule reduce beneficiary drug costs and protect patient access to any drug store.

Keep Critical Pharmacist Services

During the COVID-19 pandemic, the federal government gave emergency preparedness authorization for pharmacists and pharmacies to provide COVID testing, vaccination and treatment. These services should be continued and expanded for additional diseases, according to the National Grange, 25 patient and senior groups, and 81 organizations representing pharmacists and pharmacies in letters to the committees of jurisdiction on Capitol Hill. Subsequently H.R. 7213, The Equitable Community Access to Pharmacist Services Act was introduced by Kind (D-WI), McKinley (R-WVA), Diaz-Barragan (D-CA) and Carter (R-GA). The Act would ensure future access to pharmacist services to include:

- Testing for COVID-19, influenza, respiratory syncytial virus, and strep throat
- Treatment for COVID-19, influenza, and strep throat
- Vaccination for COVID-19 and influenza

This expansion is important to rural and small-town residents who tend to be much closer and more accessible to a pharmacist than a doctor.

POSTAL SERVICE REFORM

Postal reform is now a reality!

The Senate passed the Postal Service Reform Act March 8 on a bipartisan vote of 79-19. This action followed an earlier bipartisan vote in the House of 342-92. The National Grange worked with the Coalition for 21st Century Postal Service and was responsible for securing several votes for the bill's passage. Key provisions of the legislation are:

- Eliminates the requirement to prefund retiree health benefits
- Requires six-day integrated (mail and packages) delivery
- Expands special rates for local newspaper distribution
- Requires congressional reporting on postal service operations and performance

The new law will address most of the National Grange policy priorities for postal reform.

Grange Meets with Postmaster General

National Grange's Betsy Huber and Burton Eller were invited to meet with Postmaster General Louis DeJoy on March 2 to discuss his vision to achieve financial stability and service excellence at the U.S. Postal Service. DeJoy's private sector career has been in logistics and business operations, and he wants to use that experience to modernize the Postal Service.

RIGHT - TO - REPAIR

A person's right to repair vehicles, tractors and machinery has been a long-standing Grange priority. Repairs have become more difficult as technologies have become prevalent and manufacturers have exerted more control. Right-to-repair has traditionally been an issue confined to state legislatures but, with increased pressure from agriculture producers, it's now an issue in Washington. Senator John Tester (D-MT) has introduced a bill that would legally require agricultural equipment manufacturers to make their software, parts and tools information available to those looking to repair their own machines. Class-action lawsuits have been filed

against John Deere in Alabama, Illinois, Oklahoma and Tennessee accusing Deere of monopolizing a market for repair and maintenance services.

TELECOMMUNICATIONS

Senator Wants Broadband Build-Out Oversight

Ranking Member of the Senate Commerce Committee, Roger Wicker (R-MS), has called for the Pandemic Response Accountability Committee which is part of the Council of the Inspectors General on Integrity and Efficiency to conduct proper and thorough oversight of federal broadband programs. He wants the PRAC to review multiple subsidies across multiple agencies including the Federal Communications Commission (FCC), the National Telecommunications and Information Administration (NTIA), and the Department of Agriculture (USDA), as well as state and local governments. Wicker noted the speed at which these funds were distributed, and the sheer amount of money involved put the funds at high risk of fraud and misuse. He also wants to know what federal, state or local regulatory barriers are impeding or increasing costs to broadband deployment. The National Grange issued a statement supporting the Senator's efforts.

Pole Attachment Dispute Rules Sought

The use of existing utility poles for broadband expansion is vital to reaching the last mile of rural America. The Federal Communications Commission is seeking input on establishing clear standards on how utilities and attachers must share in the cost of pole replacements. Gaining access to poles in a quick, safe, easy, predictable, and affordable way will speed the deployment of broadband infrastructure. The National Grange has issued several statements, letters and comments calling for fair and reasonable mediation of pole disputes.

Universal Service Fund in Trouble

The Universal Service Fund subsidizes both the construction and service rates of broadband networks in rural areas with limited high-speed internet coverage. The USF was initially established to subsidize and build telephone services and was funded with an assessment on interstate long-distance phone carriers. But funding has begun to dry up in recent years as customers traded telephone services for web-based options. USF-related charges to the remaining phone customers have risen to over 30% in 2021 compared to 6% in 2006. The USF delivers broadband services to rural communities, particularly the Rural Health Care Program, Connect America Fund, Lifeline and E-Rate. The National Grange filed comments with the FCC in March calling for USF reform and increasing the number of payers into the fund.

PERSPECTIVE ON SPRING

“ *Springtime is the land awakening. The March winds are the morning yawn.* ~ **Lewis Grizzard** ”

“ *It's a spring fever. That is what the name of it is. And when you've got it, you want to – oh, you don't quite know what it is you do want, but it just faintly makes your heart ache, you want it so!* ~ **Mark Twain** ”

“ *Spring is nature's way of saying, 'Let's party!'* ~ **Robin Williams** ”

“ *No matter how chaotic it is, wildflowers will spring up in the middle of nowhere.* ~ **Sheryl Crow** ”

“ *Spring shows what God can do with a drab and dirty world.* ~ **John Muir** ”