

News from Washington: December 10-16

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It's Now Trump's Turn on the Farm Bill

The House result Wednesday shattered the record for most “yes” votes for a farm bill, Conaway and Peterson said. The total for H.R. 2 (115) included a nearly even number of Republicans (182) and Democrats (187) — a complete reversal from June, when the GOP-written farm bill squeaked through on a 213-211 vote with no Democratic support.

Just three Democrats voted no on Wednesday: Reps. Earl Blumenauer of Oregon, Ron Kind of Wisconsin and Lloyd Doggett of Texas.

“He helped me break his own record,” Conaway said of Peterson as the two held court with reporters. (When the Minnesota Democrat was chairman in 2008, the House passed a farm bill with 319 votes in favor.) Peterson said he was “just proud to be able to turn a partisan bill into a bipartisan bill.”

The vote result wasn't representative of the months of disagreement, impasse and frustration that preceded it. Conference negotiations featured plenty of public spats and finger-pointing as negotiators worked through stark policy differences between Republicans and Democrats, House and Senate Ag leaders, Midwestern senators and Southern congressmen.

And the hard times in conference came after the drama of the spring, when Peterson and House Agriculture Democrats broke with Conaway and the GOP majority over the as-of-then-unreleased House bill because of its SNAP proposals. The two sides disputed through the media how that came to be, and who was to blame.

Messy though it was at times, the deal got done. “Team effort. Both parties, both sides, I think, are happy with it,” Conaway said.

The only drama Wednesday was a narrow 206-203 procedural vote on the House rule, setting up the final farm bill vote, after House Republican leaders inserted controversial language in the rule to essentially block any House action on the war in Yemen for the rest of the session.

In the end, ag groups across the spectrum hailed the farm bill's passage as a win for farmers and ranchers. Anti-hunger advocates and green groups were generally supportive of the mostly status-quo legislation, which left out every controversial proposal the House GOP wanted on SNAP and some proposals to scale back environmental protections.

Conservative policy groups were among the few who loudly objected to the bill's passage, with some saying, more or less, woe to the conservative who votes for it. Most of the 44 Republicans who voted against the bill Wednesday were hard-line conservatives, including many House Freedom Caucus members.

Farm Bill Drops Ag Retail Safety Exclusion

The compromise agreement also left out House language that would have exempted certain agricultural retailers from Labor Department safety rules for facilities handling hazardous chemicals.

After 15 people were killed in 2013 from an explosion at a fertilizer storage and distribution facility in West, Texas, the Obama administration directed the Occupational Safety and Health Administration to review the current exclusion for retail facilities.

OSHA in 2015 moved to limit the exemption, but the policy was challenged by the Agricultural Retailers Association and the Fertilizer Institute and struck down by a federal appeals court in 2016. The House farm bill would have codified the retail exemption and barred any future administration from issuing a similar limiting policy.

In April, OSHA issued another [memo](#) clarifying it wouldn't issue citations under the so-called Process Safety Management standard for merchant wholesalers of grains and field beans, farm supplies and other farm product raw materials.

New WOTUS Rule Lacks Clarity

The Trump administration's new Waters of the U.S. rule was supposed to clarify which waterways are subject to federal clean water regulations. But regulatory experts are scratching their heads after EPA and Army Corps of Engineers unveiled the WOTUS proposal Tuesday.

Given the lack of specifics and definitions from the Trump administration, many decisions about which streams or rivers are subject to regulations could again be left up to Army Corps regulators in the field — who are notorious for reaching wildly different conclusions over the last decade about similar waterways.

The proposed rule would maintain most protections for large lakes and rivers but sharply restrict which tributaries fall under federal jurisdiction. For example, streams that flow only after rainfall — i.e. most waterways in the arid West — wouldn't be covered, according to the fact sheets.

Roughly half of all wetlands in the continental U.S. could lose federal protections, according to National Wildlife Federation attorney Jan Goldman-Carter. The rule will be open to public comment for 60 days, per the fact sheets. (The farm bill conference report also left out a House provision repealing the Obama administration's WOTUS rule.)

The Obama administration's original WOTUS rule was supposed to offer some clarity, but farmers and developers complained it was too confusing. Now the Trump administration is already facing similar complaints

Lighthizer: U.S.-China Deal Needed by March

Mark your calendars (if you haven't already) for March 1. That's the "hard deadline" for Washington and Beijing to strike a longer-term trade deal, U.S. Trade Representative Robert Lighthizer confirmed Sunday on CBS's "Face the Nation" — a rare Sunday show appearance for President Donald Trump's top trade negotiator.

In both an [interview](#) on NPR on Friday and on CBS on Sunday, Lighthizer reiterated Trump's priorities for the U.S.-China trade talks: additional market access for U.S. producers and structural changes by China to protect American technology.

"If that can be done, the president wants us to do it. If not, we'll have tariffs," he said on "Face the Nation." Trump has said he would increase tariffs on \$200 billion worth of Chinese goods from 10 percent to 25 percent after the 90-day period.

Lighthizer also joined other Trump administration officials (including White House trade adviser Peter Navarro and economics chief Larry Kudlow) in playing down how much the arrest of Huawei's CFO in Canada would hurt trade negotiations with China.

Digging Deeper into the Farm Bill

Beyond the topline policy areas like commodities, nutrition and conservation, the farm bill includes programs dealing with more niche issues like indoor and rooftop farming, fraudulent organics and crop insurance for hops.

Buried in the sprawling, 807-page legislation are provisions to create a feral hog control project; extend a federal ban on animal fighting to U.S. territories; develop a crop insurance policy for hop producers; and set up a USDA office for "urban agriculture and innovative production."

The final deal is also a boon for historically black land-grant universities, which are set to receive millions in additional funding along with some long-sought policy wins.

The conference report includes money for three new "centers of excellence" on HBCU campuses with specific focuses like food security. It takes a step toward forcing states to match federal funding for historically black land-grant universities.

The bill also scrapped a decades-old provision that only allowed 1890 land-grant universities — about 20 public HBCUs — to carry over a small chunk (20 percent) of their extension funding if it wasn't used in a calendar year. The schools use extension funding to help apply their research to address public needs. The rule didn't apply to predominantly white land-grants.

Farmers Get Cuba Opportunity In Farm Bill

Under the farm bill compromise, U.S. farmers and ranchers will have access to USDA funding to promote agricultural trade with Cuba. A provision spearheaded by Heitkamp that was in the original Senate bill would allow USDA trade promotion programs to be used in the country. Those programs pool money from USDA and the private agriculture sector to fund projects overseas that build demand for U.S. farm goods.

With the provision, "crop and livestock producers are one step closer to a stronger foothold in the Cuban market — which could lead to increased exports and Cuba's emergence as a reliable U.S. trade partner," Heitkamp said.

The provision sparked controversy in June, when Sen. Marco Rubio threatened to block amendments to the Senate farm bill, S. 3042 (115), unless lawmakers voted to drop it or tweak the bill to specify that U.S. taxpayer dollars could not be paid to businesses owned by the Cuban government. Heitkamp ultimately agreed to make changes to the amendment language, and the provision made it into the final bill, H.R. 2 (115).

U.S. law continues to prohibit U.S. sellers from offering financing and credit options to Cubans, making it difficult for Cubans to buy American farm goods.

What's Next for Peterson, Conaway?

The two House Ag leaders are poised to switch roles starting in January when Democrats retake the House majority. Peterson, the incoming chairman, said the duo will build off their successful farm bill effort — despite past sparring.

“We’re going to work together. That’s what we do,” Peterson told reporters after the vote. “He came to me and said, ‘All that stuff’s in the past.’ And as far as I’m concerned, it is. We’re going to move forward from there.”

Without a farm bill to pass in 2019, there’s sure to be less for Republicans and Democrats on the Ag committee to fight over. One possible area of contention will be oversight, which Peterson listed as a priority for the new Congress. Conaway said reauthorizing the Commodity Futures Trading Commission is on his to-do list next year.

One of Peterson’s top goals is training Democrats on the panel so they’re ready to step up on farm policy whenever he leaves Congress.

“Part of the deal is ... they’re going to promise me they’re going to learn the stuff in their jurisdiction — big time,” Peterson said of the soon-to-be subcommittee chairmen. “I need to develop some talent and depth in my bench.”

On complicated issues like dairy programs, “Everybody says, ‘Just let Peterson do it,’” he said. “It’s like, I’m the only guy that everybody comes to. It can’t be that way.”

Farm Groups Seek Quick Deal with Japan

A handful of ag groups want the Trump administration to reach a speedy trade agreement with Japan in the coming months to make up for Trump withdrawing from the Trans-Pacific Partnership. U.S. agriculture’s desire for a deal might actually boost Tokyo’s leverage in negotiations.

“The U.S. beef industry is at risk of losing significant market share in Japan unless immediate action is taken to level the playing field,” Kevin Kester, president of the National Cattlemen’s Beef Association, said during a U.S. Trade Representative hearing Monday on the proposed negotiations.

Pork and grain groups also stressed the importance of a deal with Japan, the fourth largest market for U.S. ag products.

The ag groups are also still in the dark about when China will resume buying U.S. commodities (and how much it’ll purchase) under the short-term trade truce.

Connecticut Rep. Jim Himes, chairman of the centrist New Democrat Coalition, is warning Trump that “economic chaos” will ensue if he follows through on his threat to exit NAFTA before the U.S.-Mexico-Canada Agreement is ratified by Congress.

The moderate bloc of House Democrats could prove critical to the deal’s approval next year. Himes also made the case against scrapping NAFTA to U.S. Trade Representative Robert Lighthizer in a meeting last week.

USDA Out with Details on Rural Broadband Effort

The department announced details Thursday of its rural broadband pilot, making good on a 2017 administration promise to invest in the rural economy.

\$600 million in grants and loans, to help build out broadband capacity in underserved, sparsely populated communities. The funding comes from the omnibus spending bill, H.R. 1625 (115), passed in March. Nonprofits, for-profits and local governments are among those that can apply.

USDA won't fully fund projects; instead, it will provide a 25 percent matching grant, a 2 percent low-interest loan, or a combo of the two.

A proposed rule is expected to be released in May. There will be three application periods between April and June of next year. USDA will work to roll out grants and loans next summer through the latter half of 2019, according to Chad Parker, assistant administrator for telecommunication programs at the Rural Utilities Service.

Projects that get funding under the so-called ReConnect Program must create access speeds of at least 25 megabits per second download and 3 Mbps upload. USDA's initial guidelines of 10 Mbps downstream and 1 Mbps upstream were criticized for not being fast enough.