



Amendments to H.R. 2 — Agriculture and Nutrition Act of 2018 (Rep. Conaway, R-TX) — Part II

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FLOOR SCHEDULE:

Scheduled for consideration beginning on Thursday, May 17, 2018, subject to a structured <u>rule</u>. The second rule makes in order an additional 31 amendments.

This Legislative Bulletin covers the second batch of amendments made in order by the Rules Committee.

The Legislative Bulletin for H.R. 2 can be found <u>here</u>. The Legislative Bulletin covering Amendment Part I can be found <u>here</u>.

AMENDMENTS:

1. Rep. Foxx (R-NC) (#32): would strike certain provisions of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272), dealing with the U.S. sugar program by including a new subsection that would direct the Secretary of Agriculture to make loans available to processors of domestically grown sugarcane at a rate equal to 18.75 cents per pound for raw cane sugar for the 2018 crop year; and 18.00 cents per pound for raw cane sugar for the 2019 through 2023 crop years; and make loans available to processors of domestically grown sugar beets at a rate equal to 128.5 percent of the loan rate per pound of raw cane sugar for the applicable crop year for each of the 2018 through 2023 crop years.

The amendment would clarify that to the maximum extent practicable, the Secretary shall ensure adequate supplies of sugar at reasonable prices and operate the program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation. The amendment would reauthorize the program until 2023. The amendment would further terminate the feedstock flexibility program for bioenergy producers.

At the beginning of fiscal year 2019 and each fiscal year thereafter through the end of the effective period, the Secretary would establish the tariff-rate quotas for raw cane sugar and refined sugar to provide adequate supplies of sugar at reasonable prices, but at no less than the minimum level necessary to comply with obligations under international trade agreements that have been approved by Congress. The Secretary would adjust tariff-rate

quotas in such a manner as to ensure, to the maximum extent practicable, that stocks of raw cane and refined beet sugar are adequate throughout the crop year to meet the needs of the marketplace, including the efficient utilization of cane refining capacity.

Many conservatives have expressed concerns with the lack of reform to the USDA's sugar program in the underlying bill. Members argue that the program's price supports, marketing loans, and tariff-rate quotas are anti-free market and artificially raise the domestic price of sugar. This amendment would keep in place government-backed support for sugar growers with modest reforms.

A coalition letter in support of sugar reform and of S. 2086 and H.R. 4265, the Sugar Policy Modernization Act of 2017 of which the amendment is based on can be found here:

- Council for the Citizens Against Government Waste
- FreedomWorks
- Americans for Tax Reform
- National Taxpayers Union
- Independent Women's Voice
- R Street Institute
- American Commitment
- Center for Individual Freedom
- Taxpayers Protection Alliance
- Competitive Enterprise Institute
- Center for Innovation and Free Enterprise
- Club for Growth
- Center for Worker Freedom
- Americans for Prosperity
- Taxpayers for Common Sense
- Coalition to Reduce Spending
- Trade Alliance to Promote Prosperity
- Heritage Action
- Center for Freedom and Prosperity
- ALEC Action
- Public Policy Foundation of West Virginia
- Rio Grande Foundation
- Free the People
- Small Business & Entrepreneurship Council

Several other groups who have supported sugar reform can be found here:

- Cato Institute
- The Heartland Institute
- U.S. Chamber of Commerce
- Wall Street Journal Editorial Board
- 2. Rep. Conaway (R-TX) (#112) (Manager's amendment): would make a series of technical and conforming changes.

Categorical Eligibility: The underlying bill would restrict the use of categorical eligibility to only instances where a beneficiary receives cash assistance or ongoing substantial services and who has an income of not more than 130 percent of the FPL.

The manager's amendment would delay the effective date of this change to October 1, 2020.

Heat and Eat: The underlying bill would close the "Heat and Eat" loophole for households without an elderly member.

The manger's amendment would allow the heat and eat loophole for households with a disabled member.

Workforce Solutions: The manager's amendment would allow "volunteer work that is limited to 6 months out of a 12-month period" to satisfy the work requirement for able bodied adults

The manager's amendment would add "a program of employment and training for veterans operated by the Department of Labor or the Department of Veterans Affairs, and approved by the Secretary [of Agriculture]" to the definition of a work program that could satisfy the work requirement for able bodied adults.

The manager's amendment would require the chief executive officer of a state to approve of a request for a geographical waiver of work requirements.

The underlying bill would provide a waiver from the work requirements if the area has a 24-month average unemployment rate 20 percent or higher than the national average unless the average unemployment rate of the area is less than 6 percent. The manager's amendment would raise the minimum unemployment rate for the waiver to apply to 7 percent.

The manager's amendment would also tighten the lookback period so that the 24-month period use to determine the average unemployment rate is no earlier than the most recent 24-month period for which unemployment rates are available. Under current law, some states have gamed the lookback period to use older data.

The manager's amendment would increase the number of covered individuals that a state may exempt from the work requirement by striking the requirement that the individual must not be complying with the work requirement in order to meet the definition of a covered individual.

The manager's amendment would allow states exempt from the work requirement up to 15 percent of covered individuals that do not live in an area covered by a waiver or are otherwise exempt in FY 2021 – 2025, and would allow states to exempt up to 12 percent of covered individuals in FY 2026 and thereafter.

The manager's amendment would strike the provisions of the bill that repealed the ability for SNAP beneficiaries to participate in a workfare program to meet the work requirements.

The manager's amendment would add "or other house member" who has responsibility for the care of a child (in addition to the parent of such a child under current law) who may be exempted from the work requirement if they are enrolled at least half time in an institution of higher learning.

The manager's amendment would repeal a provision of current law that requires the Secretary to reallocate Employment and Training funds that are not expended by a state to

other states as the Secretary deems appropriate and equitable and instead require unspent funds to be deposited back in the general fund of the Treasury.

The manager's amendment would strike the provision in the underlying bill that would repeal the current law provisions related to the Work Supplementation or Support Program and Workfare.

The manager's amendment would allow state agencies to request earned income data from the IRS relevant to determining SNAP eligibility.

Review of Operations: The managers amendment would require a review of SNAP operations at senior citizen centers, drug and alcohol treatment centers, and other group living arrangements where SNAP benefits are allowed to be used.

School Lunch Regulations: The amendment would direct the Secretary to in consultation with school nutrition personnel and school leaders (including school administrators, school boards, and parents), to review and revise Obama regulations regarding the National School Lunch Program and School Breakfast Program.

Broadband: The amendment would direct the Secretary to consult with the Assistant Secretary to assist in the verification of eligibility of the broadband loan and grant programs of the Department of Agriculture.

Food Access: The Secretary would be directed to establish the position of Food Access Liaison to coordinate Department programs to reduce barriers to food access and monitor and evaluate the progress of such programs.

3. Rep. McClintock (R-CA) (#93): would effectively phase agricultural subsidies the payment acres for each covered commodity on a farm under the price loss coverage and agriculture risk coverage programs. The Secretary would be prohibited from making payments after crop year 2029. The amendment would phase out the sugar program and loan rates, as well as flexible marketing allotments for sugar. The amendment would phase out crop insurance Premium support.

Some conservatives have expressed concerns with federal agricultural policy and argue that there is no other sector of the economy that's as heavily subsidized or skewed by the federal government. Several conservatives have expressed that this goes against free-market principles, and conservative thought, in which minimal government interference and the decisions of the consumer are the ultimate determining factors in economic activity.

Americans for Prosperity has expressed support.

4. <u>LaHood (R-IL) (#13)</u>: would streamline the sign up process for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) by directing the Secretary of Agriculture to change the regulatory requirements from an annual sign up to a one-time filing process for ARC and PLC only. The amendment would allow producers on a farm to file a one-time program contract with the Secretary to enroll in agricultural risk coverage or price loss coverage through crop year 2023.

- 5. Rep. Rogers (R-AL) (#101): would amend the Conservation Title (Title II) to cap the number of Conservation Reserve Program acres at 24 million a year, each of fiscal years 2019 through 2023.
- 6. Rep. Faso (R-NY) (#42): would expands the Department of Agriculture's ability to assess natural resource concerns by extending the Soil and Water Resources Conservation program and would allow the Secretary to carry out a conservation effects assessment project to quantify the environmental and economic effects of conservation practices, develop the science base for managing the agricultural landscape for environmental quality and sustainable productive capacity, and improve the efficacy of conservation practices and programs by evaluating conservation effects.
- 7. Rep. Fortenberry (R-NE) (#79): would establish sequencing and prioritization for volunteer visits and improves communication and coordination between the Department of Agriculture, USAID and implementing partners. The amendment would establish a geographically defined crop yield metrics system to assess improvements in crop yields in countries and areas receiving assistance; and store the data resulting from such geographically defined crop yield metrics system in a publicly available Internet database system. The amendment would establish a grant program for fiscal years 2019 through 2023 to facilitate new and innovative partnerships and activities.
- 8. Rep. McClintock (R-CA) (#102): Would strengthen the work requirements in the bill.

The underlying bill would include a number of provision that modify the conditions of participation in SNAP contained in current law, including the requirement that able bodied adults comply with work activation requirements. However, many conservatives may be concerned that the bill would keep in place significant waivers and exemptions that would reduce the potential effectiveness of the reforms made by the bill.

The underlying bill would allow for waivers in areas of "high" unemployment, which could include areas with unemployment as low as six percent. The amendment would strike the geographic waiver provision in the underlying bill.

The underlying bill would allow states to exempt up to 15 percent of individuals not already provided with a waiver or other exemption from the work requirements. The amendment would reduce the percentage of beneficiaries states may exempt from the work requirement from 15 percent to five percent.

The underlying bill would exempt parents with children under age six from work requirements. The amendment would lower than exemption to apply to parents with children under age 3.

The amendment would add an exemption from the work requirement for "a married individual who is responsible for a dependent individual and who resides in the household with a spouse who complies with" the work requirement.

The amendment would require employment and training programs to require participants to qualify under E-Verify.

According to analysis of the underlying bill (prior to the manager's amendment) by the Heritage Foundation, "of the 10 million work-capable food stamp recipients who are unemployed or work less than 20 hours per week, H.R. 2 would require only 2.1 million (or 20 percent) to work or prepare for work," due to the exemptions and waivers provided by the bill. Analysis by the Heritage Foundation of a proposal similar to this amendment found that it would apply the work requirements to about 7.1 million individuals (about 70 percent) who are unemployed or work less than 20 hours per week.

Many conservatives may be pleased this amendment would strengthen the work requirements in the underlying bill by eliminating waivers and tightening exemptions.

- 9. Rep. MacArthur (R-NJ) (#107): Would provide that the remaining household members not become ineligible to apply for SNAP in an individual in the household fails to comply with the work requirement.
- 10. <u>Rep. Davidson (R-OH) (#96)</u>: Would require the funding formula for Employment and Training programs funded by the bill to take into account actual program use and the number of individuals who choose to participate in the services.

The amendment would also repeal a provision of current law that requires the Secretary to reallocate Employment and Training funds that are not expended by a state to other states as the Secretary deems appropriate and equitable and instead require unspent funds to be deposited back in the general fund of the Treasury. The manager's amendment described above included this provision.

Many conservatives would be pleased this amendment would require the Secretary to take into account the number of individuals who actually enroll in these programs.

- 11. Rep. Holding (R-NC) (#74): would prohibit eligibility for the Supplemental Nutrition Assistance Program for convicted violent rapists, pedophiles and murderers after enactment into law.
- 12. Rep. Gonzalez-Colon (R-PR) (#25): would direct the Secretary of Agriculture to conduct a study to determine the feasibility and impact of using a thrifty food plan developed exclusively to apply to calculate the amount of the block grant payable to Puerto Rico.

The Thrifty Food Plan is "the diet required to feed a family of four persons consisting of a man and a woman twenty through fifty, a child six through eight, and a child nine through eleven years of age" and is used to calculate SNAP allotments. The underlying bill would require the Secretary of Agriculture to reevaluate and update the market baskets of the Thrifty Food Plan by 2022 and every five years after that.

13. Rep. Faso (R-NY) (#108): would provide states the flexibility to contract out administrative functions of SNAP. Personnel of the State agency or, at the option of the State agency and by contract with the State agency, personnel of an entity that has no direct or indirect financial interest in an approved retail food store, may undertake a certification or carry out any other function of the State agency under SNAP and without restriction by the Secretary on the State agency's use of nongovernmental employees to perform program eligibility or any other administrative function to carry out such program.

- 14. Rep. Young (R-AK) (#92): would expand access to traditional foods at food service programs operated by states or counties, including and federally funded child nutrition and senior meal programs, for native populations.
- 15. <u>Rep. Gonzalez-Colon (R-PR) (#26)</u>: would extend a study on comparable access to supplemental nutrition assistance to Puerto Rico.
- 16. Rep. Biggs (R-AZ) (#10): would repeal the bioenergy subsidy program established in title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.).
 - Many conservatives have expressed concerns that the bill would include significant funding for a variety of energy subsidy programs. Rep. Biggs introduced <u>H.R. 3419</u>, the Farewell to Unnecessary Energy Lifelines (Fuel) Act of 2017 which would repeal all Department of Agriculture biofuel and energy subsidy programs contained within Title IX of the 2014 Farm Bill. <u>Heritage Action</u> has expressed support.
- 17. Rep. Russell (R-OK) (#50): would amend the Agricultural Risk Protection Act of 2000 to prohibit the Department of Agriculture from awarding value-added agricultural product market development grants to support the marketing of beer, wine, distilled spirits, hard cider, or other alcohol products. The amendment would also rescind \$8 million of the unobligated funds that were previously provided to USDA for grants.
- 18. Rep. Turner (R-OH) (#58): would state that beginning with fiscal year 2019, in making the calculation for base funding, any recently designated 1890 (land-grant) Institution would be deemed to have been designated as an eligible institution on or before September 30, 1978. For purposes of the amendment, a 'recently designated 1890 Institution' means an 1890 Institution designated as such on or after September 30, 1999, applying the same formula as already established 1890 Institutions.
- 19. <u>Rep. Stefanik (R-NY) (#19)</u>: would add invasive vegetation to <u>section 602 of the Healthy</u> Forests Restoration Act.
- 20. Rep. Cheney (R-WY) (#106): would state that the Secretary concerned would, to the maximum extent practicable, make vacant grazing allotments available to a holder of a grazing permit or lease issued by such Secretary if the lands covered by the permit or lease are unusable because of a natural disaster (including a drought or wildfire), court-issued injunction, or conflict with wildlife. The amendment would effectively direct the U.S. Forest Service and the Department of Interior to make vacant allotments available to grazing permit or lease holders in the event of a natural disaster, conflict with wildlife, or court-issued injunction, to prevent a court injunction in the event that the federal agency is unable to make a vacant allotment available.
- 21. Rep. Pearce (R-NM) (#7): would direct the U.S. Forest Service to conduct a pilot project within the Lincoln National Forest, Cibola National Forest, and Gila National Forest in the State of New Mexico to analyze and demonstrate the effectiveness of various tools and techniques to address the following natural resource concerns: thinning for forest health, watershed improvement, habitat restoration.
- 22. Rep. Stefanik (R-NY) (#20): would state that in awarding the initial grants for forest restoration under the Competitive Forestry, Natural Resources, and Environmental Grants

Program, the Secretary would give priority to applicants who will use such grants for research concerning: the biology of forest organisms, including physiology, genetic mechanisms, and biotechnology; ecosystem function and management, including forest ecosystem research, biodiversity, forest productivity, pest management; as well as other factors.

- 23. Rep. Faso (R-NY) (#97): would state that in determining whether to add a genus of a plant for planting to the not authorized pending pest risk analysis list, the Secretary would consider the environmental impact on natural, managed, and urban ecosystems in the United States of a pest that may be carried on a plant for planting. The amendment would require a report to Congress on the Interception of Forest Pests.
- 24. Rep. Brat (R-VA) (#71): would state that a board, committee, or similar entity established to carry out a checkoff program or an order issued by the Secretary under a checkoff program, would not enter into any contract or agreement to carry out checkoff program activities with a party that engages in activities for the purpose of influencing any government policy or action that relates to agriculture. A board would be prohibited from engaging in, and would prohibit the employees and agents of the board, acting in their official capacity, from engaging in, and would prohibit the employees and agents of the board, acting in their official capacity, from engaging in: any anticompetitive activity; any unfair or deceptive act or practice; or any act that may be disparaging to, or in any way negatively portray, another agricultural commodity or product.

Under current law, the USDA operates 22 "Research & Promotion" programs, better known as check-off programs. These programs impose a mandatory fee on the sale of covered commodities which are used to fund promotional activities of the relevant Research & Promotion Program board. The result of these arrangements is that producers are taxed using the force of government to fund advertising activities they might not otherwise be willing to pay for and may not actually benefit from. This, in turn, results in increased prices for consumers.

- 25. <u>Rep. Massie (R-KY) (#30)</u>: would prohibit federal interference with the interstate traffic of unpasteurized milk and milk products between States that allow the distribution of unpasteurized milk or milk products for direct human consumption.
- 26. Rep. Costello (R-PA) (#48): would direct the Secretary to designate a State beginning farmer and rancher coordinator from among existing employees of the Farm Service Agency, the Natural Resources Conservation Service, the Risk Management Agency, the Rural Business-Cooperative Service, and the Rural Utilities Service.
- 27. Rep. Noem (R-SD) (#60): would direct the Secretary to maintain in the Office of Partnerships and Public Engagement, an Office of Tribal Relations, which would advise the Secretary on policies related to Indian tribes and carry out such other functions as the Secretary considers appropriate.
- 28. <u>Rep. Roskam (R-IL) (#14)</u>: would prohibit animal fighting by ensuring the <u>Animal Welfare Act</u> applies to all U.S. territories.

- 29. Rep. Johnson (R-LA) (#94): would state that in determining whether a Federal agency action is likely to jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of the critical habitat of a species, the Secretary would consider the offsetting effects of all avoidance, minimization, and other species-protection or conservation measures that are already in place or proposed to be implemented as part of the action, including the development, improvement, protection, or management of species habitat whether or not it is designated as critical habitat of such species.
- 30. Rep. Hollingsworth (R-IN) (#111): would authorize the Secretary of the Interior, in conjunction with the Director of the U.S. Fish and Wildlife Service, to issue depredation permits to livestock farmers, authorizing takings of black vultures otherwise prohibited by Federal law to prevent such vultures from taking livestock during the calving season. The Secretary would issue such permits only to livestock farmers in States and regions in which livestock farmers are affected by black vultures, as determined by Secretary of Interior in conjunction with the U.S. Fish and Wildlife Service.
- 31. Rep. Banks (R-IN) (#16): would repeal the final rule issued by the Administrator of the Environmental Protection Agency and the Secretary of the Army entitled "Clean Water Rule: Definition of 'Waters of the United States' ", published on June 29, 2015 (80 Fed. Reg. 37054) and any regulation or policy revised under, or otherwise affected as a result of, that rule would be applied as if that rule had not been issued.

Many conservatives have expressed strong concerns regarding the WOTUS rule, and this amendment allow for Congress to determine the proper definition instead of unelected bureaucrats. An op-ed from the amendment's sponsor can be found here. Americans for Prosperity has expressed support.

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