

ABC's Weekly Federal Legislative Update October 11, 2021

Introduction

The House this week is set to vote on the short-term lifting of the debt ceiling. Both House and Senate Democrats are in the midst of prenegotiating both the bipartisan infrastructure and the budget reconciliation package with a goal of voting on both packages by the end of October. The following is news from Washington, D.C.

Administration

EPA Names Next Agricultural Advisor

The EPA named a new agricultural advisor to Administrator Regan last week.

Marc Heller of <u>E&E News PM</u> wrote on October 7, "EPA Administrator Michael Regan named a veteran of farm and environmental policy as his agriculture adviser, the agency said today.

"Rod Snyder, who lives on his family's farm in West Virginia, has most recently been president of Field to Market: The Alliance for Sustainable Agriculture, which promotes farm production that also meets environmental protection goals.

"In a news release, EPA highlighted Snyder's experience at the group in dealing with issues related to climate change, water quality, biodiversity and pest management.

"Rod brings a wealth of experience and knowledge about how environmental issues intersect with agricultural stakeholders and rural communities," Regan said in a news release. "It's going to take all of us working together to tackle the climate crisis, advance environmental justice and build a sustainable future, and Rod is well-suited to bring our partners into the Agency's work and ensure agricultural stakeholders have a seat at the table."

"Previously, Snyder worked at the National Corn Growers Association and CropLife America, the trade group for farm chemical manufacturers. In 2015, he co-founded the

Sustainable Agriculture Summit, now the largest conference of its kind in North America, according to EPA.

"He has a bachelor's degree in political science from Eastern University in St. Davids, Pa.

"EPA's agriculture adviser is the administrator's top counselor on policies affecting farmers, and it's been held by an array of individuals with a mixed range of experience since the Clinton administration. While the position has as much influence as the administrator decides, it has been a key link between farm country and the environmental agency, as well as an influential voice on policies related to pesticides and other EPA matters affecting farmers."

EPA Releases Strategic Plan – Discusses Climate and Environmental Justice Goals

Last week, the EPA released a draft of its four-year strategic plan with a focus climate change, environmental justice and equity.

October 4, Kevin Bogardus of <u>Greenwire</u> submitted, "EPA has released a new forward-looking proposal that puts fighting climate change and advancing environmental justice at the center of the agency's agenda.

"On Friday, EPA released its draft strategic plan that will help the agency chart its course over the next several years. While emphasizing action on climate and equity, the plan also pays respect to EPA's history and seeks to build upon it.

"Administrator Michael Regan told EPA employees in an internal email obtained by E&E News that the agency has renewed its commitment to three institutional principles espoused by William Ruckelshaus, the agency's first administrator, which are to "follow the science, follow the law, and be transparent."

"We also add a fourth foundational principle: advance justice and equity," Regan said in the email sent Friday. "These four principles form the basis of the agency's culture and will guide our day-to-day work and decision-making now and into the future."

"Regan also said EPA's plan includes for the first-time strategic goals to tackle climate change and to champion environmental justice and civil rights. He said those priorities are "embedded" throughout the plan.

"For EPA, it's a marked change from the Trump administration. The agency's prior strategic plan, released four years ago, did not mention climate change and was centered around catchphrases from then-Administrator Scott Pruitt like "cooperative federalism" and "rule of law".

"The Biden administration has sought to elevate environmental justice across the federal government, particularly at EPA. The president's fiscal 2022 budget proposal calls for the creation of a Senate-confirmed assistant administrator to lead on environmental justice at the agency as well as a \$1.8 billion spending boost to fight climate change, with about half of that sum for environmental justice work.

"The Biden EPA's strategic plan, covering fiscal 2022 through fiscal 2026, has seven goals and four cross-agency strategies.

"Those four strategies focus on scientific integrity; children's health; workforce equity; and engagement with state, local and tribal governments. Along with climate change and environmental justice, the plan's goals are enforcing environmental laws, clean air, clean water, waste cleanup and environmental emergencies, as well as chemical safety.

"Some parts of the plan, which is still only a draft, have numbers waiting to be filled in. But other sections do have specific figures to share on environmental goals the agency is aiming to achieve by fiscal 2026.

"By Sept. 30, 2026, EPA's climate partnership programs will reduce greenhouse gas emissions by 533 million metric tons of carbon dioxide equivalent, the plan said. Also by then, the agency will have issued rules to reduce greenhouse gas emissions from trucks and cars, power plants, and the oil and gas industry.

"By that 2026 date, EPA plans to conduct 55 percent of inspections annually at facilities that trigger "potential environmental justice concerns," the document said. In addition, the agency is targeting to reduce power plant nitrogen oxide emissions by 21 percent and have U.S. consumption of hydrochlorofluorocarbons under 76.2 tons per year on that timeline.

"Further, the agency will reduce the number of water systems not in compliance with health standards from 3,508 to 600 by September 2026. The agency also wants to get human exposure under control at an additional 60 Superfund sites and clean up another 650 brownfield properties by then, according to the plan.

"The strategic plan also seeks to improve agency operations."

"It calls for all EPA computer systems to adopt multifactor authentication, compared to a July 2021 baseline of 40 percent, and initiate climate resiliency projects for EPA-owned facilities.

"Another long-term goal is to eliminate EPA's backlog of overdue Freedom of Information Act responses. The plan noted the agency had an August 2021 baseline of 1,148.

"EPA's strategic plan is open for public comment through Nov. 12. The final plan will be issued in February along with the agency's fiscal 2023 budget proposal."

Congress

Budget Reconciliation – Democrat's Red Line: No Climate Cuts

Negotiations on budget reconciliation continue. Democrats must thread the needle of appealing to both moderates such as Senators Manchin and Sinema as well as progressives such as Senators Warren and Markey. This effort is becoming more challenging daily. The following story discusses the progressive's climate change priority.

<u>E&E Daily</u> reporter Nick Sobczyk published on October 8, "A group of Senate Democrats yesterday dug in their heels against potential cuts to climate programs in the reconciliation package, as a stare down continues with West Virginia Democratic Senator Joe Manchin and other moderates.

"There isn't a middle ground between a livable and unlivable world. We cannot pass the bipartisan infrastructure bill without the reconciliation package," Senator Ed Markey (D-MA) said during a news conference with environmental groups and Senators Tina Smith (D-MN) Ron Wyden (D-OR) and Chris Van Hollen (D-MD). "We cannot slash climate funding in this package."

"Among the provisions that need protecting, Markey said, are the Civilian Climate Corps, a green bank, proposals to toss out fossil fuel tax breaks and a list of other climate policies. The rallying cry, in short, was "no climate, no deal."

"The event, hosted by Evergreen Action and the Sunrise Movement, offered a warning shot of sorts, as the White House and top congressional Democrats negotiate the details of a reconciliation package with Manchin, chair of the Energy and Natural Resources Committee, and Senator Kyrsten Sinema (D-AZ).

"The rally came just a day after Budget Chair Bernie Sanders (I-VT), a progressive who caucuses with Democrats, blasted Manchin at length for his "vague" demands in talks on President Biden's signature bill.

"Markey was also particularly critical of any suggestion that natural gas be included in the package. "Let me be clear: Natural gas is not clean energy, and it is not climate action," Markey told reporters.

"Biden is currently negotiating down from the \$3.5 trillion topline spelled out in the House reconciliation bill, which has sparked fears among progressives that entire

programs could get pulled, or that cuts could be imposed across the board for policies to address climate change and a huge variety of social issues.

"Manchin, meanwhile, is insisting on \$1.5 trillion in overall spending and has said the tax provisions should be more inclusive of coal, natural gas and carbon capture, and should not end tax breaks for fossil fuels. He also has taken issue with the Clean Electricity Performance Program, or CEPP, the bill's signature decarbonization policy for the power sector.

"Markey and other climate hawks, as they have for weeks, generally refrained yesterday from direct criticisms of Manchin, instead saying they are willing to hear out his concerns.

"I really do believe that he is negotiating in good faith, that he's trying to figure out how we can find common ground, and that's what you can ask for," Smith, one of the architects of the CEPP, said in an interview.

"But ultimately, Smith and Markey said, they need to see climate change addressed on a scale big enough to meet Biden's decarbonization targets.

"We don't only need Senator Manchin's support for this bill," Smith said. "We need my support."

"Democrats will need to rally that support quickly if they want to give Biden something to take to the United Nations climate talks next month.

"Biden has pledged to reduce emissions 50 to 52 percent under 2005 levels by 2030, and the polices in the reconciliation package would almost certainly need to play a big role if the United States is to meet that target.

"We must act in Congress before Joe Biden goes to meet with the rest of the world," Markey said. "President Biden must be able to put a deal on the table that reflects what we then expect from the rest of the world."

Room for carbon capture?

"The negotiations, however, are in a murky place, particularly given that Manchin has not articulated exactly how he would change the CEPP.

"We can't throw caution to the wind on reliability, that's all I'm saying," Manchin told E&E News this week. "And I'm not going to put my state or my country in jeopardy of not having the power that we need to take care of ourselves and keep our families healthy, but also the jobs that we need. We'll work through all this."

"Smith said the version of the policy that emerges from Senate talks is likely to be different than the House CEPP proposal, which would provide grants to utilities who deploy at least 4 percent more clean energy each year and fine those who do not. She also signaled she is open to fossil fuel generation with carbon capture.

"One of the differences is that there would be more room in the proposals that we've designed so far in the Senate for carbon capture technology on coal or natural gas," Smith said.

"There's more room for us to move forward on carbon capture, and if those carbon capture tax credits in Senator Wyden's committee were robust enough, then that would have a big impact on the feasibility of those proposals over the next 10 years," Smith added.

"Wyden, who chairs the Finance Committee, noted that the tax proposal he's pushing in reconciliation, S. 1298, would repeal existing energy credits in favor of a technology-neutral approach centered on reducing emissions, an idea Manchin has backed.

"Senator Manchin, even in some of these documents, has emphasized what's called technology neutrality," Wyden said, referring to a leaked memo spelling out Manchin's requests for reconciliation.

"That's what we're doing with our agenda," Wyden said. "What we're saying is, if you can reduce carbon emissions, you get the savings."

"Climate policies, including the carbon price Wyden is developing with Senator Sheldon Whitehouse (D-RI), could also appeal to Manchin as pay-fors, given his concerns about inflation and federal deficits.

"Van Hollen told reporters Manchin has not ruled out his "Polluter Pays Climate Fund Act," a proposal to tax major greenhouse gas emitters based on their past contributions to climate change,

"I've talked to Senator Manchin about it," Van Hollen said. "He has not rejected it."

Senate Passes Debt Ceiling Increase – House to Follow

Senate Democrats and Republicans were able to come to an agreement last week that will raise the debt ceiling through December 3 if not possibly longer. This obviously postpones a larger discussion as the debt ceiling will need to be lifted beyond that date for the federal government to service the debt on funds already expended.

George Cahlink of <u>E&E Daily</u> wrote on October 8, "The Senate backed a deal to temporarily raise the nation's debt ceiling last night, removing the highly partisan issue from ongoing talks over the Democrats' budget reconciliation package.

"Senators passed the debt hike, 50-48, with no Republicans supporting the plan, which would raise the \$28 trillion debt ceiling by \$480 billion. The vote came after 11 Republicans joined all Democrats on a procedural motion advancing the measure. The extension would allow the nation to pay its debts through at least Dec. 3 and avoid an economically risky federal default.

"After the vote, the Senate left for a 10-day recess. House Speaker Nancy Pelosi (D-CA) called the House back on Tuesday, Oct. 12, to approve the Senate plan. Only House committees were supposed to meet next week.

"Ahead of last night's vote, former President Trump released a statement blasting the agreement: "Republican Senators, do not vote for this terrible deal being pushed by folding Mitch McConnell. Stand strong for our country. The American people are with you!"

"Senator Ted Cruz (R-TX), in apparent agreement, said Minority Leader McConnell (R-KY) had been bested by the majority leader from New York: "Chuck Schumer won this game of chicken."

"For his part, Schumer unloaded on Republicans after securing their votes to overcome a filibuster to advance the bill, calling the standoff a "Republican-manufactured crisis." "He added, "Republicans played a dangerous and risky partisan game. And I am glad that their brinksmanship did not work." He called for a bipartisan solution to the debt ceiling but said he would not take the budget reconciliation route, as Republicans had insisted upon.

"Those comments did not sit well with many Republicans who had voted to advance the bill. "It was an incredibly partisan speech after we helped him solve the problem," Senator John Thune (R-SD), the second-ranking Republican in the Senate, told CNN. Senator Joe Manchin (D-WV) also said of Schumer's speech, "I didn't think it was appropriate at this time."

"While it remains to be seen whether these bruised feelings will matter two months from now, the accord ends weeks of partisan wrangling and Wall Street angst over the debt ceiling. It also sets up colliding deadlines on Dec. 3, which is also the same day a stopgap funding measure for agencies expires. Lawmakers will have to address both the debt limit and spending by then; otherwise, they risk twin fiscal crises — a default and a government shutdown.

"We haven't solved anything today. We are punting," said Senator Richard Shelby (R-AL), the top GOP appropriator who will be one of the main negotiators on whatever spending deal can be reached by early December.

"Several lawmakers however, said yesterday that they expected the Treasury Department could use so-called extraordinary measures to extend the debt ceiling into the new year, possibly decoupling the issues.

"Senator Shelley Moore Capito (R-WV), also an appropriator, said the expectation is that the debt ceiling won't expire until January. Still, she added, "We'd just like this to be behind us."

"The debt deal is now removed from negotiations over the Democrats' reconciliation package, which they hope to pass later this month — or at least agree to a framework. Republicans wanted to force Democrats to raise the debt limit as part of reconciliation to paint them as solely responsible for rising red ink.

"Senator Lindsey Graham (R-SC), the ranking member on Senate Budget, said the GOP should have continued to try to force the issue in reconciliation, despite Democrats insisting for weeks it would not happen.

"I don't understand why we [Republicans] are folding here. For two months, Republicans have been saying Democrats want to spend \$3.5 trillion without any Republican input. If they are going to do that — they need to raise the debt ceiling on their own. This is just a mistake," Graham said.

House Ag Committee Democrats Push to Preserve Priorities in Budget Reconciliation

The following story discusses how Democrats on the House Agriculture Committee on pushing to have their priority items included in the trimmed down version of budget reconciliation legislation.

On October 8, Marc Heller of <u>Greenwire</u> published, "Democrats on the House Agriculture Committee yesterday urged President Biden and congressional leaders to leave farm programs unscathed as they dramatically trim a \$3.5 trillion budget bill.

"As we work towards a path forward, we encourage you to keep these crucial investments in place," wrote the lawmakers, led by committee Chair David Scott (D-GA).

"At issue is \$94 billion in agriculture spending, including \$40 billion for forest programs and \$28 billion for conservation efforts to dull the effects of climate change and help farms sequester carbon. Those programs could become targets as top lawmakers cut the "Build Back Better" legislation's overall cost to secure the votes of wavering Democrats.

"No Republicans are expected to support the bill, which Senate Democrats aim to pass through budget reconciliation rules that allow for a simple majority.

"In their letter to Biden, Senate Majority Leader Chuck Schumer (D-NY) and House Speaker Nancy Pelosi (D-CA), the Agriculture Committee Democrats pointed to their provisions as critical to tackling climate change, as well as to supporting rural communities that the president has promised to help.

"In addition to climate concerns, the bill would provide for clean drinking water, renewable energy and continued growth of biofuels, they said. The forest provisions would pay for more forest thinning and other actions intended to reduce the risk of wildfire.

"Republicans on the committee, in contrast, have criticized Democrats for crafting the conservation funding in secret, interfering with the farm bill before it's up for renewal, and writing forestry provisions that lean too heavily against commercial logging that could make forest management more financially viable.

"Lawmakers have said they're not sure whether leaders will choose to cut programs across the board in a new bill, or do so selectively. In total, agriculture accounts for less than 3 percent of the budget bill's total cost, but some farm groups say they worry that farm and rural interests don't carry much weight with Democratic leaders and would be vulnerable to cuts.

"On the other hand, moderate Democrats in swing districts — including Agriculture Committee members such as Representative Abigail Spanberger (D-VA) — may worry about paying a political price if they can't deliver on promises to farm-country constituents.

"A spokesperson for Spanberger, Connor Joseph, told E&E News earlier this week, "Rep. Spanberger has made clear to both the White House and House leadership that keeping it in the bill is a priority."

"Spanberger chairs the Agriculture Subcommittee on Conservation and Forestry, overseeing some of the most closely watched programs dealing with climate change.

"In their letter, lawmakers also hinted at another objective of the legislation: to boost spending levels in preparation for the next five-year farm bill, due in 2024. Agriculture Committee Democrats structured their part of the budget bill in a way to build increases into that farm bill, by tilting most of the spending to the last couple of years.

"If they're successful, the Agriculture Committee that writes the next farm bill — led by whichever party — will be bound by the new baseline.

"We look forward to any further discussions on the importance these investments will have, especially as we prepare to write the next farm bill," they said.

"Among outside groups, the National Wildlife Federation and more than 160 other conservation and farm groups urged congressional leaders in a letter to preserve the measure's \$28 billion for conservation.

"Farmers, ranchers, and foresters are ready to adopt practices that sequester carbon and reduce emissions if they are provided the tools and resources to make that goal a reality," the groups said. "Action this year on a reconciliation bill with robust funding for climate-smart agriculture represents the best opportunity in decades to meet farmer demand for conservation programs."

Other