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## MEMORANDUM

**To:** Jeannie Shaughnessy  
Executive Director,  
Peanut and Tree Nut Processors Association (PTNPA)

**From:** Kristin Pearson Wilcox  
Principal, Pearson Wilcox Advocacy

**Date:** January 30, 2019

**Re:** 2019 Washington Political Landscape

The following is a summary for Peanut and Tree Nut Processors Association (PTNPA) members on the political landscape in Washington, DC in preparation for the May 2019, PTNPA Annual Advocacy Event. PTNPA members are encouraged to participate in PTNPA's government relations webinar on February 13, 2019, at 1:00 pm (Eastern) and future scheduled PTNPA Member advocacy calls.

The PTNPA conference calls and May 7– 8, 2019, PTNPA Advocacy Event in Washington, DC will occur during a critical time for Congressional and Administration actions on policy, politics, and issues of importance for PTNPA members, including but not limited to:

- Resolving fiscal year (FY) 2019 agency funding and setting FY 2020 funding and policy priorities for agencies such as the Food and Drug Administration (FDA) and US Department of Agriculture (USDA)
- Tackling a divided policy agenda and new and emerging food industry issues
- Addressing the policy agenda of new members and leaders in the 116<sup>th</sup> Congress.

### **Resolving FY 2019 Government Funding**

The 2018 November elections shifted power in Congress. The Democrats took majority control of the US House of Representatives. Republicans retained control of the Senate. Before leaving for the 2018 November midterm elections, Congress failed to come to an agreement with President Donald Trump on funding certain portions of the government. Negotiations have largely been stalemated since December 21, 2018. The President is demanding \$5 billion to fund the building of a wall on the southern border between the US and Mexico. As widely reported, Senate Democrats and the new Democratic House Majority oppose such an initiative. On January 25, 2019, the President signed a bill that would reopen the government until February 15, 2019. At the time of this writing, this gives the Administration and Congress 3 weeks to find an agreement to resolve the issue and fund the government into 2019.

<b><u>Government Shutdown</u></b>
35 Days
<b><u>Government Funded Until</u></b>
February 15, 2019



Civil servants will now return to work at agencies that oversee the food and nut industry including the FDA and the USDA. In mid-January, FDA Commissioner Scott Gottlieb recalled FDA food safety inspectors to work without pay to focus on:

- High-risk domestic food inspections and recalls
- Foodborne illness surveillance inspections and outbreak investigations
- Sampling imported foods and inspecting foreign facilities.

PTNPA meets regularly with personnel of FDA on nut industry priorities such as implementation of the *Food Safety Modernization Act* (FSMA). As a result of the shutdown, FDA regulatory initiatives, guidance, and industry communications were on hold. USDA also furloughed staff. The Department will now restart work on agriculture research grants, publishing economic projections, and routine agriculture statistics for nuts and other commodities that it had halted.

Postponed because of the government shutdown, the State of the Union previously scheduled on January 29, 2019 is now scheduled for February 5, 2019. The presentation of the Administration's budget proposal for FY 2020 for agencies such as FDA and USDA will be sent to Congress following the address.

### **The Divided Policy Agenda of the 116<sup>th</sup> Congress**

In the new climate of divided government and hyper-partisanship, the Administration and Congress will have a divided focus. The must pass pieces of legislation in the 116<sup>th</sup> Congress are expected to include raising the debt ceiling and passing the FY 2020 spending bills for federal agencies.

<b><u>2019 Must Pass Bills</u></b>	
- Raising the debt ceiling	
- FY 2020 spending bills	

The **House Democratic leadership's** political focus is expected to be:

- investigating President Trump and cabinet members
- pushing for big-scope overhauls of campaign finance, election law, ethics rules, and voting laws.

They have signaled their policy focus will be:

- exploring rolling back the GOP tax cuts and increasing access to healthcare and the minimum wage
- enacting renewable, green energy policy changes
- rebuilding the country's ports, roads, and infrastructure
- providing a path to citizenship for young, undocumented immigrants
- strengthening background checks for gun purchases
- investigating industries benefiting from the Trump Administration's deregulation efforts.

To a large degree the **Senate** is expected to support the political objectives of the White House. The Republican led Senate has signaled it will likely prioritize policy issues such as:

- approving judicial confirmations
- supporting bills on prescription drug prices and curbing the opioid epidemic
- addressing immigration matters as they relate to national labor shortages
- supporting resolution of tariff issues and approving trade agreements.

### **Food and Nut Industry Issues on the Congressional Agenda**

With the passage of the 2018 Farm Bill, signed into law on December 20, 2018, federal food policymakers now shift focus on overseeing the bill's implementation. In the 116<sup>th</sup> Congress, the House food committees including, the Agriculture and Energy and Commerce Committees, are expected to turn their attention to oversight of USDA and FDA Trump Administration nutrition, FSMA/food safety, and feeding program policies.

The House Education Committee will take up reauthorization of the Child Nutrition Act, which addresses school meals and child nutrition. The Ways and Means and Senate Finance Committees are expected to examine the impact of President Trump’s trade policies on US food and agriculture as lawmakers debate the “new NAFTA” or U.S.-Mexico-Canada Agreement (USMCA). Congressional agriculture leaders will remain focused on pressing the President to continue negotiations with China, Japan, and the European Union to resolve the steel and aluminum tariffs and forge new trade agreements

Other federal food policies on the agenda in Washington, DC that could impact PTNPA members include:

- the FDA Commissioner’s Nutrition Initiative including updating the “natural” food claim, clarifying labeling and tightening nutrition information on sodium and sugar
- implementation of USDA’s GMO labeling regulations
- efforts to limit the use of “milk,” “butter,” “ice cream,” and “cheese” to only animal derived foods
- deliberation of the 2020 Dietary Guidelines.

**Food Issues on the Agenda of the 116<sup>th</sup> Congress**

- Farm Bill Implementation
- Trade agreement approval
- GMO labeling implementation
- Oversight of USDA/FDA policies
- 2020 Dietary Guidelines
- FDA Nutrition Initiative
- Child Nutrition Act Reauthorization

**New Leaders and Members in Congress as a Result of the 2018 Election**

Resolution of the government shutdown and new policy initiatives in 2019 will be driven by new faces and familiar leaders in the 116<sup>th</sup> Congress. House Republicans lost 40 seats in the midterm elections, in doing so handed power back to the Democrats of the House for the first time since 2010. The new Congress sworn in 100 new members of the House. Ten (10) new members joined the Senate, six (6) Republicans, and four Democrats. The new Congress includes a record number of women, the first Native Americans, the first Muslims and first women Senators from Tennessee and Arizona.

**House of Representatives**

235 Ds/199 Rs

**U.S. Senate**

47 Ds/53 Rs

With new faces in Congress and new congressional leaders, it is more important than ever that PTNPA members visit Washington, DC to meet with their Congressional representatives during the May 2019 Advocacy Event.

**The House of Representatives**

The 116th Congress has new minority and majority leadership. The new House Democratic majority selected Rep. Nancy Pelosi (D-CA) as the House Speaker. The Republican minority elected Kevin McCarthy (R-CA) Minority Leader. Hailing from California, both are from the top US nut producing and processing state.

House Leadership - Majority  
 Speaker Nancy Pelosi (D-CA)  
 Majority Leader Steny Hoyer (D-MD)  
 Majority Whip Jim Clyburn (D-SC)

House Leadership – Minority  
 Minority Leaders Kevin McCarthy (R-CA)  
 Minority Whip Steve Scalise (R-LA)  
 Republican Conference Chair Lynn Cheney (R-WY)

	<b>Nancy Pelosi (CA-12)</b> <small>Speaker of the House</small>
	<b>Steny Hoyer (MD-05)</b> <small>Majority Leader</small>
	<b>James Clyburn (SC-06)</b> <small>Majority Whip</small>
	<b>Kevin McCarthy (CA-23)</b> <small>Minority Leader</small>
	<b>Steve Scalise (LA-01)</b> <small>Minority Whip</small>
	<b>Liz Cheney (WY-AL)</b> <small>GOP Conference Chair</small>

Leadership of both parties will be pulled by powerful factions in each caucus that include new young trailblazers in the majority and influential, familiar faces in the minority. Rep. Jim Jordan (R-OH), a leader in the ongoing sugar reform debate, and Rep. Mark Meadows (R-NC), as leaders of the Freedom Caucus and close to President Donald Trump will ensure a faction of the House Republican minority remains steadfastly loyal to the policies of the Administration. The Democratic majority will be pulled to the opposite direction by several new members of their caucus elected to oppose policies of the current White House. The New Democrat Coalition is the largest ideological caucus in the House and now has more than 100 members. Chaired by nut industry ally Derek Kilmer (D-WA), the Coalition will pull the majority in the opposite direction from the more liberal leaning members of the party and will strengthen the probusiness group's influence on the majority.

### **House Committee Leadership**

A change in party control of the House means new leadership and members on the congressional committees of interest to PTNPA.

Appropriations Committee – Chair Nita Lowey (D-NY), Ranking Member Kay Granger (R-TX)  
Agriculture Appropriations Subcommittee – Chair Sanford Bishop (D-GA), Ranking Member Jeff Fortenberry (R-NE)

The House Agriculture Appropriations Committee Chair is a proud Georgia native and champion of the food and nut processing industry. The new Ranking Member voted against the FSMA in 2011 but has supported the industry's implementation work. New majority members on the committee include Reps. Barbara Lee (D-CA), Betty McCullom (D-MN), and Henry Cuellar (D-TX). Republicans lost four (4) seats on the subcommittee and have not announced new members yet. PTNPA Member companies are present in all of the prior mentioned states.

Energy and Commerce Committee – Chair Frank Pallone (D-NJ), Ranking Member Greg Walden (R-OR)  
Health Subcommittee – Chair Anna Eshoo (D-CA), Ranking Member Michael Burgess (R-TX)

Energy and Commerce Committee Chair, Rep. Frank Pallone (D-NJ) has been active on food issues throughout his 20 year congressional career. Pro-science in the GMO debate and pro-FSMA, he has sponsored food bills for decades on labeling, allergens, and safety. The Health Subcommittee Chair has oversight over FDA. She voted for FSMA and was an active participant during the 2014 congressional oversight hearing on FSMA. In 2017, Rep. Eshoo (D-CA) joined colleagues calling for FDA to label GMO foods. Food industry allies on the FDA regulating subcommittee include Reps. GK Butterfield (D-NC), Kurt Schrader (D-OR), Ben Ray Lujan (D-NM), Annie Kuster (D-NH), and Fred Upton (R-MI), John Shimkus (R-IL), Markwayne Mullin (R-OK), Buddy Carter (R-VA), and Greg Walden (R-OR).

Agriculture Committee – Chair Collin Peterson (D-MN), Ranking Member Mike Conaway (R-TX)  
Biotechnology, Horticulture and Research Subcommittee – Chair Stacey Plaskett (D-VI)

Agriculture Committee Chair Peterson (D-MN) and the Ranking member Mike Conaway (R-TX) are long time allies of PTNPA. Ten (10) new Freshman Democrats and three (3) new Republicans joined the committee. They include: Reps. Dusty Johnson (R-SD), Jim Baird (R-IN), Jim Hagedorn (R-MN), Cindy Axne (D-IA), Ann Kirkpatrick (D-AZ), TJ Cox (D-CA), Abigail Spanberger (D-VA), Jahana Hayes (D-CT), Antonio Delgado (D-NY), Angie Craig (D-MN), Salud Carbajal (D-CA), Kim Schrier (D-WA), Josh Harder (D-CA), Jeff Van Drew (D-NJ), and Anthony Brindisi (D-NY). Delegate Stacey Plaskett (D-VI) will serve as the Chair of the subcommittee with jurisdiction over biotechnology and horticulture which, oversees implementation of the new GMO labeling rule and statutes, marketing and policies related to nut production.

Ways and Means Committee – Chair Richard Neal (D-MA), Ranking Member Kevin Brady (R-TX)

With trade and tax issues under scrutiny the new committee will have its hands full. While Chairman Neal (D-MA) has not been a widely known political figure in Washington he will take center stage as he oversees the committee’s investigation of the President’s tax returns, approval of the USMCA, current tariff policies, and examination of the recent tax cut legislation.

With important business and nut industry priorities on top of the agenda, the new Democratic Majority wanting to retain control of the House, new leaders in power, over 100 new Members up for re-election for the first time in 2020 during a Presidential election year, PTNPA members will find many House legislators eager to meet during PTNPA’s Washington, DC May 2019 Advocacy Event.

**The US Senate**

After the dust settled last November, ten new members joined the U.S. Senate, six (6) Republicans and four (4) Democrats. The Majority now holds the chamber by 54 seats compared to 51. Republicans picked up three (3) seats from the Democrats, Missouri, Indiana, and North Dakota. The Chamber holds the largest number of women it has had in history and currently counts as one of its members, a recent governor Rick Scott (R-FL), a two-time presidential candidate Mitt Romney (R-UT) and two former House Members Reps. Marsha Blackburn (R-TN) and Kevin Cramer (R-ND). Both Sens. Blackburn (R-TN) and Kramer (R-ND) served on food regulating committees in the House and took leadership roles on discussions of GMO, Farm Bill, and FSMA. Both should serve as strong allies to the food and nut industry.

Once again Senate Republicans elected Sen. Mitch McConnell (R-KY) as Senate Majority Leader and Senate Democrats elected Sen. Chuck Schumer (D-NY) Minority Leader.

Senate Leadership - Majority

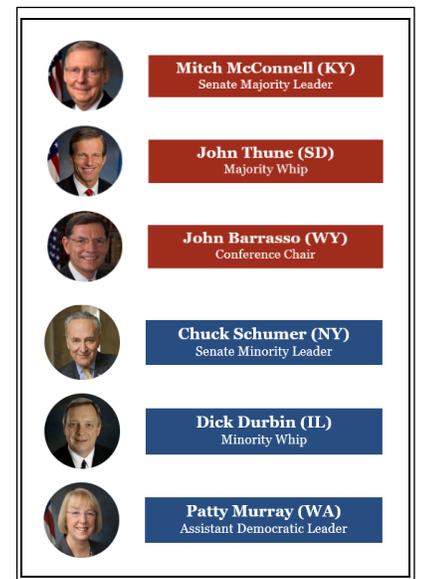
- Majority Leader Mitch McConnell (R-KY)
- Majority Whip John Thune (R-SD)
- Conference Chair John Barrasso (R-WY)

Senate Leadership – Minority

- Minority Leaders Chuck Schumer (D-NY)
- Minority Whip Dick Durbin (D-IL)
- Assistant Democratic Leader Patty Murray (D-WA)

Appropriations Committee - Chair Richard Shelby (R-AL), Ranking Member Pat Leahy (D-VT)

Agriculture Appropriations Subcommittee – Chair Jerry Moran (R-KS), Ranking Member Jeff Merkley (D-OR)



Both full Committee leaders have shown in the last year they are committed to regular order. In addition, both Chairman and Ranking Member of the subcommittee, have pledged to bring bills the FDA/USDA funding bill up early in the legislative year. These Senators are quite familiar with the work of the PTNPA resulting from regular meetings on Capitol Hill.

Health, Education, Labor, and Pensions Committee – Chair Lamar Alexander (R-TN), Ranking Member Patty Murray (D-WA)

This will be Chairman Alexander's (R-TN) last year chairing the committee as he has indicated he will not run for reelection. He has already signaled he plans to work closer this session with Ranking Member Murray (D-WA). The Committee postponed a hearing last December at which, FDA Commissioner Gottlieb was to testify so, it is expected an FDA-focused hearing will be teed-up early in the 2019 calendar year. New HELP Committee members include Sens. Tina Smith (D-MN) and Doug Jones (D-AL), Mitt Romney (R-UT), and Mike Braun (R-IN).

Agriculture Committee – Chair Pat Roberts (R-KS), Ranking Member Debbie Stabenow (D-MI)

This will be the last year Chairman Roberts (R-KS) will chair the committee as he will not run for reelection. The Committee added Sen. Michael Braun (R-IN) to its roster. Also, selected to serve on the HELP Committee, Sen. Braun (R-IN) should be a new key player on food and agriculture issues.

Finance Committee – Chair Chuck Grassley (R-IA), Ranking Member Ron Wyden (D-OR)

Chairman Grassley (R-IA) will take over as Chair for the first time. He has indicated he plans to take on some of the Chamber's top agenda items including approving advantageous free trade agreements, addressing the Administration's tariff policies as well as passing bills to low prescription drug prices. New committee members include Sens. Tom Lankford (R-OK), Steve Daines (R-MT), Todd Young (R-IN), Catherine Cortez Masto (D-NV), and Maggie Hassan (D-NH).

The Senate Majority will have twice as many members up for reelection in 2020. With 22 Republicans and 12 Democrats up for reelection in 2020, Senators in the 116<sup>th</sup> Congress will be keen on meeting with PTNPA members visiting Washington, DC during the May 2019 Advocacy Event.

Recommendations

With new congressional leaders and priorities refocusing the nation's capital, it remains imperative that PTNPA members remain in contact with their Congressional Representatives in their home states and districts. In addition, it is more timely than ever for PTNPA Members to participate in the PTNPA sponsored Advocacy Event in Washington, DC in May and engage federal elected officials on issues impacting their businesses, customers, and industry. Meeting with your Senator or Representative is one of the most effective means of securing their commitment to support the issues that are important to PTNPA. Although, key Washington officials may appear to be distracted by the news of the hour or the chaos of the political environment. New members of Congress want to serve and meet their constituents and learn the issues, concerns, and priorities of American business leaders. They are already campaigning for the next election.

PTNPA members are advised to join PTNPA's government relations webinar in February, along with related conference calls in March and April (dates TBD) and the PTNPA Washington Advocacy Event May 7 – 8, 2019.

PTNPA members can succeed in representing the industry in Washington by planning ahead and by:

- requesting meetings well in advance
- being informed on the business issues important to their company during their meetings
- keeping the discussion of the latest political drama to a minimum; and
- remember regardless of the chaos and your legislator's party, your representatives work for you.

**PTNPA Members Take Action!**

**Participate**

- February 13, PTNPA Webinar
- March and April, PTNPA Conference Calls

**Attend**

- May 7-8, PTNPA DC Fly-in in **Washington, DC**

