



WASHINGTON

from National Farmers Union

Corner

NOVEMBER 2014

Despite Congress being on another recess in October for campaign season, several issues important to family farms continue to be under debate in Washington: Country-of-Origin Labeling (COOL), the Renewable Fuel Standard (RFS), and Waters of the United States (WOTUS). The U.S. Trade Representative (USTR) has also been involved in talks with 11 other countries in the Asia-Pacific region involving a trade negotiation known as the Trans-Pacific Partnership (TPP). Lastly, state conventions are filling up the calendar, so be sure to find out when your Farmers Union is meeting.

TPP AND FREE TRADE

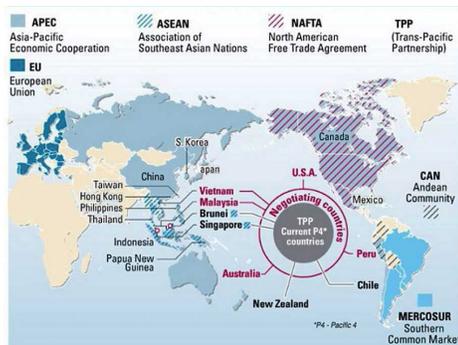


Photo Courtesy: Reuters

As a member of the World Trade Organization (WTO), the U.S. has entered into free trade agreements with 20 countries. Under these agreements, many important U.S. laws protecting investors, labor rights, the environment and our currency have been preempted. There has also been a major economic effect. According to the U.S. Census Bureau, the United States had a \$40.5 billion trade deficit in July 2014, which represents three percent drag on the

U.S. Gross Domestic Product.

The U.S. is currently negotiating two trade agreements: the Trans-Pacific Partnership (TPP), an agreement with 11 countries in the Asia-Pacific region and the Transatlantic Trade and Investment Partnership (TTIP), an agreement with the European Union. NFU believes that these two trade agreements, along with all future trade agreements, should have the goal of reducing the U.S. trade deficit, not just increasing trade flows.

WATERS OF THE U.S. (WOTUS) DEFINITIONS

In April, the U.S. Environmental Protection Agency (EPA) and the Army Corps of Engineers announced a proposed rule on the Waters of the United States (WOTUS). Since the passage of the Clean Water Act in 1972, the scope of jurisdiction has



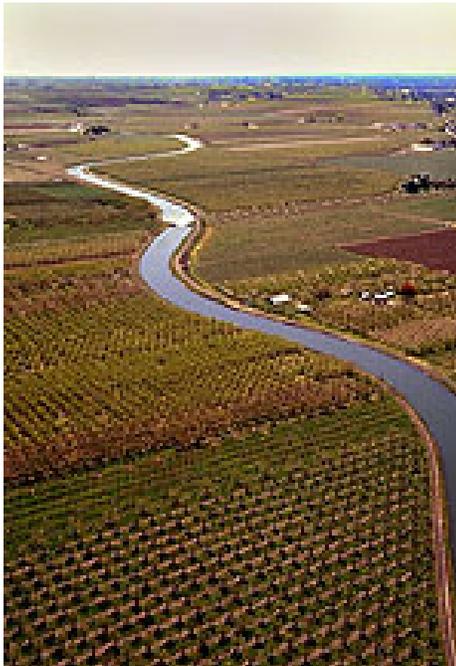
changed through amendments to the law, regulatory actions and court cases. Court cases in 2001 and 2006 dealing with the jurisdictional nature of the Clean Water Act substantially reduced the law's jurisdiction but failed to provide clarity. This lack of clarity has led to significant anxiety among farmers and ranchers.

The proposed rule on WOTUS is supposed to clarify jurisdiction and provide certainty for farmers. However, much of the farming and ranching community seems confused by the proposal. In September, NFU submitted comments to the EPA that provided the EPA instructions on how to draft a rule that would comply with NFU policy. Should NFU's comments be incorporated into the final rule, several clarifications would be achieved:

- A definition of "tributary" that clarifies without increasing CWA jurisdiction.
- A bright-line rule for "adjacent waters," reducing the need for case-by-case determinations.
- Codification of agency practice in light of Supreme Court rulings, increasing the predictability of jurisdictional determinations by the agencies.
- An exclusion of ditches that do not connect with wetlands, riparian areas, floodplains, or other waters.
- An exclusion of ditches without perennial flow from CWA jurisdiction.
- Affirmation of exemptions for normal agricultural activities.

NFU PRESIDENT URGES ADMINISTRATION NOT TO LOWER RFS TARGETS

The fate of the RFS remains in limbo. Last November, the EPA proposed to reduce the 2014 blending targets for the RFS. Yet, observers are still waiting on the Obama administration to finalize targets that were supposed to be completed in June. NFU's hope is that the delay is due to EPA working to get the numbers right, as it has been particularly painful for the renewable fuels industry: making planning difficult and attracting new investment virtually impossible. Ethanol and the RFS benefit farmers, consumers, the economy, our nation's energy security and the environment.



The RFS creates competition in our nation's transportation fuel sector by ensuring access to cheaper, clean, low-carbon alternatives to oil, and creating choice for consumers at the pump. It also creates \$184.5 billion of economic impact and supports up to 852,056 jobs nationwide. Finally, it reduces dependence on foreign oil and cuts greenhouse gas emissions.

In October, the Governor's Biofuels Coalition (GBC), which represents two-thirds of the nation's governors, sent a letter asking the Obama

administration to ensure the development of domestically produced renewable fuels by amending EPA's proposed RFS levels for 2014. NFU is currently in accord with the sentiments expressed in the GBC letter, urging the administration not to lower RFS target levels.

AWAITING A RULING ON COOL



USDA's COOL rules, which require products to be labeled with information about where the meat was "born, raised, and harvested," significantly improve the information available to consumers by reducing confusion about the origins of meat products. They also provide ranchers in the United States the opportunity to differentiate their products from those of another country.

Since its passage, COOL has been under assault both domestically and abroad in an attempt to have the law thrown out in the U.S. courts or by the World Trade Organization (WTO). The multinational meat industry has sued USDA and had their case tossed out three times.

We are now awaiting a late October ruling from the WTO on COOL's compliance with international trade agreements. After the ruling, there is a 60-day window for an appeal before the WTO issues a final, binding ruling. NFU contends that U.S. trade negotiators should pursue all options available to ensure that COOL remains in effect, and that there will likely be flexibility in whatever findings the WTO announces. Even if the WTO

rules partially against the United States in this case, there are still more avenues for trade officials to explore to preserve basic consumer-right-to-know labels like COOL.

In October, Sens. Jon Tester (D-Mont.) and Mike Enzi (R-Wyo.), joined by 32 of their Senate colleagues, defended COOL in a letter to the chair and ranking member of the U.S. Senate Committee on Appropriations.

"As the Senate debates how to provide funding for the federal government for the remainder of Fiscal Year 2015, we urge you to reject efforts to weaken or suspend [COOL] through any continuing resolution or omnibus appropriations bill," wrote Sens. Tester and Enzi.



STATE CONVENTIONS BEGIN

Now that fall is upon us, Farmers Union state conventions have filled the calendar for the remainder of this year and well into next year. We are looking forward to visiting with members across the country at each of the conventions. All state conventions lead up to NFU's convention, which will be held in Wichita, Kan., March 14-17, 2015, at the Hyatt Regency Wichita.

The Washintgon Corner can also be found online at www.nfu.org/corner.