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Summary of Federal Issues:

Federal Response to CA Drought

- Congressman Valadao has authored HR 2898, The Western Water & American Food Security Act of 2015. This legislation would ease endangered species rules and regulations in drought stricken western states to allow for more water to be delivered for urban and agricultural uses. The measure has passed in the House and has been sent to the Senate. *UnitedAg supports HR 2898*. Senator Feinstein has introduced the California Drought Relief Act of 2014. The measure is co-sponsored by Senator Boxer. It provides funding for conservation, recycling and other projects that help capture water. It does not ease endangered species rules and regulations. UnitedAg also supports Senator Feinstein's bill but believes HR 2898 does a much better job in providing drought relief for California.
- Congressman Valadao has also authored HR 2749, The Dam Authorization, and Maintenance & Safety Act of 2015. The legislation amends the Reclamation of Dams Act of 1978 to allow the Secretary of the Interior to evaluate whether modifications could be made to a dam facility to increase water storage capacity. This bill will have a positive impact on obtaining more water storage in California which is why *UnitedAg supports HR 2749*. HR 2749 is pending in the House.
- USDA Drought Relief Funding Agriculture Secretary Tom Vilsack that \$13.7 million is available to California producers and ranchers through NRCS's Environmental Quality Incentives Program (EQIP), and approximately \$6 million remains available to drought-stricken communities through Rural Development's Emergency Community Water Assistance Grants (ECWAG), making nearly \$20 million available to drought-affected communities. "As several years of historic drought continue to plague parts of the Western United States, there is a significant opportunity and responsibility across federal, state and private lands to protect and improve the landscapes that generate our most critical water supplies," said Vilsack.

The USDA has also announced the availability of \$21 million through EQIP to help farmers and ranchers apply science-based solutions to mitigate the short and long term effects of drought.

Secretary Vilsack has announced that 65 percent of the available funds, or \$13.7 million, are being reserved for California producers and ranchers. Applications are currently being accepted at local NRCS offices. For more information regarding how to apply for the funds contact Mike Stoker, Director of Government Affairs for UnitedAg at: mikestoker@aol.com or (805) 708-9100.

• The Affordable Care Act (ACA)-The Supreme Court ruled in Burwell vs. King that federally operated exchanges are eligible for federal subsidies. A ruling to the contrary would have led to great uncertainty going forward regarding the ACA. This ruling almost assures that all rules and regulations currently in affect will remain in place until at least the next President is elected. All Republican announced candidates for President have promised to replace the ACA with alternated plans. All Democrat announced candidates have promised to keep the ACA in place as it is currently written.

• Immigration & H2A Reform - On November 20, 2014 the President issued a series of executive orders that would have allowed a process for up to 6 million people living in the U.S. illegally to obtain legal status. The orders would have expanded the population eligible for the Deferred Action for Childhood Arrivals (DACA) program to people of any current age who entered the United States before the age of 16 and lived in the United States continuously since January 1, 2010, and extending the period of DACA and work authorization from two years to three years. The orders would also allow parents of U.S. citizens and lawful permanent residents to request deferred action and employment authorization for three years, in a new Deferred Action for Parents of Americans and Lawful Permanent Residents* program, provided they have lived in the United States continuously since January 1, 2010 and pass required background checks. Several States filed legal action challenging the Executive Orders and argued the President did not have the constitutional authority to issue the orders.

On February 16th a federal district court judge agreed and issued an injunction prohibiting the U.S. Citizenship & Immigration Services (USCIS) from implementing the orders. On May 26th, the 5th U.S. Circuit Court of Appeals upheld the lower ruling. The matter will now head to the U.S. Supreme Court. As a result it is highly unlikely that the President's orders will not be implemented until the very end of his term and that would only be in the case that the U.S. Supreme Court reverses the Circuit Court decision.

Housing Issues-The Department of Labor (DOL) has issued proposed regulations changing the housing requirements for employers who have H2A employees. These new rules will be very costly and may even be almost impossible to comply with in California zoning laws may not allow for changes to be made to existing units. UnitedAg has provided comments to the DOL. You can review the comments submitted by UnitedAg by going to the UnitedAg.Org website. Or contact Mike Stoker who can provide them to you.

- STARS-S 1809 (Ayotte) and HR 863 (Renacci) Amends the Internal Revenue Code to exempt seasonal employees from the definition of "full-time employee" for purposes of the employer mandate to provide employees with minimum essential health care coverage. Defines "seasonal employee" as an employee who is employed in a position for which the customary annual employment is not more than six months and which requires performing labor or services that are ordinarily performed at certain seasons or periods of the year. UnitedAg supports passage of STARS so that the definition of "seasonal" workers in the Affordable Care Act and the Internal Revenue Code are consistent.
- WOTUS The federal EPA has issued proposed regulations changing the definition of what is considered "Waters of the U.S." (WOTUS). These proposed regulations significantly expand what the Army Corps of Engineers could define as WOTUS on private property and thereby restrict the use of your property. The regulations are being proposed by EPA to respond to a US Supreme Court decision, Rapanos vs. U.S. In a major victory for private property advocates in Rapanos the Supreme Court narrowed the definition of what was considered "Waters of the US" The House passed legislation (HR 594-Goser-US Regulatory Overreach Protection Act of 2015) to defund EPA's efforts to redefine "US Waters." The Senate has passed out of Committee similar bill, S 1140, which will now go to full Senate floor for vote. Even if the measure passes in the Senate President Obama has promised to veto the legislation. In that event, the regulations will become effective 8/28/2015. UnitedAg opposed EPA's proposed regulations and has supported HR. 594 and S 1140. 16 states have joined together and have filed a lawsuit challenging the legality of the EPA to issue this proposed regulation that overturns a US Supreme Court decision.

- Trade Authority- HR 1314 (Meehan) The Trade Act of 2015 This legislation gives the President authority to enter into initial discussions with countries to lay the framework for an agreement that would become binding unless the Senate takes action to reject the agreement. The legislation was opposed by organized labor and the majority of Democrats in the Congress. The legislation was strongly supported nationally by business groups like the U.S. Chamber and agricultural groups like the American Farm Bureau. HR 1314 was also supported by UnitedAg. The legislation was signed into law by the President in late June.
- Unfair Trade Practices- HR 2393 (Conoway) The Country of Origin Labeling (COOL) Amendment Act of 2015- HR 2393 was the response by Congress to the World Trade Organization (WTO) ruling against US and finding our COOL requirements applying to beef, pork and chicken products was an unfair trade practice. This legislation will eliminate COOL requirements for beef, pork and chicken. HR 2393 passed in the House and was introduced to avoid trade retaliation from Canada and Mexico. The matter is pending in the Senate where passage is expected. The President has promised to sign the legislation into law when it reaches his desk.
- Food Labeling Standards- HR 1599 (Pompeo) The Safe & Accurate Food Labeling Act of 2015 UnitedAg strongly supports HR 1599. This legislation will allow producers of non-GMO products to obtain certifications from USDA and to package their products as not having GMO's. HR 1599 also creates national standards to preempt states from creating different standards in regards to GMO or non-GMO food products. UnitedAg fully supports a national standard to avoid different states creating different standards that would be very hard to comply with. HR 1599 has passed in the House and has been referred to the Senate.

If you have any questions or need any information regarding any of the items discussed in this Issues Update or if you have any questions regarding any state or federal issues or legislation, contact Mike Stoker, Director of Governmental Affairs for UnitedAg. Mike can be reached at mikestoker@aol.com or at (805) 708-9100.