



**National Cattlemen's  
Beef Association**



# Beltway Beef

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## **Contacts:**

**Mike Deering,**  
mdeering@beef.org

**Mary Geiger,**  
mgeiger@beef.org

202-347-0228

*Beltway Beef is a weekly report from Washington, D.C., giving an up-to-date summary of top policy initiatives concerning the cattle industry; direct from the National Cattlemen's Beef Association (NCBA). Please feel free to reprint in full or in part. If you would like to include NCBA's logo, contact us at 303-694-0305.*

## Cattlemen's Capitol Concerns

### Colombia FTA Finally Given Overdue Momentum — Panama and South Korea Still Pending

The long-awaited trade agreement with Colombia gained momentum, April 6, 2011, as President Obama announced an agreement has been reached. National Cattlemen's Beef Association (NCBA) President Bill Donald said with 96 percent of the global population living outside of the United States, it is essential to take aggressive measures to enable trade and expand access for U.S. agriculture.

"The cattle industry can breathe a sigh of relief as the Colombia agreement gets the long overdue attention it deserves. This agreement, when implemented, will eliminate the 80 percent tariff on prime and choice cuts," said Donald. "This deal has collected dust for well over four years."

Once the final agreement is approved by the Obama administration, it will be sent to Congress for its approval.

NCBA Vice President of Government Affairs Colin Woodall said he is confident Congress will pass the Colombia trade pact as well as the Korean and Panamanian trade agreements.

Unfortunately, Colombia is not the only trade pact the Obama administration has yet to send to Congress. President Obama approved the Korean agreement earlier this year, which has yet to be sent to Congress. All the while, U.S. competitors continue to reach deals, gain a competitive advantage over American products and put more American jobs at risk.

"Instead of passing another taxpayer-funded stimulus package, this administration can do more for the economy by signing, sealing and delivering the pending free trade agreements," said Woodall. "The South Korea deal would boost exports



by \$11 billion a year, making it the biggest pact in 17 years."

Another agreement, the Obama Administration referred to as "low-hanging fruit" two years ago, has been given little attention. In 2006, the United States and Panama concluded trade negotiations, which included eliminating the 30 percent tariff on prime and choice cuts. To-date, the agreement is at a standstill.

"We urge the President to send the agreements with South Korea, Colombia and Panama to Congress immediately," said Woodall. "There is no good reason these agreements need more negotiating. They have been negotiated and renegotiated."

### NCBA Calls 1099 Repeal Victory for Cattlemen

The Patient Protection and Affordable Care Act, the new healthcare law, contains a provision set to begin in 2012 requiring that businesses submit a 1099 form to the Internal Revenue Service for every vendor from which they purchase \$600 or more worth of goods or services. A new bill, H.R. 4, passed by the House and the Senate, would repeal this requirement. National Cattlemen's Beef Association Vice President of Government Affairs Colin Woodall said the repeal is an enormous victory for U.S. farmers, ranchers and small businesses.

"This burdensome and costly provision, designed to pay for an unpopular healthcare bill, is on its way out the door. Cattlemen and women are already facing unprecedented burdens from this administration. Requiring a business to file a 1099 form for every single vendor it uses for goods and services that exceed \$600 translates into an innumerable amount of unnecessary bookkeeping," said Woodall. "Instead of investing and growing their business, this tax reporting rule would have required cattlemen to spend

additional resources just to manage the books."

The next step for the bill is the White House. President Obama has indicated that he supports the repeal of the 1099 reporting provision.

"We encourage President Obama to sign this bill immediately," said Woodall. "Let's put this onerous provision behind us for the betterment of economic growth. Common sense scored a victory today."

## NCBA Members Testify Before Congress

Two members of the National Cattlemen's Beef Association (NCBA) ventured to Washington, D.C., to educate members of the House Agriculture Committee's Livestock, Dairy and Poultry Subcommittee about the state of the U.S. beef industry. Anne Burkholder, a cattle feeder from Cozad, Neb., and Jim Strickland, a cow-calf producer from Myakka, Fla., and president of the Florida Cattlemen's Association, told members of the subcommittee that in addition to caring for their animals and producing safe, high-quality beef for consumers, they are challenged by overreaching government regulations. [Click here](#) to read their testimony from the hearing.



Burkholder and Strickland said regulations being proposed by the Environmental Protection Agency (EPA) cause great concern for cattlemen and women. Burkholder said EPA's ongoing effort to regulate dust at levels twice as stringent as the current standard would put entire regions of the country in violation of the standard. Meanwhile, Strickland noted that the agency's numeric nutrient criteria rule in Florida will result in massive expenses for agricultural producers while the impact on water quality remains unproven.

According to Strickland's testimony EPA's actions damage producers without evidence of benefit to the environment or public well-being. The cumulative effect is to force agricultural producers out of the business with little corresponding benefit.

The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration's (GIPSA) proposed livestock marketing rule was also discussed at great length during the hearing. Strickland and Burkholder agreed that rather than imposing this rule, which will harm competition in the marketplace and dictate how producers market their cattle, USDA should ensure the laws on the books are uniformly and carefully enforced.

"Today's hearing gave us a clearer picture of the economic situation and public policy challenges that our livestock producers face," Subcommittee Chairman Tom Rooney (R-Fla.) said. "Many federal regulations, regardless of how well-intentioned they might be, have unintended consequences that hurt our livestock producers, and today's hearing shed some light on those effects."

### Legislative Watch

#### Letter OPPOSING EPA Clean Water Act Guidance Document

It is expected that EPA will soon issue a guidance soon that would significantly broaden the scope of federal authority under the Clean Water Act (CWA) by expanding the definition of "waters of the United States." Reps. Bob Gibbs (R-Ohio) and Tim Holden (D-Pa.) are circulating a letter in the oppose opposing the guidance document. **NCBA urges all representatives to sign the Gibbs/Holden letter.**

#### H.R. 1259 – To fully and permanently repeal the estate tax

NCBA urges a **YES** vote on H.R. 1259.

Key Sponsors: Reps. Kevin Brady (R-Texas), Mike Ross (R-Ark.)

#### H.R. 1341 – Establishing Public Accountability Act of 2011

Would require the Environmental Protection Agency to include in any notice of rule making a statement regarding the impact of the rule on jobs loss or creation. NCBA urges a **YES** vote on H.R. 1341.

Key Sponsor: Pete Olson (R-Texas)

#### H.R.1287 – 3-D, Domestic Jobs, Domestic Energy, and Deficit Reduction Act of 2011

Amends the National Environmental Policy Act of 1969 to expedite the environmental review process and require federal agencies to use the most expeditious environmental review process available until unemployment falls below 5 percent; amends the Clean Air Act (CAA) to declare that carbon dioxide and methane from livestock are not pollutants; amends the CAA to require the EPA to do full economic analysis; amends the Endangered Species Act (ESA) to prohibit consideration of the impact of greenhouse gas on any species of fish or wildlife or plant for any purpose in the implementation of the ESA; amends the Equal Access to Justice Act (EAJA) to prevent payment from the Judgment Fund to reimburse environmental activist groups for filing lawsuits against domestic businesses.

NCBA urges a **YES** vote on H. R. 1287

Key Sponsor: Rob Bishop (R-Utah)

### New on the Web

Check out the [Beltway Beef blog](#) for inside perspectives on issues affecting U.S. cattlemen and women. This week's features includes news an agreement reached on a path forward on the U.S.-Colombia trade agreement; the repeal of the 1099 tax reporting provision; the congressional hearing on the beef industry and more. You can also

follow us on [Twitter](#), be a fan of us on [Facebook](#), check out our latest photos on [Flickr](#) or watch video updates on our [YouTube](#) page. For audio, visit and subscribe to the Beltway Beef [Podcast](#). You can also subscribe to our [podcast](#) on iTunes.

## Google Exposes EPA's Latest Boondoggle



Ashley Lyon is  
NCBA Deputy  
Environmental  
Counsel

If you cannot get Congress to legislate, then regulate. This phrase seems to be a common trend among federal agencies these days, especially with the U.S. Environmental Protection Agency (EPA). If you want to hide what you are doing from the American people until it becomes public, put it in a "guidance" document. Guidance documents are not subject to notice and comment requirements under the Administrative Procedures Act. This is exactly what is currently happening within EPA and the Army Corps of Engineers (Corps). A "guidance" document will soon be released that, based on a draft version, would greatly expand the jurisdiction of EPA and the Corps over our waters. The guidance would accomplish this by giving EPA/Corps field staff a plethora of approaches from which to choose in order to support a jurisdictional determination, making a mockery of the Supreme Court's decisions in the *Rapanos* and *SWANCC* cases that said the word "navigable" still has important meaning within the context of the Clean Water Act (CWA), since the word limits the jurisdiction of EPA and the Corps.

After jurisdiction was limited by the Supreme Court in both the *SWANCC* and *Rapanos* cases mentioned above, the Clean Water Restoration Act (CWRA) was introduced in the House by former Congressman James Oberstar (D-Minn.) and by former Senator Russ Feingold (D-Wis.). Those bills would have removed the word "navigable" from the definition of "waters of the United States," which would have given EPA and the Corps virtually limitless jurisdiction over every kind of water whether it was a puddle, ditch, mudflat or otherwise. The regulatory consequences for landowners of passage of the CWRA by Congress would have been more extensive permitting, preventing state land-use decisions and significant Endangered Species Act consequences. The National Cattlemen's Beef (NCBA) and other agricultural organizations fought hard against passage of the CWRA over the past two Congresses, which fortunately resulted in the bills going nowhere.

What is EPA's apparent plan since it was never passed into law? The answer is a "guidance" document to all field staff purporting to "reduce the complexity of EPA and Corps decisions... improve predictability...and increase consistency..." It certainly is consistent and predictable, since it seemingly makes every type of waterbody other than a manmade swimming pool subject to EPA/Corps

jurisdiction and permitting requirements. In general, the guidance is less "guidance" and more of a menu of options for field staff to employ to support a determination that a given waterbody is a "water of the United States." It also claims to be consistent with the CWA and the *SWANCC* and *Rapanos* Supreme Court decisions, but the truth is it twists the words of the court and uses them when it is convenient to support their approach. For example, it expands Justice Kennedy's plurality decision in the *Rapanos* case to allow "similarly situated" waters to be aggregated together to demonstrate a significant nexus to a navigable water, thereby becoming jurisdictional.

Justice Kennedy's words only applied this "similarly situated" concept to wetlands in the context of his opinion, not to *all* waters. The Supreme Court made it clear in both the *SWANCC* and *Rapanos* decisions that the word "navigable" is an important limiting definition with regard to EPA/Corps jurisdiction under the CWA. Under the draft guidance, "the agencies expect that the number of waters found to be subject to CWA jurisdiction will increase significantly compared to practices under the 2003 *SWANCC* guidance and the 2008 *Rapanos* guidance," which this guidance will supersede. It is apparent that EPA and the Corps have chosen to disregard inconvenient Supreme Court decisions that limit their jurisdiction and are unsupportive of their agendas.

Instead of acting behind closed doors addressing issues like this that are of great public concern, EPA and the Corps should be willing to be transparent as President Obama promised during his campaign. They should not get away with picking and choosing which actions should be transparent and which should not be based solely on their agendas. Thank goodness someone at the Office of Management and Budget leaked the draft guidance to Google several months ago. Otherwise, we probably wouldn't know anything about their plans until the document is issued in final form. That's unacceptable and no way to run a government.

NCBA urges all members of Congress to take a commonsense, good government stand on this issue and sign onto a letter by Congressmen Bob Gibbs (R-Ohio) and Tim Holden (D-Pa.) opposing EPA's guidance document.

## Your NCBA

**NCBA Welcomes New Office Manager:** Mallory Gaines joined the NCBA team a few weeks ago as the Office Manager and Executive Assistant in NCBA's Washington, D.C., office. Mallory is from Silver Spring, Md., and holds a degree in animal science from the University of Delaware. While at the University of Delaware, she worked on the university farm and was a veterinary extern at the University of California Davis Veterinary Medicine Teaching and Research Center in Tulare, California.

## CattleFax Update

Last week the fed market continued to make all-time highs with cash sales \$8 to \$10 higher. The futures market continues to trend higher as well, and open interest in the live cattle market is at an all-time high. Tighter supplies in the North allowed cash to trade \$200 in the beef. In the South where supplies are seasonally more adequate, cash traded from \$120 to \$123 live. Feeder cattle values were more than \$3.00 higher, and the feeder index is at an all-time high. Feeder cattle futures for next fall are trading near \$140. Calves were quoted \$3 to \$10 higher on the week on light sale volume. Corn had a robust week as the USDA reported 178 million bushels less than estimated in the grain stocks report, leading analysts to expect the second lowest corn stock-to-use in history. Corn traded limit up after the report, and May corn futures trade at more than \$7.38.

For recent market news and analysis, visit [www.CattleFax.com](http://www.CattleFax.com).

## Don't Miss Out on NCBA's Cattlemen to Cattlemen!

Don't miss NCBA's *Cattlemen to Cattlemen*, April 12-16. We'll talk with a climatologist at Purdue University to find out what kind of weather ranchers can expect for the rest of 2011. Plus, viewers will get a firsthand look at some of the recent innovations that are fueling beef demand.

NCBA's *Cattlemen to Cattlemen* debuts each Tuesday at 8:30 p.m. The show also airs Wednesday at 10:30 a.m. and on Saturday at 9 a.m. (all times are Eastern). Don't forget that you can also [watch NCBA's Cattlemen to Cattlemen online](#) anytime by visiting our website. Follow us on [Twitter](#) and become a fan on [Facebook](#).



## Your NCBA

**Your NCBA PAC in Action:** The National Cattlemen's Beef Association (NCBA) Political Action Committee (PAC) hosted U.S. Representative Bob Goodlatte (R-Va.) for a breakfast event at its Washington, D.C., office. During the event, Representative Goodlatte, who served as Chairman of the House Agriculture Committee during the 108 and 109 Congresses, said he will continue opposing the Environmental Protection Agency's (EPA) total maximum daily load rule for the Chesapeake Bay. He also pledged to continue opposing the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration's proposed livestock marketing rule. Expanding international trade opportunities for U.S. products was discussed, and Representative Goodlatte said he fully supports the pending trade agreements with South Korea, Colombia and Panama.



Pictured above from left to right: NCBA Vice President of Government Affairs Colin Woodall, Representative Bob Goodlatte and NCBA CEO Forrest Roberts



## National Cattlemen's Beef Association

*The National Cattlemen's Beef Association (NCBA) has represented America's cattle producers since 1898, preserving the heritage and strength of the industry through education and public policy. As the largest association of cattle producers, NCBA works to create new markets and increase demand for beef. Efforts are made possible through membership contributions. To join, contact NCBA at 1-866-BEEF-USA or [membership@beef.org](mailto:membership@beef.org).*