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Congressional & Administration News

[What to Know in Washington: Mexico Tariff Talks Continue Today](#)

By Zachary Sherwood and Brandon Lee | June 7th, 2019 7:03AM ET

Vice President Mike Pence said the U.S. still plans to impose tariffs on Mexico next week, as American and Mexican officials planned further talks aimed at defusing a crisis between the two countries over the flow of undocumented migrants into the U.S.

Negotiations wrapped up last night without an agreement, Mexican Foreign Minister Marcelo Ebrard said, adding that another round of discussions would take place on Friday in Washington to head off the tariffs.

“Tomorrow we are going to maintain these conversations, we don’t have yet an agreement but we are advancing in order to reach an agreement as we want,” Ebrard said as he left the State Department. “So tomorrow morning we are going to work in the, maybe, one of the last sessions in order to make an effort to have an agreement.”

The U.S. has been preparing a draft emergency order to allow President Donald Trump to proceed with the tariffs in the event that talks fail to satisfy his concerns on immigration. At the same time, administration officials have considered delaying the tariffs to give Mexico time to prepare a solution, according to people familiar with the matter.

One U.S. official said the most likely outcome is still that a 5% tariff goes into effect. But the official said U.S. negotiators recognize that Mexico is taking the talks seriously and working quickly to address Trump’s concerns. If the 5% tariff is triggered but Mexico follows through on promises to crack down on migration, the duties could be short-lived, the official said.

Ebrard confirmed that his government has offered to send about 6,000 National Guard troops to Mexico’s southern border with Guatemala to help stem migration as part of an agreement to avert the tariffs.



Oil Lobbies Against Tariffs: U.S. oil companies are frantically lobbying congressional allies and the White House against Trump's proposal to slap escalating tariffs on Mexican exports, saying it would hike the price of gasoline and strain refiners reliant on crude from the country. The oil industry's pushback adds to the pressure upon Republicans mulling legislation to counter Trump's threatened 5% tariff, which would raise the cost of roughly 712,000 barrels of crude and petroleum goods imported daily from Mexico

Congressional Resistance: Trump said Republicans who criticize potential tariffs on Mexico should be "ashamed" of themselves for undercutting the U.S. negotiating position.

Trump, speaking in an interview with Fox News that was broadcast last night, took aim at Speaker Nancy Pelosi (D-Calif.) as well as Republicans he did not identify, for criticizing his threat. "What they're doing is they're hurting a deal. They should be saying, we're with the president, we'll do whatever he wants to do, and Mexico would fold like an umbrella," Trump said.

But no matter how much business groups and Republican senators hate Trump's Mexico tariffs, there may be no stopping them before Monday, and rolling them back if they're put in place is a daunting prospect.

Congress has constitutional authority over trade and could pass a law to block the president's action. But partisan gridlock and decades of delegating responsibility to the president will complicate any legislative challenge to Trump's tariff threat.

Tariffs Erase Tax Gains: Trump's trade wars have already wiped out all but \$100 of the average American household's windfall from Trump's 2017 tax law. And that's just the beginning. That last \$100 in tax-cut gains could soon completely disappear -- and then some -- because of additional tariffs Trump has announced. If the president makes good on his threats to impose levies on virtually all imports from China and Mexico, those middle-earning households could pay nearly \$4,000 more. Subtract the tax cut, and the average household will effectively be paying about \$3,000 more in taxes through additional levies on the products they consume.

Coming Up in Congress

Contempt Charges Coming: House Democrats are moving ahead with a contempt-of-Congress resolution against Attorney General William Barr and former White House Counsel Don McGahn for defying subpoenas, and they're adding a shortcut for future legal confrontations with the Trump administration. A floor vote on the measure by all House members is set for Tuesday.

"We will not allow this president and his administration to turn a blind eye to the rule of law," Rules Committee Chairman Jim McGovern (D-Mass.), sponsor of the resolution, said in a statement yesterday. "This resolution will allow Congress to hold the president accountable while this Democratic majority continues delivering on issues like health care and jobs."

The Barr and McGahn contempt citations were sought by House Judiciary Chairman Jerrold Nadler (D-N.Y.). The resolution also would give Nadler and a number of other committee chairmen the power to issue future contempt citations without waiting for approval from the full House. Instead, they would need approval only from a Democratic-controlled five-member panel of House leaders, led by Pelosi.

Gavels and Golf: Sen. Lindsey Graham (R-S.C.) has two sources of power in Washington: his gavel and his golf clubs.

Graham chairs the influential Judiciary Committee, but his frequent phone conversations and golf games with Trump set him apart from other senior Republicans. Democrats may be dismayed by his reflexive backing of Trump, but they also see him as the man to break the logjam in the Senate.

Sen. Sheldon Whitehouse (D-R.I.) and Richard Blumenthal (D-Conn.) are partnering with him on a bill to criminalize voting system hacks. Sen. Bob Menendez (D-N.J.) is working with Graham on sanctions against Russia and Saudi Arabia. Other Democrats have sought him out on immigration and gun legislation.

The willingness of Democrats to keep reaching out to Graham reflects the unique role he has carved out for himself. He's one of the only people who regularly talks to the president and has a long history of working with Democrats.



Trump ACA ‘Sabotage’ Amid Surprise Billing Effort: Some Senate Democrats are wary of backing bipartisan legislation to rein in surprise medical bills without pairing that effort with their party’s measures to bolster Obamacare. Republican and Democratic leaders on a key health Senate committee are moving forward with a slate of bills aimed at ending surprise medical bills—the unexpected, high charges from a hospital or doctors that insured patients can receive for out-of-network services.

The Senate Health, Education, Labor, and Pensions Committee is expected to hold at least one hearing on the package this month with an eye to getting a floor vote in July. But some Democrats on the HELP panel worry backing the legislation means walking away from their promise to bolster the Affordable Care Act and check what they view as the Trump administration’s efforts to undercut the health law.

Finance Firms Face Diversity Data Request: The House lawmaker overseeing financial services is pressing American Express, Discover, and 35 other top firms in the industry for details on their workforces’ diversity. Rep. Maxine Waters (D-Calif.), who chairs the House Financial Services Committee, asked the firms in a letter to provide demographic data from 2015 to today on the gender, race, and ethnicity of their employees and board directors. Waters’ request also seeks information on company-wide policies on diversity and any challenges the companies face in meeting diversity goals.

Elections and Politics

Biden Reverses on Abortion Measure: Democratic front-runner Joe Biden came out yesterday against the Hyde Amendment, which bars federal funds for abortion, just a day after affirming his support and drawing fierce criticism from rivals and progressive activists. Biden, speaking at a Democratic National Committee event in Atlanta last night, said he no longer supports the 1976 provision.

“I can’t justify leaving millions of women without access to care they need and the ability to exercise their constitutionally protected right.” Biden said. “Times have changed.”

On Wednesday, his campaign said in a statement that the former vice president was sticking with his long-standing support of the Hyde Amendment, which has been routinely added to government funding bills and blocks federal medical programs from paying for abortions except in cases of rape, incest or to save the life of the woman. That position put him at odds with his party, particularly House appropriators and his rivals for the nomination. Democrats in Congress had put off the fight over the Hyde Amendment in this year’s appropriations process, but had planned to end the ban in future years if a member of their party wins the White House in 2020.

Anti-Phishing Aid for Campaigns Hits Snag: A small, Silicon Valley company that wants to prevent “phishing” expeditions against political campaigns faces questions from regulators on whether its plans comply with campaign finance laws. The Federal Election Commission said more time is needed to respond to a request from Area 1 Security Inc., a 100-employee firm specializing in shielding organizations against a specific type of cyberattack, known as phishing.

Commission Chairwoman Ellen Weintraub (D) said granting the request could “open up a colossal loophole” and raised concerns that other corporations also would want exceptions from the federal ban on corporate contributions “to do all sorts of nice things for candidates.”

Strategist’s Files Detail N.C. Gerrymandering: A late Republican consultant, Thomas Hofeller, spearheaded a Republican gerrymandering strategy in North Carolina and left behind four hard drives and 18 thumb drives containing over 75,000 files found by his estranged daughter after his death in August, reports The New York Times, citing a N.C. county court case. Advocacy group Common Cause said in court documents submitted yesterday that Hofeller’s files include evidence that show how North Carolina’s Republicans misled a federal court to extend the life of their map of state legislative districts, ruled unconstitutional.

What Else to Know

China Tariffs: Trump said he’ll decide whether to enact tariffs on another \$325 billion in Chinese imports after the Group of 20 summit at the end of the month in Japan, where he’s expected to meet with Chinese President Xi Jinping. “I will make that decision after the G-20,” Trump told reporters at a meeting with French President Emmanuel Macron in Caen, France, yesterday. “I’ll be meeting with President Xi and we’ll see what happens but probably planning it sometime after G-20.”



U.S. and Chinese negotiators hit an impasse in trade talks last month, which Trump said happened because Beijing renegeed on provisions of a tentative deal. He raised tariffs on about \$200 billion in Chinese imports to 25% in response, and at the time hung out the possibility of further action.

Meanwhile, People's Bank of China Governor Yi Gang said China has "tremendous" room to adjust monetary policy if the trade war with the U.S. deepens. "We have plenty of room in interest rates, we have plenty of room in required reserve ratio rate, and also for the fiscal, monetary policy toolkit, I think the room for adjustment is tremendous," said Yi in an exclusive interview in Beijing.

Trump's Currency War Plan: Trump is poised to turn the \$5.1 trillion-a-day global currency market into the next battlefield in his trade war with a proposal that has set two U.S. government agencies on a collision course. A Commerce Department proposal to impose countervailing tariffs on countries that it determines have devalued their currencies has alarmed officials at the Treasury Department, according to four people familiar with the matter. They are wary of market disruptions and a politicization of foreign-exchange policy, among other concerns, the people said.

Jobs Outlook: Economists expect U.S. payroll gains cooled last month to a still-solid pace that's down somewhat from the prior reading but still in line with consistent signs of a broadly robust job market. Nonfarm employment increased by 175,000, according to Bloomberg's survey, a level that would be down from April's 263,000 but still well above what economists consider sufficient to accommodate labor-force growth. The unemployment rate is projected to remain at a 49-year low of 3.6% while annual wage gains hold for a third month at 3.2%, near the strongest pace of the economic expansion.

Antitrust Official Opposes Qualcomm Monopoly Ruling: The White House's antitrust czar signaled yesterday that he disagrees with a federal judge's ruling that Qualcomm Inc. acts as a monopoly, adding another powerful voice to the company's defense as it pursues an appeal. Makan Delrahim's remarks did not mention the U.S. chipmaker by name, but the head of the Justice Department's antitrust division took aim at the legal reasoning underpinning a May 21 ruling in favor of the Federal Trade Commission that threatens to upend Qualcomm's business model.

Automakers Press for Emissions Deal: A group of major domestic and foreign automakers has formally asked Trump to restart talks with California over vehicle emission regulations, saying that failing to reach a unified national standard could destabilize the industry and hamper investment. The petition sent yesterday from 17 carmakers -- including General Motors, Ford and Toyota's U.S. subsidiary -- comes less than a month after California's top environmental regulator threatened to enact much tougher pollution rules.

FERC Fight: Since day one, Neil Chatterjee has fended off criticism that he's too partisan to lead the politically independent Federal Energy Regulatory Commission. But the real ideologue on the commission, according to Chatterjee, is Democrat Rich Glick. "If we are going to talk about politics infecting the agency's work, let's be fair in seeing who is it that's actually being political," Chatterjee said in an interview. Glick has been "unwilling to compromise on his ideology," he said. "I am compromising to get things done and accomplished. I don't know that that can be said of all my colleagues."

Chatterjee's remarks -- made after he was criticized for promoting LNG exports as "freedom gas" -- are the latest example of partisan discord at the agency long known for its political neutrality. The growing tension has raised concerns about potential deadlocks and the future of natural gas project permits.

Air Force One's Color Palette: The White House is pressing ahead with Trump's demand that Boeing paint new Air Force One jets red, white and blue, replacing the blue-and-white pattern used since the early 1960s. The Air Force, which manages the \$5.3 billion program to build two new presidential planes, hasn't been given a formal request by the White House Military Office to abandon the color pattern originated under President John F. Kennedy. But the White House is "evaluating specific red, white, and blue livery (paint scheme) options," the Air Force said in a statement.

Trump's seemingly off-hand proposal a year ago on how to paint the new planes was among the quirkiest examples of the president's willingness to intervene in Defense Department projects -- from pushing personally for reductions in the cost of the Air Force One replacements and the F-35 fighter jet to demanding that the Navy use old-fashioned steam-based catapults on its new aircraft carriers instead of a more advanced but occasionally unreliable electromagnetic system.



Agriculture News

Drought Comes to U.S. Corn Country Again After 25-Week Absence

By Kevin Varley | June 7, 2019 9:40AM ET

A 25-week streak of no drought in U.S. corn country has finally snapped.

About 1% of land planted for corn experienced moderate drought in the week ended June 4, according to the U.S. Department of Agriculture and the National Drought Mitigation Center. The last time such conditions existed was in early December, data compiled by Bloomberg show.

Drought in the U.S. has ticked up from historic lows over the past two weeks, after much of the Midwest and South was swamped with unrelenting rains and flooding over the previous several months. About 1% of land used for soybean production is within an area experiencing drought, ending a 24-week drought-less run, while drought for spring wheat land rose to 10% from zero in the prior week, the latest data show.

The overall lower-48 U.S. states drought index was at 19, the sixth lowest value in the last 20 years. The following table shows the percentage of agricultural production within an area currently experiencing drought.

Agricultural	June 4	May 28	May 21
Production	2019	2019	2019
	Percent of Production Within Drought Area		
Corn	1%	0%	0%
Soybean	1%	0%	0%
Hay	2%	1%	1%
Cattle	2%	1%	1%
Winter Wheat	2%	1%	0%
Spring Wheat	10%	0%	0%



Federal Employee News

Complaints against TSA Screeners Mostly Result in Training

Fedweek | June 5, 2019

While most verified complaints from passengers about profiling by TSA screeners lead to retraining, in about 100 cases over October 2015-February 2018 the agency took a personnel action in response, ranging from letters of reprimand to firing, GAO has said.

GAO said that during that period, the TSA contact center, the primary point of contact for collecting, documenting, and responding to public questions, received more than 3,600 complaints about screeners. All but about 400 of them alleged civil rights or civil liberties violations based on personal characteristics including race, ethnicity, national origin, language, gender, age, and hair.

Of the more than 2,000 complaints the TSA's multicultural branch investigated, it added, slightly above half resulted in recommended training for the screener, while the rest were either not substantiated, were referred to other offices or federal agencies, or were closed because the complainant did not provide requested information.

That branch "regularly collects and analyzes data on passenger civil rights and civil liberties and discrimination complaints and their resolution status, and shares this information with TSA executive leadership, TSA airport customer service managers, and screeners in the field, among others," the GAO said at a House hearing.

That branch also uses that information to "develop training aids and materials on areas where they determine screeners need more training, such as multicultural awareness or screening of transgender passengers" and "has developed briefings focusing on unlawful profiling and unconscious bias which reiterated that unlawful profiling is against TSA policy, defined unconscious bias, and provided scenario-based examples."

House Eyes Reversing Special Probation, RIF Policies at DoD

Fedweek | June 5, 2019

A House committee is considering repealing two special personnel policies applying at DoD — a longer probationary period and making performance the first factor in RIF retention rather than the last.

The annual DoD authorization bill, set to come to a vote in the Armed Services Committee next week, would return the standard probationary period for the department's employees to one year—the general standard elsewhere in government—from the two years used at Defense. The increase—enacted in 2015 during the Obama administration but at the initiative of Republicans in Congress—was based on the premise that for some jobs, especially those requiring extensive training, one year is not long enough to assess a new employee.

The bill gives no explanation for the proposed change back to one year, although federal employee organizations have argued all along that any inability to assess an employee within one year is a failure of management, and that a longer probationary period subjects employees to a longer period in which they lack the appeal rights for tenured employees. The MSPB last year questioned the value of a longer period, saying that while agencies are not putting those periods to their best use in evaluating employees and taking action against poor performers, a need for more time is not a major reason.

The measure further targets another DoD-specific policy enacted along with the probationary period change, to increase the emphasis on performance over other factors, especially longevity, that come higher in RIF retention policies in general. It does not call for an immediate repeal but rather says the impact of the policy "should be identified and reviewed for any necessary modification" and orders a detailed report on RIF actions since it took effect—a report to be produced by next March, in time to be considered for next year's DoD budget bill.

The DoD-specific policies have been seen all along as potentially setting precedent for wider application. A Republican-sponsored House bill in the prior Congress sought to use a two year probationary period at all agencies, although that bill did not reach enactment. Last year one of President Trump's executive orders on personnel matters last year required



OPM to issue rules elevating performance over longevity in RIF retention government-wide. That provision was not among those blocked by a court injunction affecting many parts of those orders, but OPM has not issued such a policy change even in draft form in the year since.

House Bill Would Provide 3.1 Percent Raise

Fedweek | June 5, 2019

A House subcommittee has approved a spending bill for the upcoming fiscal year including a 3.1 percent raise to be paid the first full pay period of January, an amount somewhat below the 3.6 percent figure that federal employee unions and some Democrats in Congress have been seeking, but well above the White House's budgetary proposal which called for a freeze.

The 3.1 percent figure as usual would work out to be an average, since the raise would be divided into separate components for GS employees—a 2.6 percent increase for all and the funds equivalent to the other 0.5 percentage points parceled out among the localities. The exact amounts would not be determined until the fall, after the annual Federal Salary Council report on pay comparisons.

Also as is standard, wage grade employees would generally receive the same increase paid to GS employees where they work, even though there is a separate locality pay system for them. Also, the 3.1 percent figure would act as the cap for increases in the SES and other senior level pay systems where pay is within a range and raises are based on performance ratings.

Uniformed military personnel appear to be in line for a 3.1 percent raise, which the Trump administration has proposed for them; the Senate Armed Services Committee already has endorsed that amount.

The Senate has not yet started drafting its version of the appropriations bill, however. typically the House moves that bill first.

