

Rural Dems have Beef with Obama

Lisa Lerer and Jonathan Martin, Politico June 17, 2009

Angered by White House decisions on everything from greenhouse gases to car dealerships, congressional Democrats from rural districts are threatening to revolt against parts of President Barack Obama's ambitious first-year agenda.

"They don't get rural America," said Rep. Dennis Cardoza, a Democrat who represents California's agriculture-rich Central Valley. "They form their views of the world in large cities."

Cardoza's critique was aimed at Obama's Environmental Protection Agency, but it echoes complaints rural-district Democrats have about a number of Obama administration decisions.

"I wouldn't say it's a complete strikeout, but they've just got a few more bases to it when it comes to the rural community," said Louisiana Democratic Sen. Mary Landrieu.

A rural revolt could hamper the administration's ability to pass climate change and health care legislation before the August recess.

Democrats from farm states are some of the same moderate members Obama must win to get almost any piece of his agenda through the Senate: Landrieu and Sens. Max Baucus of Montana, Ben Nelson of Nebraska, and Blanche Lincoln and Mark Pryor of Arkansas. Without their votes, Democrats can't move legislation over Republican filibusters — such as the one sure to come if the health care plan that moves through the Senate includes a public option supported by the administration.

In the House, rural Democrats threaten to marshal nearly 50 votes against the climate and energy bill backed by the administration.

"For Obama, it's a very tough high-wire act," said Frank O'Donnell, executive director of the environmental group Clean Air Watch. "The farm states are among those that the Democrats desperately want to keep in the fold at the same time the farm states historically aren't very good on environmental issues."

Obama made inroads to rural areas during his presidential campaign, a result of pouring significant resources into rural counties in key battleground states. According to exit polls, Obama won 43 percent of the rural vote — a 4 percent increase from Democrat John Kerry

in 2004.

But some Democrats complain that Obama hasn't paid much attention to the rural states since he's been in office.

"We'd love to see him out in rural America more," Lincoln said.

The conflict with rural Democrats burst into the open at the Capitol last week, when rural and moderate Democrats revolted against the decision to close roughly 3,400 General Motors and Chrysler car dealerships. The White House Auto Task Force endorsed some of the cuts in its plans to revamp the companies.

In rural America, especially, the looming closures pose a dire threat. Car dealers are not only an economic linchpin of many county-seat towns but also offer support for institutions and a way of life that can't be easily replaced.

"In rural jurisdictions, your dealerships are pretty big employers. If you knock out four dealerships, the ripple effects of that are substantial," said Rep. Frank Kratovil (D-Md.), who represents a largely rural Eastern Shore district and is co-sponsoring a bill that could force the auto companies to honor their contracts with the rejected dealerships.

With GM and Chrysler forcing hundreds of local dealerships to close up shop, members of Congress are scrambling to save thousands of jobs and warning of severe political consequences that could come from shuttering what are often community pillars.

Sen. Kay Hagan (D-N.C.) questioned how independent owned and operated businesses have any financial impact on automakers.

"None of us can quite understand why they consider dealerships a drag when they are the ones that buy the cars, that take the financial risks. Many of the dealerships that are being closed are profitable."

Obama spokeswoman Jen Psaki said that "all decisions about specific dealerships are made solely by the car companies on the basis of what they believe is in the interests of the long-term health and survival of their business."

But lawmakers say the car dealership closings are just the latest blow to rural areas since Obama took office. The first sign of a disconnect between the White House and rural voters came in the administration's budget, which included a plan to slash direct payments to farms with annual gross receipts of more than \$500,000. After an outcry from farm-state lawmakers, Congress dropped the cuts from the budget.

Since then, much of rural Democrats' unhappiness with the new administration has focused on the EPA. While Bush administration political appointees in the agency were skeptical of stricter environmental laws, Obama's EPA has moved forward quickly on a host of new regulations, including limits on greenhouse gas emissions that farm lobbyists say will raise costs on farmers.

"There is a different focus [at EPA] than under the Bush years," said Rick Krause, senior director of congressional relations for the American Farm Bureau. "And there very well could be some political risk involved."

Rep. Collin Peterson, the chairman of the House Agriculture Committee, says the urbanrural disconnect under Obama is no worse than it was under his predecessors.

"We're an urban country, and the White House reflects the majority of the constituency of the country," he said. "This is the problem we have with everything. Folks don't understand what we do."

Still, Peterson wants the Department of Agriculture — rather than the EPA — to oversee what kinds of agricultural activities will qualify as "offsets" that benefit the climate under the climate change bill. The bill allows businesses to meet their emissions caps by paying farmers to cut emissions, a process that could result in big agricultural profits.

"A lot of us on the committee don't want the EPA anywhere near our farmers," Peterson said last week during a committee hearing.

A draft decision by the agency ruling that "indirect land use" issues must be considered when calculating the carbon footprint of corn-based ethanol also angered many in the farming and renewable fuels community.

While these issues play out most dramatically in farm states, they could have an impact that spreads much further. Forcing rural Democrats to vote for climate change legislation could create problems for the Democrats nationally in 2010 and 2012.

"If Collin Peterson and these rural and conservative Democrats in the House are unable to work out some arrangement with [Henry] Waxman and [Ed] Markey, it could resonate beyond the Beltway," said Al Cross, director of the Institute for Rural Journalism and Community Issues and a veteran Kentucky political reporter.

Cross noted that 80 percent of the electricity that rural cooperatives generate comes from coal-fired power plants — the same ones that would take a hit under the current legislation.

And many of these regions that run on coal also happen to be electoral swing states, leaving Republicans licking their chops.

"It will cost every North Carolinian somewhere in the neighborhood of \$2,400 to \$3,000 a year in just the electrical surcharge," said Sen. Richard Burr, a Republican who hails from a state Obama carried last year and would like to win again. "That's a surcharge larger than their annual electric bill."

A White House official said the administration is committed to alleviating any disproportionate burden on rural states. "The president has been clear that if there is a disparate impact on certain regions during the transition period, families and businesses should be compensated — the Waxman-Markey legislation includes provisions that do just

that," the official said.

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