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Restaurants press for smaller fixes with no short-term relief in sight

By **CAITLIN OPRYSKO** | 11/01/2021 06:10 PM EDT

With Daniel Lippman

RESTAURANTS TURN TO SMALLER FIXES WITH NO SHORT-TERM RELIEF

IN SIGHT: Faced with the high probability that additional pandemic aid for their members won't be a last-minute add to Democrats' social spending and climate bill, the National Restaurant Association appealed to the White House today to address a number of other issues plaguing the industry, from the increased cost of doing business to supply chain disruptions and labor shortages. In a letter to President Joe Biden, Sean Kennedy, the trade association's top lobbyist, laid out a number of what he said are "solutions that will have a lasting impact."

— "Even as restaurants reopen, we are continuing to face new struggles," Kennedy told PI, calling supply chain snafus and increased commodity prices "only the latest existential crisis facing the industry," which Kennedy says in his letter to Biden has lost 90,000 restaurants permanently or long-term.

- Kennedy acknowledged in an interview that some potential fixes, like comprehensive immigration reform and a permanent solution for DACA recipients, were a long shot, especially as an election year draws closer. "What we are telling operators is, 'There is no immediate relief in sight," he said. "You know, 'Congress is not going to pass immigration reform this year."
- Other recommendations could materialize more quickly, such as a provision in the bipartisan infrastructure bill awaiting a House vote that is aimed at addressing driver shortages in the trucking industry. The trade association also endorsed another bill aimed at ensuring American agricultural exporters have access to cargo containers, and is pushing for changes to trade policies, including tariff relief and expanding animal and meat imports.
- The restaurant industry spent much of last year lobbying Congress for targeted aid to keep businesses open, only for a grant program approved in the spring to run out of money before two-thirds of applicants received any. Restaurants have since pushed for a new round of funding for the Restaurant Relief Fund, and Kennedy said his organization will continue to push for its inclusion in the reconciliation bill, an omission he called "short-sighted" even as he said the Biden administration has been sympathetic to the industry's pleas.
- "There's no short-term silver bullet solution here," he said. "But what we need are a series of smaller steps that, taken together, will allow restaurants to operate and serve ... until supply chain issues begin to reset themselves." Kennedy said his group will continue to reiterate that issues facing restaurants are "front and center in the district of every member of Congress."
- "Restaurant customers are voters, too, and people are seeing with their own eyes that the decisions made in Washington are having an impact on things as basic as menu prices, and whether their restaurant is still open," he said. And though there may be little appetite for working across the aisle and legislating through regular order once lawmakers are clear of their current legislative slog, "we can't take more delays at this point. Congress and the administration need to take these issues on."

Happy NOVEMBER (?!) and welcome to PI. Send lobbying and K Street tips: coprysko@politico.com. And be sure to follow me on Twitter: @caitlinoprysko.

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DRUG PRICING NOT DEAD YET: "Democrats are zeroing in on a deal to lower prescription drug prices that the party hopes it could add to President Joe Biden's \$1.75 trillion social spending bill as soon as Monday, according to sources familiar with the effort," **POLITICO**'s **Burgess Everett, Alice Miranda Ollstein** and **Heather Caygle** report.

- "The conversations involve a group of Senate Democrats, including Sen. **Kyrsten Sinema** of Arizona, House leadership and rank-and-file, as well as the White House. Prescription drug reform was left out of last week's draft proposal due to ongoing disagreements between moderates like Sinema and House Democrats like Energy and Commerce Chair **Frank Pallone** (D-N.J.), who is hoping for a more expansive effort to lower drug prices."
- Negotiators "have redoubled their efforts" to strike a deal on drug pricing after its omission from the framework released last week, and though the latest draft effort is narrower than a sweeping proposal that passed the House twice, it is based on the same parameters and "includes a redesign of Medicare Part D, drug negotiation and rebates, said a source with direct knowledge of the effort."

(ALARM) BELLS WILL BE RINGING: The Biden administration today moved to give federal contractors more flexibility in how they implement Covid vaccine requirements among their employees, after officials from industries who do business with the government raised a series of alarms about the impending deadline affecting everything from holiday shipping to national security.

— POLITICO's Paul McLeary and Lee Hudson, and Hailey Fuchs and Natasha Korecki, detailed in a pair of stories over the weekend that on the one hand, U.S. weapons makers warned that potential walk-offs by specialized, skilled workers over the vaccine mandate could set U.S. defense programs back by years. Meanwhile, other government contractors are weighing dropping their business with the federal government altogether rather than enforce the mandate.

- "As protests flare up at some major facilities that build warships, tanks and helicopters, military officials and defense industry executives say they're not clear on what they should do with employees who continue to refuse the vaccine," Paul and Lee write. "Their biggest worry: Walk-offs involving those who work on classified programs, cutting-edge technologies, or provide skilled manual labor skill sets irreplaceable in the short-term that represent the core of the Pentagon's multibillion-dollar modernization push."
- "There are already indications that major programs could feel the impact of the loss of skilled workers. The CEO of **Raytheon** predicted this week he could lose 'thousands' of workers who would leave rather than get the vaccine. 'Even a couple of welders or engineers who walk off their jobs on a highly classified program could wreak havoc with our national security,' said **William Greenwalt**, former deputy undersecretary for industrial policy in the **George W. Bush** administration. 'There are many times we are only one person deep in the industrial base and it may take a decade or more to train up someone new."
- **Bill Sullivan**, executive vice president of advocacy at the **American Trucking Associations**, told Hailey and Natasha "that some companies may simply decide that the cost of the mandate is not worth the government's checks. Sullivan said he has raised concerns to the White House, Office of Management and Budget and other executive branch officials. He noted that if companies drop their contracts, it may be harder to get certain foods to troops, transport fuel for military vehicles, or even deploy the National Guard." Last week, the **Cargo Airline Association**, a trade group whose members include **UPS**, **FedEx** and **Amazon**, asked the administration to move its Dec. 8 deadline to the first half of 2022.
- Last week in a news briefing, the White House's Covid task force leader **Jeff Zients**, hinted that the administration could offer more flexibility for contractors, and offered reassurance that the mandate shouldn't cause disruption to holiday services. "We're offering people multiple opportunities to get vaccinated," he said. "There is not a cliff here."

ANNALS OF FUNDRAISING: "Several major Democratic donors have warned leaders in Congress that they may hold back on donations for next year's midterm elections unless the party can come together and get some big wins," people with knowledge of the matter tell **CNBC**'s **Brian Schwartz**. "Financiers have said behind the scenes that they are

frustrated with lawmakers who have yet to pass President Joe Biden's sprawling economic agenda."

- "Donors have also described their frustration with the gubernatorial race in Virginia, where Democratic power player and former Gov. **Terry McAuliffe** is running neck-and-neck with Republican **Glenn Youngkin**, a wealthy former CEO of the **Carlyle Group**." In conversations with party leaders, including House Speaker **Nancy Pelosi** and Senate Majority Leader **Chuck Schumer**, "donors have expressed their frustration with the state of the party's affairs" in both virtual and in-person settings.
- "Anytime there's been an event with the Democratic leadership whether it's in-person, Zoom or on conference calls, donors are venting their frustration at the very public fighting among Democrats and the lack of progress on Biden's agenda,' said a leading party bundler, who declined to be named." Another Wall Street donor told CNBC that they are "going to take a step back. Not overly thrilled with how things are going," while a third said they have already "redirected a larger contribution last week away from the **Democratic**Congressional Campaign Committee to one of the outside expenditures because I know at least three PACs will spend my money in a much more directed way."

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JOBS REPORT

— **David Shahoulian** and **Jordan Haas** are joining **Intel** as workforce policy and government relations director, and trade policy and government relations director, respectively. Shahoulian was most recently assistant secretary for border and immigration policy at DHS, and Haas was legislative director for Rep. **Henry Cuellar** (D-Texas) and on the Senate Democratic Technology and Communications Committee.

- **Jake Wilkins** is now an account director at **Rokk Solutions**. He most recently was communications director for Sen. **Kevin Cramer** (R-N.D.) and is a USDA and **RNC** alum. Rokk also added **John Fisher** as account executive, and **Erickson Foster** as multimedia designer. Fisher was most recently part of **NBC News**' communications and public relations team, and Foster was most recently at **Securiport**.
- Kelsey Freeman is now head of federal government relations at Cargill. She was previously director of government relations there, and is a Nestlé alum.
- Katie Peters will be senior vice president of public policy at FanDuel. She was most recently senior vice president public policy and government relations for Live Nation.
- **Tamzin Booth** will join **Brunswick Group** as a partner in the London office. Booth was most recently technology and business editor at **The Economist.**
- Karen Himle will serve as the next chair of the Public Affairs Council. She's senior vice president of corporate and government affairs for Thrivent Financial.
- **Peter Lauria** is joining the **U.S. Chamber of Commerce** as vice president and editor in chief of USChamber.com and **Kevin Gaherty** is joining as executive director of data and email products.
- Mike Sprayberry is joining Hagerty Consulting as the senior adviser for emergency management. He was previously director of North Carolina's Division of Emergency Management.
- Stacia Cardille is joining Google as director of global legislative oversight on the
 Alphabet Regulatory Response, Investigations & Strategy team. She was most recently at
 Twitter and is a House, Senate, Obama White House and Energy Department alum.
- Former NTSB Chair **Robert Sumwalt** has joined think tank **Alliance for Innovation** and **Infrastructure**'s board of directors.
- **Gayle Fishel** is rejoining **Ogilvy Public Relations** as executive vice president of corporate and brand reputation. She most recently was vice president of marketing and communications at the **United Service Organizations**.
- **Moody**'s has promoted **Christine Elliott** to head of global corporate affairs. She joined the firm last January as head of global communications and branding.

NEW JOINT FUNDRAISERS

None.

NEW PACS

Napa Valley Coalition PAC (PAC)

NEW LOBBYING REGISTRATIONS

Artemis Esg: Cambridge Crops, Inc. Dba Mori Capitol Counsel LLC: Autos Drive America

Crossroads Strategies, LLC: Capitol 6 Advisors On Behalf Of Parry Labs Crossroads Strategies, LLC: Hancock County Port And Harbor Commission

Crossroads Strategies, LLC: Klal Yisroel Inc Crossroads Strategies, LLC: Lilly USA, LLC

Galbut Beabeau, Pc: Vantage Retirement Plans, LLC

Hogan Lovells US LLP: Ochin

Mclarty Inbound LLC: Wilmer Cutler Pickering Hale And Dorr (On Behalf Of Glencore

International Ag)

Ms. Karen Williams: Florida Tomato Exchange

Paul Marcone & Associates, LLC: U.S. Deputy Sheriff's Association

T Cap Solutions, LLC: Citadel Enterprise Americas LLC

NEW LOBBYING TERMINATIONS

9B Group, Inc.: Russell Group Inc Obo Land O'Lakes Inc

Alliance To Save Energy: Alliance To Save Energy

American Defense International, Inc.: J.A. Green And Company (For Ttm Technologies)

American Defense International, Inc.: Oragenics, Inc.

Foley Hoag LLP: Apopo/Belgium

Foley Hoag LLP: Apopo/US

Liebman & Associates, Inc.: Echogen Power Systems, LLC

Park Strategies, LLC: J&C International Group, LLC

Park Strategies, LLC: Mount Sinai South Nassau

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