November 18, 2016

Dear CRN Members:

The outcome of last Tuesday's presidential election came as a surprise to many in Washington and across the country, but now as the dust is starting to settle, businesses are starting to acclimate to the idea of President-elect Trump, and making plans how to move forward in the new climate. Regardless of whom you voted for, the dietary supplement and functional food industry, like all industries, must determine how to adapt to the new environment here in D.C. and make the most of the opportunities it presents.

On Wednesday, CRN's government relations team hosted an excellent webinar for our members on the implications of the 2016 elections. I hope many of you took advantage of that educational opportunity. The slide deck for that presentation is available upon request for CRN members who may have missed it (contact AWroblewski@crnusa.org). In addition, I wanted to offer a few observations and assure our members that CRN is well-poised for the next Congress and the new Administration.

For 2017-18, both the House of Representatives and the Senate will be controlled by Republicans. In the Senate, we will retain Sen. Lamar Alexander (R-TN) as the chairman of the Senate HELP (Health, Education Labor & Pensions) Committee, the committee with jurisdiction over FDA. We have worked closely with Chairman Alexander during the current Congress on such issues as Sen. Durbin's efforts to amend burdensome provisions related to dietary supplements on the Defense Appropriations bill, on the elevation of the new Office of Dietary Supplement Programs at FDA, and preventing inclusion of unrelated dietary supplement amendments onto the 21st Century Cures legislation that is moving through Congress. We look forward to continuing to work with Sen. Alexander, along with our many other friends in the Senate, most notably Sen. Hatch (R-UT) and Sen. Heinrich (D-NM), who serve as Senate co-chairs of the Dietary Supplement Caucus. It should be noted that industry critics, Senators Durbin (D-IL), Blumenthal (D-CT) and McCaskill (D-MO), still remain influential voices in the chamber albeit in the minority.

In the House, we retained many friends of the dietary supplement industry as well. Term limits on committee chairs in the House mean that we will have a new Republican Chair of the Energy & Commerce Committee, replacing Rep. Upton (R-MI). CRN is well-acquainted with both of the contenders for this position: Rep. John Shimkus (R-IL) and Rep. Greg Walden (R-OR), and looks forward to working with whomever takes the committee gavel in January. We continue to enjoy strong relationships with others in the House as well, including Rep. Jason Chaffetz (R-UT) and Rep. Jared Polis (D-CO), the House chairs of the Dietary Supplement Caucus. CRN's outreach to members on both sides of the aisle have generated credibility and respect from many congressional offices that are now receptive to our views.

As we look ahead at 2017, CRN's agenda for Congress includes:

 Promoting the Supplement OWL, the new dietary supplement product registry, as an example of responsible self-regulation by the industry.

- New legislation to allow consumers to use pre-tax savings from their Healthcare Savings
 Accounts (HSAs) and Flexible Spending Accounts (FSAs) to purchase dietary supplements for
 better health. (As the Trump Administration is promising to pursue both tax reform and an
 overhaul of the Affordable Care Act, we believe there will be vehicles to include the HSA/FSA
 provisions.)
- Laying groundwork for inclusion of multivitamins in SNAP (Supplemental Nutrition Assistance Program, formerly "food stamps") and WIC programs. Although reauthorization of SNAP will not occur until 2018, CRN plans to make the case for addressing nutrient deficiencies among America's low income populations in this Congress to build support.
- Advocating for adequate funding for FDA's new Office of Dietary Supplement Programs (ODSP) to permit the agency to properly staff the Office and properly enforce DSHEA and conduct GMP inspections.

In addition to these specific policy priorities, CRN will hit the ground running in January with ambitious plans to meet with the nearly 60 freshmen members of Congress to acquaint them with the industry's contributions to better health and a strong economy. We expect to continue to expand the Congressional Dietary Supplement Caucus and are already planning our 2017 Day on the Hill to be held on Wednesday, June 21st. I hope you will make plans to attend.

President-elect Trump will also have the opportunity to name a new FDA Commissioner, subject to Senate confirmation. That choice, along with the naming of a new Secretary of Health & Human Services may also indicate the directions of the new administration with respect to new regulations and willingness to work with business to develop reasonable enforcement and interpretations of current law. In particular, we view these changes as likely to improve the industry's ability to negotiate with FDA regarding the revised NDI guidance and the agency's interpretation of the statutory requirements for NDIs.

As was discussed in the webinar, the state landscape has changed too. Republicans now dominate state government, controlling 32 legislatures and 33 governorships. With regard to state attorneys general, by January there will be 29 Republican AGs and 21 Democratic AGs. In general, these results should indicate a more business friendly atmosphere but "hot spots" still exist in several states that will require close monitoring as we move into 2017. The anticipated lack of interest in tighter regulation from Washington may lead some AGs, particularly Democrats, to seek additional enforcement measures at the state level. Members should also keep in mind that in many states, the career attorneys who staff the AG offices wield significant authority and are often granted deference by their AGs, so outreach with state AG offices across the country will continue to be a priority at CRN.

CRN views this new political climate as offering numerous opportunities (and a few challenges) to advance our interests and promote better understanding of the value that dietary supplement and functional foods play for better health. We re-commit ourselves to keeping you informed of the latest activities and to seek your assistance in promoting this policy agenda. CRN's government relations team is always available to answer your specific questions, to help arrange visits to your facilities by elected officials, and to provide insights and perspective on legislative or political matters. Please use them as one of the many benefits of your CRN membership.

With warm regards,

Steve Mister
President & CEO