
Window On Washington - April 16, 2018, Vol. 2, Issue 15

Apr 16, 2018

Outlook for This Week in the Nation's Capital

Omnibus Rescissions. The White House is continuing to press forward with pledges to rescind spending from the FY18 Omnibus despite multiple House and Senate Republicans warning against the idea. OMB Director Mulvaney is working on a package of rescissions that could contain as much as \$60 billion and is targeted for release by May 1. Many believe the proposed cuts would focus on foreign aid and nondiscretionary domestic spending. Republican appropriators in both the House and Senate have spoken out against the proposal and most continue to believe that this proposal will not succeed.

Tax Extenders. The House Ways and Means Committee is holding a roundtable on Wednesday for Members to discuss tax extenders and it part of Chairman Brady's effort to make this the last package of tax extenders ever. Congress tried to end the practice of passing a regular tax extenders package in 2015 when a large \$600 billion deal was agreed to but some lawmakers have been working to permanently extend some of the less popular extenders that expired in 2016. The 2015 deal permanently extended the most popular provisions.

Ryan Retirement. Speaker Ryan's retirement is setting up a race for who will succeed him. Ryan has endorsed House Majority Leader Kevin McCarthy (CA) but the issue will be if McCarthy can get the support of the far-right end of the Republican caucus. McCarthy could not get enough votes in 2015 in his bid then for the speakership. House Freedom Caucus founder Jim Jordan (OH) declared last week he was considering his own speakership bid which would make it difficult for McCarthy again to receive enough votes. One obstacle for McCarthy is out of the way though with Majority Whip Steve Scalise (LA) saying he would back McCarthy; earlier in the week it was unclear if there would be a race between the two.

Last Week in the Nation's Capital

CONGRESS

Budget

Shelby Officially in as Senate Appropriations Chairman: Senate Republicans officially chose Sen. Richard C. Shelby as Appropriations chairman last week. He is also taking over the Defense subcommittee. Shelby's move from the Commerce-Science-Justice subcommittee to the Defense panel, led to a bit of musical chairs on the Appropriations committee. Sen. Jerry Moran, R-Kan., left Military Construction-VA for Commerce-Justice-Science. Sen. John Boozman, R-Ark., left Homeland Security for Military Construction-VA. Sen. Shelley Moore Capito, R-W.Va., left Financial Services for Homeland Security. Sen. James Lankford, R-Okla. left Legislative Branch for Financial Services. And Sen. Steve Daines, R-Mont., became Legislative Branch chairman. ([Roll Call](#))

Balanced Budget Amendment Fails in House: The House failed to advance a constitutional amendment that would require Congress not spend more than the nation collects in revenue. Some conservative lawmakers had hoped a vote on the bill would calm grassroots conservatives who had been fuming about recent high levels of spending. On a mostly party line vote, Republicans failed to advance the bill, 233-184. Normally, legislation requires 218 votes to win approval in the House and can be passed with just Republican votes. The balanced budget amendment, however, required bipartisan support with a two-thirds majority vote because it was a constitutional amendment. ([USA Today](#))

Tax Reform

House GOP Pushes Back Plans to Vote on Making Individual Tax Cuts Permanent: Republicans are pushing back plans to vote on a bill to make permanent the temporary provisions in the new tax law, CNBC has learned. Rep. Rodney Davis, R-Ill., who introduced legislation to extend individual tax cuts, said he had hoped for a vote around Tax Day next week. Now the timeline is unclear, but he is speaking with leadership about bringing the bill to the floor. ([CNBC](#))

Health

GOP Lawmakers Expected to Draft Bill to Expand Telehealth Services Under Medicare: The House Ways and Means Committee is drafting legislation that would expand the coverage of telehealth services under Medicare with the goal of addressing a big inefficiency in the U.S. health care system – expensive, unnecessary hospital visits. The bill has yet to be completed. Supporters are optimistic that the legislation could gain leverage on Capitol Hill in spending negotiations this fall because of its potential to save money. ([Morning Consult](#))

Defense

House Democrat Warns DoD to Prepare for a Lean Future: The Pentagon's two-year budget boost may be as good as it's going to get for the military, the House Armed Services Committee's top Democrat warned Defense Secretary Jim Mattis in hearing last week. The comments come amid new government estimates that the U.S. budget deficit will exceed \$1 trillion in two years. ([DefenseNews](#))

Cybersecurity

Facebook CEO Didn't Have All the Answers for Congress: Facebook CEO Mark Zuckerberg often came across as one of the smartest people in the room as he jostled with U.S. lawmakers demanding to know how and why his company peers into the lives of its 2.2 billion users. But while some questions were elementary, others left Zuckerberg unable to offer clear explanations or specific answers. A series of tough inquiries about how much personal information Facebook vacuums up on and off its social network seemed particularly vexing for Zuckerberg, who couldn't quantify it. He was vague about whether Facebook was a monopoly and whether it would offer an ad-free option, as well as about how the company could offer the same level of privacy protection to users around the world. ([The Washington Post](#))

Justice

Congress Receives IG Report on FBI's McCabe: The Department of Justice's inspector general sent to Congress a report sharply criticizing former FBI Deputy Director Andrew McCabe for unauthorized disclosures to the media ahead of the 2016 election and lacking candor with investigators, including then-FBI Director James Comey. The report revealed sharply different recollections of the episode by McCabe and Comey — and suggested McCabe misled Comey about it. And it also suggests Inspector General Michael Horowitz found Comey's account to be more credible. ([Politico](#))

EXECUTIVE BRANCH

HHS

Trump Administration Rewrites ACA Insurance Rules to Give More Power to States: The Trump administration rewrote rules for health plans sold through Affordable Care Act marketplaces, tilting control over insurance standards from the federal government to states and handing Americans new ways to avoid penalties for failing to carry coverage. The rules add two broad exemptions from the ACA's requirement that most consumers be insured. The change offers escape hatches that will be retroactive two years, even before a recent tax law ends the penalties completely starting in 2019. ([The Washington Post](#))

Trump Signs Executive Order Pushing Work Requirements for Those on Federal Assistance: Trump signed an executive order directing federal agencies to promote employment for those on public assistance. The president called for enforcing work requirements that are already in the law and reviewing all waivers and exemptions to such mandates. Also, the executive order asked agencies to consider adding work requirements to government aid programs that lack them. ([CNN Money](#))

DOJ

DOJ Suspends Program Offering Legal Advice to Detained Immigrants: The Justice Department is temporarily halting a program that offered free legal advice to detained immigrants. The department told the Vera Institute of Justice, the organization behind the Legal Orientation Program and the Immigration Court Helpdesk, that funding for the program will be suspended as the officials review its effectiveness. The contract for the program expires on April 30. It was created in 2003 during the George W. Bush administration. ([The Hill](#))

DOT

U.S. Department of Transportation Announces \$1 Billion in Emergency Relief for Road and Bridge Repairs: The U.S. Department of Transportation's (USDOT) Federal Highway Administration (FHWA) today announced more than \$1 billion in Emergency Relief (ER) funds to help 32 states, several U.S. territories and Federal Land Management Agencies (FLMA) repair roads and bridges damaged by storms, floods and other unexpected events. FHWA's ER program reimburses states, territories and FLMA's for eligible expenses associated with damage from natural disasters or other emergency situations. The funds help to pay for the reconstruction or replacement of damaged highways and bridges along with the arrangement of detours and replacement of guardrails or other damaged safety devices. ([Transportation.gov](#))

DOD

Pentagon Claims Successful Strike on All Targets in Syria: Pentagon officials on Saturday claimed that U.S. and western airstrikes on Syria the previous night "successfully hit every target" as President Trump declared "mission accomplished" in retaliating over the apparent use of chemical weapons in Syria. ([The Hill](#))

Education

Betsy DeVos Says We Can't 'Spend Our Way' Out of Stagnant Test Scores: U.S. Secretary of Education Betsy DeVos and her four most recent predecessors—Ame Duncan, John B. King Jr., Rod Paige, and Margaret Spellings—agreed at a conference that the nation is still struggling to educate its future workforce 35 years after the Reagan administration's landmark "A Nation at Risk" report. But they each have vastly different ideas about what to do about it. DeVos said that more money and more regulation aren't the solution to the recent stagnant scores on the National Assessment for Educational Progress. ([Education Week](#))

Banking & Housing

Cyber Insurance: Don't Ignore This Point of Emphasis By Banking Regulators: The Federal Financial Institutions Examination Council ("FFIEC") (an entity consisting of all the federal financial institution regulators and five state regulators) issued a Statement to provide awareness of the potential role of cyber insurance in a financial institutions' risk management program. The FFIEC makes clear that a bank is not required to obtain cyber insurance and the

statement “does not contain any new regulatory expectations.” Cyber insurance should only be viewed as a component of a risk management program. However, bank regulators do not spend their time and effort to issue statements just to remind banks that a certain action is not required. If cyber insurance is not part of your risk management program, now is the time to reconsider the use of cyber insurance to mitigate cyber incursions. ([Clark Hill Insight](#))

Space & NASA

NASA May Extend Space Station Missions to Address Potential Commercial Crew Delays: NASA is in discussions with its Russian counterparts about extending some upcoming space station missions as a way to buy more time for development of commercial crew vehicles. During an April 12 hearing by the commerce, justice and science subcommittee of the House Appropriations Committee on the agency's fiscal year 2019 budget proposal, NASA Acting Administrator Robert Lightfoot said longer “increments” of crews on the ISS could be one way to provide more schedule margin in the event of additional delays by Boeing and SpaceX in the development of their crewed spacecraft. ([Space News](#))

Trump's Space Push Needs Cash to Soar: President Donald Trump has set ambitious goals for a revived American space program, but he'll need to follow through with dollars and hard decisions to make them reality. Sending astronauts to Mars alone would cost an estimated \$1 trillion over the next 25 years, according to the director of the Mars Institute, a research organization partially funded by NASA. But Trump has requested just \$19.9 billion for NASA in his proposed budget for next year, and his nominee to head the agency is bogged down in a confirmation fight involving Earth-bound issues like same-sex marriage. ([Politico](#))

Trade

Mike Pence: US 'Close' to Securing NAFTA Deal: Vice President Mike Pence expressed optimism Saturday that the U.S. and its allies would soon be concluding a “successful renegotiation” of the North American Free Trade Agreement. The administration is trying to negotiate an agreement by May to ensure the revised deal is approved by a Republican-controlled Congress. ([Washington Examiner](#))