
Window On Washington - April 2, 2018, Vol. 2, Issue 13

Apr 02, 2018

Outlook for This Week in the Nation's Capital

Tax Cuts Part Two. House Republican leadership is continuing to make noise on the possibility of another tax bill with the House Ways and Means Chairman Brady stating that he would like to introduce and pass “phase two” tax legislation this year. Brady is discussing making the individual tax cuts of the first bill permanent and permitting businesses to fully expense new and used capital investments for five years.

Infrastructure Plan. Trump is now admitting what many have been saying since the infrastructure plan was proposed in January- that it is unlikely to go anywhere until after the elections in November. This isn't new to many in Congress who have largely said the infrastructure plan would be a nonstarter and additionally, the Department of Transportation received a substantial increase in the FY18 Omnibus. The Department of Transportation was funded at \$27.3 billion, almost \$9 billion more than the FY17 funding level, and of this funding, there is over \$10 billion allocated for infrastructure projects related to rebuilding bridges, rails, airports and other projects. This funding lets Congress deliver on some of the aspects proposed in the infrastructure plan without having to actually pass an entirely separate bill.

Last Week in the Nation's Capital

CONGRESS

Budget

Additional Omnibus Details: More topline analysis by Department is available now. A presentation that outlines the highlights is available [here](#). (Clark Hill Insight)

House Appropriations Hearings Scheduled: Once Congress returns from recess, the House Appropriations Committee has scheduled two budget hearings and another on rural health focusing on the opioid epidemic. On April 11, NIH Director Collins will testify on the FY19 NIH budget and on April 12, numerous DoD witnesses will testify on military installations focusing on energy and environmental issues. Also on April 12 is the hearing on rural health with witnesses from HRSA. ([House Committee on Appropriations](#))

Tax Reform

April 2019 Tax Bills May Catch Some Americans Off Guard: Most Americans will owe less in taxes as a result of President Donald Trump's overhaul of the U.S. tax code, but in a few jurisdictions, about one in 10 will be paying more, according to an analysis released Wednesday by the Tax Policy Center. Some taxpayers may find their withholding amounts are too low because the transition doesn't take changes in itemized deductions or new credits into account, so the agency has issued an updated online withholding calculator to allow taxpayers to double check - taxpayers who have itemized in the past and have more complicated financial pictures should recalculate their withholding to make sure they don't have any surprises and find out they owe the IRS money next year. ([Bloomberg](#))

Defense

HASC to Debate '19 Defense Policy Bill: Last week, committee Chairman Thornberry and Ranking Member Smith published their March 9 “views and estimates” letter to House Budget Committee Chairman Womack. They urged congressional budget writers to stick to Congress' two-year spending deal on defense and provide the Pentagon with timely funding. The letter was released as the Armed Services Committee announced it will begin consideration of the fiscal 2019 defense policy bill with its full committee markup set for May 9. The lawmakers emphasized their intent to focus on “restoring readiness shortfalls.” ([Defense News](#))

Transportation

Why Does Subway Construction Cost So Much? Congress Wants to Find Out: The Government Accountability Office said last week that it was preparing to launch a study on why transit construction is so much more expensive in the United States than in other parts of the world – special attention is expected to be paid to New York City, where recent projects have cost far more than anticipated. Contracting policies and regulatory barriers will be among several factors studied, with a final report expected at the end of this year. ([The New York Times](#))

Banking & Housing

Homeless Groups Celebrate \$3 Billion Affordable Housing Victory: The federal low-income housing tax credit encourages private corporations to invest in affordable housing - for people who are too poor to pay market rates - by earning credits against their corporate income tax. The scheme, set up in 1986, provides housing for more than 13 million people in the United States and is responsible for 90 percent of all affordable rentals. The Omnibus spending bill just approved by Congress provides the program an additional \$3 billion of federal funds over the next four years, which will help address the shortage of 7.4 million affordable homes for renters on or near the poverty line. ([Reuters](#))

Justice

Democrats Ask DOJ Officials to Publically Promise Not to Interfere with Mueller's Probe: Several Senate Democrats are urging top officials at the Department of Justice to make a public commitment that they will not interfere in special counsel Robert Mueller's probe, including refusing potential requests from the White House. The senators said they were sending the letters to individuals who are in the line of succession if Deputy Attorney General Rod Rosenstein "were to either resign or be removed." ([The Hill](#))

Cyber Security

Facebook Case Highlights Possibility of New Privacy Laws: Facing mounting criticism after news broke that his company shared users' data with political consulting firm Cambridge Analytica, Facebook CEO Mark Zuckerberg has said in recent days he would accept some federal regulation. The question is what sort of rules or legislation would even begin to address the authorized data sharing that appears to be at the heart of the Cambridge Analytica case. ([Roll Call](#))

EXECUTIVE BRANCH

HHS

Secretary Azar Announces Appointments to Advance HHS Priorities: HHS Secretary Alex Azar announced the appointment of two individuals to lead initiatives in combating the opioid crisis and bringing down the high cost of prescription drugs, which are areas that were identified as priorities for the Department. Daniel M. Best will be Senior Advisor to the Secretary for Drug Pricing Reform. Mr. Best will lead the initiative to lower the high price of prescription drugs. Brett Giroir, M.D., will, in addition to his duties as Assistant Secretary for Health, serve as Senior Advisor to the Secretary for Mental Health and Opioid Policy. Dr. Giroir will be responsible for coordinating HHS's efforts across the Administration to fight America's opioid crisis. ([HHS Press Office](#))

NIH Moves to Punish Researchers who Violate Confidentiality in Proposal Reviews: When a scientist sends a grant application to the NIH and it goes through peer review, the entire process is supposed to be shrouded in secrecy. But late last year, NIH officials disclosed that they had discovered that someone involved in the proposal review process had violated confidentiality rules designed to protect its integrity. As a result, the agency announced in December 2017 that it would rereview dozens of applications that might have been compromised. Now, NIH says it has completed re-evaluating 60 applications and has also begun taking disciplinary action against researchers who broke its rules. ([Science Magazine](#))

DOJ

Sessions Won't Appoint a Second Special Counsel: Attorney General Jeff Sessions will not appoint a second special counsel to review a host of politically charged grievances against the Justice Department and the FBI leveled by Republican lawmakers. Last month, more than a dozen Republican lawmakers called for a second counsel to investigate a range of matters, including: Justice's handling of the inquiry into Hillary Clinton's use of a private email server while secretary of State; the decision to launch a criminal inquiry into Russia's interference in the 2016 election; and allegations of surveillance abuses by the FBI and Justice related to the Russia probe. ([USA Today](#))

DOE

Three Struggling Nuclear Plants Request an 'Emergency' Government Rescue: A subsidiary of the large Ohio-based utility firm FirstEnergy announced plans to shut down three nuclear plants, citing "market challenges" to the plants. FirstEnergy filed an emergency request with the Energy Department that asks for help to keep the plants, as well as a number of its coal plants, open. ([The Washington Post](#))

DoE Partners with NASA in Energy Technology Competition: The Department of Energy's Advanced Research Projects Agency-Energy and NASA are launching a new NASA iTech challenge, a competition inviting the nation's top entrepreneurs and researchers to showcase their ideas for transformative energy concepts. The challenge seeks to identify innovative technologies that can improve energy generation, storage and distribution to the benefit of both space exploration and life on Earth. ([Energy.gov Press Release](#))

EPA

EPA Expected to Announce Rollback of Obama-Era Mileage Standards: The Environmental Protection Agency is expected to announce steps today that will roll back the strict, 54.5 mpg fuel economy rules set to phase in between now and 2025. The move would eliminate one of President Barack Obama's key climate change initiatives and set the White House on a collision course with states that have already pledged to follow the tighter regulations. ([NBC News](#))

Immigration

U.S. Visa Applicants to be Asked for Social Media History: State Department: In a broad expansion of the information gathered from applicants for U.S. visas, the federal government is proposing to collect social media identities from nearly everyone who seeks entry into the United States, according to a State Department filing on Friday. The proposal, if approved by the Office of Management and Budget, would require most immigrant and non-immigrant visa applicants to list all social media identities they have used in the past five years. ([Reuters](#))

Labor & Workforce

Rethinking Worker Benefits for an Economy in Flux / Portable Benefits Proposals: Overall, non-employer firms have grown by 2.6 percent a year, while payroll employment has grown by only 0.8 percent annually, so more and more workers are finding that their work in an increasingly “contingent” economy leaves them without the array of benefits that have historically come from traditional employment, which is why more and more parties on both the right and left are saying that we need to develop new frameworks and models for providing workers with a minimum increment of support. ([Brookings](#))

IRS

Rettig Tapped for Top IRS Job: President Trump on Thursday announced he will nominate longtime tax lawyer Charles Rettig to be the next commissioner of the Internal Revenue Service. Rettig, if confirmed by the Senate, would take over at a critical time for the agency tasked with implementing the most sweeping tax code overhaul in decades. He's currently with the Beverly Hills, California-based firm Hochman, Salkin, Rettig, Toscher & Perez, PC, and is a vice-chairman for the taxation body of the American Bar Association. In a statement, the White House hailed his more than 35 years of experience as a tax attorney, representing taxpayers in disputes with the IRS, the Department of Justice's tax division and more. ([Roll Call](#))

Space & NASA

NASA Weighs Changes to Space Technology Programs and Organization: As NASA reviews the windfall it received in the 2018 omnibus spending bill last week, the agency is moving ahead with a reorganization of its space technology work that puts in question the future of some of its current projects. NASA will now, as in past years, develop an operating plan to allocate funds included in the bill but not earmarked to specific programs. As that plan is developed, NASA is also weighing larger changes to its space technology effort in the fiscal year 2019 budget proposal, which calls for reorganizing space technology, moving it into a new Exploration Research and Technology budget line and combining it with some existing exploration research projects and the agency's human research program. ([Space News](#))

House Committee Approves Space Exploration and Entrepreneurship Bills: The U.S. House Science, Space, and Technology Committee last week unanimously approved two bills concerning space exploration (The American Leadership in Space Technology and Advanced Rocketry Act [ALSTAR Act - H.R. 5345] introduced by Rep. Brooks (R-AL) and the Commercial Space Support Vehicle Act [H.R. 5346] introduced by Rep. Posey (R-FL)) and one bill that updates the National Science Foundation's (NSF) Innovation Corps (I-Corps) (the Innovators to Entrepreneurs Act or H.R. 5086). ([Space Ref](#))

Trade

New Trade Case on Imports of Glycine from China, India, Japan and Thailand: New US antidumping (AD) and countervailing (CVD) duty investigations were filed on March 27, 2018 by GEO Specialty Chemicals, Inc., and Chattam Chemicals, Inc., (petitioners) against imports of glycine from China, India, Japan and Thailand. The petition includes AD (less than fair value) allegations against India, Japan and Thailand, and CVD (unfair subsidy) allegations against China, India and Thailand. The Department of Commerce and the International Trade Commission (ITC) will next determine whether to launch AD and/or CVD duty and injury investigations, respectively, on these products. ([Clark Hill Insight](#))

New Trade Case on Imports of Steel Wheels from China: A new US antidumping and countervailing duty case was filed on March 26, 2018 by Accuride Corporation and Maxion Wheels Acron LLC against imports of Certain Steel Wheels from China. This is a second case on Steel Wheels from China in recent years. In 2012, the International Trade Commission found that the imports did not injure domestic industry and terminated the case. ([Clark Hill Insight](#))

White House

The White House Easter Egg Roll Turns 140, and Thousands are Expected to Attend the Celebration: For the 140th time in U.S. history, the White House will host the annual Easter Egg Roll on the South Lawn on Monday. President Abraham Lincoln held informal egg-rolling parties at the White House while in office, according to the statement. Easter egg-rolling became so popular during President Ulysses S. Grant's administration that he signed a bill banning it to preserve landscaping. Fortunately for egg enthusiasts, the tradition was revived in 1878 when “a group of bold children,” as the statement put it, approached the White House gate seeking permission to play egg-rolling games during President Rutherford B. Hayes's tenure. Permission was granted by the 19th president and has continued from his lone term until today. In addition to egg rolling, there will be an egg hunt, lawn bowling and an area for making cards for the troops, among other activities. ([The Washington Post](#))