
Window on Washington - April 7, 2017 Vol. 1, Issue 3

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This Week in the Nation's Capital

CONGRESS

Budget/Appropriations

- **Spending Talks:** House and Senate appropriators continue efforts to nail down an agreement on a stopgap spending measure to avert a government shutdown after the expiration of the current continuing resolution that runs through April 28. The plan at this point is to file legislation after lawmakers return April 24 from their recess ([CNN.com](#)).
 - **Dems Will Not Back Stopgap Spending Bill Without Omnibus Deal:** Democrats will not support a short-term continuing resolution past April 28 to fund the federal government unless there is already a spending deal, and Congress just needs time "to ratify" that agreement, House Democratic Whip Steny Hoyer says ([The Hill](#)).
 - **Complete FY2018 Trump Budget Expected in May:** A detailed version of President Donald Trump's budget to be released in May will lay out plans to eventually erase U.S. deficits, claims White House budget director Mick Mulvaney ([Newsweek](#)).
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Dodd—Frank

- **Trump promises 'haircut' for Dodd-Frank law:** President Donald Trump said his administration would "do a very major haircut" on Dodd-Frank", after previously pledging to dismantle the sweeping financial-regulation law and do "a big number" on it. Trump also said, "regulators are running the banks" and bankers are "petrified of the regulators" ([CNNMoney](#)).
 - **Glass-Steagall 2.0:** A day after White House economic adviser Gary Cohn said he would support efforts to separate Wall Street's investment banking operations from consumer lending, a group of lawmakers, including Massachusetts Democrat Elizabeth Warren, proposed legislation that would do just that ([Washington Examiner](#)).
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Energy/Environment

- **Electric grid:** The Senate Energy and Natural Resources Committee held a hearing on cybersecurity threats to the electric grid, which will include testimony from a senior Department of Energy official for energy reliability ([Senate Energy and Natural Resources Committee](#)).
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Healthcare

- **Joe Biden Criticizes Proposed Budget Cuts For Medical Research:** On Monday, April 3, at Speaking to the American Association for Cancer Research's annual meeting in Washington, Biden criticized the proposed "draconian" budget cuts, which he believes will eventually harm medical advancement ([Tech Times](#)).
 - **Medicare advisers recommend drug payment reforms:** A congressional Medicare advisory panel unanimously supported recommendations that would fundamentally restructure how the program pays for physician-administered drugs, ending more than two years of discussion on the topic ([Market Watch](#)).
 - **Obamacare Repeal Back on the Agenda:** The Trump administration is trying to persuade House Republicans to sign on to a new version of the health-care bill that they had to abandon last month. Vice President Mike Pence and White House chief of staff Reince Priebus met with House conservatives to lay out the details of the plan; Trump's budget director, Mick Mulvaney, was also in the meeting ([New York Times](#)).
 - **Ryan Says They Have 'Weeks' to Work on Health-Care Bill:** "We can keep working on the health-care bill for weeks now," "we don't have an artificial deadline in front of us," House Speaker Paul Ryan said at a WisPolitics.com event in Washington ([Talking Points Memo](#)).
 - **Freedom Caucus:** Majority of House Freedom Caucus would be inclined to vote for a health bill that would match proposal Vice President Mike Pence made to group on Monday, Freedom Caucus leader Mark Meadows says ([Politico](#)).
 - **Risk-Sharing:** Rep. Gary Palmer's office releases text of amendment for health-care bill House Rules Committee will add to bill as soon as later today. Amendment would establish risk-sharing program and appropriate \$15b for it from 2018 through 2026 ([USA Today](#)).
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Farm Bill

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- **Future Farm Bill:** Two House Agriculture subcommittees held hearings tomorrow on components of the next farm bill ([AG Net West](#)).
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Infrastructure

- **Safe Highways, Ships:** The Senate Commerce, Science and Transportation Committee marked up several measures, including S. 763, which aims to improve surface and maritime transportation security practices, and S. 74, which aims to boost efforts to prevent and respond to oil spills ([Senate Commerce, Science and Transportation Committee](#)).
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NOAA

- **Weather Forecasting:** Congress passed, and sent to the President for signature an initiative to improve the National Oceanic and Atmospheric Administration's forecasting and research for severe weather events and tsunamis. Before passing the bill March 29 by unanimous consent, the Senate expanded the version passed by the House Jan. 9 to authorize \$25.8 million annually through fiscal 2021, while requiring NOAA to secure back-up capacity for its hurricane hunter aircraft and to address gaps in weather radar ([Sciencemag.com](#)).
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Nominations

- **Perdue has 'the votes' but needs an agreement to reach Senate floor:** The only thing standing between Sonny Perdue and Senate confirmation is an agreement on the time for debate needed to bring his nomination to the floor ([Albany Herald](#)).
 - **Homeland Security Deputy Secretary:** Senate votes to confirm Elaine Duke to be the United States Department of Homeland Security's Deputy Secretary. Vote was 85-14 ([The Hill](#)).
 - **FDA Nominee:** The Senate Health, Education, Labor and Pensions Committee has scheduled a hearing on Scott Gottlieb to be Food and Drug Administration commissioner ([Wall Street Journal](#)).
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Supreme Court

- **The Senate confirmed Neil Gorsuch to the Supreme Court, 54-45.** Gorsuch's confirmation came 24 hours after Democrats filibustered President Donald Trump's nominee and Republicans unilaterally changed Senate rules to eliminate the 60-vote threshold for high court nominees. Three Democrats joined every Republican in voting to put the conservative Colorado judge on the Supreme Court, where he will fill the seat left open by the late Justice Antonin Scalia. ([Politico](#))
 - **Senate Democrats filibuster Gorsuch nomination, then Republicans change rules:** Senate Democrats blocked Neil Gorsuch's nomination to the Supreme Court on a 55-45 vote, marking the first successful filibuster of a Supreme Court nominee in nearly five decades. Just four Democrats voted to advance Gorsuch's nomination, which fell short of the necessary 60-vote threshold. This was followed by the Senate voting 48-52 to change procedures that would allow Neil Gorsuch to advance to a final confirmation vote, after his nomination was initially blocked by Democrats. The new rule requires just 51 votes to advance ([New York Times](#)).
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Tax Reform

- **Better Way Plan:** A proposal to cut the corporate tax rate to 15 percent may replace Speaker Paul Ryan's "Better Way Plan" and have the best chance of moving as a stand-alone bill because some Congressional Republicans are concerned that a 20 to 25 percent rate cut may not be worth doing without a broad tax-code overhaul ([Bloomberg](#)).
 - **Bi-Partisan Road Map:** Obama White House CEA Chair Jason Furman laid out a roadmap to a bipartisan tax and infrastructure deal: focus on corporate tax only; make it revenue neutral; adopt a minimum tax on overseas income; switch domestic taxes to cash flow from profits and drop the top rate; do public infrastructure ([Wall Street Journal](#)).
 - **Freedom Caucus Wants to Join Tax Negotiations:** Politico: House Freedom Caucus says including the group in talks might prevent tax bill from sharing the Obamacare repeal's fate, citing caucus leader Mark Meadows ([Politico](#)).
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Executive Branch

Department of Commerce

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- **Businesses in Canada, Mexico Want Trilateral NAFTA Talks:** Mexican and Canadian trade representatives are continuing to work together to ensure that any trade discussions with the U.S. will be trilateral, even as the U.S. hedges on whether it will back a bilateral approach ([Reuters Canada](#)).
 - **Trade Deficit Narrows Ahead of Xi Meeting:** The U.S. trade deficit with China narrowed in February compared to a year earlier, according to data from the U.S. Census Bureau. The change came ahead of Trump's meeting with Chinese President Xi Jinping ([CNBC](#)).
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Department of Education

- **Anti-Clinton attorney says she's headed for top education civil rights post:** Candice E. Jackson, an attorney who wrote a book about a group of women who accused Bill Clinton of sexual advances and then helped the Trump campaign organize their appearance at a presidential debate, says she has accepted a top civil rights position at the Education Department ([candiceejackson.com](#)).
 - **Department of Education General Counsel:** Donald Trump said he would nominate Florida attorney Carlos G. Muñoz to be general counsel of the Education Department. It's the first high-level position that Trump has sought to fill at the agency since Education Secretary Betsy DeVos was confirmed last month ([Education Week](#)).
 - **Scott's Choice Bill:** DeVos praises Scott bill to create voucher program for military kids: Education Secretary Betsy DeVos said the administration would look "very closely" at ways to make it easier for military families to find high-quality schools.
 - **Trump retreats from Obama crackdown on student debt collectors:** The Trump administration is preparing to reinstate the government contracts of several debt collection companies that the Obama administration sought to fire over allegations they misled struggling federal student loan borrowers ([Politico](#)).
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Department of Energy

- **National Security Council:** Energy Secretary Rick Perry was added to the National Security Council's principals committee, while strategist Steve Bannon was removed ([Austin American-Statesman](#)).
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Environmental Protection Agency

- **Climate Change:** Environmental Protection Agency Administrator Scott Pruitt said human activity contributes to climate change "in some measure," after previously downplaying the effect of greenhouse gas emissions, but said the question is, "What can we do about it?" ([The Hill](#))
 - **Trump sets deadline for decision on Paris:** Trump will decide whether to keep the U.S. in the Paris climate agreement by the G7 Summit in late May ([The Hill](#)). Leaders in the energy industry, including from oil and coal companies, have expressed support for U.S. membership, and may keep up the pressure on Trump not to back out ([Politico](#)).
 - **Chemical risk management:** The EPA is considering delaying Obama administration regulations on chemical risk management for nearly two years ([Bloomberg BNA](#)).
 - **Cold, hard numbers:** The EPA is prepared to lay off 25 percent of its employees and scrap 56 programs, including more than a dozen grants aimed at mitigating pollution, pesticides, hazardous waste and toxic substances. That leaves it with a budget of \$5.6 billion and a staff of about 11,500. The entire document reflects a "back to basics" approach, trying to get the federal government out of almost any state-related work. In EPA's words, its work would focus exclusively on "core legal requirements" ([Washington Post](#)).
 - **Publicly Posting Research:** Environmental Protection Agency leaders ignored staff comments that a GOP bill, which would require the agency to publicly post all research used to justify regulations, would cost at least \$250 million a year. The agency instead told the Congressional Budget Office there would be no financial burden ([Bloomberg BNA](#)).
 - **EPA Administrator Scott Pruitt has designated Samantha Dravis (the Senior Counsel and Associate Administrator for Policy, formerly with the Republican Attorneys General Association (RAGA) and its affiliated Rule of Law Defense Fund) as EPA's Regulatory Reform Officer.** Ryan Jackson (Pruitt's chief of staff and former staff director and chief of staff to Senator James Inhofe) is the chairman of the Regulatory Reform Task Force. Other members of the Task Force are Bryon Brown (Deputy Chief of Staff for Policy and former Senator Inhofe staffer) and Brittany Bolen (Office of Policy Deputy Associate Administrator, formerly Majority Counsel on the Senate Environment and Public Works committee). Memorandum from E. Scott Pruitt, Administrator of EPA, Executive Order 13777: Enforcing the Regulatory Reform Agenda (March 24, 2017), click [here](#).
 - **The EPA Administrator also required immediately all staff to "report all regulatory actions in the agency's regulatory management system and adopt such report as common practice.** The actions to be reported "include, but are not limited to, those related to any statutory or judicial deadlines, petitions, pesticide tolerances, significant new use rules, national priority listings or delistings permits, federal implementation plans and state implementation plans. As a general matter, offices should err on the side of including actions in the system." Memorandum from E. Scott Pruitt, Administrator of EPA, Improved Management of Regulatory Actions (March 24, 2017), [here](#) will generate a large number of listings. There is no description how this information sharing tool will be utilized.
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Department of Homeland Security

- **H1-B Crack Down:** H-1B Visa Employers to Get 'Random and Unannounced' Visits From USCIS: U.S. Citizenship and Immigration Services said it will initiate "random and unannounced" site visits of U.S. businesses that employ or seek to employ foreign workers through the H-1B visa program, part of an effort to crack down on fraud and abuse ([Morning Consult](#)).
- **Defense and Border Funds Expected in Omnibus:** House Republicans are fighting to meet President Trump's request for extra defense and border money as they negotiate a \$1 trillion spending bill for the rest of fiscal 2017. They are seeking to include the \$33 billion in supplemental funds in the must-pass omnibus even though Senate Republicans said last week it would be easier to address that request separately ([Bloomberg](#)).

Department of Interior

- **Trump Park Service Donation:** The National Park Service is the lucky winner of the president's first-quarter paycheck. The \$78,333 will be put toward the \$229 million backlog in infrastructure and other repairs needed at the nation's 25 battlefields ([CNNMoney](#)).
- **Appointments:** Interior Secretary Ryan Zinke appointed former Monsanto manager Aurelia Skipwith to be deputy assistant secretary for fish, wildlife and parks, and former congressional staffer Katharine MacGregor to be deputy assistant secretary for land and minerals management ([E&E News](#)).

Department of Justice

- **Justice Department asks court for 90-day pause to 'review and assess' Baltimore police consent decree:** The U.S. Department of Justice is asking a federal judge for a 90-day pause to further "review and assess" its proposed police reform consent decree with Baltimore. Supporters of the deal expressed concern the move could suggest the Trump administration has changed its mind about backing the agreement, which was signed in the waning days of Barack Obama's presidency ([Baltimore Sun](#)).

Department of Labor

- **Trump Revokes Order That Protects Women in the Workplace:** President Trump signed an executive order that revokes protections instituted by President Obama (2014 Fair Pay and Safe Workplaces), which demanded companies that accepted federal contracts comply with 14 laws. Two specific rules in the Fair Pay order, which Trump scaled back, that affect women workers are paycheck transparency obligations and an end to "forced arbitration clauses" or "cover-up clauses" in cases of sexual harassment in the workplace ([NBCNews](#)).
- **U.S. Jobless Rate Falls to 4.5% in March, Payrolls Rise 98K:** Economists had forecast 180k new jobs in March, unemployment rate of 4.7%. Revisions cut 38k jobs from Feb., Jan. payrolls ([CNBC](#)).

IRS

- **IRS Leadership:** With the April 18 tax-filing deadline fast approaching, Internal Revenue Service chief John Koskinen faces new Republican calls for his dismissal and questioning about President Donald Trump's proposal to cut 2 percent from the agency's spending in fiscal 2018 ([Washington Examiner](#)).
- **IRS says data of up to 100,000 taxpayers at risk in FAFSA tool breach.**

NASA

- **SpaceX gaining substantial cost savings from reused Falcon 9:** SpaceX saw significant cost savings by reusing a Falcon 9 first stage in a launch last week, a key factor for the economic viability of reusable launch vehicles ([Space News](#)).
- **Lockheed Martin sets 18-month goal for A2100 satellite builds:** Lockheed Martin wants to cut in half the time it needs to build satellites that use its flagship A2100 spacecraft platform. The average time needed to complete such a satellite today is around 36 to 40 months. Lockheed Martin recently overhauled its A2100 spacecraft bus, conducting a "technology refresh" to reduce cost by 35 percent and build times by 25 percent ([Space News](#)).
- **NASA will destroy a \$3.26 billion Saturn probe this summer to protect an alien water world:** The Cassini spacecraft, which launched toward Saturn in 1997, is running low on fuel. To avoid accidentally crashing into and contaminating a nearby moon that may harbor alien life, NASA is going to destroy the robot. But before Cassini perishes, it will fly between Saturn and its rings and record as much new data as possible ([Business Insider](#)).
- **Space agency heads see the moon on the path to Mars:** With NASA's long-term strategy for human missions to Mars in flux, heads of several space agencies said they supported initial missions to the moon as a key step before going to Mars ([Space News](#)).
- **Russia open to keeping ISS going past 2024:** At a press conference during the Space Symposium, Igor Komarov, director general of Roscosmos,

said he was ready to discuss an extension of the ISS to at least 2028.

- **Global-IP picks SpaceX to launch its Boeing-built satellite:** Global-IP Cayman, a Cayman Islands-based startup, has picked SpaceX to launch a high-throughput satellite it has under contract to Boeing ([Space News](#)).
- **NASA plays down proposed Earth science cuts:** Despite a proposed cut of more than five percent in the administration's fiscal year 2018 budget request, NASA officials argued that its Earth science programs should not face major disruptions ([Space News](#)).

NIH

- **New Study Highlights NIH Value:** To investigate the practical worth of NIH funding, researchers from Harvard Business School, MIT and Columbia University searched for links between NIH grants and patents. The team collected data on 365,380 grants awarded between 1980 and 2007. According to their analysis, 31 percent of these grants were cited in 81,462 patent applications submitted by private companies. An additional 5 percent were cited in patent applications by the universities where the research took place ([Newsweek](#)).
- **NIH Director Collins Met with Trump, Price:** Last Friday, Collins met with Trump and HHS Secretary Price at the White House to discuss future priorities. From information that we have gathered, we believe that President Trump's priorities are related to opioid abuse, the redistribution of research funding from the top receiving institutions to a wider group throughout the country, and ways in which NIH could be compensated for research it funds that results in successful drug discovery. Secretary Price's priorities are related to opioid abuse, mental health, and childhood obesity. Price also recently testified before the House Appropriations Committee about possibly using indirect costs as a way to reduce NIH spending likely setting up a disagreement on this topic between research universities and the Administration. We also understand that the additional reorganization, besides the elimination of the Fogarty International Center and the Agency For Healthcare Research and Quality, is related to the consolidation or eliminations of some of the institutes. ([The Scientist](#))
- **Higher Ed Leaders Make Pitch for Federal Research Dollars on Trump's Terms:** University leaders are arguing that cutting federal research dollars is a bad economic development policy and makes the US less competitive against China. While US government research and development spending of the past 10 years has largely been flat, China has increased its spending by 90 percent and could pass the US in R&D spending by 2020 overtaking the US as the world leader. ([Politico Morning Education](#))

White House

- **US Strikes Syria:** President Donald Trump ordered a massive military strike on a Syrian air base in retaliation for a 'barbaric' chemical attack he blamed on President Bashar al-Assad. In a brief televised address, Trump confirmed the US strike on Syria and urged 'all civilized nations' to unite to end the bloodshed in the country ([Fox News](#)). Lawmakers mostly expressed support for Trump's strike on Syria, though broadly cautioned that Congress needs to be consulted on a comprehensive strategy if the strike is a harbinger of things to come.
- **Trump Supporting Ex-Im Bank:** Trump has expressed a desire to get the board of directors of the Export-Import Bank back to full strength ([Washington Examiner](#)).
- **Steve Bannon removed from National Security Council:** President Trump's controversial chief strategist, Stephen Bannon, was removed from the National Security Council. Bannon was put on the NSC's "Principals Committee" as a check on former National Security Adviser Lt. Gen. Mike Flynn to make sure Flynn carried through with a directive to depoliticize the NSC, a senior administration official told Fox News ([Fox News](#)).
- **Chinese Visit:** President Donald Trump met with Chinese President Xi Jinping at Mar-a-Lago ([The Independent](#)).

If you have any questions about this alert please contact your Clark Hill attorney.