
Window On Washington - August 27, 2018, Vol. 2, Issue 34

Aug 27, 2018

Outlook for This Week in the Nation's Capital

Appropriations. With the passage of the Senate's minibus appropriations package, the House and Senate are expected to soon enter into conference negotiations on the Defense and Labor-HHS-Education appropriations bills. There are approximately five weeks left until the current funding bills are set to expire and lawmakers will have to work out a number of differences if they want to meet the deadline.

Opioid Package. Senate Majority Leader McConnell has alerted the Senate that the chamber is likely to consider opioid legislation on the floor the week after Labor Day.

Last Week in the Nation's Capital

CONGRESS

Budget

Senate Passes Giant Spending Package in Hopes of Averting Shutdown: The Senate overwhelmingly passed an \$857 billion spending package that Republican leaders are counting on to convince President Donald Trump to back down from threats of a government shutdown in September. The two bills in the package would fund the departments of Defense, Labor, Education and HHS. The legislation includes victories for both parties, like the largest military pay raise in nearly a decade and an expansion of programs to counter opioid addiction. The package, an uncommon bipartisan truce to fund two-thirds of government operations, was strategically crafted to ward off a presidential veto. But the odds remain long that the legislation will even make it to the White House, with just 11 working days left for House and Senate lawmakers to merge opposing versions of the bills — and get Trump's approval — before funding runs out on Sept. 30. ([Politico](#))

Health

Senate Passes Budget Increases for NIH, Research Initiatives: The U.S. Senate has approved a budget bill for the 2019 fiscal year starting on October 1 that will increase spending for the NIH by 5.4% or \$2 billion, to \$39.1 billion. By an 85-7 vote, the Senate passed H.R. 6157, an \$854 billion "minibus" spending bill for FY 2019 that combined what had been separate measures for the Labor-Health and Human Services portion of the budget (S. 3158) and the Department of Defense (S. 3159). The largest year-over-year proposed increase is the \$425 million increase, to \$2.3 billion, for Alzheimer's disease research. For the first time in any year, that level of funding will surpass the \$2 billion funding goal for research laid out in the National Plan to Address Alzheimer's Disease. ([Genetic Engineering & Biotechnology News](#))

GOP Senators Introduce Bill to Preserve ObamaCare's Pre-existing Conditions Protections: Ten GOP senators this week introduced legislation that they say would protect ObamaCare provisions for people with pre-existing conditions. The bill comes as congressional Democrats try to tie Republicans to the Trump administration's decision not to defend some ObamaCare provisions in a federal lawsuit filed by red states. Senate Republicans said their bill would amend federal law to guarantee the availability of health insurance to all Americans, including those with pre-existing conditions, regardless of the outcome in the federal lawsuit. ([The Hill](#))

Cybersecurity

Senate Panel Postpones Election Security Bill Markup Over Lack of GOP Support: A long-anticipated hearing on legislation to protect U.S. elections from cyberattacks was postponed over concerns the legislation did not have enough Republican support. A spokeswoman for Senate Rules and Administration Committee Chairman Roy Blunt (R-Mo.) confirmed to The Hill that the markup had been postponed, shortly before it was scheduled to begin. A GOP Senate aide told The Hill that the secretaries of several states had "expressed concerns about certain provisions" in the legislation. "In order for a truly bipartisan election security bill to reach the floor, additional majority support is necessary," the aide said. ([The Hill](#))

Banking

Trump's Controversial Pick for Banking Watchdog Clears First Hurdle: The Senate Banking Committee advanced Thursday the controversial nomination of Kathy Kraninger to be director of the Consumer Financial Protection Bureau. The vote split on party lines, 13-12. The panel's chairman, Michael D. Crapo of Idaho, said Kraninger was "well prepared" to lead the bureau, and that it's no surprise her nomination is contentious because the CFPB was the most disputed aspect of the 2010 Dodd-Frank Act financial overhaul. The committee also voted 25-0 to send the nomination of Kimberly Reed to be president of the Export-Import Bank, and approved four other nominees by voice vote. Both the CFPB and the Ex-Im Bank have been without a confirmed head since 2017. ([Roll Call](#))

Space, NASA & NOAA

Morhard Emphasizes Managerial Expertise at Senate Confirmation Hearing for NASA Post: At a confirmation hearing by the Senate Commerce Committee, James Morhard, the deputy sergeant at arms for the Senate, emphasized his experience running the day-to-day operations of the Senate

complex, as well as past work as an appropriations staffer, as qualifications for being the space agency's deputy administrator. Despite his lack of technical experience, no senators came out in opposition to Morhard's nomination, and he even received an endorsement from Senate Majority Leader Mitch McConnell (R-Ky.), who formally introduced Morhard at the hearing. ([SpaceNews](#))

Defense

Senate Passes \$675 billion Defense Budget Bill, with Hopes of Avoiding Funding Lapse Next Month: Senators advanced an \$857 billion appropriations measure that includes full defense funding for fiscal 2019 and raises hopes that Congress may be able to avoid a government shutdown or short-term budget extension for Pentagon programs this fall. The measure, which passed 85-7, includes money for the departments of defense, health and human services, labor and education. Of the total, \$675 billion would be set aside for military spending next year, including nearly \$68 billion in overseas contingency funds. The levels are in line with the recently adopted defense authorization bill and the budget deal reached by Democrats and Republicans last spring. ([Military Times](#))

Pentagon, U.S. Army Nominees Cruise Through Hearing: Five new Pentagon appointees appear poised to cruise through confirmation. The nominees — Alan Shaffer, to be deputy undersecretary of defense for acquisition and sustainment; Veronica Daigle, to be assistant secretary of defense for readiness; Robert McMahon, to be assistant secretary of defense for sustainment; Casey Wardynski, to be assistant secretary of the Army for manpower and reserve affairs; and Alex Beehler, to be assistant secretary of the Army for installations, energy and environment — enjoyed light questioning and friendly comments from members of the Senate Armed Services Committee during a hearing August 21. ([Defense News](#))

EXECUTIVE BRANCH

HHS

GAO Report States Trump Administration Needs to Step Up on 'Obamacare': A congressional watchdog said the Trump administration needs to step up its management of sign-up seasons under former President Barack Obama's health care law after mixed results last year in the throes of a failed GOP effort to repeal it. The report from the Government Accountability Office is likely to add to Democrats' election-year narrative that the administration actively undermined "Obamacare" without regard for the consequences to consumers. ([AP](#))

Azar Says Drug Blueprint Has Helped Curb Prices: The Trump Administration is claiming that drug prices are coming down in response to its announcement in May that it would be taking various actions to reduce the cost of pharmaceuticals for Americans. In a "100 days" report, the US Department of Health and Human Services (HHS) said there have been 60% fewer brand-name drug price increases from May to August 2018 compared with the same period in 2017, along with 54% more generic and brand-name drug price decreases. ([Medscape](#))

NIH Investigating Foreign Influence on Research: National Institutes of Health director Francis Collins said that the agency is investigating multiple research institutions where researchers failed to disclose improper support from foreign governments. In a letter to grant recipient institutions, Collins said foreign entities had mounted "systematic programs" to influence NIH research. The agency's concerns include the sharing of information on grant applications with foreign entities as well as failures to disclose financial support from foreign governments. ([Inside Higher Ed](#))

Defense

Air Force General May Be Next Head of Joint Chiefs: Two U.S. Air Force generals are being considered to become the military's next top general with the anticipated retirement of Marine Gen. Joseph Dunford next year, according to a new Wall Street Journal report. Air Force Chief of Staff Gen David Goldfein and U.S. Strategic Command's Air Force Gen. John Hyten are among those being considered by the White House to be next chairman Joint Chiefs of Staff. ([Military.com](#))

DOE

Department of Energy Announces Technology Commercialization Fund Projects: The U.S. Department of Energy (DOE) announced over \$20 million in funding for 64 projects supported by the Office of Technology Transitions Technology Commercialization Fund (TCF). With additional matching funds from the private sector, these projects will advance promising commercial energy technologies and strengthen partnerships between DOE's national labs and private sector companies to deploy energy technologies to the marketplace. DOE received over 100 applications for FY 2018 TCF funding. Topic 1 projects identify additional technology maturation activities to attract a private partner; Topic 2 projects identify cooperative development of a lab-developed technology in collaboration with a private partner to bolster its commercial application. TCF funds require a 50 percent match of non-federal funds from private partners. The full list of TCF selections and the private sector partners can be found [HERE](#). ([DoE Press Releases](#))

Trade

U.S. and Mexico Close to Reaching NAFTA Deal: The United States and Mexico look close to resolving key differences on the North American Free Trade Agreement and may have a complete deal worked out by as early as Monday, according to sources close to the talks. White House Press Secretary Sarah Sanders said Sunday morning that the administration has "no announcements or anything finalized at this time," despite President Trump's enthusiastic tweet on Saturday that there could be a "big Trade Agreement" soon. ([Fox News](#))

No Breakthrough in U.S.-China Trade Talks as New Tariffs Kick in: U.S. and Chinese officials ended two days of talks on Thursday with no major

breakthrough as their trade war escalated with activation of another round of dueling tariffs on \$16 billion worth of each country's goods. Implementation of the latest 25 percent tariffs did not derail the talks, led by U.S. Treasury Under Secretary David Malpass and Chinese Commerce Vice Minister Wang Shouwen. They were the first face-to-face U.S.-China meetings since early June to try to find a way out of a deepening trade conflict and escalating tariffs. ([CNBC](#))

Treasury

Treasury Dashes the Charity Workaround for SALT: Treasury proposed rules to block a state and local tax (SALT) deduction workaround strategy that had been adopted by New York, New Jersey, and Connecticut, and was being considered by several other high-income-tax states. Under the strategy, taxpayers would be allowed a credit against state taxes for contributions to state- or local-run charitable funds that provided money for public services. ([Forbes](#))

Space, NASA & NOAA

Pence Recaps Space Policy in JSC Speech: Vice President Mike Pence used a speech at NASA's Johnson Space Center to reiterate the nation's space exploration policy without breaking new ground. In a speech at the center after a tour of some of its astronaut training and other facilities, Pence largely offered an overview of the Trump administration's space policy activities, from the reestablishment of the National Space Council to Space Policy Directive 1, which calls on NASA to return humans to the moon and ultimately go to Mars. ([SpaceNews](#))

Cybersecurity

Why too Much Attention on Foreign Actors and Voting Machines Can Hurt Cybersecurity: With midterm elections less than three months away, Pedro Abreu, the chief security officer at ForeScout, is warning government officials and companies that spending too much attention on foreign actors or flawed voting machines could distract from more common threats, such as phishing. But Jeanette Manfra, an assistant secretary for cybersecurity at the Department of Homeland Security, said while hackers may be able to attack individual voting machines, it is difficult to alter the voting tally at scale. Instead, Abreu argued that agencies and businesses face a "threat fatigue," in which security leaders are overwhelmed by new problems. IT and security organizations receive an average of 17,000 malware alerts per week, according to a study by Ponemon. Only 19 percent of those alerts are considered reliable, and only 4 percent are investigated, according to the research. On average, the cost of responding to these inaccurate reports can be \$1.27 million annually, according to the study. ([Fifth Domain](#))

Agriculture

USDA Prepare to Unveil Massive Trade Aid Package: The United States Department of Agriculture (USDA) will soon unveil details of a \$12 billion assistance plan for farmers hurt by the international blowback from President Trump's trade battles with China, Mexico, the European Union, Turkey, and elsewhere. The USDA is keeping implementation details for the program close to the vest, but the payment rate for soybean farmers has been preliminarily proposed at \$1.65 per bushel and 1¢ per bushel for corn farmers, according to officials close to the decision-making process. Those officials stressed that these numbers could change under the White House Office of Management and Budget, where the package is currently being reviewed, so they may not reflect the final proposal. ([Successful Farming](#))

DHS

Emerging Tech Impacting the Security Industry: Emerging technologies are already impacting how we live and work. They're also changing how we approach, plan, and integrate security operations. The Department of Homeland Security (DHS) Science and Technology Directorate has many projects and technology solutions that impact the Homeland Security mission. New technologies are also being commercialized by technology foraging. The DHS defines technology foraging as a process of "identifying, locating and evaluating existing or developing technologies, products, services and emerging trends. This approach allows faster development and increases partnership opportunities and resources to assist the development of current or future homeland security systems and needs." As in most emerging technology endeavors, the public and private sectors are working partners in funding research and development, and creating foundries and innovation centers to build and market these emerging security technologies. There is still much to be discovered, tested, prototyped and employed in protecting us from future threats. ([Forbes](#))

JUDICIARY

Labor & Workforce

In Victory for Unions, Judge Overturns Key Parts of Trump Executive Orders: Unions representing federal workers on Saturday declared victory in what they have described as an assault by the Trump administration after a federal judge struck down key provisions of a set of executive orders aimed at making it easier to fire employees and weaken their representation. The ruling, by U.S. District Judge Ketanji Brown Jackson in Washington, was a setback to the White House's efforts to rein in federal unions, which have retained significant power over working conditions even as private-sector unions are in decline. ([The Washington Post](#))