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Outlook for This Week in the Nation's Capital

Congress Struggles to Find the “End Game” for the 115th Congress and FY19 Appropriations: After a week of relative calm and political truces in the Capitol as the nation reflected on the passing of President George H.W. Bush, the following week saw a return to troubling clashes between the Executive and Legislative branches, including a bizarre meeting in the White House between President Trump, Minority Leader Schumer and Speaker-in-waiting Nancy Pelosi. The President seemed to again invite a partial government shutdown if the seven remaining FY19 Appropriations bills cannot be negotiated in a manner he approves of. Congress must strike a deal by December 21st to avoid a partial shutdown (only some agencies would close) – the House may not return for votes until Thursday if a deal is not in place by then. Pelosi has suggested there is building support for a long-term continuing resolution for the remaining seven bills, if a package cannot be negotiated this week.

Unfinished Business in Congress: Numerous other non-spending bills are also trying to make it across the finish line before the 115th Congress adjourns – the Senate returns Monday to take up a criminal justice reform bill under expedited consideration rules, and many others in the Senate are making attempts to move their bills to the House under “hotline” procedures, such as Senators Cruz and Nelson with their Space Frontier Act. Because it is the end of the two-year session of Congress, many “non-controversial” bills that have passed in one chamber but not the other may get bundled and passed as an amendment to a larger bill or package. Any bills that do not become law in the next two weeks will need to be reintroduced in the next Congress.

White House: President Trump on Friday named budget director Mick Mulvaney as his acting White House chief of staff, capping off a week of frenzied speculation about who would take over the key West Wing role given John Kelly’s impending departure.

Last Week in the Nation's Capital

CONGRESS

Budget

Trump Leaves GOP in Turmoil with Shutdown Looming: Republicans are girding themselves for a partial government shutdown, just in time for Christmas. The partial shutdown has grown more and more likely, they say, because of President Trump’s self-defeating comments at a White House meeting with congressional Democrats earlier this week about how he would accept blame for a shutdown caused by his demands for \$5 billion in wall funding. Two days later, the GOP has no plan for keeping the government open — or for escaping blame for a partial shutdown. ([The Hill](#))

Options for Reducing the Deficit: 2019 to 2028: The Congressional Budget Office (CBO) released its annual list of ideas for reducing the federal deficit over the next 10 years — a document policymakers rely on in weighing budget decisions. This year’s installment presents 121 options that would decrease federal spending or increase federal revenues. ([CBO.gov](#))

Tax Reform

Senate Votes to Overturn Trump Administration Donor Disclosure Rule for ‘Dark Money’ Groups: The Senate on Wednesday voted 50 to 49 to overturn a Trump administration policy that allows politically active nonprofits to withhold from the government the identities of their donors, underscoring a growing unease among Democrats over the influence of wealthy donors and foreign actors in U.S. elections. The Senate move is unlikely to survive the GOP-led House, which must vote on the resolution before the end of the year, or receive the support of President Trump, whose Treasury Department enacted the rule earlier this year. ([The Washington Post](#))

Cybersecurity

Google CEO testifies before Congress, Rebuts Claims of Bias and Data Tracking: In his first ever appearance before Congress, Google CEO Sundar Pichai was grilled on Tuesday about everything from search result bias to data privacy concerns. Pichai reiterated that Google has no plans “right now” to develop a search engine for China that complies with the country’s Communist government. The CEO also insisted that Google’s search algorithms are not biased against any political viewpoint, and avoided directly answering any questions about the data Google collects about its users. ([ABC News](#))

Agriculture

Congress Just Passed an \$867 Billion Farm Bill. Here’s What’s in it: Congress has voted for an \$867 billion farm bill with strong bipartisan support, spurred in part by pressure from farmers battered by President Trump’s trade war with China. In a 386-47 vote, the House of Representatives Wednesday approved a bill which allocates billions of dollars in subsidies to American farmers, legalizes hemp, bolsters farmers markets and rejects stricter limits on food stamps pushed by House Republicans. President Trump is expected to soon sign it into law. The Senate passed the legislation in an 87-to-13 vote on Tuesday. ([The Washington Post](#))

Space, NASA & NOAA

Senator Nelson Departing Congress but Still Working NASA Issues to the End/OSIRIS-REx Spacecraft Detects Water on Asteroid: Sen. Bill Nelson of Florida is still hoping to extend the life of the International Space Station until 2030 before leaving Congress at the end of this year. The ranking member of the Senate Committee on Commerce, Science and Transportation, who lost his re-election bid, is working with Sen. Ted Cruz, the Texas Republican who chairs the panel's space subcommittee, to pass legislation during the lame duck session keeping the station in use through "the end of the decade." In other news, NASA's mission to the near-Earth asteroid Bennu has already found evidence of water — less than 10 days after arriving in its orbit. ([Politico](#))

Defense

President Trump Squabbles with Chuck Schumer and Nancy Pelosi Over Border Wall Funding, Threatens Government Shutdown: After a photo op before the White House press pool, President Trump engaged in an extraordinary and at-times highly personal debate with House Democratic Leader Nancy Pelosi (D-CA) and Senate Minority Leader Chuck Schumer (D-NY). Though President Trump has repeatedly threatened government shutdowns in the past, Trump said that he, unequivocally, would take the blame for a shutdown. ([Bloomberg](#))

EXECUTIVE BRANCH

Health

Obamacare Ruling Delivers New Shock to Health System: Expanded Medicaid for millions. Penalties for poorly performing hospitals. Even the Trump administration's own plans to lower drug prices. Those and many other initiatives would all be illegal under a federal judge's sweeping decision that the entire Affordable Care Act must be struck down — the latest shock to the nation's health system after a decade of upheavals, including two fights over the ACA that reached the Supreme Court. ([Politico](#))

How Can We Speed up Drug Development?: When it comes to drug discovery, particularly in the fast-moving biotech sector, the life sciences may appear to be at the cutting edge of innovation, and in many ways it is. But for many reasons, the overall drug development process, from early-stage clinical trials, through to pivotal tests and regulatory engagement, is not so flexible or subject to change. To the extent that clinical trial design can change, it is in no small part the responsibility of US Food and Drug Administration Commissioner Scott Gottlieb, who at his 18 months at the agency has so far maintained a strong focus on innovation, clearing red tape and expediting the drug approval process. ([The Pharma Letter](#))

Flaws in Reporting Create Knowledge Vacuum Regarding Academic Medical Centers and Hospitals Community Partnerships: Academic medical centers and hospitals use community provided information to inform its community health needs assessment, which the Internal Revenue Service began to require in 2012 as part of the Affordable Care Act. It also directs Rush's movement into population health management as the industry recognizes that housing conditions, education and job opportunity directly impact a person's health. But without explicit rules guiding hospitals' interventions or setting a baseline level of funding, community benefit programs and their spending vary wildly. And as not-for-profit systems grow, public officials, community leaders and healthcare researchers have questioned whether community benefit programs justify providers' tax exemptions. ([Modern Healthcare](#))

Space, NASA & NOAA

NASA Moving Forward on Implementing Earth Science Decadal Survey Recommendations: Speaking during a town hall session at the Fall Meeting of the American Geophysical Union on December 11, Mike Freilich, director of the Earth Science Division at NASA Headquarters, said the agency had taken to heart the underlying recommendations in the report to fly a mix of large and small missions, including an increasing number of missions that are competitively selected. The agency is implementing one recommendation to use that Earth Venture program to solicit proposals for new missions to collect long-term measurements of key Earth science variables "in a fiscally responsible way," he said. That new effort, called Earth Venture Continuity, will release its first solicitation by the end of the month. ([Space News](#))

Hubble Finds a Fast Evaporating Exoplanet: Astronomers have recently used the Hubble Space Telescope to image a second "very warm" Neptune-sized exoplanet (GJ 3470b) that is losing its atmosphere at a rate 100 times faster than that of a previously discovered planet orbiting a different star (GJ 436b). Both planets reside about 3.7 million miles from their star. That's one-tenth the distance between our solar system's innermost planet, Mercury, and the Sun. Exoplanets this size are much less common than smaller "Earth-size" or large "Jupiter-size" exoplanets that have discovered in much greater numbers. ([Space Ref](#))

Education

Closed School Discharge Changes: The Department of Education announced it would automatically cancel \$150 million in student loans connected to for-profit colleges that closed in recent years. The move comes as Education Secretary Betsy DeVos is being forced to implement a package of regulations that created more protections for student loan borrowers who were affected by a school closure or defrauded by their college. A federal judge in September ruled that DeVos' efforts to stop the 2016 "borrower defense" regulations from taking effect was illegal. And in October, the same judge rejected a bid by for-profit colleges to immediately stop the regulations, clearing the way for them to take effect. ([Federal Student Aid](#))

EPA

EPA Makes Major Clean Water Act Announcement: On December 11th, the Environmental Protection Agency and U.S. Army Corps of Engineers released its highly-anticipated proposal to clarify the definition of Waters of the U.S. for purposes of Clean Water Act (CWA) jurisdiction. This proposal is

intended to clarify the scope of federal reach under the CWA and to resolve the legal and regulatory confusion caused by decades of litigation and contradictory guidance from the Agencies. ([Clark Hill Insight](#))

DOE

DOE Announces \$100 Million Energy-Water Desalination Hub to Provide Secure and Affordable Water: The Department of Energy (DOE) announced \$100 million to establish an Energy-Water Desalination Hub to address water security issues across the country. The Hub will focus on early-stage research and development of energy and cost-efficient desalination techniques as part of DOE's efforts to meet the national and global need for secure, affordable water. ([Energy.gov](#))

Labor & Workforce

Wage Gaps and Outcomes in Apprenticeship Programs: Policymakers frequently approach the question of developing the workforce to meet the needs of the 21st century. Despite today's historically low unemployment rates, wages for typical workers have barely budged for decades. Registered Apprenticeship programs, which have bipartisan support, aim to address this issue by connecting Americans to decent-paying jobs as electricians, carpenters, and dental assistants, among others. The program, which the U.S. Department of Labor administers through the Workforce Innovation and Opportunity Act, aims to help businesses develop highly skilled employees through hands-on customized training for a variety of occupations. ([Center for American Progress](#))

Controversial Virtual School Operator Pivots to Job Training: K12 INC., THE controversial for-profit virtual charter school operator, plans to pivot its entire platform to career education and has laid the groundwork to offer the new programs in 40 states over the next three years. In an interview with U.S. News, Chavous and Executive Vice President Shaun McAlmont, who was hired in August to direct the shift toward career readiness, outlined K12's new direction. The company is focusing on a handful of core industries, including information technology, business, manufacturing, health sciences or health care, and agriculture. ([U.S. News](#))

Transportation

Why Trump Can't Kill the Electric Car: Though the Trump administration has actively tried to halt the growing popularity of electric vehicles (EVs), it's unlikely that the EV revolution is going anywhere. Despite Trump's attempts to roll back strict fuel-efficiency laws and kill the federal tax credit for EVs, most automakers continue to believe "the future is electric," with EV sales up nearly 80% this year. ([Politico](#))

Trade

China's Xi Takes Humiliating Loss to US on Trade and Huawei — but Trump Could be Getting Played: President Trump scored an outright victory in his ongoing trade spat with Chinese President Xi Jinping as the strongest leader in Beijing since Chairman Mao had to back off a key policy push. But Xi may have lost the battle to win a larger war. ([Business Insider](#))

Interior

Ryan Zinke to Step Down as Interior Secretary: Interior Secretary Ryan Zinke plans to depart the administration by the end of the year, President Trump [announced](#) on Saturday. Zinke has been the target of an Interior Department's inspector general investigation over concerns about his travel and "potential conflicts of interest." ([Axios](#))

FEC

FEC Allows Campaign Funds to Finance Cybersecurity Measures for Members of Congress: The Federal Election Commission approved Sen. Ron Wyden's (D-OR) proposal to allow lawmakers to use leftover campaign funds to secure their personal tech devices and email accounts against hackers. The proposal comes amid rising concerns that Kremlin-linked hackers could strategically release hacked information to influence political campaigns. ([FEC Press Release](#))

Final Rule Regarding Multistate Independent Expenditures and Electioneering Communications: The Commission approved the Final Rule and Explanation and Justification to address reporting of independent expenditures and electioneering communications that relate to presidential primary elections and are publicly distributed in multiple states but do not refer to any particular state's primary election. The rule amended 11 CFR Parts 104 and 109, and will become effective 30 days after its publication in the Federal Register. ([Clark Hill Insight](#))

IRS

How the IRS Was Gutted: An eight-year campaign to slash the agency's budget has left it understaffed, hamstrung and operating with archaic equipment. The result: billions less to fund the government. ([Propublica](#))