
Window On Washington - December 3, 2018, Vol. 2, Issue 48

Dec 03, 2018

Outlook for This Week in the Nation's Capital

Shutdown Delay. President Trump is open to pushing back a potential shutdown after the death of former President George H.W. Bush. A one or two week stopgap funding bill looks promising, and will prolong a holiday season showdown between the White House and Congress over President Trump's demands for billions of dollars in border security funding. Bush will lie in state at the Capitol from Monday evening to Wednesday morning, and the House and Senate will suspend legislative business during that time.

House Republican Ranking Members. Last week, the House Republican Conference ratified recommendations from the House Republican Steering Committee for committee ranking members in the 116th Congress. Click [here](#) for the full list.

House Democratic Leadership. Rep. Nancy Pelosi (D-Calif.) was nominated by the Democratic Caucus to be speaker of the House and will face a full floor vote on January 3rd. See the full House Democratic leadership results [here](#).

Last Week in the Nation's Capital

CONGRESS

Budget

Dems Won't Pick Shutdown Fight Over Dreamers: Democrats are backing away from a potential floor fight over "Dreamers," marking a shift in field tactics from earlier this year as they prepare to do battle with Republicans this week over a major government funding bill. January's brief government shutdown stemmed from Democrats insisting on adding language to a short-term spending package that would have protected from deportation immigrants who came to the country illegally as children, often referred to as Dreamers. ([The Hill](#))

Two Women to Lead Powerful House Appropriations Committee, a First for Congress: The House GOP steering committee chose Rep. Kay Granger (R-Tex.) on Thursday to be the top Republican on the panel. She will join Rep. Nita M. Lowey (D-N.Y.), who has served as the committee's top Democrat and will assume the chairmanship next year when Democrats take control of the House. The Appropriations Committee controls government spending, and seats on it are hotly contested because they give lawmakers broad influence over federal finances. Leading the committee is a coveted assignment. ([The Washington Post](#))

Tax Reform

Republicans Delay Tax Bill Over Vote Count Concerns: Republicans have pulled an end-of-Congress tax bill from consideration, as its chances to pass the House of Representatives looked uncertain. The bill would have made substantial technical corrections to the major tax reform law passed last year, as well as made changes to the tax treatment of retirement savings. To help spur support, it also reauthorized a number of extensions of tax credits for parochial interests ranging from clean energy and biofuels, to horse racing, to NASCAR. But lackluster attendance from departing members and committee selections for the next Congress complicated vote counting, causing leadership to hold off consideration of the bill. ([Washington Examiner](#))

Tax Reform's Biggest Winners: The Tax Cuts and Jobs Act that Congress passed last December produced some winners and some losers among different categories of taxpayers. With Congress now considering new legislation to extend some expiring tax breaks along with correcting technical problems with last year's tax overhaul and fixing the IRS, one company is providing a list of the biggest winners of the TCJA. Earlier this month, TaxAudit, a tax audit defense service, came out with a list of the biggest losers (see [Some taxpayers expected to lose out under new tax law](#)). On Wednesday, it predicted the biggest winners (not counting corporations, whose top tax rate was slashed from 35 to 21 percent). The list focused on individual taxpayers. ([Accounting Today](#))

Banking

Senate Vote Puts Kraninger Step Closer to Leading CFPB: The Senate moved one step closer Thursday to confirming Office of Management and Budget official Kathy Kraninger as head of the Consumer Financial Protection Bureau. A motion to limit debate on Kraninger's nomination passed along strictly party lines, 50-49, advancing the nominee to a final vote. Kraninger, who would succeed OMB Director and acting CFPB Director Mick Mulvaney, drew strong opposition from Democrats who raised concerns about her involvement in the Trump administration's "zero-tolerance" policy of separating migrant children from their families at the border, and response to three devastating hurricanes in 2017. ([American Banker](#))

Health

Senators Urge Vote on Health Insurance Tax Delay During Lame Duck: A small bipartisan group of senators are urging leadership to extend a delay of ObamaCare's health insurance tax before the end of the lame-duck session. The health insurance tax has been criticized by Republicans and some Democrats for driving up premiums. Sens. John Barrasso (R-Wyo.), Cory Gardner (R-Colo.), Jeanne Shaheen (D-N.H.) and Doug Jones (D-Ala.) wrote in a letter to Senate leadership that they want that moratorium extended. "Looking ahead to 2020 and beyond, it is important for Congress to continue to

focus on lowering health insurance premiums,” the senators wrote. ([The Hill](#))

Cybersecurity

House Passes Bill to Elevate Post of Federal Chief Information Officer: The House on Friday unanimously passed a bipartisan bill to elevate the role of the federal government’s chief information officer. The measure would establish a new line for reporting about information technology within the federal government, now instructing the federal chief information officer— who oversees information technology throughout the administration — to report to the director of the Office of Management and Budget instead of the office’s deputy director. Reps Will Hurd (R-Texas) Hurd said in a statement Friday that as hackers continue to try to steal individuals’ personal data, “Americans should be able to trust their government to keep their information safe.” ([The Hill](#))

Trade

Key Republican Senator Wants to Limit Trump’s Trade Authority: Incoming Senate Finance Chairman Chuck Grassley (R-Iowa) said he may try to make it harder for the president to impose new tariffs. Grassley said he would take a favorable view of legislation limiting the administration’s power to impose tariffs to protect national security (known as Section 232 authority). Grassley’s frankness about supporting this type of effort will cheer free traders. The concept of constraining Section 232 power isn’t new, but Republicans thus far been loath to defy Trump ([Axios](#)).

Agriculture

Deal to Pass Farm Bill Scraps House GOP Plan for New Food Stamp Work Requirements: Lawmakers have struck a final farm bill deal that scraps a plan backed by House Republicans and President Trump to add new work requirements for recipients of food stamps. The House and Senate have been deadlocked over multiple issues in the bill, including provisions in the House bill that would add new work requirements for older food stamp recipients and for parents of children age 6 and older. The farm bill deal was confirmed Thursday by House and Senate lawmakers from both parties. If finalized, it would break a months-long congressional impasse over legislation that doles out billions of federal dollars in food aid, agriculture subsidies and conservation funds. ([The Washington Post](#))

Judiciary

Senate Panel Cancels Votes on Nearly Two Dozen Trump Judicial Nominees: The head of the Senate Judiciary Committee canceled votes on nearly two dozen of President Trump’s judicial nominees. The move Wednesday evening by Sen. Charles Grassley, Iowa Republican, resulted from a standoff in the panel caused by the refusal of Republican Sen. Jeff Flake of Arizona to vote for any judicial picks. Mr. Flake has said he will oppose all judge nominations unless a bill to protect special counsel Robert Mueller gets a floor vote. An effort to force one failed Wednesday. Mr. Grassley’s short statement announcing the cancellation did not specify the reason for it, nor did it have a reschedule date. Six circuit-court and 15 district-court nominees had been expected to come up for votes. ([The Washington Times](#))

Environment

House Lawmakers Introduce First Bipartisan Carbon Tax Bill in a Decade: A small group of Democratic and Republican House lawmakers introduced last week the first bipartisan carbon tax legislation in nearly a decade as a way to combat climate change. Rep. Ted Deutch of Florida, the Democratic co-chair of the bipartisan Climate Solutions Caucus, unveiled the bill along with fellow members of the group, Reps. Francis Rooney, R-Fla., Brian Fitzpatrick, R-Pa., Charlie Crist, D-Fla., and John Delaney, D, Md. ([Washington Examiner](#))

EXECUTIVE BRANCH

Health

Fewer People Are Buying Obamacare Plans as Trump Pushes Other Options: More than halfway through the 45-day enrollment period, fewer people have selected plans for 2019 on healthcare.gov than in the same period a year ago, new government data show. The decline in signups follows an effort by the Trump administration to promote cheaper coverage with fewer consumer protections, which critics called an attempt to undermine Obamacare. Congress also lifted the individual-mandate penalty for going without health insurance -- a fee of 2.5 percent of income that was intended to discourage healthy people from waiting until they got sick to purchase coverage. That change takes effect in 2019. ([Bloomberg](#))

Medicare To Cut Payments To Nursing Homes Whose Patients End Up Back In The Hospital: The federal government took a new step last week to reduce avoidable hospital readmissions of nursing home patients. The move targets the homes’ bottom lines by lowering a year’s worth of payments to nearly 11,000 nursing homes, and giving bonuses to nearly 4,000 others. These financial incentives, determined by each home’s readmission rates, significantly expand Medicare’s effort to pay medical providers based on the quality of care instead of just the number or condition of their patients. ([NPR](#))

Space, NASA & NOAA

Space Force Proposal Could Create a Broader Military Department for Both Air and Space: During a White House meeting on Thursday, Pentagon and administration officials discussed the possibility of establishing a Space Force under a larger Department of the Air and Space Force. A DOD spokesman confirmed that a team of Pentagon officials led by Deputy Defense Secretary Patrick Shanahan floated this idea to Vice President Mike Pence, who leads the administration’s space reorganization efforts. Shanahan is overseeing the drafting of a legislative proposal that will be submitted to the White House in the coming weeks and, once approved, will be sent to Capitol Hill with the president’s budget request for fiscal year 2020. ([Space](#))

News)

Former Air Force General Picked to Lead FAA Commercial Space Office: The Federal Aviation Administration has named an Air Force general who previously ran the launch facilities at Cape Canaveral as the new head of its commercial space office. Monteith is an Air Force brigadier general who will formally retire from the service Dec. 1. Monteith had served, from August 2015 until this past August, as commander of the 45th Space Wing, responsible for operations of the Eastern Range that supports launches from Cape Canaveral. ([Space News](#))

DOE

Department of Energy to Provide \$24 Million for Computer-Based Materials Design: The Department of Energy announced plans to provide \$24 million in new and renewal research awards to advance the development of sophisticated software for computer-based design of novel materials. National laboratories, universities, and nonprofits will be eligible to compete for the four-year awards, which will be selected on the basis of peer review. The Department's Office of Science, which is funding the effort, envisions awards both for large teams, aiming to develop whole new software applications, and smaller teams working on research that can add software functionality/capabilities. ([Energy.gov](#))

Defense

Mattis: Cutting Defense will not Help Deficit: Secretary of Defense Jim Mattis on Saturday threw his weight behind an op-ed from two top Republicans calling for greater funding for the Defense Department — and lining himself against Trump administration guidance to cut fiscal year 2020 defense spending. “Fiscal solvency and strategic solvency can co-exist,” Mattis said at the Reagan National Defense Forum. In a Friday Wall Street Journal editorial titled “Don’t cut military spending, Mr. President,” Rep. Mac Thornberry, R-Calif., and Sen. Jim Inhofe, R-Okla., warned that a smaller defense budget won’t have a major impact on fixing the national deficit, but would have painful repercussions on military equipment and end strength. ([Defense News](#))

Education

Court Case Shows Importance of Monitoring Student Progress Under an IEP: A recent decision by the United States Sixth Circuit Court of Appeals underscored the importance of monitoring and ensuring the progress of special education students under their Individualized Education Plans (IEP), and revising such plans accordingly. If this is not done, a district risks litigation and a finding that the IEP did not appropriately address a student's needs, along with an award of compensatory education and attorney fees. On November 6, 2018, the Sixth Circuit affirmed a district court's compensatory education award of 1,200 hours as an appropriate remedy for a denial of a free appropriate public education. ([Clark Hill Insight](#))

Trade

Trump, Xi Declare Truce on New Tariffs as Trade Talks Continue: President Trump and Chinese President Xi Jinping agreed Saturday to a temporary trade ceasefire to allow time for more negotiations. The move means that U.S. tariffs on \$200 billion worth of goods will not rise to 25 percent on Jan. 1, from 10 percent currently. ([Politico](#))

U.S., Mexico and Canada Ink New Trade Agreement, but Final Ratification Remains Big Hurdle: President Trump and the leaders of Mexico and Canada signed a revised trade pact Friday that changes many of the rules governing the free flow of commercial goods across North America. The ceremony, held on the first day of the G-20 summit here, brought the three countries a step closer to their goal of improving continental commerce and making it easier for companies to move goods and supplies across their borders. ([USA Today](#))