

---

# Window On Washington - July 16, 2018, Vol. 2, Issue 28

Jul 16, 2018

## Outlook for This Week in the Nation's Capital

**House Minibus Schedule.** The House is planning to bring its second minibus to the floor this week. The bill would combine the Interior-Environment and Financial Services appropriations bills. For the following week, House leadership is discussing the possibility of bringing up the Labor, HHS appropriations bill and combining it with the already passed Defense appropriations bill. The first minibus – a package of the Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs appropriations bill – the House passed earlier in the summer was supposed to go to conference with the Senate last week but it was delayed after a disagreement arose related to veterans health spending.

**Farm Bill.** The House is expected to vote on a motion to go to conference on the farm bill this week. However, the House and Senate still seems to be far apart on how to settle the differences related to work requirements for the Supplemental Nutrition Assistance Program commonly referred to as food stamps. The House bill includes requirements that the Senate will not accept and so far, House Republicans continue to insist that the requirements stay in the bill.

**Kavanaugh.** The Senate Judiciary Committee has sent Supreme Court nominee Brett Kavanaugh several questionnaires and forms to fill out in advance of his confirmation hearing. Chairman Grassley has said that he hopes to have confirmation hearings by early September.

## Last Week in the Nation's Capital

### CONGRESS

#### *Budget*

**Minibus Conference Cancelled over Veterans Healthcare Disagreement:** Minutes before they were to meet last week, congressional appropriators canceled their first public conference talk that had been intended to settle differences in three of the 12 annual spending bills President Donald Trump must sign by Sept. 30 to avert a government shutdown. The 11th-hour cancellation came amid a cross-Congress showdown over how to pay for a program that allows some veterans to spend taxpayer money on private doctors and hospitals. The question is whether to break budget limits, known as caps, to come up with the cash. ([Politico](#))

**House Appropriations Committee Passes 2019 Labor, Health, Education Spending Bill:** The House Appropriations Committee approved its 2019 spending bill for the Departments of Labor, Health and Human Services, and Education, after a marathon markup session dominated in part by discussion of the child separation crisis at the border. The bill's overall spending level of about \$177 billion is essentially the same as the current year, though it does include a \$1.25 billion boost for the National Institutes of Health, to about \$38 billion. ([The Washington Times](#))

#### *Health*

**House GOP Appropriators Block Funding for Gun Violence Research:** House Republican appropriators Wednesday rejected a proposal to designate millions of dollars for the Centers for Disease Control and Prevention for gun violence research, voting 32-20 to keep the language out of a fiscal 2019 spending bill. The party-line vote marked Democrats' latest failed bid to spur studies into preventing firearm-related injuries and deaths — and comes despite a bipartisan agreement earlier this year that the CDC is permitted to conduct such research. ([Politico](#))

**Sen. Wyden Probes 'Secret, Sweetheart' Deal between Pfizer, Trump:** Pfizer made waves when it decided to defer price hikes until the Trump Administration can implement its drug pricing blueprint or until the end of the year, whichever comes sooner. Now, a top Democrat wants to know more about the deal and the conversation that led to the decision. In letters to Health and Human Services Secretary Alex Azar and Pfizer CEO Ian Read, Sen. Ron Wyden, D-Ore., pressed for more details. ([FiercePharma](#))

**House Panel Passes Bill that Would Temporarily Halt ObamaCare's Employer Mandate:** The House Ways and Means Committee approved legislation that would chip away at ObamaCare, including a measure that would temporarily repeal the law's employer mandate. The bill sponsored by GOP Reps. Devin Nunes (Calif.) and Mike Kelly (R-Pa.) would suspend penalties for the employer mandate for 2015 through 2019 and delay implementation of the tax on high-cost employer-sponsored health plans for another year, pushing it back to 2022. ([The Hill](#))

#### *Tax Reform*

**Ryan Expects Bill on Tax Fixes to Come After Midterms:** Speaker Paul Ryan (R-Wis.) said Thursday that he expects lawmakers to release a bill to make fixes to the new tax law following November's midterm elections. A number of stakeholders have been increasing their pressure on Congress to make changes to the tax law, which President Trump signed in December. Groups are seeking fixes to individual, business and international tax provisions where there are some unintended consequences, such as where the text of the law doesn't reflect lawmakers' intentions. Stakeholders pushing for tax fixes include accountants, retail groups, wineries and the nonprofit sector. ([The Hill](#))

#### *Defense*

---

**Giant Pentagon Policy bill Kicks Off Closed-Door Debate:** U.S. House and Senate conferees on the massive 2019 defense authorization bill met July 11 to launch closed-door negotiations between the chambers' competing drafts. Lawmakers are expected to wrangle over troop levels, how many F-35s to buy, a ban on the Chinese telecom giant ZTE, House-backed cuts to certain Pentagon support agencies, Senate-backed changes to the Defense Department's hierarchy and restrictions on F-35 sales to Turkey, among myriad other issues. ([Defense News](#))

#### *Labor & Workforce*

**Ivanka Trump Talks Training, Not Leave, with House Workforce Chairwoman:** White House aide Ivanka Trump met last week with the House Education and the Workforce Committee Chairwoman Rep. Virginia Foxx to discuss workforce development efforts and apprenticeship programs. This meeting did not also include discussions about paid family leave, but occurred a day after Trump attended a hearing on a federal paid family leave before the Senate Finance Subcommittee on Social Security, Pensions, and Family Policy. Ivanka has been the Trump administration's key advocate for paid family leave, encouraging lawmakers to find a solution, including several meetings with lawmakers in recent months. ([BNA](#))

**Food Stamp Work Requirements Would Force States to Provide Job Training. Many Aren't Ready:** The House version of the Farm Bill that Congress is considering would require recipients to enroll in job training programs if they can't find work — but in many states, those programs won't be fully available for at least another decade. This could have a big impact on the people who depend on food stamps, some 42 million in 2017. If Congress requires more food stamp recipients to get jobs, states will have to greatly expand training programs to comply with federal law. States that don't offer training for beneficiaries who are required to work could lose federal funding. ([Governing](#))

#### *Banking & Housing*

**A Waters-Led Banking Panel May Not be the Scourge Banks Fear:** Rep. Maxine Waters has made recent headlines more for her outspoken stands against the Trump administration than for her banking policy positions on the House Financial Services Committee. That could change if Democrats win back the House in November, which would likely result in Waters becoming chair of the panel. Analysts say that perch could give her a bully pulpit to focus on President Trump's business dealings or more generally criticize the administration. But some observers say a Waters-led panel could also showcase her broad legislative experience, which might mean a more moderate approach and reaching across the aisle on issues ranging from housing finance reform to updating the Community Reinvestment Act. ([American Banker](#))

#### *Cybersecurity*

**The Cybersecurity 202: House Democrats List States with Weakest Election Security in New Report:** House Democrats are trying to ramp up pressure to send more election security funding to states by spotlighting the ones they say are most vulnerable going into November. A report released by House Administration Committee Democrats identified 18 states that congressional researchers say lack key voting safeguards, including paper trails for vote tallies and post-election audits. Drawing on months of input from election officials and cybersecurity experts, it called on Congress to approve \$1.4 billion in new election security funding for all 50 states over the next decade. But the report may have limited effect because, notably, no Republicans signed onto its conclusions — and building bipartisan support for new federal assistance could be difficult with less than four months to go before the midterms. ([Washington Post](#))

#### *Transportation*

**Lawmakers Worry about Rise in Drugged Driving:** Lawmakers on the House Energy and Commerce Committee held a hearing on the dangers of drug-impaired driving. There is growing concern in Congress over the issue as data from the Governors Highway Safety Association (GHSA) and the Foundation for Advancing Alcohol Responsibility finds that accidents from drugged driving have been on the rise over the last 10 years. ([The Hill](#))

### **EXECUTIVE BRANCH**

#### *HHS*

**CMS Proposes Change in the Drug Payment Amount under Medicare Part B:** The Centers for Medicare & Medicaid Services proposed a change in the payment amount for new drugs under its Part B program, amid the Trump administration's attempts to tackle escalating prices of drugs. The Part B program changes, which would be effective Jan. 1, 2019, would help reduce the amount that seniors would have to pay out-of-pocket, especially for treatments with high launch prices, the agency said. ([Reuters](#))

**Drug Shortages Prompt FDA to Form Task Force:** The US Food and Drug Administration is forming a Drug Shortages Task Force to look into the country's persistent drug shortages and find long-term solutions, according to a statement from the agency's commissioner, Dr. Scott Gottlieb. ([CNN](#))

**NIH, VA Partner to Expand Veterans' Access to Cancer Clinical Trials:** The U.S. Department of Veterans Affairs (VA) and the National Cancer Institute (NCI) are partnering to extend veterans' access to clinical trials of novel cancer treatments, according to a National Institutes of Health (NIH) news release. Launching at 12 VA facilities across the U.S., the NCI and VA Interagency Group to Accelerate Trials Enrollment will allow veterans easier access to participate in trials performed through the NCI's National Clinical Trials Network and the NCI Community Oncology Research Program. ([Health Imaging](#))

#### *Defense*

**New SCO Head Will be in Place by End of July. And DIUx is Next:** Michael Griffin, the Pentagon's undersecretary for research and engineering, told

---

reporters that he has made an offer, and it has been accepted, for a new director of the SCO. The expectation is that the new SCO head will be announced by the “end of July,” Griffin said. The office, which focuses on taking existing technologies and finding new capabilities for them, has been empty since Will Roper left to become the head of acquisitions for the U.S. Air Force. The leadership for DIUx is less clear. The office has been working under interim director Sean Heritage since Raj Shah left in February. The technology hub has since created a new chair for a Washington-focused partner, Michael Madsen, to coalesce support for the office inside the Capital Beltway. Griffin hopes to have a new person in place for DIUx by the “end of summer.” ([Defense News](#))

#### *DOT*

**DOT Urges Public Education on Automated Vehicles:** Department of Transportation Secretary Elaine Chao has told a conference that the “quite brilliant” engineers and technologists who are developing automated vehicles need to “step up and educate the public about this new technology” to boost confidence. In her keynote address at the Automated Vehicles Symposium’s first full day she said, “Consumer acceptance will frame the limitations to growth of this technology, so we all need to work together to get it right.” ([Smart Highways](#))

**Regulators Grappling with Self-driving Vehicle Security:** In closed-door meetings last March, U.S. transportation regulators and others grappled with questions about whether police should have the power to disable self-driving cars and whether an automatic alert that a robo-taxi had been in a wreck could violate an occupant’s privacy, a report released on last week showed. The 39-page-summary of the meetings involving U.S. Transportation Department officials and industry, labor, and advocacy groups illustrated the thicket of legal, safety and social issues that have to be worked out as companies such as Alphabet Inc.’s Waymo unit and General Motors Co gear up to deploy self-driving cars for public use. ([Reuters](#))

#### *Trade*

**Trade War Intensifies Over \$200 Billion in Chinese Imports:** President Trump on July 10, 2018 fired another salvo in the trade war with China when he proposed the imposition of a 10% tariff on another \$200 billion of Chinese goods. This proposal is a counterattack on China’s retaliatory action to impose 25% duties on \$34 billion of U.S. exports to China. The new list includes 6,031 tariff subheadings covering everything from food products, floor panels, to tires and textiles. These will undergo further review similar to the public notice, comments and hearing which applied to the original round of Section 301 tariffs this past spring. Once the review process is complete, the USTR will issue a final determination as to which, if any, of these products will also be subject to the 10% tariff. The list of the tariff subheadings subject to the proposed additional 10% tariff is available [here](#). ([Clark Hill Insight](#))

#### *DOE*

**Online Access Point Provides Unprecedented Access to National Lab Researchers and Information:** The U.S. Department of Energy (DOE) officially launched the Lab Partnering Service (LPS), an on-line, single access point platform for investors, innovators, and institutions to identify, locate, and obtain information from DOE’s 17 national laboratories. The DOE Office of Technology Transitions’ Lab Partnering Service gives energy investors and innovators direct access to the vast array of expertise, research, and capabilities across all 17 National Labs. LPS will allow users to submit inquiries to the Technology Transfer Office at each lab. This office can answer and/or direct questions from the users and provide an invaluable navigational assistance through the DOE R&D ecosystem. ([DoE Press Releases](#))

#### *Space, NASA & NOAA*

**Commercial Crew Delays Threaten Access to ISS, GAO Warns:** Amid growing concerns about commercial crew delays, a U.S. Government Accountability Office report recommended NASA share more schedule information with Congress and develop contingency plans to maintain access to the International Space Station. In a July 11 report, the GAO said that Boeing and SpaceX could miss their current schedules for having their commercial crew vehicles certified by NASA by a year or more, creating a gap in access to the station when the agency’s use of Soyuz seats ends late next year. ([Space News](#))

**The President’s Mission to Mars Is a Real Long Shot:** For a man known for grandiose ambitions, perhaps President Donald Trump’s most lofty is his pledge, formalized in a December order, to land a human being on the surface of Mars. It would be easy to doubt Trump’s seriousness, given that he’s equally known for inconsistent follow-through. But Trump has raised the idea repeatedly since that order, most recently last month before the National Space Council, the advisory group Trump revived last year and tasked Vice President Mike Pence with running. However, if Trump really wants to go to Mars, he’ll have to convince Congress, private companies and scores of scientists and overcome budget and other obstacles. ([Roll Call](#))

#### *Cybersecurity*

**No Surprise, Cloud Tops New Defense CIO’s Priorities:** Dana Deasy, the Department of Defense’s new CIO, said he sees four critical areas to support the national defense strategy and digital modernization: cloud, artificial intelligence, command, control and communications, and cyber. Speaking at an event hosted by Defense Systems in Arlington, Deasy said those initiatives are listed not in order of importance, but rather in order of integration. Cloud is the foundation for many future warfighting capabilities as well as the other three priorities. The much anticipated Joint Enterprise Defense Infrastructure proposal is “not a long ways off, [but] we have a bit more work to do before we release,” he said. Despite not committing to a specific release date for the multibillion dollar JEDI proposal...The proposal, he said, should be written in a way “that truly represents what any smart intelligence company in private industry would do in seeking to put an enterprise cloud in place.” ([C4ISR](#))

#### *IRS*

---

**IRS Plans Regulations on Non-Grantor Trusts and New Tax Law:** The Internal Revenue Service and the Treasury Department issued a notice Friday saying they intend to issue regulations around estates and non-grantor trusts, which may affect one tactic that some wealthy taxpayers have been using to get around the cap on deducting local property taxes under the new tax law. ([Accounting Today](#))