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Outlook for This Week in the Nation's Capital

Congress. The House recessed for its summer break on Friday and will not return until September 9. The Senate is in session for another week. The House was scheduled to take up a border-related bill that would place more oversight and training requirements on border agents but disagreements within the Democratic party stalled the bill. The bill will now be taken up after the recess.

Budget & Appropriations. Before the House recessed, it passed the Bipartisan Budget Act of 2019, which sets the budget caps for FY20 and FY21 as well as raises the debt limit through July 2021. Under the bill, defense spending would increase to \$738 billion for FY20 and \$740 billion for FY21, compared with the current level of \$716 billion. Nondefense spending would increase as well to \$632 billion for FY20 and \$634.5 billion for FY21, compared with the current level of \$605 billion. Much of the non-defense increase will go for "big ticket" items – such as the 2020 Census, implementation of the Veterans Choice Act and increased costs for section 8 housing vouchers, making funding available for other domestic priorities very tight in the upcoming Senate appropriations markups. The Senate is scheduled to take up the two-year budget bill this week and it is expected to pass with bipartisan support as it did in the House. The President supports the bill. The passage of this bill clears the way for the Senate to finally begin its work on the annual appropriations bills. Senator Shelby, the Chairman of the Appropriations said he expects his committee to quickly begin marking up bills after the recess. While enactment of this two-year top level agreement will make the path to completion of appropriations more manageable, it is still likely for significant battles over funding priorities throughout the fall.

White House. President Trump has signaled his support for the Bipartisan Budget Act of 2019 despite saying in the past he would never again agree to a large budget deal. White House sources are saying the President agreed to support this deal because it will avoid another shutdown before the election, stop a potential debt default later this year, and it boosts defense spending which Republican leadership strongly supported.

Race for the White House 2020. The Democratic primary saw its hottest week of fighting as candidates gear up for the pivotal second debate in Detroit this week that could be a make-or-break opportunity for several White House hopefuls. The Hill has a debate preview and a roundup of other key campaign news this week.

Last Week in the Nation's Capital

CONGRESS

Health

House Panel Accuses E-cigarette Maker Juul of Targeting Children: A House subcommittee accused Juul Labs of "deploying a sophisticated program" to target children and teenagers, including at schools and summer camp, as part of an effort to become the nation's largest seller of e-cigarettes. ([Washington Post](#))

Senate Drug-pricing Legislation Passes Committee Unscathed: Senate Finance Committee Republicans nearly gutted the core policy in the Senate Finance Committee's major drug-pricing legislation before approving the package last Thursday. ([Modern Healthcare](#))

Pelosi Aide Says Major Bill to Lower Drug Prices Coming in September: A top aide to Speaker Nancy Pelosi (D-CA) said last Monday that House Democrats will unveil their long-awaited bill to lower drug prices in September. ([The Hill](#))

Defense

Senate Confirms Milley as Joint Chiefs Chairman: The Senate easily confirmed Gen. Mark Milley on Thursday to be the next chairman of the Joint Chiefs of Staff, filling a key role at a time of global turmoil. ([The Hill](#))

Cyber

Russia Targeted Election Systems in All 50 States, Report Finds: The Senate Intelligence Committee concluded Thursday that election systems in all 50 states were targeted by Russia in 2016, an effort more far-reaching than previously acknowledged and one largely undetected by the states and federal officials at the time. ([New York Times](#))

GOP Blocks Election Security Bills After Mueller Testimony: Senate Republicans blocked two election security bills and a cybersecurity measure on Wednesday in the wake of former special counsel Robert Mueller warning about meddling attempts during his public testimony before congressional lawmakers. ([The Hill](#))

Justice

Key Takeaways from Robert Mueller's Congressional Testimony: Robert Mueller refused to play the part. Not for Republicans and not for Democrats. In back-to-back hearings before the House Judiciary Committee and the House Intelligence Committee, the former special counsel in the investigation of

Russian interference into the 2016 presidential elections largely honored his pledge to stick to his 448-page report. He often answered questions in a single word. ([AP](#))

Pressley to Introduce Bill to End Death Penalty After DOJ Decision: Rep. Ayanna Pressley (D-MA) will introduce a bill to abolish the death penalty after the Department of Justice announced Thursday that it will resume capital punishment for the first time in nearly two decades. ([The Hill](#))

Homeland Security

Dems Abruptly Pull Border Bill, Avoiding Intraparty Fight: House Democratic leaders on Thursday punted a vote on a sweeping bill that would have overhauled Trump's migrant detention policies, backing away from a major battle within their caucus over immigration on the eve of their six-week summer recess. ([Politico](#))

House Passes Temporary Immigration Protections for Venezuelans: A bipartisan bill to grant temporary relief from immigration enforcement to Venezuelans in the United States passed the House in a 272-158 vote on Tuesday. ([The Hill](#))

House Passes Bill to Update Tax Code to Help Same-Sex Married Couples: The House on Wednesday passed a bill designed to update the tax code so that it provides equal treatment for same-sex married couples. ([The Hill](#))

Transportation

Senate Confirms Former Delta Executive to Lead the F.A.A.: The Senate, on party lines on Wednesday, confirmed Stephen Dickson, a former Delta Air Lines executive, to head the Federal Aviation Administration for a five-year term, giving permanent leadership to an agency embattled over the deadly crashes of two Boeing jets. ([New York Times](#))

Financial Services

Senate Panel Looks at Easing Laws that Restrict the Cannabis Industry's Access to Mainstream Banking Services: U.S. lawmakers are looking at easing restrictions on the cannabis industry's access to mainstream banking services at a Senate hearing Tuesday, as momentum to reform federal marijuana laws builds in Congress. The Senate Committee on Banking, Housing and Urban Affairs will hear from other lawmakers, industry executives and advocates. ([CNBC](#))

Democrats Try to Force Fed's Hand on Faster Payments: A group of House and Senate Democrats have introduced a bill that would require the Federal Reserve to create a real-time payments system. ([American Banker](#))

Space, NASA & NOAA

Key House Appropriator Still Skeptical of NASA's Lunar Plans: The chairman of the House appropriations subcommittee that funds NASA said July 24 he's not yet convinced of the need to accelerate a human return to the moon, citing the cost of doing so. ([Space News](#))

Labor & Workforce

Democrats Push Sweeping Labor Rights Bill: A sweeping labor rights protections bill received its second hearing in front of an Education and Labor subcommittee July 25, but Republican opponents remain unmoved. ([Bloomberg Law](#))

EXECUTIVE BRANCH

Intelligence

Trump Replacing Intelligence Chief Dan Coats with Texas Congressman: Director of National Intelligence Dan Coats will depart the administration in mid-August, President Donald Trump announced in a tweet on Sunday. ([NBC](#))

Health/HHS/NIH

White House Order That Would Cut Drug Prices for Medicare: U.S. President Donald Trump is considering a sweeping executive order that would cut prices on virtually all branded prescription drugs sold to Medicare and other government programs, according to two industry sources who had discussions with the White House. ([Reuters](#))

HHS, Defense to Fund Antibiotic Development for Drug-resistant Infections: Federal health officials will invest nearly \$100 million to develop a new antibiotic that can treat drug-resistant "superbugs" for which there are currently few or no treatment options. ([Modern Healthcare](#))

Labor & Workforce

Trump Picks Son of Former Supreme Court Justice Antonin Scalia as Next Secretary of Labor: President Donald Trump announced last Thursday that he will nominate Gene Scalia, former Justice Antonin Scalia's son, as secretary of labor -- replacing Alex Acosta, who resigned over the fallout from the plea deal he negotiated for Jeffrey Epstein in 2008. ([CNN](#))

Space, NASA & NOAA

NASA to Sole Source Gateway Habitation Module to Northrop Grumman: NASA has quietly decided to give Northrop Grumman a contract to build a “minimal” habitation module for its lunar Gateway after concluding it was the only company that could meet NASA’s schedule. ([Space News](#))

NASA Outlines Plans for Lunar Lander Development Through Commercial Partnerships: As NASA celebrated the 50th anniversary of the first crewed landing on the moon, the agency released new details about how it will procure landers to enable humans to return to the moon in the 2020s. ([Space.com](#))

DOD Comptroller Norquist is Nominated by Trump to be Deputy Defense Secretary: David Norquist was nominated Tuesday by President Donald Trump to be the next deputy defense secretary, a job that he has been doing since January. ([Stars and Stripes](#))

Esper Creates Task Force to Deal with Cancer-Causing Chemicals on Military Installations: On his first full day as secretary of defense, Mark Esper signed a memo establishing a task force to deal with cancer-causing chemicals found on military bases. ([Military Times](#))

Trade

Trump Says Apple Products Won’t Get Tariff Waivers: President Donald Trump said Friday that Apple will not be granted waivers from tariffs on parts and components it imports from China to make its new high-end Mac Pro computer. ([Politico](#))

US Presses WTO to Stop Lenient Trade Treatment of China: President Donald Trump pressed the World Trade Organization on Friday to stop letting China and other economies receive lenient treatment under global trade rules by calling themselves “developing” countries. In a memo, Trump directed U.S. Trade Representative Robert Lighthizer to “use all available means” to get the WTO to prevent countries from claiming developing country status if their economic strength means they don’t need beneficial treatment. ([AP News](#))

Immigration

Trump Administration Expands Scope of Rapid Deportations: The Trump administration has finalized a plan to bypass immigration courts and deport undocumented immigrants who cannot prove they’ve been present continuously in the U.S. for two years or more, according to an announcement Monday. ([Politico](#))

Education

Teacher’s Union Head Calls DeVos Handling of Student Loan Forgiveness Program ‘A Travesty’: The head of the teachers union suing the Department of Education is slamming Secretary Betsy DeVos, calling her mismanagement of the public service student loan forgiveness program a “travesty” and a “betrayal” to millions of Americans. ([The Hill](#))

Energy/DOE

Watchdog Uncovers Cyber Gaps at Radioactive Waste Facility: DOE failed to enact proper cybersecurity controls at one of its radioactive waste management facilities, leaving the site potentially vulnerable to digital attacks, according to an internal watchdog. ([Next Gov](#))

Cyber

Pentagon Picks GOP House Candidate to Lead Cyber Office: The Pentagon has named an unsuccessful Republican congressional candidate to lead a new cybersecurity office, according to a memo obtained by Bloomberg News. ([Bloomberg](#))

Transportation/DOT

DOT Releases List of INFRA Grant Recipients: The U.S. Department of Transportation has chosen the recipients of the Infrastructure For Rebuilding America grants that support highway and bridge projects nationwide. ([Transportation Topics](#))

Automakers, Rejecting Trump Pollution Rule, Strike a Deal With California: Four of the world’s largest automakers have struck a deal with California to reduce automobile emissions, siding with the state in its fight with President Trump over one of his most consequential regulatory rollbacks. ([New York Times](#))

Justice/DOJ

Justice Department Won’t Bring Charges Against Attorney General William Barr, Commerce Secretary Wilbur Ross After Contempt Vote: The Justice Department will not bring charges against Attorney General William Barr and Commerce Secretary Wilbur Ross after the House voted last week to hold them in criminal contempt. ([CNBC](#))

Environment/EPA

Cancer Testing Revamp Races on, Worrying Greens and Industry: EPA leaders are pushing forward with an overhaul of the way the agency evaluates

the dangers of environmental contaminants after a brief consultation with outside scientists — a process that environmentalists claim was rushed and could be misused. Even the chemical industry, which is broadly supportive of the deregulatory fervor of the Trump administration's EPA, fears the agency may be attempting to do too much too soon in its bid to reconsider a set of crucial but complicated protocols. ([E&E News](#))

IRS

The IRS is Warning Thousands of Cryptocurrency Holders to Pay their Taxes: If you own bitcoin or other cryptocurrencies, you might want to check your mailbox. The Internal Revenue Service is in the process of sending letters to U.S. citizens who own virtual currency and potentially failed to pay the necessary taxes and to those who improperly reported taxes on digital assets last year, the agency announced Friday. ([CNBC](#))