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# Window On Washington - June 11, 2018, Vol. 2, Issue 23

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

**August Recess.** Senate Majority Leader McConnell announced last week that the Senate would be cancelling all but the first week of August recess. McConnell had been under pressure from his caucus as well as the President to stay in during August in order to move appropriations bills and pending nominees. This cancellation significantly cuts down on the time that Senators facing reelection in November have to campaign and largely impacts Democrats as 10 Senate Dems are up for reelection in states that Trump won. In response to the cancellation, Senate Minority Leader Schumer said that Democrats would use the time to work on health care which has been identified in some polls as the top issue concerning voters for the 2018 elections. Schumer also urged President Trump to stay in Washington as well during August.

**Opioid Bills.** Both the House and Senate are planning to move legislation related to the opioid epidemic this week. The [House](#) has announced that it will be voting on the floor this week and next week on some of the dozens of bills that have been passed out of the committee level. The [Senate Finance Committee](#) is also planning to take up legislation this week related to role of Medicare and Medicaid in the opioid epidemic and could combine it with other passed legislation in order to bring one large package eventually to the Senate floor.

## Last Week in the Nation's Capital

### CONGRESS

#### *Budget*

**House Passes First Appropriations Bill:** The House passed a roughly \$147 billion three-bill fiscal 2019 spending package on a partisan 235-179 vote, overcoming Democratic objections to environmental policy riders and funding priorities in the GOP-drafted Energy-Water title. The "minibus," which also carries the Military Construction-VA and Legislative Branch measures, is the first of what House GOP leaders expect to be a series of three-bill packages to try to expedite passage of at least a few of the 12 annual spending bills before the new fiscal year begins Oct. 1. ([Roll Call](#))

**House Passes Bill to Rescind \$15 Billion:** The House approved 210-206 President Trump's proposal to revoke \$15 billion in appropriated funds from federal agencies, the first such rescission package since the Clinton administration. Most of the clawbacks would not affect agencies directly, as they deal with money that Congress appropriated that went unspent or that is no longer necessary. ([GovExec](#))

**House Appropriations Update:** The House Appropriations Committee passed its Interior and Environment Appropriations bill which provides \$35.25 billion, equal to the fiscal year 2018 enacted level. The Committee also released its subcommittee draft of the Defense Appropriations bill which provides a total of \$674.6 billion for the Department of Defense. This includes \$606.5 billion in base discretionary funding – an increase of \$17.1 billion above the fiscal year 2018 enacted level and \$0.9 billion below the President's Defense budget request. Next week, the Committee is scheduled to markup its State, Foreign Operations Appropriations bill on the subcommittee level and its Defense and Financial Services Appropriations bills on the full committee level. ([House Appropriations Committee](#))

**Senate Appropriations Update:** The Senate Appropriations Committee passed its Military Construction-Veterans Affairs and Transportation, Housing and Urban Development Appropriations bills. The Military Construction-VA bill includes \$97.1 billion in FY2019 discretionary funding, \$5.1 billion above the FY2018 level. The Transportation, HUD bill provides \$71.4 billion in discretionary spending which is \$1.1 billion above FY2018 enacted levels. Next week, the Committee is scheduled to markup its Interior, Environment; Commerce, Justice, Science; and Legislative Branch Appropriations bills in full committee. ([Senate Appropriations Committee](#))

#### *Tax Reform*

**Blue States Find Ways to Undercut GOP Tax Law:** Residents of some blue states may get a surprisingly big tax cut thanks to workarounds state lawmakers are crafting to subvert a controversial new cap on deductions for state and local taxes. In places like New York, taxpayers will not only be able to claim the same break as before Republicans imposed a new \$10,000 cap on the deduction, but they will also be able to sidestep longstanding federal rules on exactly when the deduction may be taken. The IRS warned last month that it may not allow the maneuvers, and many experts predict the issue will end up in court. Some say the tax agency's announcement will be enough to scare many people from trying to take advantage of the workarounds, though lawmakers in Illinois don't appear to be deterred. The state's Senate pressed forward with its workaround, even after the IRS warning. ([Politico](#))

#### *Justice*

**Trump Signals Possible Support For Bipartisan Marijuana Legislation:** President Trump is signaling he's willing to support a move toward the legalization of marijuana, which would be a departure from the position of his attorney general, Jeff Sessions. Sessions has been known for his vocal opposition to marijuana legalization, calling it a "very real danger" during his Senate confirmation hearing, and saying, "Good people don't smoke marijuana." Speaking to reporters as he left the White House, Trump said, "I probably will end up supporting" bipartisan legislation that would give states wide latitude over marijuana regulation. ([NPR](#))

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## Immigration

**Senate Dems Introduce Bill to Prevent Separation of Families at Border:** The legislation, spearheaded by Democratic Sen. Dianne Feinstein (D-Ca), would only allow children to be separated from a parent if they are being abused, trafficked or if a court decides "it is in the best interests of the child." ([The Hill](#))

## Defense

**Senate NDAA Would Mandate Work on Missile Defenses in Space:** The Senate Armed Services Committee voted behind closed doors on May 23 to require the Pentagon to start developing missile-killing interceptors for deployment in space — whether or not the Pentagon agrees. The provision, by Texas Republican Ted Cruz, has become part of the defense authorization bill being debated on the Senate floor. If the language in the bill were to be enacted into law, it would be the first congressional mandate to develop a space weapon that has long sparked fierce debate, largely because it could cost scores of billions of dollars. ([Roll Call](#))

**House Panel Unveils \$674.6B Pentagon Spending Bill:** The bill would provide \$606.5 billion in base discretionary funding, which is about \$900 million less than the Trump administration requested but \$17.1 billion more than this year's spending level. It would also provide \$68.1 billion for a war fund known as the Overseas Contingency Operations (OCO) account. ([The Hill](#))

## Transportation & Infrastructure

**House Passes Water Infrastructure Bill:** The House last week passed its biennial water resources legislation, providing the Army Corps of Engineers with the authorization to maintain the nation's water infrastructure. The bipartisan bill, titled the Water Resources Development Act of 2018, passed the lower chamber on a 408-2 vote. ([The Hill](#))

## Cybersecurity

**Congress Turns Up Heat on HHS About Cybersecurity Threat Report:** Congress is taking HHS to task about problems with the department's cybersecurity threat report required by the Cybersecurity Information Sharing Act of 2015. The HHS Cyber Threat Preparedness Report (CTPR) "omitted or lacked sufficient detail on many outstanding issues," charged a June 5 letter from the chairmen and ranking members of the House Energy and Commerce Committee and the Senate Health, Education, Labor, and Pensions Committee to HHS Secretary Alex Azar. ([Health IT Security](#))

## Agriculture

**Senate Ag Committee Releases Draft Farm Bill Text:** The Senate Agriculture Committee's draft farm bill would make additional improvements for dairy producers and the Agriculture Risk Coverage program while expanding the Conservation Reserve Program and renewing a research foundation and other popular programs that are slated to run out of money. The Agriculture Improvement Act of 2018, the text of which was released Friday afternoon, also would legalize the production of industrial hemp, a top priority for Senate Majority Leader Mitch McConnell (R-Ky). ([AgWeek](#))

## EXECUTIVE BRANCH

### CFPB

**Mick Mulvaney Fires All 25 Members of Consumer Watchdog's Advisory Board:** The CFPB said it will revamp the Consumer Advisory Board, [known as the CAB](#), in the fall with all new members. The panel has traditionally played an influential role in advising the CFPB's leadership on new regulations and policies. Revamping the board is part of the CFPB's new approach to reaching out to stakeholders to "increase high quality feedback," the bureau said in an email. The CFPB will hold more town halls and roundtable discussions and the new CAB will have fewer members. ([The Washington Post](#))

### HHS

**Trump Seeks to Reorganize Welfare Programs:** The Trump administration is preparing to release a sweeping plan for reorganizing the federal government that includes a major consolidation of welfare programs — and a renaming of the Health and Human Services Department. The report, set to be released in the coming weeks by the White House Office of Management and Budget, seeks to move safety-net programs, including food stamps, into HHS. ([Politico](#))

**Trump Administration Backs Court Case to Overturn Key Obamacare Provisions:** The Trump administration is urging a federal court to dismantle two of the most popular provisions of Obamacare, but to delay taking such drastic action until after the midterm elections this fall. Responding to a lawsuit from conservative states seeking to invalidate the Affordable Care Act, the Justice Department told a judge in Texas that Congress' decision to repeal the penalty for failing to buy health insurance renders unconstitutional other Obamacare language banning insurers from charging people more or denying them coverage based on a pre-existing condition. ([Politico](#))

**NIH Sets Five-Year Plan for Data Science Infrastructure Revamp:** The National Institutes of Health released details of a five-year plan that it said aims to overhaul its data infrastructure, management, and analytical abilities in order to boost NIH's data science capabilities as volumes of health-related data continue to swell in the coming years. ([MeriTalk](#))

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## Labor & Workforce

**States Battle for Workers Amid Low Unemployment:** When Wisconsin officials pitched the Taiwanese manufacturer Foxconn on building a mammoth new factory in their state, they promised billions in tax breaks and other economic incentives, as well as infrastructure to accommodate the facility. Now, as the company prepares to break ground on the plant in Mount Pleasant later this month, Wisconsin is scrambling for one more essential ingredient: Highly trained workers to staff the new production lines. In the years after the Great Recession, a booming economy has sent the unemployment rate to its lowest in decades. Wisconsin, where it stands at just 2.8 percent, is one of 14 states that have set new record lows for unemployment since President Trump was inaugurated. There are now more job openings in the United States than there are jobless workers, the Labor Department said this week. ([The Hill](#))

**National Labor Relations Board's General Counsel Issues Guidance on Employer Handbook Rules:** On June 6, 2018, the National Labor Relations Board General Counsel issued [GC Memorandum 18-04](#), Guidance on Handbook Rules Post-Boeing. In the Memorandum, the General Counsel analyzes various common work rules and employment policies to determine if they violate the National Labor Relations Act under the Board's recent employer-friendly holding in *The Boeing Company*, 365 NLRB No. 154 (2017). Employers should review and revise their employee handbooks and policies to ensure compliance with the GC's guidance and take advantage of the Boeing ruling. ([Clark Hill Insight](#))

## Transportation

**FAA Announces \$677 Million in Infrastructure Grants to 214 Airports:** Department of Transportation Secretary Chao announced the Federal Aviation Administration awarded \$677 million in airport infrastructure grants, the first allotment of the total \$3.18 billion in Airport Improvement Program funding for airports across the United States. The 241 grants will fund 346 infrastructure projects that include runways, taxiways, aprons, and terminals. ([EIN News](#))

**INFRA Grants Address Congestion, Corridor Expansion:** The most recent spate of Infrastructure For Rebuilding America grants will support some major mobility and capacity projects throughout the country. The INFRA program makes \$1.5 billion available to support highway and bridge projects nationwide. House Transportation and Infrastructure Committee leaders on June 5 released a list of the 26 projects that will receive grants. ([Transport Topics](#))

## Banking & Housing

**Behind The Scenes Of The Bruising Bank Fight That Divided Senate Democrats:** After spending 18 months lambasting the president for showering money on the superrich and pursuing a racist agenda, more than a third of the Democratic Senate caucus voted for a bill that will swell the fortunes of bank shareholders and executives as it weakens protections for consumers and could allow for more racial discrimination in the housing market. HuffPost spoke with more than a dozen Democratic senators, aides and advocates about what happened behind the scenes as the bill made its way to Trump's desk. Most requested anonymity in order to speak candidly about an emotionally charged battle between friends and allies. ([Huffington Post](#))

**Reg Relief's Done. What's Next for Banks?:** Now that Senate reg relief bill sponsored by Banking Committee Chairman Mike Crapo is law, Republican lawmakers are expected to prioritize consideration of additional measures originating in the House to scale back banking rules. It is also possible that some lawmakers may try to channel the momentum from the Crapo bill into progress on other pending issues, such as reforming anti-money-laundering rules mandated by the Bank Secrecy Act and the still-unfinished chore of overhauling the housing finance system dominated by Fannie Mae and Freddie Mac. But the window for any additional legislative progress on banking policy is narrowing just months before lawmakers turn their full attention to the midterm elections, and Congress may have less appetite for additional financial reforms after passage of the Crapo bill. ([American Banker](#))

## DOE

**Department Of Energy Announces 10 Projects to Support Advanced Nuclear Reactor Power Plants:** The U.S. Department of Energy (DOE) announced up to \$24 million in funding for 10 projects as part of a new Advanced Research Projects Agency-Energy (ARPA-E) program: Modeling-Enhanced Innovations Trailblazing Nuclear Energy Reinvigoration (MEITNER). MEITNER teams will identify and develop innovative technologies that enable designs for lower cost, safer, advanced nuclear reactors. ([ARPA-E News](#))

## Cybersecurity

**DISA, Worried About Cyberattacks, Looks to the Cloud:** How do you protect millions of users surfing the web on the most targeted network in the world? To address the issue, the Defense Information Services Agency has begun to consider the potential of cloud computing. A recent request for information by DISA explores the feasibility of an enterprise cloud-based internet isolation capability that "would provide defense against a variety of attacks that exploit DoD networks and compromise end clients ([Fifth Domain](#))

**Report Says America has Most Vulnerable Web:** The internet in the United States is the most vulnerable in the world, according to a study released June 7, a digital call to arms for government and private security firms to secure the web. The United States scored the highest in nearly every "exposure" measure conducted by the firm Rapid7, including the number of IP addresses, amplification-prone services and exposed endpoints. ([Fifth Domain](#))

## DOJ

**Office of Justice Programs Offers Grants To Serve Child And Youth Victims Of Opioid Crisis:** The Office of Justice Programs has released grant solicitations making \$47 million available to help children and youth affected by the nation's opioid crisis. The programs are intended to address the

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troubling increase in foster care placements, hospital visits and justice system entanglement attributable to the crisis. ([Office of Justice Programs Newsroom](#))

*Space, NASA & NOAA*

**Poll Shows More Public Support for NASA Science Programs Than Human Exploration:** A new poll finds that the American public broadly supports NASA but thinks the space agency should be focused more on Earth science and planetary defense than human missions to the moon or Mars. The study by the Pew Research Center, released June 6, also showed support for private space ventures among the general public, but with concerns that such companies won't be able to minimize the creation of space debris. ([Space News](#))

**Bridenstine Emphasizes Partnerships with Industry to Achieve NASA Goals:** NASA will need to partner with industry wherever possible to maximize its ability to carry out its exploration and science goals while maintaining internal capabilities to build launch vehicles and spacecraft, the agency's new administrator said. In an hour-long roundtable with reporters at NASA Headquarters June 6, Jim Bridenstine repeatedly emphasized that the agency must take advantage of commercial capabilities to be more efficient as it carries out more ambitious exploration objectives. "The goal is to maximize the utility of every dollar that we spend, and taking advantage of commercial is the best way we can do that," he said. ([Space News](#))

*Trade*

**Trump Says Trade Should be 'Tariff Free' Between G-7 Nations:** "No tariffs, no barriers, that's the way it should be — and no subsidies," the president said at a press conference. Trump's statements come amid historic tensions over trade between the United States and the other G-7 nations, which include America's closest allies — the United Kingdom, Italy, Canada, Germany, France and Japan. ([CNBC](#))

*DHS*

**DHS Releases Soft Target and Crowded Places Security Enhancement and Coordination Plan:** Too often, we see news about attacks on ordinary people who are simply going about their everyday lives around the world, and even here at home. While the Department of Homeland Security (DHS) remains vigilant about preventing terrorist attacks on traditional targets and high profile events, it's equally important that DHS focus on securing soft targets. These are places where people gather freely, like music festivals, houses of worship, or shopping centers, which are easily accessible and often have minimal security, potentially making it easier and cheaper to carry out an attack. Given recent trends, the DHS has redoubled its efforts, including publicly releasing the DHS Soft Target and Crowded Places Security Plan Overview. ([DHS.gov](#))

**Homeland Security Wants New Powers to Surveil and Destroy Drones in U.S. Airspace:** The U.S. Department of Homeland Security is asking Congress to pass new legislation that would expand the agency's power to surveil, research, and attack drones in U.S. airspace. Hayley Chang, DHS deputy general counsel, testified that there are a number of things that DHS "can't do currently" because of outdated laws that have the potential to jeopardize America's national security. In written testimony, DHS said that terrorist groups are using small drones to conduct attacks overseas and called the potential for attacks on U.S. soil a "looming threat." ([Gizmodo](#))