

Window On Washington - May 13, 2019, Vol. 3, Issue 20

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Outlook for This Week in the Nation's Capital

Congress. The House this week will likely take up HR 5, the Equality Act legislation, as well as HR 987, which is actually seven separate bills that have been combined into one larger piece of legislation that addresses a number of issues from health care coverage to prescription drug pricing. House Judiciary Chairman Nadler announced that special counsel Robert Mueller will not testify this week as he had hoped, as negotiations with him and the DOJ will take more time. Late last week, the House passed another version of an FY19 disaster supplemental appropriation bill, with several dozen Republicans in support, however the Senate failed to take up and pass a similar bill. The Senate will supposedly try again this week to pass such a bill in the face of growing discontent, if lingering differences with the White House can be resolved.

White House. President Donald Trump on Friday sought to ease concerns about his administration's failure so far to reach a trade deal with China, tweeting that despite a new round of tariffs that went into effect overnight, there is "no need to rush" negotiations with Beijing. He also suggested that there was a simple solution for manufacturers concerned about the penalties: "Build your products in the United States and there are NO TARIFFS!" This week will also see an escalating battle between the White House and the Democrats in the House, after the House Ways and Means Committee last Friday subpoenaed the Treasury Secretary and IRS Commissioner for six years of the President's tax returns. The President's lawyers and White House are expected to challenge the move and have argued that Democrats' request does not serve a legislative purpose, an argument the administration made in its rejection of Democrats' initial request.

Budget & Appropriations. The House passed a second disaster aid bill last Friday, totaling \$19.1B, a significant increase (almost \$5B) over the bill passed in January which reflects additional funding for Midwest storm damage and flooding which occurred after the first bill was passed. The President, and more importantly his Chief of Staff Mick Mulvaney, continues to take a very hard line in budget and appropriations negotiations with the Senate, over additional Puerto Rico funding and his desire to use some of this funding for "emergency" border security funding, which the Democrats oppose. The House appropriators meanwhile continued last week to move FY20 bills through full committee, passing the first three bills (Labor/HHS/Education, MilCon/VA, Leg. Branch), and this week the Committee has announced that subcommittees will be marking up the Defense, Energy and Water and Interior/Environment Appropriations bills for FY20. The Senate Appropriations Committee has indicated that it will not likely begin marking up bills until June, awaiting an agreement on their own notional FY20 spending caps, likely to be slightly above FY19, but below the numbers the House is using.

Last Week in the Nation's Capital

CONGRESS

Health

Trump Aide Sees Room for Talks on Democrats' Opioid Bill: Democrats got a surprising compliment from the Trump administration's top drug control official at a Thursday hearing as they discussed boosting opioid addiction treatment funding, while Republicans promoted efforts to stem illegal drugs through securing the southern border. Office for National Drug Control Policy head Jim Carroll left the door open to potentially negotiating a bipartisan solution with the bill's sponsors, a bill that would authorize up to \$100B in additional funding over the next 10 years. ([Roll Call](#))

GOP Senators Warn Drug Price Controls Could Come: Two Republican senators last week Tuesday issued sharp warnings to the pharmaceutical industry about price controls. The GOP-led Senate Judiciary Committee hearing on Tuesday showed that the Trump administration's idea of an international reference model, aimed at just a subset of Medicare drugs, has transformed at least some Republican thinking on the drug-pricing policy debate. ([Modern Healthcare](#))

Defense

House Panel Advances Bill to Block Military Construction Funds for Border Wall: The House Appropriations Committee on Thursday advanced a bill that would prohibit using military construction funds on a border wall. The prohibition is included in the fiscal 2020 military construction and veterans affairs appropriations bill, which the committee advanced in a largely party line 31-21 vote. Rep. Will Hurd (R-Texas) voted with Democrats in support of the bill. ([The Hill](#))

Judiciary

Nadler Accuses Trump of 'Direct Assault on the Constitutional Order' in Letter to DOJ: Judiciary Committee Chairman Jerrold Nadler (D-N.Y.) wrote to Attorney General William Barr on Friday equating President Trump's decision to assert executive privilege over special counsel Robert Mueller's unredacted report and underlying evidence as a "direct assault" on the Constitution. ([The Hill](#))

House Panel Approves Contempt for Barr After Trump Claims Privilege Over Full Mueller Report: The House Judiciary Committee voted Wednesday to recommend that the House hold Attorney General William P. Barr in contempt of Congress for failing to turn over Robert S. Mueller III's unredacted report, hours after President Trump asserted executive privilege to shield the full report and underlying evidence from Congress. ([Washington Post](#))

Tax

Dems Say NYT Report on Trump's Business Losses Boosts Need to See President's Tax Returns: Congressional Democrats are seizing on a [New York Times article](#) published Tuesday that found President Trump reported more than \$1 billion in business losses from 1985 to 1994, saying the report enhances the need for the Trump administration to comply with their request for Trump's recent tax returns. ([The Hill](#))

Reviving Expired Tax Extenders Could Cost \$150 Billion: On May 8, the Center for a Responsible Federal Budget (CRFB) joined with 11 other organizations in asking congressional leaders to ignore calls to revive temporary special-interest tax breaks known as "tax extenders." The signatories span the political spectrum, but all agree that bringing back temporary tax breaks on a retroactive basis is bad tax, fiscal, and policy. ([CRFB](#))

Immigration

House Democrats Want to stop Trump from Returning Asylum Seekers to Mexico to Wait: Usually, opponents of President Trump's immigration policy can rely on the federal courts — especially the Ninth Circuit Court of Appeals on the West Coast — to block new policies designed to crack down on asylum seekers trying to enter the United States and unauthorized immigrants currently living here. ([Vox](#))

EXECUTIVE BRANCH

Health/HHS/NIH

NIH Gives First Look at "All of Us" Precision Medicine Research Health Database: When the National Institutes of Health announced the All of Us initiative in 2015, it kicked off the largest health and medical research program on precision medicine with the goal of collecting health data on 1 million people. To date, more than 192,000 people have enrolled, including more than 143,000 participants who have completed all of the initial steps of the program. The NIH announced on Monday the beta release of its interactive data browser to provide a preview of the data that study participants are sharing for health research. ([Fierce Healthcare](#))

Homeland Security

Top US General: Pentagon, DHS Working on 'Multiyear Plan' for Border: The chairman of the Joint Chiefs of Staff said that the Pentagon is working with the Department of Homeland Security to develop a "multiyear plan" for the border, suggesting that active duty and National Guard troops will be deployed to the southern border for the remainder of President's Trump's first term. ([The Hill](#))

Labor & Workforce

DOL Guidance: Gig Economy Workers Are Independent Contractors: The Department of Labor issued guidance which provides that workers for a gig economy platform that connects service providers with clients are independent contractors and not employees. The guidance focused on an unnamed gig economy business, but provided that it is in a class of smart phone or web-based businesses offering platforms that pair customers with workers who provide certain services. The described business model would include ride-hailing apps like Uber and Lyft, cleaning apps like Handy, dog walking apps like Wag or Rover, general labor apps like TaskRabbit, as well as others. ([Clark Hill Insight](#))

Companies Grappling with Department of Labor Enforcement, Other Employee Issues: Employers report feeling very little relief from federal regulation and enforcement, according to the Littler Annual Employers Survey, 2019. The annual survey also finds companies focusing on preventing harassment and pay inequality in the second year of the #MeToo movement. ([Industry Week](#))

Energy

Perry Warns of 'Triple Whammy' in Call to Support Coal, Nuclear Plants: In a hearing on the Department of Energy's FY 2020 budget this week, Energy Secretary Rick Perry amplified his call for policies to keep retiring coal and nuclear plants online to protect against security risks and extreme weather. Perry said he is concerned about a "triple whammy" of extreme cold weather, cyberattacks on the power grid and physical attacks on gas pipelines. ([Clark Hill Insight](#))

Defense

Trump Officially Nominates Patrick Shanahan as Defense Secretary: President Trump plans to nominate Patrick Shanahan as the next secretary of defense, press secretary Sarah Sanders said in a statement last week. Shanahan has been the acting defense chief since January. ([CBS](#))

Banking & Financial Services

CFPB Issues 21st Century Proposed Debt Collection Rules: Regulation F looks to Provide Clarity to the FDCPA: Last week, the Consumer Financial Protection Bureau issued its long-awaited Notice of Proposed Rulemaking for debt collection. These proposals precede a final rule, that will be known as Regulation F, and will be the first rules issued under the tenure of Director Kathleen Kraninger. ([Clark Hill Insight](#))

Trade

U.S. Escalates Trade War Amid Negotiations, China Says it will Hit Back: The United States escalated a tariff war with China last Friday by hiking

levies on \$200 billion worth of Chinese goods amid last-ditch talks to rescue a trade deal, as President Trump signaled that talks could drag on beyond the week. ([Reuters](#))

Cyber

Chinese Spies Stole NSA Hacking Tools, Report Finds: Chinese hackers acquired and used National Security Agency hacking tools in 2016 and used them to carry out cyberattacks, [a new report has found](#). ([CNN](#))

New Authorities Mean Lots of New Missions at Cyber Command: Leaders at U.S. Cyber Command have used new authorities to conduct more cyberspace operations in the last few months than in the previous 10 years, senior Department of Defense officials said. ([Fifth Domain](#))

Immigration

White House May include mandatory E-Verify in Immigration Proposal: The White House is considering including mandatory nationwide E-Verify in its proposal to reform the legal immigration system, according to three people briefed on the plan. ([Politico](#))

Space, NASA & NOAA

Administration Still Working on Revised Budget Proposal for 2024 Lunar Goal: NASA officials said May 8 the administration is still one to two weeks away from delivering a revised budget proposal to land humans on the moon by 2024, amid growing frustration from members of Congress after the initial estimate from NASA Administrator Jim Bridenstine in testimony before the House Science Committee in March was that they could perhaps have the revised budget request completed by April 15. ([Space News](#))

Black Hole Photos Could Get Even Clearer with Space-Based Telescopes: Astronomers at Radboud University in the Netherlands have recently shared their plans to work with the European Space Agency and others to get a better look at black holes by placing two to three satellites in a circular orbit around Earth. The concept is called the Event Horizon Imager. ([Space.com](#))

FEC

FEC Lays Bare Internal Conflicts and Challenges in Letters to Congress: The Federal Election Commission's four leaders are offering lawmakers clashing perspectives on the agency's very purpose. ([The Center for Public Integrity](#))

Transportation

GAO Report Highlights Priorities for Department of Transportation: The Government Accountability Office (GAO) recently published a [report](#) highlighting 16 open recommendations for the U.S. Department of Transportation. ([GAO](#))

EPA

EPA Announces Availability of \$2.6 Billion in New Funding to Improve Water Infrastructure Across the United States: The Environmental Protection Agency announced the availability of \$2.6 billion in new funds to assist states, tribes and territories with improving drinking water and wastewater infrastructure across the country. This funding advances President Trump's efforts to rebuild the country's aging water infrastructure, create local jobs, and ensure all Americans have safe and clean water. ([EPA Press Release](#))