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Outlook for This Week in the Nation's Capital

Appropriations Update. The House has no plans to mark up the FY 21 spending bills until Congress passes its next COVID-19 relief bill, which will be challenging, as Republicans have expressed little interest in negotiating a new response package anytime soon. The Senate aims to mark up certain spending bills by the end of June and plans to wrap-up the remaining bills shortly after the July 4th recess. Both chambers share a bipartisan interest in drawing up legislation that provides additional veterans' health care funding that's exempt from budget caps. However, President Trump is reportedly "neutral" to the idea, as House Minority Leader Kevin McCarthy (R-CA) has expressed his opposition.

The House. The House, which has votes planned only on Wednesday and Thursday this week, will consider bipartisan legislation that would make the small-business Paycheck Protection Program (PPP) more flexible and extend the time limit for using the aid. This legislation is similar to the Senate's PPP Extension Act, which was introduced in the upper chamber last week. The House may also take up a bipartisan amendment to surveillance legislation that fell one vote short of adoption by the Senate, as well as a bill that would impose sanctions on Chinese officials over human rights abuses against Muslim minorities. The votes will represent the first time in the chamber's history that proxy voting will be used on the floor.

The Senate. Before recessing for this week, Senators last week introduced a number of standalone bills in response to the COVID-19 pandemic, including the SMART Act, the Skills Renewal Act, the PPP Extension Act, and the Paycheck Security Act. The SMART Act, which was also introduced in the House and has bipartisan support in both chambers, would provide \$500 billion in emergency funding for state and local governments while prioritizing assistance to hardest hit areas. The bipartisan Skills Renewal Act would create a refundable tax credit of up to \$4,000 to help unemployed individuals pay for any necessary career training as the economy recovers.

The bipartisan PPP Extension Act would extend the deadline to apply for a PPP loan until the end of the year, expand the accepted use of funds, and provide other flexibilities. As mentioned above, a similar bill is being considered in the House this week. The Paycheck Security Act, introduced by a group of Senate Democrats, would leverage the Employee Retention Tax Credit to secure paychecks and benefits for employees while providing small businesses with financial assistance to cover fixed operating costs over the next six months. While no specific bill has been introduced to address liability protections, Senate Majority Leader Mitch McConnell (R-KY) has stated that a liability limit is the Republicans' "red line" priority in the next relief package.

2020 Election Battlegrounds. National Journal recently published a helpful [deck](#) providing an overview of which states have been most key in recent presidential elections. It also includes information on the swing states that will decide the 2020 election including competitive regions, polling, and analysis.

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

GOP Faces Internal Conflicts on Fifth Coronavirus Bill: While a growing number of GOP senators say they should move quickly, deep divisions remain within the caucus on everything from key policy provisions and timing to if another bill should be passed at all. ([The Hill](#))

Senate Leaves for Memorial Day Break; Full June Agenda Awaits on Return: Before wrapping up the chamber's business last Thursday, Senate Majority Leader Mitch McConnell (R-KY) said that next month, the Senate will work on the fiscal year 2021 defense authorization bill and is expected to take up a public lands package. ([Roll Call](#))

Top Republican Pushes Trump to Greenlight Budget Fix for VA Health Care: Sen. Richard Shelby (R-AL), the chairman of the Senate Appropriations Committee, met with President Trump and White House staff last week to convince the President to declare the VA Mission Act as emergency spending. However, after President Trump discussed the idea with House Minority Leader Kevin McCarthy (R-CA), who is opposed to the idea, Shelby reported that the President is "neutral." ([Politico](#))

Health

HHS Watchdog Who Reported Medical Shortages to Testify Before House Panel: Christi Grimm, the HHS principal deputy inspector general, will testify before the House Oversight Committee during a remote briefing today. ([The Hill](#))

Labor & Workforce

Senate Deal on Small-Business Loan Fixes on Hold, For Now: The Senate reached an agreement on a bipartisan proposal to amend the PPP to give small-business owners double the time to spend loan funds and still have their debts wiped clean, though they were unable to pass it before the recess. The House plans to vote on a similar bill this week, and if lawmakers can smooth out differences between the two measures, the Senate might vote during a pro forma session next week, according to Sen. Ben Cardin (D-MD). ([Roll Call](#))

Clash Over Government Role in Worker Safety Intensifies as Businesses Reopen: Democrats and unions are trying to compel the Trump administration to aggressively police workplace safety as businesses from auto plants to retail stores begin reopening across the country. ([Politico](#))

Banking & Housing

Fed's Powell Rejects Senator's Criticism of BlackRock Aid Role: Federal Reserve Chairman Jerome Powell rejected Senator Martha McSally's (R-AZ) criticism of BlackRock Inc.'s involvement in coronavirus-relief efforts because of its interests in China, saying the central bank's sole focus was on supporting American jobs. ([Bloomberg](#))

Agriculture

Fudge, Costa, and Plaskett Push USDA for Answers on Food Box Contracts: House Agriculture Subcommittee on Nutrition, Oversight and Department Operations Chair Marcia Fudge (D-OH), Subcommittee on Livestock and Foreign Agriculture Chair Jim Costa (D-CA), and Subcommittee on Biotechnology, Horticulture, and Research Chair Stacey Plaskett (D-USVI) formally requested information from Secretary Sonny Perdue last Thursday on USDA's Farmers to Families Food Box Program. The letter comes amid reports of contracts under the program awarded to companies with little to no experience in agriculture and food distribution. ([Rep. Costa Press Release](#))

Justice

Graham Announces Vote on Subpoenas for Comey, Obama-Era Intel Officials: Senate Judiciary Committee Chairman Lindsey Graham (R-SC) announced that his panel will vote June 4 on a subpoena authorization to review documents and communications and solicit testimony from an array of senior Obama-era officials, including former FBI Director James Comey. ([The Hill](#))

Environment/Interior

EPA's Wheeler Grilled by Democrats over Environmental Rollbacks Amid COVID-19: Democrats seized on a number of recent regulations that would roll back air protections, including seven that have been proposed or finalized during the coronavirus pandemic, according to a report from Sen. Tom Carper (D-DE), ranking member of the Senate Environmental and Public Works Committee. ([The Hill](#))

Cyber

Top Commerce Republicans Grill TikTok Parent Company: Two key Republican members of the House Energy and Commerce Committee on Thursday grilled TikTok's parent company over data privacy concerns and its ties to China. ([The Hill](#))

Education

Key U.S. Senator Upbeat About Campus Reopenings: Sen. Lamar Alexander (R-TN) said he viewed the opening of schools and college campuses this fall as essential to restoring the American economy and society to a "sense of normalcy." ([Inside Higher Ed](#))

Transportation

The Auto Industry Faces Challenges Worse Than in 2008, Lawmakers Say: If automakers fail to successfully restart — and bring in some much-needed cash, it could mean the loss of thousands of jobs and an economic crisis for the industry integral to North America. And it could force Congress and the Trump administration to step in with money. ([Politico](#))

Action on Driverless Cars Hits Speed Bump as Congress Focuses on Pandemic: Progress on federal legislation to regulate self-driving cars has hit a speed bump during the COVID-19 pandemic as Congress shifts its focus to other issues. ([The Hill](#))

Democrats Raise Ruckus Over Demoted Transportation Watchdog: Three high-ranking House Democrats on Tuesday demanded to know why an acting inspector general at the Department of Transportation was abruptly removed in favor of a political appointee. ([Roll Call](#))

Defense

Progressive Lawmakers Push to Slash Defense Budget During Pandemic: A bloc of progressive House lawmakers wants to slash the Pentagon's budget in defense policy legislation, arguing extra money that would go toward military hardware would be better spent fighting the coronavirus. ([Politico](#))

Senate Confirms Ratcliffe to Lead Intelligence Community Under Fire: Rep. John Ratcliffe (R-TX) was confirmed Thursday as President Trump's top intelligence official on a party-line Senate vote, putting the Texas Republican into the center of a political firestorm over the FBI's prosecution of Michael Flynn and its Russia investigation. ([CNN](#))

Homeland Security/Immigration

USCIS Seeks \$1.2 Billion from Congress: U.S. Citizenship and Immigration Services has requested \$1.2 billion in emergency funding due to a drastic decline in green card and other visa applications that could drain its fee-based coffers by this summer. ([Roll Call](#))

Space/NASA & NOAA

Senate Committee Approves NOAA Nominee, But Questions Remain: The Senate Commerce, Science, and Transportation Committee approved the nomination of Neil Jacobs to be Administrator of NOAA last Wednesday, but the committee's top Democrat said she is not committing to voting for him once it reaches the Senate floor. Jacobs has been acting administrator for more than a year now and was in charge during Hurricane Dorian and "Sharpigate." ([Space Policy Online](#))

EXECUTIVE BRANCH

Budget and Appropriations

Mnuchin Sees 'Strong Likelihood' of Needing Another COVID-19 Relief Bill: Treasury Secretary Steven Mnuchin said last Thursday said there is a "strong likelihood" that another coronavirus relief bill will be needed as more states start to reopen and the economy struggles to stabilize. ([The Hill](#))

Health/HHS/NIH

U.S. Secures 300 Million Doses of Potential AstraZeneca COVID-19 Vaccine: HHS agreed to provide up to \$1.2 billion to accelerate British drug maker AstraZeneca's vaccine development and secure 300 million doses for the United States. ([Reuters](#))

CDC Acknowledges Mixing Up Coronavirus Testing Data: The CDC acknowledged last Thursday that it is combining the results from viral and antibody COVID-19 tests when reporting the country's testing totals, despite marked differences between the tests. ([The Hill](#))

Trump to Send \$5B To Nursing Homes for COVID-19 Help: HHS will distribute \$5 billion to nursing homes to help increase testing capacity, purchase protective equipment for staff, hire more workers and cover other pandemic-related expenses. ([The Hill](#))

Defense/DOD

Trump to Withdraw from Open Skies Treaty: President Trump plans to withdraw from another major arms control agreement, the Open Skies Treaty, citing Russia's violations of the pact. ([The Hill](#))

Leaked Pentagon Memo Warns of 'Real Possibility' of COVID-19 Resurgence, Vaccine Not Coming Until Summer 2021: The Defense Department should prepare to operate in a "globally-persistent" novel coronavirus (COVID-19) environment without an effective vaccine until "at least the summer of 2021," according to a draft Pentagon memo. ([Task and Purpose](#))

EPA/Interior

EPA Watchdog May Probe Agency's Response to California Water Issues: At issue is what California lawmakers described as "inconsistencies" in how the agency has responded to California water quality issues compared to those in other states, an issue the EPA's Office of Inspector General said last Thursday it may investigate. ([The Hill](#))

Dept. of Education

DeVos Faces Pushback over Plan to Reroute Aid to Private School Students: Congressional Democrats have accused U.S. Education Secretary Betsy DeVos of trying to reroute hundreds of millions of dollars in coronavirus aid money to K-12 private school students. ([AP](#))

Labor and Workforce

Unemployment Claims Rise by 2.4 Million as States Try to Open for Business: Another 2.4 million workers filed new unemployment claims last week, DOL reported, suggesting that the economic pain from the coronavirus is continuing even as states begin to allow businesses to reopen. The coronavirus has forced nearly 39 million Americans out of work and onto state jobless benefit rolls in nine weeks. ([Politico](#))

Justice

The Justice Department is Pressuring State and Local Officials over Lockdown Orders: The Justice Department's signals — a statement of interest backing a lawsuit against Illinois Gov. J.B. Pritzker's lockdown order, and letters to both Los Angeles officials and California's governor — are part of an initiative announced last month by Attorney General William Barr meant to monitor and take legal action against any state or local ordinances that represent an "overbearing infringement of constitutional and statutory protections." ([Vox](#))

Agriculture/USDA

USDA Announces Details of Direct Assistance to Farmers: Secretary Sonny Perdue announced the details of the \$16 billion Coronavirus Food Assistance Program last Tuesday, which provides direct payments to farmers and ranchers. Some types of crops aren't automatically eligible for aid though, including hemp, but those producers are permitted to make their case for eligibility if they meet certain criteria set by the agency. ([USDA Press Release](#))

USDA to Provide \$1 Billion in Loan Guarantees for Rural Businesses and Ag Producers: Secretary Sonny Perdue announced on Friday the availability of up to \$1 billion in loan guarantees to help rural businesses meet their working capital needs during the coronavirus pandemic. ([USDA Press Release](#))

USDA, FDA Strengthen U.S. Food Supply Chain Protections During COVID-19 Pandemic: In a Memo of Understanding shared last Tuesday, the USDA and FDA shared the possibility of invoking the Defense Production Act (DPA) to be expanded to other food facilities and farms within the FDA's jurisdiction. ([USDA Press Release](#))

USDA, FDA Advise Businesses in Need of Protective Equipment: In a joint announcement Friday, the USDA and FDA said manufacturers and suppliers should treat orders from the food and agriculture industries as priorities after filling orders from hospitals, retirement homes, long-term care, hospice and other health care-providing establishments, as well as the emergency responder community. ([Roll Call](#))

Space/NASA & NOAA

SpaceX, NASA Give Final 'Go' for Historic Astronaut Launch Wednesday: Elon Musk's company plans to launch a pair of NASA astronauts on Wednesday — the first crewed mission in SpaceX history. The mission is called Demo-2, as technically it is the final test flight of the company's spacecraft. But, regardless of the nature of the mission, Demo-2 will be the first launch of NASA astronauts from the U.S. since 2011. ([CNBC](#))

NASA Commercial Crew Launch Preparations Continue Despite Leadership Shakeup: Preparations for the launch of a SpaceX commercial crew test flight scheduled for this Wednesday with two NASA astronauts on board are continuing despite the unexpected departure of the head of the agency's overall human spaceflight program. ([Space News](#))

Here's Why NASA's Chief of Human Spaceflight Resigned—and Why it Matters: On Tuesday of last week, NASA announced that its Chief of Human Spaceflight, Doug Loverro, had resigned after just six months of working at the space agency. This news, coming just eight days before NASA's first launch of humans in nine years, has rocked the civil aerospace community and kicked up a flurry of rumors. ([Ars Technica](#))

New Space Command HQ Criteria Benefits Handful of States and Estimates on Pandemic Hit to Space Industry: States like Alabama, Texas and Florida stand to benefit, according to a leading analyst who examined the expanded set of criteria released last week. Also Rocket Lab CEO predicts small launch providers and "new space sectors" like asteroid mining are going to see the most amount of disruption from the pandemic caused economic slow-down and reduction in venture capital. ([Politico Space](#))

Bridenstine Criticizes China for Uncontrolled Rocket Reentry: NASA Administrator Jim Bridenstine criticized China last week for the recent "really dangerous" reentry of a large rocket stage that led to debris landing in Africa, calling it behavior that was contrary to the norms of behavior for space activities NASA sought to endorse through its Artemis Accords. ([Space News](#))

Baking & Housing/HUD

U.S. Housing Finance Regulator Unveils New Capital Framework for Fannie, Freddie: The Federal Housing Finance Agency unveiled last Thursday a proposed rewrite of rules that would establish a bank-like capital regime for Fannie and Freddie and require them to establish capital cushions worth hundreds of billions of dollars. ([Reuters](#))

Fed's Powell says \$600 billion Main Street Lending Program and remaining initiatives will begin by June: The four Federal Reserve lending programs that are not yet operational will begin issuing emergency loans by the end of the month, Chairman Jerome Powell said last Tuesday. ([Business Insider](#))

Transportation/DOT

In an Upside-Down World, Alaska Briefly Had Busiest U.S. Airport: Sitting about halfway between Asia's industrial centers and North America, Ted Stevens Anchorage International has been booming with cargo shipments, including loads of masks and other medical equipment, aboard planes stopping to refuel. ([Bloomberg](#))

Tax Reform/IRS

IRS Recalling More Employees Starting June 1: The IRS is requiring some of its workforce to get back to their jobs after having been evacuated at the end of March due to the coronavirus pandemic, IRS Commissioner Chuck Rettig said last Tuesday. ([Politico](#))

DHS/Immigration

Trump Expected to Broaden Foreign Worker Bans: President Trump is expected to extend and expand restrictions on foreign workers coming into the United States during the coronavirus pandemic, aiming to appease a frustrated political base as Americans try to return to work. ([Politico](#))