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Outlook for This Week in the Nation's Capital

All Eyes on the Midterm Elections: Washington waits and holds its breath to see what the nation's voters do on Tuesday the 6th – control of the House and Senate are in the balance, with Nate Silver's 538 site giving the Democrats a roughly 85% chance of capturing the House, and a similar likelihood of the Senate staying in Republican hands, however the margins in the Senate are slim and just a couple surprise results could again make the pollsters look bad. What message will the results send, how will it affect the Congress' "lame duck" session and remaining legislative business, as well as the looming House and Senate leadership elections, and how will the results be spun by the White House are all outstanding questions....

Recess. The House and Senate remain in recess and are scheduled to return on November the 13th, the week after the midterm elections.

White House: President Trump continues to barnstorm around the country, making appearances in key states for Republican candidates, as has former President Obama, who was in Miami and Atlanta before the weekend hoping to drive higher minority turn out. The rhetoric between the two continues to remain sharp, and both believe they can make a difference in key battleground states. On Monday, the President will headline rallies in Cleveland, Ohio, and Fort Wayne, Indiana, before returning to Washington.

Last Week in the Nation's Capital

CONGRESS

Budget

What's Driving Federal IT, Acquisition in 2019 and Beyond? FY20 Could See Budget Reversals: Agencies may just remember fiscal years 2017 through 2019 as the best of times. Money was flush — generally speaking — with some agencies actually not being able to spend everything they received in 2018. Congress and the president actually got spending bills done almost on time and not six months into the fiscal year. The threat of shutdown was minor. So as agencies finalize their 2020 budget requests—agency passback guidance usually is ready by Thanksgiving—there is a real expectation that the "do more with less" mantra will return in force. ([Federal News Network](#))

Health

What We Don't Know About Bernie's Favorite Healthcare Idea: Since Bernie Sanders made "Medicare-for-all" a central plank of his wildfire presidential campaign, support for a once-fringe idea has exploded. Democratic senators with eyes on the 2020 presidential contest – including Cory Booker, Kirsten Gillibrand and Kamala Harris – have conspicuously lined up as co-sponsors of the "Medicare-for-all" legislation that Sanders introduced last year; a similar proposal in the House has 123 co-sponsors. All of those politicians are Democrats, but among voters, support appears to cross the aisle: A recent Reuters/Ipsos poll showed that "Medicare-for-all" was supported by 70 percent of American adults, including a slight majority of Republicans. It's easy to understand the political appeal of a phrase that invokes the broadly popular Medicare program and promises new benefits for everyone. But scratch beyond the slogan, and "Medicare-for-all" starts to raise more questions than it answers. ([Politico](#))

Tax Reform

What a Democratic House Would Mean for Your Taxes: Last year, without a single Democratic vote, Congress reshaped the tax code, lowering individual tax rates, dropping the corporate tax rate to 21% from 35%, doubling the estate tax exemption, curtailing some deductions and revamping how businesses are taxed. Now, Democrats are favored to regain control of the House in Tuesday's election. If they do, what will it mean for taxes? Here's what Democratic control won't mean: a repeal of the Tax Cuts and Jobs Act. The parties are too far apart on core tax-policy principles to enact sweeping legislation in a divided government. And Democrats largely aren't promising to "repeal and replace" the tax law as Republicans did with the Affordable Care Act. ([Wall Street Journal](#))

Defense

Inhofe Offers Way for Trump to Fund Wall, Cheers Troop Deployments to Border: Senate Armed Services Committee Chairman Jim Inhofe lauded President Donald Trump's politically charged deployment of troops to the U.S.-Mexico border — and offered legislation he says will fund a border wall. "Simply put, border security is national security, and right now we need to defend our southern border," Inhofe, R-Okla., said in a statement to Defense News. Though the bill's text was not immediately made public, Inhofe's "WALL Act," would bar undocumented immigrants from accessing government benefits and tax credits to use that savings to "fund the President's \$25 billion border wall," according to a summary. Inhofe also framed the legislation as an alternative to the Department of Defense paying for the wall — a path the Trump administration has sought. ([Defense News](#))

Banking & Housing

RED WAVE, BLUE WAVE: What Could Happen to Markets if Republicans Win Big or Lose Big on Tuesday: The midterm elections Tuesday have huge stakes not only for the future of health care, taxes and immigration, but also for the U.S. economy and investors. Polls and forecasters suggest

Democrats have a good chance of taking control of the House, while Republicans are favored to keep a slim majority in the Senate. But deviations from the expected outcome could have massive implications for investors. ([CNBC](#))

Transportation

Democrats to Push Infrastructure if they Retake House: Democrats are planning to pursue a major U.S. transportation and infrastructure measure if they retake control of the U.S. House in the Nov. 6 midterm elections, but the same question that helped stall Donald Trump's trillion-dollar initiative remains: How would it be funded? Rep. Peter DeFazio, who's in line to become chairman of the House Transportation and Infrastructure Committee, has said Democrats would seek a spending measure for roads, bridges and other public works if they take power. Nancy Pelosi, who could become speaker again, said it may be something Democrats can do with the Republican president. ([Finance & Commerce](#))

Agriculture

Midterm Elections May Impact Farm Bill, Trade: A flip in either or both chambers of Congress may reverberate into pig farms and soybean fields. At issue in the Nov. 6 vote is President Donald Trump's trade war with China as well as domestic entitlement programs. The world's second-largest economy slapped tariffs on U.S. agricultural products, including pork and soybeans. That prompted Trump to provide \$12 billion in assistance to farmers. Domestically, farm programs began to expire Sept. 30 and Congress hasn't passed a new bill. A change in either or both chambers, or a slimmer majority, may mean more scrutiny toward Trump's handling of agricultural matters like the farm bill and the trade war, Jonathan Coppess, director of the Gardner Agriculture Policy Program at the University of Illinois at Urbana-Champaign, said. ([Farm Futures](#))

EXECUTIVE BRANCH

Health

Amazon Web Services Joins NIH's STRIDES Initiative to Harness Latest Cloud Technologies for Biomedical Researchers: Amazon Web Services (AWS) has joined the National Institutes of Health's Science and Technology Research Infrastructure for Discovery, Experimentation, and Sustainability (STRIDES) Initiative. Launched in July 2018, the STRIDES Initiative aims to harness the power of commercial cloud computing for NIH biomedical researchers. Initially, NIH's efforts will focus on making high-value data sets more accessible to researchers and experimenting with new ways to optimize technology-intensive research. The agreement with AWS will help NIH researchers, as well as researchers at more than 2,500 academic institutions across the nation receiving NIH support, make use of AWS's wide range of technologies. ([NIH.gov](#))

As Opioid Crisis Deepens, The Methadone Business Is Booming: While Congress and the Trump administration were promoting greater use of the addiction medication buprenorphine to quell the opioid epidemic, a handful of states were licensing new methadone clinics in dozens of the nation's hardest-hit communities. In fact, the methadone treatment industry, which began in the late 1960s, grew more in the past four years than it has in the past two decades, said Mark Parrino, president of the American Association for the Treatment of Opioid Dependence Inc., which represents methadone treatment providers. But despite a national drumbeat for more science-based treatment for people addicted to prescription painkillers, heroin and other illicit opioids, the opioid treatment industry's expansion has mostly gone unheralded. ([Huffington Post](#))

Defense

Head of US Army Rapid Capabilities Office to Take Top Civilian Job on the F-35 Program: Six months into the job, the head of the U.S. Army's Rapid Capabilities Office is leaving to join the F-35 Joint Program Office as its top civilian. Tanya Skeen is set to take on the role of the F-35 JPO's executive director early next year, when the current director, Todd Mellon, vacates the position, confirmed F-35 JPO spokesman Joe DellaVedova. ([Defense News](#))

Labor & Workforce

Agencies Propose New Health Reimbursement Arrangement Regulations: New proposed regulations expand the usability and availability of health reimbursement arrangements (HRAs). Under the proposed regulations, employers could provide an HRA that is integrated with individual health coverage and/or non-integrated HRAs that can be used to pay premiums for excepted benefits insurance. The proposed regulations were released in response to a Trump Executive Order issued last fall directing federal agencies to issue guidance on HRAs. The changes are proposed to apply for plans and taxable years beginning on or after January 1, 2020. ([Clark Hill Insight](#))

Jobs Numbers Boost GOP Heading into Midterms: Accelerated growth in jobs and wages in October gave President Donald Trump a critical boost in the final days before the midterm elections. The White House couldn't have asked for a more favorable set of economic numbers to flag in the four days left before the midterms. The report gives Trump an opportunity to argue that the economy, under his leadership, is soaring. And the rapid increase in wages — the largest year-over-year gain since 2009 — could undermine Democrats' argument that economic gains under Trump have left behind working-class voters. ([Politico](#))

Grappling With an Acute Labor Shortage, the Construction Industry is Being Forced to Get Creative: Offering higher pay, better benefits and on-the-job training — and reaching out to groups of people who don't fit the traditional mold of a construction worker — are just a few of the ways construction companies are dealing with an acute labor shortage. Indeed, the strong U.S. economy is affecting the construction industry in two ways: The boom is boosting spending from consumers and businesses who have more cash on hand for expansions and improvements, but it's also exacerbating the industry's growing inability to fill jobs. ([CNBC](#))

IRS

The IRS Just Made it Easier to Save for Retirement. Here's How to Take Advantage: Savers can put more money into their retirement accounts in 2019. The IRS announced on Thursday that under annual inflation adjustments, the agency would increase the limits on 401(k) and IRA contributions for next year. The cap on annual contributions to a traditional and Roth IRA, which hadn't changed since 2013, will rise to \$6,000 from \$5,500. The catch-up contribution to these accounts for those ages 50 and over remains unchanged at \$1,000, according to the IRS. Employees who participate in a 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan will be able to set aside up to \$19,000 before taxes next year, up from \$18,500. ([Money](#))

Space, NASA & NOAA

Industry Concerned About Fast Pace of Commercial Launch Regulatory Reform: Federal Aviation Administration officials said Oct. 31 that they're on schedule to release a draft rule reforming commercial launch regulations, although some in industry are concerned that the work is going too quickly. The ongoing reform process is intended to streamline existing regulations. Among the goals of the process is to allow the use of performance-based approaches, giving companies the ability to choose their preferred approach to meeting safety requirements rather than prescribing a specific technical solution. The reforms would also allow launch licenses for the same vehicle to be valid at multiple sites, rather than the current requirement of a separate license for each launch site used by that vehicle. The May 2018 policy directive set a goal of producing a draft rule, in the form of a notice of proposed rulemaking by next February. ([Space News](#))

Artificial Intelligence Bot Trained to Recognize Galaxies: Researchers have taught an artificial intelligence program used to recognize faces on Facebook to identify galaxies in deep space. The result is an AI bot named ClaRAN that scans images taken by radio telescopes. Its job is to spot radio galaxies -- galaxies that emit powerful radio jets from supermassive black holes at their centers. ClaRAN is the brainchild of big data specialist Dr. Chen Wu and astronomer Dr. Ivy Wong, both from The University of Western Australia node of the International Centre for Radio Astronomy Research. ([Space Ref](#))

Cybersecurity

Pentagon Official: Cyber Command and NSA May Split Infrastructure: A Department of Defense official said Nov. 1 that U.S. Cyber Command needs to have its own infrastructure and not lean as heavily on the National Security Agency for some cyber tools, a transition that may foreshadow an eventual split between the two dual-hatted agencies. Cyber Command has operated on the NSA's networks since its conception in 2009, but is in the process of building systems "by which we can do our own operations and not rely as heavily on the NSA infrastructure," said Capt. Ed Devinney, director of corporate partnerships and technology outreach at Cyber Command. "Building our own infrastructure is probably the biggest thing that will impact both organizations," Devinney said at the CyberCon conference hosted by Fifth Domain Nov. 1. ([Fifth Domain](#))

Trade

Trump-Xi Trade Deal Likely to Begin Rather Than End at G-20: President Donald Trump often seems to be caught between his ideological desire to rewrite America's trade relationship with China and a businessman's instinct to cut a deal. And with midterm elections looming and financial markets coming off a rough October, the deal-maker appears to have the upper hand. "We'll make a deal with China, and I think it will be a very fair deal for everybody," Trump told reporters on Friday after asking aides the day before to begin drafting ideas for an agreement to take to his planned meeting with Chinese President Xi Jinping at the Group of 20 summit in Argentina Nov. 30 to Dec. 1. The two sides are "getting much closer to doing something," he said. Still, to satisfy Trump's own inner ideologue -- and the China hawks in his administration -- that "something" is going to have to hang on substance. And that's where things are likely to get complicated. ([Bloomberg](#))

DHS

DHS Seeks Biometric Screening Systems for 2019 'Technology Rally': The Department of Homeland Security's Science and Technology Directorate announced that it has released a public call for submissions a "biometric technology rally" to be held in the spring of 2019. The rally will be modeled after one held in March, when 12 different face and iris recognition systems were tested in a simulated "standard security checkpoint process." For purveyors of biometric screening technology it provided an opportunity to test their products in a realistic scenario and gather that valuable data. For government agencies like the U.S. Customs and Border Protection, it was a way to see what's out there. ([Fed Scoop](#))