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Outlook for This Week in the Nation's Capital

Congress Returns. Both the House and Senate return this week from the August recess period.

US House. Majority Leader Hoyer announced that the House will consider multiple bills to block oil and gas drilling in its first week back. Hoyer also announced that the following week the House would take up a continuing resolution to fund the government after the current fiscal year end on September 30.

US Senate. The Senate is expected to vote on nominations for much of the week including Kelly Craft to be the U.S. representative to the U.N. General Assembly. Senate Appropriations, which has yet to act on any of the 12 FY20 Appropriations bills, begins mark ups with a flurry this week. Four bills – Defense, Labor-HHS-Education, Energy & Water, and State-Foreign Operations – will be marked up in the Full Committee this Thursday (September 12). The remaining eight bills will be marked up in the last two full weeks in September – Transportation-HUD, Agriculture, Military Construction-Veterans, and Financial Services-General Government during the week of September 16; and Homeland Security, Commerce-Justice-Science, Interior-Environment, and Legislative Branch during the week of September 23. Bills to be considered for Senate floor action are anticipated to be “bundled” into groups of four, though it’s unlikely that all 12 bills will make it to the Senate floor, due to remaining controversies surrounding them. See budget section for additional insight.

White House R&D Focuses. The Trump Administration could be changing the way it approaches research and development spending based on a leaked Office of Management and Budget [memo](#). The memo told federal agencies to prioritize security; leadership in industries of the future; energy and environmental leadership; health and bioeconomic innovation; and space exploration and commercialization in their upcoming FY21 budget request documents.

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

Fight Over Non-Discretionary Spending Awaits Senate Appropriators: Despite the recent bipartisan budget deal, Senate Democratic Appropriators are anticipating a fight with their Republican counterparts over their proposal to divide non-discretionary spending funds when subcommittee funding allocations are considered this week. Under the budget deal, non-defense discretionary spending will increase by about \$27 billion (4.5%). However, Senate Republican Leadership has mandated that their appropriations bills must fully fund the President’s border wall to the tune of another \$5 billion over current levels. There are also four major “liens” on FY20 non-defense funding that require significant increases over FY19 levels: \$9 billion for implementation of the VA Mission Act for veterans’ health care; \$3.7 billion for the 2020 Census; \$4.5 billion to cover mandated rent increases in Federal Housing Administration loan losses, as well as increases in Section 8 low-income housing rents; and \$3 billion to cover federal employee COLAs. With the President’s wall consuming 70% of the remaining \$8 billion, there’s less than \$3 billion available for new spending on all other non-defense discretionary programs. Compounding this challenge, the Senate GOP is expected to propose removing the wall funds from the allocation for the Labor-HHS-Education spending bill. This step alone will prompt strong Democratic objections, making the path to wrapping up the 2020 appropriations bills even trickier (though not impossible). (Clark Hill Insight)

House to Consider a Continuing Resolution: Majority Leader Hoyer announced that during the week of September 16, the House would vote on continuing resolution to fund the government after the current fiscal year expires. While the length of the continuing resolution is still unclear, it has been reported to likely run either through late November or early December. Hoyer also stated that the continuing resolution would be clean of extraneous provisions to avoid any problems that could lead to a government shutdown. ([Politico](#))

White House Releases Anomalies Request for Continuing Resolution: The Trump Administration is seeking lawmakers’ assistance with numerous priorities in the upcoming continuing resolution, which on its own would simply continue current levels without adjustments for other needs that have arisen over the past year. The 21-page list of “anomalies” submitted to Capitol Hill Call includes items ranging from increased borrowing authority for the Agriculture Department to fund payments to farmers taking a financial hit from retaliatory tariffs on U.S. exports, to increased funding for NASA’s Moon mission. ([Roll Call](#))

Health

Push on ‘Surprise’ Medical Bills Hits New Roadblocks: A bipartisan push for legislation to protect patients from massive “surprise” medical bills is facing opposition from doctors and hospitals and reservations from some Democrats worried about delivering President Trump a health care victory when he is still attacking ObamaCare. ([The Hill](#))

House to Act on Pelosi Drug Pricing Proposal: In the House, both the Energy and Commerce Committee and Ways and Means are expected to mark up Speaker Nancy Pelosi’s still yet-to-be-released drug pricing proposal later this fall. Some progressives have expressed concerns about not being

involved in the proposal development and how this could turn them against the plan. ([Politico](#))

Defense

House Democrats Unveil Bill to Ensure Citizenship for Children of Service Members: The legislation would reverse a new Trump administration policy that changes how some Americans serving abroad in the military or other postings pass U.S. citizenship to their children. ([The Hill](#))

Cyber

The State of Cybersecurity in Congress: In addition to hammering out the final details of the NDAA (which boasts multiple cyber-related provisions), Congress must also address the major [surveillance provisions](#) that are set to expire next year. ([American Bar](#))

Justice

House Judiciary Panel to Dive Into Gun Debate Upon Return: The House Judiciary Committee will meet next week to jump-start legislation addressing firearm ownership, an issue that has languished before Congress for more than two decades but faces new urgency in the wake of recent mass shootings that rattled the country. ([Roll Call](#))

Homeland Security

8chan Owner Defends Platform in Testimony Before Congress: The owner of the anonymous messaging board tied to a string of mass shootings this year testified on Capitol Hill on Thursday, offering an adamant defense of his website to House staffers behind closed doors. ([The Hill](#))

Environment/Interior

Dems to Push for Offshore Drilling Ban When Congress Reconvenes: House Majority Leader Steny Hoyer (D-MD) said the chamber would consider blocking offshore drilling in almost all waters surrounding the U.S. when Congress reconvenes next week after the August recess. ([The Hill](#))

Banking & Housing

Six Banking Issues to Watch When Congress Reconvenes: Unlike most recent congressional recesses, this past summer's break has seen some key financial policy news as bank regulators finalized a pivotal rule rolling back the Volcker Rule. But when lawmakers return from their late-summer break on Sept. 9, there are a host of other unresolved financial services issues facing them, including efforts to let bankers serve the marijuana industry to reforms of anti-money-laundering requirements. ([American Banker](#))

EXECUTIVE BRANCH

Health/HHS/NIH

Cancer Specialist is Frontrunner for FDA Commissioner: A top MD Anderson Cancer Center official, Stephen Hahn, has emerged as the frontrunner to be the next FDA commissioner following a meeting this week with President Donald Trump. The Trump administration is facing a Nov. 1 deadline for nominating a permanent commissioner. Hahn had been considered alongside acting FDA chief Ned Sharpless and Harvard professor Alexa Boer Kimball. ([Politico](#))

HHS Gives States Nearly \$2B to Combat Opioid Crisis: The U.S. Department of Health and Human Services said it will offer states more than \$1.8 billion in new funding to fight the opioid epidemic. The funds will be used for expanding access to treatments for opioid overdosing and to gather case data from across states. ([Reuters](#))

Labor & Workforce

Trump Taps Eugene Scalia for Secretary of Labor: President Donald Trump officially nominated Eugene Scalia, son of the late Supreme Court Justice Antonin Scalia, for Secretary of Labor on Aug. 27. Scalia, a partner at the law firm Gibson, Dunn & Crutcher, has argued on the management side of some high-profile cases, which has drawn opposition to his nomination from groups such as the National Employment Law Project. ([Safety and Health Magazine](#))

California Raises the Caution Flag on "Green Jobs": California's mixed record of using public investments and environmental mandates to create "green jobs" raises serious questions about the promises of some Democratic presidential candidates to use economy-transforming investments in environmentally friendly technologies to put millions of people to work. ([Politico](#))

Space, NASA & NOAA

Can Satellite Megaconstellations be Responsible Users of Space?: For some in the space industry, and some outside of it, megaconstellations are the next big thing to worry about. The prospect of thousands or tens of thousands of additional satellites in low Earth orbit raises concerns about collisions and the creation of orbital debris that could render such orbits all but useless for any satellite. ([Space News](#))

NASA Directed to Map Out 'Moon-to-Mars' Plans: On Aug. 20, the National Space Council recommended that within 60 days NASA should produce a plan for "sustainable lunar surface exploration and development" and set up an associated office, with the ultimate goal of enabling crewed missions to Mars. The council also tasked its staff with developing a broader "Moon-Mars Development Strategy" within 180 days. ([American Institute of Physics](#))

NASA's Inspector General Pushes Back on Congress: At issue is the appropriations legislation, that has for several years mandated that the space agency launch the Europa Clipper mission on the Space Launch System rocket, and that NASA'S IG is asking the Senate to change in the FY20 spending bill. ([Ars Technica](#))

Trump Administration Prioritizes Space Weather R&D: In the leaked Office of Management and Budget [memo](#) on department budget priorities, the Trump Administration instructed agencies to prioritize investments in space weather according to the 2019 National Space Weather Strategy and Action Plan. (Clark Hill Insight)

Defense/DOD

Trump Administration Raids Military Construction Projects for Border Wall: Last Tuesday, Defense Secretary Mark Esper informed congressional leaders of the cash grab from a total of 127 military projects. A full list of the projects impacted can be found [here](#). ([Politico](#))

Trade

Children's Privacy Costs Just \$170 million for Google in Settlement with the FTC: It's the largest amount the FTC has ever collected under a COPPA case, the FTC notes. ([Tech Crunch](#))

Despite Promises, Trump's Trade Deficits Are Only Growing: While economists agree that trade deficits aren't a good way to measure a trade relationship, they are the metric Trump fixates on, made campaign promises about and uses to evaluate relationships with other countries. ([Axios](#))

DHS/Immigration

Supreme Court May Again Fast-track a Legal Dispute Over Trump's Immigration Plans: The Supreme Court is weighing a fast-track appeal from the Trump administration that seeks to close the door to nearly all migrants who seek asylum at the southern border. And once again, the justices are being asked to decide a far-reaching legal question on a rushed basis, without the usual oral arguments or months of deliberation. ([LA Times](#))

Education

Education Department Fines Michigan State \$4.5 Million in Wake of Sex Abuse Scandal: The Department of Education slapped Michigan State University with a \$4.5 million fine Thursday and is requiring a complete overhaul of the school's Title IX reporting procedures following its mishandling of reports of sexual abuse of students by Larry Nassar, former sports doctor for the school and for USA Gymnastics. ([US News & World Report](#))

Energy/DOE

Anticipating FERC's Fall Agenda: Along with continuing to approve gas pipelines and export facilities, Chairman Chatterjee said FERC's upcoming September 19 meeting could feature an "update" on the grid resilience proceeding and on policy inquiries regarding PURPA reform. ([Politico](#))

Cyber

Huawei Says, Without Evidence, That U.S. Pressured Its Employees: In a [news release](#) on last Tuesday about an unrelated allegation of patent infringement, Huawei said that the United States had recently expanded its offensive against the company. ([New York Times](#))

Transportation/DOT

Justice Dept. Opens Antitrust Inquiry Into Automakers' Emissions Pact With California: Earlier this year, four major automakers struck a deal with California to reduce automobile emissions. DOJ's inquiry into the matter escalates a standoff between President Trump California and the auto industry over one of his most significant rollbacks of climate regulations. ([New York Times](#))

Justice/DOJ

Advocates Doubt Trump DEA Will Ease Rules on Marijuana Research: The Trump administration gave new hope to marijuana researchers when the Drug Enforcement Administration (DEA) appeared to open the door for new applications for federally approved marijuana growers. ([The Hill](#))

Graham Calls on Barr to Declassify Files on DOJ Watchdog's Russia Probe: Sen. Lindsey Graham (R-SC) last week wrote to Attorney General William Barr asking him to declassify documents relating to the Justice Department inspector general's investigation into the handling of the Russia probe. ([The Hill](#))

DOJ Sends Gun Legislation Package to White House as Debate Rages Over Mass Shootings: The White House has had the proposals for two weeks, according to the source, but has not yet sent anything along to Capitol Hill. It was not immediately clear what proposals are included in the DOJ package. ([Fox News](#))

Environment/EPA

Trump Administration Voids Requirements Phasing Out Inefficient Lightbulbs: The new rules could make less-efficient bulbs for certain fixtures more common, potentially contributing to man-made climate change by increasing greenhouse gas emissions. Politically, it's part of the Trump administration's broader efforts to roll back climate and other environmental regulations, such as those governing methane and auto emissions. ([Axios](#))

Trump Plans to Revoke California Fuel Economy Standards: The Trump administration plans to set a nationwide standard this month for automotive emissions and fuel economy, depriving California of the waiver that allows it to set its own standards, according to an administration official. ([CBS News](#))

IRS

IRS Issues Proposed Rules to Reduce Donor Disclosure Requirements: The proposed rules reduce donor disclosure requirements for certain tax-exempt groups. ([The Hill](#))

Agriculture/USDA

USDA Releases Inland Waterways Report: USDA's new study underscores that inland waterways are a key conduit to our nation's agriculture competitiveness, as well as to overall U.S. economic prosperity, and will be used in coming months by mid-western interests lobbying for more investments in the system of locks on the Upper Mississippi River and two on the Illinois Waterway to increase grain shipments. ([The Fence Post](#))

USDA Job Openings Pop Up in Kansas City Ahead of Big Relocation: The USDA is looking to hire as many as 150 people for the relocating offices of their National Institute of Food and Agriculture and Economic Research Service, and in total, the USDA plans to move about 570 jobs to Kansas City that are currently based in the Washington DC region, which has drawn some opposition in Congress. ([FoxNews Kansas City](#))

Banking & Housing/HUD

Housing Industry Rallies Around Trump's New GSE Reform Plan: Last Thursday, the Trump administration finally released its long-awaited plan to reform the nation's housing finance system and privatize Fannie Mae and Freddie Mac, calling it the "last unfinished business of the financial crisis" and a "top priority." It is undoubtedly going to run into resistance on Capitol Hill, due to its treatment of affordable housing goals, but clearly has strong industry support at the outset. ([Housing Wire](#))