
Window on Washington - This Week in the Nation's Capital - April 21, 2017 Vol. 1, Issue 5

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CONGRESS

Budget/Appropriations

- **White House Demands Disrupt Shutdown Negotiations:** Congressional leaders' efforts to hatch a massive spending deal have been thrown off course by the Trump administration's 11th-hour intervention, leaving the bipartisan bill teetering on the brink of collapse just a week before a government shutdown deadline. In particular, administration officials' hopes of giving President Donald Trump a win during his first 100 days, such as border wall funding or a crackdown on sanctuary cities, have complicated what had been a relatively smooth, bicameral, bipartisan negotiation, according to staffers in both parties.

Complicating matters, House Democratic leadership told the White House they want a permanent fix included in the spending bill that would ensure Obamacare subsidies are deemed mandatory government spending, rather than subject to the yearly whims of Congress. Ryan and McConnell will need significant support from Democrats for any bill, given the Senate's 60-vote threshold and opposition to spending bills among hard-line conservatives in the House. ([Politico](#)).

- **Plan B:** To avoid a shutdown, Congress could also pass a one-week extension to give negotiators more time. Republicans are also mulling a fallback plan that would keep the government operating at current funding levels through September. That bill would likely contain some new money for fighting terror, a priority of both parties ([Politico](#)).
- **Budget Timeline:** When lawmakers return to Washington next week, they will have less than a full week to pass legislation to keep the government open after April 28, when the current funding expires. Both Democrats and Republicans say it will take the personal involvement of the leaders -- particularly House Speaker Paul Ryan and Minority Leader Nancy Pelosi -- to resolve the last few sticking points and get something over the finish line ([CNBC](#)).
- **Budget Director Mick Mulvaney Designates Funding for Border Wall as a Top Demand:** White House budget director Mick Mulvaney says that Democratic negotiators on a massive spending bill need to agree to funding top priorities of President Donald Trump such as a down payment on a border wall and hiring of additional immigration agents ([CBS News](#)).

Rep. Chaffetz

- **Departure:** House Oversight Committee Chairman Jason Chaffetz, who investigated Hillary Clinton over the Benghazi attacks and her use of personal email, said he will not seek re-election in 2018, and could leave office before his term finishes next year, though he is not ruling out a future run for political office ([Reuters](#)).

Defense

- **Lawmakers Say Trump Needs Congress' OK to Wage War on ISIS:** When Congress returns from recess, U.S. President Donald Trump will face a push from some lawmakers who say he should ask for their authorization to wage an extended war in Syria and Iraq. A top House Republican, Oklahoma Rep. Tom Cole, said the authorization passed after 9/11 has been stretched beyond its original intent. To fight Syrian President Bashar Assad's forces or the Islamic State group, Trump should submit a request to Congress ([Defense News](#)).
- **Northrop War-Planning Network Halted by U.S. Over Lack of Funds:** The Air Force has ordered Northrop Grumman Corp. to stop work on developing an upgraded war-planning network for air operations after Congress refused to approve more money for a project that's doubled in cost and fallen more than three years behind on a key deadline ([Salt Lake Tribune](#)).

Dodd—Frank

- **House GOP Unveils Dodd-Frank Overhaul Draft, Sets April 26 Hearing:** House Republicans unveil a draft of their new Dodd-Frank replacement, the Financial Choice Act, and will hold a committee hearing on it next week. Financial Services Chairman Hensarling's sweeping bill would give regulatory relief to banks that meet heightened capital standards ([WSJ](#)).
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Energy/Environment

- **Paris Agreement:** Exxon Mobil Corp. restated its support for the Paris climate agreement in a letter to the White House, solicited by White House energy adviser G. David Banks ([Bloomberg News](#)).
- **Climate, Environment Raised in GOP Town Halls:** Republicans lawmakers have been booed at their district town hall meetings for questioning climate change or supporting cuts to the EPA, among other issues ([Bloomberg](#)).
- **March for Science:** Scientists and activists will march in Washington and hundreds of other cities on Saturday in the "March for Science" ([The Washington Post](#)).
- **Honest Act:** The Honest and Open New EPA Science Treatment Act of 2017 ("HONEST Act") passed the House and is pending in the Senate Committee on Environment and Public Works. If enacted, it will require, among other things, that "all scientific and technical information relied on" in promulgating a regulation or in EPA guidance must be based on the "best available science" and studies be "publicly available online in a manner that is sufficient for independent analysis and substantial reproduction of research results, except that any personally identifiable information, trade secrets, or commercial or financial information obtained from a person and privileged or confidential, shall be redacted prior to public availability." ([US Congress](#)).

Healthcare

- **Obamacare Premiums Estimated to Rise 10 to 20 Percent in 2018:** Obamacare premiums may increase by at least 10 percent to 20 percent in 2018, according to an actuarial leader—and that does not include premium increases that could result if cost-sharing reduction subsidies are not funded ([The Hill](#)).
- **Republicans May Have A Deal:** GOP moderates and conservatives are nearing a deal on health care that in theory could get the Republican alternative to the Affordable Care Act out of the House and over to the Senate. The deal, brokered between House Freedom Caucus chairman Mark Meadows (R-N.C.) and Tuesday Group co-chairman Tom MacArthur (R-N.J.), would allow states to get waivers eliminating the so-called community rating provision — the rule that prohibits insurers from charging higher premiums to people with pre-existing conditions. ([Huffington Post](#)).
- **Trump's Call for Action:** Trump expressed his desire for Congress to pass an Obamacare replacement bill in addition to an omnibus spending bill next week. "I want to get both," he said at a news conference with Italian Prime Minister Paolo Gentiloni at the White House ([Bloomberg](#)).

Immigration

- **Democrats Fighting Immigration Enforcement Funds in Omnibus:** Democrats are fighting President Trump's bid to get extra funds in the must-pass omnibus spending package to beef up security along the U.S.-Mexico border ([Bloomberg](#)).
- **H-1B Visa Changes:** Trump took aim at information-technology outsourcing companies as he ordered a review of H-1B visa programs to favor more skilled and highly paid applicants. Trump blasted "widespread abuse" of the visas for skilled foreign workers before signing an executive order directing federal agencies to find ways of reorienting the program ([Fortune](#)).
- **Deporting Dreamers:** Attorney General Jeff Sessions cannot promise that so-called DREAMers, or participants in the Deferred Action for Childhood Arrivals program, will not be deported ([Fox News](#)).
- **Border Tax Lobbying:** Resistance to the controversial border tax continued in the first quarter, as three top U.S. retailers almost quadrupled their combined spending on lobbying. Target, Best Buy and Gap spent almost \$3.2 million combined on lobbying during the quarter -- up from \$830,000 in the same period a year ago -- according to federal lobbying disclosures filed yesterday. The retail industry's top issue since Trump took office in January has been to defeat the border-adjusted tax that's central to Ryan's plan ([Bloomberg](#)).

Infrastructure

- **Mulvaney Details Infrastructure Plans:** Trump plans to propose spending about \$200 billion in taxpayer dollars on an infrastructure development plan that would leverage private financing, Mulvaney said -- adding that the plan won't be ready until this fall. "We're certainly going to spend some money," he said. "The president wants a trillion dollars worth of work on the ground and we're going to give it to him" ([The Hill](#)).

Miners

- **Mining Benefits:** Government-funded health benefits will be cut off for more than 20,000 retired miners, mostly in Appalachian states that supported President Donald Trump in the election, unless Congress passes legislation by late April. ([The New York Times](#))

Nominations

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- **Trump's Deputy Commerce Secretary Pick Withdraws From Consideration:** President Donald Trump's pick for deputy commerce secretary has withdrawn from consideration. Todd Ricketts, a co-owner of the Chicago Cubs and son of TD Ameritrade founder Joe Ricketts, was unable to resolve conflict-of-interest issues in taking the No. 2 job at the department. ([US News](#)).
 - **FDA Nominee Vote:** The Senate Health, Education, Labor and Pensions Committee voted Wednesday on the nomination of Scott Gottlieb, Trump's choice to lead the FDA. At his April 5 hearing, Gottlieb seemed to assuage some senators' concerns about potential conflicts of interest relating to his work as a consultant and investor ([The Hill](#)).
 - **SEC Vote:** President Trump's pick to lead the Securities and Exchange Commission (SEC) faces a key hurdle in the coming week. The Senate Banking, Housing and Urban Affairs Committee will meet Tuesday to vote on whether to send Wall Street attorney Jay Clayton's nomination to the full floor for a vote ([The Hill](#)).

Supreme Court

- **Church and State:** Supreme Court justices from across the ideological spectrum voiced support yesterday for a Missouri church that was denied state funds for a new school playground surface, as the court took up a major religious-rights case. A chorus of justices -- including the newly appointed Neil Gorsuch and Democratic appointees Elena Kagan and Stephen Breyer -- voiced skepticism about a Missouri policy that banned the church from participating in the funding program ([Washington Post](#)).

Tax Reform

- **Kick-off:** The powerful Ways and Means Committee will officially kick off Washington's bloody tax reform battle next week ([Reuters](#)).
- **Tax Reform Timeline:** Treasury Secretary Steven Mnuchin claims tax reform will not be done by August. Mnuchin called the target, which he himself repeatedly pushed, "highly aggressive to not realistic at this point." Senior White House advisers privately acknowledged this long ago ([Financial Times](#)).
- **GOP Targets Trillion-Dollar Tax Break for Democratic States:** Conservative activists and House Republican leaders want to eliminate a trillion-dollar tax break that mostly benefits wealthy filers in Democratic states, a push that could further imperil President Trump's hopes of winning bipartisan support for a tax overhaul ([Bloomberg](#)).

EXECUTIVE BRANCH

Department of Commerce

- **NAFTA Delays:** The absence of a U.S. Trade Representative is delaying the start of NAFTA negotiations with Mexico. Without the lead U.S. trade negotiator in place, Mexico does not expect the White House to give Congress the 90 days of notice it needs to open formal talks ([CNN](#)).
- **Sanction Waiver:** Exxon Mobil applied in 2015 for a waiver from U.S. sanctions against Russia that would allow it to drill in a venture with Rosneft PJSC in that country, and has pushed for approval every few months since, a person with knowledge of the actions said ([New York Times](#)).

Department of Education

- **Community College Completion:** According to a study by the Center for Community College Student Engagement, students who take a full course load for just one semester of community college are significantly more likely to earn a degree or certificate ([Center for Community College Student Engagement](#)).
- **DeVos/Weingarten Meet:** Two of the nation's biggest players in education played nice on a tour of public schools in Ohio Thursday, but despite the praise both heaped on the schools, Education Secretary Betsy DeVos and her longtime adversary, Randi Weingarten, who leads the American Federation of Teachers, had very different talking points ([Chicago Tribune](#)).

Department of Energy

- **Alternative Energy:** Travis Fisher, a political appointee at the Department of Energy who has expressed skepticism about the benefits of subsidies for renewable energy, will lead the department's study on how baseload sources of power such as coal and nuclear plants are affected by environmental policies ([E&E News](#)).

Environmental Protection Agency

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- **Comments:** The Trump administration fielded 168 comments from American manufacturers on how to cut regulations, focusing heavily on the Environmental Protection Agency ([The Washington Post](#)).
 - **Chicago Fights to Keep Regional Office:** Chicago officials are up in arms after a report that the Trump administration may close its regional environmental office, which oversees all Great Lakes restoration projects — and consolidating it with an office in Kansas. The 1,500-person Chicago office also leads the response to the Flint, Mich. water crisis ([Chicago Sun Times](#)).
 - **Airborne Toxins:** The Environmental Protection Agency asked a federal court to delay oral arguments, set for May 18, in a challenge to its regulation on airborne toxins from power plants ([The Washington Post](#)).
 - **EPA Buyout:** The Environmental Protection Agency said that it would begin the process of shrinking its 15,000-employee workforce through buyouts, in the wake of President Trump's executive order last month aimed at streamlining agencies throughout the federal government ([Washington Post](#)).
 - **Regulatory Repeal:** EPA continues to create mechanisms for stakeholders to use in submitting candidates for regulatory repeal, replacement, or modification, in implementing regulatory reform Executive Orders. In addition to the April 13 EPA notice soliciting comments generally (reported on previously), and an April 12 notice inviting small and disadvantaged businesses to an April 25 meeting, this week multiple EPA program offices separately reached out to stakeholders, for example, EPA's Office of Land and Emergency Management opened a comment docket and announced a May 7 public meeting ([EPA](#)).
 - **Reform Webpage:** EPA made public a new regulatory reform webpage that lists public meetings and listening sessions for ten program offices during the upcoming several weeks, all designed to provide input into EPA's regulatory review efforts ([EPA](#)).
 - **Pesticides:** Dow Chemical is urging the Trump administration to "set aside" the results of government studies showing that a group of pesticides are harmful to about 1,800 critically threatened or endangered species ([The Associated Press](#)).
 - **Regulating Industries:** Environmental Protection Agency Administrator Scott Pruitt said the agency is no longer focused on "regulating an entire industry out of business," referring to the coal industry ([Washington Examiner](#)).
 - **Lawsuits:** The Center for Biological Diversity is suing the Trump administration over the repeal of regulations protecting predatory animals that live on Alaska's nature preserves ([The Hill](#)).
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Department of Homeland Security

- **Cost of Wall:** Democrats on the Senate Homeland Security and Governmental Affairs Committee have laid out their own — predictably more grandiose — estimate for how much a border wall would cost. A whopping \$70 billion could be on the line. That of course trumps the Department of Homeland Security's own estimate of \$12.6 billion and the \$12 to \$15 billion cost GOP leaders in Congress have floated ([New York Times](#)).
 - **Travel Ban:** U.S. Customs and Border Protection revoked the enrollment of people in the Global Entry program and other U.S. "trusted traveler" categories as part of the Trump administration's travel ban on seven predominantly Muslim nations. American citizens certified for Global Entry often learned of the issue only when they sought to travel, according to the American-Arab Anti-Discrimination Committee, which says it received "dozens" of complaints and is seeking agency records about the revocations through the Freedom of Information Act ([Bloomberg](#)).
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Department of Treasury

- **Debt Ceiling:** Treasury Secretary Steven Mnuchin said today that "we're going to have bipartisan support on raising the debt ceiling" and that he hopes to wrap that up before summer ([Fox Business](#)).
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Fannie and Freddie

- **Fannie and Freddie Plan:** Fannie Mae and Freddie Mac would be turned into shareholder-owned utilities and face competition from new companies under a trade group's mortgage-finance overhaul plan that could eventually require about \$200 billion in private capital. The Mortgage Bankers Association proposal released calls for the U.S. government to remain involved in the housing market, putting its guarantee behind mortgage-backed securities that the firms issue but no longer backstopping the companies themselves ([Washington Examiner](#)).
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Federal Communications Commission

- **FCC to Move on Business Broadband Rules Despite Critics:** The Federal Communications Commission voted to relax business broadband market regulations, despite calls for delay from government officials and an industry trade group representing Amazon.com Inc., Sprint Corp. and other companies. The order would rewrite regulations on business data services, whereby companies such as AT&T Inc. and Verizon Communications Inc. sell network capacity to other businesses that need to move data ([New York Times](#)).
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NASA

- **Flat NASA Budgets Pose Risk to Researchers:** The prospect of extended flat budgets for NASA has some scientists concerned that research funds could be raided to support other programs ([Space News](#)).
- **Planet Confirms Google Stake as Terra Bella Deal Closes:** As Planet announced it has completed its acquisition of rival satellite imaging company Terra Bella April 18, it confirmed that Google is now a shareholder in Planet as part of that deal ([Space News](#)).
- **Atlas 5 Launches Cygnus Cargo Mission to ISS:** An Atlas 5 successfully launched a Cygnus spacecraft April 18 carrying three and a half tons of cargo for the International Space Station ([Space News](#)).
- **House Members Ask Pentagon to Stay the Course on Launch Vehicle Development:** A bipartisan group of 20 House members has asked the Defense Department not to alter the U.S. Air Force's plans to fund development of new launch systems. ([Space News](#)).

Volcker Rule

- **First Fine:** Deutsche Bank was hit with the Federal Reserve's first major fine for failing to ensure traders abide by the Volcker Rule's ban on risky market bets -- and will also pay even more for letting currency desks chat online with competitors, allegedly revealing positions ([Market Watch](#)).

White House

- **Inaugural Record:** A Federal Election Commission filing shows that Trump's inaugural committee raised a historic \$106.7 million for his inauguration in January ([NPR](#)).
- **EX-IM Bank:** Trump said he'll nominate a critic of the U.S. Export-Import Bank -- one who has derided the bank as "corporate welfare" -- to run the institution, which has been operating under strict lending limits because of a partisan battle over its mission. As a candidate, Trump said he didn't think the bank needed to exist but hinted at a shift in his position in an April 12 interview. He named former New Jersey Representative Scott Garrett, one of the biggest recipients of Wall Street donations among House members, to be the bank's chairman and president. He tapped former Alabama Representative Spencer Bachus for a seat on the bank's board of directors. Both positions require Senate confirmation. ([Chicago Tribune](#)).
- **Trump Beefs Up 'Buy America':** Laws requiring the use of U.S.-sourced goods and services for government contracts would be bolstered by the latest executive order issued by Trump. The order seeks to maximize U.S. content and minimize waivers and exceptions to laws that the administration refers to collectively as "Buy American laws." U.S. trade agreement partners are typically given waivers to the Buy American Act of 1933 that governs direct purchases by the federal government ([CNN](#)).

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