Window on Washington - This Week in the Nation's Capital - August 4, 2017, Vol. 1, Issue 20

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CONGRESS

Budget

- House Set to Bundle 8 Leftover Spending Bills in September: Republicans are set to tackle remaining appropriations bills after returning from August recess, setting up difficult negotiations with the Senate, which has been more preoccupied with the failed health-care legislation than spending issues (The Hill).

Debt Ceiling

- Debt-Limit Battle Eases on Reassurances From House Conservative: A leading House conservative said that Congress will raise the nation's debt ceiling in September as he appeared to soften his earlier demands that any increase be paired with steep spending cuts (Bloomberg).
- Debt-Ceiling Talks Between White House, Senate Break up With no Progress: Talks between the White House and the Senate's top Republican and Democrat broke up with no progress on raising the country's debt ceiling, an impasse that threatens a financial crisis if left unresolved (The Washington Post).
- GOP Clash Looms Over Raising the Debt Ceiling: Republican congressional leaders are quietly preparing to pass a “clean” debt ceiling increase, according to multiple senior GOP sources — setting the stage for a high-risk showdown with rank-and-file Republicans this fall (Politico).
- Mnuchin Pushes for ‘Clean’ Debt Ceiling Boost: Treasury Secretary Steve Mnuchin has begun lobbying congressional leaders for a “clean” debt ceiling increase (Politico).

Education

- Congress Passes $3B Expansion of GI Bill Education Benefits: The Senate signed off on a sweeping expansion of GI Bill education benefits, sending the bipartisan legislation dubbed the “Forever GI Bill” to President Donald Trump’s desk (Politico).

Foreign Agents Registration Act

- Democrats Introduce Bill to Strengthen Foreign Agents Law: Three Senate Democrats introduced legislation to strengthen enforcement of the Foreign Agents Registration Act in response to high-profile cases of unregistered foreign agents who advised President Donald Trump during and after his 2016 campaign (Bloomberg).

Healthcare

- Senate Republicans Seek to Move Past GOP-Only Health Debate: Top Senate Republicans are trying to move on from their partisan drive to replace Obamacare despite urging from President Donald Trump to keep seeking a broad alternative to President Barack Obama’s signature domestic achievement (Bloomberg).
- Senate Passes Key FDA Funding Bill: Senators voted overwhelmingly to pass a key Food and Drug Administration (FDA) funding bill, sending it to President Trump’s desk (The Hill).
- Trump Threatens to Halt Obamacare Insurance Subsidies: President Donald Trump tweeted a threat to stop subsidies to health insurance companies after the Republican effort to repeal and replace the Affordable Care Act collapsed this week (UPI).
- U.S. Governors Urge Trump to Make Insurance Payments: Democratic and Republican U.S. governors on Wednesday urged the Trump administration, as well as Congress, to continue funding payments to health insurance companies that make Obamacare plans affordable, calling it critical to stabilizing the insurance marketplace (Reuters).
Immigration

- **Trump Backs Plan that Would Curb Legal Immigration**: President Donald Trump threw his support behind legislation that looks to curb the level of legal immigration into the United States by proposing a skills-based immigration system (CNN).

Nominations

- **Senate Confirms Wray as Next FBI Director**: The Senate voted to confirm Christopher A. Wray as the next FBI director, filling a critical post that has remained vacant since President Trump fired James B. Comey in May (The Washington Post).
- **Senate Confirms Trump Pick To Be Top Education Department Liaison To Congress**: The Senate today confirmed President Donald Trump's pick to be assistant secretary of education for legislation and congressional affairs (Tennessean).
- **Trump Is Considering Perry for Homeland Security Chief**: Energy Secretary Rick Perry is among the candidates being considered to replace John Kelly at the Department of Homeland Security (Bloomberg).
- **Senate Confirms Giancarlo, Quintenz and Behnam for CFTC**: The Senate confirmed by unanimous consent nomination of J. Christopher Giancarlo to be chairman of Commodity Futures Trading Commission. The Senate also confirmed nominations of Brian Quintenz and Rostin Behnam to be commissioners of CFTC (Market Watch).
- **FERC**: The Senate approved two of President Donald Trump's nominees for the Federal Energy Regulatory Commission, returning FERC to a quorum for the first time since February (E&E News).

Russian Investigation

- **Special Counsel Robert Mueller Impanels Washington Grand Jury in Russia Probe**: Special Counsel Robert Mueller has impaneled a grand jury in Washington to investigate Russia’s interference in the 2016 elections, a sign that his inquiry is growing in intensity and entering a new phase, according to people familiar with the matter (The Wall Street Journal).

Russian Sanctions

- **Trump Signs Bill Approving New Sanctions Against Russia**: President Donald Trump signed into law Wednesday morning legislation that levies new sanctions against Russia and restricts Trump's own ability to ease sanctions in place against Moscow (CNN).

Tech

- **Tech Groups Oppose Changing Content Liability Law**: Ten tech trade groups representing Amazon.com Inc., Alphabet Inc.'s Google, and Facebook Inc. weighed in against a Senate bill that would make changes to a federal law shielding websites from liability for third-party content (Bloomberg).

Tax Reform

- **Senate Democrats Set Conditions for Tax Reform**: Senate Democrats laid down a marker for any future tax reform legislation, urging President Donald Trump and the GOP to seek a bipartisan bill and outlining the conditions to secure their votes (Politico).
- **GOP Tax Reform Could Hinge on Three Senators**: Three Democratic senators did not sign on to a letter with a list of baseline demands to negotiate—Joe Manchin of West Virginia, Heidi Heitkamp of North Dakota, and Joe Donnelly of Indiana. All three face reelection bids in 2018 in states President Donald Trump won by huge margins last year (Business Insider).

EXECUTIVE BRANCH

EPA

- **Methane**: In a victory for environmental groups, the U.S. Court of Appeals for the District of Columbia Circuit ruled that the Environmental Protection Agency must enforce its methane emissions rule that was issued during the Obama administration (CNN).
- **Ozone**: The Environmental Protection Agency announced a walk-back of its intended one-year delay to enforce an Obama-era ozone pollution rule.
The EPA previously announced a delay of their decision for which areas meet the rule's standards due to insufficient information, which was met with environmental lawsuits (The Hill).

- **Monsanto Pushed EPA to Fast-Track Pesticide Report in 2015:** Monsanto Co. pressed the EPA in 2015 to publicize a report that would show its Roundup herbicide does not cause cancer, but the agency appeared reluctant to do so on the company’s timeline (Bloomberg).
- **Smog Rule:** Fifteen states sued Environmental Protection Agency Administrator Scott Pruitt for his delay of the Obama-era smog rule, an ambitious pollution standard that the manufacturing and fossil fuel industries said is nearly impossible to meet (Washington Examiner).

**Department of Interior**

- **Federal Designation:** The Interior Department announced the Upper Missouri River Breaks in Montana as the fourth of 21 sites that will remain fully protected under its federal designation as a national monument. Interior Secretary Ryan Zinke said this and three monuments from Idaho, Washington and Colorado would be spared from size reduction (The New York Times).
- **Investigation:** The Interior Department’s Office of the Inspector General announced a "preliminary investigation" into Secretary Ryan Zinke’s phone calls last week to Alaskan senators to force their support of the GOP health care bill or risk losing federal support for their state’s development (The Hill).

**Department of Treasury**

- **Wall Street Regulators Are Set to Rewrite the Volcker Rule:** Wall Street regulators have agreed to rewrite the Volcker Rule, moving to loosen industry-despised restrictions that were central to the U.S. response to the financial crisis (Bloomberg).

**Department of Justice**

- **Department of Justice Pushing Back on Affirmative Action Rollback Claim:** The Justice Department is pushing back against the idea, first reported by The New York Times, of a rollback on affirmative action investigations. The paper is standing by its reporting, and the White House declined to confirm it (CNN).

**Department of Labor**

- **US Created 209,000 Jobs in July, vs. 183,000 Jobs Expected:** The U.S. economy continued a strong summer, adding 209,000 jobs in July while the unemployment rate fell to 4.3 percent, the lowest since March 2001 (CNBC).

**NASA**

- **Air Force Delays AEHF and SBIRS Launches:** The AEHF-4 communications satellite was scheduled to launch Oct. 11, and the SBIRS GEO-4 spacecraft Nov. 9, both on Atlas 5 rockets. AEHF-4 is being postponed because of a problem with a power regulator unit on the satellite, while SBIRS GEO-4 is being delayed as the result of a “SBIRS program prioritization decision.” The SBIRS satellite is now scheduled to launch in January, while a new date for the AEHF spacecraft has not been announced (Space News).
- **EchoStar Loses Contact with EchoStar-3 While Changing Orbit:** A 20-year old satellite in fleet operator EchoStar’s constellation is drifting after an anomaly the company said has crippled communications (Space News).
- **Virgin Orbit Plans 2018 First Launch:** Virgin Orbit, the spinoff of Virgin Galactic that is developing the LauncherOne small launch vehicle, is now planning a first flight of that rocket in the first half of 2018 (Space News).
- **Spaceport Schedule Conflict Could Delay JWST Launch:** NASA’s James Webb Space Telescope is facing a schedule conflict for its Ariane 5 launch with a European planetary science mission that could, in one scenario, delay the telescope’s launch by several months (Space News).
- **Buzz Aldrin Thinks NASA Should Focus on Mars Exploration:** In an op-ed, the Apollo 11 moonwalker said the International Space Station, Space Launch System and Orion were “eating up every piece of the NASA budget” and preventing the agency from doing anything serious about human Mars exploration (Space News).
- **Navy Wants to Work with Army to Use Small Satellites for Tactical Communications:** An unnamed senior defense official said that, in the event of a conflict with an adversary like China, the Navy and Army will need to cooperate using simple, low-bandwidth communications (Space News).

**NIH**
NIH Scientists Track Zika Virus Transmission in Mice: National Institutes of Health scientists have developed a mouse model to study Zika virus transmitted sexually from males to females, as well as vertically from a pregnant female to her fetus. They are using the model to study how and when the virus is spread, including how the virus crosses the placenta, as well as to investigate potential treatments to block virus transmission. (NIH).

NIMHD Announces Recipients for the Inaugural William G. Coleman Jr., Ph.D., Minority Health and Health Disparities Research Innovation Award: Three postdoctoral fellows within the NIH Intramural Research Program have been selected to receive the first William G. Coleman Jr., Ph.D., Minority Health and Health Disparities Research Innovation Award. This competitive award seeks to support innovative research ideas and concepts - proposing potential for high impact in areas of minority health and health disparities research. Award recipients receive $15,000, each for supplies and services to be used in FY 2017 (NIH).

Immune System May Mount an Attack in Parkinson’s Disease: A new study suggests that T cells, which help the body’s immune system recognize friend from foe, may play an important role in Parkinson’s disease (PD). The study, published in the journal Nature, was supported by the National Institute of Neurological Disorders and Stroke (NINDS), part of the National Institutes of Health (NIH).

New Imaging Technique Overturns Longstanding Textbook Model of DNA Folding: Researchers funded by the National Institutes of Health have developed a new imaging method that visualizes a very different DNA structure, featuring small folds of DNA in close proximity. The study reveals that the DNA-protein structure, known as chromatin, is a much more diverse and flexible chain than previously thought. This provides exciting new insights into how chromatin directs a nimbler interaction between different genes to regulate gene expression, and provides a mechanism for chemical modifications of DNA to be maintained as cells divide (NIH).

White House

Reince Priebus Forced Out as Trump Names John Kelly New Chief of Staff: Donald Trump has forced out Reince Priebus as the White House Chief of Staff and replaced him with the Homeland Security Secretary, Gen John Kelly (The Guardian).

Opioid Commission to Trump—Declare State of Emergency: The White House’s national opioid commission has called on President Donald Trump to declare a national public health emergency in response to the crisis spread across all 50 states (US News and World Report).

New White House Chief of Staff Kelly Fires Scaramucci on First Day: President Trump fired communications director Anthony Scaramucci at the urging of new White House Chief of Staff John F. Kelly, a clear sign that the retired Marine general is being empowered to manage what has been an unwieldy West Wing operation (The Washington Post).

John Kelly Called Jeff Sessions to Assure Him Job is Safe: White House Chief of Staff John Kelly called Attorney General Jeff Sessions and assured him that he will not be fired by President Trump despite receiving criticism in recent weeks (USA Today).

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If you have any questions about this alert please contact your Clark Hill attorney.