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# Window on Washington - This Week in the Nation's Capital - May 19, 2017 Vol. 1, Issue 9

May 19, 2017

## CONGRESS

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### *Agriculture*

- **Lawmakers to Introduce Organic Research Funding Bill:** A bipartisan trio of House lawmakers were set to introduce legislation late May 16 that would boost Department of Agriculture funding for research into organic farming ([Bloomberg](#)).
  - **Trump Reportedly Considering New Cuts to Biomedical Research:** According to two sources within the NIH who were briefed on the issue, the Trump administration may pursue a new strategy in its quest for cuts, by proposing a 10 percent cap on the NIH's indirect costs—the money it gives to grantees to support administration, equipment, libraries, IT, lighting, heating, electricity, and other overhead ([The Atlantic](#)).
  - **Trump's Budget Aims for Balance Through Steep Cuts, Growth:** President Donald Trump will send to Congress a proposal for balancing the federal budget within 10 years through deep cuts to discretionary and safety net spending, according to a U.S. official. The budget proposal for fiscal 2018 is scheduled to be delivered to lawmakers on Tuesday. It would expand greatly on an outline the White House sent to Congress in March calling for \$54 billion in domestic spending cuts in the coming fiscal year ([Bloomberg](#)).
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### *Congressional Review Act*

- **Democrats Back Bill Repealing Congressional Review Act:** Companion bills to repeal the Congressional Review Act and give agencies a way to reissue previously overturned rules were introduced May 16 by House and Senate Democrats ([Bloomberg](#)).
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### *Dodd/Frank*

**McConnell Says He's Pessimistic Congress Will Revamp Dodd-Frank:** Senate Majority Leader Mitch McConnell said he's pessimistic Congress will make major changes to the Dodd-Frank Act because he doubts Republicans can secure enough Democratic votes to pass legislation ([Bloomberg](#)).

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### *Defense*

- **Military Spending Above \$603 Billion Unlikely in 2018:** Congress is not likely to boost national defense spending above the \$603 billion proposed by the administration despite lawmakers' calls for more money for the military, said Kay Granger who leads the House's defense spending panel ([Bloomberg](#)).
  - **Hawkish Lawmakers Frustrated by Budget Caps Press for Repeal:** The heads of the House and Senate armed services committees — bolstered by a letter to House Speaker Paul Ryan, R-Wis., signed by 141 lawmakers — are calling for a repeal of budget caps for defense ([Defense News](#)).
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### *Energy/Environment*

- **Ethanol Restrictions:** Senate Republicans are pushing for a vote on a new bill that would eliminate a seasonal ethanol restriction imposed by the Environmental Protection Agency ([The Washington Examiner](#)).
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### *Healthcare*

- **Trump Administration Seeks to End HealthCare.gov Enrollment for Small Companies:** The Trump administration on Monday proposed to allow small businesses to sign up for insurance coverage directly through an agent or broker rather than HealthCare.gov, citing their low enrollment in the federal marketplace. The change, slated to take effect Jan. 1, 2018, allows small businesses to skip using the Affordable Care Act's Small Business Health Options Program, or SHOP, marketplaces, which have been used very little since their launch in 2013 ([Modern Healthcare](#)).
  - **Shut Out by House, Industry Pins Health Bill Hopes on Senate:** The health-care world is gearing up for a lobbying offensive to persuade Republican U.S. senators to address their problems with an Obamacare replacement that was conceived in the House in a virtual vacuum ([Bloomberg](#)).
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- **Big Moment for Obamacare Repeal:** CBO score due Wednesday: The Congressional Budget Office says it will release an updated estimate of the American Health Care Act on Wednesday ([CNN](#)).

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#### *Immigration*

- **Along Texas-Mexico border, Trump's Wall Faces Barrier of Public Opposition:** In Texas, some private property owners on the border balk at having the barrier on their land. A public backlash against border contractors bidding on the wall and the political fight in Washington are among other obstacles that will delay construction ([Dallas News](#)).
- **Judges in Travel Ban Appeal Press Lawyers About Trump's Comments:** The federal appeals court panel weighing President Trump's travel ban focused acutely on Trump's own comments at a hearing Monday — lobbying skeptical inquiries at lawyers on both sides of the issue as they tried to ascertain to what extent they should hold the president's inflammatory rhetoric against him ([Washington Post](#)).

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#### *Infrastructure*

- **Congress and Industry Groups Dig into Infrastructure:** Trump has vowed to advance a \$1 trillion plan to rebuild aging water lines, pipelines, highways and other U.S. infrastructure through some as-yet undetermined combination of public spending and tax incentives. Accordingly, the Senate Environment and Public Works' Transportation and Infrastructure Subcommittee held a May 16 hearing on how federal funding can be leveraged to find innovative infrastructure solutions, and a full committee hearing May 17 on the future of infrastructure ([Bloomberg](#)).
- **Plan:** U.S. Transportation Secretary Elaine Chao teased out a preview of a trillion dollar infrastructure plan from the Trump administration at a U.S. Chamber of Commerce events ([The Washington Post](#)).

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#### *Nominations/Appointments*

- **EPA:** Sens. Sheldon Whitehouse (D-R.I.) and Jeff Merkley (D-Ore.) questioned an Environmental Protection Agency nominee about her lobbying past at an electric utility company ([Law360](#)).

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#### *Senate Intelligence*

- **Senate Chairman: Michael Flynn Has Not Responded to Subpoena:** Correcting his earlier statement, the chairman of the Senate intelligence committee said that ousted National Security Adviser Michael Flynn has not responded to a subpoena from the panel in its probe of Russia's meddling in the 2016 presidential election ([Sun Times](#)).

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#### *Supreme Court*

- **U.S. Supreme Court Will Not Revive North Carolina Voter-ID Law:** The U.S. Supreme Court dealt an unexpected setback to the voter-identification movement, refusing to reinstate North Carolina ballot restrictions that a lower court said target blacks "with almost surgical precision" ([Bloomberg](#)).

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#### *Tax Reform*

- **Retail CEOs Lobby Against Import Tax:** Chief executives from some of the nation's largest retailers are slated to meet with Treasury Secretary Steven Mnuchin for the first time, part of their ongoing push against the controversial border adjustment tax ([CNBC](#)).
- **25 Million Americans Could Find Mortgage Tax Break Useless Under Trump's Plan:** U.S. Treasury Secretary Steven Mnuchin has taken pains to stress that the Trump administration is not out to kill Americans' beloved mortgage-interest tax deduction -- but a side effect of the plan could turn it into a perk for only the wealthy. President Donald Trump has proposed rewriting the tax code to raise the standard federal deduction to a level where about 25 million homeowners would no longer take advantage of the century-old break. A married couple would need a home-loan balance of about \$608,000 -- almost triple the mortgage on a median-priced U.S. home -- before using it would make sense, according to a new analysis by property-data provider Trulia. That would be up from about \$322,000 today ([Bloomberg](#)).
- **Trump Plan to Slash LLC Rate Is Boon for Top Earners, Study Says:** President Donald Trump's proposal to slash the tax rate for partnerships and limited liability companies would mostly benefit the top 1 percent of Americans in terms of income, according to a study released Monday. Pass-through businesses -- which include small operations like corner stores and free-lancers but also doctors, lawyers, consultants and vastly profitable hedge funds -- get their name from the way they file taxes: They pass their income through to their owners, who then pay tax based on their individual income-tax rates. The top individual rate is now 39.6 percent; Trump's plan would cut the rate for pass-throughs to just 15 percent

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([Bloomberg](#)).

- **McConnell Calls for Revenue-Neutral Tax Plan:** Senate Majority Leader Mitch McConnell said that any tax overhaul cannot add to the growing US budget deficit, a position that places him at odds with President Donald Trump, who has called for a significant tax cut ([Business Report](#)).

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#### Trade

- **Brady Sets Border Tax Hearing:** House Ways and Means Chairman Kevin Brady is forging ahead and planning to hold a hearing next week on the proposed border-adjusted tax, even as the top Senate Republican said the measure probably would not pass his chamber ([National Real Estate Investor](#)).
- **Trump Administration Starts Countdown to NAFTA Talks in Mid-August:** The Trump administration set the clock ticking toward a mid-August start of renegotiations of the North American Free Trade Agreement with Canada and Mexico to try to win better terms for U.S. workers and manufacturers ([Reuters](#)).

#### EXECUTIVE BRANCH

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#### Department of Agriculture

- **Chief Scientist:** President Trump is expected to nominate White House senior adviser Sam Clovis, who lacks agricultural science or public health experience, as the chief scientist of the Department of Agriculture ([The Washington Post](#)).

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#### Department of Defense

- **Air Force B-21 Bomber's Secrecy to Be Reviewed by Inspector General:** The Pentagon's inspector general has opened a review into whether the Air Force has imposed excessive secrecy on fundamentals of its \$80 billion program to develop and build the new B-21 bomber ([Bloomberg](#)).
- **Navy Chief Says U.S. Needs More Ships Quickly to Stay Credible:** America needs more warships -- and must build them faster -- to keep up with other countries that are spending heavily on maritime prowess, according to the U.S. Navy's chief of operations ([Bloomberg](#)).

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#### Department of Education

- **Mich. Lawmaker in Line for Education Post Under DeVos:** Michigan state Rep. Tim Kelly said he is prepared to resign his House seat for a new job with U.S. Department of Education Secretary Betsy DeVos in Washington, D.C. The Saginaw Township Republican expects DeVos to appoint him as assistant secretary of technical and adult education ([Detroit News](#)).
- **DeVos Will Testify Before House Appropriations Committee Next Week:** Education Secretary Betsy DeVos will testify on Capitol Hill next week about Education Department funding. She is scheduled to testify before the committee next Wednesday, March 24 at 10 a.m ([AFSA](#)).
- **DeVos Expected to Unveil School Choice Plans Monday:** Education Secretary Betsy DeVos is expected to offer details about the Trump administration's vision for a federal investment in school choice in a major policy speech Monday ([Politico](#)).

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#### Department of Energy

- **Budget Cuts:** President Donald Trump's draft budget for the Energy Department includes deep budget cuts of nearly 70 percent for renewables, as well as additional reductions in the energy efficiency, fossil fuel and nuclear power ([Axios](#)).

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#### Environmental Protection Agency

- **Public Comments:** After requesting input on deregulating laws, the Environmental Protection Agency received more than 55,000 public comments with pleas to protect environmental safeguards ([The Washington Post](#)).
- **Retirement Buyout:** The Environmental Protection Agency announced the allocation of \$12 million in carry-over funds for government buyouts and early retirement options ([The Washington Post](#)).
- **Greenhouse Gas:** Greenhouse gas reporting requirement for certain highways that was implemented at the end of the Obama administration ([The Hill](#)).

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#### Department of Interior

- **“War on Coal”**: Vice President Mike Pence declared the “war on coal” over while on a coal mine tour in Montana with Interior Secretary Ryan Zinke ([MTN News](#)).
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#### Department of Labor

- **Even if Trump Repeals the Fiduciary Rule, DOL Has Reshaped the Industry**: Whether or not the Department of Labor’s long-delayed and controversial fiduciary rule ultimately becomes the law of the land is almost beside the point, according to Jack Brennan, the former Vanguard CEO who now chairs FINRA’s board of directors. The highly publicized debate has already reshaped business practices and investor expectations, so that the best-interest measure of advice is on its way to becoming the de facto industry standard, Brennan argues ([On WallStreet](#)).
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#### Department of State

- **UN Conference**: Without the development of formal climate change policy, a State Department official told United Nations conferees that national security and economic growth will take priority in the Trump administration’s policy ([Los Angeles Times](#)).
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#### Department of Treasury/Federal Reserve

- **Breaking Up Big Banks Would Be ‘Huge Mistake,’ Mnuchin Says**: Treasury Secretary Steven Mnuchin said breaking up the biggest banks would be a “huge mistake,” easing concerns that the Trump administration plans a major revamp of Wall Street. He said an initial report on banking rules, with a particular focus on easing constraints on community banks, will be released in the coming weeks ([Bloomberg](#)).
  - **Fed’s James Bullard Raises Doubts About June Rate Hike**: Citing “relatively weak” economic data, St. Louis Federal Reserve chief James Bullard raised questions Friday about the Fed’s plans for two more rate hikes this year, saying the strategy may be “overly aggressive” ([USA Today](#)).
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#### Fannie and Freddie

- **Trump Official - Fannie, Freddie Should Let in Private Market**: A top Treasury Department official said the Trump administration wants to boost the role of private capital in the mortgage market, a longstanding Washington goal that has largely befuddled policy makers since the 2008 financial crisis ([Bloomberg](#)).
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#### FBI

- **Former FBI Chief Mueller Appointed to Probe Trump-Russia Ties**: The U.S. Justice Department, in the face of rising pressure from Capitol Hill, named former FBI chief Robert Mueller as special counsel to investigate alleged Russian interference in the 2016 U.S. election and possible collusion between President Donald Trump’s campaign and Moscow ([Reuters](#)).
  - **Warner: Senate Intel Committee Would ‘Love’ Comey to Testify in Open Hearing**: Sen. Mark Warner (D-Va.), the vice chairman of the Senate Intelligence Committee said the committee would “love” to have former FBI Director James Comey testify in an open hearing ([The Hill](#)).
  - **Eight Candidates Interviewed for FBI Director Amid Comey Uproar**: The two top officials at the Justice Department have interviewed eight candidates to replace the fired James Comey amid demands from lawmakers of both parties for Donald Trump to turn over any recordings he may have made of his meetings with the former FBI director ([Bloomberg](#)).
  - **Donald Trump Reportedly Urged Comey to Drop Michael Flynn Investigation**: Donald Trump directly asked the former FBI director, James Comey, to drop an investigation into his former national security adviser, Michael Flynn, according to notes kept at the time by Comey and first reported on Tuesday by the New York Times ([The Guardian](#)).
  - **The House Demands to See the Comey Memos**: In a letter to acting FBI Director Andrew McCabe, Oversight Chairman Jason Chaffetz requested all “memoranda, notes, summaries, and recordings” of James Comey’s meetings with Trump ([The Atlantic](#)).
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#### FCC

- **FCC Votes To Begin Rollback Of Net Neutrality Regulations**: The Federal Communications Commission has officially begun to undo Obama-era regulations on Internet service providers, often called net neutrality rules. The rules, passed in 2015, had placed cable and telecom companies under the strictest-ever oversight of the agency ([NPR](#)).
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NASA

- **NASA Preparing to Solicit Proposals for Europa Lander Mission Despite Uncertain Funding:** NASA is preparing to solicit proposals for a Europa lander mission despite uncertain funding for it. NASA issued a “community announcement” Wednesday stating it would issue an announcement of opportunity later this year for instruments that could fly on the proposed lander. NASA will use fiscal year 2017 funding to support Phase A studies of about 10 proposals in 2018 and 2019 ([Space News](#)).
- **Spaceflight Purchases Electron Launch for Medium-Inclination Payloads:** Spaceflight, a company that arranges launches for small satellites, announced May 17 it is purchasing a launch from Rocket Lab for payloads seeking access to a less common orbit ([Space News](#)).
- **Cruz to Hold Hearing on Updating the Outer Space Treaty:** The chairman of the Senate’s space subcommittee said May 16 that his committee will hold a hearing next week to hear testimony on possible updates to a 50-year-old treaty that is the cornerstone of international space law ([Space News](#)).
- **Russia Plans to End Dependence on U.S. Satellites for Communication With ISS:** Currently, the Russian segment of the station is in direct contact with Russian controllers only when the station is passing over Russian ground stations, relying the rest of the time on NASA satellite links ([Space News](#)).
- **Maryland Senator Seeks to Maintain Support for NASA Programs:** Sen. Ben Cardin (D-Md.) told an audience at a Maryland Space Business Roundtable here May 15 that, after the retirement of fellow Sen. Barbara Mikulski, he would work together with the state’s congressional delegation to ensure that key programs remain funded. ([Space News](#)).

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White House

- **Donald Trump: I shared info with Russia for ‘humanitarian reasons’:** President Donald Trump defended his sharing of some information with Russian diplomats last week as an “absolute right,” saying he did so for “humanitarian reasons.” He did not deny news reports that he had shown Russia Foreign Minister Sergey Lavrov and others highly classified information on the Islamic State, as first reported by The Washington Post, but rather explained his version of events ([Newsday](#)).
- **Trump Lashes Out, Calls Russia Investigation a ‘Witch Hunt’:** President Trump could lashed out on Twitter to protest “the single greatest witch hunt of a politician in American history!” ([LA Times](#)).

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