
Window on Washington - This Week in the Nation's Capital - September 15, 2017, Vol. 1, Issue 26

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CONGRESS

Budget

- **House Finishes Work on Its Annual Appropriations Bills, For Now:** The House narrowly passed a \$1.2 trillion package of spending bills to fund the government for Fiscal Year 2018 by a vote of 211-198. Amendments offered to the Agriculture, THUD, Homeland Security, and State and Foreign Ops divisions are available [here](#). Amendments offered to the Interior, CJS, Labor, HHS, and Financial Services divisions are available [here](#). The passage of all 12 of the annual appropriations bills before the end of the fiscal year is a victory for House Republicans, but none of the measures are expected to get consideration in the Senate due to the threat of a Democratic filibuster. The current House appropriations bill would trigger sequestration and cause across the board cuts to meet the budget cap requirements unless a deal is made to change the budgetary caps ([The Hill](#)).
 - **Senate Delays Further Appropriations Action:** The Senate has delayed action on its remaining four appropriations bills for the second week in a row. It is our understanding that the Appropriations Committee is waiting on Senate Majority Leader Mitch McConnell's input on how to resolve the remaining issues in each bill: DACA status and border wall funding in the Homeland Security bill; Dodd-Frank provisions in the Financial Services bill; environmental riders in the Interior bill; and budget cap issues in the Defense bill. As we mentioned above, the budget caps need to be raised in order to complete action on this year's appropriations bills and this needs to be done through legislation not in a budget resolution. While the Senate is currently on pause, we are hearing that it still intends to begin negotiations with the House for the appropriations conference process in mid-October with the goal to wrap everything up by Thanksgiving. This would allow them to meet the December 8th deadline of the Continuing Resolution passed last week ([Clark Hill Insight](#)).
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Tax Reform

- **Leaders in Senate Eye Possible 20% Corporate Tax Rate Proposal:** Senate Finance Committee Chairman Orrin Hatch says he'd like to make tax cuts retroactive to the beginning of this year and is eyeing cutting the corporate rate to as low as 20% as lawmakers and the Trump administration move closer to unveiling a tax-reform package ([Market Watch](#)).
 - **Lifting The Middle Class Through Tax Reform:** Chairman Orrin Hatch provides his thoughts on priorities for tax reform and how specifically middle class taxpayers would benefit ([Forbes](#)).
 - **Ways and Means Committee Chairman Released a Timeline for Tax Reform:** Chairman Kevin Brady said a consensus framework would be released the week of Sept. 25, and the House and Senate would try to approve a final budget resolution by mid-October ([Axios](#)).
 - **Big Six Still Divided Over Basic Elements of Tax Reform:** Hearings and meetings on the Hill this week between Administration leaders and Republican leaders revealed that they are still deeply divided over how to rewrite the tax code, including how to finance long-promised cuts in individual and corporate rates ([Politico](#)).
 - **GOP Shudders as Trump Courts Democrats on Taxes:** President Donald Trump's courtship of Democrats on tax reform is dividing congressional Republicans on the merits of a bipartisan bill — and could upend the party-line strategy that White House and GOP leaders have been pursuing for months ([Politico](#)).
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Debt Ceiling

- **Majority Leader McConnell Says Debt Ceiling Will Not be Voted on Again Until Next Year:** The Senator said that the Treasury Department will be able to apply extraordinary measures to extend federal spending and borrowing powers well into next year. This would uncouple the debt ceiling from discussions on completing the FY18 spending bills ([The New York Times](#)).
 - **Could the Debt Ceiling Become a Vehicle for Tax Reform?:** While some people in Washington continue to say that tax reform will be done by the end of the year, we believe the chances of this are low and it's more likely that it would be completed next year. This would possibly mean that the timing for passage of the debt ceiling could coincide with tax reform making the debt ceiling increase a vehicle for tax reform. If the Senate could pass tax reform without using the reconciliation process, it would allow the tax cuts to become permanent and not expire after 10 years as the Bush tax cuts did when passed under reconciliation ([Clark Hill Insight](#)).
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Immigration

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- **Trump Confirms Support for Law to Protect ‘Dreamers’:** President Trump confirmed that he supports legislation that would protect young undocumented immigrants from deportation and would deliver a “massive” increase in border security — but not with a wall on the southern border ([The New York Times](#)).
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Healthcare

- **Sens. Lindsey Graham, Bill Cassidy, Dean Heller and Ron Johnson Release Another Attempt at Repealing Part of Obamacare:** With just over two weeks until the budget reconciliation expires, Senate Republicans have released a new repeal-and-replace bill that would provide states with block grants instead of Obamacare’s tax credits, Medicaid expansion and cost-sharing payments. It would also repeal Obamacare’s individual and employer mandates and the medical device tax. Many believe it to be almost impossible for the bill to pass before time expires. More details on the legislation are available [here](#) ([Politico](#)).
 - **Sens. Patty Murray and Lamar Alexander are Working on a Bipartisan Health Care Bill:** The Senators have been holding hearings focused on quickly bringing stability to the nation’s individual health-insurance markets and have begun working on legislation that targets the problem ([The Seattle Times](#)).
 - **Majority Leader McConnell is Open to Either the Graham–Cassidy or Bipartisan Alexander Bill:** The Senator said it was “not clear” what the path forward for health care reform would be, but unlike some of the other members of Republican leadership who have expressed extreme skepticism that another repeal bill could succeed where others have failed, McConnell left the door open for either measure ([U.S. News & World Report](#)).
 - **Senator Bernie Sanders Released “Medicare For All” Legislation:** Nine other Democratic Senators have endorsed his legislation that would cover all U.S. residents under a single government plan. A summary is available [here](#) ([The Hill](#)).
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Justice

- **House Votes to Stop DOJ Policy Related to Asset Forfeiture:** In an easily adopted amendment to the Commerce, Justice, Science appropriations bills, the House curbed the law enforcement practice of seizing cash and property from people who are suspected of illegal activity but who have not necessarily been charged ([The Hill](#)).
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Transportation

- **House to Vote on Air Traffic Control Overhaul Next Month:** The House will vote on a President Trump-backed plan to separate air traffic control from the federal government in early October, according to the Chairman of the House Transportation panel, but lawmakers will first need to clear a short-term extension of the Federal Aviation Administration authorization by the end of September ([The Hill](#)).

EXECUTIVE BRANCH

Department of Justice

- **DOJ’s Rosenstein Signals Changes to Individual Prosecutions for Corporate Crimes:** “It’s under review and I anticipate that there may be some change to the policy on corporate prosecutions,” said Rosenstein at a think tank event in Washington. “I don’t have any announcement about that today, but I do anticipate that we may in the near future make an announcement about what changes we’re going to make to corporate fraud principles” ([ABA Banking Journal](#)).
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Department of Education

- **Starting With Wyoming BIE School, DeVos Set Begin Back-to-School Tour with Visits to Schools in States Aligned With Senate Education Committee:** DeVos so far has visited 24 pre-K–12 schools, including six private, six charter, and 12 traditional public schools, plus five colleges ([The 74](#)).
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Department of Energy

- **Energy Department Invests Up to \$50 Million to Improve the Resilience and Security of the Nation’s Critical Energy Infrastructure:** This
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investment builds on the Department's ongoing efforts toward the rapid development and widespread adoption of tools and technologies that will help create a more resilient, secure, sustainable, and reliable electricity system that can meet the demands of the 21st century and beyond ([DOE Press Release](#)).

EPA

- **EPA Grants Pollution Waiver to Florida Utilities After Irma:** State and federal environmental regulators issued a blanket waiver on Monday for Florida electricity companies to violate clean air and water standards without penalty for the next two weeks ([Associated Press](#)).
 - **EPA Delays Toxic Waste Rule for Power Plants:** The Environmental Protection Agency is pushing back by two years key deadlines in a 2015 rule limiting toxic water pollution from coal-fired power plants ([The Hill](#)).
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HHS

- **Trump Declared the Opioid Crisis a National Emergency Over a Month Ago But No Expedited Actions Yet:** The President's surprise declaration of an emergency now means that his advisers and Cabinet need to determine available options ([The New York Times](#)).
 - **Drug Company, Allergan, Transferred Patents on Medicine to a Native American Tribe in License Deal:** The tribe will exclusively license the patents back to the drug company in exchange for ongoing payments. The first-of-its kind deal takes advantage of the fact that the tribe is treated as a sovereign nation immune to civil lawsuits ([Reuters](#)).
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Department of Interior

- **GAO To Investigate Zinke's Alleged Threats Against Murkowski for Obamacare Vote:** A government watchdog will investigate whether Interior Secretary Ryan Zinke violated anti-lobbying laws for allegedly threatening repercussions against Alaska after Senator Lisa Murkowski voted against a Republican plan to partially repeal Obamacare ([Washington Examiner](#)).
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Department of Labor

- **New Jobless Report Numbers and Hurricane Impacts:** The number of Americans filing for unemployment benefits unexpectedly fell last week, but analysts are uncertain about the impact of hurricanes Harvey and Irma on the data and on future workforce reports ([CNBC](#)).
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CFPB

- **With or Without Democratic Director, U.S. Consumer Watchdog to be Weakened:** Whether or not Richard Cordray stays as head of the Consumer Financial Protection Bureau until his term ends in July, the agency's ability to rein in Wall Street will be severely weakened, political insiders, lawyers and consumer advocates said ([U.S. News](#)).
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NASA

- **NASA Looks Ahead to Future Saturn Missions as Cassini Nears its End:** The Cassini spacecraft, in orbit around Saturn since mid-2004, has plunged into Saturn's atmosphere in the early morning hours of Sept. 15. With the end of Cassini, there is no other mission currently operating or under development to visit Saturn or its moons, however several proposals for missions to the Saturn system have been submitted as part of the ongoing competition for the next New Frontiers medium-class planetary science mission ([Space News](#)).
 - **Who Will Dominate the Future Small-Satellite Launch Market?:** The market may favor ridesharing and customized services on larger launch vehicles rather than tailored launches by the newcomers providing smaller vehicles. However in 2016, 60 percent of the 220 satellites launched weighed less than 500 kilograms, underscoring a trend towards smaller and smaller spacecraft, and adjusting to the changing demand may be both a challenge and an opportunity for established launch providers ([Space News](#)).
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Nonprofit

- **DOJ Denies GOP Request to Reopen Case Against Former IRS Official:** The Justice Department will not be re-opening a criminal investigation to consider charging former IRS official Lois Lerner for her role in delaying non-profit status for conservative groups ([CBS News](#)).
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Russian Investigation

- **White House Counsel and Former Chief of Staff Reportedly Hire Quinn Emanuel Lawyer in Russia Probe:** White House counsel Don McGahn and former White House chief of staff Reince Priebus have reportedly hired a Quinn Emanuel lawyer to advise them in the special counsel's probe of Russian influence in the election ([ABA Journal](#)).
- **Mueller Probe Has 'Red-Hot' Focus on Social Media, Official Say:** Russia's effort to influence U.S. voters through Facebook and other social media is a red-hot focus of special counsel Robert Mueller's investigation into the 2016 election and possible links to President Trump's associates ([Bloomberg](#)).
- **Mueller Briefly did Legal Work for a Company Involved with Flynn:** Robert Mueller briefly did some legal work for a company that was part of a Middle East energy and arms project pushed by Michael Flynn, the former Trump national security adviser who Mueller is now investigating as part of the Russian meddling probe ([CNN](#)).

White House

- **Hicks Named Permanent White House Communications Director:** Hope Hicks, who was named interim White House communications director in August, will now hold the job on a permanent basis ([CNN](#)).
- **Trump Woos Democrats on Tax Overhaul at White House Dinner:** Three Democratic senators joined President Trump for a White House dinner Tuesday aimed at winning their support for an as-yet unreleased tax overhaul bill that would be written by Republican leaders ([Bloomberg](#)).
- **Trump Denies Deal With Democrats on DACA, Says 'Dreamers' Have 'No Fault':** President Trump denied an assertion by Congress' top two Democrats that they reached an agreement with him that would preserve protections for young immigrants in the U.S. illegally while providing border security enhancements, but not the Southern wall he has coveted ([Chicago Tribune](#)).

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