

Window on Washington - June 1, 2021, Vol. 5, Issue 22

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Outlook for This Week in the Nation's Capital

Congress. The House and the Senate are not in session this week. The Senate is expected to return to Senate Majority Leader Chuck Schumer's (D-NY) U.S. Innovation and Competition Act ([S. 1260](#)) once it is back in session the week of June 7. The Senate also plans to take up its version of the For the People Act ([S. 1](#)), the legislation focused on voting and government reform, by the end of the month. The House passed their version in March. Once the House returns the week of June 14, they will continue working on the appropriations process, the infrastructure package, and other legislative items.

FY22 Budget and Appropriations. The White House released President Joe Biden's \$6 trillion budget request for fiscal year 2022. The federal agencies have begun to roll out their congressional budget justifications; more details are included below. Now that Congress has the President's budget request, it is up to both parties to negotiate budget topline so that they can formally commence the FY22 appropriations process. Senate Appropriations Vice Chairman Richard Shelby (R-AL) has already said Congress will likely rely on a series of short stopgap measures (continuing resolutions) to fund the government beyond Sept. 30, though it is still too soon to say whether that will be the case.

Infrastructure Package. President Joe Biden had set a Memorial Day deadline for a bipartisan agreement on an infrastructure plan, though with no compromise having been made by yesterday, White House officials and Democrats have said they are willing to continue discussions past the holiday weekend. President Biden plans to meet with Sen. Shelley Moore Capito (R-WV) and some other Senate Republicans again this week amid the Republicans working on a new counteroffer. The parties continue to disagree as to what counts as infrastructure and how to pay for the initiatives. Majority Leader Schumer is reportedly targeting July to pass a budget resolution in the Senate for Democrats to use for reconciliation to avoid running into a Republican blockade through the filibuster on the infrastructure package should it not have bipartisan support.

Policing Reform. Sen. Tim Scott (R-SC), the lead Republican negotiator on policing reform legislation, has said lawmakers have until the end of June to agree to a compromise.

Biden Administration. President Joe Biden will be in Tulsa, Oklahoma today to commemorate the Tulsa Race Massacre. Biden is also planning to roll out his first slate of ambassadors as soon as this week. Additionally, Biden will meet in person with Russian President Vladimir Putin for the first time this month in Switzerland, which will be his first international trip since taking office.

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

Leahy Says 50-50 Earmarks Split OK if GOP Requests Enough Projects: Senate Appropriations Chairman Patrick J. Leahy will allocate half of earmarked dollars to Republicans in that chamber if some undetermined critical mass of GOP senators ends up participating in the process, a spokesman for the Vermont Democrat said last Wednesday. ([Roll Call](#))

Budget Release Starts a Process that Will Run through Summer: House Democrats will start drafting their appropriations bills after the Memorial Day break, with subcommittee markups beginning June 24. Senate markups may begin the following month. However, given a bitter partisan dispute over the allocation of funds to defense and nondefense programs, some top lawmakers are already convinced the process could stall out until late in the year. ([Roll Call](#))

Crypto/Blockchain

Wall Street Struggles to Sell Washington on Bitcoin for the Masses: A strong push by Wall Street to open up access to Bitcoin investment is meeting resistance from a bipartisan group of lawmakers and regulators in Washington, setting up a lobbying fight over the future of digital currency ([Politico](#))

Energy

Senate Panel Deadlocks on Energy Tax Credits Bill: The Senate Finance Committee late last Wednesday deadlocked on legislation that would overhaul energy tax breaks in an effort to address climate change – it could still come to the Senate floor as a standalone bill or part of a larger infrastructure package. ([The Hill](#))

Progressives Push More Clean Energy Infrastructure Spending: A pair of progressive lawmakers is pushing to include legislation that would lock in more than \$1 trillion in spending for U.S.-made clean energy products and create a new division of the Energy Department focused on low- and zero-carbon options. ([Roll Call](#))

House Science Committee Introduces Bipartisan DOE Research Bill: The House Science, Space, and Technology Committee last Thursday introduced the bipartisan Department of Energy Science for the Future Act. The bill provides comprehensive policy guidance and funding authorization for the major research programs stewarded by the Department of Energy's (DOE) Office of Science. These programs include research on materials and chemical science, bioscience, climate science, fusion energy, scientific computing, and high energy and nuclear physics. ([House SS&T](#))

EXECUTIVE BRANCH

Budget & Appropriations

Biden Releases \$6 Trillion Budget Request: President Joe Biden has released a \$6 trillion budget request combines Biden's \$2.3 trillion infrastructure plan, his \$1.8 trillion families proposal and \$1.5 trillion in discretionary spending to fund federal agencies for the upcoming fiscal year. ([Politico](#))

Health/HHS/NIH

Biden Budget Would Give CDC its Biggest Funding Boost in Nearly 20 Years: President Joe Biden's first budget proposal includes \$8.7 billion in discretionary funding for the Centers for Disease Control and Prevention (CDC), the largest funding boost to the agency in nearly two decades. ([CNBC](#))

Health Spending Would Increase by 23% Under Biden Budget Ask: President Joe Biden's budget request includes \$133.7 billion for the Department of Health and Human Services. That amount represents a 23.4% increase from the fiscal year 2021 enacted level of \$108.6 billion. Among the funding is \$52 billion for the National Institutes of Health (NIH), which

includes \$6.5 billion to build the Advanced Research Projects Agency, or ARPA-H. There is also \$4.3 billion in discretionary funding for the Centers for Medicare and Medicaid Services (CMS). ([Bloomberg Law](#))

Labor & Workforce

Biden's Budget Takes on Worker Misclassification, Safety: The budget plan the administration released Friday called for the U.S. Labor Department to receive \$7.5 billion in the coming fiscal year to boost worker-protection efforts, including to root out misclassification. ([Bloomberg Law](#))

Federal Government Says Employers Can Offer Vaccine Incentives: Employers can offer incentives to their employees to get the coronavirus vaccine without running afoul of federal anti-discrimination law, the Equal Employment Opportunity Commission said last Friday. ([Politico](#))

Department of Education

Department of Education FY22 Budget Request: Secretary Cardona said the FY22 budget for the Department of Education proposes transformational investments to expand access to affordable early childhood and postsecondary education, and prioritize the physical and mental well-being of students ([Clark Hill Insight](#))

Colleges Beg Biden to Save International Student Enrollment: While education groups say it's too soon to predict what fall enrollment will look like, last fall's 43 percent plunge in new international student enrollment has advocates for those students concerned about the coming semester. ([Politico](#))

Banking & Housing/HUD

HUD FY22 Budget Request: The budget request includes \$68.7 billion for the Department of Housing and Urban Development (HUD), approximately \$9 billion more than the enacted level for 2021, to meet urgent housing challenges and build 21st century housing infrastructure by strengthening the federal housing safety net, tackling homelessness, increasing access to affordable housing, advancing equity in our housing policies, and addressing the climate crisis. ([HUD](#))

Crypto/Blockchain

Biden's 2022 Budget Includes New Crypto Reporting Proposals: The proposal would require brokers, including entities such as U.S. crypto asset exchanges and hosted wallet providers, to report information relating to certain passive entities and their substantial foreign owners when reporting with respect to crypto assets held by those entities in an account with the broker. ([Coindesk](#))

Tax Reform/IRS

Treasury Details Biden's Tax Proposals: The Treasury Department last Friday released details about President Biden's tax-related proposals, which would raise a net \$2.4 trillion over 10 years. ([The Hill](#))

Transportation/DOT

COVID's Toll on Infrastructure, By the Numbers: While many things changed or were affected by the pandemic, one of the most severely affected parts of the economy was passenger travel. Public transit ridership, in particular, as well as airlines. ([Politico](#))

Trade

CBP Issues Withhold Release Order on Chinese Fishing Fleet: U.S. Customs and Border Protection (CBP) has issued a new Withhold and Release Order against Dailian Ocean Fishing Co., based on information that reasonably indicates the use of forced labor in the entity's fishing operations. CBP will detain imports of tuna, swordfish, and other seafood harvested by

vessels owned and operated by the company. Seafood importers are advised to proactively take steps to document the origin of their shipments to minimize supply chain delays. ([CBP](#))

United States Advances First USMCA Dispute Panel to Enforce Canada's Dairy Commitments: The Office of the United States Trade Representative has initiated the first dispute panel under the United States-Mexico-Canada Agreement (USMCA) to review measures by Canada which undermine U.S. exporters ability sell a wide range of dairy products to Canadian consumers. The issue centers around Canada's measures which prevent U.S. exporters from shipping higher value dairy products (e.g., yogurt, ice cream, cheese) to Canada that are under quota. ([USTR](#))

Science, Space/NASA & NOAA

NASA Budget Goes All-in on Science, Stays the Course on Moon Lander: The president's NASA budget request seeks \$24.8 billion for the coming fiscal year, a nearly 7 percent increase over this year's \$23.3 billion level. The Biden Administration has placed a strong emphasis on science during its first four months, and that focus is reflected in this budget request, with the Science program slated for a 9 percent increase. ([Ars Technica](#))

Biden's Top Scientist Quickly Confirmed by Senate: The Senate last Friday quickly confirmed Biden Cabinet nominee Eric Lander to lead the White House Office of Science and Technology Policy. A top geneticist and director of the Broad Institute of MIT and Harvard, Lander was the last of President Joe Biden's Cabinet nominees to be confirmed. ([Politico](#))

GAO Skeptical of "Ambitious" Artemis Schedule: The Government Accountability Office (GAO) released a new report last week warning that NASA's Artemis program to get astronauts back on the Moon by 2024 is overly ambitious and that its accelerated schedule makes it less likely to succeed. The report also criticizes NASA's governance of the Artemis program, which actually is not a formal program led by a single program manager. ([Space Policy Online](#))

NASA Brands Future Earth Science Missions as Earth System Observatory: A set of missions recommended by the Earth Science Decadal Survey more than three years ago will be developed under a program called the Earth System Observatory, NASA and the White House last Monday, and a \$250 million increase is proposed for such missions in the FY22 NASA budget request. ([Space News](#))

NSF FY22 Budget Request: The budget request for the National Science Foundation (NSF) is \$10.17 billion, an increase of 20 percent from the fiscal year 2021 level, and it includes \$9.43 billion for research and development. The request also calls for a new directorate for technology, innovation and partnerships, funding to advance equity in science and engineering, \$1.2 billion for climate and clean energy-related research, and investments in the continued construction of major NSF research facilities. ([NSF](#))

NOAA FY22 Budget Request: The budget request for the National Oceanic and Atmospheric Administration (NOAA) is \$7 billion, an increase of \$1.5 billion from the 2021 enacted level. The agency has not yet released its full congressional justification. ([Clark Hill Insight](#))

Defense/DOD

Eyeing China, Biden Defense Budget Boosts R&D and Cuts Procurement: The \$715 billion Pentagon request for fiscal 2022 represents an \$11 billion increase and trails the rate of inflation. A big chunk is what Defense Secretary Lloyd Austin has called the "largest ever" request for research, development, test and evaluation funding. The White House has proposed \$112 billion in that area, a 5 percent increase. On the flip side, DOD slashes procurement by \$8 billion, whacking scores of legacy weapons and systems as a way to deliver a \$5.5 billion boost for the development and testing of cutting-edge technologies that could deter China. ([Defense News](#))

Pentagon Working with Space Industry to Counter Chinese Espionage: Chinese attempts to steal U.S. space technology remain a problem despite significant efforts by the Pentagon to protect intellectual property data, the head of

Air Force acquisitions Darlene Costello told lawmakers last Wednesday. ([Space News](#))

DHS & Immigration

DHS FY22 Budget Request: The budget request includes \$52.2 billion in discretionary funding for the Department of Homeland Security (DHS), as well as an additional \$18.8 billion for the Disaster Relief Fund (DRF). ([DHS](#))

Biden Aims to Speed Review for Families Seeking Asylum in US: The plan from the Department of Homeland Security and the Department of Justice creates a so-called dedicated docket, urging judges in the nation's backlogged immigration court system to decide their cases in 300 days, rather than the years typically faced by those with cases already in the system. ([The Hill](#))

Judiciary/DOJ

DOJ FY22 Budget: The FY22 budget request for the Department of Justice (DOJ) is \$35.3 billion, which includes \$2.1 billion to combat gun violence while focusing on programs that address both gun safety and violent crime, \$177.2 million over the FY 2021 appropriation to reinvigorate Federal civil rights efforts, including to re-establish and expand the Office for Access to Justice and to support the Community Relations Service with conciliators in local communities, \$1 billion to address gender-based violence, \$1.6 billion to implement further reforms to the criminal justice system and continue critical investment in implementation of the First Step Act of 2018, and \$1.3 billion to support programs designed to further strengthen relationships between law enforcement and the communities they serve. ([DOJ](#))

Cyber

An NTSB for Cyber Attacks? Critics Grapple with Biden's Cybersecurity Safety Review Board Plan: Congressional leaders in cybersecurity remarked about the need for transparency and raised more pressing concerns about the proposed board's ability to effectively address devastating attacks that now occur on a weekly basis. ([ZD Net](#))

DOJ, FBI, IC Reviewing Supply Chain Threats Posed by Russian Companies: In light of the SolarWinds attack, Justice, along with the FBI and the intelligence community, has launched a new effort to see where there may be cyber security risks or supply chain vulnerabilities of companies that are Russian or are doing business in Russia. ([Federal News Network](#))

Agriculture/USDA

USDA FY22 Budget Request: The budget request includes \$29.9 billion for the Department of Agriculture. The Agricultural Research Service's budget authority would be increased from \$1.6 billion to \$1.9 billion in FY22, with increases of \$99 million for clean energy and \$92 million for climate science. The National Institute of Food and Agriculture, which funds research outside USDA at land-grant universities and other institutions, would see its budget authority increased from \$1.8 billion to \$2.2 billion. ([Agri-Pulse](#))

EPA & DOI

Biden Budget Aims to Raise \$35B from Cutting Fossil Fuel Tax Benefits: Among the benefits Biden hopes to cut are those received by the fossil fuel industry for enhanced oil recovery, a method of extraction that allows companies to get to fuel they wouldn't be able to otherwise reach, and another for "intangible" costs like wages, repairs, supplies and other expenses that are needed for oil and gas drilling. ([The Hill](#))

Interior FY22 Budget Request: The Department's 2022 budget totals \$17.6 billion—an increase of \$2.5 billion, or 17 percent, from the 2021 enacted level. An additional \$330 million is available to ensure necessary funds are available in the event of a severe fire season without harming other Interior programs. The proposal includes more than \$1.9 billion in new climate-related investments, \$86 million for the Civilian Climate Corps, and \$249 million to increase renewable energy production on public lands and in offshore waters. ([DOI](#))

Department of Energy

DOE Budget Focuses on Building a Clean Energy Economy: The Biden administration's \$46.2 billion fiscal 2022 budget request for the Department of Energy (DOE) represents a 10.4% increase over fiscal year 2021. The request includes an investment of \$7.4 billion for the Office of Science, \$4.7 billion for DOE's Office of Energy Efficiency and Renewable Energy (EERE, \$1.85 billion for the Office of Nuclear Energy, \$890 million for Fossil Energy and Carbon Management Research, Development, Demonstration, and Deployment (FECM RDD&D), and \$19.7 billion to sustain the record FY21 program funding levels for the National Nuclear Security Administration. ([DOE](#))

'Self-Dealing' Loophole Could Upend FERC Pipeline Reviews: As the Federal Energy Regulatory Commission weighs changes to its natural gas pipeline reviews, it's grappling with a key question: How should it determine whether a project is needed? The commission's reliance on precedent agreements is one of many topics included in FERC's ongoing review of how it considers and approves new natural gas pipelines. ([E&E News](#))

