

Window on Washington - June 21, 2021, Vol. 5, Issue 25

June 21, 2021

Outlook for This Week in the Nation's Capital

Congress. The Senate and House are both in session this week. The Senate is expected to hold a procedural vote to advance the For the People Act ([S.1](#)) tomorrow, though it is expected to fall short of the 60 votes needed to overcome the filibuster. The Senate will also continue voting on President Joe Biden's nominees. The House plans to [vote](#) on several bills in addition to three Senate-passed Congressional Review Act resolutions that would overturn rules issued by the Trump administration. [Hearings](#) for this week include ones on pending nominations, antitrust bills, the Federal Reserve's pandemic response programs, D.C. statehood, the Federal Emergency Management Agency's (FEMA) priorities, equity/public health legislation, and increasing housing access.

FY22 Budget and Appropriations. Senate Democrats are on track to write their own budget resolution in the coming weeks, and it is expected to include up to \$6 trillion in reconciliation spending. The resolution will likely go to the Senate floor for a vote the week of July 12. House Budget Chairman John Yarmuth (D-KY) said he expects the House Budget Committee will vote on a budget resolution the week of July 12, with the full House voting on it the following week. House and Senate Democrats will then have to go through a conference process before the August recess to resolve any differences between their budget resolutions. Once there is a final joint budget resolution in place, the focus will turn to passing a reconciliation package in the fall.

Meanwhile, the House Appropriations Committee (HAC) will begin [marking up](#) their FY 2022 bills this week, and the Committee plans to finish all subcommittee and full committee markups by mid-July. This week's markups are for the Financial Services, Legislative Branch, Agriculture-FDA, and Military Construction-VA subcommittees. The subcommittee, or 302(b), spending allocations will be considered on June 29. However, it remains unclear when in July and which of the 12 bills will reach the House floor once the Committee process concludes. Apart from the HAC markups, there are FY22 budget [hearings](#) this week from other committees, including hearings on the Army, Navy, Marine Corps, Department of Defense, Defense Authorization, Department of Housing and Urban Development (HUD), Department of Interior, Department of Veterans' Affairs, National Space and Aeronautics Administration (NASA), and Treasury.

Infrastructure Package. The White House told House Democrats that the Senate has until the July Fourth recess to reach a bipartisan infrastructure deal. After that, House Budget Chairman Yarmuth said that Democrats will likely handle infrastructure as part of the budget reconciliation process that would stretch into the fall. In the meantime, the House and Senate will likely vote on their surface transportation bills sometime in July.

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

\$1.5 trillion Spending Cap Approved with House Rule: House Democrats approved a resolution last Monday that would set a \$1.506 trillion appropriations ceiling for the upcoming fiscal year. The deeming resolution within the rule sets a total spending level for House appropriators for the upcoming fiscal year but doesn't specify spending levels for defense and nondefense discretionary spending. ([Roll Call](#))

Senate Democrats Discussing Roughly \$6 Trillion Budget Plan: A massive filibuster-proof budget reconciliation package worth as much as \$6 trillion over a decade — of which half could be deficit-financed — is taking shape within the Senate Democratic caucus, according to a source familiar with the discussions. Senate Democrats are aiming for a preliminary deal on the budget plan's outlines before the July Fourth recess, while bipartisan talks on a smaller, infrastructure-only plan continue on a separate track. ([Roll Call](#))

Health

Democrats Seek New Ways to Expand Medicaid in Holdout States: Congressional Democrats are pushing legislation that would expand Medicaid in states that have so far refused to do so, seeking to fill one of the major remaining holes in the Affordable Care Act. ([The Hill](#))

HHS Readiness, Substance Abuse Picks Advance: Biden's picks for top HHS posts to prepare for the next public health crisis and address the opioid crisis will be considered by the full Senate after a committee advanced their nominations. The Senate Health, Education, Labor and Pensions Committee gave bipartisan backing to the nominations of Dawn O'Connell as assistant HHS secretary of preparedness and Miriam Delphin-Rittmon as assistant HHS secretary of mental health and substance use. ([Bloomberg Government](#))

Crypto/Blockchain

House Democrats Form Cryptocurrency Working Group: U.S. Rep. Maxine Waters (D-CA) announced in a virtual hearing with the FinTech Task Force discussing central bank digital currencies (CBDDs) that she is forming a group of Democratic House members to tackle growing concerns about cryptocurrency. ([Coindesk](#))

Elections

Manchin Moves Shake Up Dem Strategy for Massive Elections Bill: As progressives hammer Sen. Joe Manchin (D-WV) for opposing Democrats' signature ethics and election reform bill, the West Virginian is busy working behind the scenes. ([Politico](#))

Trade

House Ways and Means Democrats Urge CBP to Take Action Against Forced Labor: House Ways & Means Democrats have urged U.S. Customs and Border Protection (CBP) to take "aggressive" enforcement actions against polysilicon products (used in solar panels) made with forced labor in the Xinjiang Uyghur Autonomous Region (XUAR). Using withhold release orders (WROs), CBP has [recently](#) increased inspection and detention of shipments that may have been produced by forced labor in the XUAR, including tomatoes, cotton and seafood. ([House Ways and Means](#))

Space/NASA & NOAA

House Hearing Rehashes Longstanding Commercial Space Transportation Issues: Much of the House Aviation Subcommittee hearing, which also discussed specific violations by SpaceX, reviewed long-standing issues about regulation

of commercial spaceflight and the activities of the FAA. Chairman Peter DeFazio (D-OR) supports ending the FAA’s “dual mandate.” ([Space News](#))

Defense

Lawmakers Are Worried About the U.S. Navy’s Spending Plan and a Near-Term China Threat: The complications inherent in the Navy’s slimmed down FY22 budget request was on full display during a June 15 HASC hearing with Chief of Naval Operations Adm. Mike Gilday, Commandant of the Marine Corps Gen. David Berger and Acting Secretary of the Navy Thomas Harker and Members of the Committee concerned with operations tempo and shipbuilding plans. ([Defense News](#))

Homeland Security & Immigration

Senate Republicans Preview Clash Over ‘Dreamers’ Legislation: Senate Republicans signaled they are willing to hold up House-passed legislation to provide a citizenship path for millions of undocumented immigrants, including those brought to the U.S. as children, amid high levels of migration — previewing another congressional showdown on immigration. ([Roll Call](#))

Cyber

Senate Bill to Require Hack Reports Within 24 Hours and Punish Violators: A newly introduced bipartisan Senate bill would require federal contractors, critical infrastructure operators, and digital security firms to report cyberattacks to the government within 24 hours or face the loss of their contracts and financial penalties. ([Politico](#))

Lawmakers Rally Around Cyber Legislation Following String of Attacks: Lawmakers on Capitol Hill are scrambling to introduce legislation to address a devastating spike in ransomware and other cyberattacks on critical organizations such as Colonial Pipeline and JBS USA. The effort marks a rare area of bipartisanship in an increasingly divided Congress, with lawmakers under pressure to confront cyber threats emanating from both foreign nations and cybercriminal groups making millions from holding companies for ransom. ([The Hill](#))

Agriculture

Ag, Farmworkers Push for Farm Labor Fix in Senate: Agriculture and farmworker groups met with key senators and Agriculture Secretary Tom Vilsack in a bid to jump-start congressional action on ag labor reform. The meeting that included Sens. Michael Bennet (D-CO) and Mike Crapo (R-ID) came nearly three months after the House passed the Farm Workforce Modernization Act, which would provide a path to legal status for existing workers while expanding the H-2A visa program and reforming H-2A wage rates. Bennet and Crapo are the Senate leaders for the issue, but they have yet to introduce their version of the House bill. ([Agri-Pulse](#))

Environment & Interior

Schumer Vows to Only Pass Infrastructure Package that is ‘a Strong, Bold Climate Bill’: Ten Democratic senators have made public statements in opposition to a package without those provisions, according to the group Evergreen Action. ([The Hill](#))

EXECUTIVE BRANCH

Health/HHS/NIH

Supreme Court Tosses Out Major Obamacare Challenge: The 2010 health care law survived its third major Supreme Court challenge last Thursday, in a ruling that found that the coalition of Republican-led states seeking to strike down the entire statute did not have the legal right to bring the lawsuit in the first place. That 7-2 decision, written by Justice Stephen

G. Breyer, means the court did not address legal questions about whether the Affordable Care Act, or Obamacare, is invalid because it no longer has a penalty for most Americans who don't get health coverage. ([Roll Call](#))

Banking & Housing/HUD

Key Capital Measure Not Working as Fed Intended, Powell Says: Federal Reserve Chair Jerome Powell signaled that regulators are weighing significant changes to a key capital requirement for large banks after market dislocations stemming from the pandemic revealed potential flaws in the measure. ([American Banker](#))

HUD Takes First Step to Restore Fair Housing Rule: The Department of Housing and Urban Development (HUD) has restored its 2015 definition of affirmatively further fair housing with an interim final rule, but it falls short of fully restoring the Obama-era policy. The rule will go into effect at the end of July, after a 30-day public comment period. It effectively rescinds the Trump administration's 2020 rule, "Preserving Neighborhood and Community Choice," which allowed HUD grantees to fulfill fair housing requirements by promising to take any action to promote a narrowed definition of fair housing. ([HousingWire](#))

Tax Reform/IRS

White House Reiterates Opposition to Raising Gas Tax Amid Infrastructure Debate: The Biden administration indicated that it considers raising the gas tax, including indexing it to inflation, a tax on low- and middle-income Americans. ([The Hill](#))

Transportation/DOT

Judge Agrees that CDC Can't Regulate Cruises: A federal judge in Florida last Friday ruled that the Centers for Disease Control and Prevention's (CDC) coronavirus-era sailing orders were an overreach of power, issuing a preliminary injunction temporarily barring the CDC from enforcing the guidelines. ([The Hill](#))

New USDOT Drive for More Roadside Solar Panels: The U.S. Department of Transportation (USDOT) has announced its plan to modernize the U.S. electric grid and utilize highway right-of-way (ROW) land to host transmission lines, build renewable energy projects, deploy broadband, and support electric vehicle charging. ([Traffic Technology Today](#))

Trade

U.S. and EU Agree to Lift Tariffs in Deal on Aircraft Disputes: The U.S. and European Union reached an agreement last Tuesday to bring an end to the long-running dispute over aircraft subsidies as well as a five-year suspension of retaliatory tariffs that impact agricultural trade. ([Agri-Pulse](#))

Space/NASA & NOAA

NASA and NOAA Nominees Approved: The Senate confirmed Pam Melroy to be Deputy Administrator of NASA and Rick Spinrad to be Administrator of NOAA last Thursday, just one day after their nominations were approved by the Senate Commerce Committee. ([Space Policy Online](#))

SmallSat Competition and NASA Infrastructure Questions: A set of briefing slides put together by the National Geospatial-Intelligence Agency is making the rounds and ranks countries on their prowess when it comes to commercial small satellites, and it is setting off alarms. Politico also looks at whether or not the space sector gets a slice of an infrastructure bill if Congress agrees to pass one. ([Politico Space](#))

The Space Force Wants to Use Directed-Energy Systems for Space Superiority: During a House hearing last week Chief of Space Operations Gen. Jay Raymond confirmed that directed-energy systems could be a possible defensive tool for American satellites when questioned by Rep. Jim Langevin (D-RI) about evolving space weapons threats from other nations. ([C4ISR Net](#))

Defense/DOD

Deputy Defense Secretary Outlines Responsible AI Tenets in New Memo: The Joint Artificial Intelligence Center will lead implementation of responsible AI across the Defense Department, according to a new directive. In a department-wide memo signed earlier this month, Deputy Defense Secretary Kathleen Hicks enumerated foundational tenets for responsible AI, reaffirmed the ethical AI principles the department adopted last year, and mandated the JAIC director start work on four activities for developing a responsible AI ecosystem. ([NextGov](#))

Judiciary/DOJ

Garland Withdraws Asylum Limits for Domestic Abuse Victims: Attorney General Merrick B. Garland last Wednesday rescinded two Trump-era policies that limited asylum eligibility for domestic violence survivors and others, following mounting calls from Democratic lawmakers and immigrant advocates. ([Roll Call](#))

Cyber

For IT, Cyber Policy Goals, Dig Beneath the Numbers of Biden's 2022 Request: The Biden administration's first complete budget request was light on technology and cyber policy and process changes. But it was definitely full of hope and proposed spending increases. ([Federal News Network](#))

Agriculture/USDA

Biden Taps Ex-New Mexico Lawmaker for USDA Post: President Biden last Friday announced he plans to nominate former Rep. Xochitl Torres Small (D-NM) for the role of undersecretary of rural development in the Department of Agriculture (USDA). ([The Hill](#))

EPA & DOI

EPA Announces New Clean Air Advisors After Firing Trump Appointees: In a statement, the agency announced the seven members of the Clean Air Scientific Advisory Committee (CASAC), which provides independent advice on technical aspects of air quality standards. ([The Hill](#))

Interior Deputy Confirmed by Senate with Broad Support: Tommy Beaudreau, an energy lawyer with a wide array of former fossil and renewable energy clients and an Obama alum, will arrive at the Interior Department as the Biden administration is pushing to sharply curtail greenhouse gas emissions from public lands and is wrapping up a review of federal oil and gas leasing policies. ([Roll Call](#))

Department of Energy

'He Could Be a Real Dealmaker' – Luján Eyes Energy's Future: Sen. Ben Ray Luján (D-NM) is New Mexico's newest Democratic senator, a relentless politician eager to engage with anyone anywhere on energy issues, particularly those that affect his state's two massive Department of Energy laboratories and the future of energy production from all sources in the state. ([E&E News](#))