

# Window on Washington - July 19, 2021, Vol. 5, Issue 29

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## Outlook for This Week in the Nation's Capital

**Congress.** The House and Senate are both in session this week. The Senate will continue confirming President Joe Biden's nominees, and the House plans to vote on numerous [bills](#) this week from the Energy and Commerce, Homeland Security, and Foreign Affairs Committees. [Hearings](#) for this week include discussions around equitable housing infrastructure, spectrum needs for observations in earth and space sciences, and solutions for space situational awareness, space traffic management, and orbital debris. The Senate Armed Services Committee also plans to hold all of their subcommittee and full markups for the FY22 National Defense Authorization Act (NDAA).

**FY22 Budget and Appropriations.** House Majority Leader Steny Hoyer (D-MD) announced that the Chamber will take up the Agriculture ([H.R. 4346](#)), Energy and Water Development (EW), Financial Services and General Government (FSGG, [H.R. 4345](#)), Interior-Environment ([H.R. 4372](#)), Labor, Health and Human Services, and Education (LHHS), Military, Construction, and Veterans Affairs (MilCon-VA, [H.R. 4355](#)), and Transportation and Housing and Urban Development (THUD) appropriations bills in a seven-bill minibus next week. While Majority Leader Hoyer added that some of the remaining appropriations bills may be added to the package, it seems unlikely to happen before the August recess given the lack of Republican support for many of those bills and the limited House floor time.

Separately, the White House and top Senate Democrats reached an agreement on a \$3.5 trillion top-line spending level for a reconciliation package, which will cover other Democratic infrastructure priorities including climate, child care, education, and paid leave programs. The next step will be to receive the support of the entire Senate Democratic Caucus on the spending and revenue targets so the Senate Budget Committee can draft its FY22 budget resolution. House Democrats have said they will likely follow the Senate's lead. While FY22 budget hearings are starting to wind down, the House Natural Resources Committee will hold a hearing this week on the Bureau of Reclamation, U.S. Geological Survey (USGS), Fish and Wildlife, and National Oceanic and Atmospheric Administration (NOAA) budgets.

**Infrastructure Package.** The Senate is set to hold a vote this Wednesday to begin debate on President Biden's bipartisan infrastructure framework bill. However, lawmakers have not yet agreed on how to pay for the new spending in the package, and no draft legislative text has been released. Given these circumstances, there is a chance the bill will not be ready in time for the procedural vote.

**Biden Administration.** President Joe Biden will host King Abdullah of Jordan at the White House today. On Wednesday, Biden will travel to Cincinnati for a CNN town hall to discuss COVID-19, the economy, and other issues. This will be Biden's first visit to Cincinnati since taking office and his third trip to Ohio.

# Last Week in the Nation's Capital

## CONGRESS

### Budget & Appropriations

**House to Take Up Seven-Bill Fiscal 2022 Spending Package:** House floor action on appropriations will begin the last week before the scheduled August recess with a \$617 billion package combining seven fiscal 2022 spending bills. ([Roll Call](#))

Senators Unveil Competing Funding Proposals for Capitol Police Now Short on Cash: Senate Appropriations Committee Chair Patrick Leahy (D-VT) introduced a broader \$3.6 billion measure, which would direct \$679.3 million toward Capitol Police and related security efforts. Meanwhile, the panel's vice chairman, Sen. Richard Shelby (R-AL), unveiled a much smaller \$632.9 million package to direct funds just to Capitol Police and the National Guard. ([NPR](#))

### Banking & Housing

**Waters Announces Introduction of Groundbreaking Legislative Housing Package:** Last Thursday, Congresswoman Maxine Waters (D-CA), Chairwoman of the House Committee on Financial Services, introduced a housing infrastructure package that she said will end homelessness, support first-generation homebuyers in purchasing their first home, and ensure that housing is infrastructure. ([Clark Hill Insight](#))

### Agriculture

**House Ag Oks \$43B Bill for USDA Broadband Programs:** The House Agriculture Committee unanimously advanced a bipartisan bill last Wednesday authorizing \$43 billion to expand rural broadband service nationwide by dramatically increasing USDA's expiring loan and grant program. ([Agri-Pulse](#))

### Labor & Workforce

**Democrats' Budget Deal Seeks to Penalize Labor Law Violators:** Senate Democrats' budget reconciliation bill will seek to create monetary penalties for companies that violate workers' union rights, according to congressional, union, and Biden administration officials briefed on the plans. The proposal is part of a \$3.5 trillion budget blueprint from Senate Democrats that aims to advance the Biden administration's progressive policy goals, including union-friendly measures, without the need for Republican support. ([Bloomberg Law](#))

**Agencies Warn U.S. Firms that Xinjiang Links Could Violate Federal Law:** A half dozen federal agencies issued a stern warning to American businesses on last Tuesday: pull out of China's Xinjiang region or risk violating U.S. law. The warning, which comes in the form of a new [supply chain business advisory](#), is the clearest message yet from federal authorities that American firms should remove any operations from the northwestern Chinese region, the site of widespread human rights abuses that the U.S. government have labeled a genocide. ([Politico](#))

### Education

**Senators Warren, Smith, and Markey Urge Biden to Extend Federal Student Loan Pause to March 31, 2022:** Since March 27, 2020, federal student loan interest rates have been set to 0% and payments have been paused, giving borrowers roughly \$72 billion in student loan interest relief and helping many make ends meet during the pandemic. But payments are set to resume on Oct. 1, 2021. ([CNBC](#))

### Health

**Vulnerable House Democrats Call for Medicare Drug Price Negotiation in Reconciliation Plan:** A group of some of the most vulnerable House Democrats sent a letter to Democratic leaders urging them to include sweeping drug pricing

reforms in the upcoming reconciliation bill, which could help pay for the \$3.5 trillion package. ([The Hill](#))

## Crypto & Blockchain

**Bipartisan U.S. Bill Would Define Digital Assets, Emerging Technologies:** U.S. Representative Tom Emmer (R-MN), the bill's lead sponsor and a member of the Congressional Blockchain Caucus, said "regulatory uncertainty" has been harmful to the crypto industry's growth within the U.S. ([Coindesk](#))

## Tax Reform

**IRS Funding Snags Bipartisan Infrastructure Deal:** A bipartisan group of Senate negotiators is looking to replace a proposal to provide \$40 billion in new funding for the Internal Revenue Service, which is projected to net \$100 billion in new revenues through tougher tax enforcement, because the idea is drawing heat from conservatives. ([The Hill](#))

## Transportation

**Senate Nears Pivotal Vote on Bipartisan Infrastructure Deal That's Still Unwritten:** The Senate left town last Thursday with the fate of a bipartisan infrastructure package uncertain, despite Majority Leader Chuck Schumer's (D-NY) attempt to force it forward by advancing a floor vote this week. Schumer has scheduled the vote for this Wednesday, a hardball tactic Democrats hope will allow them to pass President Joe Biden's domestic agenda before the August recess. But negotiators face several outstanding issues, both on funding mechanisms and spending priorities. ([Politico](#))

## Space

**House Appropriators Do Want NASA to Award Second HLS, But Offers Little Funding:** The House Appropriations Committee released its draft report on the FY22 Commerce-Justice-Science bill last week, explaining in more detail what it wants to give NASA and why. This year the House committee is again proposing some additional funding, but not enough to meet a 2024 deadline. ([Space Policy Online](#))

**Lawmakers Pan Biden's First Space Force Budget:** In the report accompanying the fiscal 2022 defense appropriations bill, members of the House Appropriations Committee expressed concern and frustration over the lack of a coordinated strategy in the Pentagon's budget request, and lack of clarity on potential procurement overlaps with other services. ([Roll Call](#))

## Cyber

**Cybersecurity Bills Gain New Urgency After Rash of Attacks:** A number of bipartisan bills aimed at strengthening U.S. cybersecurity after a string of major attacks are making headway in both the House and Senate. The rare cooperation between Democrats and Republicans is a sharp contrast to the partisan divisions over other measures like voting rights legislation and major infrastructure components. ([The Hill](#))

## Defense

**The National Guard Faces a Crisis as Lawmakers Bicker Over Capitol Funding:** Lawmakers have just a few weeks to close a \$521 million gap incurred by deploying thousands of troops to guard the Capitol complex following the Jan. 6 riot. Without a patch in place by August, the National Guard is warning that training and maintenance will be significantly curtailed, a readiness crunch that could take months, if not years, to repair. ([Politico](#))

**House Panel Advances \$706B Pentagon Spending Bill on Party-Line Vote:** When combined with a separate military construction spending bill, the committee's bill closely follows President Biden's request for a \$715 billion Defense Department budget next year, which has drawn united opposition from Republicans who are pushing for at least a 3% increase over FY21 levels. ([The Hill](#))

## Homeland Security & Immigration

**Democrats Pursue Ambitious Immigration Changes in \$3.5 Trillion Budget Measure:** Democrats are making an ambitious attempt to muscle through changes in the immigration system in a sprawling \$3.5 trillion economic package. Sen. Bob Menendez (D-NJ), the lead author of a sweeping immigration bill that reflects President Joe Biden's vision, said last Thursday that Democrats are exploring immigration changes worth \$120 billion in the budget reconciliation measure, which can pass without Republican support. ([NBC News](#))

## Judiciary/Justice

**Top House Antitrust Republican Forms 'Freedom from Big Tech Caucus':** Rep. Ken Buck (R-CO), the top Republican on the House Judiciary antitrust subcommittee, is forming a new "Freedom From Big Tech Caucus" along with a handful of other GOP lawmakers who supported antitrust bills advanced by the committee last month, the congressman announced last Friday. ([The Hill](#))

## Energy

**Senators Fischer and Klobuchar introduce E15 legislation:** Senators Deb Fischer (R-NE) and Amy Klobuchar (D-MN) reintroduced the [Consumer and Fuel Retailer Choice Act](#) last Wednesday. The legislation would extend the RVP volatility waiver to blends above 10 percent and allow retailers nationwide to sell E15 fuel blends year-round. ([Clark Hill Insight](#))

## Environment & Interior

**Republicans Ask Biden to Withdraw Public Lands Nominee:** Republicans asked President Biden to withdraw his pick to lead the Bureau of Land Management and ramped up their criticism of her in relation to a decades-old tree-spiking incident. In a letter released last Wednesday, every GOP senator on the Senate Energy and Natural Resources Committee wrote to Biden asking him to withdraw his nomination of Tracy Stone-Manning. ([The Hill](#))

## EXECUTIVE BRANCH

### Crypto/Blockchain

**U.S. Presidential Advisory Group to Discuss Stablecoins:** Treasury Secretary Janet Yellen is convening the working group, which consists of major financial regulatory agency heads to examine stablecoin regulation and risks, and to find suggestions for future work around this issue. ([Coindesk](#))

### Health/HHS/NIH

**HHS Says 2 Million People Chose Health Plans During Enrollment Period:** More than 2 million people have signed up for health insurance coverage on the federal or state exchanges from mid-February through the end of June during a special enrollment period, the Department of Health and Human Services announced last Wednesday. ([Roll Call](#))

### Budget/Appropriations

**Senate Democrats, White House Agree on \$3.5 Trillion Budget Package:** Top Senate Democrats and White House officials reached an agreement late last Tuesday on an overall spending target of \$3.5 trillion for a filibuster-proof budget reconciliation package that Senate Majority Leader Chuck Schumer (D-NY) said will fund "every major program" President Joe Biden proposed in his economic plans. ([Roll Call](#))

### Banking & Housing/HUD

**Fed's Powell Feels Heat from All Sides as Inflation Spikes:** Federal Reserve Chair Jerome Powell is facing growing pressure from both sides of the aisle in the face of stronger inflation, with Republicans warning that the trend could

continue and Democrats calling on the central bank not to overreact. ([Politico](#))

## Education

**Education Department Changes Federal Student Aid Verification:** With college enrollment down significantly amidst the ongoing coronavirus pandemic – especially among low-income students – the Education Department announced last Tuesday temporary changes to its federal student aid verification process, which it says will reduce barriers to accessing higher education for those most in need. ([US News](#))

## Space/NASA & NOAA

**China Launches Secretive Suborbital Vehicle for Reusable Space Transportation System:** China conducted a clandestine first test flight of a reusable suborbital vehicle last Friday as a part of development of a reusable space transportation system. The test follows a September 2020 test flight of a “reusable experimental spacecraft” that is thought to be similar to the U.S. X37-B Spaceplane. ([Space News](#))

**Biden Nominates Deputy Director of the National Reconnaissance Office to Lead New Space Systems Command:** President Joe Biden has tapped the deputy director of the agency in charge of the nation’s spy satellites to run the U.S. Space Force’s new acquisitions command, where he would be in charge of procuring billions of dollars worth of satellites and supporting technologies. ([C4ISR Net](#))

## Defense/DOD

**Can a Nominee with Tech Industry Background Disrupt Pentagon Acquisition Shop’s Status Quo?:** President Joe Biden’s nominee to become the Pentagon’s top weapons buyer, Mike Brown, faces a difficult task managing both DIU’s \$67 million research and development budget and he is poised to gain authority over about \$400 billion in acquisition and sustainment spending. ([C4ISR Net](#))

## DHS & Immigration

**Homeland Security Chief Says U.S. Will Not Give Refuge to Those Fleeing Cuba and Haiti by Boat:** People fleeing Cuba and Haiti by boat will not be allowed to enter the U.S., even if they demonstrate fear of being persecuted or tortured in their home countries, Homeland Security Secretary Alejandro Mayorkas warned last Tuesday. ([CBS News](#))

## Judiciary/DOJ

**Justice in Legal Knot in Mo Brooks, Trump Case:** The Department of Justice (DOJ) is facing a decision over whether to help insulate Rep. Mo Brooks (R-AL) from a civil lawsuit claiming the Alabama Republican was among those responsible for inciting a mob to storm the Capitol on Jan. 6. ([The Hill](#))

## Cyber

**White House Announces Ransomware Task Force — and Hacking Back is One Option:** The Biden administration is unleashing a range of options to stem the growing ransomware threat, a senior administration official said — including offering rewards as high as \$10 million for help identifying the perpetrators. Other options on the table include launching disruptive cyberattacks on hacker gangs, as well as developing partnerships with businesses to speed up the sharing of information about ransomware infections. ([Politico](#))

**CISA Piloting Mobile Security Tools Under Shared Services Program:** CISA’s Cybersecurity Quality Services Management Office (QSMO) is piloting three capabilities for mobile device security. The initiative is aimed at improving the security of federal government-furnished devices like smartphones and tablets. ([Federal News Network](#))

## Department of Energy

**U.S. Drilling Approvals Increase Despite Biden Climate Pledge:** Approvals for companies to drill for oil and gas on U.S. public lands are on pace this year to reach their highest level since George W. Bush was president, underscoring President Joe Biden’s reluctance to more forcefully curb petroleum production in the face of industry and Republican resistance. ([PBS](#))

**Gina McCarthy Says White House to Use ‘Regulatory Authority’ on Climate:** The Biden administration will use its “regulatory authority” to act on climate change if it can’t get Congress to enact a clean energy standard, White House climate adviser Gina McCarthy vowed last week. The CES, which would require utilities to adopt green energy, was a Biden priority but was left out of an emerging bipartisan infrastructure plan. McCarthy stopped short of saying it would be a “red line” for the administration if it’s not in a budget resolution being considered along with the infrastructure package. ([E&E News](#))

