

Window on Washington - July 26, 2021, Vol. 5, Issue 30

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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 some appropriations bill as well as numerous other pieces of [legislation](#) from the Oversight and Reform, Natural Resources, and Veterans' Affairs Committees. [Hearings](#) for the week include assessing the federal response to COVID-19, defending the electric grid against cyber attacks, enhancing voting rights, examining federal nutrition programs, discussing the role of controlled environment agriculture, and addressing NASA's infrastructure needs. The House Armed Services Committee will also hold all of its subcommittee markups this week for the FY22 National Defense Authorization Act, but it will not hold its full committee markup until September.

FY22 Budget and Appropriations. The House will take up the [Agriculture](#), Energy and Water Development ([EW](#)), Financial Services and General Government ([FSGG](#)), [Interior-Environment](#), Labor, Health and Human Services, and Education ([LHHS](#)), Military, Construction, and Veterans Affairs ([MilCon-VA](#)), and Transportation and Housing and Urban Development ([THUD](#)) appropriations bills in a seven-bill minibus ([H.R. 4502](#)) this week, as well as potentially consider the Commerce, Justice, and Science (CJS, [H.R. 4505](#)), Legislative Branch ([H.R. 4346](#)), and State and Foreign Operations (SFOPS, [H.R. 4373](#)) bills. The Senate Appropriations Committee may markup the Agriculture, EW, and MilCon-VA bills before the August recess, but the draft bills and a final schedule have not yet been released.

Additionally, the Senate Budget Committee is currently drafting the FY22 budget resolution, though Democrats are still finalizing specific reconciliation instructions for the various committees of jurisdiction. Their goal is to bring the budget resolution to the Senate floor before the August recess.

Infrastructure Package. The bipartisan group of senators involved in the \$579 billion infrastructure package negotiations plan to announce details about the legislation as soon as today.

Biden Administration. President Joe Biden will meet with Iraqi Prime Minister Mustafa al-Kadhimi today. On Wednesday, Biden will visit Lehigh Valley, Pennsylvania for the first time since taking office.

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

Democrats Expect Unity on Budget as They Eye Early August Vote: Senate Budget Chairman Bernie Sanders (I-VT) said last Wednesday that he's confident all 50 Democrats will support the fiscal 2022 budget resolution, the first step in the

reconciliation process for enacting President Joe Biden's economic agenda without GOP votes that he expects the Senate to consider in early August. ([Roll Call](#))

Debt Limit Deadline Likely October or November, CBO Says: The government will likely run out of borrowing authority sometime in October or November unless Congress takes action to raise or suspend the debt limit, the Congressional Budget Office warned last Wednesday. ([Roll Call](#))

Banking & Housing

Bipartisan Bill Introduced to Help Homeowners Prepare for Natural Disasters: Last Week, Sens. Dianne Feinstein (D-CA), Richard Burr (R-NC), Alex Padilla (D-CA) and Thom Tillis (R-NC) and Rep. Mike Thompson (D-CA) introduced the bipartisan, bicameral [Disaster Mitigation and Tax Parity Act](#) (S. 2432), a bill that would make rebates that homeowners receive for making natural disaster mitigation improvements to their homes exempt from federal taxes. ([Clark Hill Insight](#))

Labor & Workforce

Oversight Committee Passes Historic Legislation to Provide Paid Family Leave to Federal Workers: Last Tuesday, The House Oversight and Reform Committee passed the [Comprehensive Paid Leave for Federal Employees Act](#) (H.R. 564). The legislation would provide federal workers with paid family and medical leave. It is possible a similar initiative will be included in the Senate budget deal. ([GovExec](#))

Education

Public Charter Schools Group Blasts Proposed Democratic Cut: The leading national advocacy group for charter schools is condemning a provision included in House Democrats' education budget proposal that they argue could put some charter schools at risk of losing federal funds, a claim that is inaccurate, according to a Democratic congressional staffer. The National Alliance for Public Charter Schools this week released a petition calling on members of Congress to push back against the 2022 health, labor and education spending bill, which the House Appropriations Committee approved last week in a party-line vote. ([The Hill](#))

Health

Klobuchar Targets Vaccine Misinformation with Section 230 Bill: Sen. Amy Klobuchar (D-MN) introduced legislation last Thursday to fight bogus medical claims online during health crises like the coronavirus pandemic. Her target: Section 230. Klobuchar's bill would carve out an exception to Section 230, the 1996 law that protects internet platforms from liability for content that users post, for health misinformation proliferating during public health emergencies — like the misinformation that has been running rampant about vaccines for Covid-19. ([Politico](#))

Tax Reform

Top Democrat Presses IRS for Improvements to Web Tool on Child Tax Credit: Senate Finance Committee Chairman Ron Wyden (D-OR) on Thursday pressed the IRS for improvements to a web tool that allows low-income families to register for the new monthly child tax credit payments. ([The Hill](#))

Transportation

Senator Asks Airlines About Worker Shortages After Billions in U.S. Bailouts: Last week, Senator Maria Cantwell (D-WA), the chair of the U.S. Senate Commerce Committee [asked the chief executives of six airlines](#) including American Airlines, Delta Air Lines, Southwest Airlines, and JetBlue Airways to explain reported worker shortages despite receiving billions in pandemic bailouts. ([Reuters](#))

EV Rebates To Be Included in Reconciliation Package: In a Facebook Live event last Wednesday, Senator Bernie Sanders (I-VT) said the Senate's \$3.5 trillion reconciliation will include substantial tax rebates "to enable middle-income, working class people to buy a car, which they'll be able to afford." (Clark Hill Insight)

Space

Senators Push for Action on Space Traffic Management:

Members of a Senate space subcommittee argued in a hear last week that the Commerce Department was still not doing enough to implement policies on space traffic management (STM) or staffing the office responsible for it. ([Space News](#))

SpaceX to Launch the Europa Clipper Mission, for a Bargain Price: After years of speculation, NASA officially announced Friday that SpaceX's Falcon Heavy would launch what is arguably the space agency's most important Solar System exploration mission of the 2020s—the Europa Clipper. The decision comes after schedule, cost, and shaking issues with the SLS rocket made its use untenable. ([Ars Technica](#))

Cyber

House Passes Host of Bills to Strengthen Cybersecurity in Wake of Attacks: The House on Tuesday approved five bipartisan measures designed to enhance various aspects of the nation's cybersecurity following recent major cyberattacks. The cyber-related package passed in a 319-105 vote and included measures to fund cybersecurity at the state and local level, bolster reporting requirements, and test critical infrastructure. ([The Hill](#))

Defense

Democratic Hawks Want to go Bigger Than Biden on Defense Spending: The Senate Armed Services Committee's move last week to authorize significantly more defense spending next year than President Joe Biden wants demonstrates that there's still a sizable number of Democratic hawks in the Senate willing to challenge the party's dovish progressive wing. ([Roll Call](#))

Lawmakers Want Pentagon to Map Supply Chain Risks, Cut China Products: A report released July 22 by the House Armed Services Committee's Defense Critical Supply Chain Task Force provided six recommendations for future statutory requirements to force the Pentagon to gain a better understanding of its supply chain and illuminate vulnerabilities and potential for shortages, specifically for semiconductors, rare earth elements needed for defense systems, pharmaceutical ingredients and energetic propellant for bullets or missiles. ([Defense News](#))

Lawmakers Urge Biden to Make Changes in Nuclear Policies: A group of Democratic lawmakers is urging President Biden to be actively involved in his administration's upcoming Nuclear Posture Review (NPR) and make "bold decisions" that would reduce the role of nuclear weapons in U.S. national security strategy. ([The Hill](#))

Homeland Security & Immigration

House Bill Targets US Passport Backlog: Lawmakers introduced bipartisan legislation on Thursday that would require the Biden administration to submit a plan to eliminate the massive U.S. passport backlog. The Passport Backlog Elimination Act was introduced by Reps. Gerry Connolly (D-VA), Carolyn Maloney (D-NY), Adam Kinzinger (R-IL), and Tim Burchett (R-TN).

The bill focuses on staffing shortages at the State Department that have caused the passport backlog, requiring the agency to ensure processing time is six to eight weeks for applications and two to three weeks for expedited applications. ([The Hill](#))

Over 200 Lawmakers Sign Letter to Secretary Blinken About Passport Backlog: More than 200 lawmakers sent a letter to Secretary of State Antony Blinken urging him to improve the National Passport Information Center's passport processing

moving again. [The letter](#) was led by Reps. Chrissy Houlahan (D-PA) and French Hill (R-AK).

Energy

Reps. Davis and Levin Announce Formation of Bipartisan Spent Nuclear Fuel Solutions Caucus: Last Wednesday, U.S. Representatives Rodney Davis (R-IL) and Mike Levin (D-CA) announced the formation of their Spent Nuclear Fuel Solutions Caucus, a bipartisan group of House members who will drive progress on the safe storage, transportation, and disposal of spent nuclear fuel across the country. ([Clark Hill Insight](#))

Toomey, Feinstein, Collins, and Menendez Introduce Bipartisan Bill to Repeal Ethanol Mandate: Last Tuesday, Sens. Pat Toomey (R-PA), Dianne Feinstein (D-CA), Susan Collins (R-ME), and Bob Menendez (D-NJ) introduced the [Corn Ethanol Mandate Elimination Act of 2021](#) (S. 2385) to eliminate volume requirements for corn ethanol in the Renewable Fuel Standard. ([Clark Hill Insight](#))

Environment & Interior

Senate Panel Advances Controversial Public Lands Nominee In Tie Vote: The Senate Energy and Natural Resources Committee voted 10-10 on the nomination of Tracy Stone-Manning last Thursday, which under the committee rules means it will advance to the full Senate floor. Stone-Manning has been the subject of mounting Republican opposition over her connection to an act of environmental sabotage known as tree-spiking. She testified in court in the 1990s that she had delivered a letter written by another activist threatening such a spiking, in which metal rods are used to disrupt logging. ([The Hill](#))

Executive Branch

Crypto/Blockchain

IRS Tweaks Crypto Question Language on 2021 1040 Draft Form: In a draft form of the 1040 form for 2021 released last week, the tax agency has proposed asking the question “At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?” ([Coindesk](#))

Tax/IRS

IRS Says It Has Delivered \$400B in American Rescue Plan Stimulus Checks: The checks represent the third round of direct payments to U.S. adults since the pandemic began last year. ([The Hill](#))

Health/HHS/NIH

GAO Urges Agencies to Improve Covid Response: A nonpartisan watchdog on Monday issued 15 recommendations for federal agencies to improve their response to Covid-19, including calling on the CDC to improve its testing capability and for HHS to be more transparent about how it intends to spend Covid-19 relief funds. The Government Accountability Office recommended the CDC strengthen its surge testing capacity. Before the Covid-19 pandemic, CDC didn't have a plan for boosting testing capacity that identified “objectives and outline[d] agency and stakeholder roles and responsibilities for achieving these objectives within defined time frames,” GAO wrote in its 438-page report. ([GAO Report](#))

Banking & Housing/HUD

Biden Administration Offers New Aid for Mortgage Borrowers at Risk of Foreclosure Due to COVID-19 Pandemic: The Biden administration announced on Friday it is [putting in place new loan modifications and payment reductions](#) to help homeowners who have fallen behind on their mortgage payments during the coronavirus pandemic. The modifications are aimed at staving off a wave of foreclosures and will allow homeowners with federally backed mortgages to extend the life

of their loans and reduce their interest rates. The measures will apply to those who cannot afford to resume their monthly mortgage payments. ([USA Today](#))

Education

Secretary Cardona Pulls Back on Grant Aimed at Addressing Discrimination, Bowing to GOP Pressure: The Education Department announced last Friday that it will not give preference to applicants for a federal grant competition to pursue plans that teach about systemic racism, softening the agency's position on an initial set of criteria that drew intense Republican opposition. ([Politico](#))

Transportation

Surface Transportation Board: How Are Railroads Addressing Intermodal Congestion? The Surface Transportation Board is asking the Class I railroads to explain how they are addressing congestion within the international intermodal supply chain amid shippers' reports about "sizeable" storage fees and the length of time containers are being held. STB Chairman Marty Oberman, in letters dated last Thursday to each of the Class I railroads, asked the railroads to provide certain information regarding container storage fees so that the board can assess the extent of congestion at key container terminals, as well as determine whether to lift an exemption in order to subject container cars to STB demurrage policy and rules. ([FreightWaves](#))

Space/NASA & NOAA

The Time May Finally Be Ripe for a National Climate Service: Several federal science agencies, including NOAA, NASA, and EPA, independently collect all kinds of climate data and advocates of a national climate service say these kinds of services could be better organized and distributed if they were housed under one umbrella. ([Scientific American](#))

Politico Space Roundup: The FAA's plans to "lean forward" in regulating the expansion of commercial spaceflight, Commerce Department comes under fire in Senate hearing for still not tackling its mission to manage space debris and NASA does a deep dive on potential power sources for a moon base, including "cold fusion." ([Politico Space](#))

DHS & Immigration

Harris Met with DACA Recipients After Federal Court Ruling: Vice President Kamala Harris on Thursday met with recipients of the Deferred Action for Childhood Arrivals program and immigrant advocates as the White House urges Congress to move quickly on immigration reform — potentially in a budget reconciliation bill Democrats hope to vote on this year. ([Politico](#))

Biden Diverges With Canada And Extends Border Restrictions Until At Least Aug. 21: The Biden administration renewed its restrictions at the U.S.-Canada land border last Wednesday for at least another month in a move that signals a new divergence between the neighbors in public health policy at the frontier. The move comes a couple of days after the Trudeau government took first steps to reopen the frontier to fully vaccinated, nonessential American travelers.

Judiciary/DOJ

Biden Signs Bill Putting More Cash Into Crime Victims Fund: The Crime Victims Fund, run by the Justice Department, taps revenue from fines and penalties imposed in criminal court cases to provide services to victims, such as counseling and shelter, and to reimburse them for lost wages, health care costs or funeral expenses, among other things. ([Roll Call](#))

Cyber

Chinese Government Recruiting Criminal Hackers to Attack Western Targets, U.S. and Allies Say: The Biden administration and U.S. allies on Monday blamed the Chinese government for a sprawling web of cyberattacks, including a

blizzard of hacks into Microsoft email servers in March and intrusions for which Beijing partnered with cyber criminals. ([Politico](#))

The Brave New World of Cybersecurity Compliance – Key Takeaways from Recent Government Action on

Cybersecurity: In the past several months, multiple federal departments and agencies announced new policy initiatives and regulatory directives to drive their cybersecurity agenda forward, and state regulators are following the trend. It is unmistakably clear that companies in regulated sectors are entering a new era of cybersecurity regulatory compliance. ([JD Supra](#))

Department of Energy

White House Delays Biofuel Mandates Due to Political Concerns: The White House has delayed an annual process meant to decide how much ethanol and other biofuels U.S. oil refiners need to blend into their fuel each year, as it seeks a solution for an issue that pits refinery workers against corn farmers, two sources familiar with the matter said. ([Reuters](#))

Granholm Announces New Building Energy Codes: Energy Secretary Jennifer Granholm last Wednesday announced a series of new building energy code determinations that the Energy Department says will save \$138 billion over three decades.

The department projected the new code determinations will save up to 4.7 percent on-site energy, 4.3 percent source energy, 4.2 percent carbon emissions, and 4.3 percent in energy costs. The department projects the determinations would generate savings of \$138 billion over the next 30 years for homes and businesses, or about \$162 per residential unit a year. ([The Hill](#))

New Grants Designed So ‘Everyone’s Included’ in Pandemic Recovery: Whether it is investing in a coal mining community, or in regional tourism, Commerce Secretary Gina Raimondo says new “investing in America” grants announced last Thursday are designed so every community in America feels empowered and included to get back on their feet in the wake of the pandemic.

She said the Commerce Department is making \$3 billion in grants available for a myriad of programs, using funds passed as part of the American Rescue Plan. Programs include the “Build back better challenge,” in which regions can apply for up to \$100 million to “accelerate recovery and inclusive economic growth by developing new industries or expanding existing ones through planning, infrastructure development, workforce training, innovation and commercialization, access to capital, and more.” The plan also includes sending \$300 million to coal communities to help with the transition from fossil fuels. ([ABC News](#))

