

# Window on Washington – August 2, 2021, Vol. 5, Issue 31

August 2, 2021

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

**Congress.** The House is in recess for the rest of August, though the Senate is in session this week. Senate committees will hold a handful of [hearings](#), including to consider numerous nominations and to examine the Department of Energy's Office of Science. On the Senate floor, Senate Majority Chuck Leader (D-NY) plans to hold votes on the bipartisan infrastructure deal and on the budget resolution with reconciliation instructions. While the Senate is set to start their August recess on the 9th, if more floor time is needed for these votes, the Senate may delay the start of their summer recess and stay in session for an extra week.

**FY22 Budget and Appropriations.** The Senate Appropriations Committee will markup three bills this week: Military Construction and Veterans Affairs (MilCon-VA), Agriculture, Rural Development, and Food and Drug Administration (Ag), and Energy and Water Development (EW). The Committee has not yet released the draft bill text and report language for any of the bills, but they will do so over the course of today and into the rest of the week. Floor votes on these bills and markups on the remaining Senate appropriations bills will not occur until after the Senate returns from their August recess. The House will also continue working on their remaining appropriations bills after recess.

**Infrastructure Package.** The bipartisan group of senators involved in the infrastructure negotiations released the bill text late last night. Senator Schumer offered the bipartisan infrastructure deal, named the "Infrastructure Investment and Jobs Act," as a substitute amendment to H.R. 3684, the House-passed surface transportation bill. The bipartisan legislation calls for \$550 billion in new spending for a range of physical infrastructure needs, including highways, rail, broadband, and the electric grid. The measure provides \$110 billion for roads, bridges, and major projects, \$39 billion for public transit, \$66 billion for rail, \$65 billion for broadband, \$55 billion for drinking water and wastewater, and billions for airports, ports, and electric vehicle charging stations. There are also provisions around climate change, cybersecurity, revenue, and multiple authorizations. With the base bill text now finalized, the Senate will debate and vote on amendments this week.

While the Senate hopes to wrap up their votes on the bipartisan deal in the coming days before shifting gears to vote on the budget resolution with reconciliation instructions, House members in the Congressional Progressive Caucus reiterated that their votes on the bipartisan infrastructure bill are not guaranteed until both the bipartisan infrastructure deal and the reconciliation bill are sent to the House. Speaker of the House Nancy Pelosi (D-CA) has also insisted that the House will not consider the bipartisan legislation until the Senate also passes the larger reconciliation package that includes the Democratic-only priorities. With a slim Democratic majority in the House and the unlikelihood of Republican support for the reconciliation package, House Democrats will need to be on the same page before the infrastructure package is ready for a vote in their Chamber. House Transportation and Infrastructure Committee Chair Peter DeFazio (D-OR) has also expressed there are changes he would like to see incorporated into the bipartisan deal.

## Last Week in the Nation's Capital

### CONGRESS

#### Budget & Appropriations

**House Democrats Pass Earmark-Packed \$600B Spending Bundle:** The seven-bill “minibus,” which passed last Thursday in a 219-208 vote, would increase budgets at the Departments of Agriculture, Education, Energy, Health and Human Services, Housing and Urban Development, Interior, Labor, Transportation, Treasury, and Veterans Affairs, as well as the Army Corps of Engineers, Environmental Protection Agency, Food and Drug Administration, Small Business Administration, military construction activities at the Department of Defense, and more. The House also passed two bills last Wednesday that would provide about \$67 billion for the State Department, foreign aid programs, and the Legislative Branch, largely along party lines. ([Politico](#))

**Commerce, Justice, Science Bill Vote Delayed:** Concerns from Democrats in swing districts about policy provisions about new restrictions on federal grants for police departments derailed the House’s consideration of the Commerce, Justice, Science appropriations bill, which was originally scheduled to be voted on last week. The House will resume its consideration of the bill after they return from August recess. (Clark Hill Insight)

**Schumer Says He Has Votes for Moving \$3.5 Trillion Package:** Senate Majority Leader Chuck Schumer (D-NY) said last Thursday that all 50 Democrats will vote to move forward on the party’s \$3.5 trillion social spending proposal. While all 50 Democratic senators support beginning the process of passing the \$3.5 trillion bill, the final price tag on the bill is not yet clear. ([Politico](#))

#### Health

**Mask Mandates Return to The Capitol, White House:** Mask mandates returned to the House and the White House, while the Senate was strongly encouraged to use high-quality face coverings as well to help slow down the delta variant of COVID-19. Attending Physician Brian Monahan’s messages to the House and Senate made the same substantive point, that the new guidance last week from the Centers for Disease Control and Prevention regarding indoor mask use by fully vaccinated individuals in areas where the virus is spreading has led him to recommend that Congress follow suit. ([Roll Call](#))

#### Education

**Pelosi Rebuffs Schumer’s Push to Get Biden to Cancel Student Debt:** Last Wednesday, House Speaker Nancy Pelosi (D-CA) rejected efforts by Senate Majority Leader Chuck Schumer (D-NY) and other progressives to persuade President Joe Biden to unilaterally cancel large amounts of student loan debt, exacerbating a growing rift in the Democratic Party over the issue. Pelosi said that Biden lacks the executive authority to cancel student loan debt and also questioned the wisdom and fairness of such a policy, which has been a major priority for the left in recent years. ([Politico](#))

#### Banking & Housing

**AOC, Administration Spar on Eviction Moratorium:** Rep. Alexandria Ocasio-Cortez (D-NY) yesterday said Democrats cannot blame Republicans for the expiration of the eviction moratorium. “The House and House leadership had the opportunity to vote to extend the moratorium. ... We cannot in good faith blame the Republican Party when House Democrats have the majority,” the progressive New York Democrat said on CNN’s “State of the Union.” “This Court order came down on the White House a month ago, and the White House waited until the day before the House adjourned to release a statement asking Congress to extend the moratorium.” ([Politico](#))

#### Crypto/Blockchain

**New Infrastructure Bill Looks to Raise \$30B Through Crypto Taxes:** The draft language could mean a number of individuals interacting with crypto may have to start reporting their transactions. ([Coindesk](#))

**Senator Warren Urges ‘Coordinated and Holistic’ Response to ‘Dangers’ of Crypto:** Longtime crypto skeptic Sen. Elizabeth Warren (D-MA) is urging the government yet again to form a regulatory strategy to “mitigate the growing risks that cryptocurrencies pose to the financial system.” ([Coindesk](#))

## Tax Reform

**Elizabeth Warren Makes Fresh Push for Wealth Tax:** A wealth tax, one of the most hotly debated tax proposals, has grown in popularity with populist and progressive politicians as a means to combat economic inequality. ([CNBC](#))

## Transportation

**Susan Collins Says Infrastructure Bill Has Enough Republican Support to Pass in Senate:** Sen. Susan Collins (R-ME) predicted yesterday that the bipartisan infrastructure package will have enough Republican support to pass the chamber this week. ([Politico](#))

**T&I Chair DeFazio Challenges Proposed Canadian National and Kansas City Southern Railroad Merger Trust:** House Committee on Transportation and Infrastructure Chairman Peter DeFazio (D-OR) sent a letter to the Surface Transportation Board (STB) last week opposing the approval of a trust for the proposed merger of the Canadian National (CN) and Kansas City Southern (KCS) railroads. In his letter, DeFazio stated that approving the trust is not in the public interest and would reduce competition. ([Clark Hill Insight](#))

## Trade

**Bipartisan American Seasonal and Perishable Crop Support Act:** Representatives Raul Ruiz (D-CA) and Austin Scott (R-GA) introduced the “American Seasonal and Perishable Crop Support Act” to provide support to seasonal and perishable growers who have seen lowered market prices due to imports, particularly from Mexico. Beginning in 2022, the program would provide growers with “recovery payments” to cover the difference between the regional average market price for a crop over the past three years and its national average market price, if that difference was caused by imports. ([Office of Rep. Scott](#))

## Space/NASA & NOAA

**Aging Infrastructure the ‘Single, Greatest Threat’ to NASA Missions and Technology:** NASA infrastructure should be part of the wider effort to fund federal research and development infrastructure, said Rep. Eddie Bernice Johnson (D-TX) during a House Science Subcommittee on Space and Aeronautics hearing last Thursday. ([Fed Scoop](#))

## Defense

**Lawmakers Want Answers on U.S. Army Plans to Protect Vehicles from Drones:** House lawmakers want answers from the Army on its plan to outfit combat vehicles with protection systems capable of countering unmanned aircraft systems, according to the Tactical Air and Land Forces Subcommittee’s markup of the fiscal 2022 defense authorization bill, released July 28. ([Defense News](#))

## Homeland Security & Immigration

**Menendez Says No Path Forward on Immigration Without Reconciliation:** Sen. Bob Menendez (D-NJ), a key negotiator in congressional immigration talks, cast doubt last Thursday on prospects for legislation to create a path to citizenship for undocumented immigrants if Democrats cannot advance the measure through the budget reconciliation process. “If we don’t have reconciliation, I’m not sure that there’s a pathway forward,” said Menendez., referencing efforts by Senate

Democrats to include immigration provisions in a \$3.5 trillion package that could advance in the chamber with a straight majority vote. ([Roll Call](#))

## Cyber

**Top FBI Official Advises Congress Against Banning Ransomware Payments:** A senior FBI official advised members of the Senate Judiciary Committee last Tuesday against the idea of banning companies from paying hackers behind ransomware attacks, which have become a national security concern in recent months. ([The Hill](#))

## Agriculture

**Controlled-Environment Ag Industry Makes its Case on Capitol Hill:** The discussion of how controlled-environment agriculture can help protect the nation's domestic food supply chain and infrastructure made its way to Capitol Hill last Thursday. ([Greenhouse Grower](#))

## Environment & Interior

**House Passes Interior, EPA, Energy Budget Package:** Last Thursday, the House passed a sprawling appropriations package for fiscal year 2022 that includes funding for the Interior and Energy Departments, the Environmental Protection Agency (EPA) and several others. While the budget still has to go through the Senate, and isn't likely to be enacted as-is, it's an indication of where Democratic budget priorities lie. ([HAC Press Release](#))

## Energy

**Senators Request Meeting with Biden to Explain Importance of Biofuels:** Nine Republican Senators sent a letter to President Biden last Wednesday requesting a meeting with Biden and members of his Cabinet to discuss the role biofuels can play in affordable energy. The senators suggested the administration has not included biofuels in their clean or alternative energy strategy. ([Clark Hill Insight](#))

## EXECUTIVE BRANCH

### Budget & Appropriations

**Biden Signs Bill to Fund National Guard Capitol Security Mission, Afghan Visas:** President Joe Biden last Friday signed the \$2.1 billion bipartisan emergency legislation that will reimburse more than a half-billion dollars the National Guard spent on protecting the Capitol after the violent Jan. 6 insurrection and increase the number of visas for allies who worked alongside Americans in the Afghanistan war. ([Military Times](#))

**Missed Debt Ceiling Deadline Kicks Off High-Stakes Fight:** A two-year deal to suspend the debt ceiling lapsed yesterday following inaction from Congress and President Biden to give the U.S. more borrowing authority. The Treasury Department will now begin taking what it refers to as "extraordinary measures" to prevent the U.S. from defaulting on its debt. Those steps are likely to avert a default until October or even November before Biden will need to sign a bill to raise or suspend the limit again. ([The Hill](#))

### Health/HHS/NIH

**Biden Admin Says 'Long COVID-19' Could Qualify as a Disability:** Last Monday, the Biden administration released new guidance on how to support those experiencing long-term symptoms of COVID-19 as part of a broader effort to recognize the 31st anniversary of the Americans with Disabilities Act. The departments of Health and Human Services (HHS) and Justice rolled out guidance making clear that symptoms of "long COVID-19" could qualify as a disability under the federal civil rights law. ([The Hill](#))

### Labor & Workforce

**Biden Asks Federal Workers to Disclose Vaccination Status:** Federal workers and contractors will have to declare their vaccination status against COVID-19 or use additional public health precautions, President Joe Biden announced last Thursday, signaling a more aggressive stance against the evolving virus. “With freedom comes responsibility, and your decision not to get vaccinated impacts someone else,” Biden said in a national address highlighting the risks for unvaccinated people and society at large. ([Roll Call](#))

## Crypto/Blockchain

**Lawmakers’ Crypto Focus Strengthens Voice of SEC’s Peirce:** Pressure from lawmakers to clear up open questions on financial technology could help Securities and Exchange Commission member Hester Peirce secure exemptions for fintech companies looking to experiment without running afoul of regulations. ([Roll Call](#))

## Tax Reform/IRS

**Another 1.5 Million Refunds are Going Out to Those Who Paid Taxes on 2020 Unemployment Pay:** Generally, unemployment compensation is taxable. But in March, the American Rescue Plan waived taxes on the first \$10,200 in unemployment income. ([CNBC](#))

## Transportation/DOT

**White House Wants U.S. Automakers to Back At Least 40% Electric Vehicle Target by 2030:** The White House has told U.S. automakers it wants them to back a voluntary target of at least 40% of new vehicles sales being electric by 2030 as it works to reduce greenhouse gas pollution, sources briefed on the matter said. ([Reuters](#))

## Trade

**Committee on Foreign Investment Releases 2020 Report:** The Committee on Foreign Investment in the United States (CFIUS), which is authorized by law to review certain transactions involving foreign investments in the U.S., released its Annual Report for 2020 last week. The report provides details on declarations and notices of foreign investments in U.S. businesses submitted and/or reviewed in 2020. ([CFIUS](#))

## Space/NASA & NOAA

**Space Force Sees ‘Advantages and Opportunities’ in Nuclear-Powered Space Missions:** Space vehicles powered by small nuclear reactors — a technology that NASA believes could help get humans to Mars faster — also could be used for military missions in deep space, the vice chief of the U.S. Space Force said last Wednesday. ([Space News](#))

## Defense/DOD

**Watchdog: Lack of DOD Action May Have Caused ‘Preventable’ Risks From ‘Forever Chemicals’:** A report from an internal watchdog says that a lack of action from the Defense Department may have led to people being exposed to “preventable” risks from toxic chemicals. ([The Hill](#))

## DHS & Immigration

**Biden and Harris Met with Lawmakers on DACA:** President Biden and Vice President Harris met with Congressional Democrats last Thursday, including Senate Majority Whip Dick Durbin (D-IL) and House Judiciary Chairman Jerry Nadler (D-NY) to strategize on immigration reform efforts for the upcoming reconciliation legislation. ([Clark Hill Insight](#))

**Harris Releases Strategy to Tackle Migration’s Root Causes:** Vice President Kamala Harris said last Thursday that efforts to address root causes of migration from three Central American countries won’t produce immediate results as she unveiled a broad strategy that expands on principles the Biden administration previously outlined. ([AP](#))

**For FEMA Head, Trip to Wildfire Regions Reaffirms Drive to Address Climate Change:** FEMA administrator Deanne Criswell's first trip out West since being confirmed in April reinforced her view that the agency must tackle climate change's influence on disasters, such as wildfires and droughts. FEMA is the lead agency for providing aid to states hit hard by ongoing fires, already approving 19 Fire Management Assistance Grants. The trip illustrated the present-day impacts of climate change, with the twin challenges of fires and drought plainly evident. ([Axios](#))

## Judiciary/DOJ

**DOJ Issues Warnings to States on Voting Laws and Audits:** The Department of Justice took aim last Wednesday at post-election audits and a flurry of voting laws passed after the 2020 elections, warning states some of their actions may run afoul of the law. ([The Hill](#))

## Cyber

**White House Asks CISA, NIST to Set Cybersecurity Performance Goals for Critical Infrastructure Operators:** The initiative will not result in mandatory measures for the private sector, but the administration hopes to signal its commitment to cybersecurity and maybe get a little help from Congress on that front. ([Defense One](#))

## Agriculture/USDA

**USDA Implements Heirs' Property Lending Program from 2018 Farm Bill:** The U.S. Department of Agriculture is moving to implement a lending program designed to help farm property heirs resolve ownership and succession issues and hold onto their land. ([Politico](#))

## EPA & DOI

**EPA Announces Intent to Bolster Limits on Water Pollution from Power Plants:** The U.S. Environmental Protection Agency (EPA) announced that it is initiating a rulemaking process to strengthen certain wastewater pollution discharge limits for coal power plants that use steam to generate electricity. ([EPA](#))

## Department of Energy

**Renewables Became the Second-Most Prevalent U.S. Electricity Source in 2020 Behind Natural Gas:** In 2020, renewable energy sources (including wind, hydroelectric, solar, biomass, and geothermal energy) generated a record 834 billion kilowatt-hours (kWh) of electricity, or about 21% of all the electricity generated in the United States. Only natural gas (1,617 billion kWh) produced more electricity than renewables in the United States in 2020. Renewables surpassed both nuclear (790 billion kWh) and coal (774 billion kWh) for the first time on record. This outcome in 2020 was due mostly to significantly less coal use in U.S. electricity generation and steadily increased use of wind and solar. ([EIA](#))

**Review of U.S. Federal Oil, Gas Leasing Program Being Finalized Internally, Says Haaland:** A highly anticipated review by the U.S. Interior Department of the federal oil and gas leasing program is undergoing final internal review and should be released "very soon," Interior Secretary Deb Haaland told a Senate hearing last Tuesday. ([Reuters](#))