

Window on Washington – September 20, 2021, Vol. 5, Issue 38

September 20, 2021

Outlook for This Week in the Nation's Capital

Congress. The House and Senate are both in session this week. The House is set to take up the National Defense Authorization Act ([H.R. 4350](#)), abortion rights legislation ([H.R. 3755](#)), a continuing resolution to fund the government through early-mid December, numerous Veterans' affairs bills, and [potentially](#) a handful of education, foreign affairs, natural resources, and oversight and reform bills. Behind the scenes, the House is also working to finalize the reconciliation legislation as well as readying to take up the Senate-passed bipartisan infrastructure deal on September 27. The Senate is expected to consider [voting rights legislation](#) and to continue confirming President Joe Biden's nominees. [Hearings](#) for the week include discussing NASA's future in low earth orbit, examining big data, examining solutions to revive travel and tourism, preventing veteran suicides, examining job and apprenticeship training programs, restoring the Voting Rights Act, advancing earth system science at NOAA, and examining voluntary carbon markets in agriculture and forestry.

Reconciliation and Infrastructure Packages. The House Budget Committee is working to assemble the reconciliation legislation from various Committees into one package, but has decided to delay formal Committee action this week according to [Punchbowl News](#) to allow more time for Congressional leaders to finalize its contents. Just yesterday the Senate Parliamentarian [ruled](#) that immigration legislation could not be included in the package due to the fact that she has determined its budgetary impact was only incidental to the underlying policy changes that would result from its enactment. Additionally, while House Majority Leader Steny Hoyer (D-MD) last Friday affirmed the chamber will vote on the Senate-passed bipartisan infrastructure bill on Sept. 27, House majority whip Jim Clyburn (D-SC) and House budget chair John Yarmuth (D-KY) both said yesterday there is a chance Congress will not be able to meet that deadline and it may slip into early October instead given that the reconciliation package won't be done by that time.

Debt Limit. House Majority Leader Steny Hoyer (D-MD) indicated that the House plans to vote this week on a measure to suspend the debt limit. However, it remains unclear how long the debt limit would be suspended for and whether the action on the debt limit will be paired with the continuing resolution or not.

FY22 Appropriations. While there were tentative plans for the Senate Appropriations Committee to markup additional bills this week, the Committee's Chairman, Vermont Senator Patrick Leahy (D-VT), announced that they will no longer hold any markups given Republican opposition to doing so until there is an agreement on top-line spending levels for defense and non-defense programs. Given the September 30 deadline for government funding, a continuing resolution is in the works to avoid a government shutdown, and it will likely run through either December 3 or December 10. The stopgap spending bill will also would include funds for natural disaster recovery and Afghan refugees.

Biden Administration. President Biden will tomorrow deliver his first speech before the United Nations General Assembly (UNGA) since taking office. On Wednesday, he will convene a virtual summit on the margins of the UNGA focused on expanding and enhancing shared efforts to defeat COVID-19. On Friday, Biden will host the first-ever in-person summit of the Quad Leaders – Australia, India, Japan, and the United States – at the White House.

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

Democrats Brace for Toughest Stretch Yet with Biden Agenda: House Democrats last week wrapped up the bulk of their committee work on the \$3.5 trillion package, but differences within the party on various provisions in both the House and Senate have created headaches for Democratic leaders and will need resolving before the legislation hits the floor. Some of the biggest disagreements are related to the tax, health care and climate policy provisions. ([The Hill](#))

Hoyer Says House Will Vote to Avoid Debt Default, Shutdown This Week: House Majority Leader Steny Hoyer (D-MD) confirmed in a letter to colleagues that the party will look to suspend the cap on how much money the government can borrow, rather than increase that figure outright. Both parties have been far more willing to support a suspension than a hike in recent years, since it gives lawmakers some cover from the political blowback that could follow. Republicans insist that Democrats can raise the debt limit on their own through reconciliation, or the special budget process that they're using to pass trillions of dollars in party priorities without GOP votes. But moderate Democrats aren't likely to support a debt ceiling hike and the White House has said it wants to pursue a bipartisan solution, [accusing Republicans of playing chicken](#) with a typically bipartisan issue that could have calamitous consequences. ([Politico](#))

Clyburn, Yarmuth Say Congress Might Miss Sept. 27 Infrastructure Deadline: Reps. Jim Clyburn (D-SC) and John Yarmuth (D-KY) both said yesterday that there is a chance Congress will slip past the Sept. 27 deadline for voting on the bipartisan infrastructure bill since the reconciliation package won't be done by then. ([Politico](#))

Banking & Housing

Waters Presses Biden to Drop Plans to Replace Housing Regulator: House Financial Services Chair Maxine Waters (D-CA) is urging President Joe Biden to keep the current regulator of mortgage giants Fannie Mae and Freddie Mac, creating a potential clash with the White House as it considers naming a replacement. ([Politico](#))

Democratic Bill Would Force Fed to Defund Fossil Fuels: Three progressive House Democrats introduced a bill last Wednesday that would force the Federal Reserve to break up banks if they do not reduce the carbon emissions they finance in line with the Paris climate accord. ([The Hill](#))

Committee Passes Build Back Better Agenda to Provide Long-Overdue Investments in Housing Resources: The House Financial Services Committee passed the Financial Services Committee Title of the Build Back Better Act to provide long-overdue investments in housing resources, such as affordable housing, down-payment assistance, and efforts to end homelessness. ([Clark Hill Insight](#))

Crypto/Blockchain

House Democrats Propose Closing \$16.8B Crypto Tax Loophole: In its budget reconciliation legislation, the House Ways and Means Committee included language that would impose "wash sale" rules on commodities, currencies and digital assets that currently apply to stocks and bonds. Wash sale rules prevent investors from reaping tax benefits from a losing investment and then immediately buying back the same asset. The IRS currently treats crypto as property, not as a security, which is how the asset class escapes the rules. ([CNBC](#))

Tax Reform

House Democrats Propose New Tax Hikes to Pay for Their \$3.5 Trillion Bill: House Democrats last Monday outlined a bevy of tax hikes on corporations and wealthy people to fund an investment in the social safety net and climate policy that could reach \$3.5 trillion. The plan calls for top corporate and individual tax rates of 26.5% and 39.6%, respectively, according to a summary released by the tax-writing Ways and Means Committee. The proposal includes a 3% surcharge on individual income above \$5 million and a capital gains tax of 25%. ([CNBC](#))

Transportation

U.S. Democrats Propose Dramatic Expansion of EV Tax Credits that Favors Big Three: U.S. Democratic lawmakers last Friday proposed an expansion of tax credits for electric vehicles that includes significantly higher subsidies for union-made zero emission models assembled in the United States. ([Reuters](#))

After a More Than 15-Hour Markup, Committee Advances Legislation to Invest in More Equitable and Sustainable Transportation Systems and Infrastructure: The House Committee on Transportation and Infrastructure, led by Chair Peter DeFazio (D-OR), last Wednesday advanced legislation in a vote of 37-29 to invest nearly \$60 billion to make America's infrastructure more sustainable, resilient, and equitable, and to reduce carbon pollution from the transportation sector—the number one source of greenhouse gas emissions in the United States. ([Clark Hill Insight](#))

Defense

House Prepares for Defense Authorization Floor Action: The over 700 filed amendments cover hot-button issues such as workplace training for racial diversity, vaccine requirements, gender transition surgery and more, as well as more mundane matters as the House prepares to debate and vote on the latest defense authorization bill this week. ([Roll Call](#))

Hawley Pledges to Slow Walk Biden's Pentagon, State Picks Over Messy Afghanistan Exit: Sen. Josh Hawley (R-MO), viewed as a potential 2024 White House hopeful, is warning he will slow walk President Biden's State and Defense Department nominees unless Secretary of State Antony Blinken and national security adviser Jake Sullivan resign in the wake of the administration's Afghanistan exit. ([The Hill](#))

Homeland Security & Immigration

House Panel Advances Immigration Language for Reconciliation Bill but Senate Ruling Likely to Alter its Contents: The House Judiciary Committee last Monday approved the immigration language for the upcoming reconciliation bill being used for the Democrats' \$3.5 trillion spending plan, which the party hopes to approve without any Republican support. Given the Senate Parliamentarian's ruling over the weekend that Democrats' plans for including a pathway to citizenship could not go into Reconciliation, it is unclear how House Democrats will alter their proposed changes. ([The Hill](#))

Tester Leads Letter to President Biden to Urge Opening of U.S.-Canada Border to Vaccinated Canadians by October: U.S. Senator Jon Tester (D-MT) last Friday [sent a letter](#) to President Biden urging the administration to allow vaccinated Canadians to travel to the U.S. through land ports of entry. Noting the economic and familial strains caused by the continued restrictions at the U.S.-Canada border, Tester and seven of his colleagues from states along the Northern Border asked the President to ease travel restrictions before October, create a public plan to reopen land ports of entry to vaccinated Canadians and appoint an interagency lead to spearhead coordination. ([Clark Hill Insight](#))

Judiciary/Justice

Gymnasts Testify as Congress Investigates FBI's Handling of Larry Nassar Sexual Abuse Case: U.S. elite gymnasts Simone Biles, McKayla Maroney, Maggie Nichols and Aly Raisman testified before Congress last Wednesday about what they say were failures in FBI's handling of the sexual abuse case against Larry Nassar, a former USA Gymnastics team doctor. ([ABC](#))

Cyber

Senator Calls on Agencies to Take Action to Prevent Criminal Cryptocurrency Use: Senator Maggie Hassan (D-NH) of the Senate Homeland Security Committee asked for details around what authorities key law enforcement and financial agencies have over regulating U.S.-based cryptocurrency exchanges, what more authorities they need, and whether cryptocurrency exchanges should be required to reimburse those subject to fraud due to the use of the exchange. ([The Hill](#))

Agriculture

House Ag Panel Advances Billions for Forestry, Climate Research: The House Agriculture Committee advanced its spending plan on a 27-24 vote last Monday after a two-day meeting and nine hours of debate, moving billions of dollars in funding for rural development, climate change research, biofuel investment and forestry one step closer to becoming law. ([Politico](#))

Energy

Six Moderate Democrats Raise Concerns About Spending Bill's Energy Measures: Six moderate Democrats are raising concerns about the energy provisions put forth by their colleagues as part of a \$3.5 trillion spending package. In a new letter to House leadership, Reps. Henry Cuellar (D-TX), Vicente Gonzalez (D-TX), Lizzie Fletcher (D-TX), Sylvia Garcia (D-TX), Marc Veasey (D-TX), Filemon Vela (D-TX) and Colin Allred (D-TX) criticized policies from their colleagues that are “targeting the U.S. oil, natural gas, and refining industries.” ([The Hill](#))

Senator Markey and Congressman Grijalva Lead Colleagues in Letter Condemning DOE's Uranium Reserve Proposal, Instead Urging Cleanup of Existing Toxic Waste: Senator Edward J. Markey (D-MA) and Representative Raúl M. Grijalva (D-AZ), along with Representatives A. Donald McEachin (D-VA), Teresa Leger Fernandez (D-NM), Betty McCollum (D-MN), and Alan S. Lowenthal (D-CA) last Wednesday sent a letter to the Department of Energy (DOE), urging the Department to abandon its proposal to create a uranium reserve, and instead focus on the cleanup and remediation of existing toxic waste. The letter also urges the DOE to conduct extensive outreach with communities affected by current and previous uranium mining operations. ([Clark Hill Insight](#))

EXECUTIVE BRANCH

Health/HHS/NIH

FDA Advisers Reject Third Shots for All, Back Them for Vulnerable: The Food and Drug Administration's outside advisers last Friday voted unanimously, 18-0, in favor of third Pfizer COVID-19 shots for vulnerable people at high risk of severe disease and people ages 65 or older. The vote came after the panel voted 2-16 against Pfizer's request to approve a third shot for all Americans ages 16 or older. The committee also voted, 18-0, to recommend that FDA include health care workers and other workers at high risk of exposure as part of the group that would qualify for a booster. The endorsement of the panel of independent scientists was one of the highest hurdles to the White House's plan to offer Americans a third shot. ([Roll Call](#))

Collins, Fauci Endorse and Explain FDA's Recommendation for Limited Use of Boosters: U.S. health officials supported the recommendation from the FDA advisory panel that booster vaccines be limited to those 65 years and older and individuals at high risk for severe disease despite the expectation that the additional shots would be suggested for everyone who received the initial vaccination. National Institutes of Health Director Francis Collins said Sunday that the guidance issued last Friday by the Food and Drug Administration is in line with what the Biden administration planned for a booster rollout, though not identical. ([Politico](#))

Banking & Housing/HUD

U.S. Banking Regulators Working on Climate Risk Management Guidance, Official Says: U.S. banking regulators are working on new climate risk management guidance for large lenders, a top official said last Wednesday, in another sign of efforts to incorporate the risks posed by rising temperatures into financial rules. ([Reuters](#))

Treasury Department and Federal Housing Finance Agency Suspend Certain Requirements Under Preferred Stock Purchase Agreements with Fannie Mae and Freddie Mac: The U.S. Department of the Treasury (Treasury) and the Federal Housing Finance Agency (FHFA) last Tuesday agreed to suspend certain requirements that were added on January 14, 2021 to the Preferred Stock Purchase Agreements between Treasury and each of Fannie Mae and Freddie Mac. ([Clark Hill Insight](#))

Crypto/Blockchain

SEC Chairman Sharpens Criticism of Cryptocurrency: Securities and Exchange Commission Chairman Gensler argued in testimony before the Senate Banking Committee that the vast majority of digital assets traded over crypto exchanges need to register with the SEC so the agency can protect investors against abuses. ([The Washington Post](#))

Transportation/DOT

U.S. to Award Newark Flights to Low-Cost Carrier to Spur Competition: The Biden administration announced last Thursday it plans to award 16 slots for flights at Newark International airport in New Jersey to a low-cost carrier to spur competition at the busy northeast U.S. airport. ([CNBC](#))

White House Debates Vaccines for Air Travel: The Biden administration is facing an internal debate over whether to impose vaccine mandates for air travel, with President Biden's chief medical adviser Anthony Fauci saying he would support a mandate but the White House claiming a new policy isn't forthcoming. ([The Hill](#))

NTSB Chair Calls for Shift in How to Address Transportation Safety, Especially Human Factors: In a speech before the Governors Highway Safety Association last Monday, NTSB Board Chair Jennifer Homendy called for a fundamental shift to how the nation addresses transportation safety, especially in the wake of surging crash-death rates over the past year. ([Clark Hill Insight](#))

Space/NASA & NOAA

Space Force Backs Development of Commercial Orbital Debris Removal Systems: A Space Force general endorsed the development of commercial systems for removing space debris, saying they can address congestion in Earth orbit without the policy concerns a government-run alternative might have. Companies who have developed such technologies still face several stumbling blocks from uncertain regulatory regimes for removing debris to identifying who will pay for debris removal, and how much. ([Space News](#))

NASA Selects Five Companies for Further Lunar Lander Studies: NASA will provide \$146 million to five companies, representing the three teams that previously competed to develop the Artemis lunar lander, to perform studies for future lunar lander concepts. ([Space News](#))

Defense/DOD

Biden Taps Guertin to Lead Operational Test and Evaluation at DoD: President Joe Biden last Thursday said he intends to nominate Nickolas Guertin to serve as director of operational test and evaluation at the Department of Defense. Guertin is a senior software systems engineer at Carnegie Mellon University with both military and civilian experience in areas like submarine operations weapons testing, combat management and cyber-physical systems. ([Defense News](#))

DHS & Immigration

DHS to Ramp Up Deportation Flights to Haiti as Migrants Overwhelm U.S. Southern Border: The Department of Homeland Security plans to ramp up deportation flights to Haiti to deter Haitians who are overwhelming Del Rio, Texas. The department said in a statement Saturday it's preparing additional transportation to accelerate the pace and increase the capacity of removal flights to Haiti, as well as other destinations, within the next 72 hours. ([CNN](#))

Federal Judge Blocks Biden Administration from Expelling Migrant Families Under Public Health Order: A federal judge blocked the Biden administration from expelling migrant families with children apprehended at the US-Mexico border under a public health order, according to a ruling last Thursday, marking a major defeat for the administration. ([CNN](#))

U.S. Steps Up Effort to Unite Families Separated Under Trump: The Biden administration is expanding its effort to find and reunite migrant families who were separated at the U.S.-Mexico border under President Donald Trump as part of a zero-tolerance policy on illegal crossings. A federal task force launched a new program last Monday that officials say will expand efforts to find parents, many of whom are in remote Central American communities, and help them return to the United States, where they will get at least three years of legal residency and other assistance. ([AP](#))

Judiciary/DOJ

Feds Charge 138, Including Doctors, with \$1.4 Billion in Health-Care Fraud Involving Telemedicine, Covid, Opioids: The Department of Justice last Friday announced criminal charges against 42 medical professionals and nearly 100 other people for alleged health-care fraud that involved about \$1.4 billion in suspected losses. The cases charged include ones that involved the use of telemedicine services as part of the fraud, which alone accounted for approximately \$1.1 billion in alleged losses from false and fraudulent claims. Telemedicine employs communications technology to evaluate and treat patients remotely. ([CNBC](#))

The Trump-Russia Probe's Special Counsel Has Charged a Lawyer with Lying to the FBI: A Washington attorney who specializes in cybersecurity issues has been indicted for allegedly lying to the FBI ahead of the 2016 election in a conversation about possible ties between Donald Trump and Russia. ([NPR](#))

Justice Department Reviewing Policies on Transgender Inmates: The Justice Department is reviewing its policies on housing transgender inmates in the federal prison system after protections for transgender prisoners were rolled back in the Trump administration. ([AP](#))

Cyber

Wide-ranging SolarWinds Federal Probe Sparks Fear in Corporate America: A U.S. Securities and Exchange Commission investigation into the SolarWinds Russian hacking operation has dozens of corporate executives fearful information unearthed in the expanding probe will expose them to liability, according to six people familiar with the inquiry. ([Reuters](#))

Agriculture/USDA

Elaine Trevino Nominated as Next Chief Ag Trade Negotiator: President Joe Biden has officially nominated Elaine Trevino for Chief Agricultural Negotiator at the United States Trade Representative. Trevino currently serves as President of the Almond Alliance of California and has served as a Deputy Secretary at the California Department of Food and Agriculture. ([AgNet West](#))

EPA & DOI

Interior Reverses Trump, Moves BLM Headquarters Back to DC: The Interior Department will restore the Washington, D.C., headquarters for the Bureau of Land Management, which was moved to Colorado during the Trump administration, while maintaining the Colorado office as its "Western headquarters." The department announced its

decision on the controversial move in a statement last Friday. The Trump administration shifted its headquarters from Washington to Grand Junction, Colo., in what critics saw as an attempt to drive out career officials. The Trump administration had argued that it was putting officials closer to the land that they managed. ([The Hill](#))

Department of Energy

Biden Administration Launches New Effort to Help Communities with Energy Transition: The Department of Energy (DOE) is launching a new initiative aimed at helping communities transition away from fossil fuels and toward cleaner energy sources. The \$16 million program seeks to aid in the creation of an “initial roadmap” for identifying clean energy economic opportunities or boosting existing projects, according to the department. ([The Hill](#))

