

Window on Washington – October 25, 2021, Vol. 5, Issue 43

October 25, 2021

Outlook for This Week in the Nation's Capital

Congress. The House and Senate are both in session this week. Senate Majority Leader Chuck Schumer (D-NY) plans to continue holding votes to confirm President Joe Biden's nominees, and he might bring the John Lewis Voting Rights Advancement Act to the floor for a vote. The House [plans](#) to vote on numerous Financial Services, Judiciary, and Education and Labor bills and may also consider the bipartisan infrastructure package and the reconciliation bill this week. [Hearings](#) for the week include examining nominees, the effectiveness of FEMA's wildfire assistance programs, agricultural biotechnology, election security, critical energy infrastructure, the Toxic Substances Control Act (TSCA), and international climate challenges and opportunities.

FY22 Appropriations. The Senate Appropriations Committee released all of their remaining draft bills last week, but they do not plan to mark up the bills. The House Appropriations Committee will hold hearings this week on Department of Defense workforce development as well as on the United States' global COVID-19 response.

Reconciliation and Infrastructure Packages. Congressional Democratic leadership has been working towards holding a vote on the Build Back Better reconciliation bill and the Senate-passed bipartisan Infrastructure Investment and Jobs Act (IIJA) by a self-imposed deadline of October 31, which is also when the surface transportation programs the IIJA would reauthorize expire. Lawmakers are expressing optimism about reaching an agreement on the revised reconciliation bill soon, and the White House is pushing for the House to vote on both bills this week. As of now, it appears that some progress has been made on what will stay in and what will be removed from the reconciliation bill. Comments from President Joe Biden's CNN town hall in Baltimore indicated the revised framework reduces paid family medical leave, keeps the child tax credit (though its exact details are to be decided), likely removes Medicare coverage of dental, vision, and hearing (but they may offer an alternative option), removes some of the tax increases, and removes a provision on tuition-free community college.

Biden Administration. President Biden will meet with Pope Francis at the Vatican on Friday, where they will discuss COVID-19, climate change, and poverty. Biden will then attend a two-day summit of G20 leaders in Rome, where his focus will be to reaffirm the United States' commitment to working with France on a variety of issues. He will then head to Glasgow, Scotland for the United Nations Climate Change Conference (COP26).

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

Democrats Unveil Doomed Funding Bills Ahead of December Shutdown Cliff: Senate Democrats released their full array of spending bills last Monday to fund the government at fresh levels for the fiscal year that started this month, proposing a 5 percent hike for the military and a 13 percent increase for non-defense programs over the previous year. But those bills, totaling about \$1.5 trillion, are already toast in the upper chamber, where Republican lawmakers are once again demanding that Pentagon funding and non-defense cash be boosted by the same amount. ([Politico](#))

Two-Year Spending Caps Deal on the Table in Appropriations Talks: Top Senate appropriators last Thursday didn't rule out negotiating two years' worth of spending levels rather than allocations just for this year, in line with budget caps deals lawmakers have struck going back to 2013. ([Roll Call](#))

Democrats Near Deal on Pared-Back Spending Bill: Democrats are hoping to strike a deal on a nearly \$2 trillion social spending package that would include some key elements of President Joe Biden's agenda like universal preschool, while others — like expanded Medicare coverage — appear destined for the cutting room floor. ([NBC News](#))

Health

Dems Weigh Ditching Medicare Expansion and Paid Leave in 11th Hour of Social Spending Talks: Democrats are haggling over whether to drop two of the most popular elements of their social spending bill as negotiations reach the zero hour, according to a half-dozen sources close to the discussions. While high-level talks on the \$1 trillion-plus package are ongoing, lawmakers, staffers, advocates, and lobbyists said that a plan to expand Medicare with dental, vision, and hearing benefits for tens of millions of seniors — as well as a pitch to guarantee paid family and medical leave to all U.S. workers — is now in danger of getting cut from the bill entirely. ([Politico](#))

Banking & Housing

Senate Dems to Propose Narrowing Scope of IRS Reporting Rule Amid Backlash: Senate Democrats last Tuesday rolled out an IRS enforcement proposal that is narrower in scope than a version unveiled earlier this year by the Biden administration, following criticism from Republicans and banking groups. ([The Hill](#))

Democrats Weigh Slashing \$200B in Housing Aid from Spending Bill: Democrats are considering cutting housing funding in President Joe Biden's massive social spending plan to \$100 billion, roughly a third of the initial amount proposed as they try to lower the cost of the bill, congressional aides said. ([Politico](#))

House Might Take up Bill to Shift Debt Limit Power to Treasury: Hoping to end the partisan impasse over lifting the statutory debt ceiling, House leaders are considering taking up legislation designed to relieve Congress of the burden. A two-sentence bill sponsored by Rep. Brendan F. Boyle (D-PA), vice chairman of the Budget Committee, would give the Treasury Department power to raise the debt limit unilaterally. The measure simply states that the debt limit "shall be treated as being equal to such greater dollar amount as the Secretary of the Treasury may periodically determine." ([Roll Call](#))

Key Democrat Voices Concern over Biden Bank Cop Pick, Signaling Trouble: A key Senate Democrat has voiced misgivings about President Joe Biden's nomination for a top job overseeing the nation's banks, creating a new potential obstacle in a bruising confirmation fight that has separately been marked by charges of racism and xenophobia against some Republicans. ([Politico](#))

Crypto/Blockchain

U.S. Lawmakers Say Facebook Cannot Be Trusted to Manage Cryptocurrency: A group of Democratic Senators said Facebook cannot be trusted to manage cryptocurrency and urged the social media platform to discontinue immediately a small pilot of its cryptocurrency wallet named Novi, which was launched last week. The letter by the senators indicates that

Facebook's pilot will face scrutiny from lawmakers and regulators, who have previously raised antitrust and other concerns. ([Reuters](#))

Transportation

Senate Passes Bill from Cornyn, Padilla, Bipartisan Colleagues to Allow Unspent COVID Relief Dollars for Infrastructure, Disaster Relief: Last Wednesday, the Senate passed the *State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act*, legislation led by Senators John Cornyn (R-TX) and Alex Padilla (D-CA) to make several categories of infrastructure investments and disaster relief eligible for unspent COVID-19 relief dollars. It also extends the deadline to utilize relief funding if budgeted for eligible infrastructure projects. ([Clark Hill Insight](#))

Space/NASA & NOAA

Senate Committee Told U.S. Space Leadership Requires Continued Presence in LEO: The hearing before the Space and Science Subcommittee of the Senate Commerce, Science, and Transportation Committee covered many issues including the need to accelerate action on space situational awareness and space traffic management and resolve the Artemis Human Landing System (HLS) debate, but the future of U.S. presence in low Earth orbit was a major theme, with the ISS already well past 20 years of service life and the Chinese moving aggressively to build their own station in LEO in the coming years. ([Space Policy Online](#))

Senate Appropriators Frustrated with Lack of Progress on Civil Space Traffic Management: Senate appropriators, frustrated with the lack of progress by the Commerce Department on space traffic management, are threatening to withhold other funding until it gets detailed plans from the agency. For the time being, however, they propose to double the program's budget to fund an open architecture data repository that will be the foundation of NOAA's new space traffic management capabilities. ([Space News](#))

Defense

Senate Appropriators Back 5 Percent Boost in Defense Spending for FY22: Senate appropriators last Monday unveiled plans for about \$24 billion in extra military spending this fiscal year above the president's budget request, the latest blow for progressive lawmakers who hoped to significantly curb defense spending. The move amounts to a 5 percent increase in defense spending for fiscal 2022 over last year and brings the appropriations bill in line with planned spending outlined in the House and Senate drafts of the annual defense authorization bill. ([Defense News](#))

Top Senate Armed Service Republican Wants DOD to Suspend Vaccine Mandate: The Secretary of Defense in late August ordered all service members and defense personnel to "immediately begin" getting the coronavirus vaccine, though he left it up to the individual military services to decide when to set deadlines for the shot. Most service members have received their vaccines, but tens of thousands have yet to comply. Now, with deadlines looming, national security could be at risk, says committee ranking member James Inhofe (R-OK). ([The Hill](#))

Battle Brews Over Creating Space National Guard: Lawmakers from Colorado, Florida, Hawaii, and other states that are home to space operations are pushing for a dedicated Space National Guard that can provide a talent pool for the technical space branch — while also benefiting from some of the additional spending that would go with it. While the House has included provisions to establish such a force, the White House remains strongly opposed to the idea. ([Politico](#))

Homeland Security & Immigration

House Democrats Press Senate Leaders to Override Parliamentarian on Immigration: Dozens of progressive House Democrats are ramping up calls for immigration relief to be included in a sprawling budget reconciliation package — regardless of what a Senate arbiter says about it. Reps. Lou Correa (D-CA), Adriano Espaillat (D-NY), Jesús "Chuy" García

(D-IL), Alexandria Ocasio-Cortez (D-NY), and 39 others called on Senate leaders to disregard Parliamentarian Elizabeth MacDonough's findings that broad immigration relief does not belong in a reconciliation package. ([Roll Call](#))

Judiciary/Justice

Senate Republicans Once Again Block Voting Rights Reform Bill: Senate Republicans have blocked — for the second time this year — a Democratic measure aimed at enacting sweeping federal election law changes, a move that is certain to increase pressure on the majority to change the chamber's filibuster rule. Every Senate Republican opposed the vote to start debate on the voting rights bill. ([ABC News](#))

Cyber

Senate Republicans Raise Concerns About TSA Cyber Directives for Rail, Aviation: Several Republican Senators on the leadership of the Commerce Committee took issue last week with the process of announcing and rolling out the rail and aviation directives, stating that the measures were announced without allowance for a public comment process. Homeland Security Secretary Alejandro Mayorkas announced the upcoming directives in a speech earlier this month, which will cover "higher-risk rail and transit entities," and require them to report cybersecurity incidents to DHS's Cybersecurity and Infrastructure Security Agency (CISA), along with establishing cyber response plans. ([The Hill](#))

Environment & Interior

Dozens of Democrats Call for Spending Bill to Pass 'Climate Test': More than 60 congressional Democrats are calling for the party's massive spending bill, which is still under negotiation, to pass a "climate test" with strong emissions reductions ahead of a major global climate conference in Scotland. "Before COP26, it is critical to secure agreement from all relevant parties on a Build Back Better deal that meets the 'climate test' by achieving the scientifically necessary emissions reduction goal while creating good union jobs and advancing environmental, racial, and economic justice," wrote the lawmakers in a letter to President Biden that was led by Sens. Ed Markey (D-MA) and Chris Van Hollen (D-MD) and Rep. Ilhan Omar (D-MN). ([The Hill](#))

Energy

Energy Tax Plan May Start with House's, Transition to Senate's: Democrats' plan to spend hundreds of billions of dollars providing incentives for clean energy production and usage in their budget reconciliation package could draw on both House and Senate proposals — starting with more traditional tax breaks for renewables and transitioning to a bigger overhaul over the next decade. ([Roll Call](#))

U.S. Congressmen Complain about Mexico Energy Changes: Texas congressmen complained last Tuesday about the Mexican government's attempts to limit competition in the electrical power sector. In a letter to U.S. Ambassador Ken Salazar, about 20 Texas congressmen and senators criticized changes proposed by President Andrés Manuel López Obrador to restrict the market share of private power generators and favor Mexico's state-owned utility company. ([AP](#))

EXECUTIVE BRANCH

Budget & Appropriations

Economic Growth Helps Cut Fiscal 2021 Deficit to \$2.8 Trillion: Surging tax revenues as the U.S. economy rebounded from the coronavirus-driven downturn helped reduce the budget deficit for the fiscal year that ended Sept. 30, the Treasury Department and White House budget office announced last Friday. The fiscal 2021 deficit clocked in at a still-massive \$2.8 trillion, although that's down \$360 billion from the previous year's shortfall and it's \$897 billion less than the Biden administration predicted in February. ([Roll Call](#))

Health/HHS/NIH

Biden Meets with Top FDA Candidate: President Joe Biden met privately last Friday with Robert Califf, in the clearest sign yet that he's preparing to nominate the former Food and Drug Administration commissioner to a return to the agency's top job, two people with knowledge of the matter told POLITICO. The meeting comes after Califf emerged in recent weeks as a leading candidate to run the FDA, and amid a drawn-out search for Biden's first permanent commissioner. ([Politico](#))

CDC Gives Green Light to Moderna, J&J Boosters Plus Mix-And-Match Strategy: The director of the Centers for Disease Control and Prevention last Thursday formally endorsed the use of Covid-19 booster shots from Moderna and Johnson & Johnson for some adults, clearing the way for millions of Americans to receive additional doses. "These recommendations are another example of our fundamental commitment to protect as many people as possible from COVID-19," CDC Director Rochelle Walensky said in a statement. "The evidence shows that all three COVID-19 vaccines authorized in the United States are safe — as demonstrated by the over 400 million vaccine doses already given. And, they are all highly effective in reducing the risk of severe disease, hospitalization, and death, even in the midst of the widely circulating Delta variant." ([Politico](#))

Department of Education

Biden Plan Pits Hispanic-Serving Colleges Against HBCUs: President Joe Biden's Build Back Better plan is setting up a conflict between Hispanic-serving colleges and historically Black institutions — with both vying for the same resources to address inequities for underserved populations. HBCUs have built a collective brand, getting renewed presidential attention since the Trump administration and using their political clout to push Congress for money to upgrade aging campuses they say have long been underfunded by the federal government. Hispanic-serving institutions, which number more than five times as many across the U.S. as the approximately 100 HBCUs, say their institutions have also been overlooked. ([Politico](#))

Banking & Housing/HUD

U.S. Government Agency in Charge of Financial Stability Weighs in on Climate Change Risks: The Treasury Department's Financial Stability Oversight Council last Thursday released a report assessing the risks a changing climate poses to the U.S. financial system and providing recommendations for protecting the economy. The council issued the report in response to President Joe Biden's executive order on Jan. 27 that directed Treasury Secretary Janet Yellen, the head of the FSOC, and financial regulators to produce a report on climate-related financial risk data. ([CNBC](#))

Crypto/Blockchain

Crypto Investing Wins SEC Approval, Triggering Consumer Group Uproar: The SEC has signaled that it won't block industry proposals to launch exchange-traded funds based on Bitcoin futures contracts as regulatory deadlines come to pass this month. When the first fund begins trading on the New York Stock Exchange, it will be a landmark moment for the booming cryptocurrency market. The emerging controversy around the SEC's approval of the funds underscores the broader political tensions that regulators are facing as they grapple with how to impose safeguards on the red-hot market. The funds would address growing demand from investors who want exposure to the rising value of Bitcoin. ([Politico](#))

Transportation/DOT

Biden to Tap No. 2 Official to Head U.S. Auto Safety Agency: Steven Cliff, who has been deputy administrator since February, has been a key figure in the Biden administration's proposed rewrite of fuel economy standards through 2026. He is also overseeing the department's safety probe of Tesla Inc and investigation of whether 30 million vehicles produced by nearly two dozen automakers have unsafe airbags. ([Reuters](#))

Space/NASA & NOAA

China's Hypersonic Vehicle Test a 'Significant Demonstration' of Space Technology: China's reported tests of a hypersonic orbital glide vehicle have sparked alarm in the U.S. as it could further fuel an escalating arms race. The Chinese government said this week that these were routine space test missions, not a demonstration of a new military weapon. One way or the other, experts said, these tests show China's notable advances in reusable space technology. ([Space News](#))

DHS & Immigration

CBP Testing Thermal Body Scans at Pedestrian Border Crossings: International travelers moving through certain ports of entry on foot will be subject to passive thermal scanning as part of a technology demonstration testing a new ranged non-intrusive inspection system for pedestrian traffic. The Customs and Border Protection agency is piloting body scanning technologies at pedestrian border crossings to detect weapons and other contraband moving through ports of entry without having to stop every person in line for a physical search. ([NextGov](#))

Border Patrol Arrests at Highest Level Ever: Arrests by the Border Patrol are at their highest levels ever, [The Washington Post reported](#) last Wednesday, citing unpublished U.S. Customs and Border Protection data. The [data](#) also reportedly show that authorities detained more than 1.7 million migrants along the border during the fiscal year that ended last month. ([The Hill](#))

Judiciary/DOJ

The U.S. Supreme Court Rules in Favor of Officers Accused of Excessive Force: The U.S. Supreme Court has ruled in favor of police officers in two cases involving qualified immunity, the controversial legal doctrine that protects police officers accused of misconduct. The two cases concerned police officers accused of using excessive force when responding to domestic disturbances. In one, officers used beanbag rounds and a knee on the suspect's back to subdue him; in the second, officers shot and killed the suspect after he approached them while raising a hammer. ([NPR](#))

Justice Official Dangles Liability Protections to Encourage Private-Sector Breach Reports: Companies could shield themselves from legal challenges in the event of a cyberattack if they disclose such events to the Justice Department, a leading official told private-sector representatives. "Victims can help avoid liability through working with law enforcement," Deputy Attorney General Lisa Monaco said. "Those companies that stand with us and work with us will see that we'll stand with them in the aftermath of an incident." ([NextGov](#))

Cyber

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Top Official Says DOD Cyber Operations are 'Not Just About the Systems': The Department of Defense is at an "inflection point" when it comes to cyberspace and cyber operations and must consider the role of the people behind cybersecurity systems, according to a top official. With adversaries increasingly using cyber operations to undermine national security, whether by stealing intellectual property or conducting influence campaigns to sow discord among the American public, the DOD has moved to a more offensive approach, but is also thinking more broadly about all the elements of cybersecurity. ([C4ISR Net](#))

U.S. Government Bans Sale of Hacking Tools to China and Russia: The U.S. Department of Commerce has announced that it will ban the export of hacking tools to authoritarian governments in an effort to curb violations of human rights and other malicious cyber activities. The rule, first reported by [The Washington Post](#) and later confirmed by the [Commerce Department](#), will effectively ban the export or resale of hacking software and equipment to China, Russia, and other

countries of concern, for national security reasons, without a license from the department's Bureau of Industry and Security (BIS). ([TechCrunch](#))

