

Window on Washington – December 13, 2021, Vol. 5, Issue 50

December 13, 2021

Outlook for This Week in the Nation's Capital

Congress. The House and Senate are both in session this week for votes on nominations (Senate only), the debt limit (both chambers), and the FY22 National Defense Authorization Act (NDAA) in the Senate. Meanwhile, Senate Majority Leader Chuck Schumer (D-NY) is also trying to have the Senate wrap up its work on the reconciliation bill and vote on the revised Build Back Better (BBB) Act before Christmas. [Hearings](#) for the week include examining additional nominations (one of which is Dr. Robert Califf's nomination to lead the Food and Drug Administration), disaster recovery assistance programs, and the U.S. airline industry.

Reconciliation Bill. Eight of the 12 Senate committees have [released](#) their final reconciliation bill texts, but it is not yet known when specifically the remaining portions will be released. The latest Committee to [release its final text](#) (without a score yet by the Congressional Budget Office), was the Senate Finance Committee, which did so on Saturday. While most Senate Democrats want to pass the package by Christmas, there are a handful of uncertainties that may impact this timeline. Senator Joe Manchin (D-WV) recently again called for a "strategic pause" in the process due to his concerns about the economy, such as inflation and the impact of the pandemic. Meanwhile, Senator Kyrsten Sinema (D-AZ), in addition to some Senate Democratic aides, have already indicated they believe the bill's passage will slip into January. The Senate parliamentarian has begun to review committee bill texts to ensure the package complies with the Byrd Rule, but it is unclear how long that process will take. Given these factors, in addition to a probable vote-a-rama that will happen during the bill's floor process and the other items the Senate already has on the calendar, it remains to be seen whether Democrats will be able to meet their self-imposed Christmas goal.

Defense Authorization. The House and Senate Armed Services Committees released a compromise version of the FY22 NDAA ([S. 1605](#)) last week. The bill would authorize \$768.1 billion in defense spending, which is \$25 billion over the Biden Administration's request. The House passed the measure last week by a vote of 363-70, and the Senate is expected to vote on the bill sometime this week.

Debt Limit. President Joe Biden signed legislation ([S. 610](#)) into law that has a provision that would allow the Senate to act on the debt limit with a simple majority vote. Given this provision, Congress is expected to pass debt limit legislation this week and meet the Treasury's December 15 deadline. However, it remains to be seen how much Democrats will raise the debt limit by and for how long.

Biden Administration. President Biden will award the Medal of Honor to three U.S. soldiers on Thursday. On Friday, Biden will deliver a commencement speech at South Carolina State University.

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

Senate Democrats Make Progress on BBB Bill: Several Senate Committees last week started to release their portions of the reconciliation bill text and the associated CBO score. So far much of the bill language lines up with what the House included, though there are some differences largely due to how the jurisdiction is covered in Senate committees compared to House committees. The texts are currently under formal review with the Senate Parliamentarian to ensure the bill complies with Senate rules. ([Clark Hill Insight](#))

Crypto/Blockchain

Top Crypto CEOs Appear Before House: The crypto leaders appeared at a House Financial Services Committee hearing that revealed an emerging ideological divide between the left and the right over how the government should oversee the industry. It's an increasingly urgent question for federal regulators and Congress with 16 percent of Americans saying they have used cryptocurrencies such as Bitcoin and Ether. Top Democrats showed a clear skepticism toward the financial risks associated with crypto trading, while Republicans largely called for taking a cautious approach to enacting new laws. The executives, for their part, called for greater clarity and some showed a distaste for the approach the Securities and Exchange Commission has taken toward the industry. ([Politico](#))

Transportation

House Passes U.S. Ocean Shipping Reform Act: The U.S. House passed legislation Wednesday providing for the first major update of U.S. International ocean-shipping laws in more than two decades. That comes as the nation continues to grapple with bottlenecks at its ports that are crippling supply chains. ([AgWeb](#))

Sen. Rick Scott Invites Secretaries Buttigieg and Raimondo to Open Meeting on Supply Chain Crisis: Senator Rick Scott (R-FL) sent a letter to Secretary of Transportation Pete Buttigieg and Secretary of Commerce Gina Raimondo inviting them to an open meeting with him and other members of the Senate Committee on Commerce, Science and Transportation (CST) to discuss the ongoing supply chain crisis. Scott has said he has a hold on DOT nominees until Buttigieg and Raimondo testify. ([Clark Hill Insight](#))

Agriculture/USDA

Scott Eyes Early 2022 for Farm Bill Hearings, Climate Bill: House Agriculture Committee Chairman David Scott (D-GA) says he plans to start holding farm bill hearings in January and that the House will likely act on the Growing Climate Solutions Act by early next year as well. ([Agri-Pulse](#))

Trade

House Oks Bill Barring Imports of Goods Produced by Forced Labor of Uyghurs in China: The House of Representatives has approved legislation imposing economic sanctions on China for goods sold to Americans from the forced labor of Muslim Uyghurs. The bill now heads to the Senate, but it's unclear when the chamber will take it up. The White House hasn't said whether the president backs the bill, but added he shares concerns about forced labor in the Xinjiang region. ([NPR](#))

Homeland Security & Immigration

Senate Confirms Biden's Pick to Lead Border Agency: The Senate confirmed President Joe Biden's pick to lead US Customs and Border Protection, Chris Magnus, last Tuesday after months of confirmation setbacks that left the agency

with a void at the top amid a record number of border arrests. ([CNN](#))

Manchin Says He Wouldn't Defy Parliamentarian on Immigration: Pivotal Sen. Joe Manchin (D-WV) said last Wednesday he'd vote to uphold the Senate parliamentarian's decision if she rules that immigration or other provisions should fall from Democrats' huge social and environment bill, underscoring the party's uphill fight to keep some top priorities in the legislation. ([US News](#))

Portman Presses Secretary Mayorkas on Proposal to Reduce ICE Deportation Workforce as Unlawful Migration Continues to Hit Record Levels: U.S. Senator Rob Portman (R-OH), Ranking Member of the Senate Homeland Security and Governmental Affairs Committee, sent a letter to Department of Homeland Security (DHS) Secretary Alejandro Mayorkas expressing concern over the DHS proposal to convert Immigration and Customs Enforcement (ICE) Enforcement and Removal Operations (ERO) officers from their current status as deportation officers to criminal investigators. ([Clark Hill Insight](#))

Judiciary/Justice

Senators Float Tougher Stance to Get Info from Justice Department: Members of the Senate Judiciary Committee aired their long-running frustrations at the Justice Department's lack of response to their requests for information last Thursday and floated the possibility of using contempt of Congress or the appropriations process to demand more cooperation. ([Roll Call](#))

House 'Democracy' Bill would Cap Executive Power, Expand Disclosure: Seeking to avoid a repeat of the scandal-plagued Trump presidency, House Democrats approved a bill almost entirely along party lines last Thursday that would put new limits on executive branch power and subject presidential candidates to more disclosure. ([Roll Call](#))

Cyber

Officials Press for Actionable Recommendations from New Cyber Advisory Committee: The Cybersecurity Advisory Committee, established by DHS's Cybersecurity and Infrastructure Security Agency (CISA) earlier this month, met in a hybrid format both in McLean, Va., and remotely for the first time Friday. It discussed near-term actions it could take, strengthening the nation's basic cybersecurity practices and concerns about disinformation, among other issues. ([The Hill](#))

Congressional Auditors Point to Challenges Ahead for Pentagon's CMMC Program: The Government Accountability Office found numerous problems with the Pentagon's first instantiation of the Cybersecurity Maturity Model Certification (CMMC) program, pointing to challenges ahead as the Defense Department overhauls its plan to ensure contractors have adequate cybersecurity. The report presents three major recommendations: DoD needs to improve how it communicates with the defense industrial base; it needs to evaluate a plan to evaluate the effectiveness of any CMMC pilot efforts; and the department needs "outcome-oriented performance measures" to grade overall effectiveness of the CMMC program. ([Federal News Network](#))

Defense/DoD

House Passes Compromise Defense Bill, Backing Pentagon Budget Boost and Dropping Controversial Policy Proposals: Lawmakers approved the annual National Defense Authorization Act 363-70, which saw 169 Democrats join 194 Republicans in a blowout vote. The process of clinching a defense deal was a bumpy one. Leaders of the House Armed Services Committee scrambled to finalize the more than 2,000-page bill after efforts to pass the legislation stalled last week in the Senate in a partisan stalemate over amendment votes. With the normal legislative process short-circuited, committee leaders negotiated a compromise bill that was only unveiled Tuesday afternoon. ([Politico](#))

DOD Officials Defend Military's Handling of Toxic Chemicals at Tense Hearing: Officials testifying before the Senate Homeland Security and Governmental Affairs Committee last Thursday defended the Pentagon's handling of toxic chemicals after a watchdog report this summer said the military's inaction had exposed people to "preventable" risks by not taking actions to manage PFAS-related risks until 2016. Defense official Richard Kidd attempted to defend the fact that the agency was alerted about the PFAS chemicals in the 1990s when manufacturers issued health notices but did not act. ([The Hill](#))

EXECUTIVE BRANCH

Budget & Appropriations

Biden Signs Fast-Track Plan to Prevent Default: Following Biden's signature, the bill opens the process for the Senate to pass a debt ceiling increase by a specific amount with a simple Democratic majority — and without having to worry about gaining the 60 votes necessary to overcome a filibuster. ([KTVU](#))

Health/HHS/NIH

Fauci: Booster Shots for Americans Won't Deprive Unvaccinated People Around the Globe: Anthony Fauci said Sunday that pushing Americans to get booster shots won't deprive others around the globe of the opportunity to get vaccinated. "We can do both," Fauci said on ABC's "This Week." At issue is whether encouraging booster shots in the United States and other wealthy nations will deprive less-wealthy countries of the opportunity to vaccinate their own populations. Fauci, who said that early data shows that booster shots help combat the Omicron variant, said he did not see a conflict. ([Politico](#))

Labor & Workforce

U.S. Jobless Claims Drop 52-Year Low Amid Seasonal Volatility: The number of Americans applying for unemployment benefits plunged last week to the lowest level in 52 years, more evidence that the U.S. job market is recovering from last year's coronavirus recession.

Unemployment claims dropped by 43,000 to 184,000 last week, the lowest since September 1969, the Labor Department said Thursday. The four-week moving average, which smooths out week-to-week ups and downs, fell below 219,000, the lowest since the pandemic hit the United States hard in March 2020. ([Politico](#))

Banking & Housing/HUD

U.S. Bank Regulator Urges Vigilance as Ransomware Attacks on the Rise: A top U.S. banking regulator is cautioning firms to ensure they have robust policies to protect themselves from cyberattacks, saying it is seeing an uptick in ransomware attacks, it said in a report issued Monday. ([Reuters](#))

Biden Bank Cop Nominee Withdraws after Pushback from Moderate Dems: President Joe Biden's choice for a key role policing the nation's banks withdrew her nomination Tuesday after facing pushback from several moderate Democrats, a rare defeat for the president on one of his personnel choices. ([Politico](#))

Treasury Wants to Crack Down on Shell Companies, Corruption with New Rule: The Treasury Department's anti-corruption watchdog last Tuesday said it will enact a new rule early next year to require shell companies to report what's known as beneficial ownership information (BOI) about who controls them to regulators. The new reporting requirement is intended to crack down on individuals suspected of using shell companies to hide illicit funds or illegal activity behind opaque corporate structures. ([CNBC](#))

Transportation/DOT

Amtrak HR Department Too Understaffed to Handle Planned Hiring, report says: Amtrak's Human Resources department does not have sufficient staff to handle the company's plans to add up to 3,500 employees this fiscal year, the Amtrak Office of the Inspector General said in a report issued last Thursday. ([Trains.com](#))

Trade

Canada Threatens U.S. with Retaliatory Tariffs in EV Tax Credit Dispute: A bilateral spat over President Joe Biden's proposed EV tax credit escalated last Friday with Canada formally threatening retaliatory tariffs targeting the auto sector "and several other sectors of the U.S. economy" if the controversial provision remains intact. ([Politico](#))

Mexico Compares Biden Electric Car Tax Credits to Trump's Tariff Threat: Mexico is ratcheting up pressure against electric vehicle (EV) tax credits for American-built cars, a measure in President Biden's signature Build Back Better bill that some Mexican officials are comparing to former President Trump's threat to impose tariffs on Mexico. ([The Hill](#))

U.S., Taiwan Discuss Chips, to Cooperate Under New Framework: U.S. Commerce Secretary Gina Raimondo discussed chip supply chains during a call with her opposite number in Taiwan and the two will cooperate on technology trade and investment through a newly established mechanism, her office said. ([Reuters](#))

Defense/DOD

Vice Chief Nominee Pledges to Drive Acquisition Reforms: President Joe Biden's nominee for vice chairman of the Joint Chiefs of Staff pledged to continue his predecessor's efforts to reform the beleaguered joint requirements process during his confirmation hearing last Wednesday. Navy Adm. Christopher Grady said he would use data and threat-based analyses to mediate between the armed services and combat the parochialism known to characterize the process. The vice chair leads the Joint Requirements Oversight Council, better known as the JROC, which defines what the weapons for each of the services must be able to do. ([Defense News](#))

DHS & Immigration

U.S. Begins Denying Afghan Immigrants: The Biden administration has begun issuing denials to Afghans seeking to emigrate to the United States through the humanitarian parole process, after a system that typically processes 2,000 applications annually has been flooded with more than 30,000. ([Axios](#))

New FEMA Plan Puts Climate Crisis Front and Center after Trump Administration Erased it: President Joe Biden's Federal Emergency Management Agency is putting climate front and center in its new four-year strategic planning document after the Trump administration erased all mention of climate from its previous plan. ([CNN](#))

DHS to Request Public Input on How the U.S. Government Can Prevent Family Separations at the Border: The Department of Homeland Security (DHS) last week announced its request that the public provide recommendations on how to permanently protect against the prior administration's practice of intentionally separating families at the border to deter others from migrating to the United States. ([Homeland Security Today](#))

Judiciary/DOJ

DOJ Sues Texas over Redistricting Plans: The Department of Justice last Monday filed a lawsuit against Texas, saying the state's redistricting plans [adopted by Texas Republicans](#) "deny or bridge the rights of Latino and Black voters to vote on account of their race or color." ([Axios](#))

Biden Commission Punts on Whether to Recommend Expanding Supreme Court: President Joe Biden's Supreme Court commission does not plan to make a recommendation on whether to expand the court, according to a draft report obtained Monday by NBC News. "The Commission takes no position on the validity or strength" of arguments for or against increasing the number of justices, the report said. ([NBC News](#))

New Report Hits DOJ over Lack of Police Shooting Data: A new government accountability report says the Department of Justice failed to consistently publish an annual summary of police excessive force data from 2016 to 2020, as required by federal law. ([Axios](#))

Environment & Interior

Beshear, Biden Pledge Relief as Storm System Inflicts Catastrophic Toll: A monstrous tornado, carving a track that could rival the longest on record, ripped through the middle of the U.S. in a stormfront that killed dozens and tore apart a candle factory, crushed a nursing home, derailed a train and smashed an Amazon warehouse. “I pray that there will be another rescue. I pray that there will be another one or two,” Kentucky Gov. Andy Beshear said, as crews sifted through the wreckage of the candle factory in Mayfield, where 110 people were working overnight Friday when the storm hit. Forty of them were rescued. ([Politico](#))

Department of Energy

Biden Orders End to Federal Support of Overseas Coal Plants: President Biden has ordered an end to overseas financing of coal plants and other carbon-intensive projects, the first such federal directive. ([The Hill](#))

U.S. Liquefied Natural Gas Export Capacity will be World’s Largest by End of 2022: U.S. liquefied natural gas (LNG) export capacity has grown rapidly since the Lower 48 states first began exporting LNG in February 2016. In 2020, the United States became the world’s third-largest LNG exporter, behind Australia and Qatar. Once the new LNG liquefaction units, called trains, at Sabine Pass and Calcasieu Pass in Louisiana, are placed in service by the end of 2022, the United States will have the world’s largest LNG export capacity. ([EIA](#))

U.S. DOE Sets SPR Sale for Dec. 17, Approves 4.8 Million Barrels to ExxonMobil: The U.S. Department of Energy scheduled a Dec. 17 sale of 18 million barrels from the Strategic Petroleum Reserve and approved an exchange of 4.8 million barrels to ExxonMobil as part of the Biden administration’s plan to tap into the SPR to help alleviate fuel prices, the DOE said Dec. 10. ([S&P Global](#))

