

# Window on Washington – July 6, 2022, Vol. 6, Issue 26

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

**Congress.** The House and Senate are in recess this week. Once Congress returns after the July 4<sup>th</sup> recess, leaders aim to reach an agreement on the USICA/COMPETES bill and continue finalizing a potential reconciliation package, which could include lowering prescription drug prices. Senate Minority Leader Mitch McConnell (R-KY) has threatened that any such movement on a reconciliation package would end any Republican support for USICA. Additionally, Senator Patrick Leahy's (D-VT) recent hip surgery has made it unclear when he would be able to return for a reconciliation vote in the evenly split Senate.

**Budget Reconciliation.** Senate Majority Leader Schumer is expected to submit the initial text of a Reconciliation package related to lower prescription drug costs as early as today, purportedly with the support of all members of his Caucus. The plan would allow Medicare to begin negotiating prices for prescription drugs in 2023, capping an individual's out of pocket costs at \$2,000. Other provisions related to energy and tax reform are under discussion. This move by Schumer jeopardizes prospects for USICA given that Senate Republican Leader McConnell has recently said that if a Reconciliation package moves forward in July, he would block future action on the USICA/CHIPS/America Competes Act. ([Punchbowl](#))

**FY23 Budget and Appropriations.** Last week, the House Appropriations Committee passed all of its bills out of committee with largely partisan votes and the bills now await floor action later this summer. In the Senate, timing on Senate Appropriations Committee action is uncertain as there is still no agreement on topline figures and Chairman Leahy is now out as he recovers from surgery for a hip replacement caused by a fall late last month. Senator Patty Murray (D-WA) is expected to assist with some of Senator Leahy's appropriations responsibilities during his absence. It is possible that the Committee could post its draft bills and reports at some time in July instead of holding markups. Also of note, the Congressional Budget Office on Friday released its [analysis](#) of the discretionary spending proposals in the President's 2023 budget highlighting the difference between defense and nondefense levels. When excluding spending for the infrastructure bill and other emergencies, the CBO estimates that under the Administration's request, defense spending would increase \$31 billion (or almost 4 percent) and nondefense spending would increase \$82 billion (or 11 percent, reflecting the Biden budget's relative lack of parity between the two categories of spending. House and Senate negotiators have yet to specify if parity for topline spending levels will be based on dollar amounts or percentages of overall spending.

**Defense Authorization.** When the House returns, it will begin floor activity on the annual defense authorization act. Members had until yesterday to submit amendments to the House Rules Committee for floor consideration and over 1000 amendments were submitted. It is expected that there will be an amendment to remove the \$37 billion authorized increase in defense spending that was added to the bill by the House Armed Services Committee. A similar amendment failed last

year on the floor. While the Senate Armed Services Committee approved its version of the bill in June, no date has been set as to when it will go to the floor although Chairman Jack Reed (D-RI) would like it to be in July.

**Fall Elections.** According to recent [election forecasts](#), Republicans are favored to retake the House, but may have difficulty in taking both chambers this fall. Democrats are running against President Biden's low approval ratings nationwide but Republican issues with candidate quality in key battleground Senate races have left control of the upper chamber uncertain in November.

**Biden Administration.** On Thursday, President Biden is scheduled to award the Presidential Medal of Freedom to 17 recipients, including notable names such as former representative Gabrielle Giffords, Olympic gold medalist Simone Biles, and former Arizona Senator and 2008 Republican presidential nominee John McCain.

## Last Week in the Nation's Capital

### CONGRESS

#### Banking & Housing

**Toomey, Other GOP Senators Blast KC Fed over Master Account Silence:** Sen. Pat Toomey (R-PA) and three other Republicans on the Senate Banking Committee renewed their call to "reform the regional Fed banks to make them more transparent and accountable to Congress," according to a letter they sent to Kansas City Fed President Esther George. ([Banking Dive](#))

**House Democrats Pin Blame on Corporate Landlords for Rising Rental Costs:** House Democrats pointed the finger at corporate landlords for climbing rental costs during a hearing about housing last week, leading Republicans to accuse the majority of trying to deflect blame for record inflation. Democratic lawmakers at a House Financial Services subpanel blamed private equity firms for the "predatory purchasing" of single-family homes in bulk and jacking up rent and fee prices, exacerbating a housing crisis they argued predates the pandemic. ([The Hill](#))

#### Tax Reform

**Walorski Introduces FIRST Act to Double R&D Tax Credit, Equip America to Lead in 21st Century Innovation:** Ways and Means Republican Rep. Jackie Walorski (R-IN) introduced H.R. 8253, the Fostering Innovation and Research to Strengthen Tomorrow (FIRST) Act, which would double the research and development (R&D) tax credit and allow more small business startups to access this credit. ([Clark Hill Insight](#))

#### Transportation

**Senators Urge Airlines to Address Growing Delays and Cancellations:** As airlines cancelled hundreds of flights due to staff shortages ahead of the Fourth of July weekend, a group of senators urged them to address scheduling issues. Sens. Ed Markey (D-MA) and Richard Blumenthal (D-CT) wrote letters to 10 major domestic airlines last Wednesday requesting they provide data by mid-July to Congress about cancellations, delays and how many passengers received refunds or were rebooked. ([The Hill](#))

#### Space/NASA & NOAA

**House Appropriators Hold Back on Large Requested Increase for FAA Space Office, Endorse NTSB Role:** The House Appropriations Committee has proposed to increase funding for FAA Office of Commercial Space Transportation in FY2023, but not as much as the Biden Administration requested – instead of the \$42.5 million requested it is recommending \$33.7 million, an increase from \$27.6 million in FY2022. The committee also weighed in on plans by the

National Transportation Safety Board to get more involved in investigating commercial space accidents, a controversial idea, but one the committee endorsed. ([Space Policy Online](#))

## Defense

**Republicans Scoff as Democrats Try to Close Gitmo Again:** Democrats are reviving their efforts to shutter the Guantánamo Bay detention facility, but the push faces an uphill battle in the Senate, where Republicans are already writing it off as doomed. In the past month, House Democrats have advanced legislation seeking to close the facility in Cuba as part of a larger annual defense spending bill leaders are expected to bring to a vote in the full chamber, where the party holds narrow control, in the coming weeks. But in the Senate, where Democrats will need GOP support to pass the defense funding bill, the move faces a wall of opposition from Republicans. ([The Hill](#))

**Top Democrats Are Blasting President Joe Biden's Stated Intention to Sell F-16 Fighter Jets to Turkey:** In a blistering statement Tuesday, Democratic members of the Hellenic Caucus said that Turkey, under President Recep Tayyip Erdogan, is undeserving of the advanced fighter jets. Their opposition comes after Biden said last week at the NATO Summit that he supports selling the jets to Turkey. The day before, Turkey had dropped its opposition to allowing Finland and Sweden to join NATO, but the White House has denied any connection between Biden's remarks and Turkey's move. ([Politico](#))

## Homeland Security & Immigration

**Dick Durbin says the Horrifying Deaths of Migrants Found in a Tractor Trailer Should be an “Uvalde Moment” for Immigration Reform:** Senate Majority Whip Dick Durbin (D-IL) said he has restarted his immigration reform talks with Sen. Thom Tillis (R-NC) while the senators have been traveling together throughout Europe last week. ([Politico](#))

## Judiciary/Justice

**House Appropriations Committee Approves Amendment to Protect Legal State Marijuana Programs:** The House Committee on Appropriations voted last week to approve an amendment that would prevent the Department of Justice from interfering with legal adult-use marijuana programs as part of the Commerce, Justice, Science, and Related Agencies appropriations legislation for Fiscal Year 2023. The bipartisan amendment, introduced by Reps. Barbara Lee (D-CA) and David Joyce (R-OH), with the non-committee support of past champions Reps. Earl Blumenauer (D-OR), Tom McClinton (R-CA), and Eleanor Holmes Norton (D-DC), would bar the DOJ from using resources to interfere with the ability of states, territories, tribal governments, or the District of Columbia to implement laws and regulations governing the legal and regulated production, sale, and use of cannabis by adults or to target people acting in compliance with those laws. ([Community News](#))

## Cyber

**House Lawmakers Introduce CHIPPING IN Act:** House lawmakers last week introduced the latest bipartisan legislation focused on addressing the nation's semiconductor shortage. Introduced by Rep. Haley Stevens (D-MI), the Creating Helpful Initiatives to Produce Personnel in Needed Growth Industries, or [CHIPPING In Act of 2022](#) takes a three-pronged approach to the shortage. First, the legislation creates National Science Foundation awards for universities, nonprofit organizations and consortia to foster "research, development and related activities, to advance innovative approaches to developing, improving and expanding evidence-based microelectronics education and workforce development activities and learning experiences at all levels of education, and for other purposes." ([NextGov](#))

## Energy

**Pallone Presses White House to Reinstate Crude Oil Export Ban:** House Energy and Commerce Chairman Frank Pallone Jr. (D-NJ) last Thursday called on President Joe Biden to limit crude oil exports in response to high gasoline prices. In a letter to Biden, Pallone said the administration should, in whole or in part, restore a ban on the export of crude oil that was

in place until 2015. When the ban was lifted, a move Pallone opposed at the time, Congress preserved the president's ability to impose restrictions on exports for one year in response to certain economic or national security emergencies. ([Roll Call](#))

## EXECUTIVE BRANCH

### Health/HHS/NIH

**HHS Was Asked To Seek An ‘Aggressive Strategy’ On Abortion By Biden, Becerra Says:** Health and Human Services Secretary Xavier Becerra told NBC’s Chuck Todd that although the country must “heed the word of the Supreme Court,” the Biden administration is still seeking avenues to make sure people “have access to the care that they need, including abortion care.” The Supreme Court voted 5-4 on June 24 to overturn Roe v. Wade, leaving the legality of abortion up to the states. So far, abortion is fully banned in five states and will soon be illegal in another eight, though there have been a number of court challenges throughout the nation. ([Politico](#))

**NBC Pundit, Public Health Expert Vin Gupta in Line for Top Biden Administration Spot:** Stung by messaging missteps over the coronavirus crisis, baby formula shortage and abortion access, the Food and Drug Administration is planning to hire a new senior adviser to shore up the agency’s public messaging. And, according to three people with knowledge of the matter, they’re turning to a public health expert-turned-cable personality to do it. Vin Gupta, a pulmonologist and frequent NBC and MSNBC guest, is the leading candidate to become the FDA’s principal medical adviser. As part of the gig, he would manage a broad portfolio ranging from the agency’s Covid-19 response to its aggressive crackdown on vaping and nicotine. Gupta is also expected to take a lead role in guiding the FDA’s communications strategy, serving as its public face on high-profile issues and trying to bolster trust in the agency’s health recommendations. ([Politico](#))

**CDC: Deadly Listeria Outbreak Spanning 10 States Linked to Ice Cream:** The Centers for Disease Control and Prevention (CDC) has tied a Florida-based ice cream company to a multistate listeria outbreak. The CDC believes Big Olaf Creamery, a brand of ice cream only sold in Florida, may be to blame. Of the 17 people interviewed by the CDC, 14 reported eating ice cream before experiencing symptoms. ([The Hill](#))

### Department of Education

**New National Partnership For Student Success Aims To Grow Tutoring & Mentoring Programs, Boost Student Recovery:** The U.S. Department of Education Tuesday launched the [National Partnership for Student Success](#), a coalition with education and service organizations formed to help the nation’s public schools implement and improve high-impact tutoring, mentoring, and similar programs to boost pandemic learning loss recovery efforts and better support student well-being. The new effort comes on the heels of President Joe Biden’s call during the 2022 State of the Union Address for more tutoring and mentoring programs to help students recover from the pandemic, [ED said in a news release](#). The NPSS will be managed collaboratively by the U.S. Department of Education, AmeriCorps, and the Johns Hopkins Everyone Graduates Center, ED said. ([The Journal](#))

### Banking & Housing/HUD

**CFPB says Debt Collectors’ ‘Pay to Pay Fees’ are ‘Often Illegal’:** Certain “junk” fees often levied by debt collectors are illegal under federal law, the Consumer Financial Protection Bureau said last Wednesday. Debt collectors charge so-called “pay-to-pay” fees, which are also known as convenience fees, when consumers make a payment online or over the phone, according to the federal agency. ([CNBC](#))

### Crypto/Blockchain

**Crypto Tax Cheats Likely to Get Relief as US Crackdown Hits Snag:** The US government’s bid to collect billions of dollars in taxes is hitting a snag as the Treasury Department and the Internal Revenue Service are likely to push off a January date

for crypto brokers and exchanges to begin tracking data such as customers' capital gains and losses. Under a law passed by Congress last November, crypto firms are supposed to begin recording their clients' detailed transaction data in 2023, with reports to be sent to the IRS and investors the following year. ([Bloomberg](#))

## Transportation/DOT

**New NHTSA Chief says Agency to Scrutinize Auto-Driver Technology:** The new head of the government's road safety agency says it will intensify efforts to understand the risks posed by automated vehicle technology so it can decide what regulations may be necessary to protect drivers, passengers and pedestrians. In an interview last Wednesday, Steven Cliff, who was confirmed in May as head of the National Highway Traffic Safety Administration, said the agency is assessing crash data recently reported by automakers and tech companies. ([AP](#))

## Trade

**Biden Considering China Tariff Relief Package:** President Biden could lift tariffs on approximately \$10 billion worth of Chinese goods under a plan being discussed within the administration, while opening a new exclusion process for firms to win additional relief. This would cover only a small fraction of the duties that the Trump Administration imposed on approximately \$370 billion worth of imports from China. No decision has been made on the potential timing. ([Politico](#))

## Space/NASA & NOAA

**ULA's Atlas 5 Launches U.S. Space Force Experimental Missile-Warning Satellite:** A United Launch Alliance Atlas 5 rocket on July 1 launched the USSF-12 mission for the U.S. Space Force. The rocket lifted off at 7:15 p.m. Eastern from Space Launch Complex-41 at Cape Canaveral Space Force Station, Florida. The \$1.1 billion USSF-12 mission to geosynchronous Earth orbit carried two satellites: The Wide Field of View (WFOV) missile-warning spacecraft for the U.S. Space Force, and a ring-shaped payload adapter with six classified smallsat experiments for DoD's Space Test Program. ([Space News](#))

**NASA Prepares to Release First JWST Science Images:** With commissioning of the James Webb Space Telescope nearly complete, project officials and NASA leadership promise the telescope's first images will stun scientists and the public alike. During a media event at the Space Telescope Science Institute (STScI) here June 29, project managers and scientists said the telescope is already collecting "early release observations" that NASA, along with the European Space Agency and Canadian Space Agency, will unveil July 12. Those observations are taking place as engineers finish preparing the telescope for routine science observations, with 15 of its 17 observing modes now commissioned. ([Space News](#))

## Defense/DOD

**Air Force Strengthens Policy to Kick Out Sexual Assailors:** The Department of the Air Force is strengthening its process for discharging airmen and guardians who commit sexual assault, as the service continues to try to banish sex crimes from its ranks. The new [policy](#) states that service members who commit sexual assault will be subject to immediate initiation of discharge procedures. Only in very few circumstances can an airman or guardian be considered for an exception. ([Federal News Network](#))

**Air Force to Test 3D-Printed Rocket Motors:** The U.S. Air Force will test a "rocket factory in a box" made by a New Mexico startup in hopes of being able to 3D-print missile energetics. The technology could allow the military to get solid rocket motors for less money, more quickly, and in remote locations. ([Defense One](#))

**Space Force Considering Strategy for Procuring National Security Launch Services:** The Space Force launch procurement command in Los Angeles later this year will send to the Pentagon a proposed strategy for selecting national security launch services providers for the next round of contracts expected to be awarded in 2024. "The NSSL [National Security Space Launch] team is off working the strategy for Phase 3, but nothing has been agreed to yet," Frank Calvelli, the

Space Force's senior acquisition executive, told reporters June 28. United Launch Alliance and SpaceX in 2020 won five-year NSSL Phase 2 contracts to launch as many as 35 military and intelligence space missions. These contracts are up for recompete in 2024. ([Space News](#))

**Abortion Bans Cause Privacy, Financial Issues for Service Members, Despite DOD's Efforts:** The Defense Department is promising to continue covered abortions for pregnant service members and civilian employees after the Supreme Court's ruling last week striking down Roe v. Wade. However, the decision still has serious repercussions for Pentagon employees who are seeking an abortion when it does not involve rape, incest or medical harm. ([Federal News Network](#))

## DHS & Immigration

**Supreme Court Rules for Biden in Clash over Trump-Era ‘Remain in Mexico’ Policy:** The Supreme Court last Thursday sided with the Biden administration in its effort to end a Trump-era immigration policy that requires U.S. asylum-seekers at the southern border to wait in Mexico while their applications are processed. ([The Hill](#))

**‘Remain in Mexico’ Policy will Continue for Several Weeks, Mayorkas says:** The Supreme Court last week rejected a challenge to President Joe Biden’s effort to stop the previous administration’s “Remain in Mexico” program, which forced many asylum seekers to wait in Mexico for hearings before U.S. immigration judges. Homeland Security Secretary Alejandro Mayorkas on Sunday told the hosts of both ABC’s “This Week” and CBS’ “Face the Nation” that the current policy will continue for the next few weeks. ([Politico](#))

**Biden’s Pick for ICE Director Withdraws Nomination:** President Joe Biden’s pick to lead Immigration and Customs Enforcement announced last Monday that he’d withdrawn his nomination for the post. Ed Gonzalez, the sheriff of Harris County, Texas, said he told the president of his decision over the weekend “after prayerfully considering what’s best for our nation, my family, and the people of Harris County who elected me to serve a second term as Sheriff.” ([Politico](#))

## Judiciary/DOJ

**Former Microsoft Economist Joins DOJ Antitrust Team as Tech Probes Surge:** Susan Athey, a Stanford University professor and former chief economist at Microsoft Corp., is joining the Justice Department as its top antitrust economist. A Justice Department spokeswoman confirmed the hire Tuesday. Athey, an expert on the economics of internet platforms — particularly search engines and online advertising — joins the Justice Department as it prepares for trial against Alphabet Inc.’s Google and is pursuing an investigation of Apple Inc. and another Google case. ([Bloomberg](#))

## EPA & DOI

**Interior Offshore Oil Drilling Plan Skirts Tough Choices:** The Biden administration proposed an offshore drilling plan that could have anywhere from zero to 11 lease sales, a move that pushes the politically fraught decision on oil and gas production off for months and is likely to frustrate both fossil fuel supporters and climate change advocates. The plan from the Interior Department was released just one day after the Supreme Court issued a ruling sharply limiting EPA’s power to curb pollution causing climate change — and as gasoline prices remain near record highs. Those fuel prices are a key contributor to inflation, which has emerged as a top concern for voters ahead of the November mid-term elections. ([Politico](#))

## Cyber

**Rising Threats Spark US Scramble for Cyber Workers:** Iranga Kahangama, a cyber official at the Department of Homeland Security (DHS), testified last week at a House hearing this week that the federal government and private sector are facing increasing pressure to fill key cyber roles as high-profile attacks and international threats rattle various U.S. sectors. ([The Hill](#))

**Key Congresswoman Promotes Cyber Insurance Amid Shifting Policy Landscape:** Rep. Elissa Slotkin (D-MI) urged critical infrastructure entities to consider getting cyber insurance in preparation for ransomware attacks during a hearing of the House Homeland Security Committee's panel on intelligence and counterterrorism last week, even as she acknowledged that may be challenging for those with fewer resources. ([Next Gov](#))

## Department of Energy

**Biden Will Not Directly Ask Saudis to Increase Oil Production during Visit:** President Joe Biden said last Thursday he will not directly ask Saudi Arabia's leaders to increase oil production when he visits the kingdom this month, insisting that his trip to the Middle East is not focused on one-on-one engagement with King Salman or Crown Prince Mohammed bin Salman. ([Politico](#))

**Lab Leaders Address Threats to Flagship Neutrino and Nuclear Physics Projects:** Appearing before the House Science Committee [last week](#), leaders from Brookhaven National Lab and Fermilab testified about the difficulties facing the flagship projects they oversee: the Electron-Ion Collider (EIC) and the Long-Baseline Neutrino Facility and Deep Underground Neutrino Experiment (LBNF/DUNE). EIC Project Director Jim Yeck reported that Congress has so far funded the collider at levels "well below" those needed to keep the project progressing smoothly. He warned that Brookhaven is in danger of losing personnel needed to ramp up construction after the planned shutdown in 2025 of EIC's predecessor facility, the Relativistic Heavy Ion Collider (RHIC). ([AIP](#))

