

Window on Washington – August 15, 2022, Vol. 6, Issue 32

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Outlook for This Week in the Nation's Capital

Congress. The House and Senate are both in recess until Labor Day. Once they return, they will have a packed to-do list ahead of the November elections, which may include working through the FY23 appropriations process, voting on public safety bills, modifying the Electoral Count Act, codifying same-sex marriage, and advancing a tech antitrust bill.

Reconciliation Package. The Senate cleared the Inflation Reduction Act ([H.R. 5376](#)) in a 51-50 vote, and the House passed the bill in a 220-207 vote. The legislation is estimated to provide more than \$450 billion in spending investments and tax expenditures focused on health, energy, and climate change. President Joe Biden is expected to sign the bill sometime this week and then hold a celebration at the White House on Sept. 6. A schedule for the implementation of major provisions in the Act can be found [here](#).

Biden Administration. President Xi Jinping and President Biden are planning an in-person meeting on the sidelines of the G20 summit in Bali in mid-November. This would be Xi's first international trip since the pandemic, and it would be Biden's first in-person meeting with Xi since Biden took office. House Speaker Nancy Pelosi's (D-CA) recent visit to Taiwan led to heightened tensions in U.S.-China relations, and Sen. Ed Markey (D-MA) is currently leading another Congressional delegation visit to Taiwan. The five-member delegation will focus on U.S.-Taiwan relations, regional security, trade and investment, global supply chains, climate change, and other significant issues of mutual interest and is part of a larger visit to the Indo-Pacific region.

Programming Note. Given Congress' August recess, the Window on Washington's next publication will be Tuesday, Sept. 6.

Last Week in the Nation's Capital

CONGRESS

Budget & Appropriations

House and Senate Pass Massive Climate, Tax, and Health Bill, Sending Biden a Core Piece of His Agenda to Sign: The two chambers approved the more than \$430 billion spending package in party-line votes, as all Democrats backed it and all Republicans opposed it. Its provisions are estimated to raise \$737 billion over 10 years, and Democrats say the bill would reduce the deficit by more than \$300 billion, citing analyses from nonpartisan congressional tax and budget offices. The measure, which caps a more than yearlong slog by Democrats to pass a core piece of their agenda, will head to Biden's desk for his signature. ([CNBC](#))

Health

Tim Kaine Has Long Covid, but That's Not Moving Congress to Act: Tim Kaine (D-VA) was once hopeful that his colleagues would take the looming threat of long Covid more seriously if they knew someone living with the mysterious post-viral illness — himself. Earlier this year, the Virginia senator and former vice presidential candidate started bringing up the nerve sensitivity that he fears may be permanent at every health care-related hearing, in backroom conversations with colleagues, in speeches, and during press conferences. ([Politico](#))

Warren Launches Investigation into State Abortion Bans: Sen. Elizabeth Warren (D-MA) has launched an investigation into how state abortion bans have affected Americans' access to health care for pregnancies and reproductive and nonreproductive care. In her announcement, Warren said her investigation was spurred by reports of “shocking stories from women in states that have enacted radical abortion bans and criminalized health care.” ([The Hill](#))

Education

Senators Murray, Wyden, and More Push for Student Debt Relief Expansion: The Department of Education has proposed rules that would “expand and improve” student debt relief programs, which have been supported by many Senate Democrats, including Patty Murray (D-WA). Senator Murray led 22 other Senators in drafting a [letter](#) supporting the proposals, but also asking for further improvement. ([NBC](#))

Banking & Housing

Chairwoman Waters and 76 House Democrats Urge Regulators to Strengthen Community Reinvestment Act Rules, End Redlining: Congresswoman Maxine Waters (D-CA) led a [letter](#) with 76 Democratic Members of the U.S. House of Representatives to the leaders of the Board of Governors of the Federal Reserve System (Fed), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC). The letter urges the regulators to consider carefully the comments they receive from civil rights and community groups as well as other stakeholders to their joint proposed rulemaking to modernize the Community Reinvestment Act (CRA) and work to finalize a strong CRA rule that will put an end to modern-day redlining. ([Clark Hill Insight](#))

U.S. Republicans Prepare Consumer Watchdog, SEC Probes as Mid-Term Elections Loom: U.S. Republican lawmakers are preparing a crackdown on the U.S. consumer and securities watchdogs in the expectation they will gain control of a key congressional committee following the November mid-term elections, according to a dozen financial lobbyists, congressional staffers and lawmakers. ([Reuters](#))

Bill Eyes Bolstered 501(c)(4) Organization Transparency: U.S. Rep. Eleanor Holmes Norton (D-DC) has introduced a bill she said provides greater transparency with regard to 501(c)(4) organizations. Norton indicated the Increased Transparency in 501(c)(4) Organizations Act of 2022 requires the Internal Revenue Service (IRS) to make publicly available the forms organizations self-declaring under Section 501(c)(4) of the Internal Revenue Code (IRC) file with the IRS. ([Financial Reg News](#))

New Dems Call on President Biden to Take Action to Lower Housing Costs & Build More Affordable Housing: The New Democrat Coalition (NDC) wrote a letter calling on the Biden administration to take swift action to lower the cost of housing and increase affordable housing development. In order to alleviate the strain on household budgets and tackle inflation, New Dem Members urged President Biden to improve the Low-Income Housing Tax Credit, leverage federal funding and other programs to incentivize zoning reforms, and expand access to capital for home builders and potential homeowners. ([Clark Hill Insight](#))

Crypto/Blockchain

Warren Asks OCC to Rescind Trump-era Crypto Policy: In a letter from August 10, Senator Elizabeth Warren (D-MA) and three other Senate Democrats asked the Office of the Comptroller of the Currency to rescind the Trump-era cryptocurrency guidance for banks citing the recent turmoil in the crypto market. ([Politico](#))

Tax Reform

IRS Funding in Reconciliation Bill: The reconciliation bill included over \$80 billion in funding for the IRS. The funding, over 10 years, is intended to help the IRS enforce various provisions in the Inflation Reduction Act, which would raise more than \$700 billion in new revenue by instituting a 15-percent corporate minimum tax, taxing stock buybacks, and extending a cap on deductions for business losses, in addition to helping the IRS enforce existing tax law. Of the \$80 billion, more than half would go to increased enforcement, like audits. ([The Hill](#))

Trade

Brown Urges Commerce Department to Support Domestic Manufacturing Before Finalizing Duty-Free Solar Rule: U.S. Senator Sherrod Brown (D-OH) sent a letter to U.S. Secretary of Commerce Gina Raimondo urging her to engage with American solar manufacturers prior to finalizing a rule on duty-free importation of solar cells and modules from Southeast Asia. Brown asked Secretary Raimondo to ensure that this rule cannot be used to evade any future tariffs so that domestic manufacturers are supported to the fullest extent possible. ([Office of Sen. Brown](#))

Space & Science

Landmark Climate Bill Also Promises Boost for Science Projects: The Inflation Reduction Act (IRA) includes the most expansive measures the U.S. has ever implemented to mitigate climate change. IRA's climate-related provisions will cost about \$370 billion over multiple years and mainly comprise measures such as tax incentives and grants aimed at decarbonizing the economy and boosting resilience against environmental hazards. Within that funding, billions of dollars are allocated for scientific research and technology development, including a one-time \$2 billion boost for projects at Department of Energy labs that are not directly related to climate change. The bill also includes nearly \$500 million for climate and weather research and forecasting at the National Oceanic and Atmospheric Administration. ([AIP](#))

Judiciary/Justice

Democrats Punt Policing Bills Beyond August: House Democrats scrapped a hopeful plan to vote this month on a package of public safety bills amid lingering disagreements between liberals and centrists over law enforcement funding and police accountability. ([The Hill](#))

Environment & Interior

Some Republicans See Climate Danger, but they Voted 'No' Anyway: Sen. Mitt Romney (R-UT) wrote a somber essay last month warning that Americans were blithely dismissing the "potentially cataclysmic threats" posed by climate change. Then last weekend, the Utah Republican voted against the largest climate legislation in U.S. history, along with all of his GOP colleagues. ([Politico](#))

Budget Bill Would Task EPA to Scrutinize Companies' Climate Goals: U.S. companies would face additional scrutiny on their promises to slash emissions under a section on corporate transparency in the reconciliation bill. Among the billions of dollars of clean energy tax credits and private investments for decarbonization in the legislation is a provision that would provide \$5 million for the Environmental Protection Agency to verify corporations' commitments to reduce their greenhouse gas emissions and other climate pledges. ([Roll Call](#))

Senate Energy Bill Could Help U.S. Carbon Capture Take Flight: The Senate's climate deal could bring scale-up of carbon capture in heavy industries and power after years of limited momentum and false dawns. It provides a long-term extension of time for projects to qualify for existing credits and expands their application and value. And it boosts subsidies

for nascent “direct air capture” tech, but that’s not slated to start sucking big CO2 volumes from the atmosphere anytime soon. ([Axios](#))

Energy

Wyden Introduces Bill to Double Tax on Excess Oil Profits: Legislation introduced by Sen. Ron Wyden (D-OR) would double excess-profit taxes on oil companies making over \$1 billion a year. The bill, the Taxing Big Oil Profits Act, would impose a 21 percent tax on the excess profits of oil and gas companies making more than \$1 billion annually. Excess profits are determined by current profits minus a normal 10 percent return on investment. ([The Hill](#))

Historic Climate Bill to Supercharge Clean Energy Industry: Congressional Democrats delivered a dramatic win for President Joe Biden’s effort to fight climate change, passing a bill that will devote hundreds of billions of dollars to clean energy sources and speed the U.S. transition away from fossil fuels. The Inflation Reduction Act, which had appeared to be dead just weeks ago and now heads to President Biden for his signature, would accelerate U.S. emission cuts and put the country on a path to reduce greenhouse gases by 40 percent below 2005 levels by 2030, significantly narrowing the gap with the goal Biden set under the Paris climate agreement to cut that pollution by at least half by that date. ([Politico](#))

EXECUTIVE BRANCH

Budget & Appropriations

Biden Signs CHIPS and Science Act: President Joe Biden signed the CHIPS and Science Act last Tuesday, writing into law the \$280 billion package that includes \$52 billion in direct funding to boost U.S. domestic semiconductor manufacturing. ([The Verge](#))

Health/HHS/NIH

Biden Signs Burn Pit Legislation into Law, Expanding Health Care Benefits for Veterans: President Biden last Wednesday signed into law legislation that expands health care benefits for veterans who developed illnesses because of their exposure to toxic substances from burn pits on U.S. military bases during their service. ([CBS](#))

Becerra in the Hot Seat, Again, Over Monkeypox Response: As the Biden administration scrambled last month to defuse anger over its sluggish response to the monkeypox outbreak, Health and Human Services Secretary Xavier Becerra floated an idea: Tell people the states need to do more. The federal government could only provide the tools and guidance needed to slow the disease’s spread, he told White House and health officials. It was up to the states to contain it, and the administration should make that clear. ([Politico](#))

HHS Launches Community-Level Environmental Justice Hazard Calculator: The Department of Health and Human Services (HHS) formally launched its Environmental Justice Index (EJI), which will assign communities numerical scores based on the health burdens of environmental conditions. The EJI is based on data from the individual census tract and assigns an overall environmental score based on 36 factors. The tool also includes data for individual possible hazardous sites within a community, such as coal mines or lead mines, and planned and built environmental features that can alleviate the environmental burden, such as walkability or houses built after 1980. ([The Hill](#))

FDA Recommends Repeat At-Home Covid Tests to Reduce Risk of False Negatives: The Food and Drug Administration (FDA) issued guidance recommending that people testing themselves for COVID-19 at home take a repeat test within 48 hours to rule out a potential false negative. In its guidance, the FDA noted that at-home tests are less likely to detect the coronavirus than PCR lab tests. This inaccuracy is more likely to occur early on in the infection in people who display no symptoms. ([The Hill](#))

New CDC Guidance for Schools Aims for Normalcy: The Centers for Disease Control and Prevention loosened its Covid-19 guidelines for isolation and testing in schools as the country emerges from another bruising wave of cases and

Americans' pandemic fatigue continues to deepen. In a much-anticipated decision, the CDC lifted previous recommendations that students quarantine if exposed to someone positive for the virus. The new guidance also drops recommendations that schools limit students' contacts by cohorting them in groups during the day. And it said that schools should no longer conduct Covid-19 routine testing for asymptomatic or unexposed students, suggesting schools consider doing that only in response to an outbreak, high community risk, or a high-risk event at the school, like a prom or a large sports event. ([Politico](#))

Polio Found in New York City Wastewater, Indicating a Silent Spread: Weeks after the nation's first polio case in nearly a decade emerged in the New York suburbs, public health officials warned that it's likely in New York City too. That's while the city is still reeling from Covid-19 and the emerging monkeypox outbreak. New York proved a petri dish for both contagions, and now polio, which is largely asymptomatic but can cause paralysis, could be silently spreading. ([Politico](#))

Labor & Workforce

White House Can't Just Retaliate Against and Discipline Its Employees Willy-Nilly, Panel Rules: Career employees at the White House are entitled to appeal suspensions and firings and maintain whistleblower protections, according to a federal board that ruled against administrations that have sought leniency in dealing with workers in close proximity to the president. ([GovExec](#))

Department of Education

Clock is Ticking for Biden to Make Key Decisions on Student Loans: With less than three weeks to go until the federal student loan repayment pause expires, millions of borrowers are still in the dark about whether President Joe Biden will extend the current payment moratorium or possibly forgive any of their debts. Borrower balances have effectively been frozen for more than two years, with no payments required on most federal student loans since March 2020 – when the coronavirus pandemic sent many Americans into lockdown. During this time, interest stopped accumulating and collections on defaulted debt have been on hold. ([CNN](#))

Watchdog Says Education Department Fell Short in Helping Borrowers When Schools Closed: The Education Department doesn't alert student loan borrowers quickly enough about their eligibility for loan discharge in the wake of school closures, potentially causing them to suffer financially, a new government watchdog report finds. The Government Accountability Office, the nonpartisan investigative arm of the federal government, found in a new report that the Education Department failed to identify a third of school closures until two months or more after the colleges closed, meaning that borrowers impacted by the closures were not told about their loan discharge options until months after that. It did not identify 16% of closures for six months or more. ([US News](#))

Transportation/DOT

Buttigieg Promises Action on Airline Delays: Transportation Secretary Pete Buttigieg said that his agency is ready to take enforcement actions against airlines that don't perform, as flight delays and cancellations continue to roil the busy summer travel season. During a segment on MSNBC's "Morning Joe," Buttigieg said as the pent-up demand for travel continues, the Department of Transportation can and will enforce federal requirements, such as the need for airlines to issue prompt refunds to passengers whose flights are canceled. ([Politico](#))

Postal Service Plans to Hike Prices for Holidays: The United States Postal Service proposed raising prices ahead of its peak season, a temporary adjustment it says will help handle the holidays. Rates for priority mail, first-class services, and ground shipping would increase by as little as 25 cents in some cases and as much as \$6.50 in others. ([The Hill](#))

NHTSA Administrator Steven Cliff Leaves for CARB: Steven Cliff, the head of the National Highway Traffic Safety Administration, is stepping down from his post for a leadership role at the California Air Resources Board. Liane Randolph, the board's chairwoman, announced on Aug. 12: "Steve brings a deep understanding of the science of air pollution, along

with a strong commitment and track record of promoting the solutions that deliver clean air benefits for all Californians, especially those living in communities impacted by persistent pollution.” ([Transport Topics](#))

Trade

Port Envoy Urges Fix for Supply Chain ‘Stress Points’: The entire U.S. supply chain, not just its ports, requires 24/7 operations to reduce logjams and out-of-control costs, said U.S. Army Gen. Stephen Lyons (Ret.), the White House supply-chain czar, in an interview with Port of Long Beach Executive Director Mario Cordero on Aug. 9. ([The Epoch Times](#))

Space & Science

Space Council to Focus on Updating Commercial Space Regs: Vice President Kamala Harris, speaking after a meeting last week with commercial space industry leaders at the Chabot Space and Science Center in Oakland, CA, said that the National Space Council is going to focus on updating rules for the commercial space industry to ensure it remains a world leader. The next Council meeting will take place in September to begin developing a new rules framework to ensure the clarity and consistency needed to attract investors. ([Space Policy Online](#))

DARPA Selects Companies for Inter-Satellite Laser Communications Project: Five commercial satellite operators — SpaceX, Telesat, SpaceLink, Viasat, and Amazon’s Kuiper — are among 11 organizations selected by the Defense Advanced Research Projects Agency to help develop laser terminals and technical standards to connect satellites in space. Under a project called space-based adaptive communications node, or Space-BACN, DARPA is pursuing a new laser terminal design that would be compatible with any constellation and make it easier for government and commercial satellites to talk to each other. ([Space News](#))

Defense/DOD

The U.S. Army is Hunting for More Soldier-Connected Tech: The Army wants a small business to supply tech that can support and integrate everything from sensors to 5G and augmented reality headsets, in an effort to “optimize the ground soldier’s ability to shoot, move, and communicate”. The Ground Soldier Technology Workflow, Integration, and experience —or GS-TWIX—is an effort to link several technologies through both hardware and software, according to a solicitation notice. ([Defense One](#))

After Years of Inattention, Congress Scrambles to Save Defense Supply Chain: Increasingly worried by the extreme foreign dependence on defense industrial supply chains, Congress finally passed the bipartisan CHIPS Act, which is meant to revive the dying U.S. semiconductor sector. Congress is also moving to include in the annual defense authorization bill provisions intended to reduce China’s monopoly on critical mineral supply chains that are key to many hi-tech weapons systems. ([Defense News](#))

Pentagon Advisers Want DoD to Build Out Agreements Between Small and Large Defense Businesses: For the past 30 years, Congress has continued to renew the Defense Department’s Mentor-Protégé Program — but only as a pilot. The program, which pairs up established defense companies with small businesses for mutually beneficial gains, has been continually saved from the chopping block by lawmakers since 1991. Now, after an in-depth look from outside business experts, the Defense Business Board is recommending Congress make the program permanent once DoD makes a few tweaks. ([Federal News Network](#))

DHS & Immigration

Asylum-Seekers Face Delays on Recent Work Permit Applications: Yusuf Ali Sendil, a medical doctor who fled political persecution in Turkey, will lose his chance to be a resident at Rutgers University’s hospital in less than a month unless a U.S. immigration agency approves his work permit in time. U.S. Citizenship and Immigration Services is required by regulation to process work permits for asylum-seekers such as Sendil within 30 days of receipt. But the specialist in treating psychosis

and schizophrenia has been waiting since he filed his work permit request in May, with no substantive updates. Sendil is one of tens of thousands of asylum-seekers waiting months more than expected for the backlogged immigration agency to approve their initial work permit requests, according to agency data shared with CQ Roll Call by the Asylum Seeker Advocacy Project. ([Roll Call](#))

DHS to Phase Out ‘Remain in Mexico’ Policy after Court Action: The Department of Homeland Security announced it will begin phasing out a Trump-era program that requires some asylum-seekers to spend months in Mexico after a Texas federal judge dissolved his earlier order that required the program’s revival. The department said in a news release that it is “committed to ending the court-ordered implementation” of the immigration program, known informally as the “Remain in Mexico” policy, “in a quick, and orderly, manner.” ([Roll Call](#))

Judiciary/DOJ

Republican FTC Commissioner Noah Phillips to Step Down: Noah Phillips, one of two Republican commissioners at the Federal Trade Commission, is set to leave the agency in the fall. Phillips’ departure comes at an extraordinarily high-profile moment at the agency, one marked by a heightened skepticism toward corporate consolidation and tension between the Republicans and Democrats on the commission under Chair Lina Khan, a progressive antitrust hawk who has targeted the tech giants and corporate concentration across the economy. ([Politico](#))

FTC Weighs Sweeping New Rules on ‘Commercial Surveillance’ and Big Data: The Federal Trade Commission is considering whether to write sweeping new regulations that could restrict how businesses collect and use consumer data, hinting at a possible crackdown on commercial algorithms and a sprawling economy powered by the personal information of millions of Americans. The FTC announced it is accepting public input on whether to draft new data privacy rules, a prelude to a possible rulemaking action. ([CNN](#))

Cyber

DHS Marks Expansion of Bug Bounty Efforts with Impending Contract Awards: The Department of Homeland Security is planning to award up to four contracts as early as next month for vetted security researchers to find software bugs in DHS systems, including at live hacking events. DHS plans to award at least three, but potentially four indefinite-delivery, indefinite-quantity contracts, according to the RFP documents, and could limit up to three of the awards to small businesses. The contracts could last up to five years and the collective potential value maxes out at \$43 million. ([Federal News Network](#))

Ex-CISA Chief Krebs Advocates for Standalone Cyber Agency, but Experts Say That’s Impractical: Instead of the Cybersecurity and Infrastructure Security Agency residing in DHS, former CISA Chief Chris Krebs recently told an audience at the Black Hat cybersecurity conference in Las Vegas that a standalone CISA could help streamline how the private sector and other stakeholders work with the government to combat cyber threats. Many experts were skeptical of the idea when asked, saying that cybersecurity is embedded in every issue the government touches and that they believe it will be impossible to rely on one single Cabinet agency devoted to cyber. ([Cyber Scoop](#))

EPA & DOI

‘All Bad Options’ as Biden Administration Faces Western Water Crisis: Entrenched drought and chronic overuse have driven water levels on the Colorado River so low that the Biden administration may be forced to impose massive cuts to water deliveries in seven Western states — a politically perilous move certain to inflame tensions with farmers, tribes and cities. Federal officials have given the states until Aug. 16 to come up with a plan to swiftly conserve as much as a third of the river’s flows, the amount they believe is necessary to keep Lake Powell — a key reservoir along the Arizona-Utah border — from reaching disastrous levels next year. But the pain of the potential solutions is so huge that the states are struggling to reach a deal, according to eight people familiar with the discussions. ([Politico](#))

Federal Court Restores Obama-Era Freeze on Coal Leasing on Public Lands: A federal judge restored a 2016 moratorium on coal leasing on federal lands that had been overturned by the Trump administration. In the ruling, Judge Brian Morris of the District of Montana, an Obama appointee, ordered the Bureau of Land Management (BLM) to reimpose the moratorium until it has conducted a more thorough environmental analysis. ([The Hill](#))

