

Window on Washington – August 8, 2022, Vol. 6, Issue 31

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Outlook for This Week in the Nation's Capital

Congress. After a busy weekend voting on the reconciliation bill, the Senate is now in recess through Labor Day. The House, in recess since late July, returns this week on Friday to vote on the Senate-passed Inflation Reduction Act and possibly consider separate legislation related to police funding and law enforcement. Many House Members will also pre-empt their summer break to attend the Thursday funeral of Rep. Jackie Walorski (R-IN), who died last week tragically last week in a car accident in her Indiana district. Once Congress returns from its August recess, they will have a busy month given the packed legislative agenda they need to work through ahead of the midterm elections, which includes agreeing to and passing a continuing resolution (CR) to begin FY23. Senate Republicans have suggested that the passage of the reconciliation measure may make them less willing to proceed easily on the terms of a short CR.

Reconciliation Package. Senate Democrats passed their sweeping tax, healthcare, and climate change legislation after a marathon of voting over the weekend with Vice President Harris casting the decisive vote to break a 50-50 deadlock. The \$740 billion bill includes some long-held priorities of Democrats including raising taxes on corporations, tackling climate change, and lowering prescription drug costs while also reducing the deficit by approximately \$300 billion over the next 10 years according to Democrats. The bill is now headed to the House which is back in session on Friday to vote on the Senate-passed legislation.

The non-partisan Senate parliamentarian released her review of the [Inflation Reduction Act of 2022](#) on Saturday, and the bill's major tax, climate, and health provisions largely remained intact. Senate Democrats mostly stayed together when voting on partisan amendments from both Republicans and Democrats that would have ruined the legislation's chances for final passage if included. In the parliamentarian's review, she found that the \$35 price cap on the cost of insulin for patients on private insurance was not compliant with the rules and therefore stripped out in order to consider the legislation. An amendment with a 60-vote threshold was offered that would put back this cap for the commercial market, but it ultimately failed with a vote of 57-43 after a few Republicans did vote in favor of the measure. Additionally, an amendment by Senator Thune (R-SD) that removed some businesses from the proposed 15 percent corporate minimum tax was passed, putting at risk the bill's overall deficit reduction target. A subsequent amendment by Senator Mark Warner (D-VA), however, added back revenue to cover the cost of the revenue lost by the Thune amendment, with Vice President Harris casting another deciding vote.

Biden Administration. President Joe Biden and First Lady Jill Biden will travel to Kentucky today to meet with the Governor as well as families impacted by the recent flooding. Separately, Biden will host two Rose Garden ceremonies this week: one tomorrow to sign the CHIPS and Science Act into law and one on Wednesday to sign the PACT Act.

~~Last Week in the Nation's Capital~~

CONGRESS

Budget & Appropriations

Senate Passes Sweeping Tax, Climate Package After Marathon Vote; Harris Breaks Tie: Senate Democrats have passed their sweeping tax, healthcare, and climate change legislation after a marathon night of voting, with Vice President Harris casting the decisive vote to break a 50-50 deadlock and the package to the House. The long-awaited \$740 billion bill that would raise taxes on corporations, tackle climate change, lower prescription drug costs, and reduce the deficit. The bill was approved on Sunday afternoon after a full night and morning in which senators worked non-stop on the consideration of amendments to the legislation. Democrats generally stuck together to defeat GOP amendments that might have scuttled the bill. ([The Hill](#))

Earmarks in Senate Bills Favor Small States, Retiring Senators: Appropriations bills for the upcoming fiscal year unveiled in the Senate last week contain more than 3,100 earmarks totaling almost \$7.8 billion, with Sen. Richard Shelby (R-AL) once again the uncontested champion of what senators have rebranded “congressionally directed spending.” ([Roll Call](#))

Labor & Workforce

Senate Dems Have Joined the Push to Block Schedule F: Senate Democrats last Tuesday introduced legislation aimed at blocking Republican-led efforts to strip tens of thousands of career federal employees of their civil service protections. In recent weeks, former White House aides from the Trump administration unveiled plans to [immediately reinstitute Schedule F](#) the next time a Republican is president. Schedule F was an ill-fated plan to find and reclassify the positions of tens of thousands of career federal workers in “policy-related” roles outside of the competitive service, stripping them of their civil service protections and making it much easier to hire and fire them. Trump, who is mulling another campaign for president, seemingly [endorsed the plan](#) in a speech last week. ([GovExec](#))

Health

In a Massive Victory for Democrats, Medicare is Poised to Negotiate Drug Prices: After two decades, Democrats are finally on track to break the firewall between the pharmaceutical industry and the Medicare program. After enactment of the Democrat’s budget reconciliation bill, the U.S. government will be able to use the full brunt of its leverage to negotiate discounts from drugmakers. Additionally, for some adults 65 or older who take expensive medicines, the policy capping annual out-of-pocket costs at \$2,000 will be life-changing. ([STAT](#))

Health Insurers and 13M Enrollees Cheer Senate’s Extension of Obamacare Credits: The U.S. Senate’s passage of the Inflation Reduction Act extends subsidies for millions of Americans who buy individual coverage under the Affordable Care Act (ACA). These subsidies, which had been temporary since the passage of the American Rescue Plan Act last year, increased the financial assistance to those already eligible to buy health insurance under the ACA and expanded such subsidies to even more largely middle-class Americans. This bill will “save millions of people an average of \$800 a year on health insurance premiums,” said Chiquita Brooks-LaSure, Administrator of the Centers for Medicare & Medicaid Services. ([Forbes](#))

Education

Chairman Scott Leads Amicus Brief Urging SCOTUS to Reaffirm Race-Conscious College Admissions: Education and Labor Committee Chairman Robert C. “Bobby” Scott (D-VA), in addition to 64 House Democrats, filed an [amicus brief](#)—in the case of *Students for Fair Admissions, Inc. v. President & Fellows of Harvard College*—urging the Supreme Court to uphold narrowly tailored race-conscious college admissions policies at Harvard University and the University of North Carolina. In the brief, the Members describe the persistent need for race-conscious admissions policies in higher education

given the continued underrepresentation of African Americans, Latinos/Hispanics, and many Asian Americans in colleges and universities across the country. ([House Education and Labor Committee](#))

Crypto/Blockchain

Bipartisan Group of Senators Introduce Legislation Defining a Crypto Broker: A bipartisan group of senators proposed a bill that would clarify what types of players in the cryptocurrency industry qualify as brokers, in a rule change that would ensure crypto miners and software developers are not required to report the same kinds of tax information. The bill would exclude miners or other node operators and wallet manufacturers from the definition of a “broker” in a 2021 infrastructure law that imposed new tax reporting requirements on those facilitating crypto transactions. ([CoinDesk](#))

Tax Reform

Wealthy Americans Escape Tax Hikes in Bill but Would Face Beefed-Up IRS: Wealthy Americans dodged getting hit by tax increases in the Democrats’ economic package, but they likely will face a much better-funded Internal Revenue Service equipped with new auditors and technology to uncover tax avoidance. Top-earning Americans should be prepared for audit levels they haven’t seen in decades as the agency prepares to train an expanded workforce that specializes in complex financial dealings, including cryptocurrencies and offshore investments. ([Bloomberg](#))

Transportation

Tax Bill’s Electric Vehicle Credit Limits Discouraging to Some: Democrats are discussing concerns that requirements attached to their expansion of electric vehicle incentives could be too harsh and block a significant portion of cars from qualifying. The \$7,500 tax credits to help consumers buy electric vehicles are dependent on whether key components are sourced from U.S. allies, constraints added to their climate, tax, and health care package to force supply chains out of China and satisfy Sen. [Joe Manchin](#) (D-WV). ([Roll Call](#))

Democrats Introduce Bill to Guarantee Cash Refunds for Canceled Flights: Democratic lawmakers introduced a bill that would require airlines to provide cash refunds to travelers when they cancel or significantly delay a flight. The bill, which would codify a Department of Transportation rule mandating cash refunds, comes as passengers continue to grapple with widespread delays and cancellations stemming from technical problems and a shortage of workers. ([The Hill](#))

U.S. Lawmakers Urge Joint Use of Funds for Broadband, EV Charge Stations: A group of 10 U.S. House Democrats asked President Joe Biden’s administration to build electric vehicle charging stations together with broadband internet infrastructure under the \$1 trillion infrastructure law approved in November 2021. ([Reuters](#))

Trade

Sen. Kennedy Introduces Bill to Up Buy America Rule for Federal Procurement: Sen. John Kennedy (R-LA) introduced the Returning American Manufacturing Potential (RAMP) Act, which would increase the amount of materials bought by the federal government that must be made in the U.S. – known as the “Buy America” requirement – to bolster domestic manufacturing. ([Office of Sen. Kennedy](#))

Space/NASA & NOAA

Senate Climate Deal Includes NOAA Spending Boost: The fragile Senate climate deal would provide a funding infusion for the National Oceanic and Atmospheric Administration, including for its climate and weather forecasting capabilities. This would include funding for additional supercomputer upgrades and hurricane research aircraft, needed to improve the forecasting of severe weather. ([Axios](#))

Defense

Senate Sends Veterans Toxic Exposure Bill to Biden's Desk: The Senate last week passed legislation expanding care for veterans who suffer from illnesses because of exposure to toxins during their military service, ending a standoff after Republicans blocked the bill last week over budgetary scoring concerns. In addition to expanding VA eligibility for veterans exposed to toxins, the legislation also adds 23 burn pit and toxic exposure-related connections to the agency's list of presumptive service connections and includes a title that authorizes dozens of new VA research and medical facility leases. ([The Hill](#))

Homeland Security & Immigration

Vulnerable Democrats Seek Cover on Title 42: Vulnerable Democrats in the early hours of Sunday sought cover on preserving Title 42, the Trump-era health order that prevents migrants from entering the country on asylum claims. Six Democrats voted for the amendment put forward by Sen. Jon Tester (D-MT) who said it would have ensured that a comprehensive plan is in place before Title 42 is lifted. ([The Hill](#))

Judiciary/Justice

Federal Courts Left Americans' Data Exposed, Senator Tells Supreme Court Chief Justice: A top Democratic lawmaker is urging U.S. Supreme Court Chief Justice John Roberts to address the federal court system's decades-long failure to secure Americans' most sensitive personal information in court filings. "Federal court rules — required by Congress — mandate that court filings be scrubbed of personal information before they are publicly available," Sen. Ron Wyden (D-OR) wrote Thursday in a letter to Roberts. "These rules are not being followed, the courts are not enforcing them, and as a result, each year tens of thousands of Americans are exposed to needless privacy violations." ([CyberScoop](#))

Schumer's Office says He Plans to Hold Vote on Tech Antitrust Bill: Under fire from progressive advocates and lawmakers on both sides of the aisle to pass legislation reining in Google, Apple, Meta, and Amazon, Senate Majority Leader Chuck Schumer (D-NY) said he plans to hold a vote on Sens. Amy Klobuchar's (D-MN) and Chuck Grassley's (R-IA) American Innovation and Choice Online Act. ([Politico](#))

Senate Judiciary Committee Grills FBI Director on Violent Crime: FBI Director Christopher Wray told the Senate Judiciary Committee that Americans face increasing threats from domestic terrorism and violent crime, as he faced questions Thursday about the Biden administration's priorities and efforts to stop further violence. During a wide-ranging hearing, members pressed Wray on FBI efforts to contain the flow of illegal guns and address mass shootings, as well as whether the agency has bowed to the political whims of the Biden administration. Wray argued the agency has done its best to address a teetering status quo. ([Roll Call](#))

Manchin, Collins Make the Case for Elections Overhaul: A bipartisan bill that overhauls a century-old election law may not be perfect but doing nothing after the 2020 election could be far worse, Senators heard Wednesday. "We were all there on Jan. 6 — that happened, that was for real. It was not a visit by friends from back home," Sen. Joe Manchin (D-WV) said at a hearing of the Senate Rules and Administration Committee. ([Roll Call](#))

Cyber

Portman Warns Against Overlap in Government Cyber Leadership: Sen. Rob Portman (R-OH) on Wednesday said he was worried there are too many cooks in the kitchen when it comes to leading the federal government's cyber security efforts. Portman's remarks came during a nomination hearing for Nathaniel Fick, President Biden's nominee to be the ambassador at large for a new cyber bureau launched within the State Department in April. ([The Hill](#))

Environment & Interior

Senate Approves Rollback of Biden's Infrastructure Permitting Rules: In what Republicans said was a bipartisan rebuke of the Biden administration's strengthening of environmental permitting regulations for a wide range of infrastructure

projects, the Senate approved a resolution on Thursday that would undo those rules. The effort to repeal the administration's major changes in the enforcement of the National Environmental Policy Act still faces an uphill path in Congress. The measure to do so, proposed by Sen. Dan Sullivan (R-AK), and approved in a largely party line 50-47 vote, must still pass the House. The White House also said on Thursday that President Biden would veto it. ([Route Fifty](#))

Senate Bill Shows Political Preference for Carrots, not Sticks in acting on Climate. The impact of the Senate-passed Inflation Reduction Act will be significant given the large number of incentives and industries impacted by its terms. In a highly polarized political environment, it demonstrates the preference of providing incentives over mandates to lower greenhouse gas emissions. ([Axios](#))

Energy

Senate Approves Climate, Budget Reconciliation Bill: The Senate approved a \$740 billion budget reconciliation bill with incentives for clean energy production to address climate change. The legislation has \$369 billion in climate and clean energy policies, including incentives for renewable energy, hydrogen, nuclear and electric vehicles. The bill also has \$60 billion for environmental justice. The bill includes a compromise methane fee to address the powerful greenhouse gas, a new royalty rate for oil and gas production on federal lands and waters, and an extension of black lung disease benefits. Other provisions would revive a Superfund tax on industry and fund drought response. ([E&E News](#))

Historic Climate Bill to Supercharge Clean Energy Industry: Senate Democrats delivered a win for President Joe Biden's effort to fight climate change with the passage of the Inflation Reduction Act. The legislation 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. It helps develop technologies such as carbon capture and sequestration, hydrogen, and small nuclear reactors that experts say will be needed to get the U.S. to net-zero emissions by 2050. ([Politico](#))

EXECUTIVE BRANCH

Health/HHS/NIH

Biden Administration Planning to Extend Covid Emergency Declaration: The Biden administration is expected to extend the Covid-19 public health emergency once again, ensuring that federal measures expanding access to health coverage, vaccines, and treatments remain in place beyond the midterm elections, three people with knowledge of the matter told POLITICO. The planned renewal follows extensive deliberations among Biden officials over the future of the emergency declaration, including some who questioned whether it was time to let the designation lapse. ([Politico](#))

Clinton-Era FDA Commissioner to Lead External Review of Key Agency Offices: Jane Henney, a former commissioner of the FDA, has reportedly been tapped by the Reagan-Udall Foundation to lead an FDA-requested external review of key agency offices on human food safety and tobacco regulation. There are few details public about the foundation's upcoming review, which is already being met with some skepticism about its independence because of the foundation's close ties to the FDA and the industries the agency regulates. ([Politico](#))

Administration Declares Monkeypox a Public Health Emergency: The Health and Human Services Department declared monkeypox a national public health emergency last Thursday, a move aimed at helping to direct more funds toward stemming the outbreak and giving agencies more flexibility to set nationwide policies. The declaration followed the World Health Organization's July 23 declaration that monkeypox is a public health emergency of international concern. California, Illinois, and New York declared states of emergency over the virus early this week. ([Roll Call](#))

Banking & Housing/HUD

HUD's New Plan to Help Low-Income Renters: The Biden administration is rolling out a new initiative meant to assist low-income renters with building wealth and securing fair housing opportunities. U.S. Housing and Urban Development Secretary Marcia Fudge announced her department's "Bridging the Wealth Gap" plan during a live-streamed event on Thursday. It aims to help people build credit, save money, and access financial counseling, Fudge said. HUD is also making available \$113 million through the Family Self-Sufficiency program, which the department describes as "the nation's largest asset-building program for low-income families." ([Route Fifty](#))

Transportation/DOT

Transportation Department Proposes New Rules to Make It Easier for Airline Consumers to Get Refunds: The US Department of Transportation has proposed changes to allow airline passengers to seek refunds under circumstances including major delays and Covid-19. The department announced proposed changes to federal agency rules that would allow passengers to seek a refund if an airline changes departure or arrival times for a domestic flight by three hours or more, changes the arrival or departure airport, changes or adds connections in a flight itinerary, or changes the type of plane being flown by the airline "if it causes a significant downgrade in the air travel experience or amenities available onboard the flight." ([CNN](#))

Space/NASA & NOAA

FCCS Role in Commercial Space Expands with ISAM Proceeding: The Federal Communications Commission voted unanimously last week to open a new proceeding called Space Innovation to assess what it could and should be doing in regulating new areas of commercial space activity. A Notice of Inquiry on the nascent In-Space Servicing, Assembly, and Manufacturing industry is its first step, but there is more to come. ([Space Policy Online](#))

China Launches Secretive Reusable Test Spacecraft: China sent a highly-classified reusable experimental spacecraft into orbit last week on Thursday, two years after a similarly clandestine mission. A Long March 2F rocket lifted off from the Jiuquan Satellite Launch Center in the Gobi Desert Aug. 4, sending a "reusable test space" (plane) into low Earth orbit, Chinese language state media Xinhua reported – the U.S. Space Force's 18th Space Defense Squadron (18 SDS) later tracked the spacecraft. ([Space News](#))

Defense/DOD

Amid Hiring Boom, Defense Firms Say Labor Shortage is Dragging Them Down: Labor shortfalls rooted in the lingering effects of the COVID-19 pandemic remain a millstone around the neck of the defense industry, forcing firms to juggle staff, hold job fairs and find workarounds to keep operations running as smoothly as possible. In second-quarter earnings calls, executives repeatedly highlighted the challenges staffing problems have presented, in some cases making it harder to finish crucial projects and requiring lowered earnings projections. ([Defense News](#))

DOD Launches 6G R&D Center as it Eyes Transition to NextG Wireless Tech: The Department of Defense recently launched three new projects for its Innovative Beyond 5G Program, including creating a research and development hub for 6G technology. The project, Open6G, is a collaborative initiative between industry and universities, designed to be a catalyst for 6G systems research on open radio access networks, or Open RAN. ([Next Gov](#))

DHS & Immigration

Lack of Immigration Guidance Set to Ripple Through Enforcement: Two Republican-led states challenged the Biden administration's immigration enforcement guidance and won in federal courts, and the Supreme Court last month denied the Biden administration's request to implement the policy as the case continues. That won't change for months, at least until the justices decide the issue, likely in the first half of 2023. Former Homeland Security officials warn that the lack of nationwide immigration guidance could now force some inconsistent decision-making across the country and threaten agency operations long-term. ([Roll Call](#))

Judiciary/DOJ

DOJ Now Relies on Paper for Its Most Sensitive Court Documents: The Justice Department has filed its most sensitive court documents on paper since January 2021 to avoid any chance of a breach or vulnerability in electronic filing systems compromising its high stakes cases. Deputy Assistant Attorney General for National Security Adam Hickey said the department implemented the policy last year but did not connect that change to any specific breach or cybersecurity event. ([CyberScoop](#))

Cyber

NIST, CISA Finalizing Guidance for Identity and Access Management Post-SolarWinds: As agencies look to avoid a repeat of incidents like SolarWinds—where adversaries used access to the IT management contractor and took advantage of poor identity management to compromise at least nine federal agencies—authentication vendors in the space are getting more attention, but implementers will still need to be heavily involved, leading officials said. ([Next Gov](#))

Giving Water Sanitation Inspectors Cybersecurity Oversight is a Mistake, Say Industry Groups, Experts: A White House announcement that the Environmental Protection Agency will delegate cybersecurity regulation for state water utilities through local sanitation inspections is receiving a growing amount of pushback from industry groups and cybersecurity experts. The decision follows months of public dispute between the water sector and the EPA over how to adequately monitor the water supply for cyber threats, an increasing concern following cyberattacks on water facilities in California and Florida. ([Cyberscoop](#))

EPA & DOI

Communities Near 23 Sterilization Plants Have Increased Cancer Risk: EPA: Communities near 23 sterilization facilities across the U.S. have increased risks of cancer due to the facilities' emissions of a toxic chemical, the Environmental Protection Agency (EPA) said last week. The EPA said last Wednesday that emissions from the facilities are creating a risk of at least one additional cancer case per 10,000 people exposed. ([The Hill](#))

