



PAACC Federal Update

June 2018

Major Washington News

Farm Bill Vote

A Senate farm bill that would authorize more funding for trade programs and dairy farmers is slated to come to the floor for a vote before the July recess, following quick approval by the Agriculture, Nutrition, and Forestry Committee. The Senate “will turn to the farm bill before July Fourth,” Senate Majority Leader Mitch McConnell (R-Ky.) said June 13 during committee markup of the Agriculture Improvement Act of 2018. The draft bill was approved on a 20-1 vote.

The House, meanwhile, will vote on a motion to reconsider the vote on its farm bill (H.R. 2). The bill was defeated 198-213 on May 18, but it will get another chance after votes on two immigration bills.

There were no amendments offered to modify the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps. The House bill was rejected on the floor in part because of Democratic opposition to stricter SNAP work requirements. The Senate bill would allow for increased funding for pilot programs that study the effectiveness of job-training for SNAP recipients. In addition, the draft calls for another pilot program that would study the verification of earned income of SNAP applicant households.

Appropriations Minibus

House lawmakers passed their first fiscal 2019 spending package, setting the stage for battles over which programs could take a hit to pay for a new veterans' health care law. The three-bill “minibus” (H.R. 5895), combining Energy and Water, Military Construction-VA, and Legislative Branch appropriations, passed 235 to 179 June 8, with 16 Republicans opposed and 23 Democrats in favor.

An amendment adding \$1.1 billion for the VA MISSION Act (Public Law 115-182) raised the prospect that programs at the Health and Human Services Department and elsewhere will be targeted to avoid busting statutory caps on spending. While senators have discussed adjusting the budget caps to make room for the new funds, House members, to keep the total within the limit on non-defense spending, are eyeing changes to the subcommittee allocations already in place.

Although the Military Construction-VA, Energy and Water and Legislative Branch bills are relatively bipartisan, Democratic leaders withheld their support, hoping for a better deal in later negotiations. The Military Construction-VA and Energy and Water portions also took a more partisan path than companion measures in the Senate.

Opioid Legislation

While the House is in the middle of considering dozens of opioid bills, the Senate's response to the opioid epidemic is also taking shape after a key panel approved a slate of Medicare- and Medicaid-focused bills June 12.

The Senate Finance Committee's package of opioid measures would expand electronic prescribing of medications, remove Medicaid's lifetime limits on medication-assisted treatments, and expand telehealth services. Republican leaders on the panel rejected some new transparency requirements for opioid makers sought by Democrats.

The Senate Health, Education, Labor and Pensions Committee has already approved a slate of bills meant to speed government approval for new, nonaddictive painkillers and curb the overprescribing of opioids.

The House is slated to approve dozens of opioid bills, some of which are mirrored in the measures approved by the two Senate committees. There are important differences, however. For example, the House version peels back a federal ban on Medicaid funds for some inpatient drug rehab services while the Senate version only permits some exceptions to the prohibition.

Sen. Rob Portman (R-Ohio) attempted to add a provision to the Finance Committee package that would effectively end the federal limit on the size of inpatient drug rehab centers, greatly expanding Medicaid coverage for residential drug treatment. His amendment was not considered, however, because of the cost of such a change, estimated at nearly \$1 billion.

It is unclear when the Senate will bring these measures to the floor for a vote or if the chamber will act on the House-passed bills. It is more likely the Senate will pass a package of measures that the House will take up later.

EU, Canada Take Aim at U.S. National Security Claim at WTO

The European Union and Canada said the Trump administration's use of a national security law to justify its steel and aluminum tariffs violated World Trade Organization rules, according to dispute complaints published by the WTO June 6.

The complaints escalate the stakes for the Trump administration and could force the WTO to evaluate the fundamental legality of the key tool in Trump's "America First" trade arsenal.

Both the EU and Canada filed "as such" complaints, which question the legality of the underlying measure rather than the way they are applied in a certain instance.

In this case, the countries are targeting Section 232 of the Trade Expansion Act of 1962, which allowed President Donald Trump to impose 25 percent and 10 percent tariffs on global imports of steel and aluminum, respectively, in the name of national security.

The Canadian complaint said Section 232 "appear[s] to be 'as such' inconsistent" with WTO rules "because they require the United States to account for economic welfare and other factors that are not necessary for the protection of its essential security interests."

Separately, the EU complaint alleged the Trump administration "interpreted" Section 232 in a way that is "'as such' inconsistent with the United States' obligations and rights set out in the WTO agreement."

Energy & Environment

Energy-Water in FY19 Minibus, H.R. 5895

The Energy Department and water infrastructure projects of the Army Corps of Engineers would receive \$44.7 billion in fiscal 2019 under the modified version of H.R. 5895, the vehicle for a “minibus” appropriations measure.

The amount provided under the energy and water section of the measure would be \$1.5 billion more than enacted in the fiscal 2018 omnibus (Public Law 115-141) and \$8.17 billion more than requested, when scorekeeping adjustments are taken into consideration.

It would comply with the security and nonsecurity spending caps under the Bipartisan Budget Act (Public Law 115-123), according to a House Appropriations Committee news release.

The bill would support development of a nuclear waste storage site at Yucca Mountain in Nevada.

House appropriators rejected the administration's proposal to eliminate funding for the Advanced Research Projects Agency-Energy (ARPA-E), which supports experimental energy research, though the agency's funding would be cut from fiscal 2018 levels.

Energy

The Energy Department would receive a total of \$35.5 billion under the bill, an increase of \$974.2 million from fiscal 2018 and \$5.35 billion more than requested.

The Energy Department's nondefense programs, which include research accounts, the Strategic Petroleum Reserve, and administrative expenses, would receive a total of \$13.4 billion, \$503.5 million more than in fiscal 2018 and \$4.91 billion more than requested.

The measure would split the electricity delivery and energy reliability account, which received \$248.3 million in fiscal 2018, into two new accounts. They would receive a combined \$321 million:

- \$146 million for a cybersecurity, energy security, and emergency response account.
- \$175 million for an electricity delivery account.

Army Corps

The bill would provide a total of \$7.28 billion to the Army Corps of Engineers, \$451 million more than in fiscal 2018 and \$2.49 billion more than requested. The amount available for reimbursing activities financed through the Harbor Maintenance Trust Fund would total \$1.6 billion. That would be \$200 million more than in fiscal 2018 and \$635 million more than requested.

The committee rejected the administration's proposed changes to the account structure, and the measure would require that future budget requests provide spending details in the existing budget format.

Defense

Senate Fiscal 2019 Defense Authorization

Defense programs at the Pentagon and other departments would be authorized to receive \$707.7 billion in discretionary funds under the fiscal 2019 National Defense Authorization Act (NDAA) approved by the Senate Armed Services Committee.

The authorization would include \$639.2 billion in base funding and about \$68.5 billion for "Overseas Contingency Operations" -- OCO or war funding -- that does not count against the spending caps.

Though actual funding would be provided in subsequent appropriations bills, the measure "supports the latest budget agreement," according to a summary from the committee. The agreement (Public Law 115-123) set a discretionary cap on security spending of \$647 billion. Within the base total, about \$21.6 billion would be authorized for nuclear weapons and associated activities at the Energy Department.

The measure would authorize \$2.3 billion for 14 Boeing Co. KC-46 tankers, one fewer than the administration's request but two more than the House bill.

The measure would authorize \$11.4 billion in base and OCO funding for military construction, including family housing and other infrastructure. The administration requested \$10.4 billion in base funding and \$921.4 million in OCO funding for military construction.

It is not clear if the Senate will proceed to its own measure or use the House-passed bill as a vehicle. The House and Senate versions would have to be reconciled before a final version could be sent to the president.

FY19 MilCon-VA Funding in Minibus, H.R. 5895

The Veterans Affairs Department (VA) would receive \$1.21 billion for a new electronic health record system under a modified version of H.R. 5895, the vehicle for a three-bill minibus appropriations package for fiscal 2019. The package includes the Military Construction-VA spending bill (H.R. 5786) approved by the House Appropriations Committee.

The MilCon-VA section would provide \$96 billion in net discretionary funding subject to spending caps, \$4.1 billion more than in the fiscal 2018 omnibus (Public Law 115-141) and \$130.6 million less than the president requested, according to the committee report on H.R. 5786. The measure also includes \$196.8 billion in advance fiscal 2020 appropriations for the VA, which would ensure money is available for VA accounts even if a full-year appropriations bill is not enacted by the beginning of the fiscal year.

MilCon-VA accounts also received a combined \$1.01 billion in emergency funding in December 2017 (Public Law 115-96) and February 2018 (Public Law 115-123).

Trump's Transportation, Housing Cuts Rejected by Senate Panel

Senators are pushing back on President Donald Trump's proposed cuts to transportation and housing programs, including for homeless veterans, in a spending bill advanced to the full Appropriations Committee.

The \$71.4 billion bill, which the Transportation-Housing and Urban Development Appropriations Subcommittee approved on a voice vote, rejects reductions to a program run by HUD and the Department of Veterans Affairs that offers rental assistance to homeless veterans.

The bill would also provide \$3.3 billion for HUD's Community Development Block Grants and \$2.6 billion for the Department of Transportation's Capital Investment Grants. The Trump administration, in its fiscal 2019 budget request, sought to eliminate both programs. Community Development Block Grant funding was "the most frequent" request among 70 senators who suggested provisions in the bill.

Senators also broke with their House colleagues on funding for some major programs in the T-HUD bill. The Senate bill would provide \$26.6 billion for the Department of Transportation and \$44.5 billion for HUD. The House would push more money toward transit, providing \$27.8 billion for transportation and \$43.6 billion for the housing agency.

The Senate bill also includes \$1 billion for the BUILD program, previously called the TIGER grant program. The House's bill includes \$750 million. Look to see whether the Senate bill includes committee report language specifying how much of that money goes toward urban, rural, and port infrastructure; the House bill allocated \$250 million for each, rejecting a Trump administration attempt to shift funds heavily toward rural areas.

Meeting the Needs of Self-Driving Cars

Since this year's legislative calendar card is pretty much filled out, lawmakers overseeing transportation and infrastructure policy are looking ahead to the next big bill: surface transportation. The current measure goes through fiscal 2020 but some are already thinking about which provisions may be included in the next surface transportation bill they will write and need to pass next year. At the top of this is autonomous vehicles.

The Senate Environment and Public Works Committee hearing came as lawmakers ponder how to help encourage research and experimentation in self-driving technology. A bill to put a federal framework in place, the AV START Act (S. 1885) has stalled in the Senate, in part over big city worries it could mean less control of their streets. The bill would regulate self-driving cars and trucks lighter than 10,000 pounds.

Automated vehicles could potentially reduce injuries and deaths on American roadways, even as there is infrastructure work yet to be done, panelists agreed. Highway markings, signage, lighting and shared road information databases across cities and states were among changes needed to ensure the vehicles do not put other road users at risk.

Aviation

Remaining Hurdles to FAA Reauthorization

Several sticking points over reauthorizing the Federal Aviation Administration remain unresolved following House passage of a measure to extend the agency through fiscal 2023.

The House bill (H.R. 4) advanced in April with bipartisan support after Transportation and Infrastructure Committee Chairman Bill Shuster (R-Pa.) abandoned his push to privatize air traffic control. The Senate Commerce, Science, and Transportation Committee approved a three-year reauthorization (S. 1405) by voice vote last year.

The bills differ in several key areas, including safety changes, consumer protections, drone regulation, and other policy riders. The House bill also would change the Federal Emergency Management Agency's provision of disaster aid and establish an interagency extreme weather council.

Reauthorization would end a string of short-term extensions for the FAA since fiscal 2015.

Senate Commerce, Science, and Transportation Committee Chairman John Thune (R-S.D.) wants the Senate to pass an FAA reauthorization bill before the July Fourth recess. House and Senate leaders are negotiating differences in the bills ahead of the vote, with the goal of getting a bill that can pass in both chambers without the need for conference negotiations.

Funding

A core difference between the two proposals is their duration, with the House providing five years of funding and the Senate providing three.

The House also would provide more funding each year than the Senate. The House bill's authorizations were updated just before passage to reflect current Congressional Budget Office (CBO) baselines. The Senate bill was introduced in June 2017, before the updated estimates were released.

Safety

The most controversial provision in the Senate bill would change the number of hours that pilots in training must spend in the air. The measure would let the FAA decide whether training courses and other on-the-ground learning could substitute for some of the 1,500 hours of flight time currently required.

There are also differing proposals to change flight attendant rest requirements. The House bill would require flight attendants to get a 10-hour break — one more than under current law — for every shift of 14 hours or less. The Senate bill contains the same provision, but it would give carriers the option to provide one nine-hour break, followed by an 11-hour break later.

Consumer Protections

Both measures include some new consumer protections. They would require airlines to provide more transparency about fares and compensation for delays, bar involuntary removal of passengers on overbooked flights, set training requirements for assisting passengers with disabilities, and more.

The House bill would go further in addressing shrinking passenger seats by requiring the Transportation Department to set minimum seat dimensions. There is no current standard, and the average distance between seats, referred to as pitch, has decreased from as much as 35 inches to as little as 28 inches on shorter flights. The Senate bill would only require the FAA to study the issue.

Congressional Schedule

Majority Leader Mitch McConnell (R-Ky.) canceled the Senate's four-week August recess, bowing to calls from GOP lawmakers to stay in Washington to finish work on nominations and undercutting election campaigning by Democrats who have several incumbents at risk in November.

June

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4 Senate in Session	5 House & Senate in Session	6 House & Senate in Session	7 House & Senate in Session	8 House & Senate in Session	9
10	11 Senate in Session	12 House & Senate in Session	13 House & Senate in Session	14 House & Senate in Session	15 House & Senate in Session	16
17	18 Senate in Session	19 House & Senate in Session	20 House & Senate in Session	21 House & Senate in Session	22 House & Senate in Session	23
24	25 House & Senate in Session	26 House & Senate in Session	27 House & Senate in Session	28 House & Senate in Session	29 Senate in Session	30

July

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9 Senate in Session	10 House & Senate in Session	11 House & Senate in Session	12 House & Senate in Session	13 House & Senate in Session	14
15	16 House & Senate in Session	17 House & Senate in Session	18 House & Senate in Session	19 House & Senate in Session	20 Senate in Session	21
22	23 House & Senate in Session	24 House & Senate in Session	25 House & Senate in Session	26 House & Senate in Session	27 Senate in Session	28
29	30 Senate in Session	31 Senate in Session				



Out of Session

Both in Session

One Chamber in Session