

# Gray & Oscar LLC

**TO:** FRANK WALL / JIM GAFFNEY / CATIE SCOTT  
**FR:** MICHAEL OSCAR  
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***This Week in Congress:*** Congress returned this week from their Thanksgiving Recess with less than two weeks to fund the seven appropriation bills contained in the current continuing resolution (CR), which expires on December 7<sup>th</sup>; the biggest issue is funding for the border wall. On Tuesday afternoon, the President met with Speaker Ryan, House Majority Leader McCarthy, Majority Whip Scalise, and incoming GOP Conference Chairwoman Cheney (R-WY) to discuss the outstanding funding issues.

**FY19 FUNDING BILLS:** Senator Shelby, the Senate Appropriations Committee Chair, said that negotiators are nearly finished the seven remaining FY19 spending bills, with the exception of the funding for the U.S.-Mexico border wall. Shelby expects that Congress will have to provide more than the \$1.6 billion for the wall that was included in the Senate's Homeland Security Bill. The House's version would allocate \$5 billion, the amount that the President Trump has said must be provided this year. Shelby said he would support a temporary CR for Homeland Security Bill, combined with the package of the other six bills funded at the full-year negotiated levels, if the border wall funding continues to remain unresolved. Senate Democrats are still pushing to include a provision in the final spending package to protect special counsel Mueller's investigation from interference, if Republican leaders do not allow a vote on a separate bill.

**DISASTER RELIEF:** Leaders in both parties are working on a list for emergency disaster aid to help with recovery from the hurricanes and wildfires. Attaching the emergency disaster bill to the appropriations spending package would make it more difficult for member from either party to oppose such a package.

## **UNRESOLVED FY19 FUNDING BILLS:**

- Agriculture - food for peace, horse slaughter, cigars
- CJS (Commerce, Justice, State) - the Census Bureau citizenship question to the 2020 Census, guns
- Financial Services - election security, federal building funding, Dreamers, abortion and the "Fund for America's Kids and Grandkids" - the main issue that held up finalizing the 4-bill minibus in September
- Homeland Security - Trump Wall funding, immigration issues, polar icebreaker
- Interior-EPA cuts, endangered species
- SFOPs (Science and Foreign Opps) - Green Climate Fund
- THUD - Transportation Dept. appointees, transportation funds

**TAX BILL:** On Monday, House Ways and Means Chairman Brady (R-TX) released a package of tax break extensions, technical corrections to last year's tax code overhaul, a redesign of some IRS functions and temporary tax breaks for wildfire and hurricane victims. Among the most significant elements in the package is the revival and extension for four years of the \$1-per-gallon credit for blending biodiesel made from soybeans and other plant or animal-based feedstocks into traditional diesel motor fuel, followed by a phaseout of the credit at reduced levels over another three years. The credit would disappear after 2024. Also, included is a provision for the short-line and regional railroad industry, which would see a permanent extension of their track maintenance credit that lessens the cost of improvements on owned or leased track. However, the credit's value would be reduced from 50 percent to 30 percent.

**HOUSE LEADERSHIP ELECTIONS:** On Wednesday the House Democrats will pick their new leadership when they take over the majority next January. It appears that the current Minority Leader Nancy Pelosi of California has beat back challenges to her bid for speaker.

**SENATE FINANCE COMMITTEE:** The next chairman of the Senate Finance Committee will be Sen. Grassley. The 85-year-old Iowa Republican announced Friday he would opt to succeed retiring Sen. Hatch (R-UT), on the Finance panel instead of remaining chairman of the Judiciary Committee next year. Grassley's seniority makes his decision virtually a done deal, although Finance Republicans must formally elect him to the chairmanship in January and the choice is subject to ratification by the full Senate Republican Conference. The move would put Grassley at the center of several major policy debates that could dominate the agenda next year, including tax cuts, trade deals and health care legislation. It is expected that Senator Lindley Graham will take over the Chairmanship of the Senate Judiciary Committee.

**HOUSE REPUBLICANS ADOPT NEW RULES:** House Republicans have adopted new rules, including a proposal from Rep. Stefanik (R-NY) that will require any House Republicans in leadership positions to abdicate their posts if they run for a higher office or if they get indicted. That rule would prevent lawmakers from splitting their attention between leadership and a campaign. An amendment from Rep. Young (R-AK) was also adopted which would allow the dean of the House to sit on the Republican Steering Committee. The dean of the House, or the longest-serving member, is currently Young himself. The package also included new penalties for Republicans facing indictment "for a felony for which a sentence of two or more years imprisonment may be imposed." Those lawmakers would be required to resign from their committee assignments and give up any leadership positions. House Majority Leader McCarthy said he is not sure how those rules would affect Reps. Collins (R-NY) and Hunter (R-CA), who were both indicted in August and re-elected in November.

**EARMARKS:** Rep. Hoyer, who will be the House Majority Leader next year stated that the House should bring back earmarks in the rules package that will be released before the end of this year. Hoyer stated that earmarks should have greater transparency and member input. Also, Rep. Lowey hinted in a letter she sent to House Democrats, asking for their support for her chairmanship of the appropriations committee, that earmarks should be reinstated. There has been an earmark ban since 2011. Lawmakers have argued that in the absence of earmarks, the executive branch takes more control over special project decisions in a way that is no more transparent. Earmarks are a powerful tool in helping to move legislation. Some key Senate Republicans would be on board with reinstating earmarks. Sen. Blunt (R-MO), chairman of the LHHS Subcommittee, said that he supports the move and is looking into how the Senate could restore earmarks with one caveat, lawmakers would need a new name for the tactic.