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RE: CONGRESSIONAL UPDATE

This Week in Congress: The House and Senate were in session this week in anticipation of the potential government shutdown, along with preparation for their Holiday exit. The primary legislative focus of the week was negotiating a federal spending bill to keep many government agencies open. While Congress has passed funding bills for several departments, there remain several agencies that do not have final appropriations for 2019 including the Departments of Agriculture, Labor, and Transportation, which face the prospect of a government shutdown if a deal is not reached by December 21st.

CHRISTMAS SONGS (Senate): On Wednesday evening, a group of senators sang Christmas carols on the floor during a procedural vote, crooning "O Come All Ye Faithful" and "Silent Night." The carolers included Sens. Heitkamp (D-ND), Nelson (D-FL), Gillibrand (D-NY), Hassan (D-NH), and King (I-ME). Sen. Flake (R-AZ) announced the final tally on a procedural vote with a nod to the singing: "With Rudolph voting present." Sens. Flake, Heitkamp and Nelson are among the senators departing at the end of this Congress.

GOVERNMENT SHUTDOWN: On Wednesday evening, the Senate passed, by voice vote, the continuing resolution (CR) that extends the current funding for the unfinished appropriations bills until February 8th. The CR (HR 695), is the third extension since September 30th. The current CR expires at midnight on Friday, December 21st and the legislation funds the seven appropriations bills that have yet to be completed because of funding issues over the \$5 billion for the border wall. The House is expected to take up the legislation on Thursday morning. Senate Majority Leader McConnell said "the additional extension would provide time to continue this vital debate after a new Congress has convened." Per Rep. Lowey, the incoming chairwoman of the House Appropriations Committee said, "when House Democrats assume control in two weeks, my primary focus will be to pass reasonable spending legislation that does not fund President Trump's wasteful wall."

CRIMINAL JUSTICE BILL: A bipartisan criminal justice package is expected to pass the House on Thursday and the Senate passed the bill by a vote of 87-12.

TAX BILL 2.0: On Wednesday, the House Rules Committee reported two rules for a GOP tax package, but even if the House passes the legislation, its future in the Senate is questionable.

The rewrite of the House tax bill has an increased price tag. Per the Joint Committee on Taxation, the initial bill was estimated to cost \$54.1 billion over 10 years. House Ways and Means Chairman Brady estimated a revamped version from earlier this month would have cost \$80 billion over 10 years. This estimate was prior to Brady restoring extensions for the biodiesel and railroad industries in the latest rewrite, estimated to cost a combined \$18.8 billion over a decade.

LABOR SHORTAGE: Per the recent Conference Board Report highlighted in Forbes on December 16th, "contractors and other employers that rely upon blue-collar workers have had a more difficult time finding labor in recent years, and that trend is likely to continue." Per the report "companies looking to attract enough blue-collar workers will have to continue increasing wages and possibly experience diminished profits."

SYRIA WITHDRAWAL: President Trump's decision to move U.S. troops out of Syria came as news to the members of Congress, who oversee U.S. military affairs. Sen. Inhofe, Chair of the Senate Armed Services said he was not consulted about the decision to extract the entirety of the roughly 2,000 U.S. troops from the country. Sen. Reed, the top Democrat on Senate Armed Services, said senior administration officials and U.S. allies were also not consulted on the move. Republican hawks in Congress were irate, none more than Sen. Graham (R-SC), a senior member of Senate Armed Services, who said a withdrawal would be an "Obama-like" mistake that would help terrorists in Syria, strengthen the rulers of Syria and Iran, and abandon Kurds, who have joined Americans in the fight against the Islamic State. Many details of the withdrawal remained unclear, including the pace and schedule of the troop movements and whether a deadline had been set to complete it. The Pentagon referred reporters to the White House on such questions, and the White House referred reporters to the Pentagon. The move contradicts statements by numerous top administration officials in recent days and weeks, including by John Bolton, the National Security Advisor, about the importance of staying in Syria to keep ISIS down and check Iran and Russia.

SEN. ALEXANDER (Retires): Sen. Alexander (R-TN) announced that he would retire at the end of his term. Per Sen. Alexander, "I will not be a candidate for re-election to the United States Senate in 2020. The people of Tennessee have been very generous, electing me to serve more combined years as Governor and Senator than anyone else from our state. I am deeply grateful, but now it is time for someone else to have that privilege."

Sen. Alexander has been a longtime member of the Appropriations Committee, where he has been chairman of the Energy-Water subcommittee. That role has given him a platform for advocacy and support for nuclear security programs and scientific research. As Health, Education, Labor and Pensions chairman, he's led successful efforts to advance medical research through the "21st Century Cures" law (PL 114-255), and worked closely with ranking Democrat Patty Murray of Washington on an elementary and secondary education overhaul (PL 114-95) that replaced the No Child Left Behind law (PL 107-110). Alexander has been a fixture in Tennessee politics for more than four decades, having first been elected governor in 1978. He served eight years as governor, as president of the University of Tennessee and as Education secretary under President George Bush. Among potential Republican successor candidates are outgoing Gov. Bill Haslam and GOP Rep. David Kustoff, who represents the 8th District. Rep.-elect Mark Green, who won the open 7th District last month, has long been known to be interested in a Senate bid, perhaps even a primary challenge to Alexander had he run for re-election.

NORTH AMERICAN SHALE GAS EXPLORATION:

- ***U.S. Shale Gas and Oil Output Threatens OPEC Supply Cuts:*** Domestic crude production is booming, undermining OPEC's efforts to balance the market and threatening to offset the cartel's supply cuts by the end of next year if current growth rates continue, forecasts suggest. OPEC is planning to slash production by 1.2 million barrels per day in an effort to boost oil prices, but that could prove difficult as US oil output is expected to increase by 1.18 million bpd next year.
- ***Judge Allows Gas Pipeline:*** Last Friday, a federal judge ruled that the PennEast Pipeline Company could start taking property and compensating landowners in New Jersey as part of the \$1.1 billion project. Per U.S. District Court Judge Brian Martinotti, PennEast still must satisfy environmental conditions along the 120 mile proposed pipeline route from Central Pennsylvania into Mercer County, NJ.
- ***Sunoco Pipeline Fined:*** Pennsylvania Public Utility Commission Enforcement Officials are seeking a \$225,000.00 fine against Sunoco Pipeline L.P. for an April 2017 leak in the Mariner East 1 Pipeline in Morgantown, Berks County. In their complaint filed last Thursday, December 13th, they cited Sunoco for inadequate corrosion control.