

Gray & Oscar LLC

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DT: 6/25/18
RE: CONGRESSIONAL UPDATE

This Week in Congress: The House and Senate were in session this week and next week, Congress will be in recess for Memorial Day.

HEARINGS:

- The Senate Environment and Public Works Committee debated the Water Resources Development Act (WRDA) on Tuesday and the House Transportation and Infrastructure Committee considered their WRDA Bill on Wednesday.
- The House Ways and Means Committee held a hearing on Wednesday on “Tax Reform and Small Business: Growing our Economy and Creating Jobs.”

RESCISSION BILL: The President’s plan to rescind more than \$15 billion in spending appears increasingly unlikely with Republicans in both chambers expressing opposition. House moderates are worried that Democrats could use the spending cuts against them in the midterm elections. The main political issue is that nearly half the funds that President Trump wants to rescind, \$7 billion of the \$15.4 billion total, comes from the Children’s Health Insurance Program (CHIP). The administration, backed up by an analysis from the (CBO), says the rescissions would not impact CHIP spending over the next decade, but House Republicans, voting to remove funds from a children’s health account provides easy fodder for attack ads. Leadership hoped to bring it to the floor this week, but it appears likely to get kicked to June, giving more time for opposition to build. Even if the bill manages to pass the House, it is likely to face an uphill battle in the Senate.

MARIJUANA: Appropriators of both parties are pushing the Drug Enforcement Agency (DEA) to approve licenses for research-related marijuana production. And the effort is uniting some conservatives such as Rep. Harris, an MD, who wants to see more data on marijuana's medical effectiveness, and liberal Rep. Blumenauer, who supports full legalization of the drug. Harris won inclusion of an amendment to the FY19 Commerce-Justice-Science appropriations bill urging the DEA to "expeditiously process any pending application for authorization to produce marijuana exclusively for use in medical research." Since 1968, the University of Mississippi has been the only approved U.S. location for legally growing marijuana for research purposes. The DEA issued a policy statement in 2016 saying it would begin accepting new applications for production, but no new applicants have been approved so far. The DEA, through the Justice Department, declined to comment, but the agency has acknowledged the need to change how and when marijuana is grown for research.

FARM BILL: The House defeated the farm bill last Friday by a vote of 198-213; the reason for the defeat was immigration. The \$868 billion legislative package that subsidizes agriculture and funds food assistance programs has been tied up in partisan fighting for weeks, losing support across the board. Democrats and moderate Republicans disliked the harsh work requirements for food stamp recipients, with some predict could amount to more than \$20 billion in cuts to the program’s benefits and impact more than 1 million people. Conservatives do not like it because they think those work requirements do not go far enough. In addition to the farm policy disputes, support for the legislation has been on shaky ground because of lawmakers demanding House leaders do something on immigration. Republican lawmakers used the bill as leverage to make a separate demand on DACA. That request came from both conservatives in the House Freedom Caucus and moderates like Rep. Jeff Denham. The question now is whether the leadership will allow the conference to vote on that bill, or if they allow a more bipartisan proposal to get a chance on the floor.

NATIONAL DEFENSE AUTHORIZATION BILL: The FY19 defense authorization bill advanced through both congressional chambers this week as the Senate Armed Services Committee considered its version of the bill Defense Authorization Act beginning on Monday. The full House voted on its own bill this week. House members have offered nearly 500 amendments for floor debate on the NDAA.

AUGUST RECESS: Senate Appropriations chairman Shelby lent his support to the growing number of Republicans asking Senate Majority Leader McConnell to cut short or even cancel the annual summer recess. Shelby said canceling the four-week August break would allow more time to pass the 12 spending bills and confirm conservative judges to the federal bench. McConnell didn't provide any hints about how he may or may not change the Senate's calendar, but continued to voice optimism about spending bills. Senate Minority Leader Schumer also avoided directly answering reporters' questions about whether he thinks the Senate should spend more time in Washington.

PRIMARY RESULTS:

Tuesday, May 15, 2018:

Pennsylvania

- Senate: Rep. Lou Barletta (R-PA) won the Republican nomination to take on Sen. Bob Casey (D-PA), defeating state Rep. Jim Christiana.
- Governor: State Sen. Scott Wagner (R-PA), received the Republican nod to face Gov. Tom Wolf (D-PA) in November.
- PA-4, PA-5, PA-7: Former Allentown city solicitor Susan Wild defeated Northampton County District Attorney John Morganelli in the 7th District. State Rep. Madeleine Dean and former school board member Mary Scanlon also won primaries in the 4th and 5th Districts, respectively.

Nebraska

- NE-02: First-time candidate Kara Eastman defeated former Rep. Brad Ashford (D-NE) in the Democratic primary.

Idaho

- Governor: Lt. Gov Brad Little (R-ID) won the GOP primary to succeed retiring Gov. Butch Otter (R-ID), defeating Rep. Raúl Labrador (R-ID). Labrador is the fourth House Republican to lose a primary bid for higher office this cycle. Little will face state Rep. Paulette Jordan (D-ID), who would be the first Native American governor in the U.S. if she wins.

Oregon

- Governor: State Rep. Knute Buehler (R-OR) won a 10-way Republican primary to face Gov. Kate Brown (D-OR) in November.

Tuesday, May 22, 2018:

Voters again headed to the polls on Tuesday, May 22, 2018, this time in Texas, Arkansas, Georgia and Kentucky.