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RE: CONGRESSIONAL UPDATE

This Week in Congress: The House considered two immigration bills, while the Senate debated the FY19 Energy and Water, Legislative Branch, and Military Construction Appropriations Bills.

COMMITTEE ACTION:

- The Senate Finance Committee held a hearing with Commerce Secretary Wilbur Ross on Wednesday titled “Current and Proposed Tariff Actions Administered by the Department of Commerce.”
- The Senate Health, Education, Labor, and Pensions (HELP) Committee considered legislation to reauthorize Carl D. Perkins Career and Technical Education Act.

HOUSE BUDGET RESOLUTION: The House Budget Committee began discussions on their FY19 budget resolution, which assumes trillions of dollars in savings through cuts to Medicaid, Medicare and other mandatory spending and reduces nondefense discretionary spending. The proposal takes aim at federal employee retirement, agriculture and higher education subsidies. The bill does not use CBO scoring and instead relies on its own forecast of 2.6 percent growth in GDP over the next 10 years, assuming all policies and spending cuts in the budget are implemented. That is higher than the CBO's growth forecast of less than 2 percent. The White House forecasts 3 percent growth, anticipating all the policies in President Trump's budget are implemented.

RESCISSIONS: Sen. McConnell is now supporting the House-passed rescission package and some Republicans, including Senate Appropriations Chair Shelby continue to have concerns about the White House's rescission package. Republican Senator Lee has collected the 20 signatures needed to trigger a vote to discharge the House bill from the Senate Committee. This action will provide an avenue for a Senate vote and passage of the package with only a simple majority vote. The package must pass by Friday or the funds must be spent as originally intended.

MULTIEMPLOYER PENSION REFORM: On Wednesday, June 13th, witnesses from the U.S. Chamber of Commerce and businesses including UPS told the Joint Select Committee on the Solvency of Multiemployer Pension Plans that should the estimated 150 to 200 multiemployer pension plans that are in danger become insolvent, the companies that paid into those plans would be held liable. That would drive many of the companies into bankruptcy. Under current rules, employers cannot leave plans in crisis without paying large sums or declaring bankruptcy. To date, the committee has had one business meeting and three hearings and will hold three more hearings: two in Washington, D.C. and one in the field. Led by co-Chairmen Sens. Brown (D-OH) and Hatch (R-UT), it has until late November to find a solution. Congress must vote up or down on any proposed solution, with no amendments. Currently, Sen. Brown introduced the Butch Lewis Act, named after a Cincinnati-area retiree who died fighting for his pension, that would create a low-interest, 30-year federal loan to troubled pension plans, with no cuts to retiree benefits; however, Sen. Hatch made clear Wednesday that he is not convinced that Brown's bill is the solution.

PERKINS REAUTHORIZATION: On Wednesday, June 20th, the Senate Health, Education, Labor, and Pension (HELP) Committee considered the Perkins Reauthorization Legislation, which includes basic state grants, along with recent developments in the field of career and technical education (CTE); the law was last updated in 2006. Additionally, the HELP committee intends to align Perkins with the more recently updated Workforce Innovation and Opportunity Act, particularly in their accountability measures. Additionally, the business community has taken a significantly greater interest in Perkins, hoping to build more provisions in the law that will help ensure funded programs are truly aligned with the workforce needs of business and industry. We will continue to update you on the Perkins Reauthorization Process as the process unfolds over the next few weeks, months.

IMMIGRATION: House Republicans are working on an immigration bill that would tie funding for President Trump's border wall to a path for Dreamer's citizenship. Draft legislation would provide nearly \$25 billion to build the President's border wall and technological upgrades for the Border Patrol. Also, it would create a new merit-based visa for Dreamers, who were brought to the U.S. illegally as children, while ending family-based visa programs for certain relatives of U.S. citizens. The legislation will get a House floor vote this week, along with another more stringent immigration bill favored by conservatives, but it is unclear if either bill has enough votes to pass the House.

On Monday, President Trump met with Senate Homeland Security Chair Capito because he wants assurances that the FY19 Homeland Security bill will include funding for his border wall, but Capito needs to get 60 votes in the Senate, and there's no way to get there without Democratic support. A deal in the Senate could be in the works, if President Trump will accept his original request of \$1.6B for the wall and not his revised request of \$2.2B. Senator Tester, who met privately with Capito on Wednesday about the wall, is trying to keep the appropriations bill on the rails. Tester said he thought \$1.6 billion is 'adequate' for funding and questioned whether the administration is prepared to even spend that amount of money. President Trump is increasingly frustrated with Congress' failure to fund the wall; his No. 1 campaign promise and has threatened a shutdown in September if he does not get his way.

Finally, on Wednesday, President Trump said he will sign "something" intended to end his administration's controversial practice of separating children from their parents, who illegally cross the southern border.

OPIOIDS: Last week, the House passed 38 bills aimed at combating the opioid-abuse epidemic, including bills that would give the NIH more authority to study non-addictive painkillers and prevent opioid smuggling through international mail. This week the House is slated to pass at least another 19 opioid bills that would wrap all of the House opioid legislation, with the goal of sending the bills to the Senate this summer.

NORTH AMERICAN SHALE GAS EXPLORATION:

EIA Forecasts Higher U.S. Shale Production in July – Per the Energy Information Administration (EIA), U.S. shale production is expected to rise by 141,000 barrels per day in July to 7.34 million barrels.