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Overview

Congress

Money Issues to Dominate Lawmakers’ Packed Fall Agenda

Congress returns to work Sept. 5 to face a crowded agenda dominated by fiscal issues, beginning with government funding and borrowing authority and ending with proposals to rewrite the tax code.

The immediate job for House Speaker Paul Ryan (R-Wis.) and Senate Majority Leader Mitch McConnell (R-Ky.) is to prevent a lapse in federal money on Sept. 30 by passing stopgap spending legislation that is likely to include emergency disaster relief for areas devastated by Hurricane Harvey. Also early in the new session, lawmakers must raise the federal debt limit to avoid the first default in U.S. history. The Treasury Department expects to have exhausted by early- to mid-October its tools to cover the nation’s borrowing authority.

An across-the-board, stopgap spending measure known as a continuing resolution is necessary to prevent a shutdown, as none of the 12 spending bills for the new fiscal year beginning Oct. 1 have been sent to President Donald Trump. Republican leaders and the White House have been discussing such a bill, possibly to stretch appropriations into December.

At the same time, lawmakers are weighing whether to use that must-pass bill to extend a number of federal programs due to expire Sept. 30, including the National Flood Insurance Program and the Federal Aviation Administration’s operations.

Action on a continuing resolution that might also lift or suspend the debt limit then would buy time for GOP leaders to work on other priorities, including a Defense Department authorization bill boosting Pentagon spending levels and the long-delayed fiscal 2018 budget resolution that would set the stage for the tax overhaul plan that Ryan continues to advocate.

A CR also would give leaders time to revisit the Budget Control Act and try to strike a deal to again raise the BCA’s spending caps. Lawmakers in both parties want to increase defense and domestic spending above the cap’s levels in order to revise their appropriations bills upward and then finish them by way of a $1.1 trillion omnibus at year’s end.

Threat of Shutdown on Rise

The challenges facing Ryan and McConnell to deliver on Trump’s agenda are steadily growing. Besides the shortness of the year, relations between Trump and party leaders are strained and the president is ramping up calls for a shutdown if he doesn’t get what he wants in a stopgap, beginning with $1.6 billion for a wall along the U.S.-Mexico border.

Following Trump’s criticism for not finishing a health-care bill, Ryan and McConnell are trying to move quickly on spending matters. Ryan plans to bring an eight-bill omnibus appropriations package to the House floor the week of Sept. 5 and then combine that with the four bills the House passed before the break. If Ryan can get sufficient votes from Republicans, he plans to then send the 12-bill package on to the Senate. But Democrats have said they would block that omnibus because it exceeds the spending parameters in the BCA.

After that, attention will turn to the length and details of a CR. Passing one might not be easy, as the support of the House Freedom Caucus for the leaders’ plans remains in doubt, and Democrats have signaled they won’t vote for a bill that includes border wall money.

Besides the consideration of the CR, McConnell’s plan to bring the Defense Department authorization bill to the floor beginning the week of Sept. 5 will put spending issues front and center. Armed Services Committee Chairman John McCain’s (R-Ariz.) bid to greatly increase Pentagon spending will jump-start this fall’s negotiation over raising the BCA caps.

Other spending also could be in the mix. Trump may soon ask Congress for a multibillion-dollar emergency supplemental measure to aid Texas in the aftermath of Hurricane Harvey. In addition, the president could seek money for the troop increase he wants in Afghanistan, the opioid crisis, and more.

Plans to Bring Up Budget

Spending levels also will be debated if Ryan follows through with plans to bring up the FY 2018 budget resolution in September. McConnell is said to be planning to have the Senate take up the matter by early October.

Action on the budget is seen as the first step for McConnell to bring up a tax code rewrite without having to deal with the filibuster rule. However, even advocates of comprehensive tax policy change say there isn’t enough time or consensus to undertake such an ambitious effort this year. Instead, they say, a smaller package might be the focus of the fall, including tax cuts for corporations and individuals.

The non-fiscal matters that the House may debate include an FAA reauthorization bill that would turn over air traffic control to a corporation that the bill would create. It remains unclear, though, whether there are enough votes to pass the bill.

The Senate FAA reauthorization bill doesn’t include the air traffic control spinoff language, though it has a provision on pilot training that has sparked the ire of Minority Leader Charles Schumer (D-N.Y.). Given the controversy in both chambers’ multi-year reauthorization bills, an extension of current FAA authority is expected.

By Nancy Ognanovich

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**Agriculture**

**ANTIBIOTICS**

**LEGISLATIVE PURPOSE**

- *(H.R. 1587, S. 629)* The House bill would roll back the non-therapeutic use of medically important antibiotics in animal production. In the legislation, non-therapeutic use is defined as administering drugs in an animal's feed or water for growth promotion, feed efficiency or disease prevention.
- The Senate bill would require the Food and Drug Administration to withdraw approval for using medically important antibiotics in agriculture unless the drug maker demonstrates its use doesn't pose a risk to humans. It would additionally require veterinary oversight when medically important antibiotics are used in livestock.

**BILL STATUS**

- **House**: Rep. Slaughter (D-N.Y.) introduced H.R. 1587 on March 16. It has been referred to the Energy and Commerce Committee's Subcommittee on Health.
- **Senate**: Sens. Feinstein (D-Calif.) and Collins (R-Maine) introduced S. 629 on March 14. It has been referred to the Health, Education, Labor and Pensions Committee.
- **Administration**: In March 2015, the Obama administration outlined a five-year plan that federal agencies will employ to combat rising rates of antibiotic resistance. The plan includes ending the use of antibiotics for animal growth and researching alternatives for managing disease on farms.
- The FDA recently issued a series of clarifications to its antibiotics policy, describing how it would roll out its antibiotic program and making changes to the Veterinary Feed Directive, which seeks to move medically important antibiotics from over-the-counter status to one that requires veterinary oversight.

**OUTLOOK**

- **House & Senate**: Slaughter has proposed similar House bills in previous Congresses but no hearings were held. Feinstein proposed similar legislation during the 114th Congress that also didn't receive a hearing. The House bill has 29 co-sponsors among both parties, and the Senate bill has four, also from both parties.

**COMMODITY CHECKOFFS**

**LEGISLATIVE PURPOSE**

- *(H.R. 1753, S. 741)* These identical bills, the Opportunities for Fairness in Farming Act of 2017, would prohibit commodity checkoff groups from contracting with organizations that lobby on agricultural activity, and further ban what the bill's writers call anti-competitive activity, unfair or deceptive acts, or any act or practice that may be disparaging to another commodity or product.
- The USDA operates 22 checkoff programs for commodities like pork, beef and dairy. Producers pay a small fee on each sale, with the money going to promote the commodity or pay for research.
- The bills would also require the USDA inspector general and the Government Accountability Office to audit checkoff program budgets and make them available to the public.

**BILL STATUS**

- **House**: Rep. Brat (R-Va.) introduced the House bill on March 28. It was referred to the Agriculture Committee.
- **Senate**: Sen. Lee (R-Utah) introduced this chamber's bill, also on March 28. It was referred to the Agriculture Committee.

**OUTLOOK**

- **House & Senate**: The bills have support from Democrats, including Reps. Blumenauer (Ore.), Cardenas (Calif.), Cicilline (R.I.), Cohen (Tenn.), Esty (Conn.), Lieu (Calif.), and Titus (Nev.), as well as Sen. Booker (N.J.). But the Agriculture committees in both chambers are gearing up for the 2018 farm bill.

**BY RENEE HICKMAN**

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**EXPORTS**

**LEGISLATIVE PURPOSE**
- (H.R. 525, S. 275) The Cuba Agricultural Exports Act (both bills) would ease financing restrictions on agricultural trade with Cuba. The legislation would amend the Trade Sanctions Reform and Export Enhancement of 2000, which allows some agricultural trade with Cuba but requires Cuban buyers to pay in cash and up front.
- U.S. firms are barred from extending credits to Cuban buyers. The bills would lift that financing restriction in an effort to promote U.S. agricultural exports to Cuba, an importer of rice and poultry.

**BILL STATUS**
- **House:** Rep. Crawford (R-Ark.) introduced the House bill on Jan. 13. It was referred to the Agriculture, Financial Services and Foreign Affairs committees.
- **Senate:** Sen. Heitkamp (D-N.D.) introduced similar legislation in the Senate on Feb. 2, the Agricultural Export Expansion Act. It was referred to the Banking, Housing, and Urban Affairs Committee.

**OUTLOOK**
- **House & Senate:** Similar legislation has been introduced previously in the House and Senate but failed to advance. This House bill, though, has 55 bipartisan co-sponsors and the Senate measure has 16 bipartisan co-sponsors. Senate Agriculture Committee Chairman Roberts (R-Kan.) has said in the past that he is open to easing trade restrictions with Cuba.
- President Trump has indicated that his administration may move away from the Obama administration’s detente with Cuba. Secretary of Agriculture Perdue has supported increased trade with Cuba, however.

*BY RENEE HICKMAN*

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**FOREIGN M&A**

**LEGISLATIVE PURPOSE**
- (S. 616) The Food Security is National Security Act would create a permanent seat for the Agriculture Department on the Committee on Foreign Investment in the United States (CFIUS), a multi-agency panel that reviews foreign deals involving U.S. assets for national security risks.
- This bill would also amend the Defense Production Act of 1950 to require CFIUS to consider agriculture and food security issues when examining deals. The legislation stems from several high-profile proposed deals in the agriculture sector. For example, China National Chemical Corp., also known as ChemChina, has proposed a $43 billion acquisition of Swiss chemical and seed company Syngenta AG, which has significant U.S. assets.

**BILL STATUS**
- **Senate:** Sen. Grassley (R-Iowa) introduced the bill March 14. It was referred to the Banking, Housing and Urban Affairs Committee. The bill is co-sponsored by Sens. Ernst (R-Iowa), McCaskill (D-Mo.), and Stabenow (R-Mich.).
- **Administration:** CFIUS approved the ChemChina acquisition of Syngenta on Aug. 22, clearing what was seen as the deal’s biggest hurdle. Though the USDA doesn’t typically join the review panel, it did so for the ChemChina-Syngenta deal.

**OUTLOOK**
- **House:** A similar bill hasn’t been introduced.
- **Senate:** Grassley has said the ChemChina-Syngenta deal raises questions about food security. Grassley, who is chairman of the Judiciary Committee, has introduced this legislation previously and held hearings on consolidation in the chemical and seed industries.
- **Administration:** The administration has expressed a broad wariness of foreign acquisitions of U.S. assets.

*BY RENEE HICKMAN*

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**SCHOOL LUNCHES**

**LEGISLATIVE PURPOSE**
- (H.R. 3006, S. 1402) The School Food Modernization Act (both bills) would require the Agriculture Department to make loan guarantees and grants to improve school lunch facilities, train food service personnel, and other purposes.

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*By Renee Hickman*
Backers say the bills would allow schools to replace outdated equipment and serve healthier meals.

**BILL STATUS**

- **House:** Rep. Barletta (R-Pa.) introduced H.R. 3006 on June 22. It is co-sponsored by Reps. Cohen (D-Tenn.), DeSaulnier (D-Calif.), Kelly (R-Pa.), Meehan (R-Pa.), and Thompson (R-Pa.). It was referred to the Agriculture Committee’s Subcommittee on Commodity Exchanges, Energy and Credit on July 11.

- **Senate:** Sen. Collins (R-Maine) introduced this chamber’s version of the legislation, which is nearly identical to the House measure, on June 21. Sen. Heitkamp (D-N.D.) co-sponsored the bill.

**OUTLOOK**

- **House & Senate:** Though the bills have bipartisan support, neither has had a hearing, and the House and Senate Agriculture committees are now largely focused on the run-up to next year’s farm bill.

- Both bills have support from a range of health and education organizations and food corporations including the National PTA, the American Academy of Pediatrics, and Nestle USA.

By Renee Hickman

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Campaign Finance

DONOR DISCLOSURE

LEGISLATIVE PURPOSE

- (H.R. 1134, S. 1585) Known as the DISCLOSE Act, this long-debated proposal would increase disclosure of donors to organizations that take unlimited contributions for political spending.
- The measure was pushed by congressional Democrats and former President Obama as a response to the Supreme Court’s 2010 ruling in Citizens United v. FEC, which struck down decades-old restrictions on direct campaign spending by corporations.
- A newly reworked Senate version also would aim to curb contributions from corporations owned or controlled by foreigners.

BILL STATUS

- **House**: There has been no action on H.R. 1134, which is sponsored by Rep. Cicilline (D-R.I.). The bill has 128 co-sponsors, all Democrats. It was referred to the Administration, Judiciary, and Ways and Means committees.
- **Senate**: The companion bill was introduced in July by Sen. Whitehouse (D-R.I.). It is co-sponsored by 44 Democrats.
- **Administration**: In contrast to Obama’s vocal support of the DISCLOSE Act, President Trump has said little about the need for more disclosure or other campaign finance policy changes. Trump did speak often in the 2016 presidential campaign about the problem of corruption in Washington and a need to “drain the swamp,” but hasn’t provided many details about how he intends to accomplish that goal.

OUTLOOK

- **House & Senate**: Republican leaders in both chambers have for years opposed additional campaign finance disclosure requirements and have scheduled no action on the DISCLOSE Act legislation. A Senate version of the DISCLOSE Act introduced in the 114th Congress was co-sponsored by nearly all Senate Democrats, but was strongly opposed by Majority Leader McConnell (R-Ky.), who said the proposal is a political move by the Democrats to silence their critics.

FEC STRUCTURE

LEGISLATIVE PURPOSE

- (H.R. 2034, S. 1683) These identical bills would amend the Federal Election Campaign Act to reduce the number of members of the Federal Election Commission from six to five. The measures aim to eliminate party-line deadlocks at the FEC, now evenly split 3-3 between Democrats and Republicans.
- The legislation would also revise the method of selection and terms of service of FEC commissioners to strengthen the role of chairman.
- Sponsors say the legislation is needed to ensure election law is followed and enforced, regardless of party ideology, in order to hold politicians accountable.

BILL STATUS

- **House**: The House bill was introduced by Rep. Kilmer (D-Wash.). It is co-sponsored by six Democrats and six Republicans, including conservative Rep. Buck (R-Colo.). Supporters view its introduction as an important statement of bipartisan interest in strengthening enforcement of campaign finance laws. The bill was referred to the Administration Committee but no action has been taken on it.
- **Senate**: The companion bill, introduced in August by Sen. Donnelly (D-Ind.), has no co-sponsors. It has been referred to the Rules and Administration Committee, which hasn’t announced plans for any action on it.

OUTLOOK

- **House & Senate**: While proposals to strengthen campaign finance laws in areas such as disclosure have been stalled by partisan gridlock in Congress, some have shifted focus to procedural changes—such as those in these bills—to try to restore bipartisan consensus. Given that this approach is relatively new, the outlook remains unclear.
- **Administration**: President Trump has said little about the FEC. With all current commissioners serving in “holdover” capacity, the president could revamp the
FEC on his own by appointing all new members, but Trump hasn’t yet indicated any plans to do this.

By Kenneth P. Doyle

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Communications

CYBERSECURITY

LEGISLATIVE PURPOSE

- (H.R. 584, H.R. 2105, H.R. 2481, S. 770, S. 1157) Large-scale cyberattacks in 2017 have put pressure on Congress to pass legislation to help the public- and private-sectors ward off future attacks. Cybersecurity bills in the House and Senate would provide more guidance to small- and medium-sized businesses and update the Vulnerabilities Equities Process (VEP), under which federal government officials decide whether to divulge cybersecurity exploits and inform affected companies.
  - H.R. 2481 and S. 1157, the PATCH Act, would update the VEP process by making the U.S. government more transparent and accountable when retaining and disclosing cybersecurity vulnerabilities to agencies, intelligence organizations, or the private sector. Under the bills, the Department of Homeland Security would serve as the head of an interagency review board that would create new oversight mechanisms for vulnerability disclosure and retention. The bill has gotten support from tech companies, such as McAfee Inc. and Mozilla Corp., and privacy advocacy groups, including New America’s Open Technology Institute and the Center for Democracy and Technology.
  - H.R. 584, the Cyber Preparedness Act, would direct the Department of Homeland Security to ensure it shares its cybersecurity information with state, local, and regional centers. The bill would expand grants for statewide cybersecurity threat data dissemination.
  - H.R. 2105, the NIST Small Business Cybersecurity Act, and S. 770, the MAIN STREET Cybersecurity Act, would ensure that the National Institute of Standards and Technology (NIST) updates its cybersecurity framework to provide small businesses with simplified resources that they can more easily implement.

BILL STATUS

- House: Rep. Lieu (D-Calif.) introduced H.R. 2481 May 17, and it was referred to the Committee on Oversight and Government Reform. The House passed H.R. 584, by Rep. Donovan (R-N.Y.), by voice vote Jan. 31, and it was referred to the Senate Committee on Homeland Security and Governmental Affairs. The Committee on Science, Space, and Technology approved H.R. 2105, by Rep. Webster (R-Fla.), by voice vote May 2.
  - Senate: Sen. Schatz (D-Hawaii) introduced S. 1157 May 17, and it was referred to the Committee on Homeland Security and Governmental Affairs. The Commerce, Science, and Transportation Committee approved S. 770, by Schatz, by voice vote April 5.

OUTLOOK

- House: The PATCH Act, H.R. 2481, hasn’t seen any action and other legislative priorities, such as federal surveillance authority renewal and an email privacy law overhaul, may dampen the bill’s prospects this year. However, broad industry support and increasing cybersecurity risks to the government and private-sector may force the House to take up the measure. The NIST Small Business Cybersecurity Act, H.R. 2105, may see House floor action this year because it has bipartisan support and the backing of the U.S. Chamber of Commerce and the National Association of Federal Credit Unions.
  - Senate: The PATCH Act, S. 1157, also hasn’t seen action in the Senate and may face the same fate as the House bill due to other legislative priorities. The Senate may act on the bill if cyberattacks continue or ramp up, causing greater risks to the government or companies. The Senate hasn’t acted on Donovan’s Cyber Preparedness Act, H.R. 584, and it’s unclear if it will take further action this year. The MAIN STREET Cybersecurity Act, S. 770, may see Senate floor action this year because it has bipartisan support and the backing of the National Small Business Association, the U.S. Chamber of Commerce, and the Information Technology Industry Council.

- Administration: The Trump administration hasn’t taken a position on any of the bills.

BY DANIEL R. STOLLER

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EMAIL PRIVACY

LEGISLATIVE PURPOSE

- (H.R. 387, S. 1654, S. 1657, S. 1671) These bills would amend the Electronic Communications Privacy Act, a 1986 law passed before the internet and email became prevalent. They include provisions that would require warrants for access to all stored communications except in certain limited circumstances.
  - A U.S. Court of Appeals for the Second Circuit decision in Microsoft v. United States brought ECPA warrant issues to the forefront this year when the court ruled that the Stored Communications Act—part of
ECPA—couldn’t be used to compel Microsoft to turn over emails stored on servers in Ireland without a warrant. The Second Circuit called on Congress to update the law to better protect privacy interests and law enforcement access to data stored abroad.

- H.R. 387 and S. 1654, the Email Privacy Act, would require warrants for access to stored communications by eliminating an ECPA provision allowing less stringent requirements for emails held for more than 180 days.
- S. 1657, the ECPA Modernization Act, is similar to S. 1654 but includes further protections for historical and real-time geolocation information. It would prohibit the use of communication and geolocation data obtained in violation of ECPA, and would require notice within 10 days to individuals whose electronic communications were sought under a warrant.
- S. 1671, the International Communications Privacy Act (ICPA), also includes the warrant requirement for stored communications no matter where the data is stored. Under the bill, U.S. law enforcement agencies would be able to obtain communications of foreign nationals located outside the U.S. under certain circumstances.
- ICPA also includes language that would instruct Congress, the Department of Justice, and the U.S. Trade Representative to pursue trade deals and other initiatives that don’t include data localization requirements.

**BILL STATUS**

- **House:** The House passed H.R. 387, by Rep. Yoder (R-Kan.), by voice vote Feb. 6, and it was referred to the Senate Judiciary Committee.

**OUTLOOK**

- **Senate:** Sen. Lee (R-Utah) introduced S. 1654 July 27 and it was referred to the Judiciary Committee. Lee introduced S. 1657 July 27, and it was referred to Judiciary. Sen. Hatch (R-Utah) introduced S. 1671 July 27, and it was referred to the Judiciary Committee.

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**FCC REAUTHORIZATION**

**LEGISLATIVE PURPOSE**

- (Not yet introduced) Republicans are weighing whether to reauthorize the Federal Communications Commission for the first time since 1990. A draft bill by Rep. Blackburn (R-Tenn.) would codify several process changes made by FCC Chairman Ajit Pai, a Republican.
- The draft included provisions that would require the commission to: circulate the text of all proposals at least 21 days before a vote, and perform a cost-benefit analysis for any proposals likely to have an economic impact. It would also end a ban on companies owning either a television or radio station and a newspaper in the same market.

**BILL STATUS**

- **House:** Blackburn circulated the draft bill in July.

**OUTLOOK**

- **House:** There is bipartisan interest in reauthorizing the FCC, but Blackburn’s approach is unlikely to draw support from Democrats. Rep. Pallone (D-N.J.), ranking member of the communications and technology panel, said at the July 25 House subcommittee oversight hearing that the draft was “flawed” and “not serious legislation” that included no Democratic input.
- **Senate:** Commerce, Science and Transportation Committee Chairman Thune (R-S.D.) has said he’s committed to an FCC reauthorization, which he’s called overdue. But no legislation has been introduced in the Senate.

**Administration:** The Trump administration hasn’t taken a position on an FCC reauthorization.

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FISA

LEGISLATIVE PURPOSE

- (S. 1297) The Foreign Intelligence Surveillance Act (FISA) gives the National Security Agency authority to conduct electronic and physical surveillance on foreign targets. Section 702 of the law specifically authorizes government collection of digital communications of foreign citizens outside of the U.S. from internet service and other communications providers. The authority is set to expire Dec. 31.
- S. 1297 would reauthorize Section 702 permanently. Lawmakers are weighing other approaches, such as legislation that would temporarily renew the authority and add privacy protections, but no other bills have been introduced.
- Tech companies, such as Facebook Inc., Microsoft Corp., and Alphabet Inc.’s Google, have called for more transparency and privacy protections in the Section 702 process. Privacy advocates, including the American Civil Liberties Union and FreedomWorks LLC, have rallied against the Senate bill, saying it would allow the U.S. government to conduct surveillance on U.S. citizens without a warrant.

BILL STATUS

- House: No reauthorization bill has been introduced in the House.
- Senate: Sen. Cotton (R-Ark.) introduced S. 1297 June 6, and it was referred to the Judiciary Committee.

OUTLOOK

- House: Although no bill has been introduced, House lawmakers probably will act before the end of the year to prevent the surveillance authority from expiring.
- Senate: S. 1297 has broad support from Republicans on the Select Committee on Intelligence, including Chairman Burr (N.C.). Democrats, including Intelligence Committee ranking member Feinstein (Calif.) and Sen. Franken (Minn.), have argued for a sunset provision to ensure regular review of the surveillance authority to make sure privacy protections are maintained. Republicans and Democrats agree that FISA Section 702 is an important surveillance tool, and the main question is likely to be whether to reauthorize it temporarily or permanently.
- Administration: President Trump has called for a “clean reauthorization” of the expiring surveillance provisions without a sunset provision. Trump’s homeland security and counterterrorism adviser, Tom Bossert, has also backed Cotton’s bill.

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ONLINE INTERMEDIARY LIABILITY

LEGISLATIVE PURPOSE

- (H.R. 1865, S. 1693) These bills would amend Section 230 of the Communications Decency Act to hold social media sites and other online platforms liable for publishing third-party content that furthers sex trafficking. The law as written has protected classified ad site Backpage.com LLC from claims it enabled sex traffickers to advertise their victims online.
- H.R. 1865 would hold platforms liable for knowingly publishing content designed to facilitate sex trafficking or with reckless disregard that the content would further sex trafficking.
- S. 1693 would hold platforms liable for knowingly publishing content designed to enable sex trafficking.

BILL STATUS

- House: Rep. Wagner (R-Mo.) introduced H.R. 1865 April 3, and it was referred to the Judiciary Committee.
- Senate: Sen. Portman (R-Ohio) introduced S. 1693 Aug. 1, and it was referred to the Commerce, Science and Transportation Committee.

OUTLOOK

- House: H.R. 1865 has more than 100 Democratic and Republican co-sponsors, but it is not clear whether it will advance. Lawmakers are facing pressure from the tech sector not to amend the Communications Decency Act. Supporters say Section 230 of the law as written is necessary to encourage the free flow of information over the internet.
- Senate: S. 1693 is co-sponsored by more than two dozen Republicans and Democrats. But tech groups representing Alphabet Inc.’s Google, Facebook Inc., and other companies oppose the measure. The Internet Association and nine other trade groups have argued the bill would chill free speech by forcing online platforms to remove large amounts of legitimate content.
- Administration: The Trump administration hasn’t taken a position on the bills. President Trump has said his administration will focus on combating human trafficking.

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RURAL BROADBAND

LEGISLATIVE PURPOSE

(H.R. 2870, H.R. 2903, S. 604, S. 1013, S. 1363) Several bills introduced by House and Senate Republicans seek to spur greater broadband availability and deployment in rural America.

- Two bills (H.R. 2870, S. 1013) would create tax incentives for companies that build broadband networks out to low-income communities that lack high-speed internet access. Another (H.R. 2903) would direct the FCC to gauge whether rural areas have access to high-speed wireless broadband.
- A Senate measure (S. 1363) and a discussion draft circulated in the House would simplify the process of building broadband facilities on certain federal lands.
- Another Senate measure (S. 604) would direct the departments of Agriculture and the Interior to work with states to get more broadband infrastructure built on federal lands and along highways undergoing construction.

BILL STATUS

- House: Rep. Collins (R-Ga.) introduced H.R. 2870 on June 12. Rep. McKinley (R-W.Va.) introduced H.R. 2903 on June 15. They were both referred to the Energy and Commerce Committee’s Communications and Technology Subcommittee. That panel circulated the federal broadband facility siting discussion draft in connection with a March 21 hearing.

OUTLOOK

- House: There is bipartisan interest in passing legislation to deliver more broadband to rural areas. But Rep. Pallone (D-N.J.), ranking member of the House Energy and Commerce Committee, hammered his Republican colleagues in a June 21 hearing on broadband mapping for not cooperating with Democrats on rural broadband legislation. It’s not clear whether any of the stand-alone bills will advance apart from a larger infrastructure package.
- Senate: It is unclear whether any stand-alone rural broadband legislation will advance.
- Administration: The Trump administration hasn’t taken a position on the bills, but Trump has said he wants to include broadband investment in a $1 trillion infrastructure package.

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SPECTRUM

LEGISLATIVE PURPOSE

(H.R. 1814, H.R. 1888, S. 19, S. 1682) Most of these bills aim to make more spectrum available for the private sector as faster wireless broadband technology ramps up.

- One Senate measure (S. 19) would fulfill an Obama-era executive order that called for carving out 500 MHz of federal government spectrum for commercial use by 2020. The bill, which is aimed at paving the way for ultra-fast 5G broadband, would also speed up the permit process for wireless infrastructure on government property.
- Another bill (S. 1682) would ease the path of federal spectrum to commercial users through a new “national pipeline.”
- A House bill (H.R. 1888) would give government agencies financial incentives to free up more spectrum for commercial use. It would give agencies a percentage of the proceeds from government spectrum licenses auctioned to the private sector.
- Another House bill (H.R. 1814) would allow wireless carriers to divert unused spectrum to small carriers or those serving rural areas. The legislation would sweeten the deal for participating carriers by offering three-year license extensions.
- Senate: Sen. Capito (R-W.Va.) introduced S. 1013 on May 3. It was referred to the Finance Committee. Sen. Heller (R-Nev.) introduced S. 1363 on June 15. It was referred to the Committee on Energy and Natural Resources. Sen. Hatch (R-Utah) introduced S. 604 on March 9. It was referred to the Committee on Environment and Public Works.

BILL STATUS

- House: Rep. Guthrie (R-Ky.) introduced H.R. 1888 on April 4, and it was referred to the Energy and Commerce and Armed Services committees. Rep. Kinzinger (R-Ill.) introduced H.R. 1814 March 30, and it was referred to the Energy and Commerce Committee.
- Senate: S. 19, by Sen. Thune (R-S.D.), passed the Senate by unanimous consent Aug. 3. Sen. Gardner (R-Colo.) introduced S. 1682 Aug. 1, and it was referred to the Commerce, Science and Transportation Committee.

OUTLOOK

- House: Both House bills have bipartisan support, but it’s unclear whether either will advance.
- Senate: S. 1682 also has bipartisan support, but it’s not clear whether the Senate will act on it.
- Administration: The Trump administration hasn’t taken a position on any of the bills.

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Environment

BALLAST WATER

LEGISLATIVE PURPOSE
- (H.R. 1154, S. 168) These bills would direct the Coast Guard to establish national regulations for ballast water discharges under the National Invasive Species Act. The resulting standards would supersede the Environmental Protection Agency’s ballast water regulations under the Clean Water Act and preempt most rulemaking at the state level. The EPA regulates ballast water and other incidental discharges from ships, such as gray water and rainwater runoff from decks.

BILL STATUS
- **House:** Rep. Hunter (R-Calif.) introduced H.R. 1154, which has 29 Republican and five Democratic cosponsors.
- **Senate:** Sen. Wicker (R-Miss.) introduced S. 168, which has 17 Republican and five Democratic cosponsors.

OUTLOOK
- **House:** H.R. 1154 was referred to the Transportation and Infrastructure Subcommittee on Water Resources and Environment, where no hearing has been scheduled.
- **Senate:** The Commerce, Science and Transportation Committee reported out S. 168 on March 30, but the Senate hasn’t yet placed the bill on its calendar for floor consideration.
- **Administration:** The administration hasn’t made known its position on the bills.

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BROWNFIELDS

LEGISLATIVE PURPOSE
- (H.R. 1758, S. 822) These bills would reauthorize the Environmental Protection Agency’s Brownfields Program, which provides grants and training to redevelop contaminated land. The House bill would add grant considerations for brownfields contaminated by petroleum products and reduce the amount of a grant that can be used for administrative costs. The Senate bill specifies that small and rural communities should be considered for a subcategory of program grants, emphasizes grants for waterfront brownfields properties, and provides grants to sites that will have clean energy projects.

BILL STATUS
- **House:** The Transportation and Infrastructure Committee approved an amended version of H.R. 1758, Rep. Esty’s (D-Conn.) bill, after a July 27 markup session. The Energy and Commerce Committee approved the bill June 28.
- **Senate:** The Environment and Public Works Committee approved Sen. Inhofe’s (R-Okla.) bill, S. 822, July 12.

OUTLOOK
- **House & Senate:** Both bills have bipartisan support in their respective committees and are headed to the House and Senate floors, but haven’t yet been placed on their calendars.
- **Administration:** The Trump administration has expressed support for infrastructure improvements, but hasn’t taken a stance on brownfields legislation.

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CARBON CAPTURE

LEGISLATIVE PURPOSE

BILL STATUS
- **House:** There is no House version of the FUTURE Act.
- **Senate:** Sen. Heitkamp (D-N.D.) introduced S. 1535 July 12 and it was referred to the Senate Finance Committee. It has two-dozen co-sponsors, six of them Republicans.

OUTLOOK
- **Senate:** The latest Senate bill is missing one key co-sponsor who signed on to last year’s legislation—Majority Leader McConnell (R-Ky.). But McConnell remains supportive of legislation to bolster the coal industry and is merely avoiding tax-related, small-bore bills while the Senate prepares for broader tax reform.

  **Administration:** The Trump administration hasn’t formally weighed in on the legislation. It has generally supported efforts to revive the U.S. coal industry, though any bill designed to curb greenhouse gases could run afoul of Trump’s opposition to policies to address climate change.

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CARBON TAX

LEGISLATIVE PURPOSE
- (H.R. 3420, S. 1639) The American Opportunity Carbon Fee Act would put in place a carbon tax of $49 per metric ton of greenhouse gas emissions, to be collected by the Treasury Department. The fee would be applied to all fossil fuels when mined, processed, refined, or imported, and would be increased 2 percent annually to adjust for inflation.

BILL STATUS
- **Senate:** Sens. Whitehouse (D-R.I.) and Schatz (D-Hawaii) introduced the Senate bill (S. 1639) July 26.

OUTLOOK
- **House:** Republican leadership is strongly opposed to carbon taxes or any climate policies that could increase consumers’ energy costs.

  **Senate:** Republicans remain opposed to carbon taxes. However, Democrats, whose support may be needed for large-scale revamping of the tax code, see an opening to debate the issue in any tax reform package.

  **Administration:** The Trump administration hasn’t taken a formal position on the bill, but officials have been skeptical of any new taxes. However, some administration officials, including Secretary of State Rex Tillerson, have voiced support for a carbon tax and senior Republicans from the Bush administration have urged the White House to embrace the idea in crafting tax reform.

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COAL MINE CLEANUP

LEGISLATIVE PURPOSE
- (H.R. 1731, S. 728, S. 738) The RECLAIM Act (all three bills) would draw $1 billion from the federal Abandoned Mine Land fund and deliver the money to coal states so they can clean up their most polluted or dangerous old mines. Money in the fund comes from a tax on coal production.

  **The bills are also meant to promote economic revitalization, diversification, and development in economically distressed communities. The Office of Surface Mining Reclamation and Enforcement has esti-
mated the legislation would create 4,600 jobs nationwide.

**BILL STATUS**
- **House**: The Natural Resources Committee approved the bill June 27.
- **Senate**: Majority Leader McConnell (R-Ky.) and Sen. Manchin (D-W.Va.) introduced separate companion versions in March. Those bills have been referred to the Energy and Natural Resources Committee.

**OUTLOOK**
- **House**: The bill has bipartisan support, with 20 Republicans and seven Democrats signing on, and appears a good bet to be voted on and passed when Congress reconvenes in September. It could also be included in the upcoming infrastructure spending bill.
- **Senate**: McConnell’s bill is identical to the House version, while Manchin’s places a greater emphasis on linking reclamation projects with economic development. Both coal-state lawmakers are motivated to bring home wins to their districts, though the McConnell bill is the one likeliest to move forward.
- **Administration**: The Trump administration hasn’t take a position on the bills.

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**DIESEL EMISSIONS**

**LEGISLATIVE PURPOSE**
- **(S. 1447)** The bill would reauthorize the Diesel Emissions Reduction Act, the popular federal clean air program commonly known as the DERA program, for targeting emissions from older diesel engines.
- The bipartisan bill would reauthorize the program through fiscal year 2022 at its current funding level of $50 million. The program provides grants and rebates to states and localities to move away from diesel engines and upgrade or replace older diesel engine vehicles, such as heavy-duty trucks, school buses, and equipment at ports and airports.

**BILL STATUS**
- **Senate**: Sen. Carper (D-Del.), introduced the bill with the support of Sens. Inhofe (R-Okla.), Barrasso (R-Wyo.), and Whitehouse (D-R.I.) on June 27. The Committee on Environment and Public Works approved the bill on July 12.
- The Obama administration repeatedly proposed cuts to the DERA program in annual budget requests, a trend that continued in President Trump’s first budget proposal. Trump’s proposal would fund DERA at $10 million for fiscal year 2018, down from the current $50 million.
- **House**: No bill has been introduced in the House.

**OUTLOOK**
- **Senate**: The bill has bipartisan sponsors. Inhofe’s spokeswoman Nicole Hager said in an email that she hasn’t heard when the bill might head to the Senate floor.
- **Administration**: The Trump administration hasn’t publicly commented on the bill, but the White House proposed cuts to DERA funding for fiscal year 2018.

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**ENERGY POLICY**

**LEGISLATIVE PURPOSE**
- The Energy and Natural Resources Act of 2017 (S. 1460) would require the Energy Department to expedite approval of liquefied natural gas export projects, while authorizing $90 million in annual spending for safeguards against cybersecurity attacks. The nearly 900-page bill also includes a range of energy efficiency, power grid modernization, and pipeline measures.

**BILL STATUS**
- **Senate**: Sens. Murkowski (R-Alaska) and Cantwell (D-Wash.), the chairman and ranking member on the Energy and Natural Resources Committee, introduced the legislation in late June. Those lawmakers deployed a legislative mechanism to bypass committee action and send the bill directly to the Senate floor.
- **House**: There is no House version of the legislation, but that chamber has passed piecemeal bills similar to the provisions in the broad Senate bill.

**OUTLOOK**
- **Senate**: The legislation awaits Senate floor action, but Majority Leader McConnell (R-Ky.) hasn’t publicly prioritized action on it. Murkowski and Cantwell continue to push immediate consideration of the bill, which closely resembles their sprawling energy package last Congress. That legislation passed the Senate 85-12 in April 2016. Still, enthusiasm for the bill is lacking following the collapse of negotiations to strike a bicameral compromise at the tail end of the last Congress.
**ETHANOL**

**LEGISLATIVE PURPOSE**

- (H.R. 1311, S. 517) Both bills, the Consumer and Fuel Retailer Choice Act, would allow sales of transportation fuel containing 15 percent ethanol (E15) in the summer months.

**BILL STATUS**

- **Senate:** The Environment and Public Works Committee planned to vote on S. 517 in July, but Sen. Fischer (R-Neb.) put off the markup after failing to get the necessary support. Other committee members threatened to offer a slate of amendments to tackle wide-ranging aspects of the Clean Air Act. A bipartisan group of 18 senators from corn-producing states are co-sponsors.
- **House:** H.R. 1311 hasn’t received any Energy and Commerce Committee action since its introduction in March.

**OUTLOOK**

- **House:** Rep. Shimkus (R-III.), a high-ranking member of Energy and Commerce, is leading a series of closed-door discussions with lawmakers and interested parties to craft a comprehensive overhaul of the renewable fuel standard, which could feature the E15 legislation. The initiative faces an uphill climb in both chambers.
- **Senate:** Fischer and other senators are continuing to seek support for the bill. Future committee action remains unclear.
- **Administration:** The Trump administration hasn’t weighed in on the legislation, but Trump has supported the ethanol industry since the presidential campaign.

**NUCLEAR POLICY**

**LEGISLATIVE PURPOSE**

- (H.R. 590, H.R. 1320, S. 512) H.R. 590, the Advanced Nuclear Technology Development Act, would direct the Energy Department and the Nuclear Regulatory Commission to create a regulatory framework specifically for advanced reactors.
- H.R. 1320, the Nuclear Utilization of Keystone Energy Act, would change the structure for the annual fees nuclear companies pay the NRC, including limiting the amount of funding for NRC administrative support.
- S. 512, the Nuclear Energy Innovation and Modernization Act, includes the regulatory and fee components of both House bills, as well as provisions limiting the amount of excess uranium the Energy Department can sell or transfer.

**BILL STATUS**

- **House:** H.R. 590, introduced by Rep. Latta (R-Ohio), passed the House in January. Reps. Kinzinger (R-III.) and Doyle (D-Pa.) introduced H.R. 1320 in March, and it has been referred to the Energy and Commerce Subcommittee on Energy.
- **Senate:** Sens. Barrasso (R-Wyo.), Whitehouse (D-R.I.), Inhofe (R-Okla.), Booker (D-N.J.), Fischer (R-Neb.), Capito (R-W.Va.), Manchin (D-W.Va.) and Crapo (R-Idaho) introduced S. 512 in March. The Senate Environment and Public Works Committee approved the bill May 25.

**OUTLOOK**

- **House:** The fate of H.R. 1320 is unclear. It hasn’t picked up any co-sponsors since shortly after its introduction.
- **Senate:** H.R. 590 was received and referred to the Environment and Public Works Committee. S. 512 has been placed on the Senate legislative calendar, but no time frame has been set for a Senate floor vote.
- **Administration:** The Trump administration hasn’t taken a position on the bills.

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NUCLEAR RESEARCH

LEGISLATIVE PURPOSE
- (H.R. 431, H.R. 589, S. 97) The Nuclear Energy Innovation Capabilities Act would expand private and public institutions’ research and development of advanced nuclear energy technologies. Those efforts would include partnerships with Energy Department national laboratories.
- Advanced reactors are cooled by substances other than water, such as liquid metals and sodium, and reportedly have a stronger safety profile and lower costs than current reactors.

BILL STATUS
- Sen. Crapo (R-Idaho) introduced S. 97 in January. The Energy and Natural Resources Committee approved it March 30. It has been included in the larger energy bill, S. 1460, the Energy and Natural Resources Act of 2017, introduced by Sens. Murkowski (R-Alaska) and Cantwell (D-Wash.).

OUTLOOK
- House: H.R. 431 is included in a provision of S. 1460.
- Senate: S. 1460 is on the Senate legislative calendar, but no time frame has been set for a Senate floor vote.
- Administration: The Trump administration hasn’t taken a position on the bills.

OZONE STANDARDS

LEGISLATIVE PURPOSE
- (H.R. 806, S. 263) The legislation would postpone deadlines under the Environmental Protection Agency’s updated ozone air pollution standards.
- Both called the Ozone Standards Implementation Act of 2017, the bills would give the EPA another eight years to determine which areas of the country do not meet the 70 parts per billion ozone standards set in 2015.
- The legislation also would extend from every five years to every 10 years the requirement for the EPA to review and, if needed, update the national ambient air quality standards for ozone and five other pollutants.
- It also would allow the agency to consider technical feasibility of pollution controls when setting new national air pollution standards. The agency can currently consider only health risk when setting the standards.
- The agency also would be required to report to Congress on how pollution from other countries affects states’ ability to meet the ozone standards.

BILL STATUS
- House: Rep. Olson (R-Texas) introduced H.R. 806 on Feb. 1. The legislation passed July 18 on a 229-199 vote and was referred to the Senate Committee on Environment and Public Works.
- Senate: S. 263, introduced by Sen. Capito (R-W.Va.), has a half-dozen co-sponsors including one Democrat, Sen. Joe Manchin (W.Va.).

OUTLOOK
- Senate: The Senate didn’t take up the legislation when it passed the House in the last Congress. Tyler Hernandez, a spokesman for Capito, told Bloomberg BNA that no markup has been scheduled, but Capito is working to advance the bill either as a stand-alone measure or as part of broader legislation.
- Administration: The Trump administration hasn’t taken a stance on the bill, but the administration has tried to stall implementing the ozone pollution requirements.

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PESTICIDE REGISTRATION

LEGISLATIVE PURPOSE
- **(H.R. 1029)** The bill would reauthorize the Environmental Protection Agency to collect fees from industry to license pesticides, review their risk to health and the environment, and provide funds for farmworker training programs. The Pesticide Registration Improvement Extension Act would reauthorize the 2003 version of the law for three more years.
- The bill would allow the EPA to raise up to $31 million—an increase from $27.8 million—to maintain the registrations of existing pesticides. For product registration service fees, there will be two scheduled 5 percent increases—one in 2019 and a second in 2021. The bill also would set aside up to $1 million for farmworker safety training.
- The duration of the bill was shortened from seven years to three years, a concession to farmworker and environmental groups that want to reassess the farmworker provisions in the bill if the Trump administration weakens safety regulations for agricultural laborers.

BILL STATUS
- **Senate**: The bill was approved June 29 by the Committee on Agriculture, Nutrition, and Forestry.

OUTLOOK
- **Senate**: The bill is set to return to the House for a vote, then to the Senate, where it is expected to pass under unanimous consent.
- **Administration**: The Trump administration hasn’t taken a stance on the bill.

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PESTICIDE USE

LEGISLATIVE PURPOSE
- **(H.R. 953, S. 340)** These bills would block the Environmental Protection Agency from requiring pesticide applicators to obtain Clean Water Act discharge permits before they apply pesticides into, over, or near bodies of water.
- The EPA’s National Pollutant Discharge Elimination System program requires permits for pollutant discharges into federally protected waters. Pesticides are registered for use by the EPA under the Federal Insecticide, Fungicide, and Rodenticide Act.

BILL STATUS
- **House**: H.R. 953 was introduced Feb. 7 by Rep. Gibbs (R-Ohio). It has 43 Republican co-sponsors and four Democratic co-sponsors.
- **Senate**: Also Feb. 7, Sen. Crapo (R-Idaho) introduced S. 340, which is co-sponsored by 15 Republicans and three Democrats.

OUTLOOK
- **House**: H.R. 953 passed May 24 on a 256-165 vote, with 25 Democrats crossing party lines to vote in favor of the bill. Rep. Fitzpatrick (R-Pa.) was the lone Republican who voted against the measure. The House passed a similar bill last year, but the Senate never took it up because of Democratic opposition. House leadership attempted to insert the bill’s language into a bill funding Zika control efforts, but that language was stripped out after President Barack Obama threatened to veto the legislation.
- **Senate**: H.R. 953 has been referred to the Senate Environment and Public Works Committee, which has yet to take up the legislation.

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RURAL WATER ASSISTANCE

LEGISLATIVE PURPOSE

- **(S. 518)** The Small and Rural Community Clean Water Technical Assistance Act (S. 518) would authorize $75 million in training and assistance funds for publicly owned wastewater utilities to comply with federal regulations.

BILL STATUS

- **Senate**: Sen. Wicker (R-Miss.) introduced the legislation in March. The Environment and Public Works Committee approved the bill May 17.
- **House**: There is no companion version of S. 518 in the House.

OUTLOOK

- **Senate**: There is no timeline for floor consideration of S. 518, according to a spokesman for Majority Leader McConnell (R-Ky). The bill does have some bipartisan support in the Senate, with seven Democrats signing on as co-sponsors.
- **Administration**: The administration hasn’t taken a position on S. 518, but its fiscal year 2018 budget request proposed to eliminate funding for the Agriculture Department’s rural wastewater and drinking water infrastructure program.

By Amena H. Saiyid

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WATER INFRASTRUCTURE

LEGISLATIVE PURPOSE

- **(H.R. 3387)** This bill would amend the Safe Drinking Water Act by reauthorizing a key infrastructure loan program at a higher funding level, providing funding to remove lead from school drinking fountains, and giving the EPA more authority to force small water utilities to consolidate, among other measures.

BILL STATUS

- **House**: H.R. 3387 was introduced in July by Rep. Harper (R-Miss.). The Energy and Commerce Committee approved the bill July 27 on a voice vote.
- **Senate**: A corresponding bill hasn’t yet been introduced in the Senate.

OUTLOOK

- **House**: Rep. Walden (R-Ore.), chairman of the Energy and Commerce Committee, told Bloomberg BNA that the bill could land on the House floor as early as this fall.
- **Administration**: The Trump administration hasn’t yet taken a formal position on the bill, but the president’s fiscal-year 2018 budget request proposed a slight funding increase for the drinking water state revolving fund.

By David Schultz

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WATER RIGHTS

LEGISLATIVE PURPOSE

- **(H.R. 2939, S. 1230)** The bills would forbid the Forest Service and other permitting agencies from demanding that a business operating on federal lands relinquish its water rights in exchange for a permit. They were introduced in response to a 2014 draft proposal from the Forest Service that suggested the agency should acquire private water rights to improve its management of groundwater on federal lands.

BILL STATUS

- **House**: H.R. 2939 was introduced in June by Rep. Tipton (R-Colo.). The Natural Resources Committee approved the bill in June on a 24–14 vote that was split mostly along party lines.
- **Senate**: S. 1230 was introduced by Sen. Barrasso (R-Wyo.) in May. An Energy and Natural Resources subcommittee held a July 26 hearing on it.

OUTLOOK

- **House**: Rep. Bishop (R-Utah), chairman of the Natural Resources Committee, told Bloomberg BNA that there is no set timeline to bring H.R. 2939 to the floor.
- **Senate**: Energy and Natural Resources doesn’t have plans to bring up S. 1230 for a vote, according to aides.
Administration: At the July 26 Senate hearing, Forest Service Deputy Chief Glenn Casamassa told lawmakers that his agency would like to see some changes made to the bill aimed at preserving its ability to regulate water resources. He also told Bloomberg BNA that the Forest Service has abandoned its 2014 proposal and is not planning to revisit it in the foreseeable future.

BY DAVID SCHULTZ

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Finance

BANKRUPTCY

LEGISLATIVE PURPOSE


- It creates a new subchapter in Chapter 11 specifically for financial institutions with assets of at least $50 billion.

- The measure proposes to work on a super-fast basis and provide for a creation of a temporary “bridge company” to receive the financial institution’s assets. Operating subsidiaries would continue to operate out of bankruptcy, reducing the amount of disruption to credit markets.

- FIBA provides for preselecting a pool of bankruptcy and appellate judges to handle the specialized cases.

BILL STATUS

- **House:** The measure was approved unanimously by the Judiciary Committee. It was passed by the House April 5 by a voice vote.

- Since being approved as a stand-alone measure by the House, the bill has been added to an appropriations bill, H.R. 3280, in its entirety. The bill was introduced in the House on July 18. It is unknown when the appropriations bill will come before the House for a vote.

- **Senate:** No action or vote has yet been scheduled on the bill.

OUTLOOK

- **Senate:** A nearly identical bill was passed by the House last year then stalled in the Senate. Bloomberg BNA has received no information from the Senate regarding plans to take up this year’s bill.

- **Administration:** The White House has repeatedly remarked disapprovingly of the Dodd-Frank Act and has directed the Secretary of the Treasury to conduct a full review of the measure. It hasn’t issued any statement regarding the proposed FIBA legislation.

BY DANIEL GILL

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CAPITAL FORMATION

LEGISLATIVE PURPOSE


- H.R. 1219 and S. 444 would permit more investors to participate in an early-stage venture capital fund.

- H.R. 1312 would require the Securities and Exchange Commission to formally respond to recommendations made during its annual Government-Business Forum on Small Business Capital Formation.

- H.R. 1585 would loosen the definition of an “accredited investor” eligible to participate in a variety of private offerings.

- H.R. 2864 would broaden an SEC rule, known as Regulation A Plus, that allows issuers to sell millions of dollars of securities without registering them with the agency.

BILL STATUS


- H.R. 2864 from Rep. Sinema (D-Ariz.) was unanimously approved by the Financial Services Committee in July, but H.R. 1585 by Rep. Schweikert (R-Ariz.) has seen no action.

- **Senate:** S. 444 was approved by the Banking Committee. The bill was introduced by Sen. Heitkamp (D-N.D.). S. 588, sponsored by Sen. Murphy (D-Conn.), was referred to the Banking Committee, which hasn’t acted on it.

OUTLOOK

- **House:** H.R. 2864 would likely pass in the House. H.R. 1585 is less certain, but the Financial Services Committee is interested in revisiting the accredited investor definition.

- **Senate:** The bills sent up by the committees enjoy support from both parties and would be bipartisan accomplishments in a chamber wracked by political divisions. Banking Committee Chairman Crapo (R-Idaho) is looking for bipartisan legislation to move later this year.

- **Administration:** The Trump administration speaks often of job creation and access to credit but
CFTC REAUTHORIZATION

LEGISLATIVE PURPOSE

- **(H.R. 238)** Rep. Conaway’s (R-Texas) bill to reauthorize the Commodity Futures Trading Commission through 2021 would retool the channels of communication within the agency, ease regulatory burdens on market participants that use derivatives to hedge business risks, and fund the CFTC with $250 million annually.
- The measure also would require the agency to make rule-equivalence determinations with foreign regulators within 18 months, justify future rule proposals with a cost-benefit analysis, maintain the $8 billion activity threshold for swap dealer registration, and exempt “anticipatory” hedges from position limits.

BILL STATUS

- **House:** The bill passed the House 239-182 soon after Congress convened in January. Democrats complained that the legislation didn’t have a hearing or markup by the Agriculture Committee, which Conaway heads. The chairman said that the measure was nearly identical to bills recommended by the committee and passed by the House in the previous two congressional sessions.

- **Senate:** The Senate hasn’t introduced a companion bill. Agriculture Committee Chairman Roberts (R-Kan.) told Bloomberg BNA earlier in the year that he is holding off on reauthorization legislation until he can be assured of Democratic support within his committee. The panel recommended a reauthorization bill in the last Congress along party lines, but the measure wasn’t brought for a vote before the full Senate.

OUTLOOK

- **Senate:** Roberts is waiting for consensus from Agriculture Committee Democrats, which could take a while. Panel ranking member Stabenow (D-Mich.) has said any reauthorization bill she supports will need to have a permanent funding mechanism for the CFTC that isn’t subject to the whims of congressional appropriators. That isn’t likely.
- **Administration:** The White House hasn’t commented.

COMMUNITY BANKS

LEGISLATIVE PURPOSE

- **(H.R. 1116, S. 366, S. 1310)** Community banks would gain relief from regulatory burden by way of legislation introduced in both chambers.
- Sen. Rounds (R-S.D.) is sponsoring a bill (S. 1310) that would give community banks relief from a Consumer Financial Protection Bureau rule that broadened the amount of loan data collected under the Home Mortgage Disclosure Act (HMDA).
- S. 1310 would raise the thresholds for the number of closed- and open-end loans a financial institution can originate before being subject to HMDA reporting requirements. The number of closed-end loans that financial institutions can originate would be increased to 500 per calendar year, up from 25. For open-end lines of credit, the threshold would be boosted to 500 from 100 a year.
- Rounds is also behind a separate bill for community banks (S. 366), reintroduced from the last Congress. The Taking Account of Institutions with Low Operational Risk (TAILOR) Act requires banking regulators to consider bank business models and risk profiles when crafting regulations. Regulators would be required to review all rules issued under the 2010 Dodd-Frank Act and revise those that don’t meet the TAILOR Act’s standards.
- Rep. Tipton (R-Colo.) is again sponsoring the House version of the TAILOR Act, H.R. 1116. He says banks under Dodd-Frank rules are regulated with a one-size-fits-all approach regardless of size or risk profile.

BILL STATUS

- **Senate:** The HMDA relief bill was introduced June 7. It has five co-sponsors, including three Democrats. The bill was discussed at a hearing June 8, with banking industry representatives indicating they were receptive to relief from the CFPB rule, which they said would take time away from serving customers.
- S. 366 was introduced Feb. 13. It has eight co-sponsors, all Republicans.
- **House:** H.R. 1116 was introduced on Feb. 16. It has 82 co-sponsors, nearly all of them Republicans.
OUTLOOK

- **House & Senate:** The TAILOR Act has drawn little, if any, support from Democrats. Rep. Waters (D-Calif.), ranking member of the House Financial Services Committee, said it would allow regulated banks to challenge rulemakings in court if they felt a rule was not “uniquely tailored to their business needs.”
  - But Democrats and Republicans are clearly interested in reaching out to small banks. Analysts agree there is bipartisan support for some targeted community bank regulatory relief in the current Congress.
  - A month after Rounds introduced S. 1310, the CFPB offered temporary relief from its upcoming HMDA rule. The bureau proposed increasing the threshold to 500 open-end loans through calendar years 2018 and 2019 so it can consider whether to make a permanent adjustment.

- **Administration:** Randy Quarles, President Trump’s nominee to head bank supervision at the Federal Reserve, supports the idea of tailoring rules to the character of a financial institution—rather than being based strictly on its size. During his July 27 confirmation hearing, Quarles didn’t mention specific bills, but told the Senate Banking Committee that “we should look very carefully at tailoring capital regulation and other types of regulation to the particular character of the institutions.”

  By Jeff Bater

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CONSUMER PROTECTION

LEGISLATIVE PURPOSE

- **(H.R. 10, H.R. 1031, S. 370, S. 387)** Republicans in Congress have offered legislation to make major adjustments to the Consumer Financial Protection Bureau.
  - House Financial Services Committee Chairman Hensarling’s Choice Act (H.R. 10) is a comprehensive bill that would alter or repeal much of the 2010 Dodd-Frank Act, including provisions that established the CFPB. H.R. 10 would prevent publication of the agency’s consumer complaint database, bring it under congressional appropriations, and make its director removable at will by the president, among other changes.
  - A separate House bill (H.R. 1031) would eliminate the CFPB altogether, as would a Senate bill (S. 370).
  - S. 387, sponsored by Sen. Perdue (R-Ga.), would bring the regulator under the congressional appropriations process. Currently, the CFPB receives its funding from a portion of the Federal Reserve’s operating budget.

BILL STATUS

- **House:** H.R. 10 was passed by the House June 8 with no Democratic support. H.R. 1031 was introduced Feb. 14 by Rep. Ratcliffe (R-Texas) and has 29 cosponsors, all Republicans.
  - **Senate:** Perdue introduced S. 387, the Consumer Financial Protection Bureau Accountability Act, on Feb. 15. It has 19 cosponsors, all Republicans. S. 370 was introduced by Sen. Cruz (R-Texas) on Feb. 14. The Repeal CFPB Act has seven cosponsors.

OUTLOOK

- **House & Senate:** While President Donald Trump has pledged to “do a big number” on Dodd-Frank, rolling back the CFPB’s autonomy will run into resistance from Senate Democrats, most notably Sen. Warren (D-Mass.). Overhauling Dodd-Frank is not a done deal. In May, Senate Majority Leader McConnell (R-Ky.) laid out the difficult task ahead by saying he’s pessimistic Congress will revamp the 2010 law any time soon. Some Republicans has expressed support for using the budget process to go after parts of Dodd-Frank.
  - **Administration:** Treasury Secretary Mnuchin, in a June report to Trump on financial regulation, recommended the CFPB director be removable at-will by the president. The report also said the bureau should be funded through the annual appropriations process to allow Congress greater oversight.

  By Jeff Bater

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CORPORATE GOVERNANCE

LEGISLATIVE PURPOSE

  - H.R. 910 and S. 327 would make it easier for analysts to release research reports on exchange-traded funds.
  - Rep. Maloney (D-N.Y.) sponsored H.R. 1611, which would require companies to disclose in proxy statements the gender composition of its board members and nominees.

  By Jeff Bater

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H.R. 3502 by Rep. Posey (R-Fla.) would require the SEC to withdraw its climate change disclosure guidance.

**BILL STATUS**
- **House:** The House passed H.R. 1343 in April, 331-87, with support of nearly all Republicans and half of Democrats. The House passed H.R. 910, which was introduced by Rep. Hill (R-Ark.), by a 405-2 vote in May. The other bills have seen no action.
- **Senate:** The Banking Committee approved S. 327, which was sponsored by Sen. Heller (R-Nev.), and Toomey’s S. 488.

**DODD-FRANK**

**LEGISLATIVE PURPOSE**
- (H.R. 10, H.R. 26, H.R. 78) The Financial CHOICE Act, H.R. 10, by Financial Services Chairman Hensarling (R-Texas), is a sweeping bill designed to replace the Dodd-Frank Act. It would change bank capital standards and roll back numerous banking and securities regulations.
- H.R. 26 would require congressional approval of all major agency rulemakings.

**BILL STATUS**
- **House:** H.R. 10 was passed by the House with no Democratic support in June, after a lengthy committee markup in May. Hensarling’s bill seeks broader changes to Dodd-Frank than the version of the legislation that was approved by the Financial Services Committee last year.

**OUTLOOK**
- **House:** The Posey bill could get some attention from House Republican leadership, which has been receptive in the past to restricting SEC action on political topics.
- **Senate:** Banking Committee Chairman Crapo prefers moving bills with bipartisan support. If a package of securities bills heads to the Senate floor, it is likely to include measures that have favor among both parties.

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**GLASS-STEAGALL**

**LEGISLATIVE PURPOSE**
- (H.R. 790, S. 881) This legislation would rebuild a wall between commercial banking and investment banking.
- Sen. Warren (D-Mass.) is supporting a modern-day version of the 1933 law known as the Glass-Steagall Act. Rep. Kaptur (D-Ohio) introduced a similar bill earlier this year in the House.
- The original Glass-Steagall was a response to the 1929 stock market crash. Starting in the 1980s, banking regulators re-interpreted longstanding legal terms in the law, and in 1999 Congress passed the Gramm-Leach-Bliley Act to repeal the core provisions of Glass-Steagall.
- Backers of the new legislation say a culture of excessive risk-taking has taken root in banking, making congressional action necessary.

**BILL STATUS**
- **House:** Kaptur introduced H.R. 790, the Return to Prudent Banking Act, on Feb. 1. It has 56 co-sponsors, nearly all Democrats.
- **Senate:** Warren introduced S. 881 on April 6. It has eight co-sponsors, including Sen. McCain (Ariz.) as the only Republican.

**OUTLOOK**
- **House & Senate:** The legislation has been introduced in past terms of Congress, yet didn’t gain much momentum. The idea of separating commercial banking and investment banking has a populist appeal, particularly in the post-crisis era. But some analysts have expressed doubt a wall will be built, arguing that securities services are embedded in bank charters.
- **Administration:** Treasury Secretary Mnuchin, appearing in May before the Senate Banking Committee, said breaking up the biggest banks would be a “huge mistake,” easing concerns that the Trump administra-
tion plans a major revamp of Wall Street. He said the administration doesn't support a separation of banks and investment banks, adding it would have "a very significant" impact on financial markets and the economy.

BY JEFF BATER

INSURANCE

LEGISLATIVE PURPOSE

- (H.R. 1422, H.R. 1558, H.R. 2246, H.R. 2565, H.R. 2874, H.R. 2875, S. 1571) These bills would reauthorize the National Flood Insurance Program. The House bills would make bigger changes to the program than the Senate bill and reauthorize it for five years. Under the House bills, commercial properties would no longer be required to purchase flood insurance, and private insurers would get incentives to offer flood insurance.
- The Senate bill would make fewer changes and reauthorize the program for six years.

BILL STATUS

- House: All of the House measures were approved by the Financial Services Committee. Rep. Duffy (R-Wis.), chairman of the insurance subcommittee, wants the measures compiled into a single bill that would then go to the House floor. Only some measures saw bipartisan support as they moved out of committee.
- Under a manager’s amendment by Duffy, some of the bills have changed substantially since they were approved by the committee to make the package more palatable to certain groups and industries. Through the Rules Committee, the repackaged bills can go to the floor without being revisited by Financial Services.
- The bills’ sponsors include Duffy (H.R. 2874) and Reps. Luetkemeyer (R-Mo.) (H.R. 2246, H.R. 2565), Ross (R-Fla.) (H.R. 1422), Royce (R-Calif.) (H.R. 1558), and Velazquez (D-N.Y.) (H.R. 2875).
- Senate: Sens. Crapo (R-Idaho) and Brown (D-Ohio) introduced S. 1571, which they have suggested is open to amendments. The bill is before the Banking Committee and must go to a markup before it can head to the Senate floor.

OUTLOOK

- House: It is unclear whether the Republicans will have made enough changes to the controversial proposals in some of the House bills to win over Democrats. The flood insurance program expires Sept. 30, and Congress has let the program lapse on multiple occasions before.
- Senate: The message from the get-go on the Senate bill is that it would be a bipartisan endeavor. This may mean that any amendments would attract at least some Democratic support, since Democrats are needed for the final Senate bill to pass.
- Administration: The Trump administration hasn’t taken a position on the bills.

BY BRANDON ROSS

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MIDSIZE BANKS

LEGISLATIVE PURPOSE

- (H.R. 3312, S. 1139) Republicans in Congress have offered legislation seeking to relieve midsize banks from Dodd-Frank.
- Rep. Luetkemeyer (R-Mo.) is proposing to overhaul the process used to manage systemic risk. H.R. 3312 would undo the Dodd-Frank requirement that all banks with more than $50 billion in assets are automatically considered a systemically important financial institution (SIFI).
- He said the measure would give the Federal Reserve the ability to apply enhanced standards on banks based on actual risk posed to the financial system—rather than on arbitrary asset size alone. Those factors include a bank’s size, interconnectedness, uniqueness, global presence, and complexity.
- Sen. Tester (D-Mont.) introduced legislation that would spare midsize banks from stress testing in order to spur loans to small businesses.
- Banks with assets above $10 billion are required under Dodd-Frank to perform stress tests on their balance sheets. Tester’s bill would raise that asset threshold to $50 billion.
- The proposal, however, would leave in place interagency guidance allowing banking regulators to perform stress tests on banks with assets of more than $10 billion if such an exercise is deemed necessary in order to protect consumers in case of an economic downturn.

BILL STATUS

- House: H.R. 3312 was introduced July 19. The bill has 19 co-sponsors, including 9 Democrats and 10 Republicans. There is no identical legislation in the Senate.
- Senate: S. 1139 was introduced May 16. The bill has three co-sponsors, including a Republican and two Democrats. There is no identical legislation in the House.
OUTLOOK

- **House & Senate**: Efforts to raise the SIFI asset threshold began in the last Congress, and the sentiment has carried over. Sen. Crapo (R-Idaho), chairman of the Senate Banking Committee, has said he hoped lawmakers could work together on creating a more appropriate standard. The bipartisan support of Luetkemeyer’s bill and the Tester proposal on stress testing represent consensus on Capitol Hill for finding ways to provide relief to smaller lenders.

- **Administration**: Treasury Secretary Mnuchin, appearing at a House Financial Services Committee hearing July 27, said the SIFI threshold should be raised to at least $250 billion and that he wants to address the lingering issue quickly. Mnuchin’s suggestion fleshed out a June report to President Donald Trump in which he had recommended raising the asset threshold but did not specify a number. The report also recommended the asset threshold for participation in the company-run stress tests under Dodd-Frank should be raised to $50 billion.

By Jeff Bater
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MUNICIPAL SECURITIES

**LEGISLATIVE PURPOSE**

- **(H.R. 1624, S. 828)** H.R. 1624, sponsored by Rep. Messer (R-Ind.), would allow federal banking agencies to consider types of municipal securities as “high quality liquid assets” when calculating the liquidity coverage ratio. The Senate version is sponsored by Sen. Rounds (R-S.D.).

**BILL STATUS**

- **House**: The bill was approved unanimously by the Financial Services Committee in July.

- **Senate**: There hasn’t been any action.

OUTLOOK

- **House & Senate**: The unanimous committee approval means the bill is a prime contender for floor action in both chambers.

By Rob Tricchinelli
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PENSION PREMIUMS

**LEGISLATIVE PURPOSE**

- **(H.R. 761, S. 270)** These identical bills seek to amend House and Senate budget rules to prohibit Pension Benefit Guaranty Corporation single-employer plan insurance premiums from being counted as general revenue.

- The bills would also ensure that any future premium increases are only used toward retiree payments from the PBGC.

**BILL STATUS**

- **House**: Reps. Renacci (R-Ohio) and Pocan (D-Wis.) introduced H.R. 761 on Jan. 31. It was referred to the Budget Committee and the Rules Committee. PBGC premiums have been the focus of considerable lobbying. This includes efforts in the second quarter of 2017 from General Motors Co., Ford Motor Co., and Kellogg Co.

- **Senate**: Sen. Enzi (R-Wyo.) introduced S. 270 on Feb. 1. It was referred to the Budget Committee. The bill is supported by the ERISA Industry Committee, the American Benefits Council, ASPPA College of Pension Actuaries, the Committee on Investment of Employee Benefit Assets, the National Association of Manufacturers, the Society for Human Resource Management, the U.S. Chamber of Commerce, and WorldatWork.

OUTLOOK

- **House**: The bill’s sponsors are five Democrats and six Republicans.

- **Senate**: The bill’s sponsors are Sens. Alexander (R-Tenn.), Isakson (R-Ga.), and Portman (R-Ohio).

- **Administration**: The Trump administration hasn’t taken a position on the bills.
PORTABLE BENEFITS

LEGISLATIVE PURPOSE
- (H.R. 2685, S. 1251) The bills would create a $20 million Labor Department grant program for states, local governments, and nonprofits to experiment with health insurance and other portable benefits for gig economy workers. Those workers are usually classified as independent contractors who aren’t offered benefits and don’t get minimum wage, overtime, and workers’ compensation protections.

BILL STATUS
- House: Rep. DelBene (D-Wash.) May 25 introduced the legislation, which has three Democratic co-sponsors. The bill has been referred to the Education and the Workforce Committee.
- Senate: Sen. Warner (D-Va.) introduced the bill May 25. The measure is co-sponsored by Sen. Young (R-Ind.), who is a member of the Health, Education, Labor and Pensions Committee, where the bill has been assigned.

OUTLOOK
- House: The measure will likely need some GOP support for movement. Both Republicans and Democrats have said they want to consider means to provide resources and protections for gig economy workers.
- Senate: Sen. Young’s sponsorship could heighten the chance the HELP committee hosts a hearing about the legislation. The measure is being floated as Republicans are seeking to cut DOL funding.
- Administration: The Trump administration hasn’t taken a position on the bill.

RETIREMENT ADVICE

LEGISLATIVE PURPOSE
- (H.R. 2823, S. 1321) The House bill would roll back the Labor Department’s fiduciary rule, which aims to eliminate conflicts of interest for financial advisers giving advice to retirement savers. It would amend both the Employee Retirement Income Security Act and the tax code to include a statutory definition of investment advice and require advisers to act in the best interest of their clients.
- S. 1321, the Affordable Retirement Advice Protection Act, is a similar bill.
- The DOL’s fiduciary rule is undergoing a presidentially mandated review by the department. Portions of the rule became applicable June 9. The DOL delayed other portions until Jan. 1, 2018, and is proposing to extend that date to July 1, 2019.

BILL STATUS
- House: Rep. Roe (R-Tenn.) introduced the legislation, which has 29 Republican co-sponsors. The Education and the Workforce Committee approved it July 19 in a party-line vote.
- Senate: S. 1321 was introduced June 8 by Sen. Isakson (R-Ga.). It was referred to the Committee on Health, Education, Labor, and Pensions.

OUTLOOK
- House: Without bipartisan support, H.R. 2823 isn’t likely to make it out of the House, but more measures on the topic are brewing, including one from Rep. Wagner (R-Mo.) that would repeal the current fiduciary rule and replace it with legislation that creates standards of conduct for brokers and dealers that are in the best interests of their retail clients. The bill also comes with required disclosures from broker-dealers and would give the Securities and Exchange Commission regulatory authority on this front. The House also passed legislation June 8 to overhaul the Dodd-Frank Act, put the brakes on the fiduciary rule, and prevent the department from going forward with any other such regulation without the SEC developing and finalizing a rule first. That legislation also isn’t likely to make it out of the House.
- Senate: The outlook in the Senate is less clear, though there is significant interest in repealing the fiduciary rule.
- Administration: The Trump administration hasn’t taken a position on specific legislation, but Trump signed the executive memorandum that triggered the DOL’s review of the fiduciary rule in February. That could signal his willingness to sign a bill repealing the rule.
REVOLVING DOOR

LEGISLATIVE PURPOSE

(H.R. 859, S. 265) Rep. Cummings (D-Md.) and Sen. Baldwin’s (D-Wis.) Financial Services Conflict of Interest Act would target the so-called revolving door between public and private-sector service. CFTC and SEC staff that use their government positions to help a former employer in the private sector could be fined as much as $100,000 and face prison sentences, under the bill.

BILL STATUS

House: Cummings’s bill was referred in February to the Oversight and Government Reform, Judiciary, and Financial Services committees.

Senate: Baldwin’s bill was referred to the Homeland Security and Governmental Affairs Committee in February. The panel hasn’t held a hearing on the legislation.

OUTLOOK

House & Senate: A Democratic effort to remedy conflicts of interest isn’t likely to go very far.

Administration: The Trump administration hasn’t commented.

BY RICHARD HILL

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AIRCRAFT CARRIERS

LEGISLATIVE PURPOSE

- **(H.R. 941)** This bill would require the Navy to deploy at least 12 operational aircraft carriers by Sept. 30, 2023. There are 11 aircraft carriers in the fleet, ranging in age from the Nimitz (commissioned May 1975) to the Gerald R. Ford (commissioned July 2017), the first in a new class of aircraft carrier.
- An additional Ford-class carrier, the John F. Kennedy, is under construction. The bill urges the Navy to forgo its planned two-phase acquisition of the Kennedy in favor of an expedited, single-phase construction.

BILL STATUS

- **House:** Rep. Conaway (R-Texas) introduced the bill Feb. 7. Since then, Reps. Stefanik (R-N.Y.), Hartzler (R-Mo.), Bridenstine (R-Okla.), and Banks (R-Ind.) have joined as co-sponsors. The bill has been referred to the Armed Services Subcommittee on Seapower and Projection Forces.

OUTLOOK

- **House:** Although the bill may not become law, it represents a strong message to the Navy that Republicans in Congress want to boost the number of ships in the fleet.
- **Senate:** Armed Services Chairman McCain (R-Ariz.) called for a mix of large, nuclear-powered carriers (like the Ford class) to project power and deter adversaries and smaller, conventionally powered (and cheaper) carriers to carry out day-to-day missions in his January white paper. Requiring 12 carriers would fit with his vision.
- **Administration:** The Trump administration hasn’t addressed this specific proposal, but has called for an increase in the total number of ships in the fleet to 355. This proposal would fit within that framework.

BY ANDREW CLEVENGER

DEFENSE

LEGISLATIVE PURPOSE

- **(H.R. 2810, S. 1519)** These bills would authorize weapons systems, determine military personnel levels, and set military policy for fiscal 2018.
- They cover defense activities at the Defense Department, as well as some programs at the Energy and State departments.
- The House-passed version would authorize $613.8 billion in base discretionary funding, which would exceed the $549 billion defense spending cap under the 2011 Budget Control Act (Pub. L No. 112-25). It also would authorize $74.6 billion in Overseas Contingency Operations (OCO) funding that doesn’t count against cap. Other defense programs at the Justice Department and elsewhere aren’t covered by the measure and would also count against the cap.
- The bill also covers about $7.85 billion in discretionary funding that isn’t within the jurisdiction of the Armed Services Committee.
- The discretionary total in the bill would be $696.2 billion, while the overall total—including $8.1 billion in mandatory funding—would be $704.3 billion.
- The Senate-drafted version would authorize $692.1 billion in base discretionary funding and $60.2 billion in OCO funding.

BILL STATUS

- **House:** The House passed H.R. 2810 by a vote of 344-81 on July 24. It was introduced by Armed Services Chairman Thornberry (R-Texas) and is co-sponsored by the committee’s ranking Democrat, Rep. Smith (Wash.).
- **Senate:** The Armed Services Committee approved a draft version of S. 1519 on a 27-0 vote on June 29. Armed Services Chairman McCain (R-Ariz.) formally introduced that bill as on July 10. It has no co-sponsors.

OUTLOOK

- **Senate:** McCain wants to bring up the bill for floor debate as soon as possible. If his cancer treatment results in extended time away from Washington, the bill would be managed by the next-most-senior committee Republican, Sen. Inhofe (Okla.), provided McCain approved. The Senate plans to amend the House-passed measure; Majority Leader McConnell on July 24 moved to proceed to H.R. 2810.
- **Administration:** The White House on July 12 issued a statement of administration policy backing the bill, with exceptions. The administration’s objections included language that would ban military base closures; a section requiring the Air Force to maintain cer-
tain C-5 aircraft; provisions to restrict development of new space launch systems; and construction of a Mixed Oxide Fuel Fabrication Facility.

**DHS**

**LEGISLATIVE PURPOSE**

- *(H.R. 1282)* This bill would authorize a management-level acquisition review board to examine major procurement programs and strengthen the uniformity of acquisition review processes within the Department of Homeland Security. The board is the mechanism by which senior DHS officials provide critical oversight of major acquisition programs, according to the bill report. H.R. 1282 would authorize the board and require it to validate acquisition documents, such as the acquisition program baseline that establishes key cost, schedule, and performance requirements.

**BILL STATUS**


**GOVERNMENT TECH**

**LEGISLATIVE PURPOSE**

- *(H.R. 2227, S. 990)* These identical bills aim to spur federal agencies to reduce spending on the maintenance of legacy systems and improve efficiency and cybersecurity practices for their information technology (IT) systems.
  - The bills would create a $500 million government-wide fund for agencies to tap to modernize their IT platforms.
  - The bills would establish working capital funds for individual agencies. Savings garnered by an agency for replacing a legacy system would be placed in the fund and be accessible for up to three years for further modernization initiatives.

**BILL STATUS**

- *House*: The House passed H.R. 2227, by Rep. Hurd (R-Texas), by voice vote May 17, and it was referred to the Senate Committee on Homeland Security and Governmental Affairs.
  - *Senate*: Sen. Moran (R-Kan.) introduced S. 990 April 28, and it was referred to the Senate Committee on Homeland Security and Governmental Affairs.

**OUTLOOK**

- *Senate*: Given its recent passage from the House—where so many other bills to overhaul acquisition have stalled—observers give the bill a 1-in-3 chance of making it out of the Senate.
- *Administration*: DHS officials Russell Deyo and Chip Fulghum testified before Congress in March 2016 of the need for various types of acquisition process improvements at DHS. These include expanded oversight authority for the acquisition review board, which focuses on major issues beyond program performance and effectiveness, they said.

**OUTLOOK**

- *Senate*: Moran and Sen. Udall (D-N.M.) filed the text of S. 990 as an amendment to the National Defense Authorization Act (S. Amdt. 715 to H.R. 2810) in July and are working to ensure its adoption when the Senate considers that measure, according to their aides.
- *Administration*: The Trump administration hasn’t taken a formal position on the legislation, but it did propose spending $228 million on an IT modernization fund in its FY 2018 budget request for the General Services Administration. Hurd told Bloomberg BNA he collaborated with the White House Office of American Innovation to develop his bill, and included endorsements from two members of the office in a press release announcing his bill.
MISSILE DEFENSE

LEGISLATIVE PURPOSE

- **(H.R. 2912, S. 1196)** These identical bills call for bulking up the U.S.'s missile defense capabilities. Noting that the Missile Defense Agency's budget has decreased by 23 percent since 2006, the legislation would authorize an additional 28 ground-based interceptors and instruct the Defense Department to submit reports on increasing additional ground- and space-based capabilities.

- These bills have only become more timely since they were introduced, with President Trump ratcheting up his rhetoric after a July 28 ballistic missile test by North Korea. U.S. intelligence officials have concluded that North Korea has the ability to put a nuclear weapon on the tip of a ballistic missile, according to reports.

BILL STATUS

- **House:** H.R. 2912 was introduced by Rep. Young (R-Alaska) on June 15 with 12 co-sponsors: Reps. Lamborn (R-Colo.), Hanabusa (D-Hawaii), Aguilar (D-Calif.), Franks (R-Ariz.), Bridenstine (R-Okla.), Gabbard (D-Hawaii), Fleischmann (R-Tenn.), Bishop (R-Utah), Shuster (R-Pa.), Gallagher (R-Wis.), Ruppersberger (D-Md.), and Mast (R-Fla.). The bill has been referred to the Armed Services Committee.

- **Senate:** Sen. Sullivan (R-Alaska) introduced S. 1196 on May 22 with seven co-sponsors: Sens. Cruz (R-Texas), Schatz (D-Hawaii), Peters (D-Mich.), Cotton (R-Ark.), Manchin (D-W.Va.), Capito (R-W.Va.), and Rubio (R-Fla.). It has since attracted 20 additional sponsors: Blunt (R-Mo.), Inhofe (R-Okla.), Hirono (D-Hawaii), Murkowski (R-Alaska), Roberts (R-Kan.), Strange (R-Ala.), Tillis (R-N.C.), Perdue (R-Ga.), Cornyn (R-Texas), Portman (R-Ohio), Graham (R-S.C.), Toomey (R-Pa.), Gardner (R-Colo.), Wicker (R-Miss.), Hirono (D-Hawaii), Heitkamp (D-N.D.), King (I-Maine), Boozman (R-Ark.), Johnson (R-Wis.) Paul (R-Ky.), and Moran (R-Kan.).

OUTLOOK

- **House:** With bipartisan support building around a hot-button issue, and Armed Services Chairman Thornberry (R-Texas) a vocal proponent of missile defense, the bill seems likely to get attention.

- **Senate:** Armed Services Committee Chairman McCain (R-Ariz.) advocated this kind of buildup of missile defenses in his January white paper.

- **Administration:** The Trump administration hasn't taken a position on the bills but seems likely to support them given its posture toward North Korea.

VA PROCUREMENT

LEGISLATIVE PURPOSE

- **(H.R. 2006)** This bill would require the Veterans Affairs Department to collect information on any savings realized by competition in awarding contracts. The goal is to improve the VA's procurement processes by establishing consistent parameters across the agency and encouraging it to organize its templates for key procurement documents so they can be shared across the department. There is no central clearinghouse now for such information.

BILL STATUS

- **House:** Rep. Coffman (R-Colo.) introduced the bill April 6. The House passed it July 24, and referred it to the Senate Committee on Veterans' Affairs.

- **Senate:** The Senate hasn't yet taken action on the bill.

OUTLOOK

- **Senate:** Having already passed the House, the bill will likely receive a favorable reception in the Senate Veterans’ Affairs Committee.

- **Administration:** The Trump administration hasn't taken a position on the bill, but has made a major talking point of improving results at the VA.

BY ANDREW CLEVENGER

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VALUE-BASED PROCUREMENT

LEGISLATIVE PURPOSE

- **(H.R. 3019)** The bill would require executive agencies to avoid using lowest-price, technically acceptable (LPTA) source selection criteria when purchasing IT services; cybersecurity services; personal protective equipment, as well as “knowledge-based training or logistics services in contingency operations or other operations outside the United States, including in Afghanistan or Iraq.”

BILL STATUS

- **House:** Rep. Meadows (R-N.C.), chairman of the Oversight and Government Reform Subcommittee on Government Operations, introduced the bill June 22. It has been referred to the full committee. The bill has bipartisan support, and has been co-sponsored by Reps. Connolly (D-Va.), Beyer (D-Va.), and Wittman (R-Va.).
- **Senate:** No action on the bill has yet been taken.

OUTLOOK

- **House & Senate:** Although Meadows is an important figure in Congress’s acquisition-overhaul debate, the bill’s prospects remain unclear. Beyer sponsored a bill last year that addressed LPTA versus value-based acquisition, which was incorporated into the 2017 National Defense Authorization Act.

  - **Industry:** The day after the bill was introduced, the Professional Services Council, which represents service-providing government contractors, came out in support of the measure, noting that it would allow for a needed increase in value-based procurement. “Enactment of this bill would help ensure that federal agencies have the flexibility necessary to seek and obtain innovative solutions, better outcomes and ultimately the best value on behalf of taxpayers,” PSC President and CEO David Berteau wrote in a press release.

  By Sam Skolnik

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Health Care

ACA REPEAL

**LEGISLATIVE PURPOSE**
- *(H.R. 1628, Senate draft)* With majorities in both chambers of Congress and control of the White House, Republicans in 2017 sought to make good on their longtime promise to repeal the Affordable Care Act, the Democrats’ signature health policy accomplishment in recent years.
- Of utmost importance to most Republican leaders was repealing the health law’s taxes individual and employer mandates, which require all Americans to have health insurance and certain businesses to offer coverage to their employers. Republicans also sought to replace the ACA’s refundable health insurance tax credits with smaller ones to cut federal spending. H.R. 1628, the American Health Care Act, would create a system of refundable tax credits that are adjusted based on age and capped at certain income levels.
- Conservatives also set their sights on Medicaid reforms as part of repeal; not just ending the ACA’s Medicaid expansion but converting the public health insurance program for the poor from an open-ended federal commitment that matches state spending to a block grant, where states are given a limited amount of money for the program.
- To pass a repeal bill Republicans are using the budget reconciliation process, which allows lawmakers to pass legislation with a simple majority and avoid a filibuster by Senate Democrats. This process limits what can be included in the bill to only issues that directly affect the federal budget, which doesn’t include lifting many of the ACA’s rules for insurers.

**BILL STATUS**
- **House:** The House passed H.R. 1628 on a 217-213 vote May 4.
- **Senate:** The Senate failed to pass its repeal measure before August recess. The Budget Committee introduced its latest discussion draft of the Better Care Reconciliation Act of 2017 July 20. Lawmakers held a series of votes on the BCRA and other repeal bills, including the AHCA, ending on July 28 with a failed attempt to pass a bare-bones bill meant to bring the House and Senate to conference.
- The House-passed AHCA remains on the Senate calendar, where a simple majority vote could bring it back onto the floor. Debate on the bill has expired, meaning lawmakers would jump immediately into what is known as vote-a-rama, a process in which senators are allowed to introduce and vote on an unlimited number of amendments to the bill, then a final vote.

**OUTLOOK**
- **House:** Following the Senate’s failure to pass a repeal bill, a bipartisan group of House lawmakers July 31 floated making several changes to Obamacare meant to help struggling insurance markets. The Problem Solvers Caucus, led by Reps. Gottheimer (D-N.J.) and Reed (R-N.Y.), wants Congress to appropriate the cost-sharing reduction payments, the billions of dollars the federal government pays to insurers to reduce out-of-pocket costs for low-income Americans, and alter the Affordable Care Act’s employer mandate.
- **Senate:** Republicans remain split over whether to again attempt to pass an ACA repeal bill when Congress returns in September. Many, including leaders like Sen. Hatch (R-Utah), chairman of the Finance Committee, have said it’s time to move onto tax reform and other priorities. Others, including President Trump, have pushed for the Senate to try again.
- Sens. Cassidy (R-La.), Graham (R-S.C.), and Heller (R-Nev.) want the Senate to try a different idea: keep most of the ACA’s taxes and convert the law’s tax credits and federal Medicaid funding into grant programs designed by state agencies.
- **Administration:** The administration isn’t giving up on repeal. President Trump has criticized GOP Senate leadership for failure to pass a repeal measure.

**CHIP REAUTHORIZATION**

**LEGISLATIVE PURPOSE**
- *(Not yet introduced)* Funding for the Children’s Health Insurance Program (CHIP) is set to run out in Sept. 30, but Congress has until December to extend new funds for the program, which extends coverage for kids whose families fall in the gap between meeting eligibility for Medicaid and being able to afford other types of private insurance. The program covered nearly 9 million children, as of fiscal year 2016.
- Three states—Arizona, Minnesota and North Carolina—as well as Washington, D.C., will exhaust their CHIP funds by December, and 27 other states will exhaust their funds by March 2018.
Lawmakers have done little work in CHIP this year and have some crucial decisions to make about the program. Only the House Energy and Commerce Committee has held a hearing on the program this year. Lawmakers could punt on this issue by giving money to those states expected to run out of funds by December and addressing the whole program in early 2018. Congress is considering either extending CHIP two years or seeking a longer-term approval. There’s also debate over the federal contribution to CHIP, which is much larger compared to Medicaid.

**BILL STATUS**

- **House:** No bill has been introduced.
- **Senate:** No bill has been introduced.

**OUTLOOK**

- **House:** Lawmakers have stressed they won’t let CHIP run out of money and expect to kick off bipartisan talks in early September. The head of the Energy and Commerce Committee, responsible for overseeing CHIP, told Bloomberg BNA Congress has until December to act, giving them plenty of time to design a funding bill.
- **Senate:** The Finance Committee will hold a hearing on CHIP in early September. The Democratic and Republican heads of the panel both told Bloomberg BNA they’ll seek a relatively clean funding bill, free of any partisan riders that might block the legislation’s progress.
- **Administration:** The Trump administration hasn’t taken a position on the bill.

**BY ALEX RUOFF**

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**DRUGS & DEVICES**

**LEGISLATIVE PURPOSE**

- **(H.R. 878, S. 204)** These bills would give patients with a terminal illness the right to try drugs and devices that haven’t yet been approved by the Food and Drug Administration. Similar laws have been passed in 37 states.
- **Opponents of the legislation have questioned its effectiveness since it doesn’t require drug and device manufacturers to make the experimental treatments available to patients.**

**BILL STATUS**

- **House:** Reps. Biggs (R-Ariz.) and Fitzpatrick (R-Pa.) introduced H.R. 878 on Feb. 6. It was referred to the Energy and Commerce Committee and the Judiciary Committee.
- **Senate:** Sen. Johnson (R-Wis.) introduced S. 204 on Jan. 24. The Senate approved the bill Aug. 3 by unanimous consent and referred it to the Energy and Commerce Committee for consideration. Johnson said at the time the bill was passed that he got assurances from House leadership that a right-to-try bill will be considered in the House later this year.

**OUTLOOK**

- **House:** As the Senate passed S. 204, the House now has two bills it can choose to consider. H.R. 878 and S. 204 are similar but have a few differences.
- **For instance, S. 204 includes a provision that would express the sense of the Senate that bill wouldn’t establish a new entitlement or any new mandates; is consistent with existing FDA expanded access policies; and won’t create a cure where none exists. H.R. 878 hasn’t been considered by any House committee yet. Jennifer Sherman, press secretary for the Energy and Commerce Committee, told Bloomberg BNA Aug. 9 the committee hasn’t scheduled any hearings on the legislation.**
- **Administration:** President Trump and Vice President Pence voiced their strong support for enacting right-to-try legislation during the presidential campaign. Also, on Feb. 7, Pence met with families pushing for the legislation and urged them to continue their efforts. At that meeting, Pence made clear that both he and President Trump continue to support the right-to-try legislation. As governor of Indiana, Pence signed the state’s right-to-try bill into law in 2015.

**BY BRONWYN MIXTER**

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**MEDICARE PART B**

**LEGISLATIVE PURPOSE**

- **(H.R. 3178, S. 1729, S. 1738)** Medicare Part B covers physician services, outpatient services, and some home and preventive services. H.R. 3178, which the House approved in July, would make a number of changes to Part B coverage.
- **The bill would allow payments for home delivery of infusion services until a new program for these ser-
services begins in 2021. It would fund telehealth monitoring for beneficiaries with end stage renal disease, and would extend a demonstration that pays for home administration of intravenous immunoglobulin. It would allow dialysis centers to be accredited by a Centers for Medicare & Medicaid Services-approved accreditation body for participation in Medicare and establish a time frame for initial surveys of dialysis facilities. It would codify recent changes to physician self-referral rules, and make it easier for beneficiaries to get customized orthotics and prosthetics.

**BILL STATUS**
- **Senate**: Two bills were introduced during the summer. Sens. Warner (D-Va.) and Isakson (R-Ga.) introduced S. 1738 on Aug. 3. The bill, which was referred to the Finance Committee, would create a temporary transitional payment beginning in 2019, that would allow beneficiaries to continue to access therapy in the home until a permanent services payment is implemented in 2021.
- Warner and Sen. Roberts (R-Kan.) sponsored S. 1729 on Aug. 2. It would allow independent certification of new dialysis centers, decreasing the lag time in certifying a new facility. Dialysis providers currently aren’t able to be surveyed and accredited by independent organizations.

**OUTLOOK**
- **Senate**: The noncontroversial bills have bipartisan support. They could be considered part of a Medicare extenders bill along with provisions that expire at the end of the year.
- **Administration**: The Trump administration hasn’t taken a position on the bills.

**LEGISLATIVE PURPOSE**
- S. 1729—would allow dialysis centers to be accredited by a Centers for Medicare & Medicaid Services-approved accreditation body for participation in Medicare and establish a time frame for initial surveys of dialysis facilities. It would codify recent changes to physician self-referral rules, and make it easier for beneficiaries to get customized orthotics and prosthetics.
- **S-39**—would extend a demonstration that pays for home administration of intravenous immunoglobulin. It would allow dialysis centers to be accredited by a Centers for Medicare & Medicaid Services-approved accreditation body for participation in Medicare and establish a time frame for initial surveys of dialysis facilities. It would codify recent changes to physician self-referral rules, and make it easier for beneficiaries to get customized orthotics and prosthetics.

**BILL STATUS**
- **House**: No companion bills have been introduced.
- **Senate**: The draft Veterans Choice Act is sponsored by Senate Veterans’ Affairs Committee Chairman Isakson (R-Ga.). The draft Improving Veterans Access to Community Care Act was announced by the panel’s ranking member, Sen. Tester (D-Mont.). S. 1279 is sponsored by Sens. Crapo (R-Idaho) and Risch (R-Idaho). The Veterans’ Affairs Committee held a legislative hearing on July 11 to discuss those and other VA health-care measures.
- Tester also sponsored S. 1526, which was introduced on July 11 and referred to the Veterans’ Affairs Committee.

**OUTLOOK**
- **Senate**: S. 1526 has seven Democratic and two Independent co-sponsors. It is unclear whether Democrats will lend their support to the Veterans Choice Act or other Republican-sponsored measures.
- **Administration**: During the presidential campaign, Donald Trump said he wanted to give veterans the option to seek the “private service provider of their own choice.” VA Secretary Shulkin has called for a “Choice 2.0” program that would eliminate the 40-mile, 30-day requirement.
Immigration

EMPLOYMENT VISAS

LEGISLATIVE PURPOSE
- (H.R. 170, S. 180, S. 792, S. 1720) H.R. 170, the Protect and Grow American Jobs Act, would broaden the requirement that employers “dependent” on H-1B skilled temporary visas attest that they haven’t displaced U.S. workers.
- The H-1B and L-1 Visa Reform Act (S. 180) would rework H-1B visa allocation, limit usage of L-1 visas, and penalize employers that displace U.S. workers.
- S. 792, the Save our Small and Seasonal Businesses Act would reinstate a “returning worker” exemption to the annual cap on H-2B low-skilled, seasonal visas.
- The Reforming American Immigration for Strong Employment (RAISE) Act, S. 1720, would replace the employment-based visa system with a points system based on immigrants’ skills. It also would reduce family-based visas, eliminate the diversity visa lottery, and limit the number of refugees who could become permanent residents to 50,000 per year.

BILL STATUS
- **House:** H.R. 170 was introduced Jan. 3 by Rep. Issa (R-Calif.). It currently has nine co-sponsors and has been referred to the Judiciary Committee.
- **Senate:** S. 180 was introduced Jan. 20 by Sens. Grassley (R-Iowa) and Durbin (D-Ill.) It currently has four co-sponsors and has been referred to the Judiciary Committee. S. 792 was introduced March 30 by Sen. Tillis (R-N.C.). It currently has 11 co-sponsors and has been referred to the Judiciary Committee. S. 1720 was introduced Aug. 2 by Sen. Cotton (R-Ark.). It currently has one co-sponsor and has been referred to the Judiciary Committee.

OUTLOOK
- **House:** The narrow scope of Issa’s H-1B bill makes it more likely to pass than broader immigration measures. Displacement of U.S. workers by H-1B workers has drawn bipartisan attention.
- **Senate:** Displacement of U.S. workers by H-1B workers has garnered attention on both sides of the aisle, although similar H-1B/L-1 bills from Grassley and Durbin have failed in the past. Congress passed a fiscal year 2017 funding package that asked the Department of Homeland Security to increase H-2B numbers, and could do so again. The RAISE Act is unlikely to pass as a standalone bill, but elements could be included in a broader legislative package: a comprehensive immigration bill that passed the Senate in 2013 included a points-based visa program.
- **Administration:** President Trump signed an executive order in April requiring a regulatory reworking of the H-1B program, indicating dissatisfaction with the status quo. However, the administration hasn’t taken a position on any specific H-1B legislative proposals. The DHS increased H-2B visas in FY 2017. The administration may see a need for more of these visas in the future. Stephen Miller, the president’s senior policy advisor, has repeatedly expressed his support for the RAISE Act.

WORKER VERIFICATION

LEGISLATIVE PURPOSE
- (H.R. 2461, S. 179) These identical measures would make the E-Verify electronic employment verification system permanent and mandatory. All employers would have to verify all employees through the system within three years of enactment. The bill also would eliminate the I-9 employment verification form.

BILL STATUS
- **House:** Introduced May 16 by Rep. Lance (R-Tenn.), the measure doesn’t have any co-sponsors. It has been referred to the Judiciary Committee.
- **Senate:** The bill was introduced Jan. 20 by Sen. Grassley (R-Iowa). It has been referred to the Judiciary Committee and currently has 11 co-sponsors.

OUTLOOK
- **House:** The House already has started preparing for mandatory E-Verify. The Appropriations Committee July 18 approved a fiscal year 2018 Department of Homeland Security funding measure that would provide $131.5 million to revamp E-Verify. The funds specifically are intended to ready the system in anticipation of it being made mandatory.
- **Senate:** The bill isn’t likely to pass on its own, but could get traction if paired with one of several bills that would provide legal status to young, undocumented immigrants.
- **Administration:** The Trump administration supports mandatory E-Verify, calling for it in the fiscal year 2018 budget proposal.
Intellectual Property

COPYRIGHTS

LEGISLATIVE PURPOSE

- (H.R. 1695, H.R. 1836, H.R. 3301, H.R. 3350, S. 1010) H.R. 1695 and S. 1010 would take away the librarian of Congress’s authority to appoint the head of the Copyright Office and give that power to the president, subject to Senate confirmation.
- H.R. 1836 would give owners of rights in recorded music the right to demand royalties from traditional broadcasters and would bring pre-1972 recordings under federal copyright law.
- H.R. 3301 would bring pre-1972 recordings under federal copyright law.
- H.R. 3350 would direct the Copyright Office to create a database for recorded music so that restaurants, bars, and other music licensees could more easily tell what music was covered by which licenses. Remedies for infringement would be limited for rightsholders that failed to update the database.

BILL STATUS

- Senate: Sen. Grassley (R-Iowa) introduced S. 1010 on May 2, and it was referred to the Rules and Administration Committee.

OUTLOOK

- House: Goodlatte and a bipartisan group of Judiciary members pushed through H.R. 1695 after the unexpected removal of the register of copyrights by the new librarian of Congress. H.R. 1836 and H.R. 3301 represent attempts by Goodlatte to find pieces of his multiyear copyright overhaul effort that can gather some consensus. On H.R. 3350, Sensenbrenner put together a coalition of small-business and other music licensees that helped him push through similar legislation in 1998 exempting small restaurants and bars from having to license music played for customers.
- Senate: The register of copyrights bill has some opposition in the Senate from those who think that taking away the librarian’s authority will make the Copyright Office more vulnerable to influence from the media and entertainment industries. Unless these concerns can be alleviated, Senate action seems unlikely.

PATENTS

LEGISLATIVE PURPOSE

- (S. 1390) The bill would limit patent validity challenges at the Patent and Trademark Office and make it easier for patent holders, including inventors and universities, to enforce their patents.
- The bill also would limit the diversion of PTO revenue to other government programs by requiring collected patent and trademark application fees to be credited to a revolving Treasury fund to fully finance the agency.
- Patent owners have complained that PTO proceedings such as inter partes review that let alleged infringers challenge the validity of patents are unfair. The bill would make it easier for patent owners to amend patent claims during challenges, and would limit repetitive attacks against patents.

BILL STATUS

- Senate: Sen. Coons (D-Del.) introduced S. 1390 on June 21, and it was referred to the Judiciary Committee.

OUTLOOK

- House: No companion bill has been introduced in the House.
- Senate: It’s unclear whether the bill will advance in the Senate. A similar measure by Coons didn’t advance past the Judiciary Committee in the last Congress. Judiciary Chairman Grassley (R-Iowa) hasn’t indicated whether he will support the current bill.

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Postal Service

USPS OVERHAUL

LEGISLATIVE PURPOSE

(H.R. 756) The Postal Service Reform Act would allow the USPS to put postal employees into a separate health plan and move postal retirees to Medicare when they’re eligible. It would require the government to use postal worker-specific demographic and salary-growth characteristics in calculating USPS liabilities for retiree health benefits, retirement annuities, and workers’ compensation, rather than basing calculations on the federal workforce as a whole. But the bill refrains from allowing a move to five-day mail delivery, which the Postal Service has supported in the past to cut costs.

BILL STATUS

House: The bill was introduced by then-Rep. Chaffetz (R-Utah) on Jan. 31 with a bipartisan group of co-sponsors. The measure currently has 16 co-sponsors. An amendment in the nature of a substitute was approved in a voice vote by the House Oversight and Government Reform Committee with a further amendment from Rep. DeSaulnier (D-Calif.) on March 16. The DeSaulnier amendment would require the USPS to notify Congress before closing, consolidating, or reducing services offered by postal facilities.

Senate: Legislation to overhaul the USPS hasn’t been introduced in the Senate. Sen. Carper (D-Del.), formerly the ranking member of the Senate Homeland Security and Governmental Affairs Committee, has introduced previous bills in past sessions of Congress. Sen. Johnson (R-Wis.), the chairman of the Senate committee, didn’t join Carper as a co-sponsor of the Improving Postal Operations, Service, and Transparency (iPost) Act (S. 2051), introduced in 2015. Sen. McCaskill (Mo.) is now the top Democrat on the committee, which is still led by Johnson.

OUTLOOK

House: Rep. Meadows (R-N.C.), chairman of the House Oversight and Government Reform Subcommittee on Government Operations, is leading the effort to move H.R. 756 on the Republican side now that Rep. Chaffetz has retired. A crowded legislative schedule for Congress, and issues with shifting a large group of postal retirees to Medicare for their health benefits, may reduce the bill’s chances for action this fall despite bipartisan support. Two other committees need to approve the measure before it can be sent to the floor—Ways and Means and Energy and Commerce—and it doesn’t appear that either is ready to take on the issue of increasing Medicare’s costs by an estimated $10.7 billion over 10 years. But being introduced early in the 115th Congress with bipartisan support and buy-in from most stakeholders will give the measure a leg up compared with some previous versions.

Senate: If the House acts on its version of the bill, the measure may get Senate consideration, too.

Administration: The Trump administration hasn’t taken a position on the bill, but President Trump would be unlikely to pass up an opportunity to sign postal overhaul legislation supported by both parties if it’s presented to him.
LIABILITY/VENUE/SETTLEMENTS

LEGISLATIVE PURPOSE


The bills are designed to overhaul the civil litigation process. The bills would variously: rewrite class action practice (H.R. 985); mandate increased reporting of payments to plaintiffs by trusts that pay out asbestos exposure claims against bankrupt companies (H.R. 985); restrict fraudulent joinder—the improper addition of local defendants to suits in a bid to keep cases in more plaintiff-friendly state courts (H.R. 725); mandate sanctions for attorneys who file “meritless” claims (H.R. 720, S. 237); bar certain federal agencies from entering into settlements that steer funds to favored third-party groups (H.R. 732, S. 333); and alter the settlement process for citizen suits (H.R. 469).

The bills include the Fairness in Class Action Litigation and Furthering Asbestos Claim Transparency Act (H.R. 985); the Innocent Party Protection Act (H.R. 725); the Lawsuit Abuse Reduction Act (H.R. 720, S. 237); the Stop Settlement Slush Funds Act (H.R. 732; S. 333); and the Sunshine for Regulatory Decrees and Settlements Act (H.R. 469).

BILL STATUS

- **House:** The House passed three of the bills: H.R. 985 (220-201); H.R. 725 (224-194); and H.R. 720 (230-188). H.R. 732 was introduced Jan. 31 by Rep. Goodlatte (R-Va.) and referred to the Judiciary Committee. The committee approved the bill March 30 by a 17-8 margin, and reported it to the floor. H.R. 469 was introduced Jan. 12 by Rep. Collins (R-Ga.) and referred to Judiciary. The committee approved the bill July 12 by a 15-8 margin, and reported it to the House floor.

- **Senate:** H.R. 985, H.R. 725 and H.R. 720 were received in the Senate March 13 and referred to the Judiciary Committee. S. 237 was introduced Jan. 30 by Sen. Grassley (R-Iowa) and referred to Judiciary. S. 333 was introduced Feb. 7 by Sen. Lankford (R-Okla.) and referred to Judiciary.

OUTLOOK

- **House:** In addition to the three bills that passed the House, H.R. 732 and H.R. 469 are expected to pass the House largely along party lines.

- **Senate:** The House-passed litigation overhaul bills have stalled in the Senate. No hearings have taken place, and two of the three bills lack a Senate sponsor. The challenge will be to obtain the 60 votes needed to overcome an almost certain filibuster. Passage of the bills are a priority for major business groups, including the U.S. Chamber of Commerce, the National Association of Manufacturers and the National Federation of Independent Business.

- **Administration:** President Trump hasn’t announced his views on the bills, and the administration hasn’t pressed for passage of the bills. Business groups and many insiders are confident that Trump will approve any of the bills that make it to his desk if supporters can show the legislation will create jobs and reduce unnecessary business costs. But opponents, including the American Association for Justice and many consumer groups, say Trump’s support shouldn’t be viewed as certain as he has litigated as a plaintiff in many cases.

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Regulatory Policy

RULES & ADMINISTRATION

LEGISLATIVE PURPOSE


- The Regulations from the Executive In Need of Scrutiny (REINS) Act (H.R. 26, S. 21), introduced by Rep. Collins (R-Ga.) and Sen. Paul (R-Ky.), would require congressional approval of all major regulations.

- The Midnight Rules Relief Act (H.R. 21, S. 34), introduced by Rep. Issa (R-Calif.) and Sen. Johnson (R-Wis.), would allow multiple rules to be considered for repeal under one Congressional Review Act resolution.


- The Searching for and Cutting Unnecessarily Burdensome Regulations (SCRUB) Act (H.R. 998) would establish a retrospective review commission.

- The Regulatory Integrity Act (H.R. 1004) would limit use of social media by agencies to promote rule-making.

- The Providing Accountability through Transparency Act (H.R. 77, S. 577) would require agencies to publish a plain-language, 100-word summary of proposed regulations.

- The Early Participation in Regulations Act (S. 579) would require agencies to issue an advance notice of proposed rulemaking at least 90 days before proposing a rule.

- The Small Business Regulatory Flexibility Improvements Act (H.R. 33, S. 584) would strengthen the role of small entities in the promulgation of proposed rules.

- The Independent Agency Regulatory Analysis Act (S. 1448) would require independent agencies to submit significant rules for review by the Office of Information and Regulatory Affairs.

BILL STATUS

- **House:** H.R. 5, introduced by Rep. Goodlatte (R-Va.), passed the House Jan. 11 by a vote of 238-183.
- H.R. 21 passed the House Jan. 4 by a vote of 238-184.
- H.R. 1009 passed the House March 1 by a vote of 241-184.
- H.R. 33, introduced by Rep. Chabot (R-Ohio), was referred to the Judiciary and Small Business committees. A hearing was held March 29.
- H.R. 77, introduced by Rep. Luetkemeyer (R-Mo.), was referred to the Judiciary Committee.
- A companion to S. 579 hasn’t been introduced in the House.
- A companion to S. 1448 hasn’t been introduced in the House.

- **Senate:** S. 951 was approved by the Homeland Security and Governmental Affairs Committee May 17 by a vote of 9-5.
- S. 21 was approved by the Homeland Security and Governmental Affairs Committee May 17 by a vote of 8-6.
- S. 34 was approved by the Homeland Security and Governmental Affairs Committee May 17 by a vote of 8-6.
- S. 579 was approved by the Homeland Security and Governmental Affairs Committee May 17 by a vote of 11-3.
- S. 584, introduced by Sen. Lankford (R-Okla.), was approved by the Homeland Security and Governmental Affairs Committee May 17 by a vote of 8-6.
- S. 577, also introduced by Lankford, was approved by the Homeland Security and Governmental Affairs Committee May 17 by voice vote.
- S. 676, the companion to H.R. 1009, is awaiting action in committee.
- S. 1448, introduced June 27 by Portman, has four co-sponsors and is awaiting action in committee.
- A companion to H.R. 998 hasn’t been introduced in the Senate.
- A companion to H.R. 1004 hasn’t been introduced in the Senate.

OUTLOOK

- **House:** With the exception of the OIRA bill, most of these bills were passed by the House in previous sessions of Congress. Some, like the REINS Act, were passed multiple times over the past decade. This year as in past years, the votes were overwhelmingly along party lines. The House is likely to take up and pass any regulatory measure that passes in the Senate, but so far no bills have come to the Senate floor for a vote.

- **Senate:** The Senate didn’t bring any House-passed regulatory bills to the floor during the eight years of the Obama administration. This year, the Homeland Security and Governmental Affairs Committee approved six bills in May, sending them to the Senate floor. Still, Senate Majority Leader McConnell (R-Ky.) has yet to put any of these bills to a vote.

- One key measure to watch, supported by the business community and opposed by public interest and en-
environmental organizations, is the Regulatory Accountability Act (S. 951) that has the support of Democrats Heitkamp (N.D.) and Manchin (W.Va.), but needs at least eight Democratic votes to break a filibuster.

**Administration:** During his campaign, now-President Trump voiced support for the REINS Act specifically and legislation to slow or stop regulations generally. Trump has moved aggressively to deregulate, but no overhaul bill has yet reached his desk for signature.

*BY CHERYL BOLEN*

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EMPLOYER TAX CREDITS

LEGISLATIVE PURPOSE
- (S. 344) The bill would amend the Internal Revenue Code of 1986 to provide a credit to employers that provide paid family and medical leave benefits for workers. The legislation would grant employers a tax credit totaling 25 percent of paid family and sick leave paid to workers each year, up to a maximum of $3,000 per worker. Eligibility for the tax credit would be limited to employees making $72,000 per year or less, or an amount equal to 60 percent of the current definition of a highly compensated employee.

BILL STATUS
- House: There is no companion bill in House.
- Senate: The bill was reintroduced by Sen. Fischer (R-Neb.) Feb. 8 and is co-sponsored by Sens. Rubio (R-Fla.) and King (I-Maine). The bill has been referred to the Finance Committee.

OUTLOOK
- House: The measure could get strong Republican support, aided in part by President Trump’s call for Congress to find measures to provide paid leave for workers.
- Senate: The bill may get a boost from the White House this year. Trump has urged Congress to move paid leave legislation, and his daughter Ivanka has also been talking to lawmakers about the issue.
- Administration: The Trump administration hasn’t taken a position on the particular measure, but the president has signaled support generally for paid leave legislation.

HEALTH CARE TAX CREDITS

LEGISLATIVE PURPOSE
- (H.R. 2372, H.R. 2581, H.R. 2579) These three bills would alter the American Health Care Act (H.R. 1628), which Republicans vowed to strengthen after it passed the House May 4.
- The VETERAN Act (H.R. 2372) says a veteran wouldn’t be considered eligible for health coverage under a Department of Veterans Affairs program unless enrolled.
- The Verify First Act (H.R. 2581) would require individuals to have a Social Security number in order to receive a health care tax credit.
- The Broader Options for Americans Act (H.R. 2579) would allow individuals to qualify for premium tax credits if they continue group health coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

BILL STATUS
- Senate: The bills would likely have some Republican support in the Senate, though no vote has been set. Thus far, no companion bills have been introduced. One possible sticking point is that many Republican senators thought the tax credit structure in the House-passed AHCA (H.R. 1628) wasn’t sufficiently generous and tweaked it in their failed, trimmed-down version of the bill.

OUTLOOK
- Administration: As written, the bills can only become law if the American Health Care Act passes—which currently looks unlikely. After a trimmed-down version failed in the Senate, there have thus far been disparate attempts to revive it.

BY COLLEEN MURPHY

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IRS FUNDING

LEGISLATIVE PURPOSE
(No bill number) The 2018 Financial Services and General Government Appropriations bill in the House would cut funding to the Internal Revenue Service by $149 million from its 2017 levels. Congress has cut the IRS’s budget by $900 million since 2010.

BILL STATUS
House: The Appropriations Committee approved the bill 31-21 on July 13. The Rules Committee on Aug. 16 repackaged eight appropriations bills, including the bill funding the IRS, as it prepares for a floor vote in September.
Senate: No bill has been introduced in the Senate.

OUTLOOK
House: The House is expected to vote on appropriations measures in early September, possibly the week of Sept. 5.
Administration: The administration hasn’t stated whether President Trump would sign the bill, although it is very likely. Trump’s budget proposal also called for modernizing the IRS, but included a larger proposed funding cut of $239 million.

By Colleen Murphy
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MOBILE WORKFORCE

LEGISLATIVE PURPOSE
(H.R. 1393, S. 540) H.R. 1393 and S. 540, the Mobile Workforce State Income Tax Simplification Act of 2017, seeks to limit the authority of states to tax certain income of employees for employment duties performed in other states.
In general, no part of the wages or other remuneration earned by an employee who performs employment duties in more than one state shall be subject to income tax in any state other than the state of the employee’s residence and the state within which the employee is present and performing employment duties for more than 30 days during the calendar year in which the wages or other remuneration is earned.

BILL STATUS
House: Introduced by Rep. Bishop (R-Mich.), the bill passed the House on June 20 and goes to the Senate next for consideration.
Senate: The bill was introduced March 7 by Sen. Thune (R-S.D.); it had a June 14 hearing in the Committee on Small Business and Entrepreneurship.

OUTLOOK
House & Senate: Given the lack of progress so far on higher-profile issues, such as health care and tax reform, and divisions among some Republicans on the issue, the bill will have a tough time getting through the Senate. Prior versions of this bill didn’t get out of Senate committees.
Administration: The White House hasn’t taken a public position on mobile workforce legislation.

By Che Odom
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NUCLEAR TAX CREDIT

LEGISLATIVE PURPOSE
(H.R. 1551, S. 666) Some in Congress want to extend the nuclear tax credit that expires at the beginning of 2021. These identical bills would remove that deadline and replace it with indefinite access to the 6,000 national megawatt capacity quota.

BILL STATUS
House: H.R. 1551 was passed by the House in June.
Senate: S. 666 was introduced in March by Sen. Scott (R-S.C.).

OUTLOOK
Senate: Sen. Graham (R-S.C.) said an extension of the nuclear credit was no longer needed after the multimillion-dollar construction of a nuclear plant in South Carolina was abandoned in July. Company executives said in August that reviving construction would require new contracts and federal tax credits would be a crucial factor in that decision, according to a Bloomberg News report. Two reactors are under construction at a plant in Georgia but they are years behind schedule, according to another Bloomberg report.

By Kaustuv Basu
ONLINE SALES TAX

LEGISLATIVE PURPOSE

- **(H.R. 2193, H.R. 2887, S. 976)** These three bills propose different national standards for states seeking to tax remote retailers.

- The Marketplace Fairness Act (S. 976) (MFA) and Remote Transactions Parity Act (H.R. 2193) (RTPA) both would permit states to mandate out-of-state sellers and online vendors to collect tax on in-state sales. While similar, the bills incorporate different provisions, including varying small seller exceptions.

- The No Regulation Without Representation Act (H.R. 2887) (NRRA) would in part codify the U.S. Supreme Court’s 1992 decision in Quill Corp. v. North Dakota, which prohibits states from imposing sales and use tax collection obligations on vendors that don’t have a physical presence in-state.

BILL STATUS

- **House:** The NRRA was introduced June 12 by Rep. Sensenbrenner (R-Wis.) and has nine co-sponsors. The bill has been referred to the House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law, which held a July 25 hearing on the measure.

- The RTPA was introduced April 27 by Rep. Noem (R-S.D.) and a bipartisan group of 35 co-sponsors. The bill has been referred to the Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law.

- **Senate:** The MFA was introduced April 27 by a bipartisan group of four senators—Sens. Enzi (R-Wyo.), Durbin (D-Ill.), Alexander (R-Tenn.) and Heitkamp (D-N.D.). Enzi is listed as the primary sponsor, with 27 co-sponsors. The bill has been referred to the Finance Committee and Banking, Housing and Urban Affairs Committee.

OUTLOOK

- Congress has shown few signs of forming a national framework for digital sales taxation this legislative session. Some practitioners have suggested that a potential tax reform package might attach a digital sales tax proposal. However, many expect Congress won’t take action until a case seeking to overturn Quill reaches the U.S. Supreme Court.

- **House:** There is no timeline for a floor vote or further hearings on the NRRA. There is no timeline for a hearing or floor vote on the RTPA. Many proponents of RTPA (and MFA) have singled out Rep. Goodlatte (R-Va.) as the primary roadblock for movement on the measures proposing to broaden states’ taxing authority over remote retailers—Goodlatte chairs the House Judiciary Committee and is a co-sponsor of NRRA.

- **Senate:** There is no timeline for a hearing or floor vote on the MFA.

- **Administration:** While the White House has no official position on the bills, Treasury Secretary Mnuchin said during a July 26 hearing before the Senate Appropriations Subcommittee on Financial Services and General Government that online sales taxation “is an issue that we’ve been looking at very carefully within the administration, and we expect to come out with a position shortly.”

By RYAN PRETE

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TAX REFORM

LEGISLATIVE PURPOSE

- **(Not yet introduced)** The House, Senate, and Trump administration are working together on a tax bill that could be made public as soon as this month. Republicans want to lower business tax rates, simplify the tax code, and reduce incentives for corporations to move their headquarters abroad.

BILL STATUS

- **House:** The House GOP released a tax reform blueprint in June 2016. But one of its key elements—a border adjustment tax that would tax imports at 20 percent—was discarded after enormous pressure from retailers and some Republican senators. The House is exploring a unified bill that would lower business tax rates and possibly cut taxes for middle-income taxpayers, but details aren’t available.

- **Senate:** The Senate started working on its own tax reform plan earlier this year. Republican tax staff in Finance Committee Chairman Hatch’s (R-Utah) office are exploring a partial dividends paid corporate integration plan to remove the double layer of corporate taxes.

OUTLOOK

- **House:** Speaker Ryan (R-Wis.) and Ways and Means Committee Chairman Brady (R-Texas) have said that they want to pass a tax reform bill in 2017, but it remains to be seen what the areas of agreement are between the principals involved in the discussions.

- **Senate:** Hatch said there would be a hearing and a markup on tax legislation in the Senate after the August
recess, but it’s unclear if this would be the unified plan on which congressional Republicans are working.

- **Administration:** The Trump administration proposed a 15 percent business tax rate in April and they could release four to five pages of principles this September. The administration also has a more aggressive timeline for tax reform, with the House voting on a bill in October followed by the Senate in November.

**By Kaustuv Basu**

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Transportation

AUTONOMOUS VEHICLES

LEGISLATIVE PURPOSE

- (H.R. 3388) The legislation is meant to speed the rollout of self-driving cars and trucks by increasing the allowance of new vehicle designs that don't meet current federal motor vehicle safety standards, allowing tech companies to test autonomous vehicles, clarifying the role of state and local authorities over autonomous vehicles, and mandating cybersecurity and privacy plans.

- The legislation is the first on the subject at the federal level.

BILL STATUS

- House: Reps. Latta (R-Ohio) and Schakowsky (D-Ill.) introduced the bill July 25. It was unanimously approved by the Energy and Commerce Committee on July 27.

- Senate: Sens. Thune (R-S.D.), Peters (D-Mich.), and Nelson (D-Fla.) planned to introduce a similar bill. However, that effort stalled, largely due to controversy over a provision to create a national framework for self-driving commercial vehicles, such as Tesla Inc.’s reported plan to operate autonomous semitractor-trailers.

OUTLOOK

- House: The bill hasn’t been scheduled for a floor vote.

- Senate: Senators will have to resolve the commercial autonomous vehicle issue before bringing the bill to a vote in committee.

- Administration: The Trump administration hasn’t taken a position on the bills. Transportation Secretary Chao said the administration is working on updated guidelines on driverless vehicles. Chao has called on Silicon Valley to alleviate public concerns over self-driving technology.

BY SHAUN COURTNEY

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FAA REALLOCATION

LEGISLATIVE PURPOSE

- (H.R. 2997, S. 1405) These bills would reauthorize the Federal Aviation Administration. House Transportation and Infrastructure Committee Chairman Shuster’s (R-Pa.) bill would spin off air traffic control functions to a nonprofit corporation that would be created, whereas Senate Commerce, Science, and Transportation Committee Chairman Thune’s (R-S.D.) measure wouldn’t do so.

- Thune has deferred to the House to lead on any air traffic proposal, maintaining that Shuster has to get his bill passed in the House before the Senate would consider making changes to the nation’s air traffic system. Most Democrats on both chambers’ transportation committees oppose the spinoff, though some are co-sponsoring the House measure.

- The FAA is operating under a reauthorization that was enacted last year and ends Sept. 30. The short extension was passed after talks on major changes to the FAA, such as the air traffic control spinoff, broke down.

BILL STATUS

- House: The bill was introduced by Shuster on June 22 and approved the next day by the House transportation committee. The original co-sponsors are Reps. Mitchell (R-Mich.), Graves (R-Mo.), LoBiondo (R-N.J.), Sinema (D-Ariz.), and Hanabusa (D-Hawaii).

- Though the bill was slated for a possible floor vote in July, Shuster didn’t have the whip count to bring it to the House floor before the August recess.

- Senate: Thune’s bill, also introduced June 22, was approved by his committee June 29. It is co-sponsored by Sens. Nelson (D-Fla.), Blunt (R-Mo.), and Cantwell (D-Wash.).

OUTLOOK

- House: The general-aviation community and its supporters in the House are dubious of the air traffic proposal, concerned the major airlines would have too much control over the airspace and squeeze out general-aviation users.

- Shuster hopes changes he made from an earlier proposal, and having Graves—head of the general-aviation caucus—as a co-sponsor will improve the bill’s prospect this time around.

- Senate: The Senate bill faces its own challenge because of Thune’s amendment adopted into the bill that would allow for non-flight time, such as simulated training, to count toward the 1,500 training hours required of regional airline co-pilots.

- Democrats on the committee opposed the amendment and Minority Leader Schumer (D-N.Y.) said he would prevent the bill from coming to the floor as long as...
as the training language is included; he sees it as undoing protections passed in response to the deadly 2009 Colgan Air Flight 3407 crash in New York. Thune has cited a shortage of co-pilots for his amendment.

Nelson, ranking member on Thune’s committee, has said he is optimistic that the pilot training issue can be dispatched and the Senate bill passed on the floor by unanimous consent.

Given the controversies in both bills, Congress is likely to pass an extension of current FAA authority before differences are resolved.

**Administration:** The Trump administration supports the air traffic control spinoff.

**By Shaun Courtney**

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