Congressional Outlook

Week of December 9th

Both the House and Senate are in session this week, together for the last time in 2013. The House adjourns for the year on Friday, closely followed by the Senate on Thursday the 20th. That means the two chambers only have five more days left to address some major pieces of legislation, including the water resources bill, the farm bill, the defense authorization and the results of the budget conference. Although the chances for consideration of the water resources and farm bills are slim to none this week, the budget conference is expected to deliver a deal by weeks-end. Reports state that negotiators are close to a deal, but warn not to expect any "grand bargain" out of the conference. If a deal is not reached by the unofficial deadline of December 13th, committee and congressional staff will likely work through the holidays to shape a budget deal before then real deadline hits, January 15, 2014, when the current Continuing Resolution expires.

Consideration of the defense authorization bill is also coming to a head this week. The pressure is on the Senate to wrap up consideration of the legislation by Friday, however, the likelihood of a compromise between Senate Democrats and Republicans isn't looking good. Adding to the pressure, on Monday, the Pentagon asked for quick action on a "compromise bill" that would raise military pay, fund ships and aircraft and deal with the cost of the war in Afghanistan. With legislation stalled in the Senate, Democratic and Republican leaders of the House and Senate Armed Services Committees have reached agreement on a compromise measure of around $600 billion. The committee leaders want the House to vote before it adjourns at week's end and are pressing for Senate action by the end of the year. If the House votes this week on the compromise and then adjourns, the Senate would still have the opportunity to amend the measure. That would delay the bill until next year as the House would have no time to respond to the Senate changes.

Week in Review
Friday Budget Deadline Closes in on Conferees

This Friday is the deadline for a congressional budget conference committee to agree on FY 2014 budget levels that was set by the agreement passed by Congress to temporarily remove the debt ceiling and reopen the federal government passed in October. House Budget Chairman Paul Ryan (R-WI) and Senate Budget Chairman Patty Murray (D-WA) continue to negotiate this week over a budget deal that could set total spending limits and help move FY 2014 spending bills before the current continuing resolution (CR) expires on January 15, 2014. Details of a deal have not been disclosed at this time, but a sense of optimism has surrounded the talks over the past week or so. Reports indicate the budget conference is likely to split the difference between the two chambers' targeted spending levels with a top line of around $1 trillion in spending for FY 2014 and additional revenue from sources other than tax increases, such as additional user fees, to offset increased levels. If a deal is reached, it likely will be announced early this week to provide time for a budget resolution or piece of legislation to move the new budget through Congress.

Marketplace Fairness Act

Last week the Supreme Court refused to hear a case about the legality of remote sales-tax collection requirements, shifting attention to the controversial Marketplace Fairness Act, a bill that is currently being pushed by big retail and other special interests in the U.S. House of Representatives. With the nation's highest court declining to take up the case, it is now up to the U.S. House of Representatives to close the online sales tax loophole. Read More...

Senate Energy and Natural Resources Committee Hearing on Presidential Nominations

The Senate Energy and Natural Resources Committee this week will hear testimony from Obama Administration nominees for key positions at the Department of the Interior. Lawmakers will hear from Interior nominees Rhea Suh for assistant secretary for fish, wildlife and parks, and Tommy Beaudreau for assistant secretary for policy, management and budget, a position that Suh currently holds at Interior. Also, the Committee has scheduled a vote for Thursday on Christopher Smith to be Department of Energy (DOE) assistant secretary for fossil energy, Steven Croley to be DOE general counsel, and Esther Kia’aina to be Interior assistant secretary for insular areas. All three are expected to be approved.

Another Infrastructure Finance Bill

Rep. Richard Neal (D-MA) has introduced a bill that would create a new American Infrastructure Financing Authority (AIFA). AIFA would be funded with seed capital from the federal government to provide direct loans and loan guarantees to projects costing more than $100 million, but only $25 million or more for rural projects. Qualifying infrastructure projects would include transportation, water, and energy infrastructure. The bill includes a provision making permanent the right to issue direct-payment Build America Bonds (BABs). BABs issued in 2013 would receive credit payment equal to 32 percent of interest paid. This credit rate would decline over time and bonds issued in 2017 or thereafter would be 28 percent. The legislation includes a provision to hold issuers harmless to future sequestration cuts of BABs credit payments. Additionally, the legislation would exempt water and sewage facilities from the private activity bond cap, would repeal the Alternative Minimum Tax (AMT) on private activity bonds, and includes revisions to the New Markets Tax Credit and creates new jobs tax credits.

Fed Site Fixed, States Still Worry
With the Department of Health and Human Services (HHS) reporting major improvements in the healthcare.gov website portal to sign up for federal health care exchanges, attention shifts back to the states, several of which are experiencing problems of their creation. Roughly 20 states have established their own health care exchanges under the Affordable Care Act, and many of them continue to have problems with their data models, IT systems, or interface with the federal databases. Read More...

New Mexico's Governor Sandoval Bucks Trend

New Mexico Governor Brian Sandoval is now the only Republican governor to lead his state to create and manage its own health care exchange. Despite his view that the new health care law should be repealed, the Governor believes he should not let his residents miss out on the funds that are available. Read More...

The Patient Has Stabilized

The healthcare.gov website performed consistently well for the first full week ever. HHS reports that demand remained strong, with a rough average of 30,000 people signing up for new coverage each day. There were no crashes and queuing was a minimum. The daily figure exceeds the total of new signs up for the entire month of October, when the site went live. However, a new media report raised questions about error rates in sign ups. It claims that 1 in 10 new policies issues had either inaccurate or incomplete data. Critics have raised questions that suggest the connection between sign ups and accurate, full policies may be suspect.

DHS Further Ramps Up Project Blue for Holiday Season

The Department of Homeland Security (DHS) will be more aggressively touting the Project Blue anti-human trafficking program for the holiday season. With a bump in seasonal travel, DHS will expand partnerships, increase ad campaigns, and surge its forces to prevent, detect, arrest, and prosecute incidences of human trafficking. Read More...

Congressional Hearing Schedule

Monday, December 9

- House Committee on Natural Resources Full Committee oversight hearing on "The Future of the U.S.-Canada Columbia River Treaty-Building on 60 Years of Coordinated Power Generation and Flood Control."

Tuesday, December 10

- Senate Committee on Banking, Housing and Urban Affairs Full Committee hearing on "Housing Finance Reform: Fundamentals of Transferring credit Risk in a Future Housing Finance System."

Wednesday, December 11

- House Committee on Energy and Commerce Subcommittee on Health hearing on "PPACA Implementation Failures: What's Next?"
• House Committee on Small Business Subcommittee on Oversight and Investigations hearing on "Contracting Away Accountability-Reverse Auctions in Federal Agency Acquisitions."

• House Committee on Small Business Full Committee hearing on “The Small Business Health Options Program: Is it Working for Small Businesses?"

• House Committee on Transportation and Infrastructure Subcommittee on Highways and Transit hearing on "Examining the Current and Future Demands of the FTA's Capital Investment Grants."

• Senate Committee on Banking Housing and Urban Affairs Full Committee hearing on "Rebuilding American Manufacturing."

• Senate Committee on Commerce, Science and Transportation Full Committee hearing on "Crafting a Successful Incentive Auction: Stakeholders' Perspectives."

• Senate Committee on Homeland Security and Governmental Affairs Subcommittee on Financial and Contracting Oversight hearing on "A More Efficient and Effective Government: Streamlining Overseas Trade and Development Agencies."

Thursday, December 12
• House Committee on Oversight and Government Reform Full Committee hearing on "ObamaCare's Impact on Premiums and Provider Networks."

• House Committee on Transportation and Infrastructure Subcommittee on Aviation hearing on "The State of American Aviation."

• House Committee on Science, Space, and Technology Subcommittee on Research and Technology hearing on "Building a Network for Manufacturing Innovation."

• House Committee on Natural Resources Full Committee oversight hearing on "ESA Decisions by Closed-Door Settlement: Short-changing Science, Transparency, Private Property, and State and Local Economies."

• House Committee on Energy and Commerce Subcommittee on Energy and Power oversight hearing on "NRC Management and the Need for Legislative Reform."

• House Committee on Oversight and Government Reform Subcommittee on Energy Policy, Health Care and Entitlements hearing on "FDA Checkup: Drug Development and Manufacturing Challenges."