Congressional Outlook

Week of February 3rd

The House and Senate are in session this week, but Senate Democrats and Republicans each will hold strategy retreats on Wednesday. House Democrats are scheduled to meet with the President on Tuesday, while Senate Majority Leader Harry Reid meets with the President this afternoon.

There will be hearings on several bills targeted at data breaches in the wake of the Target stores' computer security lapse. The House Ways and Means Committee is scheduled tomorrow to mark up two health-care law related bills: H.R. 2575 would repeal the 30-hour threshold for classification of a full-time employee as it relates to the employer mandate in the law, and H.R. 3979 would ensure that volunteer first responders are not considered as employees under the ACA's employer mandate. This bill is supported by, and a result of, NATaT's recognition of an unintended consequence of the Affordable Care Act - volunteers being counted as employees under the ACA.

The Senate is expected to cast a final vote on a 5-year farm bill tomorrow. Senators may also revisit legislation that would temporarily restore the unemployment benefits that expired in December.

Week in Review

SOTU: President Ready to Act on Priority Issues - With or Without Congress

Calling 2014 a "year of action", President Obama laid out his plans for rejuvenating his second term in office through his fifth State of the Union address last Tuesday night. He stated that he was prepared to go it alone if necessary on his priorities such as combating climate change,
moving forward transportation infrastructure projects quicker, and raising the minimum wage for federal contractors. The President asked Congress to complete legislation dealing with transportation and water infrastructure, repealing oil industry subsidies, and taking steps to convert cars and trucks to natural gas as a “bridge” fuel, moving away from oil toward renewable fuels. Republican reaction to the SOTU was disapproving, citing the President’s goal to promote his own ideological priorities rather than taking a more pragmatic bipartisan approach to solving the Nation's problems.

**House Passes Farm Bill**

Last Wednesday, the House moved the farm bill closer to final passage with a 251-166 vote on the conference report. The bill reauthorizes agriculture and nutrition programs for the next five years.

The bill will provide a savings to the federal treasury by cutting about $23 billion from the deficit over the next decade. About $6 billion of those savings will come from consolidating 23 conservation programs down to 13, with another $8 billion in cuts from the supplemental nutrition assistance program (SNAP), commonly known as food stamps, over the next ten years. The bill provides $57 billion for conservation efforts and almost $900 million for renewable energy and biofuel initiatives, and represents some of the largest reforms to farm program subsidies in the last 20 years. It eliminates direct farm payments regardless of crop, and replaces them with the choice between better crop insurance and market price protections. The bill contains a provision that would require farmers and ranchers to abide by basic conservation measures in exchange for federal subsidies for crop insurance on highly erodible land and wetlands. It also leaves controversial environmental regulations intact as it did not include a House-sponsored provision that would have invalidated the 2009 court ruling that forced EPA to require Clean Water Act permits for the use of EPA registered pesticides and herbicides in or around waters of the U.S.

The measure also provides one year of full funding for the Payment In Lieu of Taxes (PILT) program, which provides funding for vital services in communities containing federal lands. Finally, it includes a $228 million mandatory funding level for the Rural Development title including $63 million in mandatory funding for the Value-Added Producer Grant Program (VAPG); $15 million in mandatory funding for the Rural Microenterprise Assistance Program, and $150 million in mandatory funding for the Water and Waste Water Program.

**Senate Votes to Delay Flood Insurance Increases**

After weeks of floor debate and many last minute moves on points of order and amendment votes last week, the Senate passed the Homeowners Flood Insurance Affordability Act (S. 1926) on Thursday afternoon by a vote of 67-32. In general, S. 1926 calls to delay the implementation of certain parts of Biggert-Waters 2012 for four years to allow for FEMA to address affordability and mapping issues before rate premium changes are implemented. The bill now heads to the House, where it is expected to be considered sometime this spring and where it may see another tough fight. Click here for more information on the bill and to find the amended version that passed the Senate.

**Big City Mayors Ask President for More Water Infrastructure Funding**

Mayors of the largest U.S. cities, including San Francisco, New York City, Los Angeles and Philadelphia, asked President Obama last week to give their water infrastructure needs the same attention that roads, bridges and ports receive. Many cities are facing hundreds of millions, if not
billions, of dollars of legally required upgrades to their water infrastructure systems at a time when traditional federal support is dwindling. The U.S. Conference of Mayors estimates the nation needs $4.8 trillion in investment in water infrastructure over the next 20 years. The EPA calculates that drinking water alone will require $384 billion in improvements over the next two decades.

**Next Debt Limit Might Be Tied to Affordable Care Act**

Reports emerged from a Friday retreat that House Republican leaders are examining an option to link the next debt limit increase to provisions in the Affordable Care Act (ACA). At their annual planning retreat, Republican House leaders shared plans to call for a cancellation of the reinsurance fund established under the ACA in exchange for support for a debt ceiling increase. Treasury Secretary Jack Lew recently told Congress that the debt ceiling must be raised by the end of February. The reinsurance fund mitigates the risk that insurance companies face when they are forced to raise premiums (and endure cancellations, which mean less revenue for them). The fund was included in ACA to address the increased risk insurers faced as they added more clients. Several of the House's most conservative leaders reportedly spoke in favor of the approach. The move marks a noticeable scaling back of demands by House Republicans in exchange for raising the debt ceiling. Sequestration was a result of an earlier battle over the debt limit.

**DHS Secretary Carefully Endorses Immigration Reform**

The new Secretary of Homeland Security, Jeh Johnson, announced his support for "earned citizenship" in an address to the U.S. Conference of Mayors winter legislative conference last week in Washington. Noting that a majority of this group have been in the U.S. for more than ten years, he linked the pathway to his characterization of America's national character, saying it is a "matter of who we are as Americans." Republican House Leaders initiated several discussions during their annual retreat last week to discuss the scope of immigration reform they might consider this session. They have reportedly asked Secretary Johnson to ensure that there is full enforcement of existing laws before they will consider any further legislative action. The Senate passed a version of comprehensive immigration reform on a bipartisan vote last summer. There are a reported 11 million undocumented immigrants currently in the U.S.

**Congressional Hearing Schedule**

**Tuesday, February 4th**

- House Transportation and Infrastructure Committee's Coast Guard and Maritime Transportation Subcommittee hearing on "Finding Your Way: The Future of Federal Aids to Navigation."
- House Natural Resources Committee hearing on the "Strengthening Fishing Communities and Increasing Flexibility in Fisheries Management Act.
- House Ways and Means Committee markup of H.R.2575, the "Save American Workers Act of 2013" and H.R.3979, the "Protecting Volunteer Firefighters and Emergency Responders Act."
- House Rules Committee Meeting to formulate a rule on H.R.3964, the "Sacramento-San Joaquin Valley Emergency Water Delivery Act.
- Senate Environment and Public Works Committee's Water and Wildlife
Subcommittee hearing on “Examination of the Safety and Security of Drinking Water Supplies Following the Central West Virginia Drinking Water Crisis.”

- Senate Judiciary Committee hearing on “Privacy in the Digital Age: Preventing Data Breaches and Combating Cybercrime.
- Senate Budget Committee hearing on the “2014 Outlook: Moving From Constant Crises to Broad-Based Growth.”

Thursday, February 6th

- Senate Energy and Natural Resources Committee hearing on S.1784, the “Oregon and California Land Grant Act of 2013” and S.1966, the “National Forest Jobs and Management Act of 2014.”
- Senate Health, Education, Labor and Pensions Committee hearing on “Supporting Children and Families through Investigations in High-Quality Early Education.”
- Senate Banking, Housing and Urban Affairs Committee hearing on “Oversight of Financial Stability and Data Security.”
- Senate Homeland Security and Governmental Affairs Committee markup of S.1486, the “Postal Reform Act of 2013.”
- Senate Judiciary Committee markup of S.1675, the “Recidivism Reduction and Public Safety Act of 2013”; and S.149, the “STOP Identity Theft Act of 2013.”