Weekly Legislative Update  
January 6, 2014

Congressional Outlook

Week of January 6th

The House and Senate return this week for their final 29 work weeks of the 113th Congress. The Senate is scheduled to vote this evening on Janet Yellen's nomination to chair the Federal Reserve. Later this week, House Republican leadership plans to take up a bill designed to ensure that HealthCare.gov is secure, and Senate Democrats are pushing a vote on a measure that extends long-term unemployment insurance for three months. House and Senate negotiators are meeting today to resolve conflicts over the omnibus spending bill for the rest of fiscal year 2014 in order to avert another government shutdown before the January 15 deadline.

What to Expect in 2014

Below is a summary of what Congress plans to tackle in the coming year.

**Appropriations:** The federal government is funded through January 15 and leaders are finalizing a deal to fund the government through September 30, 2014 (the end of the federal fiscal year). This process was eased by the passage of the budget agreement in December, but there are still potential roadblocks. For instance, will Republicans reject a bill that funds the agencies that implement the Affordable Care Act?

**Debt Limit:** The suspension of the nation's debt ceiling ends on February 7. Treasury Secretary Jacob Lew has indicated that his department can avoid default for about one month after that suspension. It is doubtful that Republican leadership will back an increase in the debt limit without demanding some concessions from the White House and Senate Democrats.

**Farm Bill:** A compromise five-year farm bill will likely get a final vote in January. The House-Senate conference committee tried but failed to reach agreement before the end of 2013 on a compromise reconciling the Senate and House passed versions of the farm bill (S. 954, H.R. 3102). Differences over commodity programs and food stamp funding were the major sticking points, but conferees reportedly are near agreement on those issues and they expect to have a bill ready for votes this
**Flood Insurance:** Coastal state senators are planning to bring up legislation this month to prevent flood insurance rate increases. Senators Mary Landrieu (D-LA) and Charles Schumer (D-NY) received assurances that Senate Majority Leader Harry Reid (D-NV) would allow a vote to advance legislation to delay scheduled rate changes for homeowners residing in flood zones. Representative Bill Cassidy (R-LA) also introduced a related measure in the House just before recess.

**Higher Education:** Lawmakers plan to introduce legislation that would reauthorize the Higher Education Act, a sweeping law that touches on student loans, federal grants and college accreditation.

**Highway Bill:** The current bill authorizing federal surface transportation programs (MAP-21) expires on October 1, 2014. Transportation committees will devote much of the year to drafting legislation to reauthorize MAP-21. The issue is how to keep the highway trust fund solvent. The fund is currently supported by gasoline taxes which haven’t been raised since the Clinton Administration. Ideas being considered include raising the gas tax, adopting a vehicle-miles traveled fee, or a combination thereof. House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) has said that finding a long-term funding solution is his main priority.

**Immigration:** The House plans to tackle immigration reform with a piecemeal approach. Bills to watch include H.R. 2131, which would provide more visas for highly-skilled immigrants, H.R. 1773 that would provide for more agricultural guest workers, and legislation that would provide a path to citizenship for undocumented immigrants brought to the U.S. as minors. The Senate passed a bill, S. 744 that would provide a path to citizenship for undocumented immigrants in addition to addressing worker visas and border security.

**Minimum Wage:** Senate Democrats plan to schedule action on legislation that would raise the federal minimum wage, which has been set at $7.25/hour since 2009. They hope to increase minimum wage to about $10/hour.

**Postal Service:** Legislation to shore up the financially ailing U.S. Postal Service will likely be marked up in the Senate in January. S. 1486 includes a compromise on ending Saturday mail service.

**Regulatory Reform:** The House will take up regulatory reform measures in a package of bills called the Comprehensive Environmental Response Compensation and Liability Act, which according to House Majority Leader Eric Cantor (R-VA), “reforms the EPA’s regulatory process to ensure that the federal government reduces the red tape inhibiting job creation and keeps our environment healthy.” CERCLA is aimed at improving the federal and state relationship when dealing with hazardous waste.

**Taxes:** House Ways and Means Chairman Dave Camp (R-MI) and Senate Finance Committee Chairman Max Baucus (D-MT) are planning to rewrite the tax code this year. However, Senator Baucus was tapped in December to be an ambassador to China, and his likely successor Rob Wyden (D-OR) has not yet laid out a plan for how the tax code should be changed. Congress may also consider retroactively extending some or all of the 55 tax breaks that expired at the end of 2013. Those include deductions for state and local sales taxes, research and development, hiring veterans, wind power development, and a mass transit deduction equal to monthly parking deductions (now, the mass transit deduction is $130/month and the parking deduction is $250/month).

**Water Resources Reform and Development Act (WRRDA):** House and Senate negotiators continue efforts to reach an agreement on WRRDA reauthorization. A financing mechanism for large infrastructure projects, known as WIFIA, is a topic of negotiation as the bill is finalized.
In addition to the work planned for Congress, the federal agencies are expected to be busy this year. Of course, we can expect a slate of federal grant opportunities to fund local projects and priorities, but we also must be prepared to play defense on proposed regulatory changes. For example, the FCC currently is accepting comments on proposed changes to wireless facilities siting policies that may impede local zoning control. Also, expect proposed regulations out of the Environmental Protection Agency that could result in expensive unfunded mandates for local governments. NATaT will monitor and respond to these issues accordingly.

We appreciate working with you and wish you a healthy, prosperous New Year.

Congressional Hearing Schedule

**Tuesday, January 7**


**Thursday, January 9**

- House Energy and Commerce's Subcommittee on Health hearing on "The Extenders Policies: What Are They and How Should They Continue under a Permanent SGR Repeal Landscape?"
- House Judiciary Committee's Subcommittee on Constitution and Civil Justice hearing on H.R. 7, the "No Taxpayer Funding for Abortion Act."

**Friday, January 10**

- House Natural Resources' Subcommittee on Energy and Mineral Resources oversight hearing on "The Science behind Discovery: Seismic Exploration and the Future of the Atlantic OCS."