Congressional Outlook

**Week of September 30th - Federal Government Shutdown Imminent**

Most federal workers are bracing for the federal government to be shut down at midnight tonight, barring a last-minute Republican deal. House Republicans are meeting today, and have been in talks with Senate Republican leaders, on a possible one-week stop-gap measure that would prevent the shutdown. This approach would give the House and Senate additional time to work out differences for a continuing resolution (CR) to fund the government for a longer period in FY 2014, or until the appropriations process is completed.

Early Sunday morning, the House passed two amendments to the Senate-passed "clean" CR (funding the federal government through November 15, 2013) that would delay for one year the implementation of the Affordable Care Act (ACA) and rescind a tax on medical devices that was created to fund portions of the ACA. The Senate rejected these amendments today on a 54-46 vote. The resolution now returns to the House, where talks continue in the Republican Caucus over their next steps.

The latest rumors are that House Republicans are formulating a proposal that would delay the individual mandate to buy health insurance (as required under the ACA), as well as cancel health insurance subsidies for Members of Congress, the President, and Administration appointees. The Senate would have to agree to either approach in short order to avoid the looming shut down.

**Week in Review**
House Republicans Reveal Conditions for Debt Ceiling Deal

House Republicans met last Thursday and decided to add a handful of conservative provisions to their debt ceiling demands, including a one-year delay of the Affordable Care Act, changes to the tax code, and changes to Medicaid. The debt ceiling will be reached on October 17.

How to Pay for the Next Transportation Bill

As we approach the start of the 12-month countdown to the expiration of the current transportation authorization law, known as MAP-21, all eyes are turning to Congress as they suggest ideas to shore up or replace the current federal fuels excise tax that funds the Highway Trust Fund. Last week, Senate Environment and Public Works Committee Chair Barbara Boxer (D-CA) held a hearing and stated that she is considering eliminating the current 18.4 cent-per-gallon federal tax at the pump and replacing it with a percentage fee paid for at the refinery level or a sales tax modeled after the new 11.1 cent sales tax in Virginia.

Farm Bill Set for Conference Committee

The current farm bill is set to expire tonight at midnight, yet most farm programs will continue until the end of the year because such programs extend through the crop year. Late last week, the House of Representatives voted to send the farm bill to Conference Committee with the Senate. The House has passed two measures separating the farm bill and nutrition programs, and it is still unclear how the House and Senate will deal with the split bills. The House is expected to vote to join the two before conferencing the bill with the Senate. While it is unlikely that formal meetings of the House-Senate Conference Committee will take place until after work on the debt and budget bills is resolved, the move allows staff to begin preliminary work on a compromise bill. Additional information on the outlook of the Farm Bill can be viewed here and here.

President Offers Strong Defense of Affordable Care Act

Last Wednesday, former President Bill Clinton joined President Obama at the Clinton Global Initiative Forum to tout the market reforms, lower than estimated premiums, and the ban on covering pre-existing conditions. The next day, President Obama spoke at Prince George's Community College in Maryland, and criticized congressional Republicans for seeking to repeal and defund the Affordable Care Act as part of negotiations over the Continuing Resolution and authorization to raise the federal debt ceiling.

HHS Announces Two ACA Delays

Small businesses will not be able to sign up for Small Business Health Options Program (SHOP) coverage under the exchanges until November, and the enrollment site for native Spanish speakers will not accept applications until "sometime in October," the Department of Health and Human Services announced last week.
Major Changes Proposed for Customs Officers

The Department of Homeland Security announced major changes in the use of technology and response tactics for Customs and Border Patrol (CBP) agents, especially those along the U.S.-Mexico border. For more on this issue, click here.

Congressional Hearing Schedule

Tuesday, October 1

- House Judiciary Committee, Immigration and Border Security Subcommittee hearing on "Implementation of an Entry-Exit System: Still Waiting After All These Years."

Wednesday, October 2

- House Oversight and Government Reform Committee, Energy Policy, Health Care, and Entitlements Subcommittee hearing on "Oversight of the Wind Energy Production Tax Credit."
- House Oversight and Government Reform Committee, Government Operations Subcommittee hearing on "Examining the Federal Response to Marijuana Legalization."
- House Transportation and Infrastructure Committee, Economic Development, Public Buildings and Emergency Management Subcommittee hearing on "FEMA Reauthorization: Ensuring the Nation is Prepared."
- Senate Environment and Public Works Committee, Full committee hearing on "Natural Resource Adaptation: Protecting Ecosystems and Economies."
- Senate Banking, Housing and Urban Affairs Committee, Full committee hearing on "Rebuilding American Manufacturing."