



*Week of 1-30-17
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Congressional Overview

Congress returned this week after their retreats and a controversial White House executive order on refugees. The spotlight shined on President Trump's Cabinet nominees on Capitol Hill and his pick to fill a vacancy on the Supreme Court, federal appellate judge Neil Gorsuch.

Multiemployer Pension Reform

On February 1st, the Ironworkers Local 17 (Cleveland, OH) became the first multiemployer pension fund to approve benefit cuts for their retirees under the rules established by the Multiemployer Pension Reform Act of 2014. Roughly, half of the 2,000 participants will see their pension benefits reduced by 20 to 60 percent.

Right to Work

On Wednesday, February 1, Rep. Wilson (R-SC) introduced legislation that would institute right-to-work policies in the entire country if it became law. Republicans and business groups would still face a Democratic filibuster in the Senate; they need to get to 60 votes and the Senate is split: GOP 52 and Dems 48. The GOP needs eight Democrats to join them to pass this legislation in the senate.

Affordable Care Act

Key Republican lawmakers are shifting their goal on the Affordable Care Act from repealing the law to repairing it. Many of the law's provisions are popular and some parts of the law that the GOP does want to repeal could have negative repercussions on parts seen as working.

Fair Pay and Safe Work Act

This past week, House Republicans introduced a Resolution of Disapproval to turn back the Obama Administration's Executive Order 13673, "Fair Pay and Safe Workplaces." EO 13673 was to take effect in October 2016, but a federal district court in Texas enjoined most of its implementation just before it was to take effect for very large federal prime contracts. The House Resolution of Disapproval went before the House Rules Committee on January 31st, with a floor vote on February 2nd. A Resolution of Disapproval has expedited committee and floor provisions that may prevent a filibuster in the Senate. In addition, a disapproval vote contains a bar against any future regulations of that type unless there is a change in statutory authority that permits it. Consequently, a Congressional Resolution of Disapproval will be a more permanent rollback of EO13673 than an Executive Order that rescinds the original directive.

Congressional Review Act

Congress is moving to unwind a slew of former President Obama's regulations, starting with votes in the House this past week on five resolutions to disapprove of regulations issued during the previous administration. Under the Congressional Review Act, Congress can pass resolutions of disapproval to overturn regulations 60 legislative days after they go into effect. One of those rules was designed to limit coal mining pollution in streams, while another moved to add Social Security disability recipients considered unable to manage their affairs to the national instant criminal background check system for gun purchases. The other rules set include a Securities and Exchange Commission rule requiring oil and gas companies to reveal payments made to foreign governments; an Interior

Department rule to reduce methane pollution from oil and natural gas wells on federal land; and the Labor Department's rule to require certain federal contractors to report recent labor law violations.

Transportation Secretary Confirmed

On Monday, the Senate confirmed Elaine Chao to be the transportation secretary with a vote 93-6. Chao was the first transportation secretary ever to earn "no" votes with six members of the Democratic caucus, who voted against her including Senate Minority Leader Schumer.

U.S.-Mexico Border Wall

President Trump is considering a 20 percent tax on imports to pay for a wall along the U.S.-Mexico border, White House spokesperson Spicer said "using comprehensive tax reform as a means to tax imports from countries that we have a trade deficit from, like Mexico" could generate the funds to pay for the border wall. The wall could cost as much as \$40 billion and the White House spokesperson said a 20 percent tax on Mexican imports could raise \$10 billion a year "and easily pay for the wall just through that mechanism alone." Per the U.S. trade representative's office, the trade deficit with Mexico was \$49.2 billion in 2015. The White House signal on taxes to pay for the wall was met with approval by Ways and Means Chairman Brady (R-TX) and other Republicans.

Executive Order on Immigration

President Trump has issued an executive order temporarily banning travel from seven Muslim-majority countries: Iran, Iraq, Libya, Somalia, Sudan, Syria and Yemen for 90 days. The order made exemptions for some visa holders. The order applies to individuals holding dual citizenship with the seven countries. The order further appeared to apply to U.S. permanent residents from those countries, although White House Chief of Staff Priebus said the restrictions would not prevent citizens of the seven nations who hold green cards from returning to the United States.

North American Shale Gas Exploration

- Repealing President Obama's Methane Rule: House Republicans introduced a bill this week to overturn former President Obama's rule targeting methane emissions from venting and flaring at oil and natural gas drilling sites.
- Easement of ND Pipeline Advances: The acting secretary of the Army has directed the Army Corps of Engineers to proceed with an easement necessary to complete the Dakota Access pipeline, which is a four-state, \$3.8 billion pipeline to carry North Dakota oil through South Dakota and Iowa to Illinois. On January 24th, President Trump called on the Army Corps of Engineers to reconsider its December decision to withhold permission until more study is done.
- Russia Supports Anti-Hydraulic Fracturing U.S. Activities: Per Monday's Bloomberg News, over the course of seven months in 2015, the Russian government-funded news outlet RT ran 62 anti-fracking stories and claims that a recent intelligence report suggests that the Russian government is providing funding to environmental activists and promotes anti-hydraulic-fracturing propaganda in the U.S. out of concern "about the impact of fracking and U.S. natural gas production on the global energy market."
- Former Russian Energy Minister Downplays U.S. Shale Production: Per Monday's Wall Street Journal, former Russian Energy Minister Igor Yusufov is confident that U.S. shale producers will not seek to steal market share from OPEC and Russia because oil prices in these markets are too low for them. Per Yusufov, "the fact is that shale oil and gas are doing well in markets that start from a certain price."

- U.S. Mexico Relations Unlikely to Hinder Shale Gas Exports: Per the January 29th edition of Newsweek, Mexico's dependence on U.S. shale gas will likely continue to tie the two countries together even if tensions grow. The flow of U.S. shale gas to Mexico more than doubled in the past two years, and experts believe Mexico will decide against putting tariffs on U.S. imports in retaliation to President Donald Trump's proposed 20 percent border tax because "they would rather have the gas at a decent price."
- OH Governor Proposes Hydraulic Fracturing Tax Hike: Ohio Governor Kasich has proposed a \$66.9 billion state budget that includes raising the severance tax for crude oil and natural gas at the wellhead to 6.5 percent (up from 1 percent) and to 4.5 percent for later stage processing. The higher taxes on hydraulic fracturing operations would contribute \$448 million in revenue over two years.