



*Week of 10-23-17  
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## **Congressional Overview**

The House and Senate were both in session this week, and the House passed the Senate's FY 18 budget resolution.

### **House Passes FY 18 Budget Resolution**

The House barely passed the Senate's budget resolution this week by a 216-212 vote. The FY 18 budget resolution includes language that will allow the GOP's tax overhaul legislation to be passed with a simple majority vote. Its approval opens the path for the GOP to push its tax overhaul through Congress. House Ways and Means Committee Chairman Kevin Brady (R-CA) announced his committee would introduce a bill on Nov. 1, and Sen. John Cornyn (R-TX) said the Senate will introduce its bill about a week after the House's.

### **Republican Tax Overhaul Bill will have Four Tax Brackets**

Speaker Ryan stated that the tax overhaul bill will include a fourth bracket for high-income earners, but he declined to reveal what that tax rate will be. The unified tax framework Republicans released last month proposed collapsing the existing seven tax brackets into three with rates of 12, 25 and 35 percent. It left open the possibility of the final tax bill including a fourth tax bracket, if needed, to ensure the primary benefits of proposed tax cuts were reaching middle-income earners.

### **Senate Majority Leader Willing to Bring Bipartisan Healthcare Deal to the Floor if President Trump will Sign It**

Senate Majority Leader Mitch McConnell (R-KY) said he's open to bringing a bipartisan healthcare deal crafted by Sens. Lamar Alexander (R-TN) and Patty Murray (D-WA) to the Senate floor for a vote if President Trump will sign it into law. Senate Minority Leader Schumer said the plan, designed to stabilize Affordable Care Act markets with measures including funding for cost-sharing reduction payments, is supported by at least 60 senators.

Some Senate Republicans say they want to see additional conservative changes to a healthcare deal brokered by Sens. Alexander and Murray. After the Senators announced a deal, conservatives said they want more changes. President Trump suggested the deal would benefit insurance companies and House Speaker Ryan said he was not supportive. The plan would fund cost-sharing subsidies that reimburse insurers who reduce low-income consumers' out-of-pocket costs like deductibles.

Sen. John Thune (R-SD) said one major question was whether the legislation would prevent insurance companies from increasing prices for 2018 policies due to uncertainty around the cost-sharing subsidies receiving additional benefits. Under the draft legislation, states could direct companies who raised their rates, assuming that the administration would not make the cost-sharing reduction payments, to set up a rebate system or not receive the reimbursements. Under a rebate system, companies would have to refund both consumers and the U.S. Treasury.

The rebates to the government would make up for additional government spending on premium tax credits because of the higher premium costs. Democrats have suggested delaying the start of the open enrollment period so that insurance companies could refile their 2018 rates. Senator Orrin Hatch (R-UT) stated that he would not co-sponsor the legislation because he doesn't agree with it. Some republicans have announced support for the Alexander-Murray proposal, Sens. Susan Collins (R-ME) and John McCain (R-AZ) would vote for the plan.

### **Senate Approves \$36.5 Billion Additional Disaster Relief Aid**

The Senate approved a \$36.5 billion disaster relief aid package. Members from hurricane states including Texas and Florida threatened to block movement last week on the package, citing frustrations that the latest emergency supplemental measure skimmed on relief funding for their individual communities. They won assurances from the White House that more aid would be forthcoming, as early as November. Sen. Bill Nelson (D-FL) sought unanimous consent to add \$3 billion to compensate Florida citrus and other agricultural interests for damages suffered in the storms. Many republicans objected to Nelson's unanimous consent request and Sen. Marco Rubio (R-FL) warned that such action could set precedent for not aiding other signature crops when disaster hits.

### **FEMA National Flood Insurance Program Could Exhaust All Funds Soon**

The Federal Emergency Management Agency (FEMA) projects the National Flood Insurance Program could exhaust all available funds to pay claims relatively soon. At the same time, lawmakers from hurricane-affected states are still jockeying for more funds in the Senate.

The latest disaster relief bill (that just passed the Senate) would cancel \$16 billion in flood insurance program debt, enabling it to pay claims without violating the program's \$30.4 billion cap on outstanding debt. In addition to the flood insurance debt cancellation funds, the aid package included:

- \$18.67 billion for the Disaster Relief Fund (an increase to \$4.9 billion of which is available for transfer to FEMA's Community Disaster Loan program).
- \$576.5 million for the U.S. Forest Service and Interior Department wildfire suppression accounts.
- \$1.27 billion for Supplemental Nutrition Assistance Program for Puerto Rico food aid, to remain available until Sept. 30, 2019.

Texas Governor Greg Abbott and the state's delegation requested \$18.7 billion in additional assistance, but were unsuccessful in securing the additional funds in the House bill. GOP leaders and the White House provided assurances that \$11 billion of the flood insurance funds and \$4 billion in FEMA disaster relief funds would be set aside for Texas, on top of additional funds coming down the road in the next portion of supplemental aid. However, Texas and Florida lawmakers have expressed concern that the window of opportunity shrinks after passage of this second disaster package.

### **President Trump Considering Bipartisan Task Force to Investigate Prescription Drug Cost**

President Trump is considering launching a bipartisan task force to investigate the rising cost of prescription drugs. The drug industry sources caution that discussions remain in the early stages and are still fluid. President Trump has long chastised the drug industry and the skyrocketing cost of treatments. Should President Trump choose to launch a task force on the issue, it would likely receive bipartisan support. The Senate Health, Education, Labor and Pensions (HELP) Committee has held a series of hearings on the issue. The likelihood of any bills addressing the price of medical treatments moving this year is unlikely given the legislative calendar.

### **Second Federal Judge Blocks Portion of President Trump's Latest Travel Ban**

A second federal judge partially blocked the latest version of the Trump administration's travel ban, preventing the government from enforcing it on people who have a relationship with a person or entity in the United States. U.S. District Court Judge Theodore Chuang's order applies to citizens from Chad, Iran, Libya, Somalia, Syria and Yemen.

The government can still implement restrictions from a Presidential proclamation on citizens from North Korea and Venezuela.

The language in the order — stopping implementation of the proclamation for those with “a credible claim of a bona fide relationship with a person or entity in the United States” — echoes one from the Supreme Court in June that allowed the government to implement most of the second travel ban outlined in an executive order from March. The bulk of President Trump's proclamation still can't be implemented because of a ruling by a Hawaii judge issued earlier this week. The Trump administration said it plans to vigorously defend the proclamation in that case.

### **Rep. Pat Tiberi Announces Plan to Leave Congress**

Rep. Pat Tiberi (R-OH), a friend of labor, management and a multiemployer composite plan design, announced he will leave Congress by the end of next January, capping 17 years representing his central Ohio congressional district. Tiberi said he would not be seeking re-election. Instead, he'll serve as president of the Ohio Business Roundtable.

“It has been the most remarkable honor of my life to serve the people of the 12th District. As the son of Italian immigrants, I am forever grateful for the opportunity my parents gave me by coming to America and raising our family in Ohio. It was because of their pursuit of the American Dream that made it possible for me to serve 17 years in the halls of Congress representing my home. This truly is the greatest country in the world.”

Sources close to Tiberi said a variety of factors played into his exit. His mother died earlier this year and his father is in ill health. House Speaker Ryan last year bypassed Tiberi to select Rep. Brady as the chairman of the House Ways and Means Committee, despite the fact that Tiberi had support from the majority of his colleagues on the Republican Steering Committee.

### **The EPA Decides Against Modifying the Renewable Fuel Standard Program**

The Environmental Protection Agency abandoned proposals to change the Renewable Fuel Standard after an intervention from President Donald Trump. The move is a blow to refiners, which had pressed the agency to ease the compliance burden.