



*Week of 7-11-16
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Congressional Overview

Congress convened for recess without taking action on Zika funding or gun control. Now the focus turns to the Republican and Democratic conventions, as well as lawmakers' own political races. Congress will return on Sept. 5 with a loaded calendar to address. *Note – the FCA Legislative Updates will cease until Congress returns to Capitol Hill.*

While deals weren't reached on Zika and gun control legislation, Congress passed a 14-month extension of the Federal Aviation Administration (FAA) reauthorization bill. Congress also passed a Genetically Modified Organism (GMO) food labeling bill that would establish a national labeling standard that requires mandatory *disclosure* (not labeling) of biotechnology ingredients in food packages. Meanwhile, the Senate approved legislation to combat the opioid epidemic, sending it to the President's desk. The Senate also voted on the FY 17 Defense Appropriations Bill, but it was blocked until after the recess.

House Passes Fifth FY 17 Appropriations Bill

This week, the House Appropriations Committee completed work on the final two of the 12 FY 17 annual spending bills needed to fund the government. The full House passed its Interior-Environment bill, which was the fifth appropriations bill to pass the House. The bill is full of policy riders overturning and defunding the Obama administration's climate regulations, including language that would overturn the administration's greenhouse-gas standards for power plants and clean water.

When Congress reconvenes in September, there will not be enough time to complete work on regular spending bills before the new fiscal year begins on Oct. 1. Therefore, a continuing resolution (CR) will need to be enacted with the GOP leery of a short-term CR that would force negotiations over an omnibus spending package for the rest of the fiscal year in a lame-duck session of Congress. Their hope is for a CR that extends into March, allowing a new president and a new Congress to negotiate a final spending package. However, appropriators and defense hawks oppose such a long CR, which they say would leave federal agencies in budget limbo for six months and prevent any funding of new programs.

House Committee Holds Hearing on Affordable Care Act

On Tuesday, the House Ways and Means Committee convened a hearing on the Affordable Care Act and rising health insurance premiums. On Wednesday, the House Energy and Commerce subcommittee discussed healthcare apps and the House Appropriations Committee marked up in its Labor, Health and Human Services, and Education bill, a piece of legislation that would defund the Affordable Care Act and provide a \$1.25 billion boost for the National Institutes of Health and \$581 million for the opioid epidemic.

President Obama Becomes First President to be Published in an Academic Journal

The Journal of the American Medical Association (JAMA) published an article authored by President Obama on his assessment of the Affordable Care Act (ACA). The article reviews the factors influencing the President's decision to pursue health reform, summarizes evidence on the effects of the law to date, recommends actions that could build on the progress we've made under the law to improve our healthcare system, and identifies general lessons for

current and future policymakers. Despite this progress, the President recognizes that more work is necessary to ensure every American can afford healthcare and navigate a complex health system.

Goldman Sachs Report: It Will Take Time for U.S. Shale Drillers to Rebuild Energy Workforce

Per Goldman Sachs' recent report, "Oil markets may have pulled out of the worst price collapse in decades, but it could still take years for U.S. shale drillers to fully rebuild the energy workforce after deep payroll cuts. Getting the shale business working again could depend on companies hiring 80,000 to 100,000 workers over the next two and a half years, after shedding nearly 150,000 jobs across the nation, but ramping up energy employment could prove much more difficult than in the early years of the oil boom." Additionally per Goldman Sachs, "A resurgence in shale drilling would be expensive and putting an idle rig back into the field costs some \$50,000 to \$75,000, and retraining drilling crews could cost anywhere between \$27,000 and \$189,000, on top of labor expenses of \$540,000 to run a rig for about two months. Those expenses come as banks become more reluctant to lend money for drilling."

U.S. Drillers Add Oil Rigs for Fifth Week Over Last Six Weeks

As of July 8, U.S. drillers added oil rigs for a fifth week over the last six weeks, prompting analysts to predict the rig count has bottomed and production will start to edge up early next year. The total rig count is up to 351, compared with 645 a year ago. In 2015, they cut 18 rigs per week on average for a total of 963, the biggest decline since 1988. After slumping from 1,609 rigs in October 2014 amid the biggest oil price rout in a generation, the rig count started to inch up in June as U.S. crude futures hovered around the key \$50-a-barrel level that analysts said would trigger a return to the well pad. Looking forward, prices were expected to rise with futures for the balance of the year trading below \$47 and calendar 2017 fetching \$50.