

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

Federal Legislative Update

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POLICY ISSUES

Congress, the Administration, and Federal agencies each year approve actions that impact the City in a broad range of areas. Staff may recommend, and/or Council may wish to direct, communication to the City's Congressional delegation on a range of issues throughout the year.

ACTION

DIRECTION

INFORMATION ONLY

No formal action is required; this is an informational briefing.

Council may wish to provide direction to staff regarding particular legislative proposals.

BACKGROUND/ANALYSIS

Big Picture Update

Congress returned for one week of work following the elections before again heading home for the Thanksgiving holiday. The Senate will return on Monday, November 28, and the House will return on Tuesday, November 29, to finish out the lame duck session. The pressure is on to wrap up work as quickly as possible, and with Republicans retaining control of the House and Senate and winning the White House, many issues that were queued up for the lame duck are now likely to get pushed to 2017.

Fiscal Year 2017 (FY17) Appropriations

FY17 Appropriations – House leadership and appropriators and President-elect Donald Trump's team have agreed that the path forward on appropriations is to pass an extension of the continuing resolution (CR) through March of 2017. The current CR expires on December 9, so an extension would allow more time for the Trump team to offer input on the spending plan. The plan to pass an extension was met with concerns from several Republicans in the Senate, but appears to be the likely path forward at this point.

Extending the CR through March would also open the opportunity to use an FY17 budget resolution to pave the way for the repeal of the Affordable Care Act (CA). Past efforts to use the reconciliation process—which begins with language in a budget resolution and sidesteps the Senate filibuster by requiring only a simple majority to pass—have been vetoed by President Obama, but President-elect Trump is expected to sign the measure when he assumes office.

Trump Administration – The transition team for President-elect Trump has been moving forward with planning and consideration of potential appointees. So far, efforts have focused on big ticket positions including Alabama Senator Jeff Sessions for Attorney General, Kansas Representative Mike Pompeo for

director of the CIA and Lieutenant General Michael Flynn as National Security Advisor. Cabinet and agency appointments will require Senate confirmation.

Congressional Leadership Elections – House Republicans and Senate Democrats and Republicans all held leadership elections during the week of November 14. In the House, Congressman Paul Ryan (R-WI) was reelected Speaker, and Congresswoman Cathy McMorris Rodgers (R-WA) was reelected to the number four spot in House leadership, Conference Chairwoman. In the Senate, Senator Mitch McConnell (R-KY) retained his role as Senate Majority Leader, and the rest of the Republican leadership remained the same. Senator Chuck Schumer of (D-NY) was selected as the Minority Leader, replacing retiring Senator Harry Reid (D-NV). Senator Patty Murray (D-WA) moved up to the number three post in Democratic Leadership, the Assistant Democratic Leader.

House Minority Leader Nancy Pelosi (D-CA) pushed her caucus' elections until after Thanksgiving. Congressman Tim Ryan (D-OH) is challenging Representative Pelosi for the top spot, reflecting the unease among many Democrats following the election.

On the committee front, Senators Murray and Maria Cantwell (D-WA) will continue in their roles as ranking members of the Senate Health, Education, Labor and Pensions Committee and Senate Energy and Natural Resources Committee, respectively.

Transportation & Infrastructure

With another FY17 CR on deck, funding for Transportation, Housing and Urban Development will continue to be held steady at FY16 levels.

Transition planning for the Trump Administration is ongoing, and so far, there has been limited vision into who might get tapped for high level roles in the Department of Transportation. One name that has been floated as a possible contender to serve as Secretary of Transportation is Greg Hughes, the Speaker in Utah's House of Representatives who helped negotiate a deal to raise the state's gas tax and supports transit, but there are likely other contenders for the job. We will continue to monitor as the transition team continues to announce its appointees.

Trump Infrastructure Proposal – The President-elect has said that he will propose a \$1 trillion, 10-year infrastructure improvement plan, paid for in part by revenues from tax repatriation (tax on corporate income currently held overseas). Many Congressional Democrats, seeking an opportunity to find common ground, have indicated an interest in working with the Trump Administration on an infrastructure package, depending on what is included. On the other hand, some Republicans, who would prefer to use tax repatriation as part of a broader tax overhaul, have expressed concerns about funding for the proposal. Details of the plan remain unclear, and we will continue to monitor the proposal.

Water Resources and Development Act (WRDA) – WRDA authorizes the policies and activities of the U.S. Army Corps of Engineers and Corps-owned or operated projects. The House and Senate both passed WRDA bills in September before leaving for recess. The House bill authorizes \$9 billion for 31 Corps projects; the Senate bill authorizes \$10.6 billion for 30 Corps projects. One potential stumbling block to passing the WRDA – funding to address the lead drinking water crisis in Flint, Michigan – could now be addressed in the new CR, a step that could clear the way for passage of the WRDA, if conferees can iron out the other differences between the House and Senate proposals. Congressional

Democrats remain skeptical that there is a path forward, but Senate Majority Leader Mitch McConnell and other Republicans say that they want to pass the bill.

Tax & Finance

Online Sales Tax – Senate Majority Leader Mitch McConnell promised a vote on the Marketplace Fairness Act or similar legislation related to taxing internet sales by the end of the year when the issue was split off from an internet sales tax measure (to make permanent the moratorium on taxes in internet access). Rather than pushing for that vote, Senate supporters of addressing the online sales tax issue have shifted their attention to the House where none of the proposals have gained traction. Senator Lamar Alexander (R-TN) said, “To have something to vote on, we need for the House to pass a bill and send it to the Senate....It’s time for the House to act.”

With several proposals circulating in the House, it is unclear if/what the path forward would be for action in that chamber.

Trans-Pacific Partnership (TPP) – President-elect Trump has been unequivocal in his opposition to the trade deal between the US and 11 Pacific Rim nations. While the Obama Administration has not officially declared the trade pact dead for the year, there does not appear to be a path forward to approval.

Energy & Environment

Energy Policy Bill – Senators Lisa Murkowski (R-AK) and Maria Cantwell have continued to push forward on what would be the first major energy policy bill since 2007. When members returned to Washington, DC, following the election, House conferees presented a drastically stripped down proposal that isn’t likely to pass muster in the Senate. Given the fighting between the House and Senate, the energy bill could be off of the table for the lame duck session.

ALTERNATIVES

N/A

RECOMMENDATION

N/A

ATTACHMENTS

N/A

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A