

Legislative Forecast for the 115th Congress

May 2, 2018

Producers

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Key dates and prospective items on the legislative agenda in the 115th Congress

February – June 2018

March	April	May	June	July	August
<ul style="list-style-type: none"> Debt limit deadline DACA benefits begin to expire (if not for injunction) Omnibus bill passed 	<ul style="list-style-type: none"> Obama-era net neutrality rule is officially no longer in effect Opioid crisis' status as public emergency expires 	<ul style="list-style-type: none"> Annual appropriation bills may be considered in the House Full House vote on the Farm Bill 	<ul style="list-style-type: none"> Election season starts to ramp up as over 10 states hold primary elections 		<ul style="list-style-type: none"> Congress in recess

Possible actions, timing unknown

- Affordable Care Act:** Bipartisan discussions on stabilizing the ACA were derailed by a fight over abortion
- Defense appropriations:** Congress increased defense spending in the FY18 omnibus bill
- Energy & environment:** Negotiations for a comprehensive energy bill are expected to resume in the 115th Congress
- Financial regulation:** The CHOICE Act is unlikely to move forward in the Senate in its current form, but it is set to take up a bipartisan bill that would raise the "too big to fail" asset threshold from \$50B to \$250B
- Immigration:** Democrats are pushing for a vote to reinstate DACA
- Medicare:** Congressional Republicans have expressed an interest in reforming Medicare and turning it into a "premium support" system
- Technology:** Democrats announced that they will force a vote to reinstate net neutrality

Sources: National Journal research.

Key dates & priorities for the 115th Congress

April 2018 – June 2018

APR.

Net neutrality repeal goes into effect



MAY

Annual appropriation bills may be considered in the House

Full House vote on the Farm Bill; Senate Agriculture Committee also to release its full version



What's happening in Washington

- Special Counsel Robert Mueller's list of questions for President Trump has led to speculation that the investigation is not dying down any time soon
- As the leaders of North Korea and South Korea met to discuss denuclearization of the Korean Peninsula, some American foreign policy experts have been cautiously optimistic



JUNE

Election season starts to ramp up as over 10 states hold primary elections



A guide to this month's legislative forecast

Issues covered in this month's legislative forecast

-
- Affordable Care Act
 - Appropriations
 - Conflict in Iraq and Syria
 - Criminal justice reform
 - Cybersecurity
 - Debt ceiling
 - Defense appropriations
 - Education
 - Energy and environment
 - Farm Bill
 - Financial regulation
 - Immigration
 - International trade
 - Iran nuclear negotiations
 - LGBT rights
 - Medicare
 - North Korea
 - Opioid abuse and heroin epidemic
 - Technology

Archived issues *(Major legislative or administration actions in 2015-17)*

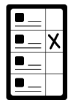
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- Chemical reform
 - Export-Import (Ex-Im) Bank
 - Federal Reserve
 - Gun control
 - Highway Trust Fund
 - Keystone XL
 - Medical research funding
 - Mental health
 - PATRIOT Act/USA FREEDOM Act
 - Puerto Rico bailout
 - Tax reform
 - Zika funding

Please see previous legislative forecasts or contact the Presentation Center for details on these topics.



The Affordable Care Act

Recent key developments on the ACA and potential future actions



July 2017:

BCRA fails the Senate vote: After motion to proceed passed, full repeal without replacement, the BCRA and 'skinny repeal' fail to pass, with Senators Susan Collins, Lisa Murkowski and John McCain voting no.



September 2017:

Graham-Cassidy fails in the Senate: The latest GOP health care reform bill, authored by Lindsey Graham and Bill Cassidy would have made deep cuts to Medicaid, eventually phasing out the program. The bill was killed when 3 GOP senators declared their intent to vote no.



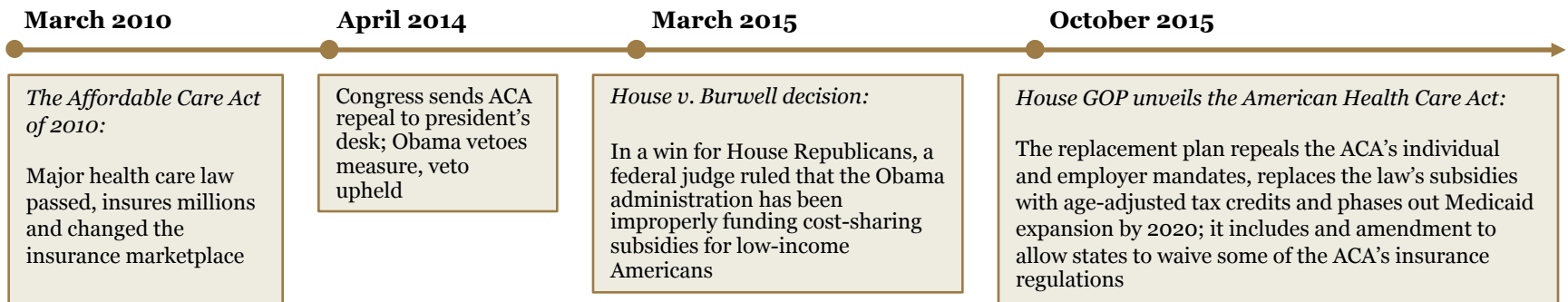
December 2017:

Senate & House pass the tax bill: The GOP tax reform bill includes an amendment to repeal the individual mandate of the ACA. Experts believe that repealing the individual mandate will lead to higher premiums and a decrease in access to health insurance.

Potential actions

- Many Republican senators represent states that have benefitted from Medicaid expansion, suggesting they would oppose Medicaid cuts
- Although 16 Democrats support Sanders' Medicare for all legislation, it is unlikely to pass; however, it does reflect the public's increasing view that it is the government's responsibility to provide health care
- Final ACA enrollment numbers show that ACA signups are down 3.7% this year compared to last year
- An initial analysis shows that 84% of all enrollees are from states that Trump carried in the 2016 election

Legislative timeline



National Journal Research, 2017; Mark J. Mazur, "Continuing to Implement the ACA in a Careful, Thoughtful Manner," Department of the Treasury, July 2, 2013; Lyle Denniston, "Argument Analysis: Setting up the private debate on the ACA," SCOTUSblog, Mar 4, 2015; Susan Ferrechio, "Congress joint budget deal could pave path to Obamacare repeal," Washington Examiner, April 20, 2015; Sen. Mike Enzi and Rep. Tom Price, "FY2016 Conference Agreement," House Budget Committee, May 2015; MaryBeth Musumeci, "A Guide to the Supreme Court's Affordable Care Act Decision," The Kaiser Family Foundation, July 2012; Josh Gerstein and Lauren French, "House Files Obamacare lawsuit," Politico, November 21, 2014; Skadden, "King v. Burwell: Round 2 for the Affordable Care Act," July 10, 2015; National Association of Community Health Centers, "Victory for the ACA: Moving Forward After King v. Burwell," June 30, 2015.

Appropriations

Recent key developments on the FY18 appropriations and potential future actions

January 2018:



FY18 budget deadline extended: Congress passed a bill that extended the budget deadline until Feb. 18. This is the third continuing resolution passed for the FY18 budget.

February 2018:



Trump signs bipartisan budget agreement to raise spending and reopen government: The two-year spending pact permits lawmakers to spend \$300 billion more than the previous law, allowing the federal government to reopen after a brief shutdown.

March 2018:

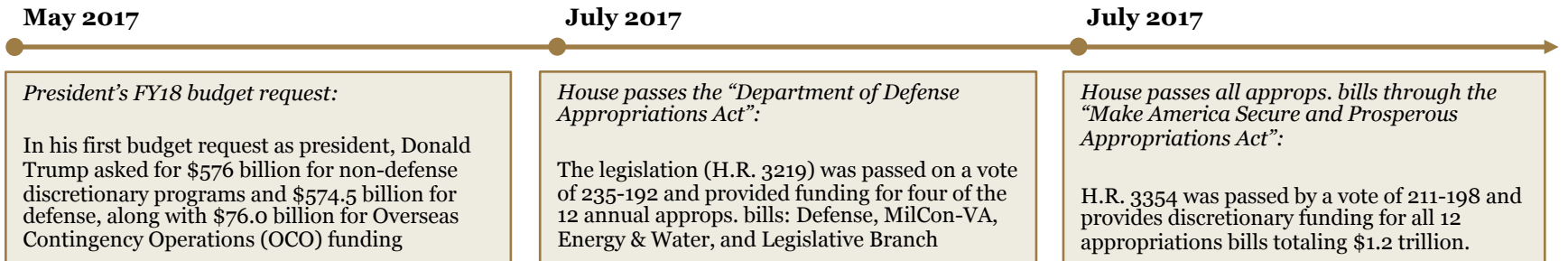


Omnibus agreement for the remainder of fiscal year 2018 passed: Congress passed a \$1.3 trillion spending bill, funding the government through September 30. President Trump signed the bill after having threatened to veto it over the lack of an immigration solution

Potential actions

- President Trump sent Congress a budget proposal for fiscal year 2019
- House appropriators kicked off the 2019 season in April 2018, approving a military construction and veterans spending bill in a subcommittee markup and sending it on to the full Appropriations Committee
- Lawmakers could not reach an agreement to stabilize Obamacare or extend DACA in the omnibus bill passed in March
- The House released the FY19 Military Construction, Veterans Affairs, and Related Agencies Appropriations bill, as well as the FY19 Legislative Branch Appropriations bill

Legislative timeline



Sources: Thomas Kaplan, "Congress Approves \$1.3 Trillion Spending Bill, Averting a Shutdown," The New York Times, March 22, 2018; Appropriations.house.gov; Julie Hirschfeld Davis, "White House Proposes \$4.4 Trillion Budget That Adds \$7 Trillion to Deficits," The New York Times, February 12, 2018; Niv Elis, "First 2019 appropriations bill advances," The Hill, April 26, 2018; Trump Signs Budget Deal to Raise Spending and Reopen Government," The New York Times, February 8, 2018; Images: The Noun Project

Conflict in Iraq and Syria

Recent key developments on the Iraq and Syria conflict and potential future actions



February 2018:

Russian actions in Syria “undermines international security,” says the Pentagon:

The UN Security Council unanimously voted for an immediate 30-day cease-fire in Syria, but the Pentagon claims Syrian President al-Assad continues to attack citizens. Pentagon spokeswoman calls on Russia to “restrain” Bashar al-Assad.



March 2018:

Congress passes an omnibus spending bill: The bill includes \$1.77 billion to fund the Counter-ISIL Train and Equip Fund; \$500 million for relief and recovery for states liberated, at risk, or under the control of ISIS in the Middle East and Africa; and \$5 million for programs to promote accountability for genocide, war crimes and crimes against humanity

April 14, 2018:

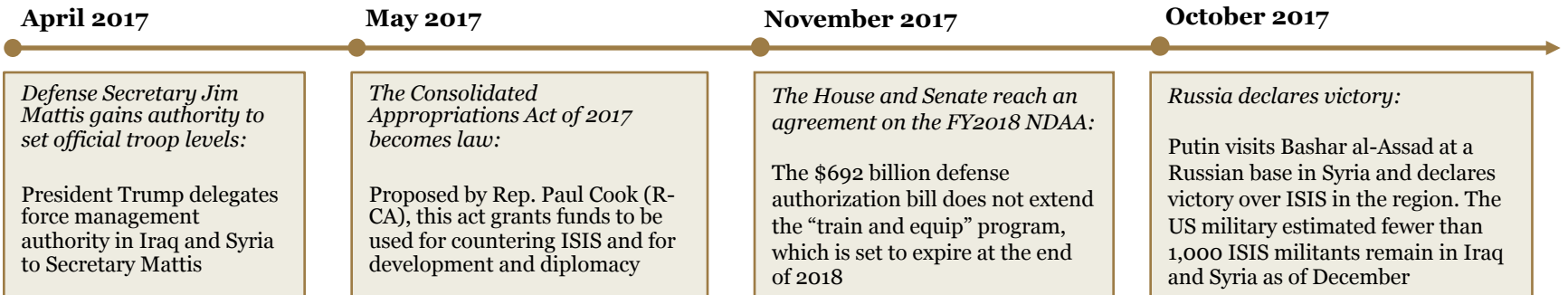


United States, France and UK strike chemical plants: The Assad regime, reported by video and confirmed by Western intelligence sources, attacked a rebel-held Damascus suburb with chlorine gas, killing many civilians. The three allied countries waited a week before striking locations connected with the production and storage of chemical weapons at night. There were no reported casualties related to the strikes.

Potential actions

- President Trump has explicitly stated he wants to withdraw troops from Syria as soon as possible
- Trump has pushed Arab leaders to develop a stabilizing force for eastern Syria and invest in the stabilization of the region
- Israel has continued bombing Iranian outposts in southern Syria, which could provoke more conflict in the region
- Some in Congress have condemned the lack of congressional authorization for Trump’s latest strikes in Syria, but there has been little action to stop him

Legislative timeline



Sources: National Journal Research, 2018; GovTrack.us research, July 2017;; The U.S. House of Representatives Committee on Appropriations, “House Appropriations Committee Releases Fiscal Year 2018 Defense Bill,” June 25, 2017; Scott R. Anderson, “Some Highlights from the likely NDAA for FY 2018,” Lawfare, November 15, 2017. Dan Carden, “Indiana senator wants Congress to specifically include ISIS in new authorization for use of military force,” the Times of Northwest Indiana, November 4 2017; Nataliya Vasilyeva and Vladimir Isachenkov, “Russia’s Syria talks end with plan to draft new constitution” Associated Press via Washington Post, January 30, 2018; Congress.gov, 2018.

Criminal Justice

Recent key developments on criminal justice and potential future actions



August 2017:

Cory Booker introduced the Marijuana Justice Act: The bill seeks to remove marijuana from the federal Controlled Substances Act and challenges states that have not legalized the drug, but have racially disproportionate incarceration and arrest rates by withholding some criminal justice funding.



August 2017:

Trump lifted a ban on military gear for local police forces: Trump lifted this Obama-era executive order, which banned the transfer of some surplus military equipment to police departments; this was in response to battlefield-style policing that took place in 2014 during riots in a St. Louis suburb.



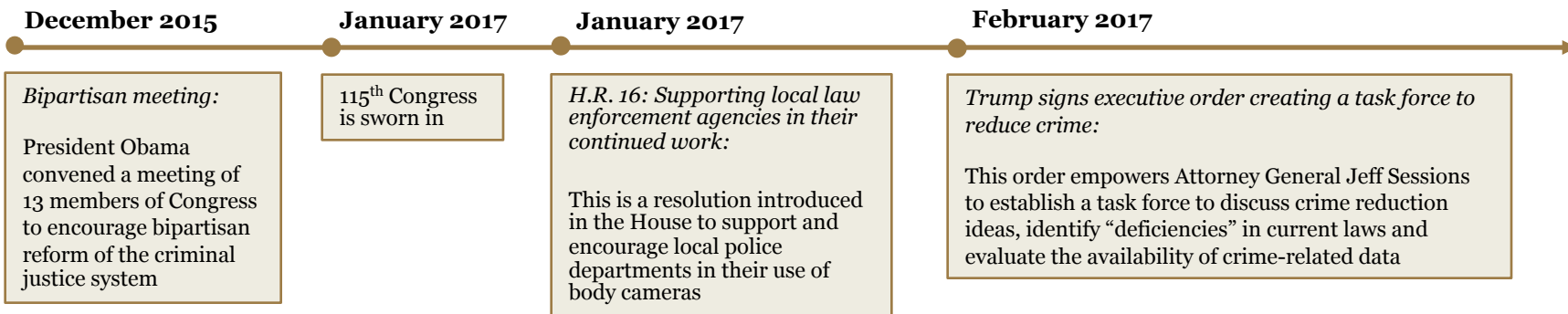
January 2018:

DOJ will no longer follow Obama-era rules of non-interference in states where marijuana is legal: It's not immediately clear whether Jeff Sessions will issue new guidance or simply revert back to older policies.

Potential actions

- In the 114th Congress there was some bipartisan support for reducing sentencing for certain crimes
- Some Republicans in the Senate lead by Jeff Sessions opposed this effort and expectations about how Sessions' role as attorney general in the Trump administration will impact this are mixed
- On the one hand, Sessions is no longer on the Senate Judiciary Committee to oppose such a move, but on the other he is President Trump's top advisor on the issue
- Jared Kushner had a meeting on Capitol Hill in mid-April to discuss the future of criminal justice reform with House and Senate leaders
- Legislators aiming for reform appear to be waiting for support from the White House before introducing a bipartisan criminal justice reform bill

Legislative timeline



Sources: Congress.gov, “S.2123 –Sentencing Reform and Corrections Act of 2015,” 114th Congress (2015-2016), October 2015; Jack Martinez, “Senators Announce Bipartisan Criminal Justice Reform Legislation,” Newsweek, October 1, 2015; Seung Min, Kim, “Compromise Struck on Criminal Justice Reform,” Politico, April 28, 2016; Mark Disler, “From intellectual property to criminal justice reform: what you need to know for the Judiciary Committees in the 115th Congress,” Prime Policy Group, December 16, 2016; Govtrack.us..

Cybersecurity

Recent key developments on cybersecurity and potential future actions



March 2018:

Congress provides funds for election security: In the 2018 Omnibus spending bill, Congress included \$380 million for states to upgrade election machines and implement post-election audit systems. The charge, led by Sen. Richard Blumenthal (D-CT), makes these funds immediately available to states to be implemented before the 2018 midterms.



April 2018:

DHS reauthorization: A measure that passed the House in July 2017 was put on the Senate calendar. Lawmakers say the bill, which would initiate a DHS reorganization and creation of a new Cybersecurity and Infrastructure Security Agency, has the potential to reach the president for signature before the August recess.



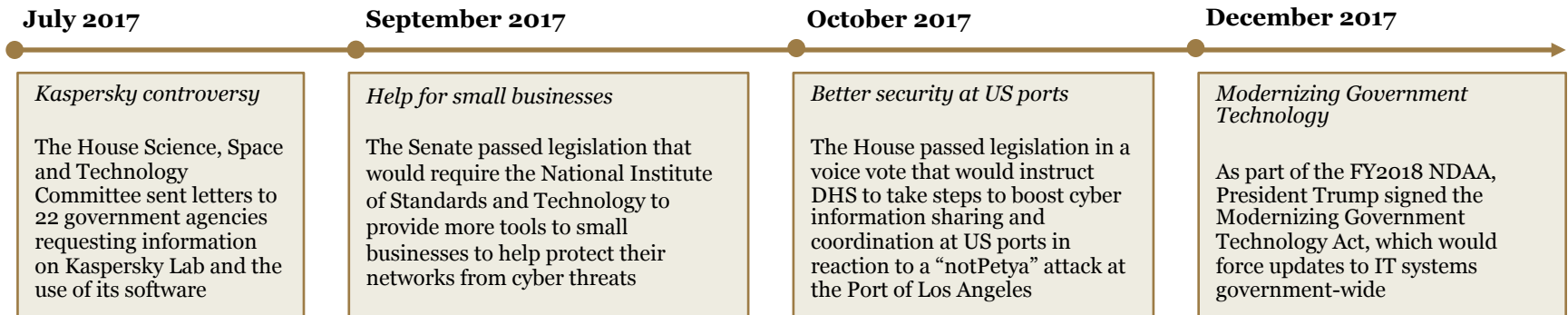
April 2018:

The Hill needs better cybersecurity: The Congressional Budget Office (CBO) recently released a call for proposals for a five-year cyber monitoring service for CBO IT infrastructure. The company awarded the proposal would be responsible for two physical facilities and two cloud platforms that support a total of 245 CBO employees.

Potential actions

- With three months until the August recess, Congress faces pressure to pass multiple cyber-centric bills, including data breach notification requirements, DHS reauthorization and reorganization, cyber workforce issues and social media platform regulation

Legislative timeline



Sources: National Journal Research, 2018; Chase Gunter, “CBO looks to boost cybersecurity,” April 30, 2018; Gopal Ratnam, “Three Cybersecurity Bills to Hit Trump’s Desk This Year, Staffers Say,” April 19, 2018

Debt ceiling

Recent key developments on the debt ceiling and potential future actions



November 2015:

Bipartisan Budget Act of 2015: In a budget compromise between congressional leaders and the White House, the debt ceiling was suspended until March 2017, allowing normal borrowing to resume.

March 2017:



Debt ceiling reinstated: The debt limit was automatically raised to the debt level on March 16, 2017; the CBO estimated that the Treasury would be able to use extraordinary measures to fund essential payments until sometime in the fall of 2017.

September - December 2017:



Debt ceiling suspended: The debt limit was suspended until December 2017, in a deal Trump made with congressional Democrats to pass a package of bills including emergency funding for Hurricane Harvey and a continuing resolution to keep the government funded through December 8.



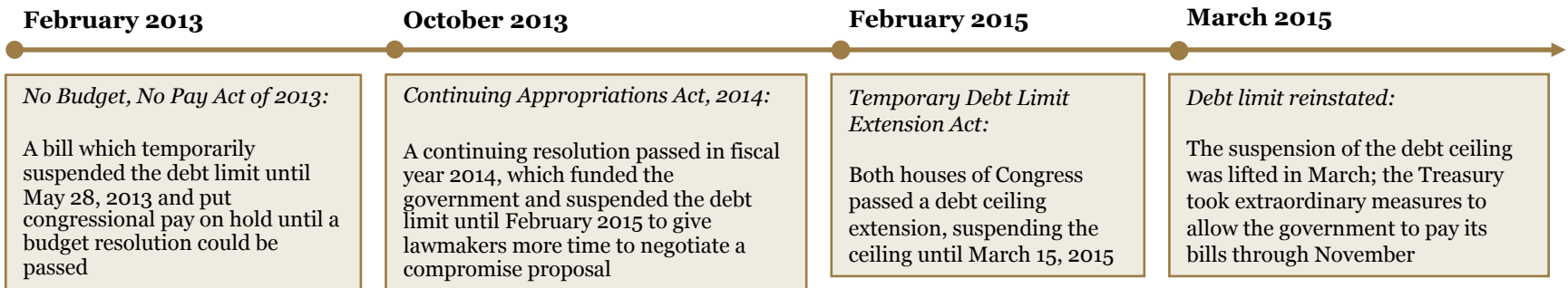
February 2018:

Debt ceiling suspended: After the debt ceiling was reinstated in December, lawmakers struck a budget deal that suspended it again until March 1, 2019

Potential actions

- Republicans and Democrats have a year to borrow money without limitations
- Before March 2019, the government must cut spending and pay off current debts, or Congress must act again to raise or suspend the debt ceiling

Legislative timeline



Source: Kayla Tausche, "GOP group assembles debt ceiling wish list — for 2018," CNBC, November 29, 2017; Chris Matthews, "Let the debt ceiling games begin!" Fortune, March 16, 2015; Ben White, "US to hit debt ceiling again, and this time could be worse," CNBC, March 16, 2015; Jim Garamore, "Defense Department Prepares Plans for Sequestration," American Forces Press Service, December 5, 2012; Lisa Mascaro and Kathleen Hennessey, "U.S. leaders strike debt deal to avoid default," Los Angeles Times, August 1, 2011; Pete Kasperowicz, "House approves clean debt hike," The Hill, February 11, 2014; Lisa Montgomery and Rosalind S. Helderman, "Congress sends Obama bill to end shutdown," October 17, 2013; Office of the Press Secretary, "Statement by the Press Secretary on H.R. 325," The White House, February 4, 2013; Peter Schroeder and Bernie Becker, "What bills can lame-duck Boehner move?" The Hill, September 29, 2015; Joseph Lawler, "Deal Would Suspend Debt Ceiling until after 2017 Inauguration," October 27, 2015; Rebecca Shabad, "Debt ceiling will be hit in October, CBO estimates," CBS News, June 29, 2017.; Carl Hulse, "McConnell says Democrats' glee on debt limit deal was premature," New York Times, September 11, 2017; Jeff Cox, "Budget deficit projected to pass \$1 trillion even sooner than expected," CNBC, October 24, 2017; Kristina Peterson, "Congress Passes Short-Term Spending Bill to Avoid Government Shutdown," WSJ, December 22, 2017; Kimberly Amadeo, "U.S. Debt Ceiling: Current Status and Looming Crisis," The Balance, February 8, 2018.

Defense appropriations

Recent key developments on defense appropriations and potential future actions

Potential actions

- House Armed Services full committee markups for the FY2019 NDAA are scheduled for May 9, 2018



March 2018:

Congress allocates funding for specific defense programs for FY2018: Defense spending outlined in the omnibus agreement totals \$654.7 billion, and supports an active duty force of over 1.3 million. This \$61 billion increase over FY2017 enacted levels is the biggest year-over-year increase in defense funding in 15 years



March 2018:

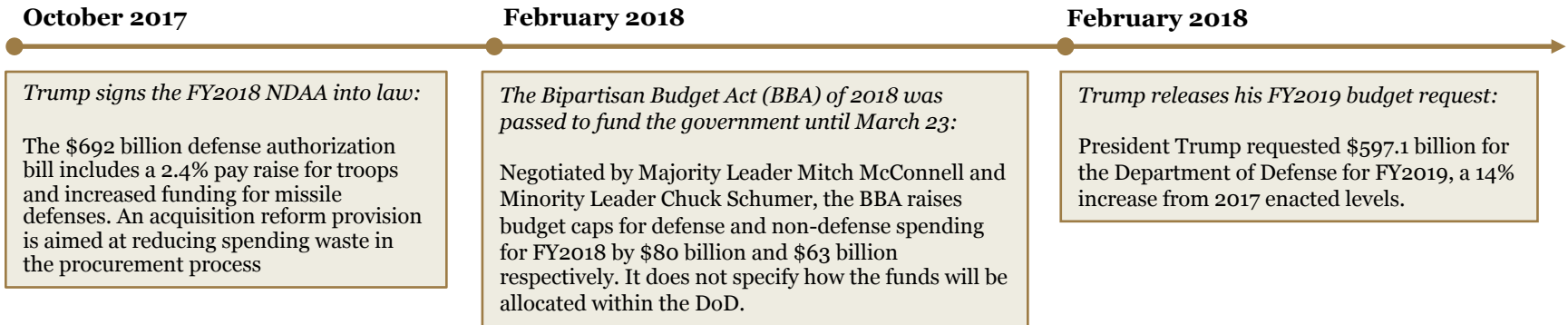
Defense authorization begins: The House and Senate Armed Services Committees hear testimony from various military leaders and budget requests for the FY19 NDAA



April 2018:

FY19 NDAA introduced: The chairman and ranking member of the House Armed Services Committee, Mac Thornberry (R-TX) and Adam Smith (D-WA), introduced a “by request” NDAA bill – it reflects the Defense Dept.’s FY19 budget proposal, not proposals by the House Armed Services Committee

Legislative timeline



Sources: National Journal Research, 2018; Congress.gov, 2018; Jeremy Herb and Deirdre Walsh, “House panel votes to repeal war authorization for fight against ISIS and al Qaeda,” CNN, June 29, 2017; Leo Shane III, “Senate unveils \$700B defense authorization plan,” Military Times, June 28, 2017; US House Armed Services Committee, 2017; US Senate Armed Services Committee, 2017; H.R. 3219 –115th Congress, GovTrack.us; Jane Edwards, “House-Senate Conference Committee to Begin Negotiations on Fiscal 2018 NDAA Reconciliation,” ExecutiveGov, October 18, 2017.

Education

Recent key developments on education policy and potential future actions



February 2018:

On Feb. 14, **14 people were murdered** by a gunman at a Parkland, FL high school. Student survivors spoke out, demanding that Congress keep schools safe by adopting gun control measures. On Feb. 22, Trump suggested that schools should arm some teachers – a controversial stance that has propelled gun control into the national spotlight.



February 2018:

Congress passed the **Bipartisan Budget Act of 2018**. The bill – which largely disregarded the White House’s budget proposal – included an extra **\$4 billion for “student-centered programs** that aid college completion and affordability.” It also increased NIH funding by \$2 billion, most of which goes to colleges and universities, but did not provide a solution for DACA recipients, many of whom are students.



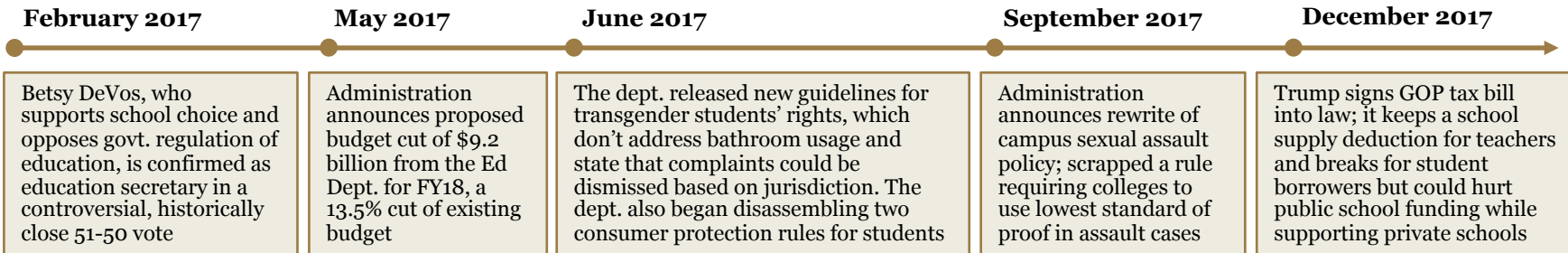
March 2018:

Congress passed the **FY2018 omnibus**. The bill funds the Ed Dept. at \$70.9 billion, \$2.6 billion more than the FY2017 enacted level; generally, the president’s FY2018 budget request was disregarded by Congress. A number of programs – including TRIO, Gear Up, special education grants, and Pell grants – saw substantial funding increases.

Potential actions

- Every Student Succeeds Act: DeVos has approved 37 states’, DC’s and Puerto Rico’s plans so far
- DACA: Trump’s threat to end the program would have affected the 241,000 recipients enrolled in college; three federal courts have blocked the attempt to end DACA, but, seven states have sued the Trump administration seeking an end to the program
- Budget: In March, DeVos defended the department’s budget proposal for FY2019 after department staffers said she had tried to withhold vital information from Congress about the budget; controversy surrounding the budget continues, although it is likely the president’s budget for FY19 will be disregarded
- HEA reauthorization: the House GOP’s bill to reauthorize – and significantly amend – the HEA, the Prosper Act, passed committee and may be brought to a full House vote by summer; Senate committee leaders are still drafting their own version

Legislative timeline



Sources: Jennifer C. Kerr, "What Your Need to Know About the No Child Left Behind Rewrite," Huffington Post, Nov. 20, 2015; Gregory Korte, "The Every Student Succeeds Act vs. No Child Left Behind: What's Changed?" USA Today, Dec. 11, 2015; PR Newswire, "Bipartisan Child Nutrition Bill Passes Senate Committee," Jan. 20, 2016; Joy Resmovers, "DeVos' new transgender student guidance changes course on bathroom access cases," LA Times, Jun. 16, 2017; Lydia Wheeler, "DeVos charges ahead on school choice," The Hill, Aug. 16, 2017; Valerie Strauss, "Like it or not, Betsy DeVos has made a mark in six months as education secretary," The Washington Post, Aug. 14, 2017; Michael Hansen et al., "Reflecting on education policy during Trump's first 100 days—and predicting what's next," Brookings Institute, May 2, 2017; "ESSA State Plan Submission," US Department of Education; Andrew Ujifusa, "With White House Backing, Senate Overturns ESSA Accountability Rules," EdWeek, Mar. 9, 2017; Stephanie Saul & Kate Taylor, "Betsy DeVos Reverses Obama-era Policy on Campus Sexual Assault Investigations," NY Times, Sept. 22, 2017; Andrew Ujifusa, "House OKs Bill to Slash Education Budget as School Choice Push Loses Out," Sept. 14, 2017; Valerie Strauss, "Education Department withdrawing nearly 600 policy documents it says are outdated," WashPo, Oct. 27, 2017. Moriah Balingit & Danielle Douglas-Gabriel, "Here's what the GOP's proposal to overhaul the tax code means for schools, students and parents," Washington Post, Dec. 18, 2017.



Energy & environment

Recent key developments on energy and environment and potential future actions



February 2018:

The EPA announced that it would **relax regulatory compliance standards for air pollution** sources that were previously considered “major” hazardous pollutants



March 2018:

Senators met with President Trump in an attempt to iron out a deal on how to reform the ethanol mandate. However, no deal was made as there have been tensions surrounding a proposal to cap the price of RINs, which is supported by Sen. Ted Cruz, but opposed by many others, including Senator Grassley, a leader on RFS policy



April 2018:

The EPA has committed to relaxing fuel efficiency standards for automobiles, rejecting corporate average fuel economy standards implemented during the Obama administration

Potential actions

- California Rep. Salud Carbajal’s (D-24) Climate Change is Real Act, which requires the EPA to reinstate information about climate change or global warming to its public website, has been referred to the House Committee on Energy and Commerce
- The EPA has proposed relaxing regulation of states’ and utilities’ toxic coal ash waste disposal, which contaminates waterways; this change would extend how long companies can maintain unlined coal ash ponds and allow states to adjust how frequently they test ground water for contamination
- EPA Administrator Scott Pruitt proposed a rule that would bar the agency from using scientific studies in constructing new regulations unless the underlying data “are publicly available in a manner sufficient for independent validation,” which would eliminate research that relies on confidential data and potentially limit the use of resources that promote public health

Legislative timeline

November 2017

Updated RFS levels:

The Trump administration announced their new levels for the renewable fuel standards, which are higher than those that were set for 2017, but lower than those mandated by law. This is possible because the EPA used a waiver to not meet the levels set by law

December 2017

Tax reform and energy:

The tax reform package that passed Congress included several provisions that would impact energy and environment, including the BEAT provision, which affects tax equity funding for wind and solar projects, and also maintained the tax credit for electric vehicles

January 2018

Budget cuts to environmental programs:

The Trump administration a proposed the fiscal 2019 budget, that would scrap the Global Climate Change Initiative and phase out funding for State Department and U.S. Agency for International Development programs related to climate change

March 2018

National Park spending legislation:

A spending bill passed by the House of Representatives would increase funding the National Park Service, helping to address maintenance and repair needs, as well as support wildfire suppression

Sources: Lisa Friedman, E.P.A. Announces a New Rule. One Likely Effect: Less Science in Policymaking., NYTimes, May 1, 2018; Arianna Skibell, “Blueprint would scrap climate programs...,” Greenwire, Feb. 12, 2018; Brady Dennis and Juliet Eilperin, “EPA moves to overhaul Obama-era safeguards...,” The Washington Post, March 2, 2018; Timothy Gardner, “EPA to relax fuel efficiency standards...,” Reuters, April 2, 2018; John Palminteri, “Climate Change is Real Act ... by Rep. Carbajal,” KEYT, April 23, 2018

The 2018 Farm Bill

Recent key developments on the 2018 Farm Bill and potential future actions

February 12, 2018



OMB releases Trump’s FY2019 budget proposal: The proposal calls for less cuts than the FY2018 proposal, but maintains requests for new inspection fees, cuts to SNAP and limits on farm insurance subsidies. The proposal was met with condemnation by Democratic members of Congress and mostly dismissal by Republicans. A proposal to create a new shelf-stable food distribution program in SNAP was also introduced.

March 19, 2018



House Dems cease Farm Bill negotiations over SNAP: Ranking Member Colin Peterson, at the behest of minority committee members, announced he would no longer negotiate with Chairman Conaway until text of the Farm Bill draft is released. At issue are potential changes to SNAP related to work requirements.

April 12, 2018



House Ag Committee passes Farm Bill: Chairman Conaway introduced legislation that would be almost budget neutral but makes several substantive changes: consolidating conservation programs, increasing crop price guarantees and imposing stricter work requirements for SNAP. The SNAP provisions were fiercely condemned by Democrats, who all voted against the package in committee. It passed on a party line vote of 26-20.

Potential actions

- The current Farm Bill expires in September 2018
- Congress could pass a continuing resolution to push the deadline into 2019
- The current House bill will likely receive no Democratic votes in the House
- The Senate’s version is expected to be released this month, without controversial SNAP provisions
- Free market and environmentalist groups may team up to oppose maintaining commodity supports
- OMB Director Mulvaney voted against the 2014 bill and may try to influence the president to call for more stringent cuts to crop insurance and SNAP

Legislative timeline





Financial regulation

Recent key developments on financial regulation and potential future actions

November 28, 2017:



Mick Mulvaney takes over as acting director of the CFPB: A harsh critic of the CFPB under former director Richard Cordray, Mulvaney has shifted the agency’s regulatory approach from protecting consumers to identifying and addressing burdensome regulations. Mulvaney requested a \$0 budget for the agency for Q1 2018, halted the agency’s enforcement actions and plans to roll back several Obama-era rules

March 14, 2018:



Dodd-Frank reform: The Senate passed the Economic Growth, Regulatory Relief, and Consumer Protection Act (S.2155). The bill has significant bipartisan support and would raise the threshold for heightened federal oversight from \$50 billion in assets to \$250 billion. In addition, it would exempt many community banks from Dodd-Frank requirements for loans, mortgages, and trading.

March 15, 2018:

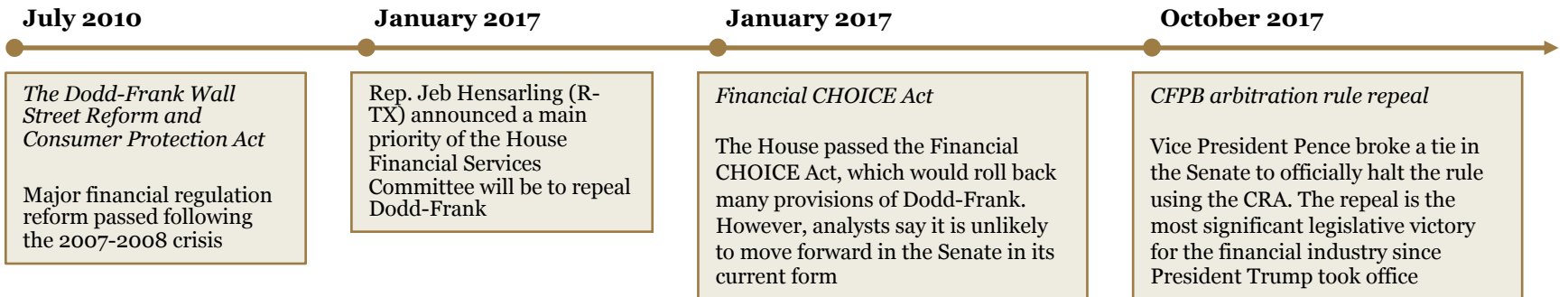


Circuit court strikes down DOL fiduciary rule: The fifth Circuit Court ruled that the DOL overstepped its authority by issuing the Obama-era rule, which would require brokers to act in the best interests of retirement savers. The decision is not necessarily the end of the rule, but its future is highly uncertain. In November 2017 the DOL announced a 18-month delay to July 1, 2019 for the key provisions of the rule.

Potential actions

- Trump has appointed regulators to the SEC, CFTC and Federal Reserve that will likely advance his plans to relax Wall Street supervision
- The Treasury Department has released three reports under Trump’s February executive order calling for an extensive review of existing financial rules; the reports include deregulatory policy recommendations, such as relaxed capital requirements for smaller banks, expanded access to credit and further modifications to Dodd-Frank
- While Republicans lack the Senate votes to pass the CHOICE Act, S.2155 appears to have enough bipartisan support in both chambers to become law
- Jerome Powell replaced Janet Yellen as Fed chair on Feb. 4; the Fed currently has four vacancies

Legislative timeline



Sources: Reuters, "US consumers financial watchdog's chief makes case for embattled agency," May 31, 2017; ACA International, "Financial CHOICE Act expected on house floor for vote in early June," May 31, 2017; CNN Money, "Senate ok's Jay Clayton, Trump's pick for SEC chairman," May 2, 2017; DavisPolk, "Financial CHOICE act 2.0 passes House Financial Services Committee," May 8, 2017; CNBC, "Watch: Treasury Secretary Mnuchin addresses Senate Banking Committee," May 18, 2017; J.D. Prose, "Rothfus' legislation would overturn 'anti-consumer' rule," The Times, July 31, 2017; Andrew Ackerman and Christina Rexrode, "Senate Readies Rollback of Bank Rules," The Wall Street Journal, March 21 2018.

Immigration

Recent key developments on immigration and potential future actions



February 26, 2018

The US Supreme Court denied the Trump administration’s request to immediately review a US district court ruling that temporary blocked the administration’s order ending the DACA program. The Supreme Court’s refusal to hear the appeal leaves the district court’s ruling in place for now, meaning DACA recipients can continue to renew their permits while the Trump administration pursues its case in the courts.



April 4, 2018

President Trump signed a memorandum to deploy National Guard troops to the U.S.-Mexico border. The memorandum stated the deployment was to combat illegal drugs and gang activity and was met with mixed support from US governors.



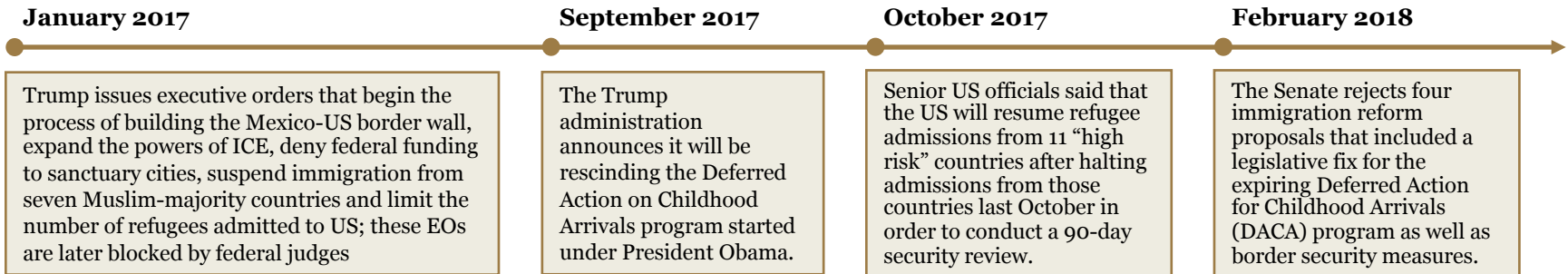
April 24, 2018

US District Judge John Bates ruled that the Trump administration must continue accepting new applications from individuals seeking benefits under the DACA program. Previous rulings only required the administration to process renewal requests.

Potential actions

- The Trump administration has 90 days to explain its decision to end DACA before US District Judge John Bates’ ruling that the administration must continue accepting new DACA applications goes into effect
- Although the Senate rejected four immigration reform proposals in February, Congress will still need to address DACA while the Trump administration appeals district court rulings that block Trump’s September memo from going into effect
- Congress has until July 2019 to reverse the Trump administration’s decision to end protected status for Haitians residing in the United States
- Since the Supreme Court denied the Trump administration’s request without prejudice, the administration may appeal again to SCOTUS after the Circuit Court of Appeals has a chance to consider the case

Legislative timeline



Sources: National Journal Research; Ballotpedia; Yeganeh Torbati, “US to resume refugee admissions from 11 ‘high-risk’ countries,” Reuters, January 29, 2018; “Trump administration officials on immigration,” Ballotpedia.

International trade

Recent key developments on international trade and potential future actions



February 2018:

New tariffs and seventh round of NAFTA talks: President Trump announced new tariffs on steel and aluminum and tweeted that the tariffs would only be removed if Canada and Mexico agree to a revised NAFTA agreement.



March 2018:

White House Economic Adviser Gary Cohn resigned, reportedly in response to President Trump's decision to impose tariffs; Cohn was replaced by CNBC contributor Larry Kudlow.



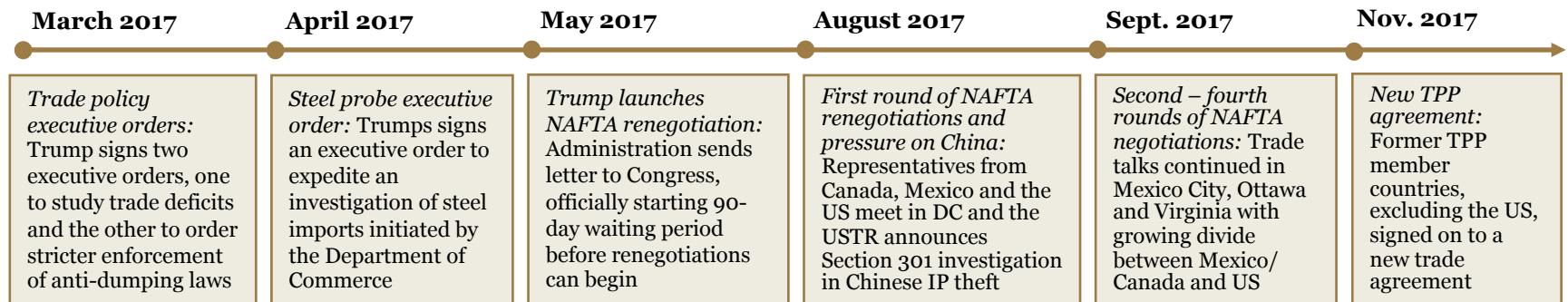
April 2018:

NAFTA enters permanent round in Washington DC: NAFTA negotiators have started a phase of permanent negotiations until a decision is reached on the deal. Mexico and the US are pushing for a decision before their respective presidential and midterm elections.

Potential actions

- Goals of NAFTA negotiations include:
 - Raising rules of origin, the level of a good produced in North America needed to qualify for zero tariffs under NAFTA
 - Eliminating Chapter 19, which allows private companies to challenge trade rulings made by NAFTA countries
 - A sunset clause to end NAFTA in five years unless each country agrees to its renewal
- Trump has the power to negotiate tariffs on specific goods without congressional approval, but more substantial changes have to pass through Congress
- Trump has indicated he is willing to withdraw from NAFTA if a satisfactory agreement isn't reached
- Trump is expected to withdraw from TTIP negotiations with the EU

Legislative timeline



Sources: Doug Palmer, "Probe could lead to duties on steel imports," Politico, April 20, 2017; Office of the USTR, Press Releases, 2017; Ann Campoy, "The North American Free Trade Agreement is at an impasse because the US is tired of free trade," Quartz, October 17, 2017; Ana Swanson, "Nafta Round Closes With Talks Bugged Down by Conflict," NY Times, Nov. 21, 2017; Michael Tatarski, "Countries agree on Pacific trade pact that excludes the US," Politico, November 10, 2017; Doug Palmer, "Trump's trade chief clashes with Canada, Mexico in NAFTA talks," Politico, January 29, 2018; USTR Press Releases, 2018; Eric Martin, "NAFTA negotiations enters 'permanent round,'" Bloomberg, April 16, 2018.

Iran nuclear negotiations

Recent key developments on the Iran nuclear deal and potential future actions

January, 2018:



Iranian protests and Trump threatens May ultimatum: Demonstrations in Iran began on December 28 protesting slow economic growth and high prices for basic goods despite the lifting of international sanctions. Trump waved sanctions a third time, but said he would not again in May if significant progress was not made on renegotiation.

March 2018:



High-level negotiations begin between US and Europe: European leaders have all expressed their desire to maintain the accord, and have suggested continuing sanctions relief for Iran even if the United States withdraws. They are facing a May deadline when the US waiver for sanctions will expire, although Trump could extend that deadline by waiving them again.

April 2018:



Macron and Merkel press Trump to stay: French President Emmanuel Macron made a state visit to the US during which he pressed Trump to stay within the JCPOA framework for the time being while terms are renegotiated. German Chancellor Angela Merkel visited the White House a few days later to press the same point.

Potential actions

- May 12 is the deadline for extending waivers for US sanctions on Iran
- President Trump could waive sanctions again in May if he believes progress is being made
- He could decide no progress will be made and unilaterally reimpose sanctions
- Congress could pass legislation that calls for renegotiation or codifies the 2015 agreement into law
- President Trump could leave the deal in place and continue to certify that Iran is in compliance
- European leaders in the P5+1 group have all expressed their desire for the deal to remain in place
- The Iranian government has said that if Trump does not recertify their compliance, they would explore options ranging from cancelling the deal to working with European allies


Legislative timeline





National Journal Research, 2018; Suzanne Maloney, "Trump's new national security team likely spells disaster for the Iran nuclear deal," Brookings Institution, April 2, 2018.

LGBT rights

Recent key developments on LGBT rights and potential future actions

 *July 2017:*
Trump bans transgender people from the military: In a series of tweets, President Trump announced that transgender people will not be allowed to serve in the military, citing the “tremendous medical costs and disruption.”

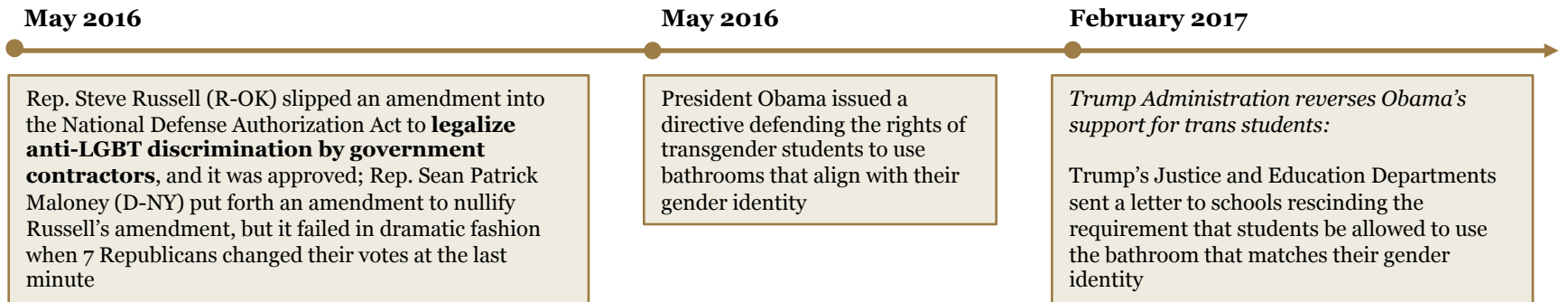
 *July 2017:*
 Trump’s Justice Department argued in a private lawsuit that the Civil Rights Act of 1964 provision prohibiting gender discrimination **does not protect workers on the basis of sexual orientation.**

 *December 2017*
 After a federal judge **blocked President Trump’s memorandum** banning transgender people from serving in the military, the Justice Department announced that a ban on such recruits was on hold. Transgender troops are allowed to enlist as of January 1, 2018.

Potential actions

- In July the Supreme Court announce that it will weigh in on whether businesses can refuse service to LGBT couples on the basis of freedom of religion
- The Equality Act establishes federal protections against discrimination based on sexual orientation or gender identity; however, federal LGBT rights are unlikely to advance with the GOP maintaining control of both the House and Senate
- Congressional Republicans have signaled an interest in passing the First Amendment Defense Act, which prohibits the federal government from penalizing any person who acts according to their belief that marriage should be exclusively heterosexual; Trump has pledged to sign the bill
- The Justice Department is evaluating whether it will appeal the federal judge’s decision to block key provisions of the military transgender ban

Legislative timeline



Sources: Mark Joseph Stern, “Chaos in the House as Republicans Bend Rules to Save Anti-LGBTQ Bill,” Slate, May 19, 2016; Cristina Marcos and Mike Lillis, “Chaos in House After GOP Votes Down LGBT Measure,” The Hill, May 19, 2016. Rachel Bade and John Bresnahan, “LGBT Fight Sinks House Spending Bill,” Politico, May 26, 2016; National Journal Research, 2017; Nelson Tebbe, Micah Schwartzman and Richard Schragger, “Trump wasn’t elected as a culture warrior. He may govern as one,” Vox, December 30 2016; Camila Domonoske, “Repeal of North Carolina’s HB2 law fails as legislature adjourns special session,” NPR, December 21, 2016.

+ Medicare

Recent key developments on Medicare and potential future actions

February 2018:

President Trump's FY19 budget proposal includes billions in Medicare cuts: The president's budget proposal includes \$266 billion in cuts to Medicare, which provides health insurance to 58 million Americans aged 65 and older



March 2018:

Reports suggest Walmart is in preliminary talks to purchase Humana: Walmart may be taking preliminary steps to purchase Humana, one of the leading health insurers offering Medicare Advantage plans



April 2018:

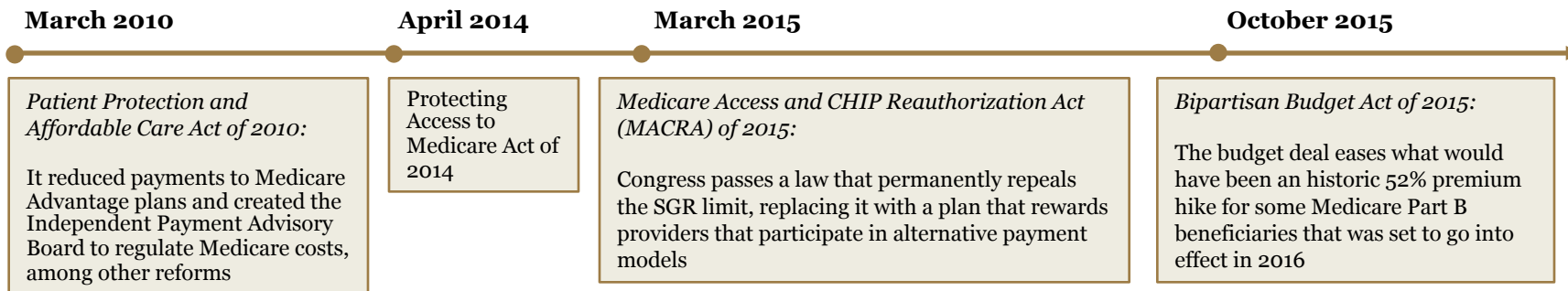
Federal Medicare officials to vote on new opioid-related rules: Medicare officials will vote on new rules aimed at mitigating the opioid crisis that would discontinue payment for long-term, high-dose opioid therapy beginning in 2019



Potential actions

- Bernie Sanders' Medicare for all bill would restructure the American health care system along the lines of the current Medicare program, but it is unlikely to receive enough support to pass
- A purchase of Humana, which is particularly strong in offering insurance and services to seniors, would allow Walmart to enter the health insurance and drug benefit business, enabling it to compete with major rivals like CVS Health and potentially Amazon
- HHS Secretary Alex Azar has supported shifting Medicare payments to a value- or outcome-based payment system
- House Minority Leader Nancy Pelosi (D-CA) has urged Democrats to emphasize to their constituents how the GOP tax overhaul bill passed in December 2018 will result in cuts to Medicare

Legislative timeline



Source: National Journal Research, 2018; Bruce Japsen, "Buying Humana Would Put Walmart In The Booming Medicare Senior Market," Forbes, March 30, 2018; Alex Azar, "Remarks on Value-Based Transformation to the Federation of American Hospitals," HHS, March 5, 2018; Naomi Jagoda, "Pelosi urges Dems to link GOP tax law to Medicare cuts," The Hill, March 28, 2018;

North Korea

Recent key developments on North Korea and potential future actions



February 2018:

Tensions between North and South Korea cool; tensions between US and North Korea remain: As the 2018 Winter Olympics approached, the North and South Korea entered into dialogue on Olympic participation. Over the course of the Games, Vice President Mike Pence and Ivanka Trump were rumored to have scheduled talks with North Korean leadership. Neither US official met with the North Koreans.



March 2018:

North Korea in the 2018 omnibus bill: Congress approved \$8 million to promote human rights in North Korea, provided funds under “Migration and Refugee Assistance” for refugees from the DPRK, and allocated money to maintain a database on prisons and gulags in North Korea.



April 2018:

North Korea relaxes its conditions for giving up its nuclear weapons: South Korean President Moon Jae-in announced that North Korea no longer demands that American troops be removed from South Korea as a condition for its denuclearization, though the North has maintained that American military presence validates its pursuit of nuclear weapons.

Legislative timeline

February 2017

April 2017

August 2017

August 2017

North Korea fires a new type of intermediate-range missile, its first missile test during Donald Trump’s presidency:

Rep. Joe Wilson (R-SC) introduces a resolution to condemn North Korea’s bellicose actions.

The North Korea State Sponsor of Terrorism Designation Act of 2017 introduced by Rep. Ted Poe (R-TX) passes the House and moves to the Senate:

The same designation was given to the DPRK in 1988 and rescinded in 2008 after the government promised to dismantle its weapons program.

The UN Security Council unanimously approves sanctions against North Korea:

Responding to sanctions, North Korea threatens it will launch “thousands fold” revenge against the US.

The Countering America’s Adversaries Through Sanctions Act is enacted:

The act imposes sanctions on North Korean leaders, prohibits US financial institutions from providing financial services to North Korea, and places an embargo on certain goods from the DPRK.

Potential actions

- Other legislation in Congress regarding North Korea ranges from requiring the Director of National Intelligence (DNI) to form a DPRK-specific intelligence gathering cell to establishing diplomatic channels to discuss North Korea
- New Secretary of State Mike Pompeo visited Pyongyang to discuss potential denuclearization of the Korean peninsula with Kim Jong Un; Trump agreed to meet with North Korean leader Kim Jong-Un sometime in May
- Congress has no real influence over the Trump-Kim meeting, but many members have expressed concerns about the optics of rewarding and elevating the North Korean leader, while others are optimistic about the potential, however unlikely, that it might lead to a diplomatic solution for the region
- North Korea leader Kim Jong-un told President Moon Jae-in that he would cease his pursuit of nuclear weapons if the United States agrees to formally end the Korean War and promises not to North Korea

Sources: National Journal Research, 2018; Congress.gov, 2018; Ambar Phillips, “Why Congress is cautiously optimistic on Trump’s talks with North Korea,” The Washington Post, March 9, 2018; Choe Sang-hun, “Kim Says He’d End North Korea Nuclear Pursuit for U.S. Truce,” The New York Times, April 29, 2018; Mark Landler and Choe Sang-Hun, “North Korea Drops Troop Demand, but U.S. React Warily,” The New York Times, April 19, 2018

Opioid abuse and heroin epidemic

Recent key developments on the opioid crisis and potential future actions



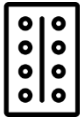
March 2018:

The White House holds a summit on the opioid crisis: The summit was meant to function as a “progress report” for Cabinet secretaries to detail their efforts to combat the epidemic



April 2018:

CMS issues final rule on Medicare Advantage payments for opioids: The rule will require Medicare part D beneficiaries at risk of addiction to use only selected prescribers or pharmacies for opioid prescriptions and will place a 7-day restriction on new prescriptions for acute pain



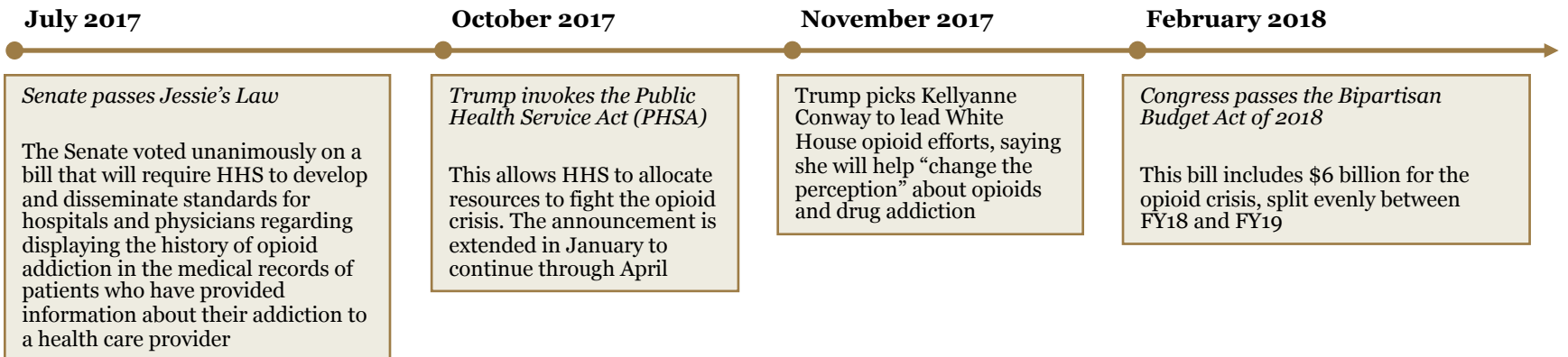
April 2018:

House and Senate committees discuss over 60 opioid-related bills: The Senate HELP Committee voted for S. 2680, the Opioid Crisis Response Act of 2018, to continue out of the committee. Only about 25% of bills pass through the HELP Committee

Potential actions

- The Trump administration has extended the opioid crisis’s status as a public health emergency, set to expire April 23, for the second time
- The DOJ joining states in their lawsuits against opioid manufacturers is a significant step, mimicking the legal action taken against tobacco companies in the 90s
- A budget deal signed at the end of March will provide an additional \$1.6 billion for the opioid crisis in FY18, bringing the total 2018 federal spending on the opioid crisis to \$4.6 billion
- Experts worry that Medicare cutting payments to some opioid prescriptions will result in hundreds of thousands of patients with chronic pain developing withdrawal, craving and poor pain control
- Trump’s nominee to lead the ONDCP, Jim Carroll, has not yet been confirmed

Legislative timeline



Sources: National Journal Research, 2018; Lev Facher, “Justice Department sides with states in nationwide opioid lawsuit against distributors, manufacturers,” STAT, February 27, 2018; Allison Inserro, “CMS Raises Medicare Advantage Payments, Tweaks Opioid Language for Patients With Pain,” AJMC, April 3, 2018.



Tax reform

Recent key developments on tax reform and potential future actions



December 2017

Conference Committee and final passage: The Conference Committee held a brief hearing, with only testimony by the CBO Director, and without the ability to add amendments. President Trump signed the bill into law on December 22, 2018.



March 22, 2018:

Tax law technical corrections: The Omnibus Appropriations bill for the remainder of FY2018 included fixes to multiple “glitches” in the tax bill, including one related to farm cooperatives.



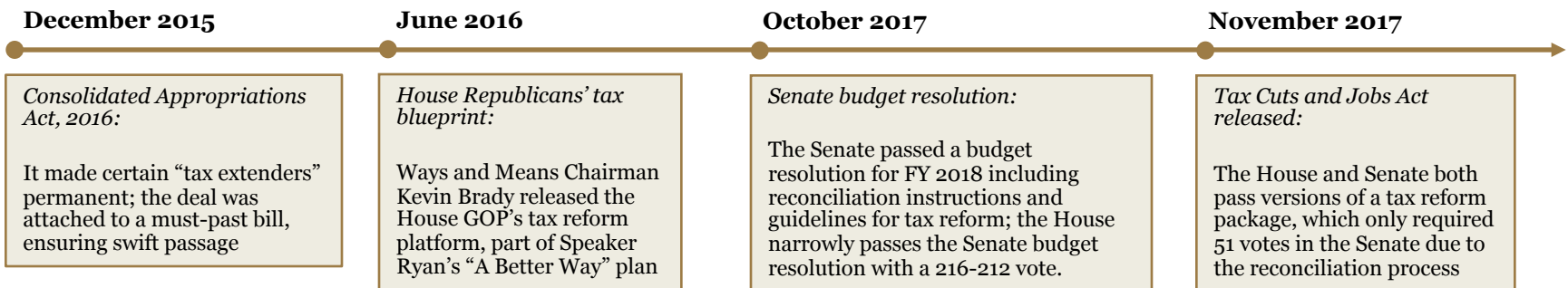
April 2018:

Permanent legislation: Republicans announced they were drafting legislation to make permanent the tax cuts for individuals as well as other provisions that expire. The bill did not receive a vote in the House and would need 60 votes to proceed in the Senate.

Potential actions

- The House passes symbolic legislation making tax cuts permanent, because the Senate will not pass the legislation
- Ways & Means Chairman Kevin Brady proposes legislation to reform the IRS

Legislative timeline



Source: Seung Min Kim, “Funding bill becomes immigration battle,” Politico, September 18, 2014; Steve Vladek, “National Security and the 2014 Midterms: A Preview of Monday’s CQ Roll Call/Just Security Event,” Just Security, September 21, 2014; Billy House and Sarah Mimms, “Spending, Immigration, and Tax Fights Will Dominate Final Days of Session,” National Journal, November 30, 2014; Squire Patton Boggs, “A Better Way or a Conversation Starter: The GOP Tax Reform ‘Blueprint,’” Lexology, June 29, 2016; Margaret Talev, “White House: Cohn-led tax plan is real and it’s phenomenal,” Bloomberg, February 10, 2017; Rachael Bade and Josh Dawsey, “Ryan likely to get rolled on tax reform,” Politico, April 25, 2017; Aaron Lorenzo, “White House to give detailed tax reform plan to Congress in September, Cohn says,” Politico, June 2, 2017; Aaron Lorenzo, “White House sees tax reform zipping through Congress in October, November,” Politico, July 31, 2017; Dan Zerbe, “Yes, Tax Reform Is Possible. Here Are The Next Steps After The Release Of The Big 6 Framework,” Forbes, September 27, 2017.

Technology

Recent key developments on technology policy and potential future actions



January 2017:

In the wake of the net neutrality repeal, **more than 20 states sued the FCC** over the decision; governors in New York and Montana issued executive orders mandating that ISPs uphold net neutrality principles.



March 2018:

Congress passed legislation that would **hold internet companies liable for facilitating sex trafficking**.



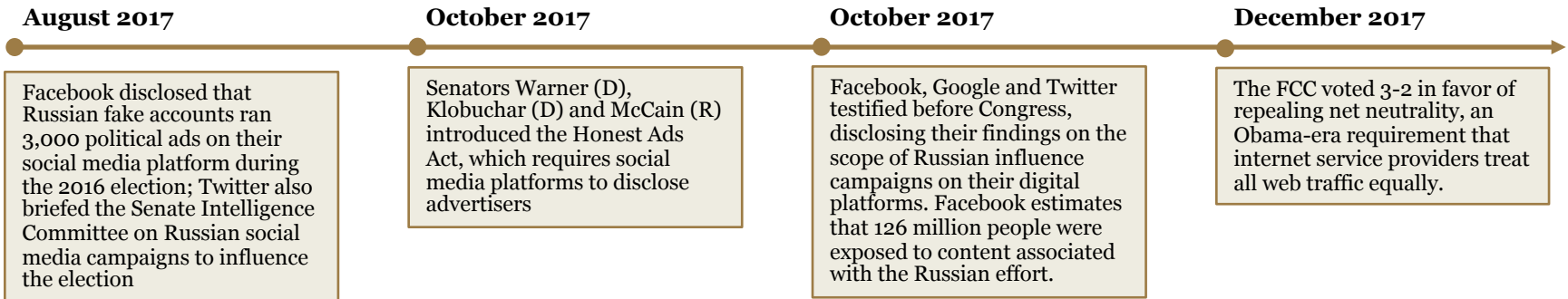
April 2018:

Senate Democrats announced that they have plan to **force a vote on a measure to reinstate net neutrality**.

Potential actions

- Rep. Marsha Blackburn (R-TN) introduced H.R. 2520, which would authorize the FTC to enforce information privacy protections that require broadband companies to allow users to opt in or out of disclosing their information
- The Email Privacy Act (H.R. 387), amending the Electronic Communications Privacy Act of 1986, passed the House and could see a vote in the Senate
- The Supreme Court is set to hear *Carpenter v. US*, a case dealing with data privacy

Legislative timeline



Sources: Congress.gov, 2017; Ryan Hagemann and Andrew Chang, "Encryption showdown: Burr-Feinstein vs McCaul-Warner," *The Hill*, April 25, 2016; Amir Nasr, "A tale of two encryption bills," *Morning Consult*, March 23, 2016; Horia Ungureanu, "President Obama pledges to veto House passage of H.R. 2666 anti-net neutrality bill," *Tech Times*, April 15, 2016; Li Zhou, "What tech should watch for during the lame duck," *Politico*, November 14, 2016; Brendan Bordelon, "Thune plans 'step-by-step' Comms Act rewrite in new Congress," *Morning Consult*, January 4, 2017; "Presidential Executive Order Expanding Apprenticeships in America," *The White House*, June 15, 2017.