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Congress Returns from July 4th Recess What to Expect in the Coming Months

Although the 113th Congress continues to see a dearth of legislation seeing final approval, over the past six months, Congress has managed to finalize Fiscal Year 2014 appropriations; address the Sustainable Growth Rate (SGR), otherwise known as the “doc fix;” pass the “Poison Center Network Act” reauthorizing the poison center national toll-free number, national media campaign, and grant program; reauthorize the Farm Bill; reauthorize the US nuclear energy agreement with South Korea; temporarily extend the national debt limit through March 2015; reauthorize the Water Resources Development Act; and approve the Data Accountability and Transparency Act.

HOW MANY BILLS HAS THE 113TH CONGRESS APPROVED?

121 in total | 56 this year

Returning from the July 4th recess, the number of bills passed will continue to be meager, as Congress faces a quickly tightening legislative calendar for the remainder of the year, with just four weeks left before they depart on August 1st for a five week recess. After that, the available legislative days will continue to be tight as the November elections approach – when all 435 House seats are up along with 36 Senate seats.

The House is scheduled to be in session for just 12 days in September and October.

The Senate is scheduled to be in session most of September and October, but there will be a limited number of days where we see real floor time and legislative activity.

As a result, any significant legislative measures that are not completed before August will likely have to wait for further action until the lame duck session after the November mid-term elections.

Despite the difficulties of the calendar, and continued partisanship on Capitol Hill, there will be various measures passed over the next six months, roughly divided into bills that will pass pre-election and bills that will pass in the lame duck session post-election. Some measures under debate and development now will slip to next year and the new congress.

What to Expect Pre-Election

Fiscal Year 2015 Appropriations – The House and Senate continue to work their way through the 12 annual appropriations bills for Fiscal Year 2015, which begins on October 1, 2014. To date, no bills have been approved by both chambers and gone to conference, and many are now concluding that there will almost certainly be a short-term Continuing Resolution (CR) funding the government's activities in the early days of the new fiscal year. Before departing for the July 4th recess, the Senate attempted to move a "mini-bus" package of three spending bills – Agriculture/FDA, Commerce/Justice/Science, and Transportation/HUD – but were stymied by a partisan disagreement over how many amendments would be allowed, leading to the bill being pulled from the floor. This month, the Senate may seek to move the mini-bus again, and the Appropriations Committee will mark up the Defense bill, and will likely mark up the Energy and Water bill, the Financial Services bill, and the Labor/HHS bill. The House will likely take up the Energy and Water bill in July, followed by the Financial Services bill.

Highway Trust Fund – The Highway Trust Fund (HTF) is expected to deplete its funds sometime in July, making passage of a short-term funding patch imperative. Senate Finance Committee Chairman Ron Wyden (D-OR) introduced legislation to address the immediate funding issues for the HTF with a **six-month \$9 billion patch** before leaving for the July 4th recess. A mark-up was begun before the recess and will continue this month when members return to Washington. House Ways and Means Chairman Dave Camp (R-MI) is expected to release an HTF patch proposal early this month. Funding for the HTF would typically be addressed in a multi-year Surface Transportation Reauthorization bill, but that is likely to be a longer-term action (*see below*).

Export-Import Bank Reauthorization – With the Ex-Im Bank's charter set to expire on September 30th, the House and Senate must move quickly to reauthorize the bank or allow the authorization to lapse. Some Republicans have argued in favor of doing away with the Ex-Im Bank, a New Deal creation of the FDR Administration, most notably newly elected House Majority Leader Kevin McCarthy (R-CA). Because previous Minority Leader Eric Cantor (R-VA) was instrumental in shepherding through the most recent Ex-Im Bank Reauthorization over segments of Republican opposition, this reauthorization fight will prove more difficult for supporters of the bank this time around.

Permanent Internet Tax Freedom Act – With the **House Judiciary Committee** having approved legislation last month to make permanent the ban on state and local taxation of internet access and on multiple or discriminatory taxes on electronic commerce, there is a strong probability that the measure will be taken up by the full House in July. In the Senate, a companion bill has been introduced by Finance Committee Chairman Wyden, although that measure has not yet been approved by the committee. With the current ban set to expire on November 1st, we may see a temporary extension of the ban attached to the FY15 CR (*see above*), with a permanent ban passed in the lame duck.

Nominations – The Senate is likely to take up several of **President Obama's nominations**, including the high-profile nominations of San Antonio Mayor Julian Castro to serve as Secretary of Housing and Urban Development (HUD), and that of current HUD Secretary Shaun Donovan to serve as head of the Office of Management and Budget, along with several judicial and ambassadorial nominations.

What to Expect in the Lame Duck (or later)

Satellite Television Extension and Localism Act (STELA) Reauthorization – This law expires in 2014, so reauthorization is a top priority, and could serve as a vehicle for other video related legislation. A reauthorization bill was approved by the **House Energy and Commerce Committee** in May, while the **Senate Judiciary Committee** approved a reauthorization bill last month. Still to act are the Senate Commerce Committee and the House Judiciary Committee.

National Defense Authorization Act (NDAA) – Considered "must-pass" legislation, Congress has not failed to approve an annual defense bill for more than half a century, so there is every expectation that they will do so again this year. The **Senate Armed Services Committee** has approved its bill and it awaits approval by the full Senate, while the **House approved its bill** in May.

Expiring Provisions Improvement Reform and Efficiency (EXPIRE) Act – The Senate Finance Committee approved this **"tax extenders" package** on April 3rd. The bill would extend certain expired and expiring tax provisions through December 31, 2015. After failing to move earlier this year because of a disagreement over

amendments, if the EXPIRE Act is taken up this year Senate Majority Leader Harry Reid (D-NV) has said it would not be before the lame duck.

Terrorism Risk Insurance Act (TRIA) Reauthorization – The Senate Banking Committee **reported out its bill to reauthorize the TRIA program** on June 3rd and Senator Chuck Schumer (D-NY) expressed a desire for full Senate consideration in July. In addition, the House Financial Services Committee **advanced its version of the bill** in a June 19th mark up. Timing of House floor consideration of the legislation is less predictable at this point but it is possible the bill will see a vote before midterm elections. Still, even should both chambers vote on TRIA legislation before the midterms, some significant differences in the proposals will likely push final reauthorization into lame duck proceedings. The Senate bill extends the program for seven years, making only minor tweaks to the insurer copayment. Meanwhile, the House legislation would reauthorize TRIA for five years, while making significant changes to the program trigger of insured losses that initiates the federal government backstop and bifurcating coverage of conventional attacks from that of nuclear, biological, chemical or radiological attacks (NBCR). House Democrats and industry have major concerns with the scope of changes in the House legislation. In particular, workers' compensation insurers, citing a **RAND study**, have expressed deep concerns — including in a letter to House Financial Services Committee Chairman Jeb Hensarling (R-TX) and Ranking Member Maxine Waters (D-CA) — that the trigger increase will disproportionately affect workers' comp carriers, in some cases forcing them to pull out of the market, causing broader economic harm for employers.

Domestic Prosperity and Global Freedom Act – **Passed by the House in June**, this bill was introduced by Rep. Cory Gardner (R-CO) and would expedite exports of liquefied natural gas. It has now been referred to the Senate Energy and Natural Resources Committee, where its fate is in the hands of Chairwoman Mary Landrieu (D-LA), who is a cosponsor of a similar bill introduced by Senator Mark Udall (D-CO). Rep. Gardner is the Republican challenger to Senator Udall in the November election.

Veterans Care – **The House and Senate have approved legislation to improve veterans' access to medical services** from the Department of Veterans Affairs, and the bill is now in conference. Recent attention to inadequacies in the care provided at VA hospitals, leading to the resignation of Veterans Affairs Secretary Eric Shinseki in May, greatly increase the likelihood of final passage for this bill.

Cyber legislation – The **Senate Homeland Security and Governmental Affairs Committee last month approved two cybersecurity measures**, the National Cybersecurity Communications Integration Center Act and the Federal Information Security Modernization Act. While the bills are bipartisan, introduced by HSGAC Chairman Tom Carper (D-DE) and Ranking Member Tom Coburn (R-OK), final passage is uncertain and could wait until next year.

Surface Transportation reauthorization – The current transportation bill expires on September 30th. In early May, the **Department of Transportation sent a four-year surface transportation reauthorization proposal** to Congress, and later that month the **Senate Environment and Public Works (EPW) Committee reported out a six-year transportation reauthorization bill**. The EPW Committee has jurisdiction over the major part of the transportation bill, including highways and other traditional transportation issues like bridges and tunnels. Mass transit falls under the jurisdiction of the Senate Banking Committee, while rail and transportation safety issues are handled by the Senate Commerce Committee. The most critical part of transportation reauthorization – funding – is the responsibility of the Senate Finance Committee. These other three committees have not yet finalized reauthorization language for their titles. In the House, the Transportation & Infrastructure Committee and Ways & Means Committee have jurisdiction, but have yet to introduce their bills.

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