

This Week in Washington

April 20, 2012

DOMESTIC POLICY MATTERS

Fiscal Year (FY) 2013 Budget/Appropriations. On April 18th, Senate Budget Committee Chair Kent Conrad (D-North Dakota) revised his plan to mark up a budget resolution and instead introduced a longer-term deficit reduction proposal modeled after the Simpson-Bowles Presidential Commission. This week, the Senate Appropriations Committee approved its spending cap allocations for each appropriations bill and approved the Commerce-Justice-Science (CJS) and Transportation-Housing spending bills. The House Energy and Water and CJS Appropriations Subcommittees approved their spending bills on Wednesday and Thursday, respectively. As required by the House Budget Resolution, four of the six named authorizing committees introduced reconciliation proposals during the week to list spending cuts necessary to avoid sequestration.

Tax Reform. Unable to reach the 60 votes needed to proceed, the Senate voted Monday to reject (51-45) further consideration of the "Buffett Rule," a key Obama Administration initiative that would have required those with annual incomes greater than \$1 million to pay at least a 30 percent effective tax rate. Senator Susan Collins (R-Maine) was the only Republican to vote in support of the Buffett Rule, and Senator Mark Pryor (D-Arkansas) was the Democrat to vote against it. House Members voted (235-173) Thursday in favor of Majority Leader Eric Cantor's (R-Virginia) bill allowing businesses with fewer than 500 employees to deduct 20 percent of their domestic income. The Senate Democratic leadership criticized the legislation as too broad and expensive, and Administration officials threatened a veto. Senate Majority Leader Harry Reid (D-Nevada) committed to taking up an alternative small business tax reform bill (S. 2237) as early as May.

Cybersecurity Bills. The House began to consider the Cyber Intelligence Sharing and Protection Act (H.R. 3523), which seeks to foster threat information-sharing between the federal government and private sector. House Intelligence Committee Chairman Mike Rogers (R-Michigan) released a revised version Thursday, which includes changes to address some privacy concerns. On Wednesday, the House Oversight and Government Reform Committee approved H.R. 4257, which would require federal agencies to continuously monitor their information systems. The House Homeland Security Committee advanced a bill (H.R. 3674) Wednesday that would direct the Department of Homeland Security to work with stakeholders to help protect federal information systems, as well as authorize the National Cybersecurity and Communications Integration Center as the primary entity for sharing threat information. Congressman Mac Thornberry (R-Texas) said Wednesday he hopes the House actions will encourage the Senate to revisit stalled cybersecurity legislation.

The House Education and Workforce Committee held a hearing Tuesday to consider legislation (H.R. 4297) to revamp the **Workforce Investment Act** by consolidating 27 job training programs into a single Workforce Investment Fund. On Thursday, the Obama Administration announced its **workforce training blueprint**, which seeks to restructure the federal law that regulates career and technical education. Senators Tom Harkin (D-Iowa) and Patty Murray (D-Washington) immediately announced implementing legislation.

On Tuesday, Senators voted (74-22) to move forward on legislation that would restructure the U.S. Postal Service. The **21st Century Postal Service Act** would provide \$11 billion to the cash-strapped institution, restructure employee pensions, and delay the end of Saturday delivery and post office closings. The Senate agreed late Thursday to consider nearly 40 amendments on the bill next week. Also on Tuesday, a 747 jet transported the retired **NASA Space Shuttle Discovery** to Washington to join the Smithsonian Air and Space Museum. House Minority Whip Steny Hoyer (D-Maryland) said Tuesday that a bill reauthorizing the **Export-Import Bank** could be on the House floor next week, while Senator Charles Schumer (D-New York) cited bipartisan progress on corresponding Senate legislation. The Bank's authorization expires at the end of May. President Obama on Tuesday called on Congress to increase funding and authority for the Commodity Futures Trading Commission (CFTC), so the agency can better address "**excessive**" **speculation in the oil markets** and ensuing gasoline price increases. On Wednesday, the House passed a measure to **authorize surface transportation programs** through September to allow further negotiations on a comprehensive, long-term reauthorization. Federal regulators said Thursday that financial institutions will have at least two more years to comply with the "**Volcker Rule**"—the Dodd-Frank law's ban on proprietary trading. This week, Congress held four hearings on allegations of excessive spending by the **General Services Administration**.

Political News. Sources revealed Sunday that long-time New York Representative Ed Towns (D) will not run for reelection in 2012. Congressman Towns faced a competitive June 26th primary in his heavily Democratic district. On Tuesday, Senate Minority Leader Mitch McConnell (R-Kentucky) and House

Speaker John Boehner (R-Ohio) voiced support for the general election campaign of presumed Republican presidential nominee Mitt Romney, who has made some gains against President Obama in most new polls.

FOREIGN POLICY MATTERS.

Syrian Conflict. While unarmed U.N. observers arrived last weekend to monitor the ceasefire, Syrian forces continued shelling the opposition stronghold of Homs. Acknowledging Syrian forces have not fully complied with the Annan Plan, U.N. Secretary General Ban Ki-moon recommended that U.N. observers be increased to 300, which Russian U.N. Ambassador Vitaly Churkin endorsed. Late Thursday in Paris, Secretary of State Hillary Clinton participated in a *Friends of Syria* meeting and urged the group to advocate for U.N. sanctions on Syrian President Bashar al-Assad, if he blocks an adequate U.N. peace monitoring mission. Also Thursday, House Armed Services Committee Chair Howard McKeon (R-California) said he would not endorse a U.S. military intervention in Syria. Meanwhile, Secretary of Defense Leon Panetta testified before the Committee, saying the Pentagon is reviewing options for assisting the Syrian people and emphasizing “the only way the U.S. would be militarily involved is if there was consensus in the international community.” Meanwhile, the United States urged countries to refrain from aiding the Syrian “regime’s violent capacities.”

Iran. Last weekend’s P-5+1 talks with Iran in Turkey essentially resulted in an agreement to meet again in late May in Iraq. The State Department said Monday the first meeting is a beginning step, which Senate Foreign Relations Committee Chairman John Kerry (D-Massachusetts) called “positive”. On Tuesday, the State Department reiterated its support for a peaceful resolution between the United Arab Emirates and Iran over the Abu Musa, Greater Tunb, and the Lesser Tunb islands, further saying the April 11th visit by Iranian President Mahmoud Ahmadinejad only complicates matters.

Last weekend, President Obama and Secretary Clinton participated in the **Summit of the Americas** in Colombia. Summit attendees did not issue a joint statement, largely due to differences over Cuba’s exclusion. A **scandal** broke just prior to President Obama’s arrival in Cartagena, with U.S. Secret Service personnel accused of improper behavior. An investigation has ensued, with Congressional oversight. On Sunday, President Obama announced the **U.S.-Colombia free trade agreement** will enter into force on May 15th.

African Affairs. Last weekend, a military junta seized control of the government in **Guinea-Bissau**. U.S. Special Envoy for **Sudan and South Sudan** Princeton Lyman acknowledged Thursday the increased armed clashes between Sudan and South Sudan are “terribly troublesome”, but Friday the State Department welcomed South Sudan’s announcement of a planned military withdrawal from the disputed area of Heglig. Assistant Secretary of State for African Affairs **Johnnie Carson testified** Wednesday before the Senate Foreign Relations Committee on *Examining U.S. Policy Response to Entrenched African Leadership*.

Today, the State Department and the Office of the United States Trade Representative announced the release of the United States’ revised **model bilateral investment treaty**. Earlier this week, Washington hosted the third **U.S.-Azerbaijan Economic Partnership Commission**. The State Department said Wednesday it has expressed concern to the **Argentine Government** for actions, such as the recent nationalization of Spanish company Repsol’s YPF division, which can adversely affect the investment climate for foreign investors. On Wednesday, Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell mentioned the **Burmese Foreign Minister** will visit the United States next month. This week, **India** successfully tested an intercontinental ballistic missile, with the United States urging nuclear-capable states to “exercise restraint.”

Secretary Clinton’s Travel. Secretary Clinton travelled Monday to Brasilia, meeting with Brazilian Foreign Minister Antonio de Aguiar Patriota and participating Tuesday in the *Open Government Partnership Opening Session*. On Wednesday, Secretary Clinton and Defense Secretary Panetta participated in the NATO Foreign and Defense Ministers meeting. While in Brussels for two days, Secretary Clinton also held separate meetings with: Belgian Prime Minister Elio Di Rupo and Foreign Minister Didier Reynders; Georgian Foreign Minister Grigol Vashadze; Romanian Foreign Minister Cristian Diasconescu; E.U. High Representative Lady Catherine Ashton; Russian Foreign Minister Sergey Lavrov; Norwegian Foreign Minister Jonas Gahr Støre; Spanish Foreign Minister Jose Manuel Garcia-Margallo; and NATO Secretary General Anders Fogh Rasmussen.

This week, Senate Republicans indicated they will file an **amicus brief** in a lawsuit challenging the constitutionality of President Obama’s January recess appointments. On Tuesday, President Obama announced his **intention to nominate** William Schultz to be General Counsel to the Department of Health and Human Services. The White House announced Tuesday the President will welcome **Japanese Prime Minister** Yoshihiko Noda to the White House on April 30th, while the Prime Minister acknowledged Thursday that Japan is not yet able to announce its participation in the multilateral Trans-Pacific Partnership trade talks.