



MCALLISTER & QUINN^{LLC}

Winning Strategies. Proven Track Record.

1030 15th Street, NW, Suite 590 West | Washington DC 20005 | phone (202) 296-2741 | fax (202) 296-2751

Washington Report Headlines

Congressional & Administration News

- What to Know in Washington: Primary Recap; Senate Returns

Agriculture News

- USDA Relocations Could Be Start of Trend
- In Midst of Milk Meltdown, USDA to Sop Up Excess With Purchases

Federal Employee News

- Defense Bill Signed; Freezes Buyouts at 25K, 2.6% Uniformed Raise

Congressional & Administration News

What to Know in Washington: Primary Recap; Senate Returns

By Zachary Sherwood | August 15, 2018
Bloomberg Government

Five of the six Senate nominees in the battleground states of Minnesota and Wisconsin will be women following primaries yesterday in four states that highlighted the expanding presence of female candidates in this year's battle for control of Congress.

State Senator Leah Vukmir will be one of them, John McCormick reports. She won Wisconsin's Republican Senate primary after a campaign that pitted two of the nation's top GOP donors against each other in a divisive and costly battle that Democrats hope will bolster their prospects of holding the seat in November's general election. She'll face incumbent Sen. Tammy Baldwin (D) in a state that Donald Trump won by less than one percentage point.

In Wisconsin's Democratic primary for governor, state education superintendent Tony Evers won a contest that had 10 candidates on the ballot seeking to prevent Walker from winning a third term.

In the contest to fill the southeastern Wisconsin seat being left open by House Speaker Paul Ryan's retirement, Republican Bryan Steil, a lawyer and former Ryan aide, will face Randy Bryce, an iron worker and Army veteran who has gained a national following.

Minnesota voters picked nominees for two Senate seats, an unusual circumstance triggered by the resignation of Sen. Al Franken (D) amid sexual misconduct allegations. Incumbent Sens. Amy Klobuchar (D) and Tina Smith (D) will face state Representative Jim Newberger and State Senator Karin Housley, both Republicans.

Also in Minnesota, Hennepin County commissioner Jeff Johnson beat former Gov. Tim Pawlenty in the Republican primary to replace outgoing Gov. Mark Dayton (D). Johnson will face Rep. Tim Walz (D) in a race

that the non-partisan Cook Political Report rates as a tossup. The state leans Democratic and Hillary Clinton carried it by 1.5 percentage points over Trump in 2016.

In a potentially positive sign for Democrats, their voters turned out in significantly larger numbers in both Minnesota and Wisconsin. Primaries were also held yesterday in Connecticut and Vermont as the nomination season enters its final month and just 10 states remain to pick their candidates for the general election.

Businessman Ned Lamont won Connecticut's Democratic gubernatorial primary, defeating Bridgeport Mayor Joe Ganim, who was released from prison in 2010 after serving time stemming from his conviction on corruption charges including racketeering, bribery and extortion. Republicans picked Bob Stefanowski, former CFO at UBS Investment Bank, for the competitive race to replace Gov. Dannel Malloy (D).

Jahana Hayes, the 2016 Teacher of the Year, won the state's Democratic primary to fill the seat held by retiring Rep. Elizabeth Esty (D). Hayes will face ex-Meriden Mayor Manny Santos in the general election.

Christine Hallquist, an ex-utility CEO, won Vermont's Democratic primary and will face incumbent Gov. Phil Scott (R) in a race rated "Solid R" by Cook Political. Hallquist is the first transgender major-party candidate nominated for governor.

More Elections & Politics

Kansas Governor's Race: Kansas Secretary of State and Trump ally Kris Kobach claimed the state's Republican nomination for governor after his opponent conceded, a week after the closely contested primary. Incumbent Governor Jeff Colyer (R) yesterday said that he didn't believe he could overcome Kobach's 345-vote lead in any recount, the Kansas City Star reported. "I just had a conversation with the secretary of state and I congratulated him on his success and repeated my determination to keep this seat in Republican hands," Colyer said, according to the newspaper. Colyer had been the state's lieutenant governor and assumed the governorship after predecessor Sam Brownback quit earlier this year to become Trump's envoy to promote religious freedom.

Hamptons Fundraiser: Howard Lorber, a Manhattan developer and executive chairman of Nathan's Famous, the hot dog company, is hosting a fundraiser for Trump in the Hamptons, according to two people familiar with the event. Trump will attend both a roundtable with supporters and a luncheon at Lorber's home in Southampton on Friday, according to the people, who asked not to be identified because the president's trip hasn't been publicly announced. Last year, Trump described Lorber as one of his two best friends. In 1996, Trump and Lorber traveled to Moscow together to explore business opportunities.

Nominations on Senate Agenda

As the Senate returns today, Majority Leader Mitch McConnell (R-Ky.) will be working to persuade reluctant Democrats to approve the president's top picks to oversee financial and regulatory policy.

Among the nominees are Trump's choices to run the day-to-day operations at the Treasury and Commerce departments, head the Internal Revenue Service, and serve on the board of the Federal Reserve. Also on McConnell's wish list are more than 40 federal judiciary picks for overseeing business litigation.

"We're trying to convince Democrats to let us approve many of these nominees as part of a package under unanimous consent," said Senate Majority Whip John Cornyn (R-Texas), McConnell's top deputy. The goal is to confirm as many as possible before the chamber turns its attention after Labor Day to the battle over Brett Kavanaugh's nomination to sit on the Supreme Court.

It's a tall order with midterm elections coming in November. So far Minority Leader Charles Schumer (D-N.Y.) has agreed only to move a group of six federal district court judges, including three Democrats favored for their own states. Schumer is stepping up his demands for the release of all documents related to Kavanaugh's service as White House staff secretary in the Bush administration while saying little about the other pending nominees.

WRDA: Aside from nominations, another unresolved issue the Senate could tackle this fall is biennial legislation to authorize water resources projects constructed by the U.S. Army Corps of Engineers. The House passed its bill on June 6. The Senate's version includes more project authorizations and policy provisions than the House's. The two chambers will have to reconcile any differences before a final bill can be cleared for the president.

What Else to Know Today

Fact Checking Jobs Claim: White House Press Secretary Sarah Sanders falsely claimed that Trump has created three times as many jobs for black workers as his predecessor Barack Obama did during his entire time in office. Sanders asserted at a White House press briefing yesterday that Trump had tripled Obama's eight-year job creation record in just 18 months, quoting numbers that are not accurate.

"This president since he took office, in the year and a half that he's been here has created 700,000 new jobs for African-Americans," Sanders told reporters. "That's 700,000 African-Americans that are working now that weren't working when this president took place. When President Obama left, after eight years in office, he had only created 195,000 jobs for African-Americans."

The claim isn't true, according to data from the U.S. Bureau of Labor Statistics, and Sanders backtracked hours later in a tweet. While the U.S. economy has added about 700,000 jobs held by black workers since Trump took office, it added about 3 million while Obama was in office, according to BLS data.

Trump Signs Cybersecurity Bill: Trump yesterday signed into law a measure aimed at helping small businesses thwart cybersecurity threats, Daniel R. Stoller reports. The measure requires the Department of Commerce's National Institute of Standards and Technology to create and disseminate security guidelines for small businesses. Many businesses use NIST's existing cybersecurity framework to create company rules, and to comply with insurance policies and other requirements. NIST updated the framework in April to address supply-chain cybersecurity risks.

U.S. Coal Plan: The Energy Department is still trying to reach agreement on a plan to keep uneconomic coal and nuclear plants online, more than two months after outlining the proposal for the National Security Council. "We are still working our way through to get to a final policy position," Energy Secretary Rick Perry told reporters at an event at the National Renewable Energy Laboratory in Golden, Colorado. "There is no written policy at this particular time."

At the direction of Trump, Energy officials are looking for ways to extend the life of money-losing coal and nuclear plants they argue are essential to national security. Under the strategy outlined in a May agency memo, the president would seize sweeping authority under the 68-year-old Defense Production Act to force grid operators to buy electricity from specific power plants at risk of closing. The approach also would include establishing a strategic reserve of critical power generators: a stable of coal and nuclear plants that could be revved up in case of an emergency.

"Fight for \$15": A union-backed group trying to win better pay for fast food workers urged two of Trump's appointees to the National Labor Relations Board to bow out of a dispute over whether McDonald's franchise

workers were fired for supporting the “Fight for \$15” movement. The two men have a conflict of interest because both previously worked as attorneys at management-side law firms that advised franchisees on how to deal with “Fight for \$15,” leaders of the union-backed movement said in a filing with the agency yesterday.

The call by activists aligned with the Service Employees International Union for board chairman John Ring and fellow Republican panelist William Emanuel to recuse themselves comes as McDonald’s is asking the five-member panel to approve a settlement of the workers’ retaliation claims that was earlier rejected by an administrative law judge.

Medicaid Work Requirements: Advocacy groups are mounting a new challenge to the Trump administration’s effort to limit health benefits for the poor by letting states impose work requirements. The suit, filed in federal district court for the District of Columbia yesterday, seeks to block the Health and Human Services Department from allowing Arkansas to kick people off Medicaid if they’re not employed or looking for work. It builds on an earlier effort by advocates for the poor to halt a similar requirement in Kentucky’s Medicaid program.

California Wildfires: This second straight year of historic California wildfires has brought a mix of hand-wringing about the pace of climate change and arguments over who should pay for damages. But the people whose job it is to think about how to minimize the number of lives lost and homes destroyed by wildfires say officials have been slow to adopt meaningful reform. State and local governments may not be able to reverse the rising temperatures and prolonged droughts that spur wildfires. But there are changes that can help — including applying tougher building codes to more new homes, retrofitting old ones, more aggressive landscape rules, less development in the most vulnerable areas, and letting insurers charge premiums that reflect the risk of wildfires.

Meanwhile, the U.S. Forest Service has about \$114 million left in its wildfire suppression account, according to agency spokeswoman Jennifer Jones, Jack Fitzpatrick reports. The service, which spent about \$82 million last week containing wildfires, expects to have to transfer funds from other accounts to continue containing fires. Agriculture Secretary Sonny Perdue has sent lawmakers a plan to transfer as much as \$555 million from other accounts into wildfire suppression, Jones said.

Russian Trolls Tweet for Trump: Russia’s social-media trolling operation began stepping up its Twitter presence to new heights in late July 2017 — more than eight months after sowing discord and disinformation in the 2016 presidential election. The burst of activity — revealed in a new, comprehensive dataset of nearly 3 million tweets — had an overriding focus over the ensuing three months: popularizing headlines and news stories that were originally authored by a U.S.-based news site called Truthfeed that supports Trump and specializes in hyper-partisan, factually incorrect stories.

Mueller Probe Timeline: Special Counsel Robert Mueller doesn’t have to shut down his Russia investigation in the weeks before November’s congressional elections despite claims by Trump’s lawyers that he faces a Sept. 1 deadline, according to current and former U.S. officials. Mueller can continue his closed-door inquiries, and even issue new indictments up to and after the Nov. 6 voting, without violating a Justice Department policy against actions intended “for the purpose of affecting any election,” they said, asking not to be identified discussing investigative matters.

That’s at odds with repeated assertions by Trump’s lawyers. “If it isn’t over by September, then we have a very, very serious violation of the Justice Department rules, and he shouldn’t be conducting one of these investigations in the 60-day period,” former New York Mayor Rudy Giuliani said on Fox News last week. In an interview Tuesday, Giuliani said, “If he doesn’t get it done in the next two or three weeks we will just unload on him like a ton of bricks.” He added, “Write the damn report so we can see it and rebut it.”

USDA Relocations Could Be Start of Trend

August 15, 2018
Fedweek

In what could be a sign of more to come across the government, the Agriculture Department has announced plans to move two components involving about 700 employees out of the national capital area.

The USDA says it plans to move by the end of 2019 most employees of the Economic Research Service and the National Institute of Food and Agriculture, while organizationally making the former a direct-report to the secretary. “New locations have yet to be determined, and it is possible that ERS and NIFA may be co-located when their new homes are found,” the announcement said.

Among the reasons cited were the potential for “significant savings on employment costs and rent, which will allow more employees to be retained in the long run, even in the face of tightening budgets”; the difficulty of attracting and retaining employees in the high-cost Washington, D.C. area; and putting the offices “closer to many of stakeholders, most of whom live and work far from” the capital area. It said that all employees will be offered the opportunity to move and that the department has asked OPM for early retirement and buyout authority.

The Trump administration has repeatedly suggested taking such steps, although the early attention focused on the Interior Department, where appointees have made similar arguments that employees dealing with public lands and other resources should be closer to the areas most impacted by their work. Interest groups and some in Congress have argued that such moves will weaken the agencies and that that is an underlying intent.

The USDA already has reorganized a number of offices although those have not involved physical moves.

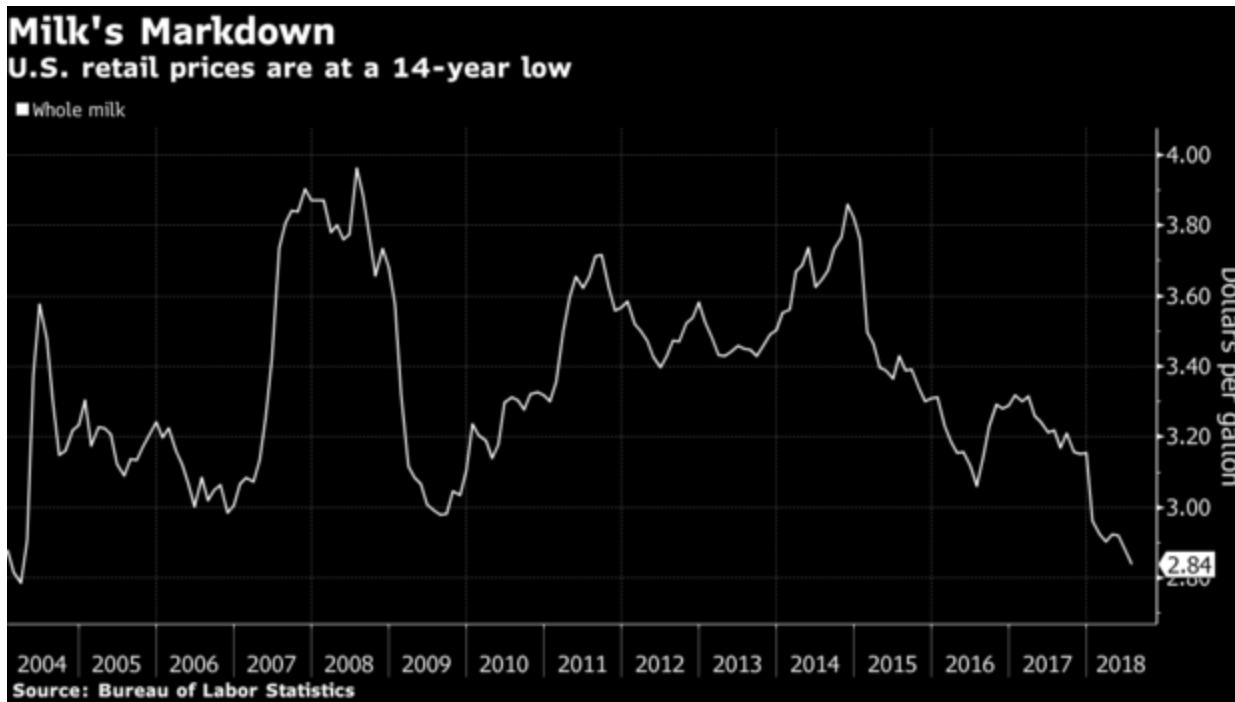
In Midst of Milk Meltdown, USDA to Sop Up Excess With Purchases

- USDA to buy half gallons for emergency food-aid program
- Purchases may total 12-15 million gallons, industry group says

By Megan Durisin | August 15, 2018
Bloomberg Government

As the dairy industry struggles with a downward spiral, the U.S. government is stepping in to support producers as a milk buyer.

The U.S. Department of Agriculture plans to buy half gallons of fluid milk for an emergency food-aid program in a bid to boost domestic consumption, according to a Tuesday statement. The agency may purchase about 12 to 15 million gallons, valued at \$50 million, according to the International Dairy Foods Association.



Dairy producers have grappled with a price slump amid soaring U.S. production and a global glut. Retail values for a gallon of whole milk are headed for a fourth straight annual decline and July prices were the cheapest since 2004, government data show. U.S. consumers have been drinking fewer glasses of milk for years in favor of other beverages.

The purchases are separate from the government's potential purchases of farm products to offset trade losses, the USDA said. The agency last month pledged \$12 billion in aid to farmers hit by a burgeoning trade war, which may partly come through commodity purchases for food-aid programs.

Federal Employee News

Defense Bill Signed; Freezes Buyouts at 25K, 2.6% Uniformed Raise

August 15, 2018
Fedweek

President Trump has signed into law the annual defense authorization bill which keeps the buyout amount at \$25,000 for non-defense agencies despite his request to boost the amount government-wide to the \$40,000 already applying at DoD.

Enactment of the bill represents the third year in a row that Congress has rejected a requested buyout boost for agencies other than DoD as part of that bill. The \$25,000 has remained unchanged for most agencies since buyouts started early in the Clinton administration, although Congress three years ago did increase the amount for DoD.

Enactment of the bill likely kills chances for this year for increasing buyouts elsewhere. Although an attempt still could be made on another bill, by agreeing in a conference to drop original Senate language that would

have granted the increase—and indexed the amount to inflation in following years—Congress likely has settled the issue for the year.

The bill meanwhile provides for a 2.6 percent raise for uniformed military personnel in January, virtually assuring that their raise will exceed anything paid to federal employees. The administration has recommended no raise and the House effectively backed that position in its version of a separate spending bill. The Senate version, however, calls for a 1.9 percent raise, leaving the federal employee raise still to be resolved. There is only the slimmest of chances of boosting that raise to match the military figure in the name of “pay parity.”

The measure also repeals a reduction in per diem expenses in effect since late 2014 for DoD employees on long-term temporary duty, a provision that had been criticized as forcing those employees to subsidize the cost and thus discouraging people from going on such assignments. The measure also begins or expands several special hiring authorities for high-demand occupations at DoD, and gives agencies greater leeway to quickly hire college students and recent graduates.