# Washington Report Headlines

#### Congressional & Administration News

* What to Know in Washington: Trump to Visit Border After Threats

#### Agriculture News

* U.S. Workers Unable to Work Due to Bad Weather in March

#### Federal Employee News

* On Raise, Back Pay, It’s Hurry Up and Wait Some More
* Budget Plan Assuming Higher Retirement Contributions Advances

# Congressional & Administration News

### What to Know in Washington: Trump to Visit Border After Threats

By Zachary Sherwood | April 5, 2019

Bloomberg Government

President Donald Trump will visit a stretch of border wall in California today, capping a week of heated threats against Mexico over undocumented migration and the flow of illegal drugs.

In his third trip to the border this year, Trump will view a portion of border wall in the city of Calexico and meet with local law enforcement, a setting he typically uses to reiterate his promises to crack down on undocumented immigration.

The visit comes at the end of a tumultuous week that laid bare Trump’s growing frustration and limitations in controlling the U.S. southern border. The administration’s botched efforts have ranged from an attempt to deter migration by separating migrant children from their families to ultimatums against Mexico that have proved too costly to enforce.

One such threat came at the end of last week, when Trump said he would immediately close the border unless Mexico stemmed the flow of migration from Central and South America.

But by yesterday — after an outcry from lawmakers and businesses alike that closing the border would bring economic calamity — Trump had changed course. Instead, he abruptly said he’d likely impose tariffs on cars imported from Mexico if the country didn’t stanch the flow of migrants and illegal drugs into the U.S. within a year. “I don’t think we’ll ever have to close the border because the penalty of tariffs on cars coming into the United States from Mexico at 25 percent will be massive,” Trump told reporters at the White House yesterday.

**Trump Aides Targeted Over Immigration Policy:** Immigration and civil rights groups are urging companies not to hire senior Trump administration officials who were involved in planning, carrying out or defending the separation of migrant children from their parents. “They should not be allowed to seek refuge in your boardrooms or corner offices,” according to the open letter signed by 41 groups, including the Southern Poverty Law Center. “Allowing them to step off of the revolving door and into your welcoming arms should be a non-starter.”

The letter, which is being released today, will be sent to chief executive officers of all Fortune 500 companies, according to organizers. The approach marks a shift in strategy by opponents of Trump’s policies that resulted in migrant children being separated from their undocumented parents on the U.S.-Mexico border. Until now, the groups have focused on campaigning against the administration’s actions or staging protests directed at public officials.

**Groups Sue Trump Over Emergency:**The American Civil Liberties Union and the Sierra Club urged a federal judge to block Trump from building a wall along the southern U.S. border using billions of dollars in taxpayer funds they allege were re-appropriated in violation of the Constitution. The groups yesterday asked U.S. District Judge Haywood Gilliam in Oakland, Calif. to bar Trump from following through on his Feb. 15 declaration of a national emergency. Gilliam was appointed by former President Barack Obama.

**Movers & Shakeups**

**Trump’s Wage Office Pick Teed Up:** The Senate returns 4 p.m. Monday as they prepare to vote on Trump’s nominee to lead the Labor Department’s Wage and Hour Division. Senate Majority Leader Mitch McConnell (R-Ky.) yesterday filed for cloture on Cheryl Stanton’s nomination. If the motion is adopted, Senate floor debate will be limited to up to two hours before a confirmation vote.

Stanton marks one of the first such possible confirmations since the Senate this week voted to change chamber rules in an effort to help alleviate a logjam of nominees awaiting confirmation. The GOP-led action shortens debate for some judges and administration nominees from 30 to two hours before a final confirmation vote.

**Is Shanahan Again SecDef Favorite?**Acting Defense Secretary Patrick Shanahan will likely be Trump’s nominee for defense secretary, Senate Armed Services Chairman James Inhofe (R-Okla.) said. “I think he will,” Inhofe said in an interview yesterday when asked about the likelihood of Shanahan getting the nomination. “Indications are now that it’s going to be him.”

Inhofe’s comments were a shift from last month, when he signaled impatience with Shanahan’s continuing status as acting secretary. The former Boeing executive assumed the position on Dec. 31 after serving as deputy secretary to former Pentagon chief Jim Mattis.

**Trump Taps Loyalists for Fed:**Trump is stepping up his campaign to exert influence on the Federal Reserve’s monetary policy. Trump intends to nominate Herman Cain, the former pizza company executive who ran for the 2012 Republican presidential nomination, to fill one of two remaining open seats on the Federal Reserve Board. The move follows his selection last month of Heritage Foundation economist Stephen Moore for the other spot. Both would require Senate confirmation.

The picks — which differ sharply with the White House’s previous, more orthodox selections for the Fed — would extend Trump’s efforts to influence the central bank by placing two loyalists on the committee that votes on monetary policy. The pressure started last year with angry Trump tweets over Fed interest-rate increases and by December had escalated to inquiries about whether he could fire Fed Chairman Jerome Powell.

**Fannie-Freddie Gets New Watchdog:**The Senate yesterday confirmed Mark Calabria to run the agency that oversees Fannie Mae and Freddie Mac, a potentially crucial step in Trump’s recently announced call to reform the mortgage-finance giants. Calabria, a libertarian economist currently working for Vice President Mike Pence, won lawmakers’ approval in a 52-44 vote along party lines. He’ll take the reins as Federal Housing Finance Agency director from Joseph Otting, who ran the agency on an interim basis while also serving as comptroller of the currency.

**Small Business Administration Pick Named:** Trump said yesterday he will nominate Jovita Carranza to be the new head of the Small Business Administration. “She will be replacing Linda McMahon, who has done an outstanding job. Jovita was a great Treasurer of the United States – and I look forward to her joining my Cabinet!,” Trump said in a tweet. Trump announced on March 29 that Linda McMahon would step down from leading SBA to help raise money for his 2020 re-election campaign.

**Trump Probes & Oversight**

**Mueller Report Summaries Questioned:**Special Counsel Robert Mueller’s team produced summaries of core investigative findings but didn’t submit the documents to the Justice Department’s leadership in a way that could allow for their quick release to Congress and the public, according to people familiar with the matter. The summaries were included as part of an overall confidential report that Mueller submitted to Attorney General William Barr last month, ending his investigation into Russian interference in the 2016 presidential campaign and whether Trump or any of his associates conspired in the election meddling effort. News reports have raised questions about whether Barr could have easily released the summaries, rather than issue his own short, four-page description of Mueller’s principal conclusions on March 24.

In addition, House Judiciary Chairman Jerrold Nadler (D-N.Y.) yesterday requested that Barr publicly release the summaries. “If these recent reports are accurate and the Special Counsel’s office prepared summaries ’in a way that minimum redactions, if any, would have been necessary,’ then those summaries should be publicly released as soon as possible,” Nadler wrote in a letter to Barr.

**Cohen Offers to Turn Over Hard Drive Files:** Trump’s former personal lawyer and fixer Michael Cohen wants to give congressional Democrats more information in return for help in delaying the start of his three-year prison sentence next month — or even reducing it. Cohen’s lawyers Lanny Davis, Michael Monico and Carly Chocron wrote to lawmakers yesterday that Cohen has recently been able to access a hard drive with 14 million files from his computers and telephones that they believe have significant value to investigators. Those files consist of all emails, voice recordings, images, and attachments from Cohen’s computers and phones dating from as long ago as 10 years, they write.

**Tax Return Request May Lead to Business Probe:**Ways and Means Chairman Richard Neal’s (D-Mass.) relatively narrow ask for several of Trump’s business returns could be the first step in unraveling the president’s business empire. Neal chose to focus his request to the Internal Revenue Service on six years of business returns for eight entities, including holding firms associated with the president’s businesses and his golf club in Bedminster, N.J.

**Mar-a-Lago Security:**The FBI is investigating whether a Chinese woman arrested at Trump’s Mar-a-Lago club in Florida had links to Chinese intelligence or military services by examining a thumb drive that allegedly contained malware, people familiar with the investigation said. The inquiry is part of a broader investigation into whether Chinese operatives are targeting Trump and Mar-a-Lago to get information about the administration’s policies regarding China, according to the people, who asked for anonymity because the inquiry is ongoing.

**What Else to Know**

**China Hails ‘New Consensus’ on Trade:** China and the U.S. claimed progress in talks to end their trade war, with President Xi Jinping pushing for a rapid conclusion and Trump talking up prospects for a “monumental” agreement that may still be some weeks away. Through a message passed to Trump via Vice Premier Liu He, Xi called for an early conclusion to negotiations and said that strategic leadership was needed to ensure healthy and stable U.S.-China relations, the official Xinhua News Agency said. Liu, who took part in talks this week in Washington, said the two sides had “reached new consensus on such important issues as the text” of a trade agreement, according to Xinhua.

Trump said any trade deal with China was probably still weeks away, although both sides were making progress on an accord that could be “very monumental.”

“We have a ways to go,” Trump told reporters at a meeting Thursday with Liu at the White House. “We are rounding the turn.”

**NAFTA Movement:**After Democrats in the U.S. threatened to hold up a renegotiated NAFTA, Mexico’s ruling party beefed up a labor bill to meet requirements laid out in the trade deal and plans to vote it through this month. The bill now satisfies “diverse obligations” required by the U.S.-Mexico-Canada Agreement, or USMCA, as the new NAFTA deal is known, said Mario Delgado, the majority leader for Mexico’s lower house. The lower house could vote on it in a week’s time, he told reporters yesterday.

**Trump’s Deregulation Plan Challenged:**California, Oregon and Minnesota sued Trump and several top cabinet officials over the administration’s requirement that federal agencies delete two regulations for every one they add. Lodged by three Democratic state attorneys general, the lawsuit asserts that Trump’s January 2017 executive order and accompanying Office of Management and Budget guidance violate the U.S. Constitution’s separation-of-powers principle. It also argues the order is in breach of the president’s responsibility to faithfully implement laws and regulations.

**Mnuchin Pledges Recusal:**Treasury Secretary Steven Mnuchin’s pledge to recuse himself from matters involving his wife’s film production company passed muster with the top federal ethics watchdog, though it declined to certify his financial disclosure. Mnuchin agreed to recuse himself from matters involving Stormchaser Partners, a film production company that Louise Linton started in 2012. Mnuchin, who held a stake in the company worth at least $1 million when he was nominated to be treasury secretary, had agreed to divest his interest within 90 days of his confirmation, according to his original ethics agreement.

**Ecuador to Expel Assange:** Ecuador plans to expel WikiLeaks founder Julian Assange from its London embassy and has an agreement in place with the U.K. for his arrest, WikiLeaks said citing a source within the Ecuadorian government. “A high level source within the Ecuadorian state has told WikiLeaks that Julian Assange will be expelled within ‘hours to days’,” WikiLeaks said on Twitter. Ecuador’s government did not respond to calls made after office hours, but the Associated Press reported that no decision has yet been made, citing an unidentified government official. Jennifer Robinson, a lawyer for Assange, declined to immediately comment.

# Agriculture News

U.S. Workers Unable to Work Due to Bad Weather in March

By Kristy Scheuble | April 5, 2019

Bloomberg Government

Bureau of Labor Statistics data show that 137,000 people in nonagricultural jobs were unable to work due to inclement weather.

* Another 544,000 people who usually work full-time could only find part-time work due to the weather.
* The figures come from the government’s monthly unemployment survey of households and are used by economists to help determine if weather may have played a role in unexpected swings in payrolls.
* The historical average for March is 142,814 employees who cannot work due to poor weather conditions
  + The historical average for March is 532,302 employees who usually work full-time could only find part-time work due to the weather.

# Federal Employee News

On Raise, Back Pay, It’s Hurry Up and Wait Some More

Fedweek | April 3, 2019

After waiting six weeks for an executive order to carry out the 1.9 percent average pay raise, more waiting now lies ahead before federal employees will actually receive their new rates of pay or back pay which is to be retroactive to January 6.

Most federal employees are to receive a pay distribution late this week or early next week reflecting the pay period that ended March 30. However, that was just two days after the executive order containing the new pay schedules, and there has been no promise so far from any of the federal payroll providers—most agencies use one of four, run by GSA, DoD, Agriculture and Interior—that the upcoming distribution will include the higher rates.

In response to inquiries, OPM is putting out this standard response: “The timing of when federal employees will see a raise in their paycheck will vary. Agencies and payroll providers are currently working quickly to update their systems and process retroactive pay actions, now that OPM has issued the new pay tables. Employees are encouraged to consult their human resource office or payroll providers for further information.”

Some agency officials involved in payroll matters have said that a realistic target is that the raise will be in the distribution covering the pay period ending April 13—payments that will go out about a week after. They also have said they are hopeful that the back pay will be distributed around the same time, either added onto that regular distribution or made separately.

Under that scenario, the back pay would reflect the difference between the old rates and the new for seven pay periods. For example, someone earning $85,000, about the federal employee average, and getting a 1.9 percent increase—the raises range from 1.66 to 2.27 percent by locality—would receive $434 before taxes and other applicable deductions.

However, problems could arise regarding back pay, especially in more complicated situations such as if employees earned overtime or premium pay, moved to a different locality pay area, or received some other type of pay boost in that time. In similar situations in 2003 and 2004, it took several more pay cycles, and in some cases several months, to finally square up the back pay for everyone.

Budget Plan Assuming Higher Retirement Contributions Advances

Fedweek | April 3, 2019

In addition to assuming higher retirement contributions as a new source of revenue, the Senate measure would instruct its Governmental Affairs committee to achieve $15 billion in savings over five years.

The Senate Budget Committee has approved a budget plan that assumes an increase in required retirement contributions for most federal employees, in the process rejecting a series of Democratic amendments against it.

The budget “resolution” is an outline for the fiscal year that starts each October. Even if the full Senate and the House were to agree to similar provisions—the latter being unlikely—it is only an internal congressional working document that only assigns savings or new revenue targets to other committees to achieve and leaves it up to those panels to decide how to achieve them.

In addition to assuming higher retirement contributions as a new source of revenue, the Senate measure would instruct its Governmental Affairs committee to achieve $15 billion in savings over five years. Federal retirement and health insurance account for the large majority of the spending under the control of that committee and its House counterpart, and thus they almost certainly would have to target those programs.

In addition to raising required retirement contributions for FERS employees by 8 percent of salary, phased in over as many years, the Trump administration has proposed a number of reductions to the value of retirement benefits. The Senate budget plan—which now is ready for a vote by the full Senate—mentions only the retirement contribution proposal.

The House has not drafted a counterpart and there have been reports that it won’t. Its focus has been on hearings for the appropriations bills, where federal unions have advocated protecting benefits from any cuts and advocating a 3.6 percent raise for January.

Administration officials meanwhile advocated moving to a more performance-based and occupation-based approach to paying raises and taking benefits into account when comparing federal vs. non-federal pay—all often-repeated ideas that are resisted by employee organizations and their allies in Congress.