# Washington Report Headlines

#### Congressional & Administration News

* What to Know in Washington: Republicans Prepare Obamacare Plans

#### Agriculture News

#### Federal Employee News

* Pay Raise Is Coming. Really It Is, Says OPM
* Senate Panel Eyes Higher Retirement Contributions

# Congressional & Administration News

### What to Know in Washington: Republicans Prepare Obamacare Plans

By Zachary Sherwood | March 29, 2019

Bloomberg Government

The Trump administration’s call for a court to overturn Obamacare has Republicans in Congress scrambling to put together a plan to replace the health law and notch some wins on a critical concern among voters.

Republicans in Congress are discussing a replacement for the Affordable Care Act should a court overturn the law, Rep. Mark Meadows (R-N.C.) said. White House officials told Meadows that Congress should lead this effort, just days after telling a New Orleans circuit court to strike down the ACA.

The Justice Department on Monday shifted its position on a Texas case in which it previously sought to have parts of the law declared unconstitutional, declaring in a court filing that it now wants the entire law thrown out. The federal judge hearing the case ruled last year that the law is unconstitutional because of changes Congress made in 2017, a decision that until Monday the Trump administration was challenging.

Republican lawmakers said the threat of an abrupt end to Obamacare and its popular protections for people with pre-existing conditions as well as insurance coverage for millions of Americans has lit a fire under the party. Several said they are now searching for health-care bills, ranging from Obamacare fixes to drug-pricing legislation, they can support to show they can legislate on the issue.

Trump said yesterday he asked a group of senators to create a health-care plan to replace Obamacare.

Sens. John Barrasso (R-Wyo.), Bill Cassidy (R-La.) and Rick Scott (R-Fla.) are developing the plan, Trump told reporters. They’ll “come up with something that’s really spectacular,” he said.

“Maybe we’ll even get support in the House from Democrats. But it’s going to be far better than Obamacare,” the president added, calling the law a “disaster.”

“We are winning the Texas lawsuit,” Trump said. “The cost of Obamacare to the people is far too much.”

**Association Health Plans Blocked:**Meanwhile, one of Trump’s health-care initiatives intended to undermine Obamacare suffered a crucial defeat in Washington after a judge ruled the policy violates the ACA.

U.S. District Judge John Bates in Washington yesterday blocked new rules governing so-called association health plans, which would have let businesses and individuals band together to create group health plans that offer cheaper coverage than the ACA -- but without some of its protections.

**One Week of the Mueller Report**

Trump told a rally in Michigan last night that he’s been fully vindicated by Special Counsel Robert Mueller’s report and that the investigation was an attempt by “those who lost the election to try and illegally regain power.”

He called the Justice Department’s probe into Russian interference in the 2016 election a “sinister effort” to undermine his victory. Trump assailed Democrats for the investigation he repeatedly demonized as a “witch hunt” and said the party has to decide whether to “continue defrauding the public with ridiculous bulls---.”

“The Russia hoax is finally dead,” Trump told the cheering crowd in Grand Rapids. “Total exoneration. Complete vindication.”

As Trump and the White House shift into re-election mode, they are propelled by one of the biggest political victories of Trump’s presidency. Attorney General William Barr said on Sunday that Mueller found no collusion with Russia during the 2016 campaign. Mueller also didn’t reach a conclusion on whether Trump obstructed justice.

Barr’s letter didn’t provide full vindication. He quoted Mueller as saying that while his report “does not conclude that the president committed a crime, it also does not exonerate him.” Yet that hasn’t stopped Trump from claiming a triumph. He tweeted “Complete and Total EXONERATION” on Sunday and called the inquiry “an illegal takedown that failed.”

Trump has used Barr’s letter not only to attempt to clear his reputation, but to revive one of his favorite lines of attack on the media, which resonates well with Trump’s base. He tweeted that the findings proves news organizations “truly are the Enemy of the People and the Real Opposition Party!”

**After a Week, Battle Lines Are Drawn:** Although Mueller didn’t find sufficient evidence to establish that the campaign “conspired or coordinated” with the Russian government, and Barr determined that the findings didn’t warrant an obstruction charge, there may still be plenty in the report that the White House would want to keep secret, and that Democrats would desperately want to see. Even before the special counsel’s investigation ended, the squabble over who’d get access to its contents had already begun.

**Movers & Shakeups**

**Trump’s No. 3 Pick for Justice Department:**Jessie Liu, nominated by Trump to be third in command at the Justice Department, has withdrawn her name from consideration for associate attorney general. The AP reported that Liu encountered opposition from Senate Republicans due to her past involvement in a group that opposed Samuel Alito’s nomination to the Supreme Court.

**Wells Fargo Head Resigns:**Wells Fargo CEO Tim Sloan gave in to critics and abruptly stepped down yesterday, after the 31-year company veteran struggled to tame a range of scandals, launching the fourth-largest U.S. bank into a hasty search for a successor. Sloan, 58, will be replaced on an interim basis by the firm’s general counsel, C. Allen Parker. The board said it plans to look externally for a permanent replacement.

**Happening on the Hill**

**Nomination Rules:**Senate Majority Leader Mitch McConnell (R-Ky.) plans to force votes next week on a Republican plan to change the Senate’s rules to short-circuit Democrats’ ability to slow nominations from Trump. McConnell announced the rules change on the Senate floor yesterday, setting up a potential vote next week on using the procedural “nuclear option” to change the Senate rules via a simple majority. McConnell has already used the procedure to gut the 60-vote threshold for Supreme Court nominees after former Democratic Leader Harry Reid (D-Nev.) deployed the so-called nuclear option years ago to eliminate it for all other judicial nominees.

McConnell blamed “unprecedented obstruction” of Trump nominees by Democrats as the reason for the change. Delays have “crippled” the ability of the Trump administration to staff up, McConnell said, including numerous lower-level appointees.

**Disaster Aid:** Trump hit back at criticism he hasn’t done enough to help Puerto Rico recover from devastating 2017 hurricanes, accusing the island’s government of mishandling disaster relief funds and praising his administration’s efforts. “Puerto Rico has been taken care of better by Donald Trump than by any living human being,” Trump told reporters yesterday as he departed the White House for the rally in Grand Rapids. “They don’t know how to spend the money” and aren’t doing so “wisely,” he said.

Trump’s comments come just days after he told Republican Senators that Puerto Rico had received too much disaster aid compared with other states and has failed to use it properly. He made the remarks as Republicans and Democrats were negotiating the details of a disaster package. The Senate will vote on its disaster aid package next week.

**Opportunity Zone Reporting:**Sen. Cory Booker (D-N.J.), one of the two authors of the original “opportunity zones” legislation, is finalizing a bill to reinstate requirements for the Treasury Department to report to Congress on the effects of the tax breaks, according to a Senate aide. Lawmakers scrapped the provision’s reporting requirements—including investor asset class, zones receiving investment, poverty reduction, and job creation—from the 2017 tax overhaul when the GOP used reconciliation to pass the law by a simple majority vote.

**Texas Businesses Warn of ‘Discriminatory’ Bills:** Amazon, Google, and PepsiCo are among the companies warning Texas lawmakers away from a pair of “discriminatory” bills they say would imperil the state’s economy and place the LGBT community at risk. “We will continue to oppose any unnecessary, discriminatory, and divisive measures that would damage Texas’ reputation and create problems for our employees and their families,” a letter signed by over 50 Texas employers, city chambers of commerce, and tourism and other groups reads.

**Politics & Elections**

**Buttigieg Boomlet:**There was no big splash when the mayor of South Bend, Indiana, Pete Buttigieg, jumped into the race for the Democratic presidential nomination. But the 37-year-old with a difficult-to-pronounce name has been wading through questions from crowds in early primary states and grabbing every television interview he can, leaning on an earnest manner, a sense of humor and deftness on issues to create a bit of an early Buttigieg boomlet.

Buttigieg still faces the same hurdle as most of the 14 other Democrats currently running for the party’s 2020 nomination: Getting noticed in a pool of candidates that includes several with national name recognition and followings as well as extensive fundraising contacts.

**Jill Stein Campaign Required to Repay $175,000:**Green Party presidential candidate Jill Stein must pay back the U.S. Treasury just over $175,000 of more than $456,000, or more than a third of the federal matching funds her campaign received for the 2016 campaign, the Federal Election Commission ruled. FEC auditors concluded that the 2016 campaign organization received more in federal matching funds than it was entitled to for ballot-access and winding-down costs.

**What Else to Know**

**Moon to Meet Trump:** South Korean President Moon Jae-in will meet Trump next month in a bid to get North Korean nuclear talks back on track after a breakdown in the discussions he helped broker led to a slip in his support rate. Moon, a long-time advocate of reconciliation with North Korea, will meet Trump at the White House on April 11, one of his spokesman said Friday. It will be Moon’s first meeting with Trump since the U.S. president abruptly halted his summit with North Korean leader Kim Jong Un on Feb. 28, setting back diplomacy to end Pyongyang’s atomic ambitions.

**U.S.-China Trade Talks:**Chinese and U.S. negotiators have been working line-by-line through the text of an agreement that can be put before Trump and counterpart Xi Jinping to defuse a nearly year-long trade war, according to officials familiar with the matter. Treasury Secretary Steven Mnuchin and U.S. Trade Representative Robert Lighthizer held meetings in Beijing today partly to ensure there were no discrepancies in the English and Chinese-language versions of the text, and also to balance the number of working visits to each capital, according to the officials, who asked not to be identified because the talks aren’t public. Chinese Vice Premier Liu He is due in Washington next week.

The focus on the joint wording has become a key issue after U.S. officials complained that Chinese versions of the text had walked back or omitted commitments made by negotiators, the officials said. The two sides have very different understandings of certain words, according to one of the officials, who noted that China’s Vice Commerce Minister Wang Shouwen started his career as a translator at the ministry.

**Justices Stay Execution of Buddhist:** The U.S. Supreme Court stayed the execution of Texas death row inmate Patrick Murphy yesterday unless the state allowed a Buddhist spiritual adviser to accompany Murphy in the death chamber during the execution. Justice Brett Kavanaugh flipped his vote from a similar case last month. Kavanaugh wrote in the Murphy case that the government may not discriminate on the basis of religion. Texas allows Christian or Muslim spiritual advisers in the execution room, but not spiritual advisers of other faiths.

**Trump Reverses on Special Olympics Funding:** Trump ordered the White House to reverse his administration’s proposal to cut federal funding for the Special Olympics after the plan drew widespread opposition. “The Special Olympics will be funded,” Trump said. The proposed 2020 budget that the administration sent to Congress earlier this month included a $17.6 million cut to federal funding for the Special Olympics, an organization that helps children and adults with special needs.

# Agriculture News

# Federal Employee News

### Pay Raise Is Coming. Really It Is, Says OPM

Fedweek | March 26, 2019

Now six weeks since a retroactive pay raise was signed into law, federal employees have OPM’s assurances that it will be paid—although many employees are making it increasingly clear that they’d much rather have the money than the assurances.

Acting OPM director Margaret Weichert said at a conference marking the first anniversary of the President’s Management Agenda that she shares the frustrations regarding the delay. She said the raise is waiting on what she called a “legalistic” process to get the new pay rates cleared for formal publication as part of an executive order needed to carry out the raise.

Her comments came as impatience has built into rumors that the raise won’t be paid despite it already having been signed into law.

The raise, averaging 1.9 percent, will likely range from about 1.7 to about 2.3 percent by GS locality, with wage grade employees in an area receiving the same amounts as GS employees there, and pay caps increasing by 1.9 percent for those in the highest steps of GS-15 in some localities as well as for those under performance-based pay systems at senior levels such as the SES. When the new rates formally take effect, they will be programmed into payroll systems for future pay—although with the current biweekly pay period ending Saturday (March 30), it may already be too late for the higher rates to be reflected in the next pay distribution.

Calculating the back pay component retroactive to January 6 will be a more complicated, and thus longer, task—especially for employees who have earned various forms of premium or overtime pay in that time. In similar situations in 2003 and 2004, some employees received the back pay as an add-on to a regular pay distribution while others received it as a separate distribution.

The wait for the order authorizing the raise to be paid out now about matches the wait in 2004 and exceeds that of 2003. In those cases, there was no interest added to the back pay to compensate employees for the wait, a policy that likely will apply again.

### Senate Panel Eyes Higher Retirement Contributions

Fedweek | March 26, 2019

A Senate committee has taken the first of what would have to be many steps in Congress toward requiring federal employees to contribute more toward retirement benefits, which the Trump administration recently proposed once again in its budget plan.

The Senate Budget Committee listed “increasing federal employee retirement contributions” as among the assumptions for bringing in more revenue in a budget plan that will come up for consideration in the committee soon. The budget “resolution” being written is an early stage in the lengthy and complex process of producing an annual budget; it is supposed to serve as a blueprint for action by other committees to write policy and spending decisions into the later bills that actually fund the government.

In recent years, the House counterpart committee, then under Republican control, has backed such increases repeatedly but those budget resolutions never came close to final approval; in many of those years the Senate did not even produce a counterpart but instead went straight to the step of writing appropriations bills. The new Senate plan therefore breaks with precedent, but the House is now under control of Democrats who oppose increasing contributions making acceptance there much less likely.

The Senate plan does not indicate how much the contributions would be raised if the intent were to be carried out. The White House plan would apply only to employees under FERS and require them to pay an additional 1 percentage point of salary until the government and employee shares of funding retirement are equal, a phase-in it projects would continue for eight years.

The Senate plan further does not specifically mention other federal retirement benefit cuts, either those in the Trump budget or others, although it does call for restricting spending on “mandatory” benefit programs in general.