Thanks for your continued interest in This Week in Washington.

The talk around Washington last week centered on snow (not a lot for transplanted Midwesterners but more than plenty for other people), the Congressional Budget Organization’s report on the House Republican’s plan to replace Obamacare, and the President’s proposed budget cuts outlined in the Administration’s Skinny Budget.

Steve Gordon summarizes these and several other things in “Heard on the Hill,” then spotlights this coming week's most important events. NAFTA and Trade reviews the recent G20 trade meetings. Dana Marston provides pictorial overviews showing an updated Cabinet, agency funding under the proposed ‘skinny’ budget from the Trump Administration, and the judicial record of Judge Neil Gorsuch, nominee for the U.S. Supreme Court.

Thanks again for your comments, comments, feedback, and suggestions for future articles in This Week in Washington. We are grateful for your interest.

Heard on the Hill, Week of March 20

By Steve Gordon, Managing Director, Total Spectrum

Last Week was Fascinating – Reason #1. Health Care

Last Monday, just as we were about to push ‘send’ on last week’s This Week, the Congressional Budget Office released its report on the House Republican plan to replace...
deficit for the program would be significantly cut.

Experts say there are a few takeaways from the CBO report:

- The clear losers in this plan are older, low income Americans 50-64 years old.
- Medicaid bears the brunt of the costs.
- Employer coverage could decline. The CBO predicts that some employers will want to drop their coverage and put their employees in the exchange. It’s also true that the CBO predicted the same thing when Obamacare was being debated, and that didn’t happen.

Read more.

**NAFTA and Trade Update**

By **Larry Smith**, President, Legislative Strategies Inc.

Financial leaders of the world’s biggest economies – the G20 - dropped their long tradition of endorsing free trade in their weekend communiqué. They dropped a pledge to oppose protectionism because the Trump Administration wants trade policies that more clearly benefit American companies and workers. The G20 finance chiefs also removed from their weekend statement a pledge to fight against climate change, bowing to opposition from the US.

U.S. Treasury Secretary Steven Mnuchin said, “We believe in free trade, we are in one of the largest markets in the world, we are one of the largest trading partners in the world, trade has been good for us and good for other people. Having said that, we want to re-examine certain agreements.”

**On the Calendar This Week**

*(All Times ET)*

**Monday**

10 a.m.  
*House Intelligence holds its first open hearing on Russia’s interference in the 2016 presidential election.* FBI Director James Comey and NSA Director Michael Rogers will testify.

10 a.m.  
*House Appropriations subcommittee budget hearing on the National Institutes of Health.* NIH Director Francis Collins is slated to testify.

10 a.m.  
*House Armed Services hearing on “America’s Role in the World,” with former Secretary of State Madeleine.*

10 a.m.  
*House Agriculture subcommittee hearing on the farm bill and nutrition distribution programs.*

10 a.m.  
*Senate Energy and Natural Resources hearing on infrastructure.*

10 a.m.  
*Senate HELP hearing on the reauthorization of the FDA’s user fee agreements.*

1 p.m.  
*Senate HELP hearing on the reauthorization of the FDA’s user fee agreements.*

**Budget Update**

Click the image below for an update on agency funding under the administration’s proposed budget.

**Nominees Update**

Click the image below for an update on President Trump’s nominee for the U.S. Supreme Court, Neil Gorsuch.
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>2 p.m.</td>
<td>House Veterans’ Affairs subcommittee hearing on H.R. 1461. The measure would limit the amount of time VA employees can spend on union activities.</td>
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<tr>
<td>2 p.m.</td>
<td>House Agriculture subcommittee hearing on the farm bill and livestock producers.</td>
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<td>3:30 p.m.</td>
<td>House Armed Services hearing on the military’s social media policies.</td>
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<td>Wednesday 9 a.m.</td>
<td>Senate HELP hearing on the nomination of Alexander Acosta to be Labor secretary.</td>
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<td>10 a.m.</td>
<td>House Appropriations subcommittee hearing on Education Department funding. Education Secretary Betsy DeVos will testify.</td>
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<td>10 a.m.</td>
<td>House Energy and Commerce subcommittee hearing on H.R. 806. The bill would give states more time to meet the EPA’s ozone standards.</td>
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<td>10 a.m.</td>
<td>House Homeland Security hearing on cyber threats.</td>
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<td>10 a.m.</td>
<td>Senate Commerce hearing on cybersecurity technology.</td>
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<td>10 a.m.</td>
<td>House Agriculture hearing on the farm bill and dairy policy.</td>
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<td>10:30 a.m.</td>
<td>Senate Appropriations subcommittee hearing on the Department of Defense’s budget and readiness. Defense Secretary Jim Mattis and Joint Chiefs Chairman Gen. Joe Dunford are on the witness list.</td>
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<td>Thursday 9 a.m.</td>
<td>House Judiciary subcommittee hearing on a draft bill titled the “Financial Institution Bankruptcy Act of 2017.” Last year’s version aimed to amend Chapter 11 of the Bankruptcy Code.</td>
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<td>9:30 a.m.</td>
<td>Senate Banking hearing on the nomination of Jay Clayton to lead the SEC.</td>
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<td>Time TBD</td>
<td>Senate Agriculture hearing on Sonny Perdue’s nomination for Agriculture secretary.</td>
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Heard on the Hill, continued.

Last Thursday the House Budget Committee passed the healthcare bill by a 19-17 margin. Next stop is the House Rules Committee, and the prediction is that the House will take up the bill this Thursday. President Trump said last week that he "wouldn’t sign a bill that didn’t take care of our people.” Expect a number of amendments – including a provision backed by Speaker Ryan to cover more of the 50-to-64 people. Other amendments being discussed are a block grant provision to the states and another that would impose a work provision on able-bodied Medicaid recipients. Some in the Freedom Caucus object to the provision that imposes a fee on individuals who drop their insurance for a time and then pick it back up when they need care, calling that the same as the Obamacare mandate.

President Trump and Speaker Ryan both need to see this bill pass the House, and experts predict that it will pass. Majority Leader McConnell wants to have an Obama replacement bill on the Senate floor the last week of April, but it will be a different bill that passes the House of Representatives.

One of the unspoken realities is that any healthcare bill must include over $800 billion resulting from the repeal of most of the ACA/Obamacare tax increases. That is why tax reform must wait until a healthcare bill is passed and signed – otherwise the $800 billion would have to be included in a tax reform bill and that would put additional pressure on the bill to find revenue to keep the tax bill revenue neutral.

The health care debate really centers on a few key questions:
• Did Obamacare already resolve the previous question?
• Should we continue to expand the purchase of health care throughout our society?
• How do we balance age groups in the exchanges?
• How do we keep the cost of insurance down while covering as many people as possible?
• How should the federal government deal with Medicaid expansion states and the states that did not expand Medicaid?

As many as 1,400 regulations were written by the Department of Health and Human Services on Obamacare. HHS Secretary Price will be reviewing these regulations with the goal of managing the cost of health care.

_Last Week was Fascinating – Reason #2. The Trump Administration’s skinny budget._

The Trump Administration submitted last week its ‘skinny’ budget. See below for a graphic showing more about the budget’s impact on federal agencies. Here are the some of the big winners and losers.

**Winners:**

• Pentagon, an 10% increase
• Veterans Affairs, a 5% increase
• Homeland Security, a 6.8% increase
• National Nuclear Security Administration, up 11%
• Opioid prevention, a increase of $500 million to the Departments of Justice and Health and Human Services
• School Choice. $1.4 billion to expand school choice programs for a total of $20 billion.

**Losers:**

• Environmental Protection Agency. A proposed cut of 31.4% or $2.6 billion
• Health and Human Services. A proposed cut of 16.2% or $12.6 billion
• State Department and the US Agency for International Development. A proposed cut of 28% or $10 billion
• Labor Department. A proposed cut of more than 20% or $2.5 billion
- Transportation Department. A proposed cut of nearly 13%
- IRS. The proposed budget is down about $1 billion from its high water mark in 2010

The Trump Administration’s ‘skinny budget’ was written as a political document, and it was understood by most in Congress to be a political document. Congress will go through its budget process, which takes a simple majority – with the exception of increases and cuts via a budget process known as sequestration – which requires 60 votes to pass.

Click on the image above for more on the agency funding under the proposed budget.

Last Week was Fascinating – Reason #3. Regulations, confirmations, interest rates.

- The President signed an executive order that requires that the Office of Management and Budget oversee an evaluation to see how money is spent, how money may be wasted, and how services can be improved.
- The Environmental Protection Agency and the Transportation Department announced that they would review a last minute attempt by the Obama Administration to make permanent a ruling on greenhouse gas emissions for cars and light trucks. This could lead to looser emission standards for automakers, but changes are probably a few years away.
- The Trump Administration indicated last week that the President would probably sign an executive order as soon as this week that will roll-back a number of actions on climate change during the Obama Administration.