CITY OF
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Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Betsy Shotwell

SUBJECT: **SEE BELOW**

DATE: September 13, 2013

Approved:

Date 9/13/13

INFORMATION

SUBJECT: FEDERAL LEGISLATION AND REGULATORY ACTION RELEVANT TO GENERAL LOCAL GOVERNMENT INTERESTS

The City's Federal lobbyist firm of Patton Boggs LLP has provided the attached comprehensive update for local governments regarding actions on notable federal legislation and regulatory issues. As Congress returns from August recess, this memorandum provides a comprehensive update on the status of pending federal legislation and regulatory action relevant to local government.

The first order of business following the recess is for Congress to act on the FY 2014 budget in order to prevent a government shutdown when the current fiscal year ends on September 30. The report includes a number of issue updates including an update on the FY 2014 Budget and their budget forecast, FY 2014 status of appropriations, review of the FY 2013 Budget and sequestration implementation, transportation and aviation, the continued attempt to reauthorize the Workforce Investment Act of 1998, cybersecurity, tax reform, climate change, gun control, and immigration.

This federal legislative update reflects many of the City's 2013 legislative policy principles and priorities and our efforts to work with our federal partners to advocate on issues of concern and interest to the City during the first session of the 113th Congress. Updates are also provided in Patton Boggs' weekly "Capital Thinking" reports found on their website: www.pattonboggs.com.

/s/
BETSY SHOTWELL
Director, Intergovernmental Relations

For more information, please contact Betsy Shotwell, Director, Intergovernmental Relations at (408) 535-8270.

Attachment:
Patton Boggs' September 12, 2013 report: Federal Legislation and Regulatory Action Relevant to General Local Government Interests

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FEDERAL LEGISLATIVE & REGULATORY UPDATE

To: City of San Jose, CA
From: Patton Boggs LLP
Date: September 12, 2013
Subject: Update on Federal Legislation and Regulatory Action Relevant to Local Government Interests

As Congress returns from its August recess, this memorandum provides a comprehensive update on the status and prospects of pending, high-profile federal legislation and regulatory action of particular relevance to local governments and their partners.

Thus far, the 113th Congress has been on track to be even less productive than the 112th Congress, which was widely-recognized as the most unproductive Congress in decades. However, House Majority Leader Eric Cantor (R-VA) recently outlined a very robust – and likely overly ambitious - House legislative schedule for the fall including: Syria chemical weapons response; FY 2014 appropriations; required debt limit increase; Supplemental Nutrition Assistance Program (SNAP) reauthorization; Affordable Care Act ("Obamacare") repeal/defunding; immigration reform; domestic energy promotion; Water Resource Reform and Development Act of 2013 (WRRDA); Restoring Healthy Forests for Healthy Communities Act (H.R. 1526); Kids First Research Act (H.R. 1724); intelligence and cyber security program review; and IRS oversight hearings.

With debate and votes to authorize military action in Syria at least temporarily on hold, the first order of post-recess business for Congress is to act on the FY 2014 budget in order to prevent a government shutdown when the current fiscal year ends on September 30.

Specifically, this memo addresses:

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BUDGET/APPROPRIATIONS

FY 2014 BUDGET FORECAST

With the October 1 start of the 2014 Fiscal Year fast approaching and none of the 13 appropriations bills that fund the federal government close to enactment, Congress must move quickly to enact a Continuing Resolution (CR).

This week, a 75-day Continuing Resolution (H. J. Res. 59) was introduced in the House that would fund federal offices and programs at current levels (approximately $986 billion) through December 15, the target adjournment date for the first session of the 113th Congress. In an effort to secure support from conservative House Republicans, caucus leaders proposed a legislative maneuver to include a provision that would eliminate funding for "Obamacare," the 2010 Affordable Care Act (P.L. 111-148, P.L. 111-152). House leaders believed this strategy would appease tea party Republicans pushing for more severe spending cuts and force a number of Senate Democrats up for reelection next year to go on the record with a vote in favor of the Affordable Care Act despite dwindling public support for the law. It was expected that the Senate vote on the healthcare provision would fail, while the CR itself would be approved and sent to the President.

However, what appeared to be a workable solution earlier this week fell apart yesterday as rank-and-file House Republicans balked at the maneuver as a gimmick that would not impact the status of the Affordable Care Act. Due to the lack of support within his party, House Speaker John Boehner (R-OH) was forced to pull the bill (the inclusion of the Affordable Care Act provision ensured that no House Democrat would vote for the bill). It now appears as though a different proposal will be presented by House Republican leaders next week. It is unclear what this new bill will entail; just yesterday House Budget Committee Chairman Paul Ryan (R-WI) and former Chairman of the House Republican Study Committee Jim Jordan (R-0H) put forth a proposal to delay implementation of the Affordable Care Act for one year and utilize those cost savings to offset the next round of sequestration.

It is possible that Senate and House Republicans leaders will try to convince rank-and-file Members to approve a clean short-term CR and delay the healthcare fight until the broader deficit reduction negotiations this fall. Those discussions will involve how to avert reaching the nation's debt limit in mid-October and prevent the next round of sequestration scheduled to go into effect in January 2014. Republicans and Democrats remain at opposite ends of the spectrum on how to achieve deficit reduction. Democrats would like to see some revenue measures included in any deficit reduction package, Republicans want to apply the Boehner Rule – in which the debt limit increase is offset by equal spending reductions only - and the President has thus far said he will not negotiate on the debt ceiling. House Speaker John Boehner (R-OH), House Minority Leader Nancy Pelosi (D-CA), Senate Majority Leader Harry Reid (D-NV) and Senate Minority Leader Mitch McConnell (R-KY) met today to begin the discussion on these fiscal challenges.

FY 2014 Appropriations Status / Background

Throughout late spring and early summer, the House and the Senate Appropriations Committees completed work on a number of the FY 2014 spending bills (all but Interior-Environment and Labor-HHS-Education were approved by the House committee and all but Interior-Environment were approved by the Senate committee); however, only four bills (Defense, Energy & Water, Homeland Security, and Military Construction-Veterans Affairs) were passed by the full House and none were brought to the Senate floor.

The Appropriations Committees in both chambers adhered to the topline funding levels proposed in their respective FY 2014 Budget Resolutions ($967 billion in the House; $1.058 trillion in the Senate). The House approach proposed to balance the budget by cutting $4.6 trillion over ten years, repealing the 2010 health care law, and overhauling the tax code; the House budget especially took aim at entitlement programs and the federal workforce, which would see a 10 percent reduction by 2015, and protected defense programs from sequestration by transferring those cuts to domestic programs. In contrast, the Senate approach reduced the deficit by $1.85 trillion over 10 years through an equal split of spending cuts across defense, domestic discretionary, and entitlement programs, plus new revenues from ending tax breaks for corporations and higher income individuals. The Senate plan also proposed $100 billion in stimulus spending for infrastructure and school repairs, new construction, and worker training.

Both also ignored sequestration, albeit in different ways. The House bills maintained the discretionary spending limit established in the BCA and incorporated the mandated sequestration but ignored the 'firewall' established between security (primarily Defense and Homeland Security) and non-security funding, which capped security funding at $498 billion and non-security funding at $469 billion. The House significantly increased funding for Defense programs, leaving domestic programs to absorb the brunt of spending reductions. The Senate assumed that sequestration would be addressed in a broader deficit reduction agreement and used the higher topline funding cap.

In comparison, the President's FY 2014 Budget Proposal requested $1.058 trillion in discretionary spending for FY2014 and called for $3.77 trillion in government spending and proposed cutting the deficit by $1.8 trillion over ten years, which would eliminate the remaining years of sequestration.

Given the $91 billion difference in the overall spending caps in the two chambers, the appropriations bills considered in the House were vastly different than those in the Senate. For example, in the FY 2014 THUD bill, the Senate Appropriations Committee provided $550 million for the TIGER program while the House Appropriations Committee again zeroed out its funding for the next fiscal year and rescinded $237 million from FY 2013 TIGER funding. Funding for the Community Development Block Grant (CDBG) program was also cut significantly in the House THUD bill, which funded the program at $1.6 billion for FY 2014 – a decrease of $1.3 billion below the FY 2013 enacted level. In comparison, the Senate THUD bill provided $3.15 billion for the CDBG program in FY 2014.

Other appropriations bills included provisions that would have a detrimental impact on programs that are of importance to local governments. The FY 2014 House Agriculture appropriations bill that passed out of committee proposed $958 million in spending cuts to the Supplemental Nutrition Assistance Program (SNAP), commonly known as food stamps, while the Senate provided full funding for the program in FY 2014. In addition to proposed cuts in the House FY 2014 Homeland Security appropriations bill, the Committee also recommended in the accompanying committee report that the Department of Homeland Security consolidate the Urban Area Security Initiative (UASI) program to only 25 regions, as opposed to the 31 regions that currently receive UASI funding.

REVIEW OF THE FY 2013 BUDGET AND SEQUESTRATION IMPLEMENTATION

Resolution of the FY2013 appropriations and sequestration process offers additional context for the FY2014 status and forecast. On March 26, the FY 2013 appropriations process was finalized through the enactment of a minibus / Continuing Resolution (P.L. 113-6). The measure included full-year budgets for federal departments and agencies that fall under the jurisdiction of the Agriculture, Commerce-Justice-Science, Defense, Homeland Security, and Military Construction-Veterans Affairs spending bills. All other departments and agencies were funded under a six-month Continuing Resolution (CR). Topline funding for FY 2013 adhered to the discretionary spending cap of $984 billion established in the *Budget Control Act of 2011* (BCA / P.L. 112-25).

To offset the August 2011 increase in the debt ceiling, the BCA mandated that a sequestration process - automatic, across-the-board reductions in defense and non-defense discretionary spending - would commence on January 2, 2013, if the Joint Select Committee on Deficit Reduction and/or Congress failed to craft a $1.2 trillion deficit reduction plan. Despite significant stakeholder outreach, as well as outcry from federal departments / agencies and many Members of Congress, no alternative deficit reduction package was approved and several legislative efforts to avoid sequestration failed. After a two-month delay was provided in the year-end "fiscal cliff" deal (*the American Taxpayer Relief Act of 2010* (P.L. 112-240)), sequestration went into effect on March 1.

Sequestration reduced $85 billion from federal spending in the last seven months of FY 2013, evenly divided between security and non-security functions. Generally, the FY 2013 sequestration resulted in the following percentage reductions:

- 7.8 percent – Defense discretionary
- 7.9 percent – Defense mandatory
- 5.0 percent – Nondefense discretionary
- 5.1 percent – Nondefense mandatory
- 2.0 percent – Medicare (provider payments)

TRANSPORTATION

NEW TRANSPORTATION SECRETARY

On June 27, the Senate unanimously confirmed Anthony Foxx as the next Secretary of the Department of Transportation (DOT). Secretary Foxx is the outgoing mayor of Charlotte, North Carolina, where his transportation accomplishments include the development of a streetcar corridor, light rail transit expansion, a major Interstate expansion, and a runway addition at Charlotte-Douglas International Airport. Many stakeholders are encouraged by his new role at DOT, as it brings the perspective of a local executive who had a critical role in funding and delivering multi-modal transportation improvements.

MAP-21 IMPLEMENTATION

Since the October 2012 passage of the surface transportation reauthorization - *Moving Ahead for Progress in the 21st Century Act* (MAP-21) (P.L. 112-141) - DOT has been focused on the rollout of new policy provisions, releasing guidance on a number of programs.

Given that MAP-21 only authorizes programs through September 30, 2014, Congress is already beginning its preliminary discussions about the next reauthorization of surface transportation programs. The biggest challenge that Congress will face is how to fund surface transportation programs given the growing shortfall that exists in the Highway Trust Fund (HTF), which provides funding for most federal transportation programs. The HTF is primarily funded through the federal gas tax (currently 18.4 cents per gallon), which has not been increased since 1993 because of the potential political ramifications. In the past five years, Congress has transferred almost $56 billion into the HTF to maintain its solvency and fund the currently authorized programs. The Congressional committees with jurisdiction over this issue and the Department of Transportation are beginning to discuss the options for a more sustainable source of revenue for the HTF, such as mileage-based fees or a Vehicle Miles Traveled (VMT) tax.

It is unlikely Congress will take much action related to the reauthorization this year. Moreover, they likely will extend current law to provide more time to address a longer-term solution to the insolvency of the HTF. Secretary Foxx pointed to Congress to take the lead on exploring funding ideas for infrastructure, since President Obama already offered his own proposal to pay for repairs to bridges, highways, and other facilities as part of his FY 2014 Budget request.

INFRASTRUCTURE LEGISLATIVE PROPOSALS

A number of legislative proposals that would increase investments in transportation infrastructure have been introduced this Congress, including many proposals from last Congress. For example, Rep. Richard Neal (D-MA), along with his Democratic colleagues on the House Ways and Means Committee, introduced a bill (H.R. 789) that would permanently extend the Build America Bonds (BABs) program that was originally created as part of the *American Recovery and Reinvestment Act*. The President's Budget also included a series of new infrastructure financing proposals, including the creation of America Fast Forward bonds, modeled on the former Build America Bonds program, as well as changes to Private Activity Bonds. The program expired at the end of 2010 and has not been very popular among Republicans, making it very unlikely that this bill will see any movement this year.

A bipartisan group of 30 House Members introduced the *Partnership to Build America Act* (H.R. 2084), which would revive the proposal for a National Infrastructure Bank (NIB) by creating a $750 billion fund to pay for road and transit projects. Previous NIB proposals have been strongly opposed by Congressional Republicans that argue that it is best for states to establish their own infrastructure funds instead of creating a national fund.

Another bipartisan coalition of lawmakers introduced the *TRIP Bonds Act* (S. 1250/H.R. 2534) to authorize $50 billion in bonding authority for the Transportation and Regional Infrastructure Project (TRIP) bond program. The proposed legislation would provide up to $1 billion in bonds to pay for transportation projects. Proponents of a TRIP bond program tried to include a similar proposal in MAP-21 last year but their efforts were thwarted over concerns about the proposed budgetary offset offered. The National Association of Manufacturers (NAM) and the American Association of State Highway and Transportation Officials (AASHTO) have voiced their support of this bill.

In the Senate, Senator Mark Warner (D-VA) is expected to introduce an infrastructure bank bill next week that is similar to the 2011 "BUILD Act," which proposed a $10 billion fund to leverage private investment in large infrastructure projects. Senator Warner's bill is likely to propose some changes to the 2011 legislation that will be highlighted during a Committee on Commerce, Science and Transportation subcommittee hearing on September 24.

Senator Claire McCaskill (D-MO) is also planning to introduce a jobs and infrastructure bill similar to the *Bipartisan Jobs Creation Act* that she introduced with Senator Susan Collins (R-ME) last Congress. The legislation aims to improve the permitting process for large infrastructure projects by coordinating the permitting decisions for major projects, enhancing transparency, and reducing litigation delays.

AVIATION

Due to sequestration cuts, the Federal Aviation Administration (FAA) began to furlough a number of personnel this spring, including air traffic controllers, which resulted in widespread delays at airports across the country. The agency also announced the impending closure of hundreds of contract air traffic control towers. After weeks of national frustration over the mounting flight delays, Congress passed the *Reducing Flight Delays Act of 2013* (P.L. 113-9) to avoid air traffic controller furloughs by allowing for the transfer of unobligated balances from the discretionary Airport Improvement Program to FAA's operations account.

While the bill allowed for the transfer of $253 million in funding to the operations account, more than the amount needed to prevent furloughs, it did not specifically state that the remaining funds should be used to fund the 149 contract towers that FAA also slated for closing in June due to sequestration. As a result, more than 40 Senators and 80 Members of the House wrote to Transportation Secretary Ray LaHood and FAA Administrator Michael Huerta in May, stating that the intent of the legislation was based on the understanding that the contract towers would be fully funded and called on FAA to maintain funding for the towers. After more than a week without a decision, former Transportation Secretary Ray LaHood announced that the FAA had sufficient flexibility within the legislation to keep the towers open for the remainder of the fiscal year.

The FAA is again under pressure to clarify how the next round of sequestration will impact the program.

2013 TIGER GRANT PROGRAM

On Thursday September 5, Transportation Secretary Anthony Foxx announced awards for the fifth round of the Transportation Investment Generating Economic Recovery (TIGER) grant program. The Department of Transportation (DOT) distributed $474 million across 52 projects, half of which were located in rural communities.

To date, the TIGER program has awarded more than $3.6 billion to 270 projects in all 50 states, the District of Columbia and Puerto Rico. Since its origination, the program has been highly competitive and oversubscribed, a trend that continued with TIGER V. The FY 2013 program received 585 applications representing $9 billion in need, which far exceeded the $474 million available (including a set aside of $120 million for rural projects). Combined, the five rounds of TIGER funding have yielded more than 5,200 applications seeking more than $114.2 billion for transportation projects across the country.

WORKFORCE INVESTMENT ACT REAUTHORIZATION

The 113th Congress continues to attempt to reauthorize the Workforce Investment Act of 1998 (WIA), which expired in 2003. On March 15, the House passed its WIA reauthorization bill, the *Supporting Knowledge and Investing in Lifelong Skills Act* (SKILLS Act/(H.R. 803), by a partisan vote of 215-202. The House bill would eliminate and streamline 35 existing job training programs into a single Workforce Investment Fund. This idea was not well received in the past among Senate Democrats who would prefer to keep the basic structure of current WIA systems intact due to their concern that the House's plan would shift money away from under-served populations.

As such, immediately prior to the August recess, Senators Patty Murray (D-WA), Johnny Isakson (R-GA), Tom Harkin (D-IA), and Lamar Alexander (R-TN) introduced their version of the reauthorization. The Senate anticipated taking up the legislation this fall and moving towards a conference with the House, but it is now uncertain whether they will be able to fit it into the congested fall legislative schedule.

NATIONAL NETWORK OF MANUFACTURING INNOVATION (NMMI)

Promoting advanced manufacturing continues to be an Administration priority, with some bipartisan resonance in Congress. Prior to the August recess, the White House launched a competition for three new Manufacturing Innovation Institutes as part of the National Network of Manufacturing Innovation (NNMI). Although a complete NNMI program was included in the President's FY 2013 and 2014 budgets, it is subject to the Congressional appropriations process and has not yet been funded. In the interim, the Obama Administration has used its current resources to fund the three upcoming Institutes, following the same model used last year to establish a pilot National Additive Manufacturing Innovation Institute (NAMII) in Youngstown, Ohio.

The Department of Defense (DOD) is taking the lead on two of the Manufacturing Innovation Institutes – the Institute on Digital Manufacturing and Design Innovation and the Lightweight and Modern Metals Manufacturing Institute. The Department of Energy (DOE) will lead the third Institute focused on Next Generation Power Electronics Manufacturing. The DOD solicitations were released in early July and are due mid-October; the DOE competition closed August 29.

PROMISE ZONES

In his 2013 State of the Union address, the President announced his plan to create the Promise Zones initiative that would assist in the revitalization efforts of local communities. Over four years, this initiative would designate 20 communities as Promise Zones, including five in 2013. By providing technical assistance, the Promise Zones initiative would work with high-poverty communities across the country to help them create jobs, leverage private investment, increase economic activity, expand educational opportunities, increase quality affordable housing, and improve public safety.

The Department of Housing and Urban Development recently released a list of Frequently Asked Questions, which details the criteria required to be designated as a Promise Zone community, as well as a list of eligible applicants for 2013.

WATER RESOURCES DEVELOMENT ACT (WRDA)

On May 15, the Senate passed its version of the *Water Resources Development Act* (WRDA/S. 601) by an 83-14 vote. Given the current earmark ban, the bill did not identify specific projects but instead established criteria to alter or expand current authorizations and to govern how the Army Corps of Engineers selects priority projects. The bill authorizes $50 million in budget authority for Environment Protection Agency's (EPA) drinking water and wastewater projects, as well as $50 million in budget authority for the Army Corps of Engineers' water resources projects, which will leverage up to $500 million in annual low interest loans. The bill also includes the Water Infrastructure Finance and Innovation Act (WIFIA), a creative financing mechanism modeled after a popular transportation program, which had been strongly advocated by local governments and utilities, including San Jose.

House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) introduced the House bill yesterday. We will analyze and provide additional details under separate cover.

CYBERSECURITY

EXECUTIVE ACTION

In February, the President issued an Executive Order (EO) focused specifically on cybersecurity. The Department of Homeland Security (DHS) has formed a number of task forces that are working to implement the directives included in the EO. As part of the EO, the National Institute of Standards and Technology (NIST) is required to develop a "Cybersecurity Framework" made up of voluntary standards for critical infrastructure. NIST is working with stakeholders to develop this framework and intends to release its draft recommendations in October for public comment. The final "Cybersecurity Framework" is due in February 2014.

CONGRESSIONAL ACTION

Despite the progress made by the EO, both the White House and Congress believe that legislative action is still needed on cybersecurity. In April, the House passed four pieces of legislation that address cybersecurity issues, including the *Cyber Intelligence Sharing and Protection Act* (CISPA/H.R. 624), which was very controversial—as evidenced by the White House's veto threat. The House Homeland Security Committee is also in the process of finalizing another cybersecurity bill that will seek to codify and clarify the cybersecurity roles and responsibilities of DHS with the goal of improving information sharing between the federal government and the private sector.

The Senate is currently working at a much slower pace to develop and draft its cybersecurity legislation this Congress. The Senate Commerce, Science, and Transportation Committee was the first to complete a cybersecurity bill this Congress when it marked up and passed the *Cybersecurity Act of 2013* (S. 1353) at the end of July. It is unclear how quickly this bill will move to the Senate floor for consideration. The bill gives authority to NIST to facilitate and support the development of voluntary, industry-led cyber standards and best practices for critical infrastructure. The legislation also addresses cybersecurity workforce training education, and research and development programs. The Senate Homeland Security and Governmental Affairs Committee and Senate Select Intelligence Committee also have jurisdiction over issues related to cybersecurity and are currently in the process of drafting other cyber legislation that will likely focus on information sharing, reform of the Federal Information Security Management Act of 2002 (FISMA), and other issues related to critical infrastructure.

TAX REFORM

ONLINE SALES TAX (MARKETPLACE FAIRNESS ACT)

Although the Senate passed the Marketplace Fairness Act (S. 743) in May by a bipartisan vote of 69-27, action on the bill has stalled in the House. Efforts to pass the Marketplace Fairness Act by groups such as the U.S. Conference of Mayors, National League of Cities, National Association of Counties, and National Retail Federation have been buffeted by an aggressive campaign against the bill from conservative groups such as Americans for Tax Reform. House Judiciary Committee Chairman Bob Goodlatte (R-VA), whose committee will oversee this issue, argues that the Senate-passed version of the bill is too complex. Therefore, instead of taking up that bill, he is expected to release a set of "principles" this fall and has suggested that he may package it with other tax legislation, such as the Business Activity Tax Simplification Act (BATSA). If the bill does not progress in the House, there may be renewed effort in the Senate to attach the bill to a must-pass piece of legislation later this year.

TAX-EXEMPT STATUS OF MUNICIPAL BONDS

Although interest on municipal bonds has been tax-exempt for nearly a century, there have been threats to end the bonds' tax-exempt status under comprehensive tax reform. President Obama's FY 2014 Budget Proposal and the Senate FY 2014 Budget Resolution both proposed placing a 28 percent cap on tax-exempt municipal bond interest for high-income taxpayers. The chairs of the committees that will oversee comprehensive tax reform, Senate Finance Chairman Max Baucus (D-MT) and House Ways and Means Chairman Dave Camp (R-MI), have suggested in hearings that the tax-exempt status of municipal bonds will be considered as they craft larger tax proposals. Furthermore, Senator Baucus suggested that municipal bonds should be altered to provide all bondholders with the same level of tax credit, regardless of their income level. He and Senate Finance Ranking Member Orrin Hatch (R-UT) recently announced that they would begin work on comprehensive tax reform and gave their fellow Senators until July 26 to provide them with a list of what tax credits, breaks, or deductions should be kept in the revised tax code.

CLIMATE CHANGE

In late June, President Obama laid out a plan to address climate change that bypasses Congress and instead relies on actions that the Executive Branch can carry out on its own. The plan has three main components: to cut carbon pollution in America, to prepare for the impacts of climate change, and to work with other nations to address climate change. With regard to municipal interests, the plan would establish a short-term task force of state, local, and tribal officials to advise the federal government on actions it can take to strengthen communities; provide these officials with a "toolkit" of climate preparedness tools and data; create public-private partnerships to make hospitals more resilient; and conduct pilot projects to test strategies that strengthen local communities against extreme weather. President Obama's plan also limits power plants' carbon dioxide emissions for the first time, a move that has angered Republicans and Democrats in coal-dependent states. The President set an aggressive schedule to implement his plan before he leaves office, but it is uncertain if he will succeed. Congress can prevent new agency rules from taking effect by a simple majority vote, and questions surrounding the EPA's authority subject its programs to legal uncertainty.

GUN CONTROL

In mid-April, the Senate failed to pass sweeping gun control legislation that would expand background checks, provide funding for school safety equipment, and address mental health issues. Leading up to the vote, the Senate held emotional hearings with victims of gun violence as the President, Vice President, and First Lady stumped for the bill across the country. However, the National Rifle Association (NRA) led an equally vigorous campaign against the bill, leading four red-state Democrats to defect from their party and vote against the bill. Four Republicans voted for the bill: Sen. Pat Toomey (PA), who co-authored the background check compromise; Sen. John McCain (AZ), Sen. Susan Collins (ME), and Sen. Mark Kirk (IL). Since the legislation's defeat, the Senate and President have turned their attention to other issues.

However, this summer Former Congresswoman Gabrielle Giffords (D-AZ) kicked off a "Rights and Responsibilities Tour" to push for tighter gun control, and the families affected by violence in Newtown, Connecticut have continued to push for Congress to pass legislation.

IMMIGRATION

By a vote of 68 to 32, the Senate passed a broad immigration reform bill in late June. The legislation would reform visa programs, tighten border security, require employers to verify workers' eligibility, and create a 13-year pathway for citizenship for undocumented immigrants.

In contrast, the House of Representatives has continued to approach immigration reform in a piecemeal fashion, passing smaller bills rather than one large compromise. Senator Chuck Schumer (D-NY), one of the authors of the Senate immigration bill, attacked this approach and argued that, when it fails, the House will be forced to pass the Senate bill. However, Speaker John Boehner (R-OH) and Judiciary Committee Chairman Bob Goodlatte (R-VA) have remained adamant that the House will not pass the Senate bill due to its pathway to citizenship provision.

It is unlikely the House will take up any comprehensive package, but may consider some of the piecemeal measures that the Judiciary and Homeland Security Committees have already approved.

FARM BILL

The Senate passed a bipartisan Farm Bill in early June, which would set the nation's agriculture, nutrition, and conservation policy for the next five years (S. 954). The bill would eliminate direct payments to farmers, create a new insurance program for dairy farmers, fund new agriculture research, and cut almost $4 billion from the Supplemental Nutrition Assistance Program (SNAP) over the next 10 years.

Shortly after the Senate passed its bill, the House failed to pass a Farm Bill which would have cut $20.5 billion from SNAP. The bill lost support from conservative Republicans, who felt the cut was too small, as well as Democrats, who felt the cut was too large. In an attempt to win back Republican votes, Majority Leader Eric Cantor (R-VA) decided to split the bill into two, separating the nutrition title (which includes SNAP) from the rest of the agriculture programs. The House eventually passed only the agriculture portion of the Farm Bill by a party-line vote on July 11 (H.R. 2642). After the vote, Majority Leader Cantor expressed his intention to bring the nutrition title to the floor. The White House threatened to veto the agriculture bill, arguing that it not only fails to reauthorize nutrition programs but also "does not contain sufficient commodity and crop insurance reforms and does not invest in renewable energy."

It is unclear how the Farm Bill will be resolved in conference. Senator Debbie Stabenow (D-MI), the Chair of the Senate Agriculture Committee, pledged that the Senate will not pass a final bill without a nutrition title. However, it appears that Republicans are looking to reform nutrition programs through other means. At a recent speaking engagement, Rep. Marlin Stutzman (R-IN) expressed his intention to introduce a bill that would restructure and reduce funding for SNAP. There also are reports of Republicans using SNAP reform as leverage during the next round of debt ceiling negotiations.

DATA ACT

This spring, Senator Mark Warner (D-VA) and Rep. Darrell Issa (R-CA) reintroduced the Digital Accountability and Transparency (DATA) Act (S.994/H.R. 2061), which seeks to reduce wasteful spending by standardizing reporting requirements and requiring federal agencies to post their expenditure data online. The House passed a similar measure in 2012, but it stalled in the Senate amid concerns that the bill contained onerous reporting requirements for grant recipients.

To correct this, the new version of the bill specifies that no new reporting or compliance requirements are created for federal grant recipients. The new version also relies on the Treasury Department to carry out data standardization, instead of creating a new Federal Accountability Spending and Transparency Commission, as the previous bill had done. House Majority Leader Eric Cantor (R-VA) this week said the House will take up – and likely approve – the bill again this fall.