



November 1, 2019

Washington Update

This Week In Congress

House – The House passed [H. Res. 660](#), a resolution establishing procedures for an impeachment inquiry regarding President Trump. The House also passed [H.R. 4695](#), which would impose sanctions on Turkey, [H.R. 823](#), “The Colorado Outdoor Recreation and Economy Act,” [H.R. 2181](#), “The Chaco Cultural Heritage Area Protection Act,” [H.R. 1373](#), “The Grand Canyon Centennial Protection Act,” and [H.Res. 296](#), a resolution “Affirming the United States record on the Armenian Genocide.”

Senate – The Senate passed [H.R. 3055](#), a package of domestic appropriations bills, including Agriculture-FDA, Commerce-Justice-Science, Interior-Environment, and Transportation-HUD spending. The Senate rejected a motion to limit debate on [H.R. 2740](#), a funding package covering Defense and Labor-HHS-Education spending. The Senate failed to pass [S.J.Res.52](#), a resolution disapproving Treasury Department and Department of Health and Human Services rules regarding short-term health insurance plans.

Next Week In Congress

House – The House will be in recess.

Senate – The Senate will continue its consideration of judicial nominations.

TAX

Tax Extenders Negotiations Reach a Standstill

Key Points:

- *Some Republican lawmakers are doubtful an agreement will be reached around tax extenders.*
- *House Democrats have requested a tradeoff including options like expansion of the child tax credit, lifting the cap on state and local tax deduction, assisting troubled multiemployer pension plans, and clean energy incentives.*
- *Republicans criticized the Democrats request as unrealistic because of the disproportionate score.*

Republican Members of the House Ways and Means Committee have expressed some doubts about the progress of negotiations around a year-end tax extender bill. As a tradeoff, Democrats have asked for expansion of the child tax credit, lifting the cap on state and local tax deduction, and assisting troubled multiemployer pension plans, which altogether Republicans believe would cost taxpayers nearly \$1 trillion.

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Ranking Member Brady (R-TX), is characterizing the Democrats' demands as "slow going and unrealistic." Also, on October 30, Members of the House Sustainable Energy and Environment Coalition, New Democrat Coalition, and Congressional Progressive Caucus signed a letter urging the House leadership to include a clean energy tax incentive in a year-end spending bill. A top priority for the group is to ensure energy storage is eligible for the investment tax credit, given it was not included in the extenders package approved by the House Ways and Means Committee earlier this year.

Other non-tax issues between lawmakers such as trade agreements with Mexico and Canada, the pending shutdown of the federal government in three weeks, and the impeachment proceedings are said to be slowing the extenders negotiations process. In looking ahead, the House Ways and Means Committee Member Representative Kildee (D-MI) suggested the possibility of the tax extenders legislation being added to a short-term spending bill that will keep the government open from November 21 to December 12. Whether that spending bill will come to fruition remains a very open question, however.

Discussions Continue on Opportunity Zones

Key Point:

- *Reports show bipartisan support for a year-end tax measure to include new reporting requirements for the Treasury Department around the Opportunity Zone program.*

Reports show there is a bipartisan effort for a year-end tax measure that would require more reporting for the Opportunity Zone program enacted in the Tax Cuts and Jobs Act, [H.R. 1 \(115\)](#). Senator Tim Scott (R-SC), one of the

original sponsors of the Opportunity Zones program, has expressed his support for almost any measure to mandate the reporting requirements. Reporting was part of the original proposal but was dropped based on procedural rules when the TCJA was enacted. The matching proposals [S. 1344 \(116\)](#) and [H.R. 2593 \(116\)](#), would require the Treasury Department to track a range of Opportunity Zone data on investment funds created for them, the assets they hold, the number of jobs they lead to, and people they lift out of poverty, among other metrics.

Along the same lines, on Tuesday October 29, the House Ways and Means Subcommittees on Oversight and Select Revenue Measures also hosted a meeting to further discuss the tax benefits afforded to opportunity zone investors.

Treasury Releases Advanced Notice of Proposed Rulemaking on Section 385

Key Point:

- *The IRS and the Treasury Department released a regulation this week proposing to modify existing regulations under section 385.*

On October 31, the IRS and the Treasury Department released an [Advanced Notice of Proposed Rulemaking](#) (ANPR) on section 385. That is a step before offering draft proposed regulations, signaling intent of Treasury to act in the area and soliciting feedback. The new proposed regulation would not consider a debt as funding distribution or economically similar transaction solely because of timeframe but would rather look to if its issuance has enough factual connection to a distribution to a member of the taxpayer's expanded group.

This proposed replacement will allow companies to issue debt for ordinary business

transactions without the need to track debt and distributions over a 72-month period, a part of the Section 385 rules many companies suggested was cumbersome and not cost effective.

President Trump Expected to Propose Tax Legislation in 2020, Maybe

Key Point:

- *Ways and Means Ranking Member Brady (R-TX) expects President Trump to propose tax cuts in 2020 to promote his pro-growth agenda during the election cycle.*

On October 31, House Ways and Means Committee Ranking Member Brady (R-TX) said he expects tax cut proposals from the Administration in 2020. There have been reports that White House officials and Republicans in Congress have begun discussions about a tax cut and other plans to boost the economy. Ranking Member Brady added that “the Administration’s pro-growth agenda during the 2020 election cycle will also include continued tax cuts.”

The proposals will not be enacted in 2020, in all likelihood, but would signal a possible tax agenda in a second term of the Trump Administration, if circumstances (like control of Congress) would afford an opportunity to enact them.

For more information about tax issues you may [email](#) or call Christopher Hatcher at 202-659-8201. Victoria Shoots contributed to this section.

FINANCIAL SERVICES

House Financial Services Committee Approves Export-Import Bank and TRIA Reauthorization Bills

Key Points:

- *The Committee approved a bill to reauthorize the Export-Import Bank for 10 years and raise the Bank’s lending authority to \$175 billion. The bill passed along party lines.*
- *The Committee also approved a bipartisan bill to reauthorize the Terrorism Risk Insurance Act for seven years.*

On October 29-31, the House Financial Services Committee held a [markup](#) and approved four financial services bills:

- The Terrorism Risk Insurance Program Reauthorization Act of 2019 ([H.R. 4634](#)), introduced by Chairwoman Maxine Waters (D-CA), would provide for reauthorization of the Terrorism Risk Insurance Program (TRIP). The Committee adopted an amendment to reauthorize TRIP for seven years, rather than ten years as in the original bill. The amendment would also require a Government Accountability Office (GAO) report on cyber terrorism risks, and require biennial Treasury reporting that includes an analysis of availability and affordability of terrorism risk insurance on places of worship. The Committee favorably reported H.R. 4634, as amended, by a vote of 57-0.
- The United States Export Finance Agency Act ([H.R. 4863](#)), introduced by Chairwoman Maxine Waters (D-CA), would renew the operating charter of the Export-Import Bank of the United States (Ex-Im Bank) for ten years, through September 30, 2029. The bill would increase the Bank’s statutory

lending authority from \$135 billion to \$175 billion over a seven-year period. The bill would change the name of the Export-Import Bank of the United States to the United States Export Finance Agency. The Committee favorably reported H.R. 4863, as amended, by a vote of 30-27. Republicans on the Committee and Representative Ayanna Pressley (D-MA), Representative Rashida Tlaib (D-MI), and Representative Alexandria Ocasio-Cortez (D-NY) voted no.

- The Cybersecurity and Financial System Resilience Act ([H.R. 4458](#)), introduced by Ranking Member Patrick McHenry (R-NC), would require the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the National Credit Union Administration (NCUA) to each issue an annual report to Congress describing measures the respective agency has taken to strengthen cybersecurity with respect to its functions as a regulator, including the supervision and regulation of financial institutions and, where applicable, third-party service providers. The Committee favorably reported H.R. 4458, as amended, by voice vote.
- The Prudential Regulator Oversight Act ([H.R. 4841](#)), introduced by Representative Dean Phillips (D-MN), would require the Federal Reserve Board, the OCC, the FDIC, and the NCUA to semi-annually report to and annually testify before Congress on their supervisory and regulatory activities. The Committee favorably reported H.R. 4841, as amended, by a vote of 55-0.

Chairwoman Maxine Waters (D-CA) said she has sought to work across the aisle on common sense legislation. She stated that H.R. 4863 would reauthorize the Ex-Im Bank for 10 years, increase the Bank's lending authority to \$175 billion over seven years, and make several reforms to the program. She said she hopes the bill will receive broad bipartisan support.

Ranking Member Patrick McHenry (R-NC) said he was pleased the Committee was able to come together on a 7-year TRIP reauthorization bill. He stated that the bill includes provisions to help better understand how the program would respond to cyberattacks. McHenry expressed disappointment with the Ex-Im Bank bill, asserting that the Committee should be taking up the bipartisan agreement he previously reached with Chairwoman Waters ([H.R. 3407](#)). He said the Committee was doing a disservice to the Ex-Im Bank and to small exporters. He asserted that H.R. 4863 will not become law, but he is confident that the Bank will remain open through bipartisan cooperation between the House, the Senate, and the White House. He stated that he supports keeping the Ex-Im Bank open.

The Committee voted down several Republican amendments to prohibit the Ex-Im Bank from facilitating transactions involving Chinese state-owned entities. The Committee also rejected amendments from Representative Ayanna Pressley (D-MA) and Rashida Tlaib (D-MI) to impose environmental restrictions on Ex-Im Bank transactions.

Federal Financial Regulators Approve Final Rules on Capital Calculations and Resolution Plan

Key Points:

- *Regulators approved final rules to simplify capital requirements for community banks and modify resolution planning requirements for large banks.*
- *They also proposed modifications to the requirements to collect initial margin on inter-affiliate swaps.*

On October 29, the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) approved a [final rule](#) to simplify capital requirements for community banks by allowing them to adopt a simple leverage ratio to measure capital adequacy. A Federal Reserve [press release](#) explained:

The community bank leverage ratio framework removes requirements for calculating and reporting risk-based capital ratios for a qualifying community bank that opts into the framework.

To qualify for the framework, a community bank must have less than \$10 billion in total consolidated assets, limited amounts of off-balance-sheet exposures and trading assets and liabilities, and a leverage ratio greater than 9 percent.

On October 28, the Federal Reserve Board and the FDIC approved a [final rule](#) to modify the resolution plan requirements for large banks. The final rule would apply to domestic and foreign banks with more than \$100 billion in total consolidated assets. A Federal Reserve [press release](#) stated:

For the most systemically important firms, the final rule would adopt the current practice of requiring resolution plans to be submitted on a two-year cycle. The final rule would tailor the rule's requirements for firms that do not pose the same systemic risk as the largest institutions, requiring resolution plans to be submitted on a three-year cycle. Both groups of firms would alternate between submitting full resolution plans and targeted resolution plans. Foreign firms with relatively limited U.S. operations would be required to submit reduced resolution plans.

Firms with less than \$250 billion in total consolidated assets that do not meet certain risk criteria would no longer be subject to the rule. These firms have simpler structures, engage more exclusively in traditional banking activity, and present less risk. These changes do not affect the resolution planning requirements under the FDIC's insured depository institution rule for large insured depository institutions, which is part of a separate rulemaking.

Additionally, this week the Federal Reserve Board, the Farm Credit Administration (FCA), the FDIC, the OCC, and the Federal Housing Finance Agency (FHFA) issued [proposals](#) to change the swap margin rules to facilitate the implementation of prudent risk management strategies at certain banks and swap entities. Under the proposal swap entities would no longer be required to hold initial margin for uncleared swaps with affiliates, but would still be subject to variation margin requirements.

House Agriculture Committee Approves CFTC Reauthorization Bill

Key Point:

- *The Committee approved a five year CFTC reauthorization bill with bipartisan support.*

On October 30, the House Agriculture Committee held a [markup](#) and approved a bill to reauthorize the Commodity Futures Trading Commission (CFTC) for five years ([H.R. 4895](#)). The bill was favorably reported by voice vote with bipartisan support.

The Committee adopted a [manager's amendment](#) offered by Chairman Collin Peterson (D-MN) by voice vote. Peterson noted that the amendment included two substantive changes from the original bill: (1) it adds a new section with the Committee's response to the EU consideration of EMIR 2.2, which could potentially giving ESMA supervisory authority over U.S. clearinghouses; and (2) it adds a new section which adjusts the conditions that must be met by affiliates to non-financial entities who hope to use clearing house exemptions on behalf of their non-financial affiliates.

House Passes Three Financial Services Bills

Key Point:

- *The House passed bills related to the Bank Secrecy Act, unbanked and underbanked communities, and crowdfunding.*

On October 28, the House passed three financial services bills by voice vote:

- The Coordinating Oversight, Upgrading and Innovating Technology, and Examiner Reform Act ([HR 2514](#)), introduced by Representative Emanuel Cleaver (D-MO), which would close

loopholes in the Bank Secrecy Act, increases penalties for those who break the law, and help provide financial institutions with new tools to fulfill their obligations under the law.

- The Financial Inclusion in Banking Act ([H.R. 4067](#)), introduced by Representative David Scott (D-GA), which would require the Consumer Financial Protection Bureau (CFPB) to study how to better address the needs of underbanked, unbanked and underserved communities.
- The Equity Crowdfunding Act ([H.R. 4860](#)), introduced by House Financial Services Committee Ranking Member Patrick McHenry (R-NC), which would subject crowdfunding vehicles to the jurisdiction of the Securities and Exchange Commission. The bill would raise the asset threshold in SEC Regulation Crowdfunding.

The Senate has not taken any action on these bills.

Upcoming Hearings and Meetings

November 4

SEC FIMSAC Meeting: The Securities and Exchange Commission (SEC) will hold a meeting of its Fixed Income Market Structure Advisory Committee (FIMSAC). The event will include panels on: (1) Structured Disclosures by Municipal Issuers; (2) Alternative Compensation Models for Credit Rating Agencies; (3) Fixed Income Index Construction; (4) Interdealer Government Securities Trading Platforms; and (5) LIBOR Transition Update and SOFR Volatility.

November 5

Financial Market Quality Conference: The Center for Financial Markets and Policy at Georgetown University's McDonough School of Business will host its annual Financial Markets Quality Conference.

CFTC Open Meeting: The Commodity Futures Trading Commission (CFTC) will hold an open meeting to consider: (1) Proposed Rule: Correcting Amendment to Commission Regulation 160.30 (Privacy of Consumer Financial Information); (2) Foreign Board of Trade (FBOT) Applications of Euronext Amsterdam, Euronext Paris, and European Energy Exchange; and (3) Other Commission Business.

SEC Open Meeting: The SEC will hold an open meeting to consider three proposed rules: (1) Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice; (2) Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8; and (3) Investment Adviser Advertisements; Compensation for Solicitations.

November 6

Data Collection: The Consumer Financial Protection Bureau (CFPB) will hold a symposium on Section 1071 of the Dodd-Frank Act (DFA), which imposes small business data collection requirements.

November 7

FSOC Meeting: The Financial Stability Oversight Council (FSOC) will meet in executive session to discuss “proposed amendments to the Council’s interpretive guidance on nonbank financial company designations, the Council’s 2019 annual report, a discussion of the activities of cloud service

providers, and a discussion of the current expected credit losses (CECL) accounting standard.”

Investor Advisory Committee: The Securities and Exchange Commission (SEC) will hold a meeting of its Investor Advisory Committee. The agenda for the meeting includes panels on: (1) Discussion Regarding Whether Investors Use Environmental, Social, and Governance (ESG) Data in Investment/Capital Allocation Decisions; and (2) Discussion Regarding the SEC’s Concept Release on Harmonization of Securities Offering Exemptions.

Energy and Environmental Markets Advisory Committee: The Commodity Futures Trading Commission (CFTC) will hold a meeting of its Energy and Environmental Markets Advisory Committee (EEMAC). The agenda for the meeting includes panels on: (1) the global energy transition: evolving standards impacting physical markets; (2) exchange-traded environmental derivatives contracts; and (3) the impact of the global energy transition on market participants’ use of the energy and environmental derivatives markets.

Affordable Housing: The Senate Banking Committee will hold a hearing entitled “Examining Bipartisan Bills to Promote Affordable Housing Access and Safety.” The witnesses at the hearing will be Ivory Mathews, Interim Executive Director, Columbia Housing; Mark Yost, President and CEO, Skyline Champion Corporation on behalf of the Manufactured Housing Institute; and Peggy Bailey, Vice President for Housing Policy, Center on Budget and Policy Priorities.

November 13

Multilateral Development Banks: The House Financial Services Committee’s Subcommittee on National Security,

International Development, and Monetary Policy will hold a hearing entitled “How America Leads Abroad: An Examination of Multilateral Development Institutions.”

November 13-14

Markup: The House Financial Services Committee will hold a markup of pending legislation. The agenda for the markup has not been announced.

November 19

Private Funds: The House Financial Services Committee will hold a hearing entitled “America for Sale? An Examination of the Practices of Private Funds.”

November 20

Minority Financial Institutions: The House Financial Services Committee’s Subcommittee on Consumer Protection and Financial Institutions will convene for a hearing entitled “An Examination of Regulators’ Efforts to Preserve and Promote Minority Depository Institutions.”

Housing Safety: The House Financial Services Committee’s Subcommittee on Housing, Community Development, and Insurance will convene for a hearing entitled “Safe and Decent? Examining the Current State of Residents’ Health and Safety in HUD Housing.”

November 21

Big Data: The House Financial Services Committee’s Task Force on Financial Technology will convene for a hearing entitled “Banking on Your Data: the Role of Big Data in Financial Services.”

For more information about financial services issues you may email [Joel Oswald](#) or [Alex Barcham](#).

ENERGY & ENVIRONMENT

House Panel Examines Power Sector Emissions Reductions

Key Point:

- On Wednesday, the House Energy Subcommittee heard testimony regarding the potential for the power generation sector to contribute to a “100 percent clean economy” by 2050.

On October 30, the House Energy and Commerce Committee’s Energy Subcommittee held a [hearing](#) entitled “Building a 100 Percent Clean Economy: Solutions for the U.S. Power Sector.” The hearing is part of the Committee’s work following the July [announcement](#) by Chairman Frank Pallone (D-NJ), Energy Subcommittee Chairman Bobby Rush (D-NJ), and Environment and Climate Change Subcommittee Chairman Paul Tonko (D-NY) establishing the policy objective of “a 100 percent clean economy by 2050.”

The [background memo](#) for the hearing issued by Chairman Pallone describes potential ways to achieve “deeper decarbonization of the power sector”, including: “improving and expanding end-use efficiency, grid flexibility, and gridscale energy storage; fuel-switching to other low- or zero-carbon resources; and deploying natural or technological carbon capture.”

In his opening statement, Subcommittee Chairman Bobby Rush (D-IL) noted that the U.S. power sector, which has historically been dependent on fossil fuels, currently accounts for 30 percent of emissions. He emphasized the objectives of continuing to meet demand while reducing the power sector’s carbon

footprint. He observed that the power sector has already achieved a 25 percent decrease in carbon dioxide intensity. He also said that there is opportunity for further reductions. He stated that the National Renewable Energy Laboratory (NREL) predicted that the U.S. can use renewable power to produce 80 percent of all electricity by 2050. He emphasized the need to consider vulnerable communities.

Subcommittee Ranking Member Fred Upton (R-MI), in his opening statement, urged his colleagues not to politicize the issue and stressed the need for cooperation. He said that over the last decade, the U.S. has become the world's largest producer of oil and natural gas, increasing the country's energy security. He emphasized that free market and competition caused the reduction in emissions. He stated that natural gas is overtaking coal, and there have been considerable increases in wind and solar generation. He observed that these trends vary across the U.S. and that states are the primary drivers of changes to the generation portfolio. He observed that many states and regional entities have developed standards and complex market rules, and that carbon emissions are down a third from 2005 levels. He also emphasized the need for a "reality-based conversation" that includes costs, utilities, and logistics.

Upcoming Hearings and Events

November 5

Nominations: The Senate Energy and Natural Resources Committee will hold a [hearing](#) on the nominations of James Danly, to be a Member of the Federal Energy Regulatory Commission (FERC) for the remainder of the term expiring June 30, 2023; and Katharine MacGregor, of Pennsylvania, to be Deputy Secretary of the Interior.

November 6

Legislative Hearing: The Senate Energy and Natural Resources Committee's Subcommittee on Energy will hold a [hearing](#) on pending legislation.

November 7

Energy Development on Federal Land: The Senate Energy and Natural Resources Committee will hold a [hearing](#) "to examine federal revenues derived from energy development on federal and Indian lands as well as federal offshore areas and programs that share those revenues with state, local, and tribal governments."

November 14

Pipeline Safety: The Pipeline and Hazardous Materials Safety Administration's (PHMSA) Gas Pipeline Advisory Committee (GPAC) and Liquid Pipeline Advisory Committee (GPAC) will hold a [meeting](#) "to discuss a variety of topics to update committee members on both gas and liquid pipeline applicable safety program and policy issues, such as: pipeline safety public awareness; reauthorization of the pipeline safety program; a regulatory agenda update; a discussion of safety management systems within the pipeline industry; an update on the Voluntary Information Sharing Working Group, and an update on pipeline safety's research and development program."

For more information about energy and environment issues you may [email](#) or call Frank Vlossak at 202-659-8201. Ashley Strobel and Alexandra Gale contributed to the articles. Updates on energy and environment issues are also available on [twitter](#).

HEALTH

White House Launches New Website on Opioid Treatment

Key Point:

- *The White House launched a new website to help people find substance use disorder treatment.*

On October 30, the White House announced the new website FindTreatment.gov which will help individuals find treatment options. The website allows people to sort treatment facilities by the type of treatment offered, including treatment for co-occurring mental health conditions, and whether telemedicine is available. People will also be able to search by payment options, age, language, and access to medication-assisted treatment for opioid use disorder.

Office of National Drug Control Policy Director Jim Carroll emphasizes “when someone opens up about their struggles with addiction, it’s critical they and their loved ones have the right resources to quickly find help.” Department of Health and Human Services (HHS) Assistant Secretary for Mental Health and Substance Elinore McCance-Katz stressed increasing treatment access is critical for address substance use disorders. HHS Secretary Alex Azar noted the Administration has “unequivocally and strongly supported medication-assisted treatment because [it sees] addiction as a medical issue.”

House E&C Ranking Member Announces Retirement

Key Point:

- *House Energy and Commerce Ranking Member Greg Walden (R-OR) announced he will not seek reelection in 2020.*

On October 28, Representative Greg Walden (R-OR) announced he will not be seeking reelection in 2020. Walden currently serves as the Ranking Member of the House Energy and Commerce Committee. He is the fifth Republican committee leader to announce retirement; however, Walden is the only retiring member who would not have been term-limited out of his leadership position.

Three subcommittee ranking members have expressed interest in being Walden’s replacement: Representatives Michael Burgess (R-TX), Cathy McMorris Rodgers (R-WA), and Bob Latta (R-OH). In addition, Representative John Shimkus (R-IL) announced he is reconsidering his previous retirement announcement with the top position on the committee now open. In 2016, Shimkus competed with Walden to be the top Republican on Energy and Commerce.

Upcoming Hearings and Meetings

November 7-8

Medicare: The Medicare Payment Advisory Commission will hold a public meeting.

For more information about healthcare issues you may [email](#) or call Nicole Ruzinski Bertsch or George Olsen at 202-659-8201.

TRADE**Section 232 Bills Hard to Reconcile, Could Delay Committee Action; Issue Causes Friction***Key Points:*

- *Creating a compromise between the Senators Portman and Toomey bills is proving challenging. A markup before the end of 2020 remains possible but not certain.*
- *Senator Toomey (R-PA) is pushing for the Commerce Department to publish their auto tariff investigation report.*

Two bills aimed at restricting the Executive Branch's authority to impose national security-based restrictions continue to divide the Senate. Although Senate Finance Chairman Grassley (R-IA) said last week that a markup of a consensus bill was likely to happen in November, key differences between the two proposed bills are making that difficult. One bill introduced by Senator Portman (R-OH), known as "Trade Security Act of 2019" would allow Congress to pass a joint resolution of disapproval when the president alters imports based on national security concerns, and would apply only to future Section 232 investigations. The other bill by Senator Pat Toomey (R-PA) called the "Bicameral Congressional Trade Authority Act of 2019" would give Congress 60 days to approve any proposed Section 232 moves. If Congress does not pass what is known as an approval resolution during that time, trade restrictions would not take effect. The legislation also would allow lawmakers to reconsider Section 232 restrictions imposed within the last four years and grant retroactive relief under certain circumstances.

Several Senate Finance Committee members said this week that the disagreements are making the chances of a markup of a compromise bill before 2020 less likely. Senator

Burr (R-NC) told reporters, "I don't think there is a pathway for any legislation to come up this year other than a spending bill."

In a related development, on Thursday, Senator Toomey attached an amendment to a set of spending bills the Senate is considering that would require the Commerce Department to publish the Department of Commerce's report on the autos investigation in the Federal Register and submit any classified portions to Congress. The Toomey amendment was backed by Senators Carper (D-DE), Kaine (D-VA), Jones (D-AL), Gardner (R-CO), Warner (D-VA) and Alexander (R-TN). Lawmakers including Senators Toomey and Jones have been pressing for the report to be released since it was submitted to Commerce in February. Finance Chairman Grassley has suggested the report is not being released because it would embarrass the Administration.

APEC Chile Meeting Cancelled For Security Reasons, U.S. and China Seek New Venue for Signing Phase One Agreement*Key Points:*

- *The APEC summit scheduled for mid-November in Chile has been canceled because of ongoing unrest in Chile.*
- *The U.S. and China are looking for a new location to sign "Phase One" of a trade agreement.*

Chile has canceled an Asia Pacific Economic Cooperation (APEC) summit slated to be held next month in Santiago, where President Trump was aiming to ink a limited trade agreement with China. President Trump tweeted on Thursday, "China and the USA are working on selecting a new site for signing of Phase One of Trade Agreement, about 60% of total deal, after APEC in Chile was canceled [due] to unrelated circumstances. The new

location will be announced soon. President Xi and President Trump will do signing!” APEC ministerial meetings had been scheduled for Nov. 13-14, with economic leaders’ meeting slated for Nov. 16-17. According to a Ministry of Commerce spokesman, U.S. Trade Representative (USTR) Robert Lighthizer and Chinese Vice Premier Liu He are scheduled to speak again on Friday.

Earlier this month President Trump announced the Phase One agreement -- covering agricultural structural issues and purchases, intellectual property, forced technology transfers, currency and financial services -- at a public meeting in the Oval Office with cabinet officials and a Chinese delegation led by Vice Premier Liu. There have been reports that the drafting is coming along, and may be close to done, though occasional reports also suggest points of friction such as China’s desire for U.S. tariffs to be removed.

Mexico and Canada Seek Input on Final USMCA

Key Points:

- USMCA negotiations between the USTR and the House Democrat Working Group may be nearing completion.
- Mexico and Canada want input on any draft before the final vote.

USTR Lighthizer and a working group of House Democrats assigned by House Speaker Nancy Pelosi (D-CA) have been negotiating U.S.-Mexico-Canada Agreement (USMCA) bill language and other measures before the deal is put to a vote. Speaker Pelosi on Friday said the working group and USTR were “making progress every day” and added that she was “optimistic that we are still on a path to yes and that we’ll come to a conclusion soon on that.” However, Mexican Under Secretary for North

America Jesús Seade said on Thursday that any agreement on a USMCA implementing bill worked out by House Democrats and the USTR will have to be reviewed and approved by Mexico and Canada. He clarified that, “[w]hatever resolution they come to will be in the nature of a proposal for Canada’s and Mexico’s consideration. Some things are complicated and may take offers and counteroffers ... so we don’t want to create expectations that everything is going to happen within a few days.” He added that depending on what the Trump Administration agrees to, the USMCA could still be voted on in the U.S. before the end of 2020.

For more information about tax issues you may [email](#) or call Christopher Hatcher at 202-659-8201. Cullen Neely contributed to this section.

This Week in Congress was written by Alex Barcham.