

Washington Update: May 5

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By: Omar Franco



After coming together to pass a series of Coronavirus relief bills over the last two months, Democrats and Republicans are bickering not merely on policy but on operational logistics as well. The Democratic House remains in recess due to health concerns, while the Republican-held Senate returned this week. In a blog post on Monday, House Minority Leader Kevin McCarthy publicly released a list of four general strategies to reopen the House as soon as possible, including a phased return to business starting with certain key committees and a slow phasing-in of videoconferencing technology, on a conditional basis, for certain committee hearings only. Majority Leader Steny Hoyer responded with a blog post of his own telling his counterpart “thanks, but no thanks.” It now appears that Democrats will try to advance some changes to House rules regardless of whether they have Republican support or not.

In the Senate, Majority Leader Mitch McConnell has his chamber back in town to work on a number of executive branch nominations to the judiciary as well as key oversight and national security posts. Today, the Senate also formally sent the Iran War Powers Resolution, limiting the Trump Administration’s ability to carry out additional military actions without Congressional approval, to the President’s desk for signing. The President is expected to veto the measure and a veto override vote could come as early as two weeks from now.

Senate Democrats are upset for having been called back to work on what they view as non-essential business in the face of the coronavirus pandemic. Even some Senate Republicans are privately expressing their concerns over the increased health risk their presence in the Capitol poses to themselves and those around them, and many are unhappy that Senator McConnell and Speaker of the House Pelosi turned down the White House’s offer to provide the rapid testing they use for visitors. This conflict over both when and how to return to something approaching regular order and what to prioritize when they convene will now set the stage for the next round of relief.

At this point, the major players in both chambers of Congress and the

Administration all agree there will be another round of legislation. Unfortunately, that may be the only point of agreement between the primary decisionmakers. Democrats seem ready to push forward with another package likely costing at least another \$1 trillion almost immediately. Speaker Pelosi told House Democrats on a call yesterday evening to “think big” and is having key committee Chairs continue their efforts to have written proposals ready for release by the end of this week. House Democrats will continue pushing for hundreds of billions of dollars in funding to aid state and local governments and shoring up social safety nets in addition to whatever else they add to their wish list for the next phase of Coronavirus relief legislation. While it is highly possible that House Democrats have a bill ready by the end of the week that they hope to pass through the chamber quickly, final passage of the next major relief bill is nowhere near imminent. Similar to what we saw in March as Congress worked on the initial CARES Act, this may be Speaker Pelosi’s attempt at laying down markers on Democratic priorities and beginning the negotiations on her terms.

While they may not have a draft proposal ready to present to the public this week, Republicans have their own set of goals with respect to the next COVID-19 bill. Generally speaking, Congressional Republicans are uneasy with the sheer speed and volume of federal spending allowed in Congress’s initial \$3 trillion response to COVID-19. Though they recognize more spending will almost certainly be necessary, they are not eager to spend billions more dollars without careful deliberation. Representative McCarthy in particular has been vocal about the need to take an informed approach to the next legislative package by relying on information and data gleaned from the ongoing implementation of the current CARES Act. Beyond Democrats, fiscal conservative Republican opposition to additional spending may find themselves opposing a White House eager to pump additional funds into the struggling economy. And that may not be their only source of intra-party disagreement. Recently, President Trump has been more persistent in insisting on the inclusion of a payroll tax in the next bill, an idea that was quickly batted down by members of Congress on both sides of the aisle when President Trump first suggested it in March.

For his part, Senator McConnell insists that liability protections be included in the next package, an idea the rest of the GOP seems to be coalescing around and Democratic Leadership vehemently opposes. Some are suggesting that this is a negotiating ploy from Senator McConnell, who may be publicly emphasizing the importance of liability protections now in order to privately extract concessions from Democrats and ultimately back off this red line. Senator McConnell’s red line on liability protections may be legitimate, but he may not be able to count on the usual response from newly emboldened Democrats who are looking to retake the federal government this year.

The month of May will likely continue to see a steady stream of press releases and public posturing on the next round of legislation before both sides reach a compromise sometime in June.

As always, we will keep monitoring all major legislative developments and reporting back. Please stay safe and let us know if you have any questions or need any further information.
