**U.S. LEVIES SANCTIONS AGAINST RUSSIA**

In response to the Russian annexation of Crimea, which had previously been part of the Ukraine, President Barack Obama authorized sanctions against a handful of individuals in Russia and involved in the Crimea separatist movement and then on Thursday further expanded those sanctions to include wealthy Russians with ties to the Putin government.

Russia retaliated by banning nine U.S. officials, including Senate Majority Leader Harry Reid (D-NV) and Speaker of the House John Boehner (R-OH), from entering Russia.

In expanding the sanctions, President Obama left open the possibility of further escalating sanctions to include potential bans on Russian energy exports. Such a move would certainly have an impact on the Russian economy - Russia is the world's largest exporter of natural gas.

Natural gas producers here in the U.S. have been pressuring Congress to take steps to expedite the sale of American gas in the Ukraine and other countries in the region to undercut Russia's influence in the region.

**UNEMPLOYMENT EXTENSION HITS ANOTHER SNAG**

Proponents of extending unemployment benefits for the long-term jobless, benefits that expired at the end of last year, thought they were finally seeing some movement in their direction after a bipartisan deal was reached in the Senate at the end of last week. Before, however, the Senate even has a chance to vote on the deal, the measure was dealt a blow this week.

This latest setback came in the form of a letter from the administrators of the state unemployment agencies. The letter said that implementing the changes made in the Senate deal could be so difficult that some states might decline to operate the federal program. The letter says that implementation of the Senate bill could take months as a result of antiquated systems and funding shortfalls.

Speaker of the House John Boehner (R-OH) pounced on the letter as reason not to move the Senate compromise in the House. While Senate leaders urged Boehner to work with them to find solutions to the challenges raised in the letter, the future of an unemployment extension certainly seem in real jeopardy at this point.

[Click here](#) to view the Washington Business Brief, "A Guest Host"

**DOC FIX NOT FIXED**

Democratic and Republican leaders in both the House and the Senate had negotiated a permanent repeal of the broken Medicare Sustainable Growth Rate Formula (SGR). The current SGR has required Congress to step in with annual "doc fixes" to avoid physicians seeing draconian cuts in Medicare re-imbursement payments.

The deal would eliminate the SGR and replace it with a new formula that would drive physicians to meet quality metrics tied to their payments. The goal is to pay providers for treating a person’s disease or illness instead of focusing on the quantity of the tests or treatments they prescribed.

While agreeing on the policy fix, the two sides could not, however, agree on how to pay for the permanent repeal - something that carries a $138 billion plan. Despite the failure to come to a bipartisan agreement, the House moved forward last Friday - before leaving for recess - with a vote on an SGR repeal that was paid for by a five-year delay of the Affordable Care Act's individual mandate.

While the bill passed the House, with 12 Democrats breaking ranks to vote for it, it is dead on arrival in the Democratic controlled Senate and President Obama has vowed to veto the bill if it arrived on his desk in its current form.

Congress intends to pass another short-term "doc fix" instead of the long-term solution physicians have been seeking for years. Lawmakers must act by March 31 to avert an automatic cut to Medicare physicians' pay.

**HOUSE TO HOLD HEARING ON GAS BILL**

The House Energy and Commerce Committee announced that it would hold a hearing on a bill that seeks to expedite efforts by American natural gas producers to export to U.S. allies, such as Ukraine. The bill, which is known as the Domestic Prosperity and Global Freedom Act, was authored by Rep. Cory Gardner (R-CO) - the freshman Congressman who just announced a bid for U.S. Senate.

Rep. Gardner's bill would require the Department of Energy to immediately grant all applications to build liquified natural gas export facilities that had been filed by March 6, 2014 - the day Rep. Gardner introduced his bill in the House.
Gardner and other supporters of the measure have argued that expediting and increasing U.S. natural gas exports to countries like the Ukraine would free them from Russia's increasingly antagonistic influence.

**HOUSE REPUBLICANS ROLLING OUT OBAMACARE ALTERNATIVE**

This week, Republican leaders in the House began to offer up details of their alternative to the President's Affordable Healthcare Act (better known as Obamacare).

Republicans have long come under criticism from supporters of the President's healthcare reform for failure to have a healthcare plan of their own. The new Republican plan includes an expansion of high-risk insurance pools, promotion of health savings accounts, inducements for small businesses to purchase coverage together, the ability to buy insurance across state lines, guaranteed renewability of policies, and changes to medical-malpractice regulations.

While none of these ideas on their own are new ones - indeed many of them have been pushed by conservatives for years - this is the first time that House Republicans have pulled all of these ideas together in a comprehensive alternative to Obamacare.

Republican leadership has reportedly promised its members a vote on this alternative this year, but many observers question the likelihood of a vote considering the difficulty leadership has had in corralling the GOP caucus in the past.

**CHARTS**

Below is a chart from National Journal that forecasts the prospects for certain pieces of legislation in the year ahead.

<table>
<thead>
<tr>
<th>TRANSPORTATION IN FOCUS</th>
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<tr>
<td>Conference report on Water Resources Bill due out</td>
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<td>The conference report on the Water Resources Development Act (WRDA) is expected to be out sometime before April 30. It appears the hold up in the conference report is a disagreement between House and Senate negotiators on certain WRDA projects. House negotiators feared giving the Obama administration a &quot;blank check&quot; on some of the projects that have not yet received stamps of approval from the Army's chief of engineers. By waiting until April 30, it allows for more time for additional projects to win approval - as Senate negotiators had pushed for.</td>
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<td>DOT staffs up for transportation bill effort</td>
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<td>The Department of Transportation (DOT) is preparing for the coming legislative battle over the transportation bill. DOT has hired a former Senate staffer, Dan Katz, to be the point person in the agency for the uphill battle the transportation bill has ahead of it. MAP-21 expires and DOT funding runs out in just 194 days. The Highway Trust Fund is facing staggering shortfalls in funding that must be addressed in the new transportation bill. DOT is pushing for a long-term transportation bill, while others on the Hill seem focused on a shorter-term, more achievable bill.</td>
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<td>Amtrak's budget request</td>
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<td>This week, Amtrak released its budget and policy request to Congress. Amtrak, which is often a flash point, particularly for conservatives in the House, is seeking $1.62 billion. That request represents a 16 percent increase from Amtrak's $1.39 billion budget this year.</td>
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<td>Amtrak is also looking to upgrade its Northeast corridor line. Amtrak hopes to take some of the $300 million in annual profits from the Northeast corridor service to reinvest in upgrades to the line.</td>
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<tr>
<td>Political bits</td>
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<tr>
<td>House</td>
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<td>Idaho 2nd Congressional District: Rep. Mike Simpson (R-ID), who is facing a challenge from Club for Growth supported attorney Bryan Smith (R-ID), was endorsed by the National Rifle Association this week.</td>
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<td>Illinois 16th Congressional District: Rep. Adam Kinzinger (R-IL) defeated Tea Party supported primary challenger David Hale by a wide 78-22 percent margin.</td>
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<td>Minnesota 7th Congressional District: Rep. Collin Peterson (D-MN) announced this week he will seek another term in November.</td>
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<td>Pennsylvania 6th Congressional District: Businessman Mike Parrish (D) dropped out on Tuesday, leaving physician Manan Trivedi (D) as the lone Democrat in the open seat race.</td>
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Overall: The Democratic Senatorial Campaign Committee (DSCC) raised $6.8 million in February, ending the month with $18.1 million cash on hand and $1.2 million in debt.


Illinois: GOP voters went to the polls on Tuesday and nominated State Senator Jim Oberweis (R-IL). Oberweis, who has lost several other races previously, defeated businessman Doug Truax (R) 56-44 percent. Oberweis will be a heavy underdog against U.S. Dick Durbin (D-IL) in November.

Michigan: Governor Chris Christie (R-NJ) hosted a fundraiser for Michigan Secretary of State Terri Lynn Land (R-MI) this week. The Michigan Senate race to replace retiring U.S. Senator Carl Levin (D-MI) has risen on the national radar screen as Land’s campaign has run surprisingly strong.

North Carolina: Pastor Mark Harris (R-NC), whose campaign has been languishing in the polls, is preparing to go negative against GOP front-runner Thom Tillis (R-NC). The Harris campaign is preparing to attack Tillis for among other things accepting campaign contributions from GOP mega-donor Paul Singer, who also happens to be a gay rights supporter.

A look ahead

House

Monday, March 24 – The House Appropriations Committee’s Legislative Branch Subcommittee will hold a hearing on the U.S. Capitol Police budget at 4:30 p.m. in HT-2 in the Capitol.

Senate

Tuesday, March 25 – The Senate Foreign Relations Committee will hold a hearing on Syria After Geneva: Next Steps for U.S. Policy at 10:00 a.m. in 419 Dirksen.

Tuesday, March 25 – The Senate Health, Education, Labor, and Pensions Committee will hold a hearing on Teacher Preparation: Ensuring a Quality Teacher in Every Classroom at 10:00 a.m. in 430 Dirksen.

Washington by the numbers

$10 billion - Cut to the Federal Reserve’s bond-buying program in April.

1 - Number of House Republicans who face a primary challenger after Club for Growth targeted 10, highlighting tea-party groups’ lack of recent electoral success.

They said what?

“My Lithuanian-born mother would be proud her son made Vladimir Putin’s American enemies list.” – Sen. Dick Durbin, after hearing he would be sanctioned by Russia (National Journal)

Washington humor

“The situation in Ukraine keeps getting more tense. And now Vladimir Putin has moved 10,000 troops to the Russian-Ukrainian border. Russia says its troops are there only for a training exercise. When asked what they’re training for, Russian officials said, ‘Invading Ukraine.’” – Jimmy Fallon

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