



## BUDGET DEAL PASSES HOUSE

Despite opposition from conservative interest groups, an overwhelming majority of House Republicans joined leadership Thursday night to approve a budget deal brokered by Senator Patty Murray (D-WA) and Republican Paul Ryan (R-WI).

The House passed a two-year budget bill by a wide 332-94 margin. The bill, if it becomes law, will fund the government through October 2015 and avoid another government shutdown in January.

It received some opposition in both parties, with Democrats complaining that it will not extend long-term unemployment insurance benefits—set to expire on Dec. 28—and Republicans concerned about easing sequestration while raising revenues. Several major conservative groups came out against the measure, but the opposition had little impact. The bill passed with 169 Republicans and 163 Democrats voting for the measure; 62 Republicans and 32 Democrats opposed it.

The bill sets top-line funding levels at \$1.012 trillion for fiscal 2014 and \$1.014 trillion for fiscal 2015, while providing \$63 billion in sequester relief over two years, paid for through a combination of fees and mandatory savings. The deal will also reduce the deficit by \$28 billion over the next 10 years.

The bill includes an amendment that will extend the "doc fix" formula, which is used to reimburse doctors under Medicare, for three months, while congressional negotiators continue to search for a more permanent fix.

The bill now heads to the Senate, where passage is expected but not assured. Democrats will need five Republicans to join them in voting for cloture to get the bill to the floor, and they are expected to get them. The cloture vote could come as early as Monday, with a final vote Tuesday.

## IN DEPTH ON THE DEAL

Earlier this week, McDonald Hopkins Government Strategies released an **Advisory** that went in depth on the details of the Murray-Ryan budget deal.

**Click here** to view the *Washington Business Brief*, Budget Deal and Volcker Rule.

## FARM BILL UPDATE

While conferees on the farm bill continue to make progress, no deal will be reached before the end of the year. As a result, House Agriculture Committee Chairman Frank Lucas (R-OK) filed a short-term extension of the current farm bill through January 31, 2014. Lucas signaled that the House could move on this short-term extension if conferees are unable to strike a deal by early January.

One of the last outstanding questions regarding a new farm bill deals with how much freedom can be given to farmers to reallocate crops within their base acres that will become the index for allocating future assistance. These new calculations have not yet been completed by the Congressional Budget Office and could have a substantial impact on the final bill.

## VOLCKER RULE ADOPTED

The five agencies that have been drafting the much-anticipated Volcker rule — the Commodity Futures Trading Commission, Federal Deposit Insurance Corporation, the Federal Reserve, the Office of the Comptroller of the Currency, and the Security and Exchange Commission — this week adopted the final version of the rule intended to serve as a central pillar of the Dodd-Frank law.

Banks and other impacted institutions will have until July 21, 2015 to come into compliance with the Volcker rule's regulations. McDonald Hopkins Government Strategies is reviewing the details of the final Volcker Rule and will issue an in depth update on it next week.

## CABINET UPDATE

Since invoking the so-called "nuclear option" that eliminates the use of the filibuster on certain presidential nominations, the Senate has moved quickly to confirm several of President Obama's stalled nominees.

The Senate on Tuesday **confirmed Patricia Millett** to serve on the U.S. Court of Appeals for the D.C. Circuit, and later **confirmed Rep. Mel Watt** (D-NC) as director of the Federal Housing Finance Agency. The body **confirmed Cornelia Pillard** for the D.C. Circuit early Thursday morning.

### **Political bits:**

#### **House**

# McDonald Hopkins Government Strategies Advisory This Week in Washington December 13 2013

Florida 13th Congressional District Special: Former game show host Bob Barker endorsed former lobbyist David Jolly (R-FL) in the special election to fill the seat of long-time Congressman Bill Young who passed away earlier this year.

Massachusetts 5th Congressional District Special: Democratic state **Sen. Katherine Clark** garnered 66 percent of the vote in a special election for the House seat vacated by Sen. Edward Markey (D-MA).

North Carolina 12th Congressional District Special: The confirmation of former U.S. Rep. Mel Watt (D-NC) to head the Federal Housing Finance Agency this week sets up a special election to fill his seat. At least seven Democrats have filed paperwork to run for this safe Democratic seat.

## **Senate**

Louisiana: Senator Mary Landrieu's first TV ad of the cycle highlights her proposed fixes for the President's unpopular healthcare law - a law she voted for.

Texas: Tea Party Congressman Steve Stockman (R-TX) withdrew his filing for re-election this week instead choosing to file to run in a primary against Senator John Cornyn (R-TX).

Virginia: State Attorney General Ken Cuccinelli, a favorite of conservatives who recently lost his bid for the Governor's mansion, announced this week that he would not seek to challenge Senator Mark Warner (D-VA) in 2014. Also this week, former Republican National Committee Chair Ed Gillespie, who has never held elected office before, floated a potential run against the popular Warner.

## **A look ahead:**

### **House**

Will be in recess next week.

### **Senate**

Tuesday, Dec. 17 – The Senate Judiciary Committee will hold a hearing on The Federal Arbitration Act and Access to Justice: Will Recent Supreme Court Decisions Undermine the Rights of Consumers, Workers, and Small Businesses? at 10:00 a.m. in 226 Dirksen.

Wednesday, Dec. 18 – The Senate Homeland Security and Governmental Affairs Committee will hold a markup of S.1486, to improve, sustain, and transform the United States Postal Service, and the Cybersecurity Recruitment and Retention Act at 10:00 a.m. in 342 Dirksen.

Wednesday, Dec. 18 – The Senate Commerce, Science and Transportation Committee will hold a **hearing** on What Information Do Data Brokers Have on Consumers, and How Do They Use It? at 2:30 p.m. in 253 Russell.

## **Washington by the numbers**

**45** - The number of Fortune 1000 companies that have female CEOs.

**84** - Percentage of women's hourly wages compared to men.

## **They said what?**

"They're using our members and they're using the American people for their own goals," he said. "This is ridiculous." -- House Speaker John Boehner (R-OH) on conservative groups' opposition to the budget deal. (**Los Angeles Times**)

## **Washington humor**

"The world said goodbye today to Nelson Mandela. And what a life he lived. He spent 27 years in prison and then ascended to become president of his country. He went from prison to politics. It was exactly the opposite of how we do it in this country." --Jay Leno

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