



Van Scoyoc Associates Washington Update

May 28, 2019

The House and Senate adjourned for recess and will return the week of June 3rd. Reporting will resume then.

116TH CONGRESS

Disaster Supplemental

On Thursday, the Senate voted 85-8 to pass a \$19.1 billion [disaster supplemental](#) appropriations bill. The White House had objected to additional funding for Puerto Rico, which was ultimately included. The House had already adjourned for the Memorial Day recess and was expected to pass the bill by voice vote. However, Rep. Chip Roy of Texas objected on the grounds he wanted a roll call vote further delaying the passage of the bill and may need to vote on the measure when the body reconvenes on June 4th. The bill provides emergency spending funds for communities and regions impacted by hurricanes, floods and wildfires and extends the National Flood Insurance Program until September 30, 2019.

Infrastructure

A second meeting on developing an infrastructure package between President Trump and Democratic leaders House Speaker Nancy Pelosi (D-CA) and Sen. Chuck Schumer (D-NY) was unsuccessful. It was reported that neither side offered serious proposals on how to pay for the \$2 trillion initiative and that the President cut the meeting short, saying he would not negotiate on infrastructure while the Democrats continue to call for congressional investigations into his election. The prospect of House lawmakers producing an infrastructure bill onto the floor before the August recess is uncertain given the lack of progress on a structured outline.

Defense Authorization

The Senate Committee on Armed Services voted 25-2 to report out the FY20 National Defense Authorization Act (NDAA) to the full Senate. The measure authorizes a base defense budget of \$642.5 billion for the Department of Defense (DoD) and \$23.2 billion for national security programs within the Department of Energy. The NDAA also authorizes \$75.9 billion for Overseas Contingency Operations (OCO). Altogether, the bill authorizes \$750 billion in discretionary defense spending for FY20, the level requested by President Trump. The bill authorizes an increase of more than \$1.4 billion above the administration's request for Research, Development, Test and Evaluation programs and directs DoD to establish a research and development program on the national security threats of emerging biotechnologies. This legislation contrasts with the FY20 DoD Appropriations Act reported out of the House Committee on Appropriations last week which recommends \$690 billion in national defense spending.

BUDGET/APPROPRIATIONS

Appropriations

The House Appropriations Committee has now approved eight out of twelve FY20 spending bills. These are the Commerce-Justice-Science, Defense, Energy and Water, Interior & Environment, Labor-HHS-Education, Legislative Branch, Military Construction/Veteran Affairs and State and Foreign Operations FY20 appropriations bills. The

Transportation/HUD and Agriculture FY20 appropriation bills are still pending in committee, leaving the FY20 Financial Services and Homeland Security bills yet to be released.

The Senate Appropriations Committee is still tentatively planning to start consideration of their FY20 bills in June, and while no formal schedule has been announced, it is starting to look like markups will begin in late June as opposed to the first week in June as originally planned. The Senate is waiting to see if a deal can be struck on raising the budget caps before moving forward with their FY20 bills.

Budget

Last week, Treasury Secretary Steven Mnuchin and other administration officials began negotiations with congressional leaders from both parties on a two-year budget deal that would also increase the nation's debt ceiling. After earlier resisting combining talks on spending caps with the debt limit, the White House is now engaged in discussions on a combined package.

Republicans believe that Democrats would prefer to link the budget caps to the debt ceiling in an effort to get concessions from the White House on spending, especially non-defense discretionary spending. Democrats believe that the White House is holding out on cutting a deal on the debt ceiling until the last moment to gain maximum leverage over Democrats. Complicating matters are conservative Republicans who are concerned with \$2 trillion federal debt increase under President Trump. Many of these fiscally conservative Members wrote to Speaker Pelosi urging that the budget caps set by the Budget Control Act of 2011 be maintained. Nevertheless, Leader McConnell and Leader McCarthy have been aggressive in pushing the Administration to engage in budget talks so that a lengthy government shutdown can be avoided.

Under the current caps, discretionary nondefense spending will be cut by 9% and defense spending will be cut by 11% compared with the current year; any amount appropriated above the caps would be canceled through automatic cuts known as sequestration, which would take effect starting in January 2020. Congressional leaders say talks will continue with the White House and McConnell said he is "hopeful and optimistic that the Treasury secretary speaks for the president" and a deal can occur.

Earmarks

On Thursday, Senate Republicans voted 28-12 behind closed doors to make their conference-wide ban on earmarks permanent. The Senate GOP ban on earmarks expired in January with the previous Congress. Senator Ben Sasse (R-NE) and Ted Cruz (R-TX) offered the permanent ban as an amendment to a proposal that would have extended the existing moratorium on home-state projects or special tax benefits for another two years.

As you will recall, House Appropriations Chairwoman Nita Lowey (D-NY) announced in a March [letter](#) that the House wouldn't bring back earmarks for fiscal 2020 saying there isn't a "bipartisan, bicameral agreement" to restore the practice.

ECONOMIC INNOVATION

House Appropriators Take Aim at Some of the Pentagon's Most Ambitious Tech Ideas

A \$10 billion data cloud, giant ray guns in space, a sixth-generation fighter jet — these are just some of the biggest ideas out of the Pentagon in the last several years. But they've failed to impress the House Appropriations Committee, which released its version of the 2020 defense spending bill.

The biggest hit may be to the Joint Enterprise Defense Infrastructure, or JEDI, a program that seeks to hire a commercial cloud provider to house a large portion of the Defense Department's data. The appropriators said the proposed contract deviates from Office of Management and Budget, or OMB, best practices "and may be failing to implement a strategy that lowers costs and fully supports data innovation for the warfighter." Therefore, the report says, "the Committee directs that no funds may be obligated or expended to migrate data and applications to the JEDI cloud" until the

Defense Department starts sending regular reports on how the JEDI program will be changed to comply with OMB guidelines. Read more: [Defense One](#)

Research indicates the only defense against killer AI is not developing it

A recent analysis on the future of warfare indicates that countries that continue to develop AI for military use risk losing control of the battlefield. Those that don't risk eradication. Whether you're for or against the AI arms race: it's happening. Here's what that means, according to a trio of experts.

Researchers from ASRC Federal, a private company that provides support for the intelligence and defense communities, and the University of Maryland recently published a paper on pre-print server ArXiv discussing the potential ramifications of integrating AI systems into modern warfare. Read more: [The Next Web](#)

Trade deal or not, US must counter China moves to beat us at science and technology

U.S. and Chinese trade talks hit a snag this month, imperiling hopes for a deal that the two sides have been pursuing for over a year. The negotiators are working to resolve a broad array of issues rooted in legitimate concern about fairness for U.S. businesses. But even if all trade issues were resolved tomorrow, China has been racing ahead in scientific investment and progress. That poses an increasingly urgent challenge to U.S. scientific supremacy. China's objective, President Xi Jinping said in a speech last year, is to achieve global dominance in science and technology for the 21st century. Read more: [USA Today](#)

The U.S. Department of Energy Announces \$46 Million for Small Business Research and Development Grants

U.S. Energy Secretary Rick Perry today announced that the Department of Energy will award 231 grants totaling \$46 million to 202 small businesses in 39 states and the District of Columbia. Funded through DOE's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, today's selections are for Phase I research and development. Read more: [DOE](#)

SCIENCE RESEARCH AND DEVELOPMENT

WHITE HOUSE/OSTP/PCAST

A CRS [report](#) provides an updated analysis of federally funded research and development spending by agency, including character of work, facilities and equipment. The President's FY2020 budget request would reduce funding for basic research by \$1.5 billion (4.0%), applied research by \$4.3 billion (10.5%), and facilities and equipment by \$0.5 billion (12.8%), while increasing funding for development by \$4.5 billion (8.3%).

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Artemis Mission

At an Advisory Council meeting last week, NASA presented the latest plans for returning humans to the surface of the Moon in 2024, the program now named Artemis. NASA offered slides at the meeting that lay out milestones involving a significant number of launches relying on future procurement of hardware. Read more [here](#).

Office of Space Commerce

The White House proposal to elevate the Office of Space Commerce from NOAA to the Office of the Secretary of Commerce and merge it with NOAA's Office of Commercial Remote Sensing Regulatory Affairs (CRSRA) was not approved by the House Appropriations Committee in their FY20 spending bill. Secretary of Commerce Wilbur Ross would like to position a new Bureau of Space Commerce to oversee the many new responsibilities President Trump assigned to the agency through Space Policy Directives. Congress is still debating whether Commerce or Transportation is the best location for those new authorities. [Space Policy Online](#)

Senate Commerce, Science, and Transportation Committee

Members of the committee introduced the [United States 5G Leadership Act of 2019](#), that would forbid equipment provided by Huawei, ZTE, or their affiliates to be included in the commercial deployment and security of 5G networks. The measure would create a Supply Chain Security Trust Fund grant program to help U.S. communications providers remove Chinese equipment from their networks that have been determined to threaten national security.

NATIONAL SCIENCE FOUNDATION

The House Commerce-Justice-Science Appropriations Subcommittee [approved](#) its FY20 bill for NSF last week. The legislation funds NSF at \$8.64 billion – \$561.14 million above the FY2019 enacted level. Research and related activities are funded at \$7.1 billion, \$586.3 million above the current level. These funds are designed to foster innovation and U.S. economic competitiveness, including funding for research on advanced manufacturing, physics, mathematics, cybersecurity, neuroscience, and STEM education. The bill also invests in important scientific infrastructure such as modernization of Antarctica facilities along with telescopes and research vessels.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

NIST and its federal, industry and academic partners are hosting a [workshop](#) on Consensus Measurement Methodologies for Automated Driving System-Equipped Vehicles, to be June 25-26, 2019. The workshop's goal is to foster consensus among the Automated Driving Systems (ADS) community on reliable and acceptable performance measurement methods for assessing ADS safety.

The House Commerce-Justice- Science Appropriations bill includes \$1.04 billion for the National Institute of Standards and Technology (NIST), including \$154 million for the Manufacturing Extension Partnership program, an increase of \$14 million above FY2019. \$751 million is also included for core NIST research activities to help advance U.S. competitiveness, economic growth, and cybersecurity. The subcommittee rejected the Administration's proposal to eliminate the Economic Development Administration and included \$30 million for the Regional Innovative Strategies program.

DEFENSE RESEARCH

House Appropriations Committee Advanced Defense Spending Bill

The House Appropriations Committee (HAC) approved its version of the FY2020 Department of Defense spending bill on Tuesday. In total, the bill provides \$690.2 billion in new discretionary spending authority for the Department of Defense, an increase of \$15.8 billion above the FY2019 enacted level and \$8 billion below the President's budget request.

This includes \$622.1 billion in base funding, an increase of \$15.6 billion above FY2019 enacted level and \$88.2 billion above the President's request. It also includes \$68.1 billion for Overseas Contingency Funding (OCO) funding, an increase of \$165 million above the FY2019 enacted level and \$96.2 billion below the President's request.

The FY2020 Research, Development, Test and Evaluation (RDT&E) recommendation is \$100.7 billion in base funding, \$5.7 billion above the FY2019 enacted level.

Highlights:

Basic Research	FY2019	FY2020 Budget Request	FY2020 HAC Approved
Army	\$507 million	\$455 million	\$528 million
Navy	\$680 million	\$606 million	\$629 million
Air Force	\$561 million	\$530 million	\$550 million
Defense-Wide	\$781 million	\$729 million	\$802 million
Total	\$2.5 billion	\$2.3 billion	\$2 billion

Applied Research	FY2019	FY2020 Budget Request	FY2020 HAC Approved
Army	\$1.6 billion	\$894 million	\$1.0 billion
Navy	\$1 billion	\$936 million	\$985 million
Air Force	\$1.5 billion	\$1.4 billion	\$1.5 billion
Defense-Wide	\$2 billion	\$2 billion	\$2 billion
Total	\$6.1 billion	\$5.2 billion	\$5.5 billion

You can view the markup and read the report at on the House Appropriations Committee [website](#).

Air Force Nomination

This week, Barbara McConnell Barrett was nominated to succeed Heather Wilson as Secretary of the Air Force. She was former chairman of the Aerospace Corporation's Board of Trustees, deputy administrator of the FAA and vice chairman of the Civil Aeronautics Board under President Reagan and was U.S Ambassador to Finland. Under Secretary of the Air Force Matthew Donovan will take over as acting secretary on June 1 and will serve until Barrett is confirmed.

AGRICULTURE RESEARCH

The Agriculture Department has dropped its demand that staff scientists label peer-reviewed research as "preliminary," after angry protests followed a [Washington Post story](#) disclosing the policy. Science advocates worried the disclaimer might be used to undercut scientists whose research was at odds with Trump administration policies.