
OLYMPIA INDIVISIBLE

Research Report: December 16, 2017

1. The Tax Scam	Pages	1-3
2. The DREAM Act	Page	4
3. Automatic Voter Registration Act of 2017 – S 1353 and HR 2876	Page	5
4. Other Issues		
A. Budget	Pages	6-8
B. Russia Connection	Pages	8-10
C. Regulations	Page	10
D. Trade	Page	10
E. LGBT	Page	10
F. Environment	Page	11
G. Disasters	Pages	11-12
H. International	Pages	12-13
I. Politics	Pages	13-14
5. Congress Contact Information	Page	15

1. The Tax Scam

Information from Indivisible.org, 10 Minutes a Day, Re:Act

Summary: The Conference committee unveiled their conference report ([read our explainer on what that means](#)) on Friday. And the Senate could vote as early as Monday, with the House close behind them.

Talking Points:

- Doug Jones won the Alabama special Senate election, and his victory changes the game on the tax scam. The election of Doug Jones shifts the Republican majority in the Senate from 52-48 to 51-49. Republicans are likely to rush the tax scam through before Jones is seated and do whatever they can to stall seating him. The people of Alabama have spoken, and their voice deserves to be heard.
 - There are still legally mandated steps that the Alabama Secretary of State (SOS) must take before Jones can be seated. Overseas ballots can continue coming in until **December 19**, and write-in and provisional ballots must still be counted and added to the respective candidates' tallies. Once all of these ballots are in, counties begin reporting their results to the Alabama State Canvassing Board—a process that must conclude by **December 22**, according to [Section 17-12-15](#) of Alabama law. However, the chief of staff for Alabama SOS John Merrill has already suggested that some counties will miss this deadline—so they may not be finished until [December 26](#).
 - After all ballots are counted, the election results have to be certified by the State Canvassing Board. John Merrill said on Election Night that the certification process would be complete **between December 26 and January 3**. As soon as the State Canvassing Board certifies the results, they will notify the Senate and Doug Jones will be eligible to be sworn in once [Mitch McConnell sets a date](#).
- Indivisible is bringing back our peer-to-peer calling tool (AKA hubdialer). You can make calls as much as you want every day from 9am to 9pm local time until the tax scam fight is over.
- Republican Senators Susan Collins (ME), Jeff Flake (AZ), and Marco Rubio (FL) voted for the tax scam, but both have also said the bill wasn't perfect.

Our MoCs:

- [Senator Murray Blasts Anti-Middle Class Provisions in Republican Tax Plan, Urges Leader Mitch McConnell to Halt Vote on Massive Tax Bill Until Alabama's Senator-Elect is Seated](#)
- [Cantwell Warns the GOP Tax Bill Will Harm Affordable Housing Efforts, Leave Working Families in the Rain](#)
- [Denny Heck: I'm against Paul Ryan's deficit-exploding tax plan](#)

To Do:

- The people of Alabama have spoken, and their voice deserves to be heard. There should be no vote on the Tax Scam until Doug Jones has been seated in the Senate. (You can use [this script](#) to tell your Senators that.)
- Here's how the peer-to-peer dialing tool works:
 - [Click here to sign up to make phone calls from our peer-to-peer dialing tool](#). You'll get an email confirmation with a login, password, and URL to sign into our system. Once signed in, you can start making calls immediately -- and we'll give you a script to make it as easy as possible!
 - Next, you'll call a voter in Arizona or Maine. These folks are your friends -- they attended the Women's March, they're fighting for a #DreamActNow, and fight for progressive causes.
 - You explain how they have power now. You'll remind them why the continued fight against the tax scam is so important -- and why they have particular power in this moment.
 - You ask them to use their power. You'll ask them to call their senator in opposition to the bill, and to share their own reasons for opposing it.
 - The tool connects them to their Senator's office. The call tool will allow you to automatically patch them through to the Senators' district offices.

Additional Information:

Republicans move to resolve tax differences: The New York Times reported that Republicans have an agreement, in principle, on a joint tax bill. Republicans will be briefed on the deal on December 13. **The leadership plan is to issue a conference committee report this and to have a vote early next week as early as Monday, December 18.**

Key elements of the agreement include:

- **Lowering the top income tax rate to 37%.** The top rate was 39.6% in the Senate bill and 38% in the House bill. This reflects concerns from wealthy taxpayers in New York and California that their taxes could go up due to ending the deductibility of most state and local taxes. Currently, income over \$470,000 is taxed at 39.6%.
- **Corporate tax rate:** This would be set at 21%. Both House and Senate bills set the rate at 20%. Current law has it at 35%. The bill will follow the Senate's version of territorial taxation.
- **Allowing taxpayers to deduct up to \$10,000 in either state and local taxes,** split between property or income and sales taxes. Both House and Senate bills allowed up to \$10,000 in local property taxes to be deducted. The change was made because of concerns by California House members. Currently law allows all state and local property taxes to be deducted. Ending this practice is widely seen as a Republican attack on high tax states and cities that vote Democratic.
- **Repeal the ACA individual insurance mandate.** The bill will follow the Senate bill and repeal the requirement in the ACA that everyone have health insurance or pay an income tax penalty. The result will be 13 million fewer people without insurance in ten years, 4 million fewer by 2019 and rates on ACA exchanges will go up a further 10% on top of the 20% increase caused by Trump's elimination of the cost-sharing reduction payments to insurers. This is likely to result in adverse selection problems in ACA markets, as sick people remain insured, but more healthy people than currently wait until they are ill to buy insurance.
- **Preserve the alternative minimum tax but apply it to few taxpayers.** The House bill had eliminated the tax, the Senate bill watered it down so it applied to fewer taxpayers. The joint bill further limits the application of the tax to even few taxpayers. The alternative minimum tax was instituted to prevent rich taxpayers who itemize to pay no taxes at all.
- **Giant new loophole for pass-through businesses.** Pass-through businesses are companies that pass their income on to partners, owners, and investors, who in turn pay taxes on the earnings through the individual income tax portion of the tax code. The final Senate bill set that amount at 23% to meet objections by Senator Ron Johnson. The final bill will be set at 20%, but the bill will include a House provision that would allow some pass-through owners with few employees, but large investment in their businesses to bypass that percentage limit on how much income qualifies for the preferential deduction. This will create a massive tax loophole for the rich.

We do not yet know the details of how the joint bill deals with a wide range of other issues addressed by the House and Senate bills. They include:

- the estate tax (which the House bill repeals fully while the Senate bill only limits);
- tax brackets and who they apply to (the Senate bill retained seven income tax brackets for individuals and families the House bill collapsed those brackets down to four);
- mortgage interest deduction (the House bill would put new limits on how much mortgage interest a household can deduct from their income and the Senate bill would not);
- the Johnson amendment (barring 501(c)(3) non-profits from political activity);
- medical costs deduction (House eliminates it, Senate does not);
- treatment of colleges, including making graduate student pay taxable and taxing college endowments;
- the applicability and size of the child tax credit;

- And a wide range of others.

How the tax bills spread their benefits: The New York Times reported that the bills cut roughly \$1 trillion for businesses over ten years and these are permanent cuts. They make \$100 billion over ten years in changes to the estate tax, also permanent. Then make \$300 billion over ten years in tax changes to all households, much of it to the wealthy. But these changes are temporary, going away in as few as three years and much as ten years.

House Republicans refuse to consider Collins' health care bills or Flake DACA demand: As a condition of voting for the Senate tax bill, Susan Collins wanted passage of two bills to reduce health care insurance cost increases on ACA exchanges, Alexander-Murray (which would provide two years of cost-sharing reduction payments) and Collins-Nelson (which would fund state reinsurance funds). It appears that there is no way that House Republican leadership will consider either bill if they make it out of the Senate. Paul Ryan promised Freedom Caucus members that no bill that supported continuation of the ACA exchanges would be in the long-term budget bill. Jeff Flake made a moderate DACA resolution one of his conditions. In the House, there is no prospect of any DACA resolution that does not include draconian limits on immigration. Ryan also promised Freedom Caucus members that DACA would not be in the long-term budget bill. Democrats have made a moderate DACA resolution a condition of voting for a budget bill.

Republican tax bill attacks renewable energy financing: The New York Times reported that the Republican tax bill is set to end a financing provision that has been key to financing utility-scale wind and solar projects. A Senate bill provision intended to stop multinational companies from shifting profits overseas could cripple a key financing tool used by the renewable energy industry, particularly solar, by eroding the value of tax credits that banks and other financial institutions buy from energy companies. The House bill would roll back tax credits for wind farms and electric vehicles, while increasing federal support for two nuclear reactors under construction in Georgia. Wind and solar are two of the fastest-growing sources of power in the country, providing 7% of electricity last year. Sharp declines in the cost of wind turbines and photovoltaic panels, coupled with generous tax credits that can offset at least 30% of project costs, have made new wind and solar less expensive than running existing fossil-fuel plants in parts of the country.

Nearly 9 million would face big tax increase if deduction for health expenses included in final tax bill: The Washington Post reported that 8.8 million people face a major tax hike if the House provision ending the deduction for medical expenses is included in the final tax bill. They are people with severe and chronic medical conditions with significant medical expenses. Over half were over 65. The deduction for medical expenses has been in place since 1942.

Republican tax bill unpopular: A USA Today-Suffolk University poll finds support for the tax bill at 32%. Reuters showed support at 29% as did a Quinnipiac poll. CBS shows support at 35%. The USA Today poll shows only 17% of those polled think the bill will help the middle class. Majorities in all polls say the bill will help the rich.

2. Children's Health Insurance Program (CHIP)

From Re:Act and Jen Hoffman's Action Checklist for Americans of Conscience

Summary: Parents are worried that Congress won't fund CHIP. The program expired almost 3 months ago.

Talking Points:

- An [NPR story](#) about a Pittsburgh family that identifies as low-middle-class: "In contrast, her young children — 2-year-old Nonnie and his big sister Rose — are covered right now through the [Children's Health Insurance Program, or CHIP](#), a federal-state program that was created two decades ago to ensure that kids whose parents don't have a lot of money, yet make too much money to qualify for Medicaid, can still get health care. Right now, that coverage for the children doesn't cost the family anything. But Pennsylvania's CHIP program is forecast to run out of money in February. Though nine million kids across the U.S. get their health insurance through CHIP, Congress let the program [expire](#) on September 30."

To Do:

- [Call your senators to demand the renewal of CHIP funding.](#)
 - **Script:** Hi. I'm from [ZIP], calling to ask [name] to fund the Children's Health Insurance Program. It's had 19 years of [bipartisan support](#). A delay in authorizing its funding puts the health of [9 million kids at risk](#) starting this month. What is Sen. [name] doing to reauthorize CHIP funding?

3. Automatic Voter Registration Act of 2017 – S 1353 and HR 2876

From OI Research Team Member

Summary: To require States to automatically register eligible voters to vote in elections for Federal office, and for other purposes . S. 1353 Sponsored by Patrick Leahy assigned to Senate Rules and Admin. Chair Richard Shelby, Ranking Amy Klobuchar. HR 2876 assigned to House Committee on Science, Space, and Technology.

Talking Points:

- The Automatic Voter Registration Act would make it easier for citizens in all states to register to vote and ignite voter participation rates across our country. Supported by Brennan Center for Justice and League of Women Voters. This bill was introduced on July 14, 2016, in a previous session of Congress, but was not enacted.
- [Bill Overview](#)
- [Members of Congress Introduce Legislation to Modernize Voter Registration](#)
- [Going National with Automatic Voter Registration](#)

MoCs:

- Our MoCs are not on the assigned committees.

To Do:

- Ask Patty Murray and Maria Cantwell to cosponsor S.1353
- Ask Denny Heck to cosponsor HR 2876
- Senate Rules and Admin Chair Richard Shelby (202) 224-5744 and Ranking Amy Klobuchar (202) 224-3244 and demand this bill be passed to the floor for a vote.

4. Other Issues

A. Budget

House passes two-week spending bill, heading off shutdown: The New York Times, Washington Post and Politico reported that the House of Representatives passed a two-week continuing resolution (CR) on December 7, preventing a government shutdown. The CR provides for continued spending at last year's spending levels through December 22. The vote was 235-193 after House Republican leadership overcame Freedom Caucus objections that threatened the bill. The Senate approved the bill 81-14. House and Senate Republican leadership has been hoping to buy enough time in the budget talks to complete work on the tax bill, all while mollifying their defense hawks and conservative hard-liners in the House Freedom Caucus.

The leaders of all four congressional caucuses met with Trump on December 7 to discuss next moves. A budget agreement, which would raise spending levels for both defense and non-defense spending, has eluded Congress and the White House since January, as the two parties are far apart on a number of policy issues, including the overall funding targets. Democrats want parity for any defense and non-defense spending boost, while Republicans want to see defense get the bulk of any spending increase. DACA is also a key question with Democrats making it a bottom line while Freedom Caucus members see any action on it as unacceptable. Trump wants defense spending and a border wall in any agreement.

Ryan has been quoted telling Freedom Caucus members that any long-term spending deal would not include action on DACA nor any Senate bills to reduce insurance costs in ACA exchanges. He is trying to win their votes for a long-term budget package. Jeff Flake was promised action on DACA as part of the price for his Senate tax bill vote and Susan Collins was promised action on two bills to reduce insurance costs on ACA exchanges (Alexander-Murray and Collins-Nelson). Without Freedom Caucus votes, Ryan would need Democratic votes to pass a long-term budget.

Under a 10-year budget deal struck in 2011, Congress may appropriate a maximum of \$549 billion for defense programs and \$516 billion for nondefense programs next year. Republican leaders have floated a \$54 billion boost in defense next year and a \$37 billion boost in nondefense spending;

Trump administration and congressional Republicans are planning restrictive changes to food stamps, health care, housing and veterans' programs: Politico reported that the Trump administration and Republicans in Congress are hoping to radically cut back safety net programs. They want to target recipients of food stamps, Medicaid and housing benefits as veterans' programs using legislation and executive action. The White House is preparing an executive order expected as soon as January that would mandate a review of federal programs that help the poor. Republican congressional leaders are planning legislation that would make it harder to qualify for those programs and White House domestic policy staff are meeting with House Ways and Means Committee staff and Senate Finance Committee staff on the proposals. Republicans are looking to use budget reconciliation to move this agenda, though it is unclear whether such a move can succeed in the Senate.

Senate Republicans are divided over whether to spend 2018 trying to cut Medicare, though they have not said they are opposed to cuts in all social programs. Senators including Rob Portman, John Boozman, Tim Scott, Susan Collins, Lisa Murkowski and others are opposed to such changes. According to the Pew Research Center, only 5% of Democratic voters and 15% of Republicans are in favor of Medicare changes. However, a number of these members would not be opposed to cutting other social programs, such as food stamps. Medicaid cuts would likely lose some key votes, including Collins and Murkowski. Members in favor of such cuts include John Thune, Pat Roberts, Jeff Flake, Roy Blunt, Bob Corker, Ron Johnson, Orrin Hatch, and Marco Rubio, among others.

Trump administration officials are already making some changes. Federal health officials are encouraging states to impose work requirements on able-bodied adults on Medicaid, a shift that would treat the program as welfare, rather than health insurance. The Agriculture Department said last week that it would soon give states greater control over the \$70 billion food stamp program, which would open the door to drug testing or stricter work requirements on recipients of the program. The Veterans Affairs Department announced it would redirect hundreds of millions of dollars from a program for homeless veterans to local VA centers, but it reversed course after fierce reaction from veterans' groups.

Democrats back off making fix to DACA fix a reason to cause government shutdown: Politico reported that Senate and House Democratic leaders do not appear to be insisting any more that a fix for the 800,000 DACA recipients be included in a government funding bill which must be completed by December 22. They appear to be trying to avoid blame for a government shutdown that might still occur. Negotiations on the budget appear to be gaining momentum. However, backing away from helping DACA recipients will cause considerable anger with the Democratic base. It also is likely to reduce Democrats' leverage for any fix, because Republicans have continued to insist that any DACA fix be paired with immigration restrictions which Democrats will not be able to accept. Paul Ryan has just insisted that DACA not be included in a budget bill, because he is trying to increase Republican leverage and trying to support his Freedom Caucus members. Senate liberals have emphasized the importance of bipartisan DACA talks between Dick Durbin and Lindsay Graham but this fails to address the resistance by House Republicans.

Republicans considering military-only spending bill:

House Republican leaders are considering a budget bill that covers a full year of defense spending at \$640 billion but only provides domestic funding until January 19, one day before across-the-board spending cuts are scheduled to kick in. Money for the Children's Health Insurance Program (CHIP) is likely to be added to the House GOP package in a bid to win some Democratic support. A disaster aid package to help Texas, Florida, Puerto Rico and the US Virgin Islands recover from this summer's devastating hurricanes would be pushed back until January. Separate negotiations dealing with DACA, a border wall and immigration would continue on a parallel track, but would not be included in the budget bill. House Republicans will discuss their options on December 13.

Senate Democrats have already rejected the defense-only approach, warning that they will oppose any bill that does not deal with both domestic and defense spending. Chuck Schumer said that if Republicans want to do a defense-only bill, they should do it quickly so they can see it fail and still have time to avoid a shutdown before Christmas.

House Republicans are caught between the House Freedom Caucus pushing for a hard line on spending while defense hawks want more defense spending quickly. House and Senate Democrats insist on equal increases in defense and domestic spending. This is required in budget legislation that will last through the fall of 2021. As a result, changes to that model would require 60 votes in the Senate. But Republican leaders will not accept equal increases.

House Republican members have suggested that the House pass a defense-only bill and then adjourn, forcing the Senate to either pass the bill or have a government shutdown.

Democrats want to address pension shortfalls: Politico reported that key Democrats including Sherrod Brown and Joe Manchin, want the federal government to act to prevent the insolvency of some key pension funds, including those for retired miners and Central States pension plan for truck-drivers affecting nearly 500,000 retired workers and their families. They warn that if Congress doesn't act, the result will be massive liabilities for the Pension Benefit Guarantee Corporation. Both the miners pension plan and the Central States plan are expected to go bankrupt next year. While Republican Senator Shelley Moore Capito backs a rescue of the miners' fund, no Republicans currently back a trucker pension rescue.

Sherrod Brown's proposal would have the Treasury Department make loans to the at-risk pension plans, which would use the money on safe investments to backstop the retirement plans that are currently at the greatest risk. Beyond those loans, the at-risk plans are expected to require as much as \$25 billion in long-term assistance from the government-backed Pension Benefit Guaranty Corporation (PBGC) to avoid insolvency. But the PBGC is already projected to reach insolvency by 2025, and preventing that outcome would cost \$101 billion over 20 years, according to the CBO.

B. Russia Connection

Report suggests Mueller investigating whether Trump told Flynn to lie to the FBI: NBC News reported that Mueller is trying to determine why Flynn remained in his post for 18 days after Trump learned of former Acting Attorney General Sally Yates' warning. He appears to be interested in whether Trump directed Flynn to lie to senior officials, including Pence, or the FBI, and if so why. Mueller's team asked several current or former White House staff to go through each day Flynn remained as national security advisor and describe in detail what they knew was happening in the White House as it related to Flynn.

Republicans attack Mueller investigation: The Washington Post reported that Republican activists and members of Congress are engaged in a multi-front attack on special counsel Mueller's investigation, trying to stop or limit the investigation as it moves closer to Trump's inner circle. For months, Trump and his allies have been using any small possible impropriety by Mueller's team or the FBI to argue that the Russia probe is stacked against Trump to try to build the political support needed to dismiss the Mueller. Some law enforcement officials are concerned that the conservative criticism is designed to erode Mueller's credibility, making it more politically palatable to remove, restrict or simply ignore his recommendations as his investigation progresses.

Sean Hannity on December 5 called Mueller "a disgrace to the American justice system" and said his team is "corrupt, abusively biased and political." Several conservative members of Congress held a news conference December 6 demanding more details of how the FBI proceeded last year in its probes of Hillary Clinton's use of personal email and Russian election interference. Earlier in the week, the conservative group Judicial Watch released an internal Justice Department email that, the group said, showed political bias against Trump by Peter Strzok, one of Mueller's senior prosecutors who was reassigned in the summer (see below). The chairman of the House Judiciary Committee has been pressing the Justice Department to appoint a second special counsel to probe Clinton and the FBI's handling of past Clinton-related investigations. Rep. Lamar Smith said the investigation should be limited to considering evidence directly connected to Russia.

In reaction, Senate and House Democrats have urged action on two bipartisan bills designed to protect Mueller from firing and warning against such firing him. Senate Judiciary Committee Chair Grassley has so far said he would not consider the bills.

Mueller did get support December 6 from Deputy Attorney General Rod Rosenstein, the senior Justice Department official overseeing the Russia investigation. In an interview with NBC, Rosenstein was asked if he was satisfied with what he had seen so far from the special counsel's office, and he said yes, and noted that some public charges had been filed. He added that "we're not in a position to talk about anything else that may be going on." This suggests that any effort by Trump to fire Mueller would have to also fire Rosenstein, or would have to start with Attorney General Sessions resigning or being fired.

FBI director defends agency as Republicans attack Mueller and FBI: The Washington Post reported that FBI Director Christopher Wray defended the integrity of the FBI at a House Judiciary Committee hearing after Trump tweeted that the agency is in tatters. Meanwhile, Republicans on the committee spent much of their time in the hearing attacking Robert Mueller's investigation as biased against Trump. Republicans pressed Wray to explain the conduct of Peter Strzok, who was on Mueller's team, and who sent anti-Trump and pro-Clinton text messages to Lisa Page, a senior FBI lawyer he was having an affair with. Strzok's text messages took place at a

time that Trump was attacking the FBI during his campaign. Strzok is under investigation by the Justice Department's inspector general for his actions. Mueller had Strzok taken off his team this summer when he discovered the text messages.

Trump lawyers want second special counsel appointed: Axios reported that Trump's legal team believes the Justice Department and the FBI are to blame for what they see as a witch hunt. They want an additional special counsel appointed to investigate the FBI and Justice Department. They cite Peter Strzok (see above) and a Fox News report that the wife of a recently demoted FBI official, Bruce Ohr, had worked for Fusion GPS, the firm that commissioned the dossier on Trump produced by Christopher Steele, former MI6 lead staff on Russia.

FBI warned Hope Hicks about emails from Russian operatives: The New York Times reported that FBI officials warned Hope Hicks about repeated efforts by Russian operatives to make contact with her during the presidential transition. Hicks is the White House communications director and one of Trump's closest advisors. This took place early in Trump's term. American intelligence and law enforcement agencies became alarmed by introductory emails Hicks received from Russian government addresses in the weeks after Trump's election. After he took office, senior FBI counterintelligence agents met with Hicks in the White House at least twice, gave her the names of the Russians who had contacted her and said they were not who they claimed to be. The FBI was concerned that the emails to Hicks may have been part of a Russian intelligence operation. Hicks informed White House Counsel Don McGahn about the meetings.

Email showed effort to give Trump campaign WikiLeaks digital key: The Washington Post reported that Trump, Donald Jr. and others in the Trump Organization received an email September 14, 2016 offering a decryption key and website address for hacked WikiLeaks documents, according to an email provided to congressional investigators. The writer, who said his name was Michael Erickson and described himself as the president of an aviation management company, sent the email to Trump, Donald Jr. and other top advisors. Congressional investigators are uncertain who the sender is. The email came after the hacked DNC emails were made public and may have only directed the campaign to that already public material. It arrived less than three weeks before WikiLeaks itself messaged Donald Jr. and began an exchange of direct messages on Twitter. The email also indicated that the campaign could access records from Colin Powell, whose hacked emails were made public by a Russian front group, a fact reported earlier that day. Donald Jr.'s attorney said the emails were not responded to.

Russian social media executive sought to help Trump campaign: The Washington Post reported than an executive at Vkontakte (VK), Russia's equivalent to Facebook, emailed Trump and his social media director in January and November of 2016 offering to promote his campaign to its 100 million users. While Scavino expressed interest in learning more, it is unclear whether the campaign pursued it. While mainly used by Russian-speaking users, the site has also become known in Europe and increasingly in the US as a platform embraced by white-nationalist groups. Far-right politicians in Germany and other countries have VK profiles. The website also directed substantial amounts of traffic to Breitbart News and Infowars during the 2016 campaign.

White House both denies and affirms plan for private spy network: The Intercept reported that the Trump Administration is considering a set of proposals developed by Blackwater founder Erik Prince (brother of Betsy DeVos) and John McGuire, a retired CIA officer who works for intelligence contractor Amyntor Group with assistance from Oliver North to provide CIA director Pompeo with a global private spy network that would circumvent official US intelligence agencies. The information collected by this network would not be shared with the CIA or larger intelligence community. Some of the individuals involved met with Trump donors to ask them to finance the effort before contracts were signed. The proposals would utilize an army of spies with no official cover in several countries deemed "denied areas" for current American intelligence personnel, including North Korea and Iran. The White House has also considered creating a new global rendition unit meant to capture terrorist suspects around the world, as well as a propaganda campaign in the Middle East and Europe to combat Islamic extremism and Iran.

According to two former senior intelligence officials, Pompeo has embraced the plan and lobbied the White House to approve the contract. Sarah Huckabee Sanders said she was not aware of such a plan. But a White House official later told New York Times reporter Maggie Haberman that the plan was presented to the White House but that it is not clear that Trump was briefed. Another White House official said the plan was pitched but is not being pursued. Prince was quoted as saying the group has already provided information to Pompeo.

Mueller investigators interviewed Hope Hicks: The New York Times reported that Mueller investigators interviewed Hope Hicks on December 7 and 8 of this year as part of the Russia investigation.

Few Republicans believe Russians interfered with the 2016 election: A Quinnipiac poll shows that just 25% of Republicans agreed with the intelligence community assessment that Russians interfered in the 2016 election and just 10% say the Trump campaign coordinated with the Russians. Fully 83% say it did not.

C. Regulations

Most Americans oppose plan to repeal net neutrality rules: The Washington Post reported that a University of Maryland survey found that 83% of those polled oppose the plan to repeal current net neutrality rules. Only 16% say they approve. Only one in five Republicans approve of the plan. The FCC is expected to adopt the plan on December 14.

D. Trade

EU and Japan reach trade deal: The New York Times reported that the EU and Japan reached a trade deal that would cover over 25% of world economic activity. The deal is subject to ratification by parliaments in Europe and Japan. The talks began in 2013. Japan trades less with the EU than with the US and China, but Trump's decision to abandon the TPP made the EU deal critically important for Japan. The EU and Japan have a combined annual economic output of around \$20 trillion, and together would constitute a trading area roughly the size of the one created by NAFTA.

The change of direction on trade owes partly to the waning power of Japan's farm lobby, which has fought to keep tariffs on imported agricultural products high, impeding the country's ability to strike agreements. Japanese negotiators still focus much of their efforts on protecting farmers, but with Japan's rural population rapidly aging and shrinking, governments no longer see making concessions on agriculture as politically fatal.

E. LGBT

Judge refuses to delay ruling that transgender people can enlist in military starting in January: The Washington Post reported that US District Court Judge Colleen Kollar-Kotelly denied the Trump administration request to delay an order requiring the military to begin accepting transgender recruits starting January 1. The ruling follows her earlier opinion blocking the president's ban on military recruitment of transgender men and women that would have forced the dismissal of current service members starting in March.

She said that with only a brief pause, the military has had the opportunity to prepare for the accession of transgender individuals into the military for nearly a year and a half since when the policy was initially issued in June 2011. In light of the record evidence showing that considerable work has already been done, she said she was not convinced by the claims by the administration calling for a stay. A second federal judge in Baltimore also issued a preliminary injunction in November that goes further, preventing the administration from denying funding for sex-reassignment surgeries once the order were to take effect.

F. Environment

Bears Ears monument decision driven by Canadian uranium firm: The Washington Post reported that the decision to shrink Bears Ears was in large part driven by a lobbying campaign by Energy Fuels Resources, a subsidiary of a Canadian uranium company. The company said shrinking the Bears Ears monument would give it easier access to the area's uranium deposits and help it operate a nearby processing mill. The mill, the only US uranium processing mill, sits directly next to the boundaries President Obama designated in 2016 when he established Bears Ears. Energy Fuels Resources, urged the Trump administration to limit the monument to the smallest size needed to protect key objects and areas, such as archeological sites, to make it easier to access the radioactive ore. Their CEO wrote to the Interior Department that the original monument size could affect existing and future mill operations. He said that there are a many known uranium and vanadium deposits located within the original boundaries that could provide energy and mineral resources. The firm hired a team of lobbyists led by Andrew Wheeler, who is awaiting Senate confirmation as the EPA deputy secretary to work on the issue.

The idea of uranium mining is particularly sensitive among members of the Navajo Nation, who have a reservation near Bears Ears and played a key role in pressing for its creation. More than 500 uranium mines have been left near or on their lands, and most of these designated Superfund sites have not been cleaned up. Contamination still affects drinking-water wells, springs and storage tanks.

G. Disasters

Puerto Rico official death toll is underestimate: The New York Times reported that the official death toll appears to have massively understated the actual toll. The official death toll was 64. The Times estimates the actual toll may be 1,052. The Times compared the deaths in prior years day by day during the same time period in 2015 and 2016 as that from when Hurricane Maria made landfall to the end of October. The death toll was 1,052 higher in 2017 from September 20, when Maria made landfall to October 31 and data for October are not yet complete. Record-keeping has been delayed because Puerto Rico's power grid is operating at less than 70% of capacity and much of the island is still without power. In 2015 and 2016, between September 20 and 30, there were 82 deaths a day on the island. In 2017, there were 118 a day. In October, the average was 83 deaths a day in prior years, 119 in 2017. A key cause was the lack of electric power, including for many hospitals. In some cases, oxygen tanks ran out, in others, the lack of power in hospitals meant no power for respirators, or limited access to dialysis. While some hospitals had generator power, not all did, largely due to the difficulty of getting access to fuel. In many areas, travel to medical facilities has been a problem due to rubble on roads and bridge outages. On September 25, 135 people died in the island. In 2016, 75 people died, and 60 died in 2015. There were increased deaths from sepsis, pneumonia, emphysema, diabetes and Parkinson's and Alzheimer's.

Southern California fires: The fires in Southern California have gone on for seven days. They are burning virtually out of control due to abundant vegetation from last year's heavy rains, extraordinarily dry conditions and hurricane force Santa Ana winds spreading the fires quickly. There are 8,700 firefighters working to fight the fires. Fully 212,000 people have been evacuated. Heavy smoke covers much of Southern California and people are being urged to stay indoors due to bad air quality. Hundreds of buildings have been destroyed. The fires have burned over 400 square miles (256,000 acres). Winds are expected to peak December 10 at 50 mph.

The largest fire is the Thomas fire in Ventura County, north of LA and covers over the largest portion of total acreage and is only 15% contained. This fire saw a major expansion over the past weekend. On December 8, firefighters were trying to save the mountain town of Ojai, surrounded by the fire. That fire has now spread to the Carpenteria and is approached the Montecito area in Santa Barbara County, close to Santa Barbara itself. It has forced the evacuation of 27,000 people, destroyed or damaged over 600 structures and threatened 15,000 buildings.

The Rye fire is a 6,000 acre fire near Santa Clarita is now 93% contained. The 400-acre Skirball fire near Sepulveda Pass is now 85% contained. The Liberty fire in Riverside County is 300 acres and is largely contained. The Lilac fire in San Diego County already burned over 4,100 acres and is now 80% contained.

H. International

Brexit talks reach breakthrough, move to harder phase: The New York Times reported that British Prime Minister Theresa May finally worked out an initial agreement with the EU to move Brexit talks to the next, more serious phase. The pact resolved three issues that took nine months to negotiate. It avoided a hard border in Ireland, set the mechanism to calculate the cost of Britain's leaving the EU, estimated at \$47 billion to \$52 billion, double May's original offer and it established judicial protocols to protect the rights of the three million EU citizens in Britain and the million British citizens in the EU. May clinched the deal with a promise that Britain would not re-impose physical border controls between Northern Ireland and the Republic of Ireland, a member of the EU, even if Britain ultimately fails to strike a trade deal with the bloc. The details of that promise are still to be negotiated.

The hard questions left are what kind of trading relationship Britain is to have with the EU, what the EU will require of Britain in return. If Britain wants free trade as at present, it will have to accept free movement of people to and from the EU into Britain and must accept European rules that it will no longer have a voice in making as Norway does. Britain could negotiate a free trade agreement with EU as Canada and Japan have, but those deals take years to finish and leave out services (in banking, investment, advertising) that make up 80% of the UK economy. If it is not willing to accept EU requirements, it might find itself with a much more restrictive trade relationship with the bloc that has dominated its trade for nearly 45 years. That is one reason May and British firms want a transition period of at least two years after the UK leaves at the end of March 2019. During that time, its relations with the EU would remain the same, allowing time for negotiation of a trade deal and to avoid a sudden exit.

Polish Parliament reshapes courts, moving Poland further toward authoritarianism: The New York Times reported that Poland's Parliament adopted two widely condemned bills to reshape the country's court system, despite domestic and EU criticism that the measures threaten the rule of law by placing judges more firmly under government control. Efforts to pass earlier versions of the court measures in the summer had drawn tens of thousands of Polish demonstrators into the streets, demonstrations that ended only when President Duda, nominally nonpartisan, shocked his former colleagues in the ruling Law and Justice Party by vetoing two of the most-criticized bills. The Polish president presented his own versions in the fall, which the ruling party then amended and approved on December 8. The bills must still pass the Senate, which is a foregone conclusion given the ruling party's dominance in that chamber, and then be signed by the president. President Duda is expected to sign them this time, since their passage followed months of closed-door talks with Prime Minister Kaczynski over the content of the legislation.

One bill covers the Supreme Court. Earlier legislation called for the entire court, made up of more than 80 judges, to be fired, with replacements appointed by the government. The new version lowers the retirement age for the court's judges to 65 from 70, effectively forcing the immediate removal of 40% of the justices. The second bill covers the National Judiciary Council, which selects the candidates to be judges. Previously, 15 of the council's 25 members were chosen by a panel of judges. Under the earlier proposal, those 15 would have needed approval by a majority vote in Parliament. Under the new version just passed, candidates would need a 60 percent vote, although subsequent amendments meant that could revert to a simple majority vote in time.

The commission European Commission had already initiated a disciplinary process over the Polish court legislation that could result in sanctions or even a loss of voting rights. This week, the European Commission

voted to take Poland, Hungary and the Czech Republic before the International Court of Justice over the countries' refusal to accept refugees.

Germany slightly closer to coalition government: The New York Times reported that Germany seems to be moving slowly toward a possible coalition government as leaders of the Social Democrats agreed to sit down next week about exploratory talks about resuming their coalition (2005-09 and 2013-17) in the government they ruled before recent elections. At the Social Democrats party conference, members approved the idea by a large majority. The Social Democrats had been reluctant to remain in the coalition because their showing in recent elections was the worst by far since the formation of West Germany in the late 1940s, slipping by 5% to 20% of the vote (the Christian Democrats support fell by 7%). But the threat of new elections has made them reconsider.

Italy declares state of emergency after Austrian gas explosion: The Guardian reported that Italy declared a state of emergency due to a lack of natural gas supplies after an explosion and fire hit a main gas hub near Vienna. Baumgarten, where the explosion occurred, is a key distribution hub for gas exports and imports, including from Russia. Natural gas is transported to Baumgarten through Slovakia and Germany along several pipelines. Gas flows are then delivered throughout Europe via Austria's transmission network. The hub's operator, Gas Connect, said that deliveries to the country's southern and south-eastern borders would be affected until further notice. They said that it would take days to restore supply lines. The explosion has disrupted gas supplies to Italy as well as to include Croatia, Hungary, Slovakia and Slovenia. It has also raised natural gas prices across Europe.

I. Politics

Democrat Doug Jones beats Republican Roy Moore in Alabama Senate race: On December 12, Democrat Doug Jones pulled off an unlikely victory in Alabama, a state that went for Trump in 2016 by over 25 points. Jones won by 1.5%, a total of over 20,000 votes. His victory was based on high African-American registration and turnout, and higher Democratic vote totals among college-educated voters and suburban women than in any Alabama election in 25 years. Moore faced lower than usual turnout in rural Republican strongholds and lower than expected (but still majority) white votes in suburban counties around Birmingham and other urban centers. Key to Jones' victory was the response of white women to the allegations of sexual predation and assault of teens as young as 14 by Roy Moore when he was a prosecutor in his 30s.

Al Franken announces resignation from the Senate: Senator Al Franken announced on December 7 that he would resign in the coming weeks after his support among Senate Democrats collapsed after the account of a seventh woman who said the senator had acted sexually inappropriately (in this case, an unwanted kiss) was reported anonymously in Politico. A total of 35 Democratic senators called for Franken to resign. In his resignation speech he acknowledged some of the accusations, said he remembered others differently and denied the last one completely. He said that nothing he has done as senator has brought dishonor on the Senate. He noted the irony that he was resigning while Trump is in the White House and Roy Moore is running for senator with the support of his party. He said that the accusations had made it impossible to be an effective senator for Minnesota.

Trent Franks resigns after asking staff to become surrogates for cash: Trent Franks resigned from the House of Representatives after stories surfaced that he had asked two female congressional aides to become surrogates for him and his wife, who has had fertility issues. Franks said he resigned because his wife was admitted to the hospital. One of the aides told Paul Ryan's staff that Franks offered her \$5 million to act as a surrogate mother. The aide said she repeatedly rebuffed him. Franks has a net worth of nearly \$30 million.

Politico reported that the two aides have said they were worried that Franks was expecting to have sex to impregnate them and that it was not clear whether he was asking about impregnating them through sexual

intercourse or in vitro fertilization. Franks opposes abortion as well as procedures that discard embryos. Former aides also report that Franks made unwanted advances toward female staffers in the office and retaliated against one who rebuffed him. Franks denied these allegations, though acknowledged the surrogacy conversations.

Blake Farenthold case investigated by ethic committee: The House Ethics Committee announced that it will impanel an investigative subcommittee to look into allegations of sexual harassment against Blake Farenthold of Texas. His accuser agreed to cooperate with the investigation. The probe had initially been opened in 2015. Farenthold reached an \$84,000 settlement with the former staffer, Lauren Greene, in 2015, after she accused her then-boss of sexual harassment and alleged he discriminated against her because of her gender and created a hostile work environment. The settlement was paid for with taxpayer dollars by the congressional Office of Compliance only emerged last week. His accuser said she had not been able to find comparable work since her time as a congressional aide.

Texas congressman Joe Barton, will not run for reelection after sexual misconduct: Texas congressman Joe Barton announced that he will not run for reelection to Congress after a nude photo of him as well as a salacious text he had sent to a woman surfaced on social media in an anonymous Twitter account.

9th Circuit Court of Appeals judge Alex Kozinski accused of sexual misconduct: The Washington Post reported that Judge Alex Kozinski, who serves on the 9th Circuit Court of Appeals and has served for many years as chief judge, was accused by a former clerk, Heidi Bond (2006-07), of calling her into his office several times and showing her pornography. Bond is one of six former clerks or more junior staffers who alleged that Kozinski, now 67 and still serving as a judge on the court, subjected them to a range of inappropriate sexual conduct or comments. She is one of two former clerks who said Kozinski asked them to view porn in his chambers. The clerks worked for Kozinski from 2004 through 2012.

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