



January CEO Report

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Warm regards,

John Stewart
AFIA's Manager of Government Affairs

By John Lauinger | 01/09/2017 07:00 AM EDT

Welcome to the January edition of the CEO Report, POLITICO Pro's high-level outlook on the policy issues driving the month ... and beyond.

Washington is readying for a series of intense battles in the months ahead, with Republicans eager to use their newfound dominance to reshape and downsize the role of the federal government.

President-elect Donald Trump has yet to be sworn in, but the GOP-controlled 115th Congress is thundering out of the gates on the budget front: The Senate has already begun debate on a budget resolution that contains the seeds of repealing Obamacare, chief among GOP priorities. The fiscal 2017 blueprint includes provisions for budget reconciliation, a powerful tool that Republicans will use to target the Affordable Care Act because it shields the bill from Senate Democratic filibusters, reports Pro Budget and Appropriations Brief editor Ben Weyl. The Senate is expected to pass the budget by week's end, and the House will follow suit soon after.

Sharp ideological fights are also expected as Trump and GOP lawmakers unveil their fiscal 2018 budget proposals later this year. The GOP is likely to seek deep cuts in domestic spending coupled with a big boost for the Pentagon, which Democrats will resist. Republicans in Congress are also expected to tackle a massive tax overhaul

through another budget reconciliation bill, and perhaps an infrastructure measure at Trump's behest.

And a series of key budget deadlines loom, which hold potential to trip up Republicans. Congress needs to act by April 28 to avoid a government shutdown. The federal debt limit will be reinstated on March 17, though lawmakers will have a few more months to avoid a federal default that could trigger a global financial crisis - assuming the Trump administration uses its "extraordinary measures" to extend the government's borrowing capacity.

Rep. [Mick Mulvaney](#) (R-S.C.), Trump's pick to lead the White House Office of Management and Budget, is likely to face serious criticism from Democrats for his hard-line views on cutting spending - but, like nearly all of Trump's Cabinet-level selections announced to date, Mulvaney's nomination is not considered in doubt. Republicans can confirm the South Carolina Republican with a simple majority, and the founding member of the conservative House Freedom Caucus has not engendered any GOP opposition.

NOMINATION HEARINGS

A barn-burner in the Senate: Things will be especially frenzied in the Senate this week and next - at least nine confirmation hearings for Trump's Cabinet-level nominees are on the docket this week alone (here's a [schedule](#)) and the beginning of the Senate's vote-a-rama on the budget is also expected. The big day is this Wednesday, when six nominees are slated for hearings, in addition to Trump's first press conference since the summer (on the all-important issue of how he intends to handle his business interests while in the White House). Democrats have sought to turn Trump's Cabinet nominees - and in some cases, their vast personal wealth - into proxies for Trump's potential conflicts of interest and penchant for smash-mouth politics.

Nevertheless, the transition expects all of its big-ticket nominees to make it through the Senate. "We have an unbelievable, all-star group of nominees," transition spokesman and incoming White House press secretary Sean Spicer told reporters during a briefing on Sunday, per Pro's Andrew Restuccia. "I think each one of them is not only going to be confirmed with Republican votes, but Democrat votes as well."

Full Speed Ahead: The Senate GOP has pressed to confirm many of Trump's Cabinet-level selections before the president-elect takes office on Jan. 20, but Democrats have urged Senate Majority Leader Mitch McConnell to hit the brakes on the rapid process because not all of the nominees have undergone an ethics review to ferret out potential conflicts of interest. The Office of Government Ethics, a nonpartisan federal watchdog, said putting the cart before the horse raises "great" concerns. "It has left some of the nominees with potentially unknown or unresolved

ethics issues shortly before their scheduled hearings," OGE Director Walter Shaub [wrote](#) to Senate leaders on Friday.

But on Sunday, McConnell said [he won't order a slowdown](#), and chalked up Democrats' concerns to whining over their electoral losses. (To help you gear up for the fast-paced action, we've got a look inside the "[war room](#)" that the transition assembled to promote nominees' strengths and beat back criticism of their weaknesses, and here's Pro's take on the so-called [murder boards](#) that are being used to prepare nominees.)

HEALTH

Republicans try to navigate the tricky politics of repeal. Republicans are working quickly to make good on their longstanding promise to repeal Obamacare, but they're still struggling to reach agreement on how to replace the health care law - and on how quickly to implement the replacement. Republicans this week are expected to approve legislation that instructs Congress to repeal large parts of health care law through budget reconciliation - but that's just a first step. Republicans still have to put together a repeal bill, and that's when things get much more complicated. Some Republicans want to pass a replacement alongside repeal, but others are advocating a "repeal and delay" strategy to give them time to come up with an alternative. The problem with that approach, however, is that insurers could get spooked about remaining in the Obamacare markets without knowing what will replace the law, and they could thus decide to drop coverage. Republicans have said they don't want to disrupt coverage for the 20 million people who are now insured through Obamacare. - *Jason Millman*

CYBERSECURITY

Questions on cyberattacks expected at nomination hearings: Several of Trump's high-profile Cabinet-level nominees will likely face intense grilling during confirmation hearings in coming weeks about Russia and its [alleged](#) election-season cyberattacks. Democrats are expected to hammer at the subject during hearings for Secretary of State-designee Rex Tillerson, Defense Secretary-designee James Mattis, Homeland Security Secretary-designee John Kelly and CIA Director-designee Rep. [Mike Pompeo](#) (R-Kan.).

Tillerson, the former CEO of Exxon Mobil, has [close ties](#) to Russian President Vladimir Putin, and senators may press the oil executive on whether he believes Moscow ordered the hacks that roiled the Democratic Party during the campaign and whether he agrees with the Obama administration's recent decision to sanction Russian spy agencies and eject several dozen Russian diplomats as punishment. At the Pentagon, Mattis, a retired Marine Corps general, would oversee the rapidly expanding U.S. Cyber Command, which leads America's digital warfare against the Islamic State. As CIA director, Pompeo would play a key role in gathering information about

Moscow's intentions in cyberspace and preparing covert responses to digital aggression. And at DHS, Kelly would bear much responsibility for leading the government's first-response efforts to cyberattacks.

Congress probing suspected Russian hacks: Several congressional committees are focusing on the election cyber-meddling. The Senate Armed Services Committee [kicked off](#) the proceedings last week, with pledges to hold more hearings and push for congressional sanctions that build off those the Obama administration slapped on Russia in December. The Senate Intelligence Committee and the Senate Foreign Relations Committees are also launching their own probes.

Some panels may approach the investigations with more gusto than others, though. House Intelligence Committee Chairman [Devin Nunes](#) (R-Calif.), a member of the Trump transition team's executive committee, [has said](#) he does not plan a special investigation of Russia's activities. And Sen. [Bob Corker](#) (R-Tenn.), the chairman of the Foreign Relations panel, last month [downplayed](#) the hacking and said it was "what people do." But Senate Armed Services Chairman [John McCain](#) (R-Ariz.) will likely keep up the pressure, and other Republicans who have taken a hard-line stance against Russia - including Sen. [Lindsey Graham](#) (R-S.C.) - will continue to push panel chairs to hold more hearings. And expect Democrats - joined by a few Republicans - to continue to press for a select committee to be established to examine cyberattacks. So far, Republican leaders in both chambers have rebuffed their bipartisan proposals.

Will Trump keep promise to order Pentagon cyber review? One of Trump's most consistent first-day promises has been a vow to direct a military review of U.S. critical infrastructure defenses. But his emphasis on the Pentagon as the fulcrum of domestic cyber defense has [alarmed](#) current and former officials who fear a broader militarization of cyber infrastructure is afoot. They want DHS, a civilian agency, to retain its lead role. But Trump's transition team has yet to receive "extensive briefings" on cybersecurity, according to [The Washington Post](#), and it remains to be seen whether he will stick to his promise once he learns more about DHS's work. "There may not be a full appreciation for the capabilities that have been developed over the years at DHS," said Chris Cummiskey, a former senior DHS cyber official. - *Eric Geller*

DEFENSE

Mattis' confirmation march: Mattis's confirmation quest will bring Trump's nominee to lead the Pentagon to the Senate Armed Services Committee, where he'll face a litany of questions on everything from Trump's statements on Russia to the fight against the Islamic State. Looming over the confirmation hearing will be the waiver that Mattis - who retired from the Marine Corps in 2013 - needs to change the law that requires a retired military officer to wait seven years before they are eligible to serve as Pentagon chief. But despite the extra hurdle, which will require 60 votes in the Senate, Democrats don't look likely to mobilize against Mattis, as many have praised

him and his views on issues like torture, on which he has convinced the president-elect that it's not an effective interrogation method.

Incoming! Mattis will be the top nominee seeking confirmation before Senate Armed Services, but many more lesser ones are on the way. Trump has already named his Army secretary, Vincent Viola, and potential candidates have trickled out for the Navy and Air Force secretary positions, as well as for deputy Defense secretary. Once Mattis is confirmed, his selections of a chief of staff and press secretary will be among his immediate Pentagon staffing priorities.

Defense supplemental brewing: Congressional Republicans are expecting the Trump administration to propose a defense supplemental spending measure as part of a new package to fund the government through the remainder of the fiscal year. And Senate Armed Services Chairman John McCain is preparing a white paper that he says will detail what should be funded in the supplemental, which will likely be the first test of how serious Trump was during the campaign when he promised a major defense build-up. - *Jeremy Herb*

TAX

Tax reform timeline: As the clock starts ticking on Trump's first 100 days in office, the tax world is anxious to see more details on a long-awaited tax reform plan. The big questions are whether congressional committees will start holding hearings on the topic and if there will be any legislative language to pore over this month. Although House Republican tax writers had said in November that they planned to advance tax reform in the 100 days following Trump's inauguration, Ways and Means Committee Chairman [Kevin Brady](#) (R-Texas) recently said he didn't want to put a timeline on it.

That doesn't mean nothing is going on behind the scenes, of course. Even before ink has been put to paper, Brady has been forced to confront complaints about a central element of the GOP's plan: border adjustability. The proposal, which would tax imports but not exports, has alarmed retailers, the oil industry and other businesses that rely heavily on imports. Brady is trying to calm their nerves, assuring them they will be held harmless since the dollar's value would appreciate under the plan, which is a key source of funding for reform.

A big cloud hangs over tax reform: It's the Republican effort to repeal the Affordable Care Act. The law has dozens of tax provisions, and Republicans are trying to figure out whether to repeal them or just delay them for several years until their promised replacement takes effect. Decisions on those particulars will have a big effect on the baseline Republicans start with for tax reform. Brady has said he thinks the GOP will be able to wrap up its ACA efforts by the end of February. In an interview with CNBC, Rep. [Chris Collins](#) (R-N.Y.) - an early Trump backer on

Capitol Hill who has been a liaison between the transition team and Congress - pegged March or April as the timeframe for advancing tax reform.

Down the food chain: Now that Trump has made nearly all of his Cabinet picks - Agriculture and Veterans Affairs remain on the board - the new administration may start considering second-tier nominations. The fate of IRS Commissioner John Koskinen is being watched closely. Koskinen's term isn't up until November, but he's been a target of lingering Republican ire over the extra scrutiny the IRS gave conservative groups seeking tax-exempt status, a controversy that predated Koskinen's tenure. Other tax posts requiring Senate confirmation include the IRS chief counsel; Treasury's assistant secretary for tax policy; deputy assistant secretaries for tax policy, tax analysis, and international affairs; inspector general for tax administration; and the assistant attorney general for the Justice Department's Tax Division.

Regulatory rewind: Another major Trump priority for early action is rollback of regulations that he considers onerous. He handed the job of sniffing them out to billionaire investor Carl Icahn. One regulation the corporate world would love to see go: the Section 385 rule on earnings-stripping. The House Freedom Caucus has also targeted valuation discount rules for the estate tax and rules pertaining to the Foreign Account Tax Compliance Act. - *Toby Eckert*

TRADE

TPP going away? Trump is expected to take several immediate actions on trade after his swearing in on Jan. 20, including formally ditching the Trans-Pacific Partnership and announcing his intention to renegotiate NAFTA. The latter could involve directing the Commerce Department and U.S. International Trade Commission to study the economic impact of withdrawing from the three-nation pact.

Cabinet-level confirmations: Trump's nominee for Commerce secretary, billionaire private-equity investor Wilbur Ross, will face his confirmation [hearing](#) before the Senate Commerce Committee on Jan. 12. Senate Finance Committee Chairman [Orrin Hatch](#) (R-Utah) said last week that he expects to hold hearings on Trump's picks for U.S. trade representative and Treasury secretary - trade attorney Robert Lighthizer and former Wall Street banker Steven Mnuchin, respectively - within the next two to three weeks.

Reality check: Before Trump takes his oath, U.S. Chamber of Commerce President and CEO Tom Donohue will deliver his annual "State of American Business" address on Jan. 11, which is likely to delve into the changing trade paradigm under the incoming Trump administration. Trade will also likely be at the forefront of discussions when government and business big shots converge on Davos, Switzerland, for the annual [meeting](#) of the World Economic Forum, from Jan. 17 to 20.

Parting words: U.S. Trade Representative Michael Froman will deliver his final keynote address on Jan. 10, at a Washington International Trade Association [event](#). USTR also wraps up some of its last unfinished business that day, with a hearing to consider Argentina as a possible participant in the Generalized System of Preferences, which gives foreign exports in developing nations duty-free access to the U.S. market. Froman will also take part in a [discussion](#) on the future of global trade at the Center for Strategic and International Studies on Jan. 13. - *Adam Behsudi*

EDUCATION

DeVos to get a grilling from Democrats: Betsy DeVos' confirmation hearing for Education secretary is scheduled before the Senate HELP Committee on Jan. 11. Chairman [Lamar Alexander](#) (R-Tenn.), himself a former federal Education secretary, has called DeVos an "excellent" choice. But ranking member [Patty Murray](#) (D-Wash.) and several other committee Democrats have said they are troubled by her record. DeVos is a billionaire philanthropist from Michigan who has aggressively funded efforts to expand school vouchers and charter schools in states across the country. Democrats have indicated they see her views as anti-public education and will likely ask tough questions about her work in the school-choice arena. It's unlikely, however, that they can thwart her nomination. The hearing could also provide the first glimpse into how DeVos would handle higher education and early childhood policy, since little is known about her views outside of K-12 education.

Education policy in the 115th Congress: Lawmakers are expected to return to some unfinished business on education policy in the coming months - while also navigating the legislative priorities of a new administration. Some of the education issues before the new Congress are familiar. Sen. Alexander and Rep. [Virginia Foxx](#) (R-N.C.), the chairs of the congressional education committees, both plan to turn their attention to rewriting the Higher Education Act while also continuing to oversee how the Education Department implements the Every Student Succeeds Act.

Obama's last rules for schools: One thing that congressional Republicans and an incoming Trump Education Department will likely have to hammer out in the early months of the new Congress is a strategy for undoing Obama administration education policies that many GOP lawmakers have railed against. That includes the gainful employment rule, which primarily targets for-profit colleges and is expected to be fully implemented this month, as well as the "supplement, not supplant" Title I spending rule under ESSA, which covers use of federal dollars for schools serving poor students and is also due out this month. Also on the chopping block is the Obama administration's teacher preparation rule and regulations governing debt relief for defrauded student loan borrowers. - *Kimberly Hefling and Michael Stratford*

ENERGY

Nomination contagion: With Congress in full Cabinet-nominee-hearing mode, all eyes in the energy world are expected to focus on Trump's pick for EPA administrator, Oklahoma Attorney General Scott Pruitt. Republicans seem pleased to usher through a fossil-fuel backer with a long history of opposing EPA rules, but Democrats and environmental advocates are planning to fight his nomination. Pruitt has been meeting with key lawmakers as he prepares for a hearing before the Environment and Public Works Committee, though a date has not been set. He met with a handful of Midwestern senators, led by [Chuck Grassley](#) (R-Iowa), who have said they were especially interested in getting Pruitt's views on ethanol, since he has expressed his distaste for the Renewable Fuel Standard that supports it.

Rep. [Ryan Zinke](#) (R-Mont.), Trump's nominee for Interior secretary, is also laying the groundwork for his own confirmation, having spent some time on Capitol Hill last week meeting with Sen. [Lisa Murkowski](#) (R-Alaska), who chairs the Energy and Natural Resources Committee, which will hold a hearing for Zinke's nomination (date TBD). Former Texas Gov. Rick Perry also met with Murkowski to discuss his path to the Energy Department's top job - an agency he's previously threatened to eliminate. Energy and Natural Resources will hold a hearing for Perry's nomination too, a date for which also has not been selected.

The great un-ruling: January will see the initial moves to unravel much of the Obama administration's environmental work, and both the House and Senate plan to use the Congressional Review Act to knock down big rules that were put in place in the final months of 2016. Coal backers are targeting the Stream Protection Rule, while oil and gas supporters are eyeing the methane venting and flaring rule. Republicans are trying to speed up the somewhat laborious process, and the House has passed its Midnight Rules Relief Act, which would allow Congress to reject multiple rules in a single vote, though the measure is likely to hit stiff resistance in the Senate. - *Eric Wolff*

FINANCIAL SERVICES

Trump's Fed: For big banks, the most important question is who Trump will nominate as Federal Reserve vice chair of supervision, superseding Fed Gov. Dan Tarullo as the lead on regulatory policy. Tarullo has been one of Washington's most aggressive regulators, relentlessly pressing the banks to boost capital to reduce risk. Trump's pick would also fill one of two vacancies on the Board of Governors. A nominee for the other slot could also come this month. That will help cement Trump's influence on the central bank.

Dodd-Frank: The biggest piece of banking legislation in early 2017 will be a proposal from House Financial Services Committee Chairman [Jeb Hensarling](#) (R-Texas) to repeal and replace the Dodd-Frank law. In the Senate, all eyes will be on [Mike Crapo](#), the Idaho Republican taking over as Banking Committee chair. Republicans will need some Democratic votes to pass legislation, and the willingness that Crapo has demonstrated in the past to work with the minority party will be tested in a Congress

riven by partisanship. The Senate will also consider two high-profile finance nominees: Steven Mnuchin, whose hearing for Treasury secretary has not been set by the Senate Finance Committee, and Ben Carson, whose selection for HUD secretary will be considered by the Senate Banking Committee on Jan. 12.

Mortgage fees: Speaking of HUD, the department is expected to cut mortgage fees this month, bestowing a departing gift to lenders, real estate agents and builders. The decision could come as soon as Jan. 11, when HUD Secretary Julian Castro gives his farewell address to agency staff. Mortgage interest rates have been rising since the election, crimping affordability for first-time homebuyers. And the Federal Housing Administration, which administers the agency's home-loan program, is in good financial shape, giving it room to cut premiums.

Flood insurance: Look for the House Financial Services Committee to ratchet up work on the National Flood Insurance Program, which expires at the end of September. Rep. [Blaine Luetkemeyer](#) (R-Mo.) circulated some ideas in December, and staffers are working on draft legislation that would strengthen the private flood-insurance market. Across town, financial regulators are weighing a proposed rule that would reduce dependence on the NFIP, which is \$23 billion in debt. - *Patrick Temple West*

LABOR AND EMPLOYMENT

It's all about Andrew: Andrew Puzder, President-elect Trump's nominee for Labor secretary, will face the Senate HELP Committee in his confirmation hearing on Jan. 17. Puzder is CEO of CKE Restaurants, which owns various fast-food chains, including Carl's Jr. and Hardee's; he's also a board member of the International Franchise Association and a member of the conservative Job Creators Network. He has strong backing from the business community, and his selection signals that, despite Trump's popularity with working-class voters, the Labor Department under the Trump administration will be much more management-friendly than its predecessor. However, Puzder must first make it past Senate HELP Democrats, who will likely use his history at the helm of CKE Restaurants and his very public opposition to DOL regulations as proof he's anti-worker.

Preview of Puzder's hearing: Topics likely to come up during the hearing include Puzder's opposition to increasing the federal hourly minimum wage to as little as \$10.10 (it's now \$7.25) and his resistance to the Obama administration's overtime rule (now blocked by a Texas court), which would have extended overtime coverage to an estimated four million workers. There's also likely to be questioning rooted in the industry in which Puzder made his fortune. Food services has been a major wage-theft enforcement target for DOL's Wage and Hour division; almost half its low-wage enforcement cases in 2015 were in the restaurant industry. As the leader of a franchise empire, Puzder opposes the National Labor Relations Board's newly expanded joint-

employer standard, which makes it easier to hold parent companies accountable for labor abuses committed by subcontractors and franchisees.

On a press call last month, Senate HELP Ranking Member Patty Murray said workers "deserve to have all of the facts about Mr. Puzder - his positions, statements, and history as CEO of CKE Restaurants." Puzder may also face questions about women's rights, given racy Carl's Jr. advertisements featuring women in tiny bikinis eating burgers. He's defended the ads in the past, calling them "very American." Murray, on the other hand, said Puzder "appears comfortable reinforcing harmful stereotypes about women."

Border wall funding: Meanwhile, on immigration, expect Republicans to come up with a [plan](#) to build Trump's long-promised border wall, perhaps by reviving a George W. Bush-era law authorizing the construction of 700 miles of "physical barrier." The big question is who will pay for it. - *Cogan Schneider*

TECHNOLOGY

The FCC and net neutrality: Now that Obama's FCC chairman, Tom Wheeler, has given a departure date of Inauguration Day, attention is turning to the makeup of the Trump FCC. Ajit Pai, the agency's senior Republican, is considered the likely choice to serve as acting chairman until the president-elect decides who should head the FCC on a more permanent basis. Pai and the commission's other GOP member, Mike O'Rielly, who are both staunch opponents of the 2015 net neutrality rules, have signaled they want to take on that issue "as soon as possible." They'll be able to get to work right away, due to Wheeler's impending exit and the uncertainty surrounding the fate of former FCC Democrat, Jessica Rosenworcel, who failed to win confirmation to another term last month but has been renominated by President Barack Obama. That leaves Republicans in the early weeks of the Trump administration with a 2-1 majority to steer the commission's agenda. Trump still has to nominate other members of the commission - to bring it up to five people - but the GOP is eager to have the agency start dismantling Obama-era regulations. - *Eric Engleman*

AGRICULTURE

Ag secretary sweepstakes: Donald Trump was poised to nominate former Georgia Gov. Sonny Perdue for Agriculture secretary well-placed sources told POLITICO, but the lack of an announcement suggests the ever-unpredictable president-elect may be having trouble making a decision. The top USDA job is the Cabinet post that most directly serves the rural voters that were so critical to Trump's victory, and members of Trump's agricultural advisory council have cited that fact in pushing back as Hispanic groups and some on the president-elect's transition team have tried to use the pick to add more diversity to an incoming Cabinet that is dominated by white men.

What if it's not Sonny (and other concerns)? While Perdue or other top contenders, including former Agriculture Under Secretary Elsa Murano and former California Lt. Gov. Abel Maldonado, would likely be confirmed by the Republican-controlled Senate, Democrats are sure to pose tough questions about the nominee's stances on immigration reform, environmental regulations and other controversial agricultural issues - not to mention controversies in their backgrounds.

Perdue, who served two terms as Georgia's governor (2003 to 2011), grew up on a farm and owns grain-processing companies. As the state's chief executive, he pushed for water-use reforms and expanded foreign trade, but he was criticized for controversial real estate transactions and for allowing a successful push to base Georgia's flag on a Confederate banner. The land deals at issue included avoiding \$100,000 in capital-gains taxes from a property sale in 2004; the state's GOP-controlled legislature passed a tax package the next year that applied retroactively to the governor's transaction.

Maldonado, a strawberry farmer and vineyard owner in California, spent more than a decade as a moderate Republican in the state's legislature before an eight-month stint as then-Gov. Arnold Schwarzenegger's lieutenant in 2010. In 2015, workers at his family's 6,000-acre farm sued him and others in his business, claiming they were underpaid and denied meals and rest periods; the case is still pending.

Late-season regulations on the farm: Whoever winds up getting the nod will have a busy period ahead of them to get up to speed on the department prior to be thrown into the Senate confirmation process. The Obama administration could push out a few lingering rules that would affect the agricultural industry over the next week, including several related to organic production, such as animal welfare and aquaculture standards. Agriculture Secretary Tom Vilsack has said his department will work to the very end, so there is a chance some or all of those rules could be made public before Inauguration Day. - *Jenny Hopkinson*

TRANSPORTATION

The trillion-dollar transportation question: Many blanks still need to be filled when it comes to Donald Trump's transportation policies. His signature transportation vision thus far - a \$1-trillion infrastructure investment package that he called for during the campaign - has yet to be sketched, much less fleshed out. Republicans on Capitol Hill seem mostly focused on other priorities, such as repealing Obamacare. But GOP leadership is at least paying lip service to the idea of moving some kind of infrastructure package this year - likely with a heavy focus on eliminating regulatory burdens and leveraging private-sector capital.

The runway for FAA reauthorization: Congress has to reauthorize the Federal Aviation Administration before the end of September, when the agency's authorization

runs out. All indicators suggest that House Transportation Committee Chairman [Bill Shuster](#) (R-Pa.) plans to re-introduce his plan to split air-traffic control from the FAA and hand it to a nonprofit entity to run. A similar attempt last year died in the face of opposition from some sectors of the aviation industry and members of both parties in both chambers. Based on that history, Shuster will need to move quickly in the new Congress if there's any hope of enacting a multi-year bill in time to meet the deadline.
- Kathryn A. Wolfe

E-HEALTH:

The Obamacare watch, and other matters: The health IT world will be keeping a close eye on the elephant in the health care space (Obamacare repeal) and also following the confirmation hearings for HHS and CMS, and keeping an eye out for upcoming appointments at FDA, NIH and throughout the HHS bureaucracy. Some of the hearings on FDA user fee reauthorization will affect the agency's expansion into digital health care. Depending on how the GOP-controlled Congress shapes its repeal of the ACA, there could be major implications for health IT-relevant areas such as CMS's Innovation Center - and GOP moves could also affect trends in CMS reimbursement for health IT technologies such as telemedicine. - *Arthur Allen*

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