This Week In Congress


Senate – The Senate confirmed several judicial nominations, as well as the nomination of Barbara Barrett to be Secretary of the Air Force. The Senate failed to pass S.J.Res. 53, a Congressional Review Act resolution to repeal the EPA’s Affordable Clean Energy rule, which replaced the Obama Administration’s Clean Power Plan. The Senate also failed to override the President’s veto of S.J. Res. 54, a resolution to terminate the national emergency declaration at the southern border.

Next Week In Congress


Senate – The Senate is expected to consider a package of domestic appropriations bills, which may include Agriculture-FDA and Transportation-Housing and Urban Development (THUD) spending. The Senate may begin consideration of S. 2644, a bill to impose sanctions with respect to Turkey, as well as legislation to support protestors in Hong Kong.

TAX

Tax Extenders Legislation Likely to Bypass Senate Finance Committee

Key Points:

- Senate Finance Committee Chairman Grassley’s (R-IA) plan to hold a tax extenders hearing was set aside after Senate Finance Committee members were unable to agree on the specifics of a bill last month. Currently, staffers for Chairman Grassley, Senate Finance Committee Chairman Grassley (R-IA) suggested he is unable to find common ground with Committee members on a tax extender bill.
- Chairman Grassley is instead focused on a bipartisan bicameral tax package to include in a year-end spending bill.

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Committee Ranking Member Wyden (D-OR), House Ways and Means Committee Chair Neal (D-MA), and House Ways and Means Ranking Member Brady (R-TX) are engaged in a “four-corners negotiation” on tax extenders. Because it is unlikely the Senate Finance Committee will consider tax extenders legislation this year, Grassley is working on a bipartisan, bicameral tax package to attach to a year-end spending bill. According to Chairman Grassley, “if an agreement can be reached on the makeup of a year-end tax package, there won’t be a need for committee action.”

Because the House Ways and Means Committee approved a tax extenders package in June, Chairman Neal believes the House could approve a tax extenders package by Thanksgiving.


Key Points:
- The Joint Committee on Taxation released a report describing proposed changes to H.R. 3 and the revenue impacts.
- The House Ways and Means Committee will hold a markup of the legislation on October 22.

On October 18, the Joint Committee on Taxation released a report describing changes to H.R.3 and the revenue impact of those changes. While more of a healthcare issue, the proposal creates a new drug price negotiation program administered by the Secretary of Health and Human Services (HHS) and imposes a new excise tax on manufacturers, producers, and importers drug sales who do not comply with certain requirements of the program.

A markup is scheduled for Tuesday, October 22 in the House Committee on Ways and Means.

E-Cigarette Tax Legislation May be Considered in House Ways and Means Next Week, Could Be Part of October 22nd Markup

Key Point:
- Legislation on e-cigarette taxes may be considered in next week in Ways and Means Committee, but it is unclear the exact legislation to be considered.

There are reports that the House Ways and Means Committee plans to consider legislation next week that would enact a federal excise tax on electronic cigarettes. While it is unclear the legislation to be considered, but there is a bipartisan measure form Reps. Suozzi (D-NY) and Peter King (R-NY) taxing e-cigarettes at a rate equivalent to $3 on a pack of cigarettes. It is possible this could be considered at the October 22 markup of other health legislation.

Upcoming Hearings and Meetings

October 22

Drug Pricing: The House Committee on Ways and Means will hold a markup of health legislation on October 22, 2019, including H.R. 3 which contains an excise tax provision, beginning at 9:30 a.m. at 1100 Longworth House Office Building.

For more information about tax issues you may email or call Christopher Hatcher at 202-659-8201. Victoria Shoots contributed to this section.
FINANCIAL SERVICES

House Passes Two Financial Services Bills

**Key Points:**
- The House passed a bill to require the SEC to conduct effectiveness testing for new disclosures.
- It also passed a bill requiring companies to annually disclose the number of workers they employ domestically and internationally.

This week, the House passed a pair of financial services bills:
- The SEC Disclosure Effectiveness Testing Act (H.R. 1815), introduced by Representative Sean Casten (D-IL), which would require the Securities and Exchange Commission (SEC) to conduct usability testing of new disclosures that are primarily used by retail investors and are intended to help them make investment decisions or understand their investments. The bill passed the House by a vote of 229-186, with no Republicans voting in favor of the bill.
- The Outsourcing Accountability Act (H.R. 3624), introduced by Representative Cindy Axne (D-IA), which would require public companies to annually disclose the total number of employees they employ in each state and foreign country, as well as the percentage change from the previous year. The bill passed the House by a vote of 226-184.

The Senate has not considered similar legislation.

House Financial Services Panel Holds Hearing on Stock Buybacks

**Key Points:**
- The Subcommittee examined bills that would restrict share repurchases and impose greater transparency requirements.
- Republicans defended stock buybacks as an effective capital management tool.

On October 17, the House Financial Services Committee’s Subcommittee on Investor Protection, Entrepreneurship and Capital Markets held a hearing entitled “Examining Corporate Priorities: The Impact of Stock Buybacks on Workers, Communities, and Investors.”

The hearing included discussions of four bills:
- The Reward Work Act (H.R. 3355), introduced by Representative Jesus Garcia (D-IL), which would prohibit public companies from repurchasing their shares on the open market.
- Draft legislation, the Stock Buyback and Worker Dividend Act, which would convert SEC Rule 10b-18 from a safe harbor to a prohibition on excessive stock buyback activities, lower the permissible amount of stock buybacks for public companies, and create new reporting requirements for companies that do engage in stock buybacks.
- Draft legislation, to amend the Securities Exchange Act of 1934 to require issuers to disclose to the SEC the details of any repurchase plan for an equity security, and to prohibit such a repurchase unless it is approved by the Commission.
- Draft legislation, the Stock Buyback Disclosure Improvement Act, which would require public companies, when they announce a stock buyback...
program, to disclose whether executives at the company plan to participate in the buyback program.

Chairwoman Carolyn Maloney (D-NY) said the use of stock buybacks has grown dramatically over the past two decades and particularly in the last two years. She stated that she has nothing against returning capital to shareholders, but she has concerns with the rise of buybacks. She noted that buybacks are slightly more tax efficient than dividends, but asserted that the biggest driver of buybacks is that executives have a personal incentive to favor them over dividends, as they are often compensated in stock. She said a study by SEC Commissioner Robert Jackson Jr. found that executives are five times more likely than usual to sell stock after a buyback announcement, which suggests that executives are abusing buybacks for personal gain. Maloney suggested that buybacks have grown significantly in the last two years due to the Tax Cuts and Jobs Act (TCJA). She noted that 40-60 percent of corporate tax breaks from the TCJA were spent on buybacks, suggesting that they are on pace to rise even more in 2019.

Ranking Member Bill Huizenga (R-MI) argued that the recent scrutiny of stock buybacks is based on bad information. He said companies use buybacks for stock options, dividend reimbursements, employee stock ownership plans (ESOPs), to provide liquidity, and to return capital to shareholders. He argued buybacks provide a tax efficient means to return capital to shareholders and to indicate that the firm is undervalued. He said buybacks prevent companies from pursuing growth and size at the expense of profitability and value. Huizenga said in 1982 the SEC created a safe harbor for companies engaging in stock buybacks, noting that they included provisions to limit the impact of buybacks on price. He said public companies are required to disclose any buybacks in their quarterly and annual reports, stressing that they are not hidden from anyone. He argued that there are legitimate reasons for companies to prefer buybacks over dividends, suggesting that they are being criticized as part of a “political narrative.” He said stock buybacks increase the value of retirement accounts of Main Street investors.

Representatives French Hill (R-AR), Warren Davidson (R-OH), and Trey Hollingsworth (R-IN) defended the use of stock buybacks, arguing that they are an effective form of capital management. Representatives Jesus Garcia (D-IL), David Scott (D-GA), and Juan Vargas (D-CA) criticized the growth of corporate share buybacks, suggesting that executives are prioritizing short-term gains over long-term benefits and investments in the work force.

House Financial Services Holds Hearing on TRIP Reauthorization

Key Points:

- Democrats expressed support for a ten year reauthorization of the Terrorism Risk Insurance Program without change.
- Republicans supported reauthorizing TRIP, but suggested that changes could be made regarding cyber terrorism risk, the declaration process, the recoupment mechanism, and information sharing.

On October 16, the House Financial Services Committee’s Subcommittee on Housing, Community Development, and Insurance and the Subcommittee on National Security, International Development, and Monetary Policy held a joint hearing entitled “Protecting America: The Reauthorization of the Terrorism Risk Insurance Program.” The Subcommittees discussed the Terrorism Risk Insurance Program Reauthorization Act of 2019 (H.R. 4634), which was introduced by full Committee
Chairwoman Maxine Waters (D-CA) and would reauthorize the Terrorism Risk Insurance Program (TRIP) for ten years without change.

While both parties expressed support for reauthorizing TRIP in a timely manner, there was disagreement on whether changes are needed to the program. Democrats, including Chairwoman Waters and Representative Carolyn Maloney (D-NY), called for a “clean,” long-term reauthorization of TRIA, with no changes. Republicans, including full Committee Chairman Patrick McHenry (R-NC) and Representative Steve Stivers (R-OH), Blaine Luetkemeyer (R-MO), and John Rose (R-TN), suggested that adjustments could be made to the program to more clearly address cyber risk. Maloney expressed concern that such changes could lead to delays in getting the reauthorization passed, suggesting that they could be considered in a separate bill.

Luetkemeyer suggested that TRIP could be amended to create a deadline for the Treasury Secretary to make a determination that an event was an act of terror. Stivers and Representative Scott Tipton (R-CO) suggested that there could be modifications to the recoupment mechanism under TRIP. Representative Lance Gooden (R-TX) suggested that federal agencies could be required to share information with insurers to allow them to better model terrorism risk.

This week, Consumer Financial Protection Bureau (CFPB) Director Kathy Kraninger testified before the House Financial Services Committee and the Senate Banking Committee regarding the CFPB’s semi-annual report to Congress. Democrats on both committees criticized Kraninger as undermining consumer protections and failing to hold predatory lenders accountable. House Financial Services Committee Chairwoman Maxine Waters (D-CA) expressed concern that abusive payday loans are being allowed to proceed and that aggressive debt protection practices have been allowed. She said that the rejections of rulemakings in these areas have helped embolden bad actors. She said that the CFPB was designed to be an independent agency and that Kraninger is working to undermine the agency’s independence. Senate Banking Committee Ranking Member Sherrod Brown (D-OH), in a statement, asserted that Kraninger was selected to lead the CFPB because President Trump could count on her to “protect Wall Street banks, and payday lenders, and shady debt collectors, and other companies that prey on hardworking Americans.” He said under Kraninger the CFPB has repeatedly sided with banks and corporations over consumers. He stated that the CFPB is meant to protect consumers from predatory payday loans that lead to endless cycles of debt, but instead chose to protect the interests of President Trump and his “payday lending patrons.” He stated that since August, when the payday loan rule was scheduled to go into effect, Americans have paid more than one billion dollars in fees to payday lenders. Brown also criticized the CFPB’s decision not to supervise for compliance with the Military Lending Act (MLA). He also criticized the CFPB’s “attacks” on fair lending laws. He noted that since Kraninger took office the CFPB has not brought a single case against a company for discriminatory lending practices. He asserted that the CFPB has turned its back

CFPB Director Kraninger Testifies before House and Senate Panels

Key Points:

- Democrats argued that Director Kraninger has undermined consumer protections and failed to hold predatory lenders accountable.
- Republicans praised Kraninger’s leadership of the Bureau and commended her actions to promote financial innovation.
on student loan borrowers. He said under the Kraninger’s leadership “crooked” corporations have no real incentive to follow the law.

Republicans commended Kraninger’s leadership of the Bureau, arguing that she has provided clear rules of the road to financial institutions while continuing to protect consumers. Senate Banking Committee Chairman Mike Crapo (R-ID), in a statement, said Kraninger has focused on ensuring consumer access to a wide range of financial products and services. He said Kraninger has improved the CFPB’s transparency and engagement with stakeholders. Crapo noted that on September 10, the CFPB issued three new policies to promote innovation and reduce regulatory uncertainty: the Trial Disclosure Program Policy; the Compliance Assistance Sandbox Policy; and the No-Action Letter Policy. He suggested that these policies will allow innovation to flourish safely. Crapo commended the CFPB’s proposal to update the underwriting provisions of its 2017 small dollar lending rule. He urged the CFPB to move forward with this proposal and stressed the need to base rules on solid evidence. He encouraged the CFPB to coordinate with the other financial regulators on an approach to small dollar lending to create a consistent framework across all institutions in order to promote and expand small dollar lending and credit options. Crapo stated that while he is encouraged by Kraninger’s leadership, the fundamental structure of the CFPB must be reconsidered to make it more transparent and accountable. He expressed support for restructuring the CFPB as a bipartisan commission, subjecting the CFPB to the appropriations process, and providing a safety and soundness check for the prudential regulators.

House Financial Services Committee Ranking Member Patrick McHenry (R-NC) asserted that Kraninger has worked to defend consumers. He said that the CFPB’s organizational structure was approved by the Democrats and needs to be constitutional. He suggested that the limitless authority bestowed on the CFPB Director was not problematic for the Democrats under Richard Cordray; however, the Democrats are now unhappy with the product of their creation. He said that it is appropriate for Kraninger to update outdated rules. He said that CFPB needs reform and that oversight and accountability is critical. He said that innovation is occurring and that financial technology can increase access to credit and financial independence.

Federal Reserve Board Governor Lael Brainard Speaks on Digital Currencies

Key Points:

- Brainard discussed the outstanding legal and regulatory questions surrounding digital currencies, including the implications for monetary policy.

On October 16, Federal Reserve Board Governor Lael Brainard gave a speech at Princeton University’s Bendheim Center for Finance, entitled “Digital Currencies, Stablecoins, and the Evolving Payments Landscape.” She stated that efforts by stablecoin networks like Facebook’s Libra are raising questions about legal and regulatory safeguards, financial stability, and monetary policy. She explained, “[s]tablecoins were designed specifically to overcome the substantial volatility exhibited by first-generation cryptocurrencies, which limits their reach in payments and their utility as a unit of account.”

Brainard pointed to three issues which must be addressed before stablecoins can facilitate payments:
First, compliance with know-your-customer rules and regulations are essential to ensure stablecoins are not used for illegal activities and illicit finance.

Second, issuers of stablecoins designed to facilitate consumer payments must clearly demonstrate how consumer protections would be assured.

Third, it will be necessary to define the financial activities that the various players in the Libra ecosystem are conducting in order for jurisdictions to assess whether existing regulatory and enforcement mechanisms are adequate.

She noted that U.S. regulators are examining specific functions of particular stablecoins and cryptocurrencies more broadly to determine whether and where they fit in the existing regulatory structure and whether additional authorities or guidance is necessary. She suggested that widespread adoption of stablecoins could have implications for the role of central banks and monetary policy. She stated that:

Large-scale migration into a new stablecoin network for purposes of payments may prove to be the leading edge of a broader migration. If a large share of domestic households and businesses come to rely on a global stablecoin not only as a means of payment but also as a store of value, this could shrink demand for physical cash and affect the size of the central bank's balance sheet. The central bank's approach to implementing monetary policy may be complicated to the extent that banks' participation in short-term funding markets is affected.

Brainard emphasized the Federal Reserve’s commitment to promoting payments innovation, noting that they had announced their intent to launch the FedNow Service as a platform for consumers and businesses to send and receive payments immediately and securely 24 hours a day, 7 days a week, 365 days a year.

Upcoming Hearings and Meetings

October 22

**Housing Finance:** The House Financial Services Committee will convene for a hearing entitled, “The End of Affordable Housing? A Review of the Trump Administration’s Plans to Change Housing Finance in America.”

**Minority Financial Institutions:** The House Financial Services Committee’s Subcommittee on Consumer Protection and Financial Institutions will convene for a hearing entitled, “An Examination of the Decline of Minority Depository Institutions and the Impact on Underserved Communities.”

**Consolidated Audit Trail:** The Senate Banking Committee will hold a hearing entitled “Oversight of the Status of the Consolidated Audit Trail.” The witnesses at the hearing will be Shelly Bohlin, President & Chief Operating Officer of FINRA CAT LLC; Judy McDonald, Chair, CAT NMS Plan Advisory Committee; and Michael Simon, Chair, CAT NMS Plan Operating Committee.

October 23

**Facebook:** The House Financial Services Committee will hold a hearing entitled “An Examination of Facebook and Its Impact on the Financial Services and Housing Sectors.” Facebook Chairman and CEO Mark Zuckerberg is scheduled to testify at the hearing.

**SEC Open Meeting:** The SEC will hold an open meeting to consider whether to adopt
amendments to the Commission’s rules implementing its whistleblower program.

October 24

**CFTC Fintech Conference:** The Commodity Futures Trading Commission (CFTC) will host its second annual financial technology (Fintech) conference. The event is entitled “Fintech Forward 2019: Exploring the Unwritten Future.”

**Data Privacy:** The Senate Banking Committee will hold a hearing entitled “Data Ownership: Exploring Implications for Data Privacy Rights and Data Valuation.” The witnesses at the hearing will be Jeffrey Ritter, Founding Chair, American Bar Association Committee on Cyberspace Law; Chad Marlow, Senior Advocacy and Policy Counsel, American Civil Liberties Union; Will Rinehart, Director of Technology and Innovation Policy, American Action Forum; and Michelle Dennedy, Chief Executive Officer, DrumWave Inc.

October 23-24

**CFPB Advisory Committees:** The Consumer Financial Protection Bureau (CFPB) will hold meetings of its Consumer Advisory Board, Community Bank Advisory Council, and Credit Union Advisory Council on October 23, followed by a combined advisory committee roundtable on October 24.

October 25

**CFPB Academic Research Council:** The CFPB will hold a meeting of its Academic Research Council.

October 29

**Discrimination:** The House Financial Services Committee’s Subcommittee on Oversight and Investigations will convene for a hearing entitled, “Financial Services and the LGBTQ+ Community: A Review of Discrimination in Lending and Housing.”

October 29-30

**Markup:** The House Financial Services Committee will hold a markup of pending legislation. The agenda for the markup has not yet been announced.

For more information about financial services issues you may email Joel Oswald or Alex Barcham.

**HEALTH**

**House Committees Continue Work on Drug Pricing Proposal**

**Key Points:**
- The House Education and Labor and Energy and Commerce Committees approved the “Lower Drug Costs Now Act” (H.R. 3) by party-line votes.
- The House Ways and Means Committee held a legislative hearing on H.R. 3 and intends to markup the bill on October 22.

On October 17, three House committees continued work on the “Lower Drugs Costs Now Act of 2019” (H.R. 3). Discussions on the bill in all three committees were largely partisan with Democrats expressing support for the proposal and Republicans decrying the partisan process.

In the House Education and Labor Committee, the Committee favorably reported the bill, as amended, by roll call vote 27-21. The Committee adopted a substitute amendment which, among other changes: (1) increased the minimum number of drugs on which the Secretary of HHS is required to enter negotiations; (2) clarified that a drug will
remain subject to negotiation until two generic competitors enter the market; and (3) introduced a negotiating mechanism for launch prices on products expected to require future negotiation. The Committee also adopted an amendment applying HHS-negotiated prices to cost-sharing in group health plans and an amendment directing HHS to evaluate the impacts of applying the bill’s inflation rebate structure to group health plans.

In the House Energy and Commerce Committee, the Committee favorably reported the bill, as amended, by roll call vote 30-22. The Committee adopted a substitute amendment similar to the one offered in the Education and Labor Committee by voice vote. The Committee also adopted an amendment from Representative Kurt Schrader (D-OR) which would add a new section to the bill to temporarily increase the Medicare Part B payment for certain biosimilar products for five years. Other amendments offered by Democrats were withdrawn. Republicans offered a series of amendments which were all rejected or ruled non-germane. These amendments included one requiring pharmacy benefit managers to pass through negotiated rebates to the point-of-sale for insulin; one extending the application international reference prices to other reimbursements for hospitals, providers, and health insurance companies; and one striking the inflation caps, changing the Part D benefit redesign, and requiring 80 percent of negotiated rebates and discounts be passed on to consumers at the point-of-sale. The Committee also approved four additional bills at the markup by voice vote to expand Medicare coverage.

The House Ways and Means Committee held a legislative hearing on H.R. 3 with plans to hold a markup on October 22. Topics discussed during the hearing included: (1) Drug Pricing; (2) Medicare Improvements; (3) Research and Development; (4) Medicare Part D Reform; (5) Price Fixing; (6) Military Drug Pricing; (7) Insulin; (8) Low Income Savings; (9) Innovation; and (10) Out of Pocket Cap. Democrats praised the bill emphasizing it will reduce Medicare expenditures and reduce prices for patients. Republicans focused on the potential negative impacts on innovation and access to treatments.

Upcoming Hearings and Meetings

**October 22**

**Drug Pricing:** The Bipartisan Policy Center will hold an event on “U.S. Drug Policy: Tools to Increase Access and Affordability.”

**Drug Pricing:** The House Ways and Means Committee will hold a markup of the “Lower Health Care Costs Now Act” (H.R. 3) and other Medicare bills.

**October 23**

**Health Care Policy:** The House Energy and Commerce Committee will hold a hearing on “Sabotage: The Trump Administration’s Attack on Health Care.”

**October 24**

**Treatment:** The Senate Finance Committee will hold a hearing on “Treating Substance Misuse in America: Scams, Shortfalls, and Solutions.”

For more information about healthcare issues you may email or call Nicole Ruzinski Bertsch or George Olsen at 202-659-8201. Thomas McGrath contributed to this section.
TRADE

China Trade Developments After Announced “Phase One” Deal

Key Points:
- The U.S. agreed to halt the tariff increase on $250 billion worth of Chinese goods as part of “Phase One” of a trade deal.
- President Trump indicated details of the deal include intellectual property and forced technology transfer issues, but some are skeptical that China will agree to anything comprehensive.

The U.S. has agreed to halt a tariff increase on $250 billion worth of Chinese goods that was scheduled for this week as part of what the Trump Administration is calling a “Phase One” deal. According to President Trump, the agreement also covers agricultural structural issues and purchases, intellectual property, forced technology transfers, currency manipulation, and financial services. President Trump has touted the deal for its potential to help U.S. farmers, indicating that China will purchase $40 billion to $50 billion worth of U.S. agricultural goods, ramping up purchases over two years. The details of the deal are being worked on, and an agreement is considered likely to be ready to sign in about 2-3 weeks, possibly by President Trump and Chinese President Xi during the APEC Summit in Chile in November (on the 16th and 17th).

Senate Finance Committee Chairman Chuck Grassley (R-IA) is concerned that the deal is not as comprehensive as the Administration is proposing. He expressed some optimism that agreeing to “Phase One” will lead to more dialogue and constructive negotiation, but said the current deal is not comprehensive enough. He said, “I think as interested as I am in the details of the agreement that was announced, my concern is to get it nailed down on how definitive and certain it is with the things that we have problems with -- intellectual property and [forced technology] transfer, and stuff like that. But I’m also, as equally or more so, interested in what’s the next steps with China because this doesn’t go as far as I think we need to go in negotiating with China.”

The tariffs that are scheduled to increase December 15 on so-called List 4B remain on the table, with a suggestion that these could be changed or postponed if there is a satisfactory deal signed between now and then on Phase One.

USMCA Meetings Continue

Key Points:
- Meetings between USTR Lighthizer and the House Democrat working group continued this week.
- Mexican President Andrés Manuel López Obrador sent the working group a letter Thursday promising labor reform commitments that he agreed to verbally last week.

After a meeting between U.S. Trade Representative (USTR) Robert Lighthizer and the House Democrat U.S.-Mexico-Canada Agreement (USMCA) working group on Wednesday, House Ways & Means Chairman Richard Neal (D-MA) said that both sides were “firming up” a deal but more progress was needed on labor reform.

Chairman Neal also acknowledged that a letter sent to the working group on Thursday by Mexican President Andrés Manuel López Obrador was a major development, and that Democrats would need a little time to digest the contents of the letter. The letter was the result of a promise made between the Mexican President and the working group last week, that he put his verbal agreements in writing and send them to the group as a letter. Despite the
advancements, Chairman Neal does not believe a vote on USMCA by Thanksgiving is likely. He said, “I think that we can say that we have made progress on labor but at the same time we have to say that we need more progress on labor standards.”

WTO Authorizes Boeing Tariffs

Key Points:

- The WTO has formally authorized the U.S. to impose tariffs on $7.5 billion worth of European goods as a result of the Airbus subsidies dispute.
- Italy took its case to President Trump that it is less involved in the illegal subsidies, President Trump says the U.S. will consider that when dividing the tariffs between the EU countries.

The World Trade Organization’s (WTO) Dispute Settlement Body on Monday gave the U.S. the final authorization to impose retaliatory tariffs on as much as $7.5 billion worth of European goods as part of the years-long U.S.-EU aircraft subsidies dispute. The tariffs are scheduled to go into effect today.

After the WTO announced its initial decision on October 2, U.S. trade officials announced that the majority of the tariffs will hit France, Germany, Spain and the UK. According to one U.S. official, the illegal Airbus subsidies amount to an “EU-wide failure” so the U.S. is not planning to exempt any EU member states from the tariffs. Italy has been appealing to the Trump Administration, arguing that Italy was much less involved in the illegal subsidies than other EU members. President Trump has announced that, “Italy has a problem with the way we’ve divided it up because they said they had much less to do with it, and Germany had more to do with it and France had more to do with it, as an example. So we are going to look at that very strongly.” Currently, Italian liqueurs, cheeses, pork products, dairy products, fruit and other foods will be hit with a 25 percent tariff, according to the U.S. tariff list.

For more information about tax issues you may email or call Christopher Hatcher at 202-659-8201. Cullen Neely contributed to this section.

This Week in Congress was written by Alex Barcham.