



The Golden Apple

Reporting on the latest discord from Capitol Hill

In classic Greek mythology, a golden apple of discord inscribed "For the fairest" was awarded to Aphrodite, beginning a chain of events that led to the Trojan War. GrayRobinson's newsletter reports on the most recent issues, individuals, and discourse deemed fairest in Washington.

October 25, 2019

LET'S GO NATS! Nobody expected the Washington Nationals to be starting Game 3 of the World Series, let alone starting Game 3 of the World Series with a 2-0 lead over the Houston Astros. But here we are, and there we'll be — some members of GR's Washington office will be at games over the weekend, so if you're watching them on TV, look for us. We'll be the ones in red.

House passes legislation on beneficial ownership

On Tuesday the House of Representatives voted [249-173](#) to approve [H.R. 2513](#), the Corporate Transparency Act of 2019 introduced by Rep. Carolyn Maloney (D-NY). H.R. 2513 would require those who form corporations and partnerships to report their true, beneficial ownership to the Financial Crimes Enforcement Network (FinCEN) at the time of formation. Existing companies would have to file lists of their beneficial owners with FinCEN annually, providing their names, dates of birth, current addresses, and driver's license or passport numbers. Companies already required to disclose this information, such as banks, insurance companies, and charitable organizations, would be exempt from this reporting requirement, as would companies with more than 20 employees and more than \$5 million in gross receipts or sales. The bill's Senate counterpart, S. 1978 sponsored by Senator Ron Wyden, awaits action.

House Financial Services Committee to vote on terrorism risk insurance

The House Financial Services Committee will vote next week on legislation to reauthorize the Terrorism Risk Insurance Program (TRIP) for seven years, require the GAO to report on cyberterrorism risks, and require biennial Treasury reporting that includes disaggregated data on places of worship. The Committee markup will start on Tuesday and continue to

Wednesday if necessary. The Committee will also consider bills to require the federal banking agencies to report on cybersecurity activities; to require semiannual reports and annual testimony from the federal banking agencies about their supervisory and regulatory activities; and to reauthorize the Export-Import Bank of the United States for seven years, while changing its name to the United States Finance Export Agency.

Zuckerberg spends \$10.3 million of his time before the House Financial Services Committee

Former Secretary of Labor Robert Reich did the math for us: at a hearing that ran just over six hours, Facebook CEO Mark Zuckerberg earned \$10.3 million for his [testimony before the House Financial Services Committee on Wednesday](#). Not bad for a hearing that made nobody happy. Almost no one on the Committee seemed enthusiastic about Libra, the proposed digital currency to be launched by the nonprofit Libra Association, whose one visible board member is a Facebook employee. Zuckerberg noted that China has recently announced plans to roll out a digital renminbi product through a public-private partnership as part of its Belt and Road Initiative. Committee members acknowledged the need for innovation in real-time payments, but challenged Facebook's track record, citing careless treatment of customer data, regulatory settlements over deceptive and unfair marketing practices, and dismal diversity hiring and investment practices. Zuckerberg promised they would not go forward without all necessary regulatory approvals, but offered few details on how they plan to move forward.

Mnuchin, Carson, Calabria defend Administration's housing reform plan

Secretary of the Treasury Steven T. Mnuchin, HUD Secretary Dr. Benjamin S. Carson, and FHFA Director Dr. Mark Calabria [appeared before the House Financial Services Committee on Tuesday](#) to explain the Administration's plan for ending the conservatorship of Fannie Mae and Freddie Mac and making other changes to the federal structure for housing finance. HFSC Chairwoman Maxine Waters (D-CA) said that the Administration's plan would eliminate affordable housing goals and make housing inaccessible to those who need it most. Rep. Patrick McHenry (R-NC), the Committee's ranking member, said this is a powerful opportunity to enact "difficult policy that divides both parties," since lasting change will require bipartisan action. All sides do agree on the need to preserve a 30-year, fixed rate mortgage option.

Consolidated Audit Trail is progressing, may expand

Nine years after its authorizing legislation, the Consolidated Audit Trail (CAT) is becoming a reality, and its administrators and leaders gave a [progress report to the Senate Banking Committee](#) this week. The Consolidated Audit Trail was created by Rule 613 to allow the SEC, FINRA and the national securities exchanges to track all activity through the securities markets and facilitate comprehensive market reconstructions, more robust market surveillance, and better analytics to support policymaking. CAT's first scheduled phase—the collection and processing of order and trade data from equities and options exchanges and FINRA — has begun, and the next phase, industry member reporting, will begin in April 2022. Senate Banking Committee Chairman Mike Crapo (R-ID) and other Republicans were skeptical about the risks involved in collecting and storing such vast stores of information, and called it too expensive, although costs are running well below original estimates. Senators Sherrod Brown (D-MA), Catherine Cortez Masto (D-NV), and Chris Van Hollen (D-MD) applauded progress, and suggested that CAT should eventually incorporate futures trading data and international trading data.

Senate Banking Committee discusses data-as-property

At an [information-gathering hearing yesterday](#), the Senate Banking Committee heard testimony about whether and how federal law should consider data to be the personal property of its subjects. Witnesses from academia, the private sector, and civil rights organizations approached the issue from different sides but generally agreed that treating data as property raises even more difficult questions about privacy rights. Three different Senate committees have jurisdiction over privacy legislation.

GAO says Fed guidance should have been rules

This week the Government Accountability Office (GAO) issued legal opinions that three supervisory guidance letters issued by the Federal Reserve System — [SR 11-7](#), [SR 12-17](#), and [SR 14-8](#) — were, in fact, rules for purposes of the Congressional Review Act, and should have been submitted to Congress for review. SR 11-7 addresses model risk management, while SR 12-17 and SR 14-8 address consolidated supervision and recovery planning for large financial institutions. Subsequent rulemaking has supplanted some of this guidance, but Senator Thom Tillis (R-NC) applauded the GAO for ensuring that the Fed remained “transparent and accountable to Congress.” Tillis had requested the opinions, along with Senate Banking Committee Chairman Mike Crapo (R-ID), Senator David Perdue (R-GA), Senator Mike Rounds (R-SD), and Senator Kevin Cramer (R-ND).

Wyden, Warren ask FTC to investigate Amazon's server security in wake of Capital One breach

Senators Ron Wyden (D-OR) and Elizabeth Warren (D-MA) sent a [letter to Federal Trade Commission Chairman Joseph J. Simon](#) this week to ask the FTC to investigate Amazon's role in the security breach reported by Capital One in July. A hacker stole personal data of 100 million Americans from an Amazon server rented by Capital One, using a server-side request forgery (SSRF) attack. Wyden and Warren noted that Amazon's largest competitors, Google and Microsoft, have included mandatory protections against SSRF attacks in their products for years. Amazon has probably known about this vulnerability since 2014, they wrote, but they've certainly known about it since mid-2018. The senators asked the FTC to "investigate whether Amazon's failure to secure its services against SSRF constitutes an unfair business practice."

Warren asks Mnuchin why Fed's repo market interventions were necessary

Senator Elizabeth Warren (D-MA) [wrote to Treasury Secretary Steven T. Mnuchin last week](#) to ask why it had been necessary for the New York Fed to intervene in the repo markets, and to warn Mnuchin not to use the volatility in funding markets as an excuse to ease liquidity requirements on big banks. She asked what FSOC is doing to mitigate any underlying risks that could be responsible for the volatility, and make sure the volatility does not trickle down to consumers. The OFR has finalized a rule to collect data on centrally cleared repo transactions, she noted, and asked how FSOC will use this data to improve their understanding of the repo market.

Confirmations, Nominations, Departures

- Rep. Francis Rooney (R-FL) announced that he would retire from the House of Representatives at the end of his second term next year.
- Rep. Tulsi Gabbard (D-HI) announced that she will not seek another term in the House of Representatives, in order to pursue her campaign for the Presidency.
- The Federal Reserve Board named [four new members to its Community Advisory Council \(CAC\)](#): Iowa State University professor Dr. Susan Bradbury; Tawney Brunsch, Executive Director of Lakota Funds of Kyle, SD; Stephanie Mackay, Chief Innovation Officer of the Columbus Community Center of Salt Lake City, UT; and Lora Smith, Executive Director of the Appalachian Impact Fund, Hazard, KY.

Next Week in Washington

- **October 29 at 10:00 a.m.** House Financial Services Subcommittee on Oversight and Investigations holds a hearing on "[Financial Services and the LGBTQ+ Community: A Review of Discrimination in Lending and Housing.](#)"
- **October 29 at 10:00 a.m.** House Judiciary Subcommittee on Antitrust, Commercial, and Administrative Law holds a hearing on "[Antitrust and Economic Opportunity: Competition in Labor Markets.](#)"
- **October 29 at 1:00 p.m.** House Committee on Financial Services begins [a markup](#) that will continue on October 30. Bills to be considered include a seven-year reauthorization of the Terrorism Risk Insurance Program, requirements for new reporting from the federal banking agencies, and a seven-year reauthorization of the Export-Import Bank.

The Ellis Insight

Jim Ellis reports on political news

President

Rep. Tim Ryan: Ohio Congressman Tim Ryan (D-Youngstown), in a video message yesterday, announced that he is exiting the presidential race. After not qualifying for the presidential forums beyond the second debate, it became just a matter of time before he and several others in a similar situation fold their political tents.

He joins Rep. Eric Swalwell (D-CA), New York City Mayor Bill de Blasio, Gov. Jay Inslee (D-WA), Sen. Kirsten Gillibrand (D-NY), former Gov. John Hickenlooper (D-CO), and Rep. Seth Moulton (D-MA) as candidates who have left the race. A total of 15 Democratic presidential candidates remain active, but several others are soon expected to follow Rep. Ryan's path. The Congressman says he will seek re-election to the House next year. It remains to be seen if his national foray results in him drawing stronger opposition than in the past few election cycles.

California: In critically important California with its 416 first ballot Democratic convention votes, a new Survey USA poll (10/15-16; 553 CA likely Democratic primary voters) finds that Biden is beginning to pull away. According to the S-USA tabulations, the former Vice President now holds a 33-18-17% advantage over Warren and Sanders. Home state Senator Kamala Harris again fares poorly in her home state, registering only single digits (8%) within her own electorate.

But Change Research (10/15-18; 1,631 CA likely Democratic primary voters) sees a very different Golden State picture. They post Sen. Warren to a lead at 28% with Sen. Sanders close behind with 24%. Here, Mr. Biden places third with only 19 percent.

Iowa: The immediate post-debate Suffolk University/USA Today Iowa survey (10/16-18; 500 IA likely Democratic caucus participants) sees a tightening Democratic field. Here, former Vice President Joe Biden drops six points from the firm's July poll to register only 18%

support, just one point ahead of Sen. Elizabeth Warren (D-MA). South Bend Mayor Pete Buttigieg is the big mover, however, more than doubling his July support to capture the third position with 13% support. Sen. Bernie Sanders (I-VT) remains constant at 9% preference.

The new Civiqs/Iowa State University survey (10/18-22; 598 IA likely Democratic primary voters) finds a much different Hawkeye State standing than in previous polling. Here, Civiqs sees Sen. Elizabeth Warren (D-MA) posting 28%, now followed by South Bend Mayor Pete Buttigieg who records 20% preference. In the third position is Sen. Bernie Sanders (I-VT) at 18%, and finally, former Vice President Joe Biden attracting a cycle-low 12% support. Minnesota Sen. Amy Klobuchar, who must do well in Iowa to keep her campaign alive, still manages only 4% of the proposed vote. Since this poll is producing much different numbers than any other available data, the question must be asked whether Civiqs is setting a new trend or releasing an outlier.

South Carolina: Monmouth University surveyed the South Carolina Democratic electorate (10/16-21; 402 SC likely Democratic primary voters) and found a familiar pattern. Continuing to demonstrate southern dominance, former Vice President Joe Biden posts a 33-16-12-6-4-3% major advantage over Sens. Elizabeth Warren (D-MA), Bernie Sanders (I-VT) and Kamala Harris (D-CA), billionaire Tom Steyer, and South Bend Mayor Pete Buttigieg, respectively. The Biden standing at this level has been consistent for months.

Senate

Colorado: A new Colorado Senate poll, consistent with other early surveys, finds former Governor John Hickenlooper (D) establishing a solid lead over incumbent Sen. Cory Gardner (R) in a state that continues to move leftward. A trio of research firms, Keating Research, OnSight Public Affairs, and Martin Campaigns combined their efforts to field this specific Centennial State poll (10/10-14; 500 CO registered voters). The results find Mr. Hickenlooper posting a 53-42% lead over Sen. Gardner in a race that promises to attract major national attention. Mr. Hickenlooper still must win the Democratic primary, however, as nine candidates are opposing him for the nomination.

Maine: Retired Air Force Major General Tom Treacy, who was a rather late entry into the Maine Democratic Senate primary, has already ended his campaign. Citing an inability to compete financially with early Democratic leader Sara Gideon, the Speaker of the state House of Representatives, Gen. Treacy has formally withdrawn from the race.

Ms. Gideon has been one of the most successful US Senate challenger fundraisers in this election cycle. According to her 3rd Quarter financial disclosure report, she has raised \$4.26 million for the election cycle, and held \$2.76 million in her campaign account on September 30th. The eventual party nominee will challenge Sen. Susan Collins (R) who has raised over \$8.5 million for the cycle and had \$7.1 million cash-on-hand at the end of the reporting period.

Wyoming: Montana State University-Billings' Political Science Department leaders conducted a poll of the Big Sky Country and included a small sampling segment for

Wyoming. The poll was conducted during the Oct 7-12 period, and resumed on 10/14 and 16. The total sample, however, was only 111 individuals in the Equality State, which means the study should be considered a single night track.

Montana State finds at-large Rep. Liz Cheney (R-Wilson/Jackson) standing strong in the Republican primary against former US Representative and declared candidate Cynthia Lummis. MSU sees a 37-17% spread in Ms. Cheney's favor, well beyond even a large polling margin of error, which of course, is present in this poll. Ms. Cheney has not announced her intentions regarding the Senate race, but political insiders expect her to declare after the first of the year. Sen. Mike Enzi (R) is retiring, thus creating the open seat.

House

FL-19: Two-term Rep. Francis Rooney (R-Naples), who previously served as US Ambassador to the Holy See, announced over the weekend that he will not seek a third term next year. Mr. Rooney, 65 years of age, had been on the unofficial retirement watch list particularly when raising only \$6,600 for the campaign cycle. The Rooney retirement means there are now 27 open House seats in the current cycle, 20 coming from the Republican side.

IN-1: Veteran Indiana Rep. Peter Visclosky (D-Gary), who was first elected in 1984 and is now chairman of the Defense Appropriations Subcommittee, may draw his first serious challenge in more than a decade. Hammond Mayor Tom McDermott (D) is reportedly making moves to launch a challenge against Mr. Visclosky for the May 5th Democratic primary. This is a developing story. More than 30 Democratic members nationally appear to be facing credible nomination opponents.

MD-7: No one is yet coming forward to confirm interest in entering the special election to replace the late Maryland Congressman Elijah Cummings (D-Baltimore) who passed away late last week, but speculation as to who might run is beginning.

No less than 14 people have been mentioned as potential candidates, but the big question is whether the Congressman's widow, Maya Rockey Moore Cummings the current Maryland Democratic Party chair, will decide to run. Others being mentioned include former Baltimore Mayor Stephanie Rawlings-Blake, Howard County Executive Calvin Ball, and no less than ten state legislators. Gov. Larry Hogan (R) must set the special election calendar on or before October 28th.

NY-17: State Sen. David Carlucci (D-Ossining), who was a founder of the independent group of Democratic Senators who voted in favor of a Republican chamber president in the previous legislative session, announced that he will enter the 2020 Democratic congressional primary in hopes of succeeding retiring Congresswoman Nita Lowey (D-Harrison). The seat is safely Democratic, so it remains to be seen if Carlucci could come through a party primary when the leadership could issue an official endorsement for one of his opponents.

NY-27: Saying that his commitment to the US Army and to promote the Medal of Honor is greater than his desire to run for Congress, Award winner David Bellavia (R) announced

this week that he will not enter the special election to replace resigned Rep. Chris Collins (R-Clarence). In the race are state Sens. Chris Jacobs (R-Buffalo) and Robert Ortt (R-Tonawanda) along with attorney and former town judge Beth Parlato. With Mr. Bellavia yielding, we can now expect Erie County Comptroller Stefan Mychajliw and state Assemblyman Steve Hawley (R-Albion) to also join the congressional field.

Gov. Andrew Cuomo (D) must call the special election to replace Mr. Collins, but as yet has not set the calendar. Last time New York had a congressional vacancy, in 2017 when then-Rep. Louise Slaughter (D-Rochester) passed away, Gov. Cuomo kept the seat open until the regular election. He recently said that state law would not allow him to do so in this instance, even though he would like to make the vote concurrent with the regular election calendar.

WI-7: Gov. Tony Evers (D) released his revised special election calendar to fill resigned Rep. Sean Duffy's (R-Wausau) vacant seat. The Governor's original schedule did not conform to the federal MOVE Act, which mandates the number of days that must exist between elections in order to provide adequate time for military and overseas voters to return ballots, so he had to issue a new set of special primary and general election dates.

It was thought that the Governor would schedule the special general with the April 7th presidential primary, but he chose a stand-alone option instead. The candidate filing deadline is now December 2nd with the party primaries to be held Feb. 18th. The special general will now be May 12th. Currently, three House seats are vacant and headed toward special elections, but this is now the only one with a definitive election calendar. The other two vacancies are NY-27 (Chris Collins resignation) and MD-7 (death of Elijah Cummings).

Governor

Louisiana: The We Ask America polling firm released the first Bayou State gubernatorial general election political survey featuring the Gov. John Bel Edwards-Eddie Rispone race, which will be decided Nov. 16th. Those who surmised before the election that if the Governor were forced into a run-off, we would see a very competitive campaign appear to be correct, and the WAA poll (10/14-16; 600 LA likely 2019 general election voters) confirms such speculation. According to their results, the two candidates are already tied at 47% apiece.

Mississippi: Mason-Dixon Polling & Strategy released their new survey of the Mississippi Governor's election as the candidates enter the stretch drive toward the November 5th election day. The poll (10/17-19; 625 MS registered voters) finds Lt. Gov. Tate Reeves (R) holding only a slight edge over Democratic Attorney General Jim Hood, 46-43%. The survey segments largely break as one would expect with Reeves doing well with Republicans, men, voters over 50, and whites, while Hood has the advantage with Democrats, women, voters under 50, and blacks.

Under Mississippi election law, a gubernatorial candidate must not only win a majority of the popular vote, he or she must also carry a majority of state House of Representatives'

districts (62 of the 122 seats). If neither of these qualifications are met, the House members will then vote to elect the Governor. The Republicans have a 74-44 advantage over Democrats. There are also two Independents and two vacancies in the House.

New Hampshire: Late this week, Executive Councilor Andru Volinsky (D) announced that he would run for Governor next year. Mr. Volinsky achieved notoriety in New Hampshire when, as a trial lawyer, he won a state Supreme Court case that changed the state's education funding formula. He then ran for and won a seat on the New Hampshire Executive Council, a unique five-member district elected panel that has check and balances power over the Governor.

North Carolina: Harper Polling reported the results of their Oct 15-17 survey of 500 likely Tar Heel State voters and confirm what previously published polls have indicated. That is, Gov. Roy Cooper (D) begins the race against presumed Republican nominee Dan Forest, the state's Republican Lt. Governor, with a definitive advantage. According to HP, Gov. Cooper holds a 46-36% ballot test lead for the 2020 statewide campaign. Meredith College also tested the North Carolina electorate. Their poll (9/29-10/7; 996 NC registered voters) finds Cooper leading with a similar but slightly better 46-33% margin.

The GrayRobinson Lobbying Team

[Doyle Bartlett](#) | [Dean Cannon](#) | [Chris Carmody](#) | [Larry Cretul*](#) | [Chris Dawson](#) | [Katie Flury*](#)
[Charlie Gray](#) | [Keenan Hale, Jr.*](#) | [Rheb Harbison*](#) | [John Harris*](#) | [Mike Huey](#) | [Ty Jackson](#) | [Travis Johnson](#)
[George Levesque](#) | [Jessica Love*](#) | [Chris McCannell*](#) | [Kim McDougal*](#) | [Greg Mesack](#) | [Kirk Pepper*](#)
[Joseph Salzberg](#) | [Todd Steibly*](#) | [Robert Stuart*](#) | [Jason Unger](#)

* Denotes non-attorney professional

GRAY | ROBINSON

Boca Raton | Fort Lauderdale | Fort Myers | Gainesville | Jacksonville | Key West | Lakeland
Melbourne | Miami | Naples | Orlando | Tallahassee | Tampa | Washington, DC | West Palm Beach



www.GRLobby.com