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.

November 8, 2019

Senate Banking Committee discusses bipartisan proposals for reforms to federal housing

The Senate Banking Committee heard testimony on Tuesday in support of three bipartisan bills that would make federally funded housing safer and more accessible. Witnesses representing the Columbia (SC) Housing Authority, the Manufactured Housing Institute, and the Center on Budget and Policy Priorities offered support for S. 2160, the CO ALERTS Act of 2019, which would require federal public housing to be equipped with carbon monoxide detectors; S. 1804, the HUD Manufactured Housing Modernization Act, which would encourage state and local authorities to consider manufactured housing as options to meet local housing needs; and H.R. 4300, the Fostering Stable Housing Opportunities Act, which would help eligible youth remain in federal housing assistance programs. Both Senate Banking Committee Chairman Mike Crapo (R-ID) and ranking member Sherrod Brown (D-OH) said they hoped they could move these bills quickly to the Senate floor.

Chinese data collection law alarms security experts, Senators

At a hearing on Tuesday, the Senate Judiciary Subcommittee on Crime and Terrorism heard testimony about a Chinese law taking effect in January that will require all businesses operating in China to make their data accessible to the Chinese government. As Chinese companies such as the social media platform TikTok make inroads into US markets, a growing number of Americans may unwittingly be making their personal data available to the Chinese government. Subcommittee Chairman Josh Hawley (R-MO) noted that Apple, though not a Chinese company, has increased its presence in China to a point that risks compromising the company and enabling authoritarianism. A witness representing Microsoft reported increased botnet activity from Russia, Iran, and North Korea as well as from China, and called for better coordination among the private sector and law enforcement agencies in cybersecurity efforts.

FEMA postpones flood insurance risk rating reform

Yesterday the Federal Emergency Management Agency announced that its planned Risk Rating 2.0 initiative, designed to provide more accurate, less complex flood risk evaluations, will take effect on October 1, 2021, a year later than originally scheduled. The agency said, "Some additional time is required to conduct a comprehensive analysis of the proposed rating structure" in order to minimize unintended consequences. The extension will allow all policies to change to the new rating system at one time, instead of being phased in. The National Flood Insurance Program (NFIP) is scheduled to expire on November 21 unless Congress acts to reauthorize it.

SEC proposes changes to shareholder proposal rule

The Securities and Exchange Commission voted on Tuesday to [propose amendments to Rule 14a-8](#) that would update the criteria a shareholder must satisfy in order to offer a proposal. The minimum ownership threshold would remain at $2,000, but shareholders would have to hold those shares for at least three years before they can make a proposal. Shareholders would not be allowed to offer multiple proposals on behalf of different shareholders. Proposals that do not earn the support of at least five percent of voting shareholders would not be eligible for resubmission for three years; proposals submitted two and three times would need to earn minimum support of 15 percent and 25 percent in order to be eligible for resubmission. The proposal is open for comment for 60 days.

SEC proposes changes to rule on proxy voting advice

Also on Tuesday, the SEC voted to seek comment on [proposed changes to Exchange Act Rule 14a-2(b)](#), which provides exemptions from proxy information rules and filing requirements. The proposal would clarify the circumstances under which proxy voting advice is considered solicitation. It would also require proxy voting advisers to disclose all material conflicts of interest; grant registrants and certain other solicitors a chance to provide feedback on proxy voting advice before it's issued; and allow registrants or other solicitors to ask the proxy voting advisers for a chance to provide a hyperlink to a written statement responding to the advice. The proposal is open for comment for 60 days.

Federal Reserve addresses climate change risk

"Climate change is an economic issue we can't afford to ignore," San Francisco Federal Reserve Bank President & CEO Mary Daly [told attendees at today's conference](#) on [The Economics of Climate Change](#). Daly said that hosting the conference was essential to achieving the Fed's mission of promoting a healthy, stable economy. She noted that extreme weather events have disrupted the payment system, raising demand on the Fed's cash services in times of crisis, and said that climate events are becoming an increasing area of risk for many of the financial firms they supervise. "Ensuring financial institutions are regularly evaluating their exposure to climate-related risks is an increasingly important part of our work," she said. Finally, the Fed is looking at how climate change is affecting its congressionally mandated goals of full employment and price stability, as "early research suggests that increased warming has already started to reduce average output growth" in the US. Separately, Federal Reserve Bank of New York Executive Vice President Kevin J. Stiroh [said Thursday](#) that risk managers must "develop the tools needed to identify, monitor and manage" climate-related risks appropriately.

Congressional Democrats ask GAO to report on Opportunity Zones

Four senior Democrats from the House and Senate wrote to the Comptroller General this week to ask the GAO to report on the implementation of Opportunity Zones, and evaluate the effectiveness of IRS and Treasury controls and monitoring. House Ways and Means Committee Chairman Richard Neal (D-MA), Oversight Subcommittee Chairman John Lewis (D-GA), Senate Finance Committee ranking member Ron Wyden (D-OR) and Senator Cory Booker (D-NJ) asked the GAO to identify any Opportunity Zones that do not meet the statutory requirements for designation, and to report on the key characteristics of Opportunity Zone investments and their outcomes. They also asked GAO to look at whether Opportunity Zone incentives had effects on areas that were not designated as Opportunity Zones.

Confirmations, Nominations, Departures

- The Manufactured Housing Institute (MHI) announced this week that Dr. Lesli Gooch will be the organization's next Chief Executive Officer, and Mark Bowersox will be the next President, succeeding President & CEO Richard Jennison, who will retire at year's end. Gooch and Bowersox are both currently Executive Vice Presidents at MHI.

- The Office of the Comptroller of the Currency has named Kevin Greenfield its Deputy Comptroller for Operational Risk. He had previously served as Director for Bank Information Technology in the OCC's Operational Risk Division.

Next Week in Washington (and Elsewhere)

- **Monday, November 11**, is Veterans' Day, and a federal holiday. Our offices will be closed. The House is expected to vote on reform and reauthorization of the Export-Import Bank on Wednesday.

- **November 12 at 9:30 a.m.** The SEC's Small Business Capital Formation Advisory Committee meets to review research about how small companies are accessing capital, and to develop recommendations for ways to harmonize the exempt offering framework.

- **November 13 at 10:00 a.m.** House Financial Services Committee holds a hearing on "How America Leads Abroad: An Examination of Multilateral Development Institutions."

- **November 13 at 2:00 p.m.** House Financial Services Committee will hold a markup on various bills.

- **November 13 at 2:00 p.m.** House Judiciary Subcommittee on Antitrust, Commercial, and Administrative Law holds a hearing on "[Online Platforms and Market Power Part 4: Perspectives of the Antitrust Agencies](#)."

- **November 14 at 10:00 a.m.** House Budget Committee hears testimony from Federal Reserve Board Chairman Jerome H. Powell on "[The Economic Outlook: The View from the Federal Reserve](#)."

- **November 14 at 1:00 p.m.** House Committee on Small Business holds a hearing on "[A Fair Playing Field? Investigating Big Tech's Impact on Small Business](#)."

The Ellis Insight
Jim Ellis reports on political news

President

Michael Bloomberg: It appears we may not have heard the end of Michael Bloomberg's 2020 presidential effort. On the last day of candidate filing in Alabama, Mr. Bloomberg placed his name into contention for the state's March 3rd Super Tuesday presidential primary. This does not necessarily mean that Mr. Bloomberg will actually become a national candidate, but he has certainly taken the first step toward doing so. In filing, the former New York City Mayor and media mogul said he does not feel the current Democratic field is well enough positioned to defeat President Trump.

Iowa: Quinnipiac University tested the Iowa electorate (10/30-11/5; 698 IA likely Democratic Caucus attenders) for the first time in their existence, and their initial entry into the state finds a tight four-way battle emerging in the Democratic presidential caucus. The Q-Poll results find Sen. Elizabeth Warren (D-MA) topping the field with 20% as South Bend Mayor Pete Buttigieg makes a dash for second place, posting 19%, while Sen. Bernie Sanders (I-VT) and ex-VP Joe Biden trail with 17 and 15%, respectively.

In the lower tier, Sen. Amy Klobuchar (D-MN) bumps up to 5%, as Sen. Kamala Harris (D-CA) trails with 4%, and Rep. Tulsi Gabbard (D-HI), billionaire Tom Steyer, and businessman Andrew Yang all finish with 3% support. Now less than three months from the first votes being cast in the Iowa Caucus, it is time is to pay greater attention to the Hawkeye State data and this developing political horse race.

Minnesota Poll: An unusual poll that the Cook Political Report and the Henry J. Kaiser Foundation sponsored and funded of the electorates in the four key Great Lakes states provides Sen. Amy Klobuchar (D-MN) some good news from her home state.

According to these results, Sen. Klobuchar places second in the field with 15% support. She is ten points behind leader Elizabeth Warren and one point ahead of former Vice President Joe Biden. Sen. Bernie Sanders (I-VT) is a further point behind Mr. Biden. Sen. Warren also leads in two of the three other states, Michigan and Wisconsin, while Mr. Biden places first in Pennsylvania. The data generally shows a three-way race among Biden, Warren, and Sanders throughout the Great Lakes region.

Nevada Poll: Former Vice President Joe Biden continues to forge ahead in a Nevada Caucus poll. The Silver State will vote third in the Democratic presidential nomination process, scheduled for February 22nd, and will have more prominence this year than in past elections. According to the new Mellman Group survey (10/28-11/2; 600 potential Democratic Caucus attenders), Mr. Biden posts a 29-19-19-7% lead over Senators Elizabeth Warren (D-MA), Bernie Sanders (I-VT), and Mayor Pete Buttigieg.

Texas Poll: In a poll that may already be obsolete since it was conducted just before former Texas Rep. Beto O'Rourke (D-El Paso) withdrew from the race, international pollster YouGov (10/18-27; 541 likely TX Democratic primary voters) found former Vice President Joe Biden leading Sens. Elizabeth Warren and Bernie Sanders, 23-18-12% with O'Rourke still pulling 14% support. It remains to be seen how O'Rourke's still relatively substantial Texas base will split now that the candidate has departed.

YouGov Poll: International pollster YouGov, polling for The Economist publication (11/3-5; 579 US likely Democratic primary voters) finds a virtual tie atop the field. The YouGov results see Sen. Elizabeth Warren (D-MA) outpacing former Vice President Joe Biden, 26-25%, with Sen. Bernie Sanders (I-VT) trailing at 14% support. In high single digits are South Bend Mayor Pete Buttigieg with 8%, Sen. Kamala Harris (D-CA) posting 6%, and both Hawaii Rep. Tulsi Gabbard and former HUD Secretary Julian Castro pulling a 3% preference factor.

Senate

Alabama: Former Alabama Senator and US Attorney General Jeff Sessions (R) filed to run for his former seat this week just as the candidate qualifying deadline expired. The Alabama primary is concurrent with Super Tuesday, March 3rd. Mr. Sessions entering this Senate contest, arguably the most important in the cycle because a Republican victory here over Democratic Sen. Doug Jones might give the party enough to maintain its majority even if other states are lost, makes the race all the more interesting.

His public feud with President Trump aside, Mr. Sessions must overcome a formidable GOP field that includes Secretary of State John Merrill, US Rep. Bradley Byrne (R-Mobile), Auburn former head football coach Tommy Tuberville, and of course former state Supreme Court Chief Justice Roy Moore. Alabama's senior Senator, Richard Shelby (R), has already said that he will endorse Mr. Sessions.

Michigan: Emerson College surveyed the Michigan electorate (10/31-11/3; 1,051 MI registered voters) and, like several other previous pollsters, finds a close contest between incumbent Sen. Gary Peters (D) and businessman and retired Army Ranger John James (R). The Emerson results see Sen. Peters maintaining only a 46-40% lead over Mr. James, which is in the same realm as most other previously published studies.

South Carolina: Fundraising has been strong for the impending South Carolina Senate race as leading Democratic challenger Jaime Harrison, a former state Democratic Party chairman, has already raised $4 million for his campaign against incumbent GOP Sen.

Lindsey Graham. By contrast, however, Sen. Graham has banked $12.8 million. A new just-released Benchmark Research survey (10/15-21; 450 SC registered voters) finds the Senator holding a substantial 53-30% lead over Mr. Harrison.

Texas: A University of Texas/Texas Tribune poll (10/18-27, 1,200 TX registered voters) sees no clear leader in the battle for the Democratic Party nomination to oppose three-term Senator John Cornyn (R). The results break in favor of retired Army helicopter pilot M.J. Hegar, but she only posts 12% support. State Sen. Royce West (D-Dallas) records just 5% preference, while Houston City Councilwoman Amanda Edwards registers 4%, and former US Representative, Houston City Councilman and 2014 Democratic gubernatorial nominee Chris Bell attracts a disappointing 3% factor.

House

CA-45: Former California Rep. Mimi Walters (R-Irvine) will not return to the political wars in 2020 to seek a re-match with freshman Rep. Katie Porter (D-Irvine). Ms. Walters, who lost to Porter, 52-48% last November, just accepted a major position with the Orange County-based energy company, Leading Edge Power Solutions.

In the congressional race hoping to oppose Rep. Porter are seven Republicans including Mission Viejo Councilman Greg Raths, Laguna Hills Councilman Don Sedgwick, and Orange County Board of Education Member Lisa Sparks. Despite Ms. Walters not returning to the race, the 45th District campaign will become a national GOP target.

IL-15: There has been some speculation that veteran Rep. John Shimkus (R-Collinsville) would change his mind about retirement now that he would move into the top Republican chair on the Energy & Commerce Committee in the next Congress.

Mr. Shimkus' status changed when Rep. Greg Walden (R-OR) announced his retirement. The two opposed each other for chairman of the prestigious panel, and now ranking member as a result of Democrats winning the House majority in 2018, and Mr. Walden was chosen. The Illinois Congressman, first elected in 1996, said late this week that he will remain committed to his announced retirement plan.

IN-1: Indiana Democratic Rep. Peter Visclosky (D-Merrillville/Gary) announced via Twitter yesterday that he will retire from the House at the end of this term. He was first elected in 1984 and will conclude 18 terms and 36 years of service when he closes his career at the beginning of 2021. He chose yesterday, the 35th anniversary of his election to Congress, as the day to make public his decision to complete his congressional career.

IN-1 is now the 31st open district for the coming election, four of which will hold a special vote to fill a respective vacancy. Mr. Visclosky is the tenth Democrat to not seek re-election compared to 21 Republicans.

MD-7: Former US Rep. Kweisi Mfume, who left the House in 1996 to become president of the NAACP and then returned to elective politics to run unsuccessfully for Senate in 2006, this week announced his candidacy for the special election to replace the late Rep. Elijah

Cummings (D-Baltimore). Already in the race is state House Majority Whip Talmadge Branch (D-Baltimore).

The Congressman's widow, Maya Rockeymoore Cummings, chairs the Maryland Democratic Party and is a potential candidate. She promises to make an announcement about her political plans soon. State Sen. Jill Carter (D-Baltimore) is another potential contender who will assuredly run if Ms. Cummings does not.

MA-6: Arguably, Massachusetts Rep. Seth Moulton's (D-Salem) most credible Democratic primary opponent has ended her campaign. Salem City Councilwoman Lisa Peterson was originally viewed to be a serious opponent, but her fundraising lagged – only $37,000 raised – and said she doesn't detect a willingness from the local Democratic electorate to replace the Congressman.

UT-4: Burgess Owens (R) is a former professional football player and Super Bowl champion during his career with the Oakland Raiders and New York Jets. Yesterday, Mr. Owens, now a resident of Utah, declared his Republican primary candidacy for freshman Rep. Ben McAdams' (D-Salt Lake City) 4th Congressional District.

Since leaving football, Mr. Owens founded a non-profit organization to help "at-risk and incarcerated youth experience the American Dream." He is the author of a book entitled, "Why I Stand: From the Killing Fields of Socialism." Five other Republicans are already in the race including state Sen. Dan Hemmert (R-Orem), state Rep. Kim Coleman (R-West Jordan), and former radio host Jay Mcfarland.

Governor

Alaska: The Alaska Division of Elections leadership yesterday voided a citizen-based recall petition against Gov. Mike Dunleavy (R) saying it does not meet legal qualifications. Under Alaska state law, a Governor may be recalled for lack of fitness, incompetence, neglect of duties, or corruption.

The group is accusing Gov. Dunleavy of not appointing a Superior Court judge within the 45-day mandated vacancy period, cutting funding for the Judiciary, and sending partisan messages through state-funded communication pieces. At this point, the recall effort will not continue. Gov. Dunleavy next faces voters in 2022.

Kentucky: On Tuesday, Attorney General Andy Beshear (D) unseated Republican Gov. Matt Bevin with a tight 49.2 – 48.8% margin, a spread of just 5,159 votes of more than 1.41 million votes cast. Gov. Bevin had lagging approval ratings throughout most of his term, usually putting him at the bottom of the 50-state job approval ratings.

The Governor under-performed in the eastern coal country region, running behind most Republican candidates, which proved a major reason for his defeat. A mining healthcare issue was largely at the center of controversy surrounding the Governor within a group that typically supports the GOP, and then again did so for the remaining statewide offices.

Down ballot, the Republicans swept the other offices with substantial percentages including converting the Attorney General and Secretary of State positions. The voter participation rate rose a whopping 45% when compared with the 2015 gubernatorial election.

Mississippi: Lt. Gov. Tate Reeves (R) overcame an opponent who all agreed was the Democrats' strongest possible contender. Mr. Reeves scored a 52-47% win Tuesday against Jim Hood, who was elected as Mississippi's Attorney General in four consecutive elections. The GOP victory allows the party to keep a gubernatorial office they have held for 24 of the past 28 years.

Turnout increased over 18% from the last gubernatorial election. Like in Kentucky, the Republicans also swept the down-ballot races in greater percentages than their party standard bearer garnered at the top of the ticket.

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