



IN THIS ISSUE:

KEY DATES 2025	2
UPDATE ON PRESIDENT TRUMP'S EXECUTIVE ACTIONS	3
ELECTION UPDATE	3
3 APPROPRIATIONS SCENARIOS FOR THE FALL	5
5 THINGS TO KNOW ABOUT HEALTHCARE	6
FAQ ON TARIFFS	7
UPDATE ON TAX POLICY	9
QUICK TIP ON THE FARM BILL	9
3 FAST FACTS ON FINANCIAL SERVICES	10
CHECKING IN ON IMMIGRATION	11
6 NEED-TO-KNOWS IN FOREIGN POLICY	12
4 THINGS TO TRACK IN ENERGY	13
ALL YOU NEED KNOW IN CYBERSECURITY	15
ALL ABOUT ARTIFICIAL INTELLIGENCE (AI)	16
ANTITRUST UPDATE	16

Tiber Creek Group FALL OUTLOOK SEPTEMBER 2025

Congress returns this fall to a packed agenda dominated by government funding deadlines, major program expirations, and high-stakes negotiations with the White House.

After passing the One Big Beautiful Bill Act in July, congressional Republicans and the White House have moved quickly onto stopgap legislation to fund the government before September 30th. This deadline brings a series of program expirations – including funding for Temporary Assistance for Needy Families (TANF), Medicare and Medicaid programs, Community Health Centers, flood insurance, and Farm Bill programs – while tax extenders, cybersecurity authorizations, and the National Defense Authorization Act (NDAA) also demand attention.

Meanwhile, the White House is adding pressure with sweeping executive actions on tariffs, healthcare, immigration, and artificial intelligence. As both parties begin to eye the 2026 midterm elections, three special elections and off-year contests in Virginia and New Jersey will further shape the political climate.

These dynamics ensure the fall will be defined by budget brinkmanship, program reauthorizations, testing executive policymaking, and an evolving electoral map, as lawmakers and the Administration navigate an increasingly complex political environment.



MARK YOUR CALENDARS

September: Work on surface transportation reauthorization (expires Sept. 30, 2026)

September: Cybersecurity Information Sharing Act (CISA) reauthorization

September: National Defense Authorization Act (NDAA) floor consideration

September 9: VA-11 Special Election

September 23: AZ-07 Special Election

September 30: End of Fiscal Year 2025. Funding expires for Temporary Assistance for Needy Families (TANF); Medicare, Medicaid and other health programs like telehealth flexibilities, Community Health Centers, Graduate Medical Education Programs and Medicare payments for Low-Volume Hospitals; National Flood Insurance Program Authorization; and various Farm Bill programs

October 1: Beginning of Fiscal Year 2026 and date by which Congress must have passed appropriations bills or a Continuing Resolution (CR)

November 4: TX-18 Special Election (note: A runoff will be scheduled in December if no candidate receives a majority of votes)

December 2: TN-07 Special Election

December 31: 2026 NDAA deadline; Expiration of: certain Tax Cuts and Jobs Act (TCJA) provisions (including standard deduction, State and Local Tax (SALT) cap, and estate tax); employer-paid student loan income exclusion; tax extenders (including empowerment zones and incentives, film and live performances expensing, and the wind energy investment tax credit); tax exclusion for student debt forgiveness; and American Rescue Plan Act (ARPA) enhanced Affordable Care Act (ACA) subsidies



UPDATE ON PRESIDENT TRUMP'S EXECUTIVE ACTIONS

For nearly every action, there is an equal and opposite...lawsuit

By the time he hit 200 days in office in early August, President Donald Trump signed 186 Executive Orders (EOs), plus dozens of memoranda and proclamations. The more recent themes in executive actions include extending reciprocal tariff delays, new trade deals, country-specific sanctions, and artificial intelligence. Other EOs have impacted banking and financial services, federal grantmaking, medical supply chains, college and youth sports and fitness, and federal control of Washington, D.C.

The hundreds of lawsuits filed against these EOs and other executive actions may play out in the courts for years to come. The Supreme Court issued a decision in June limiting lower-court judges' ability to issue nationwide injunctions against executive actions and policies—with exceptions for class actions suits or cases brought under the Administrative Procedure Act.

For more information and a complete listing of executive actions, presidential memoranda, and substantive proclamations, see TCG's Trump Administration Presidential Actions tracker [here](#).

ELECTION UPDATE

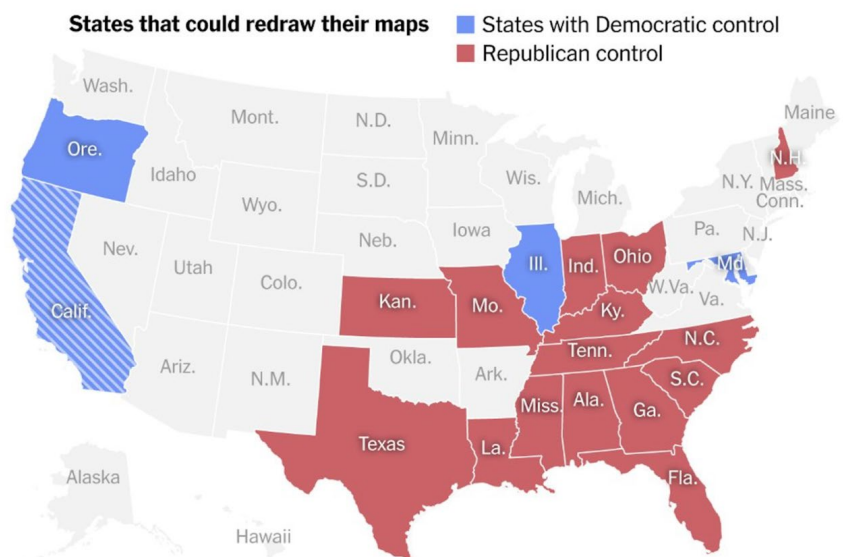
Fall special elections and a redistricting roundup

Boundary Battle: Redistricting

A redistricting battle is unfolding ahead of the 2026 midterms, starting in Texas and California. In Texas, after Democrats staged a two-week walkout to protest a new redistricting proposal by Governor Greg Abbott (R) that eliminates five Democratic districts and gives Republicans 30 of the state's 38 seats, the Texas legislature approved the new maps. Democrats are expected to challenge the matter in court, arguing the new maps suppress the vote of people of color in violation of the Voting Rights Act. Texas law doesn't ban partisan gerrymandering, and courts nationwide have consistently held that this activity is acceptable.

To offset the gains in Texas, California passed legislation redrawing its congressional maps to create more favorable voting conditions for Democrats in five seats currently held by Republicans. The new California maps must be approved by referendum in November.

Expect Copycats: Republican leaders in Florida, Ohio, Indiana, Mississippi, and Missouri are considering new maps to shore up GOP strength; Democrats in Illinois and Maryland left the door open to redistricting before 2026. With Republicans holding only a three-seat House majority and midterms historically favoring the party out of power, the stakes are high, and both sides are bracing for what could be the most aggressively gerrymandered playing field in modern history.



The New York Times

Mail-In Voting and Machines

A legal battle is brewing over voting laws ahead of the midterms. On August 18th, President Trump announced plans to issue an Executive Order eliminating both mail-in ballots and voting machines, arguing that current systems are inaccurate, insecure, and threaten election integrity. Expect swift legal challenges, as the “time, place, and manner” of elections are set by state legislatures and overseen by governors and secretaries of state. Congress—not the president—holds authority to override state election laws. Trump in March issued an EO that sought to impose proof-of-citizenship requirements to register to vote and mandate that all mail-in ballots arrive by Election Day. That order was quickly challenged in court, and in July, a federal judge blocked most of its provisions, setting the stage for another high-profile clash between the White House and the states.

Fall Special Elections

Four Special Elections are on deck this fall for vacant House seats. In Virginia’s 11th on September 9th, Democrat James Walkinshaw faces Republican Steward Whitson for a solidly blue seat. Arizona’s 7th District election on September 23rd also likely will stay Democratic, with Adelita Grijalva running to succeed her late father against GOP challenger Daniel Butierez. Texas’s 18th District heads to a crowded November 4th contest with 23 candidates and no primary; a runoff will be scheduled in December if no candidate receives a majority of votes. Tennessee’s 7th District will be decided on December 2nd, following an October 7th primary. Elections in NJ and VA

Elections in NJ and VA

Off-year elections in New Jersey and Virginia this November will serve as an early barometer of voter sentiment heading into the midterms. While off-year turnout tends to be lower and more localized, these elections could offer important clues about critical midterm factors, including enthusiasm gaps, base mobilization, and shifting suburban alignments. Both states will hold a full slate of statewide and legislative contests. In Virginia, the gubernatorial race has special prominence, as Abigail Spanberger (D) faces off against Winsome Earle-Sears (R) in a historic showdown where the winner could become Virginia’s first woman governor or - if Earle-Sears wins - the first Black woman governor in U.S. history.

3 APPROPRIATIONS SCENARIOS FOR THE FALL

Is “pocket rescission” another term for shutdown?

The House has marked up all but the Labor-HHS-Education bill and the Commerce-Justice-Science bill in full committee and has passed three bills on the floor: Defense, Military Construction-Veterans Affairs, and Energy and Water. The senate has four remaining bills to mark up – Energy and Water, Financial Services, Homeland, and State-Foreign Operations – and has passed three on the floor: Legislative Branch, Agriculture, and Military Construction-Veterans Affairs.

Here are three possible appropriations scenarios for the fall—plus a likely hiccup:



CR(s) + Omnibus: The most optimistic scenario is Congress passes one or several Continuing Resolutions (CR) until an agreement can be reached on an end-year FY 2026 spending package. While a CR is now inevitable, it's unclear what the duration will be. A year-long CR is unlikely as fiscal hawks won't support continuing the current funding baseline carried over from the Biden Administration's FY24 levels.



CR + Earmarks: A CR continues funding, which means no new “earmarks,” those congressionally directed spending projects that Members relish touting back in their districts. Some House Republicans floated allowing earmarks in a flat-funded CR, arguing this would allow members to deliver wins without increasing topline funding, but fiscal hawks and defense advocates wary of Pentagon cuts could push back. Some conservatives are pushing in the opposite direction—calling for a yearlong stopgap to freeze spending and block new earmarks, which have again become subject to Republican disputes both over (spending) principle and (opaque) process.



Government Shutdown: Neither congressional Republicans nor Democrats are interested in a government shutdown, but it remains a possibility. A shutdown would provide the White House with significant control over which government programs are considered vital, and Democrats are wary of removing checks and balances provided through civil service staff who remain in government.

Rescissions Hiccup: Expect heated debate in response to additional rescissions. Lawmakers from both parties have voiced strong opposition, warning that repeated rescissions would erode the bipartisan cooperation needed to advance must-pass legislation. Appropriators want rescissions handled through the regular appropriations process, retaining the legislative branch's power of the purse. “Pocket rescissions,” which jam the traditional timeline providing Congress 45 days to address rescissions requests, are widely viewed as legally contentious.

The White House announced a pocket rescission August 29th, saying it would be cutting \$5 billion in congressionally appropriated foreign aid funding. The reactions were swift: House Minority Leader Hakeem Jeffries (D-NY) called it a “brazenly unlawful scam” and blamed “compliant” Republicans if there is a resulting shutdown.

5 THINGS TO KNOW ABOUT HEALTHCARE

Bipartisanship may still exist this fall

- 1 **Quick catchup:** To pay for President Trump's priorities, the reconciliation package passed in July drew significant savings from the health sector—mainly through cuts and reforms to Medicaid, plus changes to Affordable Care Act (ACA) premium tax credit eligibility. The major provisions of the law will be phased in over the next several years. See [here](#) for TCG's overview of implementation timelines for health provisions in the One Big Beautiful Bill Act.
- 2 **A health package is possible this fall:** Despite partisan tension, some lawmakers still want to advance bipartisan healthcare priorities, likely by attaching them to a September government funding bill or other must-pass legislation. Bipartisan policies could include the healthcare extenders that made it into the March Continuing Resolution, such as extensions of Medicare telehealth flexibilities and the Hospital-at-Home program, a delay to Medicaid Disproportionate Share Hospital cuts, and reauthorizations for Community Health Centers, the National Health Service Corps, and Teaching Health Centers. Other healthcare policies with bipartisan interest, especially those that save money or generate revenue, could be in play, including pharmacy benefit manager (PBM) reforms, Medicare Advantage reform like the No UPCODE Act, and an extension of the Rare Pediatric Disease Priority Review Voucher (PRV) program.
- 3 **Drug pricing remains top of mind:** The Administration continues to signal the Section 232 investigation into the pharmaceutical sector will result in tariffs—and those tariffs are likely to be high, reportedly up to 200 percent over a longer phase-in period. The Administration also [gave](#) 17 pharmaceutical companies until September 29th to make binding commitments towards four goals related to most-favored-nation (MFN) pricing, including extending MFN to Medicaid and providing direct-to-consumer purchasing for pharmaceutical products. The Administration warned it will use “every tool in [its] arsenal” to lower drug prices if manufacturers “refuse to step up.” Congress continues to focus on drug pricing and healthcare affordability, with bipartisan interest in international reference pricing, PBM reform, and 340B reform. The Senate’s “Gang of Six,” a working group focused on 340B, may release legislation this fall, while the Health Resources and Services Administration (HRSA) [prepares](#) to pilot some drugmakers’ 340B rebate models in 2026.
- 4 **ACA enhanced premium subsidies set to expire:** If Congress doesn’t act, the enhanced premium tax credits (EPTCs) will expire after December 31st, with the impact felt this fall during the Open Enrollment Period. The Centers for Medicare and Medicaid Services (CMS) [announced](#) Marketplace plans may opt not to include information on premiums and tax credits in renewal notices, typically sent mid-September. There is bipartisan interest in avoiding premium increases, as the EPTCs impact about 15 million Marketplace enrollees, many of whom live in Republican-held states and districts. An extension could be attached to a September 30th or end-of-year funding bill. Despite bipartisan interest in healthcare affordability, persistent partisan views on the ACA and political implications of letting the subsidies expire on Republicans’ watch complicate negotiations. A ten-year extension could cost around \$335 billion, but there is some flexibility on the length of extension and changes to the policy.
- 5 **Physician and hospital payment rules will be finalized this fall:** In July, CMS released proposed rules on Medicare physician payment and hospital outpatient department payment. In the proposed calendar year (CY) 2026 Medicare Physician Fee Schedule, CMS [proposed](#) a pay boost for doctors for the first time in several years: 3.83% for doctors in qualifying alternative payment models (APMs) and 3.62% for those not participating. The increase is in part due to the one-year 2.5% pay boost included in the One Big Beautiful Bill Act. The proposal also included changes to overall physician payment methodology and reinforced CMS’s alignment with Make America Healthy Again (MAHA) initiatives. For hospital outpatient departments and ambulatory surgical centers, CMS [proposed](#) a pay boost of 2.4% and notably included site neutrality for drug administration, accelerated 340B payment changes, and other policies are still under consideration. Both rules will be finalized this fall.

FAQ ON TARIFFS

Digging into the latest developments with our trading partners



When do reciprocal rates take effect? President Trump in July signed an EO effective August 7th modifying the reciprocal tariff rates for certain countries with an exception for goods already on the water.



What are the reciprocal rates? The EO maintained a baseline 10 percent tariff for imports from all countries and increased tariffs to levels ranging from 15 percent to 41 percent for nearly 70 countries identified in [Annex I](#). The order noted countries with which the U.S. is actively negotiating or has reached an agreement but not yet formalized the agreement would remain subject to the duties outlined. The order also codified rates outlined in agreements announced thus far, including Japan, South Korea, Vietnam, Indonesia, the United Kingdom (UK), and the European Union (EU).



Are negotiations over? Several trading partners, including India, Taiwan, Switzerland, and others, have indicated they would continue negotiating with the White House, and Treasury Secretary Scott Bessent [suggested](#) new trade agreements with “substantial countries” could be reached by October.



What’s the latest with legal challenges to IEEPA tariffs?

On August 29th, the U.S. Court of Appeals for the Federal Circuit [ruled](#) 7-4 to uphold the Court of International Trade's ruling which found the president does not have the authority to impose reciprocal tariffs and fentanyl-related tariffs under the International Emergency Economic Powers Act (IEEPA). The ruling does not apply to tariffs imposed under Section 232 of the Trade Expansion Act, Section 301 of the Trade Act of 1974, antidumping and countervailing duties, or other trade remedies. However, it does cover the following:

- Fentanyl-related tariffs on non-USMCA compliant Canadian and Mexican goods
- Fentanyl-related tariffs on all Chinese goods
- Reciprocal tariffs on all trading partners
- Any future tariffs imposed on purchasers of Venezuelan oil
- Modifications to the de minimis exception

Importantly, the ruling will not take effect until October 14th, giving the Administration time to appeal to the Supreme Court. Tariffs likely will remain in place through the duration of Supreme Court proceedings, though timing for a SCOTUS decision is not yet clear.



What’s going on with China? President Trump extended a tariff truce with China for another 90 days on August 11th, teeing up a new November 10th deadline. In mid-July, Secretary Bessent met with his Chinese counterpart, Li Chenggang, to discuss the then-August 12th expiration of the US-China tariff deal.

FAQ ON TARIFFS *(continued)*



What are the topics under negotiation with China? Secretary Bessent [characterized](#) the meetings as “very constructive” and noted discussions focused on China’s industrial overcapacity, purchases of Russian and Iranian oil, and China’s support for Russia in the war on Ukraine through the supply of dual-use technologies. He noted discussions also covered [export controls](#) on rare earth minerals and magnets—a point of contention between the two parties earlier this summer. United States Trade Representative (USTR) Ambassador Jamieson Greer [indicated](#) “Beijing would continue to allow for the export of rare earth magnets” in accordance with the Geneva agreement.



Does Trump want a China deal? In early August, President Trump confirmed the two countries were close to a deal and suggested a meeting would happen before the end of the year if that agreement was solidified. When asked in a Fox News interview when progress in negotiations would be seen, Secretary Bessent said the Administration is “very happy” with the situation with China, and “right now the status quo is working pretty well.”



What sectors have yet to see tariffs? The latest sector-specific tariffs include a 50 percent tariff on semi-finished copper products and intensive copper derivative products, as outlined in the Administration’s [EO](#). The move follows completion of a Section 232 investigation by the Commerce Department. Secretary Lutnick also noted the President would announce tariffs on semiconductors sometime in the coming weeks, and [some reporting](#) suggests the announcement for tariffs on pharmaceuticals would closely follow. President Trump [sent letters to pharmaceutical manufacturers](#) outlining the steps they must take to lower their prices and signed an [EO](#) to fill the Strategic Active Pharmaceutical Ingredients Reserve (SAPIR) with critical drug components. It is not yet clear how this will comport with recently negotiated trade deals or forthcoming Section 232 tariffs on pharmaceuticals. Investigations into lumber, critical minerals, trucks, commercial aircraft, polysilicon, and drones are also awaiting conclusion, with subsequent tariffs expected in the coming months and into next year.

UPDATE ON TAX POLICY

House looks at Reconciliation 2.0

Reconciliation implementation:

The One Big Beautiful Bill Act (OBBBA) extends key Tax Cuts and Jobs Act (TCJA) provisions, modifies energy tax credits, and delivers on a number of the President's campaign promises. Implementation of OBBBA provisions varies – some provisions are retroactive, some span several years.

Reconciliation fixes:

Fixes to controversial provisions won't come easily. For example, bipartisan efforts have failed to fix a provision allowing taxpayers who itemize to take up to 90 percent of gambling losses against winnings – versus TCJA, which allowed 100 percent loss deduction. Sen. Todd Young (R-IN) supports the fix but blocked a unanimous consent (UC) request from Sen. Catherine Cortez Masto (D-NV) because he wants it paired with an endowment tax modification. Technical corrections to TCJA, passed in 2017, as well as the Inflation Reduction Act (IRA), passed in 2021, also remain elusive.

Another contentious provision requires solar and wind developers to begin construction on projects in the next 12 months in order to receive tax credits that are otherwise set to expire. The White House issued an EO directing Treasury to "strictly enforce" the phaseout and on August 15th, Treasury issued guidance sharply limiting what it means for projects larger than 1.5 MW to have begun construction—using a Physical Work test or a 5 percent project cost threshold.

New tax legislation:

The Republican Study Committee in the House has launched a "Reconciliation 2.0" working group and hosted staff briefings throughout August. Senate Finance Committee Chair Mike Crapo (R-ID) has indicated he is open to considering an additional reconciliation bill, though the political will throughout the broader GOP conference may be waning.

QUICK TIP ON THE FARM BILL

Despite addressing several farm bill programs in reconciliation, House Agriculture Committee Chairman GT Thompson (R-PA) recently suggested he would introduce a "Farm Bill 2.0" this year. Negotiations would begin this fall, though Democrats' willingness to engage on a "skinny" Farm Bill may depend on potential rescissions packages, a second reconciliation bill, and United States Department of Agriculture (USDA) [recently announced reorganization plans](#).

See [here](#) for TCG's memo on a potential skinny farm bill.



3 FAST FACTS ON FINANCIAL SERVICES

Senate Banking Chairman digs into his top priorities

ONE

Senate Banking held its first housing markup in more than a decade:

The Senate Banking Committee on July 29th unanimously advanced the broadly supported and bipartisan [Renewing Opportunity in the American Dream \(ROAD\) to Housing Act](#), which draws on more than two dozen previously introduced bills. The rare showing of bipartisanship demonstrates the need to address affordable housing, a top priority for Chairman Tim Scott (R-SC). The bill may be on the list for possible floor consideration post-Labor Day. In the House, a markup of the bill is expected this fall, potentially followed by consideration on the House floor.

TWO

Digital assets momentum continues:

House and Senate Republicans are hoping to build on the recently passed GENIUS Act by pursuing a market structure bill for digital assets. Chairman Scott intends to markup a market structure bill sometime in September and said he believes 12 to 18 Senate Democrats could vote for it (the GENIUS Act passed with the support of 18 Senate Democrats). Scott said in August at a cryptocurrency summit he is “looking for folks off the committee to provide cover for those on the committee to vote for it.” Sen. [Elizabeth Warren \(D-MA\)](#), the Ranking Member on the Senate Banking Committee, is strongly opposed to a digital assets market structure bill, saying it is too industry-friendly and could harm consumers. The House in July passed its own crypto market structure bill, the [CLARITY Act](#), with the support of 78 Democrats.

THREE

House Financial Services Committee requests feedback on data privacy:

Just before the August recess, the House Committee on Financial Services issued a [request for feedback](#) from the public on current federal consumer financial data privacy law and proposals to account for changes in the consumer financial services sector. The questions focused on Title V, Subtitle A of the Gramm-Leach-Bliley Act (GLBA), the U.S.’s primary financial privacy law, which hasn’t been overhauled in more than two decades. The Financial Institutions Subcommittee earlier held a hearing to discuss the need for reform for data privacy laws, raising concerns about state preemption and Section 1033 of the Dodd-Frank Act.

CHECKING IN ON IMMIGRATION

A quick update on this ongoing Administration priority

Bolstered by funding provided in the reconciliation law, immigration enforcement remains a key focus of the Trump Administration. Administration action includes:

- **Border security:** Illegal border crossings have largely stopped as the Administration beefed up enforcement with National Guard forces and terminated asylum programs at the southern border.
- **Deportation operations:** By some estimates, 1.6 million people have been deported or voluntarily removed themselves from the United States. Look for the Administration to continue to build up detention operations to facilitate deportations.
- **Terminating Temporary Protected Status (TPS), parole, and asylum programs:** The President has terminated multiple programs, including legal channels for Venezuelans, Ukrainians, and Haitians.
- **Washington, DC:** The President's use of the District of Columbia Home Rule Act to assume control of the DC police department has resulted in a substantial number of immigration-related arrests.

While the Administration is expected to continue enforcement, the consequences of its aggressive stance are beginning to be felt. Foreign student enrollment in U.S. universities has begun to decline significantly. Recent analysis suggests a 30-to-40% drop in enrollment this academic year. Tourism from European countries has declined. And employers have begun to feel the pinch of diminished pools of workers.

In Congress, there are some small signs policymakers are beginning to consider ways to improve legal pathways for workers to come to the United States.



6 NEED-TO-KNOWS IN FOREIGN POLICY

World order unravelling continues...

President Trump's foreign policy agenda continues to shock and surprise domestic and global audiences. The remainder of 2025 will continue to see the unraveling of the previous world order. The U.S. will continue to pursue the central aims of ending reliance on foreign countries for critical goods, support "America First" policies, and attempt to equalize and shift global burden-sharing. All the while the Administration will attempt to secure peace deals that have thus far proved elusive.

Russia-Ukraine: Congress may consider the Sanctioning Russia Act of 2025, which would levy crushing sanctions on Russia and countries importing Russian energy. The legislation could be used to pressure Russian President Vladimir Putin into a deal if White House negotiations do not yield results. If a deal is reached, the Administration and Congress may feel pressure to provide additional security and economic support to secure and rebuild Ukraine, but it is unclear if either party would propose a massive supplemental funding bill to provide such support in the context of a tight appropriations discussion.

Asia: India has felt the whiplash from starting as one of the Administration's initial darling countries to getting hit with tariffs due to heavy reliance on Russian oil. Meanwhile, the U.S. push-pull dance with China is expected to continue, with a potential meeting between President Trump and Chinese President Xi Jinping rumored to take place in late October/early November.

Latin America: The Administration has indicated it will increase pressure on gangs, with the President directing the U.S. military to use force against drug cartels abroad. U.S. military presence in Latin America—particularly Mexico—would worsen dynamics with these countries. The fall will reveal whether this was a threat or a promise. Brazilian President Luiz Inácio Lula da Silva has not indicated plans to give in, making him one of few leaders unwilling to cede to President Trump. The Administration will likely punish Brazil either through immigration or economic pressure.

Africa: The Administration allegedly declined to host a rumored U.S.-African Leaders Summit in September. Instead, we could see more mini gatherings of African leaders this fall, with a particular focus on facilitating U.S. access to African critical minerals.

State Department: The House Foreign Affairs Committee (HFAC) this fall will markup a State Department reauthorization bill that could be conferenced with the Senate and tacked on to the NDAA. It is unclear how closely the HFAC bill will align with the Administration's requested changes. The State Department is now in the process of integrating and owning USAID programming, and we will see an increase in former USAID-related tenders over the fall. These are likely to include new requirements or justifications in line with the Administration's America First agenda. If the optimistic peace scenarios come to pass in the Middle East and Ukraine, it is unclear how deeply the State Department will invest in humanitarian efforts where the U.S. once held leadership roles. New interim leadership at the President's Emergency Plan for Aids Relief (PEPFAR) will help reveal the new road map for winding down PEPFAR and transferring HIV/AIDS support to local partners.

Foreign Aid: The House Appropriations Subcommittee on National Security, Department of State, and Related Programs surprised many by producing a bill that proposes only 22% cuts to the State Department and other foreign aid institutions. The Senate is due to release its bill in September—likely with higher levels.



4 THINGS TO TRACK IN ENERGY

Tough days for wind and solar projects

- 1 Reconciliation Recap and Implementation:** As mentioned in the tax policy section above, the reconciliation package made major changes to energy tax credits, and the July 7th Executive Order required the Treasury Department not only to produce guidance around wind and solar credits, but also around the enhanced Foreign Entity of Concern (FEOC) rules. See [here](#) for TCG's chart comparing all the iterations of the package with regard to energy credits.

The IRS [guidance](#) on August 15th now requires most wind and solar projects to show actual physical construction work to receive a tax credit, with the 5% safe harbor preserved only for very small solar projects. In addition to these obstacles, wind and solar projects planned on federal land will require Secretary Doug Burgum's personal approval, according to a July DOI [directive](#).

As we move into the fall, we will be watching for further Treasury Department guidance with respect to FEOC.

- 2 Rising Energy Costs:** Lawmakers will return to Washington on the heels of news that energy costs are rising at [more than double the pace of inflation](#). The Administration has said prices [are likely to continue to rise](#) because the previous Administration prioritized renewables. But as demand for new generation increases amid uncertainty with tariffs and supply chains, lawmakers will want to show they are working to bring costs down.

Some of that work is likely to build upon earlier Trump Administration efforts to roll back energy efficiency standards. Look for hearings on appliance standards and related topics this fall.

- 3 Permitting Reform:** Permitting reform won't provide immediate relief to families burdened with higher energy bills, but Congress is likely to work on bipartisan proposals that make it easier and faster to build out the energy grid and meet growing demand. House Majority Leader Steve Scalise (R-LA) [says](#) GOP leaders will be looking toward bipartisan permitting legislation this fall, possibly in a standalone bill. Despite lingering partisan fallout from reconciliation in both chambers, there is a lot of bipartisan interest in addressing obstacles to meeting increased energy demand, particularly considering the AI race.

Just prior to the August recess, House Natural Resources Committee Chair Bruce Westerman (R-AR) and Rep. Jared Golden (D-ME) introduced bipartisan [legislation](#) to speed permitting reviews and limit legal challenges for projects under NEPA. That legislation represents the House Republicans' position on streamlining environmental reviews but is unlikely to gain much support from House Democrats. As we head into the fall, we will be watching to see how these discussions develop among committee leaders and other key Members. See [here](#) for coverage of a July House hearing on permitting.



4 THINGS TO TRACK IN ENERGY *(continued)*

- 4 Tariffs:** The Administration's pursuit of new trade agreements with our trading partners that set new tariff rates on imports is hurting the domestic energy sector.

On August 19th, the Commerce Department **announced** it is expanding the list of derivative steel and aluminum products to include an additional 407 product categories—likely increasing the cost of construction and maintenance on transmission lines, substations, and power plants.

On August 21st, the Administration **announced** a Section 232 investigation into wind turbines and components, which will run until May 10, 2026, at the latest. In the coming weeks, the Commerce Department is expected to conclude Section 232 **investigations** on semiconductors, which could lead to new tariffs or import restrictions. Given the semiconductor industry's critical role in clean energy technologies, any policy changes could significantly impact costs and supply chains for these technologies.



ALL YOU NEED KNOW IN CYBERSECURITY

CISA reauthorization takes center stage

The most pressing cybersecurity issue this fall is the reauthorization of the Cybersecurity Information Sharing Act of 2015 (CISA15). This landmark law, set to expire at the end of September, facilitates the sharing of cyber threat indicators between the federal government and private sector partners.

House: Newly appointed House Homeland Security Committee Chairman Andrew Garbarino (R-NY) is expected to introduce legislation in September to reauthorize the law for 10 years, maintain current privacy protections, and provide greater clarity to existing provisions to better address today's threat landscape. Committee Ranking Member Bennie Thompson (D-MS) supports reauthorization and is open to working with Garbarino on potential changes.

Senate: Senate Homeland Security and Governmental Affairs Committee (HSGAC) Ranking Member Gary Peters (D-MI) and Senator Mike Rounds (R-SD), Chair of the Senate Armed Services Subcommittee on Cybersecurity, introduced a **bill** in April to reauthorize CISA15 for another 10 years. Their proposal is tied to the Fiscal Year 2026 Intelligence Authorization Act, typically included in the National Defense Authorization Act (NDAA). They've also introduced a standalone NDAA amendment that would not change the original law.

However, HSGAC Chairman Rand Paul (R-KY) opposed the 2015 law and remains a wildcard. Although he has indicated the committee will take up the issue in September, Paul has long criticized CISA's involvement in combating disinformation and once called for CISA's elimination. He is expected to push for changes prohibiting the agency from working on disinformation and censorship-related efforts. As Chairman, he will likely be influential in shaping the final legislation.

What to expect: A short-term extension of CISA15 is possible if Congress passes a Continuing Resolution (CR) at the end of September. Efforts to fully reauthorize the law will continue, with possible inclusion in a year-end legislative package, such as NDAA. There is bipartisan support in Congress and support from the Administration to reauthorize CISA15.

Other Cyber Updates:

- The CISA Director role remains vacant. Nominee Sean Plankey was approved by HSGAC, but Senate Finance Committee Ranking Member Ron Wyden (D-OR) placed a hold on the nomination. The timing for a vote remains uncertain despite private sector pressure.
- Sean Cairncross was confirmed and sworn in as the new National Cyber Director in early August.



ALL ABOUT ARTIFICIAL INTELLIGENCE (AI)

White House makes its Action Plan official



On July 23rd, the White House released its [AI Action Plan](#), which sets federal priorities to drive AI innovation, enhance infrastructure, and strengthen leadership in global diplomacy and national security, as reported by Inside Government Contracts. The plan also emphasizes reducing regulatory obstacles and promoting “ideological neutrality” in AI systems acquired by the federal government.

- The General Services Administration (GSA) will develop an AI procurement toolbox, the Office of Management and Budget (OMB) will coordinate efforts, and Department of Homeland Security (DHS) will establish an AI Information Sharing & Analysis Center to share AI security threat intelligence.
- The National Institute of Standards and Technology (NIST) is currently leading or supporting 20 initiatives under this plan.
- The Action Plan was accompanied by three related EOs on July 23rd.



Congress continues to propose AI legislation and conduct AI-related investigations.

- Proposed bills target AI misuse and the need for safeguards against unintended consequences. Congressional Committees are focusing on strengthening U.S. global competitiveness in AI. An area of activity remains the debate surrounding AI and intellectual property.
- Congress will continue taking cues from the Administration and keep a light touch with AI regulation.



Several states, including California and New York, are rolling out their own AI regulations in areas such as data privacy, patient communication, and hiring practices.



ANTITRUST UPDATE

Trump Administration draws a distinction with Biden

The Trump Administration’s continuation of Biden’s antitrust enforcement hit a speed bump this summer when the senior officials at Department of Justice (DoJ) Antitrust Division cleared a merger over staff objections. Accusations of political bias met allegations of insubordination and two objecting Antitrust Division deputies were fired for insubordination. Within weeks of the firings, President Trump rescinded a high-profile Executive Order issued by President Biden that instructed all agencies to make antitrust policy a priority.

It is unclear whether this revocation will mark or cause an actual shift in policy. The Trump Administration has continued a number of high-profile antitrust cases started under the Biden Administration—settlements of these cases would mark a clear shift.

CONCLUSION

As Congress works through the fall to fund the government and address a host of priorities while navigating the exertions of the executive branch and major global challenges, your team at Tiber Creek Group is available to help you navigate the details and activities relevant to your work and your organization.

If you have questions on any of these issues, please don't hesitate to contact any one of us.

www.tibercreekgroup.com