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## Budget & Appropriations Brief

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### Trump era begins with 'Buy American' vow

By **BEN WEYL** | 01/20/17 04:10 PM EST

**TRUMP ERA BEGINS** — President Donald Trump’s inaugural address was relatively light on policy, but he seized on the historic moment to go deep in the weeds of federal procurement issues.

“We will follow two simple rules: Buy American and hire American,” he vowed. This was a familiar campaign refrain, but it's notable that he emphasized the point again today. The promise aligned well with the “America first” theme of the address and suggests requiring federal projects be made with American-made products is a core Trump policy priority.

**That might cause some friction with House Speaker Paul Ryan and other GOP leaders**, who have opposed such provisions. Democrats will be delighted; Sen. Sherrod Brown sent Trump a letter Thursday announcing his plan to introduce legislation to expand “Buy America” provisions upon Trump’s inauguration.

**Other notable budget mentions in Trump’s address:** He slammed previous governments for having “spent trillions of dollars overseas while America’s infrastructure has fallen into disrepair and decay.” (Of course, foreign aid is less than 1 percent of the federal budget.) And he promised to “get our people off of welfare and back to work.” That’s one line that Ryan might have liked — he hopes to pursue “welfare reform 2.0”.

**The whitehouse.gov websites are also quickly being changed to reflect the new president’s priorities.** On an issue page for the military, the new administration promises

to “end the defense sequester and submit a new budget to Congress outlining a plan to rebuild our military.”

On a page about job growth, the White House says it will enact “pro-growth tax reform,” which “will lower rates for Americans in every tax bracket, simplify the tax code, and reduce the U.S. corporate tax rate, which is one of the highest in the world.” The White House also said Trump “has proposed a moratorium on new federal regulations and is ordering the heads of federal agencies and departments to identify job-killing regulations that should be repealed.” The OMB site is down as of the Brief's publication.

**Good Friday afternoon, and thanks for reading the Budget & Appropriations Brief.**

Send inauguration address reviews, tips and other comments to [bweyl@politico.com](mailto:bweyl@politico.com) (@BenWeyl).

**#DailyBudgetFact** — Airbnb collected and redirected \$175 million in taxes for local governments in 2016.

**DOC OF THE DAY** — The full text of Trump's prepared inaugural address.

## **INFRASTRUCTURE**

**RYAN'S NUMBER** — As Capitol Hill debates how much of a potential infrastructure package should be made up of private-sector incentives and how much should be direct public investment, Ryan put a stake in the ground this week, writes Brianna Gurciullo of POLITICO's Morning Transportation.

The right balance, he said on the "Charlie Rose Show," is 40-to-1. "For every \$1 of federal dollars, there's \$40 of private-sector spending," Ryan said. "We want to leverage as much private-sector dollars as possible to maximize the fixing of our infrastructure." Ryan insisted that the proposal won't be "a trillion dollars coming from federal taxpayers into the transportation system." He also said any federal spending on infrastructure would mean budget cuts elsewhere.

## **OBAMACARE**

**GOP GOVERNORS WORRIED** — Republican governors voiced concerns Thursday about individuals losing health insurance coverage as they met with Senate Finance Committee Republicans about replacing Obamacare and overhauling Medicaid, Pro Health Care's Rachana Pradhan and Brianna Ehley report.

In the meeting were Republicans from 10 states, including four governors who have expanded Medicaid in their states under the Affordable Care Act, and would be at risk of losing billions of federal dollars if the health law is repealed without a replacement.

**Top GOP senators sought to ease the governors' fears.** “Nobody is going to lose coverage,” Majority Whip John Cornyn said. “We kind of know what’s on their minds. Those who have expanded don’t want to give that up.”

Several governors expressed support for a GOP proposal to change Medicaid so that spending is capped per patient, a shift that Democrats say would gut the safety net for the most vulnerable.

## HOUSE BUDGET

**DEMOCRATIC DIVISIONS** — Democrats were united last week in opposition to the GOP budget that paves the way for Obamacare repeal. But a few cracks started to show on the fiscal front, as 37 largely moderate House Democrats voted against the alternative proposal offered by John Yarmuth, the Budget Committee ranking member. The procedural vote typically produces a party-line showing, but leaders of the centrist New Democrat Coalition saw an early opportunity to take a stand against growing budget deficits.

The 54-member caucus did not formally whip the vote. But sources tell the Brief that multiple lawmakers, including Chairman Jim Himes, Ron Kind and Scott Peters, were vocal during a meeting that day with officials from the deficit-minded Concord Coalition about the need to vote against both parties’ proposals. Both blueprints envisioned adding some \$9.5 trillion to the debt over a decade. That led to the modest rebellion.

**“We don’t have to match their really bad idea with an idea that’s not a good idea,” said Peters.** “If New Dems are going to change the dialogue, we have to make a statement when these budget votes come up.”

The California Democrat said he expected Republicans to pursue budget-busting measures like huge tax cuts, Obamacare repeal and infrastructure spending without a way to pay for it. “The whole notion that Republicans are fiscally responsible is really up for grabs right now,” he said.

**Yarmuth said there were no hard feelings,** and he said he wasn’t worried about the party fracturing on more momentous votes in the months to come.

“There’s always a chance that some of the New Dems will go their own way occasionally on budget matters,” he said. “I don’t see any serious divide.”

**He added that he’s enjoying his first weeks as top Democrat on the committee.** “I loved the floor debate,” he said of the Obamacare repeal fight. “I think we did a good job of making our case and challenging Republicans to put up or shut up with a replacement plan.”

Yarmuth also said he has a good relationship with interim Budget Chairwoman Diane Black. In fact, he gave her extra tickets to today's inauguration.

## **ON TAP NEXT WEEK**

### **MONDAY**

The Center for Strategic and International Studies holds a discussion on "Prospects for the Defense Budget in the New Administration." 10:30 a.m. at CSIS, 1616 Rhode Island Ave. NW.

### **TUESDAY**

House Budget Committee meeting to approve its rules and oversight plan of 115th Congress, followed by a hearing on "The Failures of Obamacare: Harmful Effects and Broken Promises." 10 a.m. 1334 Longworth House Office Building.

Senate Budget Committee hearing on Rep. Mick Mulvaney’s OMB nomination. 10:30 a.m. 608 Dirksen Senate Office Building.

CBO media briefing on the annual Budget and Economic Outlook report, with CBO Director Keith Hall and CBO Deputy Director Mark Hadley. 11 a.m. 483 Ford House Office Building.

Senate Homeland Security and Government Affairs Committee hearing on Mulvaney’s nomination. 2:30 p.m. 342 Dirksen Senate Office Building.

### **EARMARKS**

Handicapping Trump’s first 100 days, from POLITICO staff.

Trump paints a dark America only he can save writes POLITICO’s Shane Goldmacher.

Stocks dip as Trump takes oath of office, per The Hill’s Peter Schroeder.

Trump reportedly wants to cut cultural programs that make up 0.02 percent of federal spending, by The Washington Post's Philip Bump.

Oversight panel Democrats want Flint investigation reopened, from Roll Call's Jeremy Dillon.

Clyburn gives Trump's budget pick "benefit of the doubt," per The Hill's Mike Lillis.

What to expect from Trumponomics: QuickTake scorecard, by Bloomberg's Brendan Greenley.