



# Capitol Hill Weekly

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***This update reflects facts as of Monday morning, March 16, 2026. The situation is fluid and may change.***

Iran continues to dominate the news and at some later date may precipitate a proposal for supplemental funding for defense. War powers resolutions have failed in both House and Senate, however. Congress is likely to be occupied this week with the now month-long debate over funding for the Department of Homeland Security (DHS) and the federal voting regulation bill, the Safeguard American Voter Eligibility (SAVE) Act. The latter has now entered the debate over the former, as it may complicate passage of funding legislation. A refund mechanism is in development for the International Emergency Economic Powers Act (IEEPA) tariffs found invalid by the Supreme Court, while new tariffs are under consideration. And calls for a new reconciliation bill continue among Congressional Republicans, despite pessimism being expressed by members of the leadership and without a clear agenda.

**DHS funding.** There has been little evidence of progress on providing funding for DHS. Political posturing continues, instead of active negotiations. Republicans refuse to budge on Democratic demands for limitations on immigration enforcement. Democrats propose funding for the other agencies of DHS. Both parties remain satisfied, for the present, with their respective positions.

Unlike broader government shutdowns, this limited one has relatively little visible impact, at least in the absence of a major disaster that might involve the Federal Emergency Management Agency (FEMA). The one exception is the Transportation Security Administration, where work slowdowns can be seen at some airports. TSA employees missed their first full paycheck at the end of last week. Growing airport disruptions may eventually pressure the parties to agree on DHS funding, but just when is hard to predict.

A new complicating factor is the SAVE Act. The House passed the bill with just four democrats voting in favor last month, but it lacks the needed 60 votes to pass the Senate, at least without a change in Senate rules. Some Republicans have called for a “talking filibuster,” a substantial change in Senate rules. That approach appears to lack the needed support among Senate Republicans, and without Democratic support it seems very unlikely. One House Republican, however, has said she will not vote for any legislation until the Senate passes the SAVE Act, which could delay other legislation, given the historically narrow Republican majority in the

House. And the debate over the SAVE Act and the filibuster is likely to consume much of the Senate floor time this week.

**Tariffs.** The Supreme Court last month held the 15% tariffs imposed by the President under IEEPA were invalid and returned the case to the Court of International Trade (CIT). Under the CIT's supervision, Customs and Border Protection has begun setting up the refund process, which it has said will take a few weeks.

The President, on the same day the Supreme Court issued its decision, imposed broad 10% tariffs under section 122 of the Trade Act of 1974. He said the next day that he would increase those tariffs to 15%, although that has not yet happened. Those section 122 tariffs are now subject to new lawsuits challenging their validity.

Tariffs under section 122 can remain in effect for only 150 days unless Congress authorizes an extension. The Administration is working during that time on investigations that could lead to the institution of new tariffs under section 301 of the Trade Act. Section 301 tariffs are intended to address unfair trade practices, if found after investigation, negotiation and opportunity for comment and hearings. The Office of U.S. Trade Representative (USTR) has commenced investigations of the European Union and 15 other countries. Hearings have been scheduled to begin on April 28. Administration officials have said that one goal of the section 301 process is to replace the now invalid IEEPA tariffs with another more durable tariff authority.

**Reconciliation legislation.** Prospects for another round of budget reconciliation are quite uncertain unless there is some unexpected event, but expressions of support for it continue. The attraction for Republican members, particularly in the House, is the possibility of Senate passage of partisan legislation without the need for 60 votes. There is no shortage of ideas for legislation, but there has yet to emerge a compelling agenda. Health care reform is often mentioned, but no consensus reform plan has emerged, and some possible reforms may not be permitted in a reconciliation bill.

More generally, budget reconciliation would begin again the controversy over reductions in spending, which nearly prevented passage of the One Big Beautiful Bill Act. There is serious concern over current deficits and growing federal debt. Finding further reductions to programs like Medicaid and other mandatory and discretionary spending programs that would be acceptable to a Senate majority, however, would present a very formidable challenge.

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