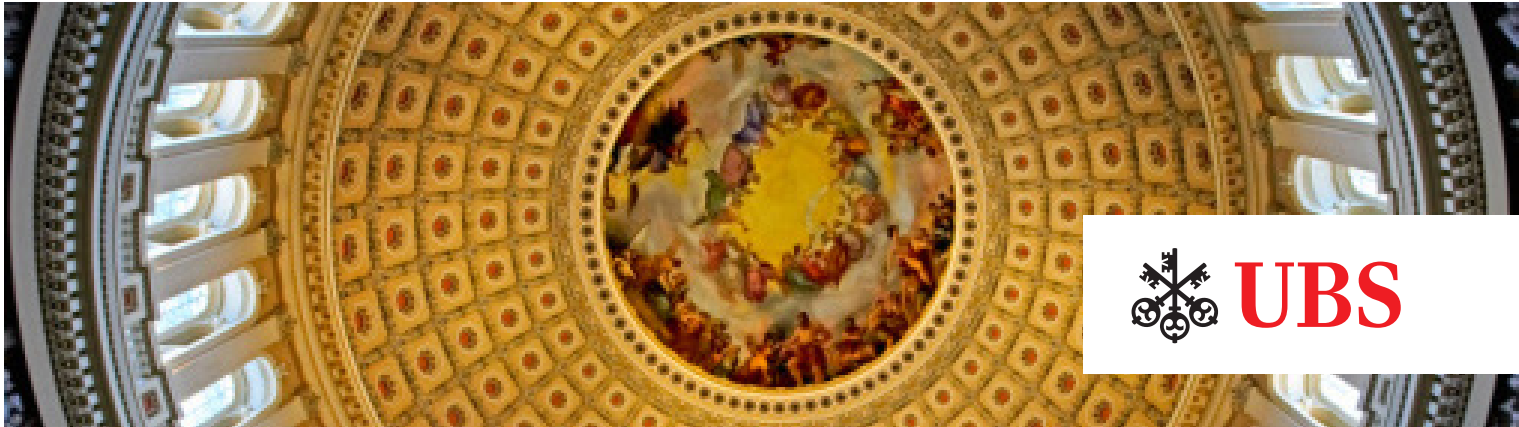


# Washington Weekly

Under the Dome: The Week in Review

17 October 2025



**This Week:** The **Senate** confirmed Trump administration nominees. It also voted, but failed to pass, three times on the House-passed resolution to extend government funding through November 21 (see below). It also voted on, but failed to pass, a fiscal year 2026 Defense Department funding bill (see below). The **House** was out of session.

**Next Week:** The **Senate** will continue to confirm Trump administration nominees and vote on the House-passed government funding resolution. It may also consider legislation that would pay federal employees who have been required to work without pay during the shutdown, including the military. The **House** will be out of session.

## The Lead

**Government Shutdown Continues.** The government has been shut down now for 17 days. With both sides still dug in, there is no resolution in sight. Each side feels like it has the winning argument. Republicans have passed a government funding extension out of the House and argue that they are being blocked from doing so in the Senate because of Democratic opposition. Meanwhile, Democrats continue to stake their opposition to that bill on the need to extend healthcare subsidies that are set to expire at the end of the year. The Trump administration temporarily removed one pressure point this week when it diverted unused funds to pay active-duty military service members, though it may be difficult to use this maneuver twice. They also are looking for additional funds for a key nutrition supplement program for low-income families. The administration tried to put pressure on Democrats by trying to fire federal workers last week, but that effort has at least temporarily been blocked in court. Some pressure is building with the federal civilian employees missing paychecks. This includes employees performing critical services (including air traffic control and law enforcement) that must continue during the shutdown. The current dynamic could impact those services. A major catalyst for

the end of the last government shutdown in 2019 was walkouts by air traffic controllers who were required to work without pay. *Some pressure will build as we get closer to the next paycheck period at the end of the month.*

**Healthcare Battle.** Democrats want to keep the shutdown fight focused on health care. With November 1 being the start of open enrollment, it may be on the minds of Americans who are registering for new health care plans. Many are seeing higher projected premiums for 2026 due to the aforementioned expiration of tax credits under the Affordable Care Act (ACA) and because of cuts to Medicaid spending enacted in the One Big Beautiful Bill. The tax credits help 22 million Americans lower their health insurance costs when they buy policies via the ACA's marketplace. Democrats hope concerns about rising premiums will put pressure on Republicans. Some Republicans want an extension of the tax credits but also want to increase eligibility restrictions. Republicans also argue that any such negotiations should be separate and apart from government funding. *However, given its growing importance, there will need to be some commitment to address the extension of ACA as part of any resolution on the government shutdown.*

## Other Issues

**US-China Balancing Act.** The fragile truce that had developed between the US and China was disrupted last week. After the US imposed fees on Chinese-built and -operated vessels bringing goods into American ports, China immediately retaliated with export controls on rare-earth minerals and certain key technologies. These measures could be very disruptive to global supply chains. China also halted purchases of US soybeans and levied a fee on US vessels entering ports in China. In response, the Trump administration has threatened an additional 100% tariff on Chinese imports, while also emphasizing that it wants to engage with China and does not want the two nations to decouple. President Trump and President Xi had been scheduled

to meet in South Korea at the end of the month. Whether that even happens depends in part on how fruitful conversations are between senior officials from the US and China in the intervening period. It remains to be seen how the US will respond to China's pressing of its leverage on rare earth minerals to extract further easing of tariffs and export controls. *What is clear is that the US-China relationship sits in a precarious state.*

**What Congress is Doing.** The House has been out of session since September 19 (28 days), which is when it passed a bill to fund the government through November 21. The Senate has been in session and has continued to advance Trump administration nominees and hold some committee hearings. It also has voted on the House-passed funding bill 10 times and eight times on a Democratic alternative. The latter proposal would pair a short-term funding extension with an extension of certain ACA tax credits, a reversal of many of the Medicaid changes in OBBA and provisions to prevent President Trump from rescinding funds previously approved by Congress. All of these efforts have failed, since they have fallen short of the 60 votes needed to overcome procedural hurdles in the Senate. The Senate also voted this week on a fiscal year 2026 Defense Department funding bill that the House passed in July. It failed, but the vote on military spending was in part a pressure tactic by Republicans. The House will remain out of session, while the Senate will return to vote again on the House-passed resolution and potentially on the defense funding bill. As the shutdown continues, we get closer and closer to the end date of November 21 for the original bill. *Congress hasn't quite closed for business, but the government shutdown has had a significant impact on the scope and scale of its activities as well.*

**Defense Bill Moving Forward.** One glimmer of bipartisanship was the Senate's passage last week of its version of the fiscal year 2026 National Defense Authorization Act (NDAA). The bill sets policy for defense spending, although actual spending levels are determined by the aforementioned appropriations process. The NDAA bill has passed 63 consecutive years in Congress, which underscores the importance that lawmakers from both parties have attached to it. As a must-pass bill, it attracts unrelated policy provisions. There are some key differences between the House and Senate versions that will need to be reconciled in negotiations. Notably, the Senate bill would restrict exports of advanced AI chips to certain countries like China. Another area that will need to be worked out is the total cost, with the House bill calling for \$32 billion less defense spending. *Reconciling some of these policy differences will not be easy in a year where even keeping the government open has proven difficult.*

**Russia Sanctions Bill.** The Senate has held steady for months on a package of Russian sanctions with very strong bipartisan support (84 co-sponsors) as the Trump administration has taken the lead on negotiations with Russia. However, Senate Majority

Leader John Thune (R-SD) said this week that a vote could occur soon. The legislation would give President Trump the authority to impose secondary tariffs of up to 500% on imported goods from countries that trade with Russia (including China, India and Brazil). It also would authorize an increase in tariffs (to at least 500%) on remaining US imports from Russia. President Trump has expressed increasing frustration with Russian President Putin over the lack of cooperation in negotiations and continued attacks on Ukraine. Trump and Putin had a call this week where they announced an in-person meeting in the coming weeks, while he also met with Ukrainian President Zelensky today. *The Trump administration hopes that the threat of the sanctions bill (along with the threat of greater military support for Ukraine) will move Russia to come to the negotiating table.*

**New Supreme Court Season.** The Supreme Court started its new term last week with a caseload that span many contentious issues, including presidential powers, tariffs, racial gerrymandering, transgender athletes, gun rights, campaign finance law, religious rights and capital punishment. Like last year, the court will spend a good deal of time this term addressing questions that arose from prior decisions. The court will continue to hear cases until the spring of next year. It will hand down decisions on a rolling basis up until the end of June. With conservative justices holding a 6-3 majority, the Court's decisions could have significant political impact just months before the 2026 midterm elections. This is particularly so with cases over the limits of executive power and racial gerrymandering. The Supreme Court will decide if President Trump overstepped his executive authority in imposing most of his tariffs under a federal law meant for emergencies (this case is being reviewed on an expedited basis). President Trump's attempt to remove a Federal Reserve Governor and his firing of a Federal Trade Commission member will also be under the court's review. The Supreme Court will hear arguments on a case over whether the Louisiana electoral map violated the Voting Rights Act. *These developments to what will be an already contentious battle next year over who remains or gains control of each chamber.*

## The Final Word

**No Clear Winners.** The two parties are locked in a messaging battle to persuade the public that they are honest brokers in the government shutdown. However, both are losing ground. According to new polling, neither Democrats nor Republicans have managed to convince the public they're acting in good faith. Republicans shoulder slightly more blame in most polling, but Democrats aren't escaping scrutiny either. The longer the shutdown drags on, the more respondents are likely to view both parties as equally culpable. Voters increasingly view the shutdown as political theater. They are likely to be in an even more sour mood to the extent that a prolonged shutdown creates lapses in key services. *There are no winners from the shutdown as it erodes public confidence in Washington.*

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