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Washington Weekly: Shutdown Threat, Again

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There was some activity on expiring health care subsidies this week when four moderate House Republicans joined House Democrats on a discharge petition to force a vote on a three-year extension. This sets up a House vote (and likely passage) in January. With the support of these Republicans, the bill is expected to pass the House, but its prospects in the Senate are dim. John Nolan and the Governmental Affairs US team discuss this topic and others in this week's Washington Weekly.

Despite the momentum, the subsidies will expire at the end of this year and are unlikely to be extended next year (barring a wild card like President Trump calling for an extension).

Congress left town for the year having made little progress on government funding. It has the daunting task of trying to pass the remaining nine bills next month before a January 30 funding deadline. Congress may ring in the new year with the threat of another government shutdown.

With all of the political hand-wringing about affordability, one major and uncertain driver is tariffs. All eyes are on the Supreme Court and its decision on the Trump administration's use of emergency powers to apply broad-based "reciprocal" tariffs on US trading partners. The court is out until January 12 and likely will make a decision in the first few months of 2026. Whatever the Supreme Court decides, President Trump is likely to retain elevated tariffs in some form even with prevailing concerns around the country about affordability and inflation.

Health care Push Hits a Wall.

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The House this week had votes on some modest health care bills, but not on an extension of Affordable Care Act (ACA) subsidies. Frustrated by that, four moderate House Republicans joined House Democrats on a discharge petition to force a vote on renewing the ACA subsidies for three years. While this was a notable step, the bill won't receive a vote until January. With the support of these Republicans, the bill is expected to pass the House, but its prospects in the Senate are dim. A similar bill already failed to reach the needed 60-vote threshold (47 Democrats and 4 Republicans voted yes). Senate Republican leadership has shown little appetite for taking up the measure again. Despite the momentum, ACA subsidies will expire at the end of this year and are unlikely to be extended next year (barring a wild card like President Trump calling for an extension).

Shutdown Threat, Again.

Congress left town for the year having made little progress on government funding. As part of the end of the government shutdown, Congress passed three (Legislative Branch, Military Construction-Veterans Affairs and Agriculture) of the 12 government spending bills for fiscal year 2026. It has the daunting task of trying to pass the remaining nine bills next month before a January 30 funding deadline. In January, the Senate will try to pass a group of five spending bills, but there are concerns about overall spending levels and certain provisions in some of the larger and more contentious bills (particularly Defense and Labor-Health). The House is taking a different approach of trying to pass bills in groups of three, starting with those that are comparatively less controversial like Commerce, Energy, and Environment. With such little time to reconcile differences and pass these bills in January, Congress may resort to trying to extend current funding for most government agencies through another continuing resolution, whether to buy themselves some more time or to throw in the towel and extend it to the end of the year. Congress may ring in the new year with the threat of another government shutdown.

2026 Political Winds.

With the calendar about to turn, both parties are sharpening their messages for the midterm elections. Democrats are focused on "affordability," a catchall for concerns about rising costs on groceries, rent, childcare, and health care. They believe the theme powered recent strong performances in off-year elections in Virginia, New Jersey, and elsewhere. However, while polling shows that voters are angry about high prices and are souring on President Trump's economic policies, they still aren't fully sold on Democrats as the alternative. This rings especially true among moderates and white working-class voters in states like Alaska, Iowa, and Ohio where Democrats will need to win difficult Senate races if they hope to flip the upper chamber. Meanwhile, Republicans are leaning into economic stewardship and cultural fights, hoping to keep their gains among Latinos and younger voters who remain skeptical of both parties. Recent elections show momentum for Democrats going into the midterms, but it remains to be seen how much they can capitalize on prevailing economic anxieties.

For more on topics under the dome, see the [latest Washington Weekly](#).

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