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Washington Weekly: One Big Beautiful Bill Update

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Following the House's narrow passage last month of the reconciliation package of President Trump's priorities on taxes and spending, it is now the Senate's turn to work on their version of the legislation. However, there are differences among Senate Republicans on key issues. John Nolan and the Governmental Affairs US team take a look at this and much more in the latest Washington Weekly report.

One Big Beautiful Bill Update. It is the Senate's turn to develop and pass a reconciliation package of President Trump's tax and spending priorities after House Republicans narrowly passed their version two weeks ago. Senate Republicans are trying to meet a deadline set by President Trump to pass this massive bill into law by 4 July (in three weeks). This is an exceptionally ambitious timetable given the scale and scope of the bill, the complexities of the reconciliation process in the Senate, and the divisions among Senate Republicans. Some Senate Republicans (and Elon Musk) object to the inclusion of a needed increase to the debt limit and believe that the bill has insufficient spending cuts to offset the cost of tax cuts (the House bill has \$1.7 trillion in spending cuts but raises the deficit by \$2.4 trillion over ten years). On the other side, some Senate Republicans are opposed to the House bill's significant cuts to safety net programs like Medicaid (more than \$1 trillion) and the Supplemental Nutrition Assistance Program (\$300 billion). Some Republicans also have concerns about the House bill's repeal of \$550 billion of clean energy tax credits from the Inflation Reduction Act. It will be difficult to reconcile these views given that Republicans cannot afford to lose more than three of their members in order to pass the bill. Further complicating things is that any Senate bill will need to pass the House where Republicans can't lose more than three of their members. *Republican leadership in the Senate will try to jam through a bill as close as possible to the House-passed bill before 4 July, but that will be easier said than done given all of these constraints.*

Tariff Uncertainty. The Trump administration invoked broad emergency authority to implement a wide variety of tariffs (including the 10% across-the-board tariff, the "reciprocal" tariffs, and the various tariffs placed on China, Canada, and

Mexico tied to fentanyl). A decision last week by a federal court struck all of these down and thereby blasted a hole in the administration's overall tariff strategy. Here are some ways in which the administration is scrambling to respond.

—The administration is appealing the decision. A key determination on whether the current decision should be stayed (i.e., paused) while the underlying case is considered will be made over the coming weeks. However, the appeals process on the underlying case may not get to the Supreme Court until next spring. *This will likely be a lengthy legal process.*

—With a resurfacing of charged rhetoric with China since the breakthrough discussions in Geneva in May, President Trump had a call yesterday with President Xi. Meanwhile, the Trump administration is trying to prod other nations on "reciprocal" trade deals. *The recent court decision only underscores that any bilateral deals will likely be agreements in concept rather than legally enforceable trade deals.*

—Trump administration will apply tariffs through other legal authorities. However, these authorities tend to be narrower, more procedurally laborious and sector-based than the broad-based emergency authority. The administration just increased tariffs on steel and aluminum from 25% to 50% this week and is in the process of imposing tariffs on other sectors (semiconductors, pharmaceuticals, among others) in the next month or two. One law would allow the Trump administration to impose a 15% tariff on countries with which the US has a large trade deficit in goods, but those tariffs would be limited to 150 days. *That authority could come into play if President Trump feels frustrated by lack of progress in bilateral talks.*

For more, see [Washington Weekly](#), 6 June, 2025.

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