

# Washington Weekly

Under the Dome: The Week in Review

21 November 2025



**This Week:** The **Senate** confirmed Trump administration nominees. The **House** passed bills relating to crime in Washington, DC, several energy related bills and a bill to repeal language in a recently passed funding bill that would allow Senators to sue the government if they weren't notified their data was searched. Both chambers passed a bill to direct the Justice Department to publicly disclose unclassified records relating to Jeffrey Epstein (see below).

**Next Week:** The **Senate** and **House** will not be in session as lawmakers head home to celebrate Thanksgiving and will return to Washington the week of December 1.

## The Lead

**Healthcare Impasse.** With millions of Americans facing large increases in health insurance costs at the end of the year, discussions continued this week in Congress on how to address expiring Affordable Care Act (ACA) subsidies. However, Democrats, Republicans and the Trump administration continue to be divided. While Democrats and some moderate Republicans support an extension of the expiring ACA subsidies, most Republicans are opposed to this and are looking at alternative options (such as replacing the subsidies with deposits in ACA enrollees' health savings accounts). There also has been some talk among Republicans about trying to advance a healthcare bill through the reconciliation process, but this is not very realistic given that it would be very complicated, time-consuming and would require all Republicans to be united on an approach. Senate Majority Leader John Thune (R-SD) promised Senate Democrats a vote on health care subsidies in December. *Time is fleeting on coming together on a viable bipartisan option (for example, an extension paired with some reforms like an income cap on subsidies) rather than failed votes on competing partisan measures.*

**Appropriations Scramble.** Congress has a lot of unfinished work on the nine remaining appropriations bills before the expiration of government funding on January 30. The recent agreement to end the shutdown does include funding for the entire fiscal year for some parts of government (Agriculture, Congress, Veterans and military construction). However, the remaining government agencies have only a short-term extension and they cover the lion's share of total discretionary federal spending. There was little tangible progress made this week. The Senate is looking to lead with two of the larger bills (Defense and Labor-Health) in the coming weeks, while the House would like to try to pass a package of smaller bills covering other agencies in December and take on these bigger bills in January. There are many obstacles, not the least of which is that the House is scheduled to be in session 24 days before current funding expires and the Senate for 30 days. Congressional leaders haven't agreed to topline funding levels for the appropriations bills, with many Republicans and the Trump administration pushing for bigger cuts in spending levels. Meanwhile, Democrats want to include provisions to limit the Trump administration's ability to make unilateral spending cuts. Lawmakers also try to use appropriations bills as vehicles for controversial policy changes. Getting through these amendments, particularly in the Senate, can be very time-consuming. Differences between House and Senate versions of bills will need to be ironed out. *Congress has a small window to make progress on government funding bills before the threat of another government shutdown rears its head.*

**Defense Bill Approaches the Finish Line.** Lawmakers need to pass the annual National Defense Authorization Act (NDAA) before the end of the year. The bill sets policy for defense spending, though actual spending authority is determined through the appropriations process. Each chamber has passed its

version of the NDAA (the House in September and the Senate in October). There have been ongoing negotiations to work out differences between the two proposals. One major difference is the topline level of spending. The House bill would authorize \$882.6 billion, matching the amount requested by President Trump. The Senate bill would authorize \$913.9 billion, adding \$31.3 billion to the budget request. Other contentious issues that need to be worked through include anti-LGBTQ+ provisions in the House bill and a provision in the Senate bill to curb exports of advanced artificial intelligence (AI) chips to China. There will be efforts to attach additional provisions (such as a rollback of Syria sanctions), though most extraneous items will not make it in the final legislation. A final version of the bill could be released as soon as the first week in December. *Despite some outstanding issues, this defense bill has passed 63 consecutive years in Congress and this year will be no different.*

### Other Issues

**Deposit Insurance Reforms.** There have been ongoing questions in Washington about the potential need to raise the current limit on federal deposit insurance (FDIC deposit coverage currently is \$250,000) since the failure of Silicon Valley Bank (SVB) in 2023. SVB relied heavily on uninsured deposits and its failure prompted regulators to take the emergency decision to guarantee the uninsured deposits at SVB and another failed bank. One bipartisan proposal in the Senate would raise deposit insurance coverage to \$10 million for non-interest-bearing transaction accounts at all but the largest banks. This week, the House Financial Services Committee held a hearing on different deposit insurance reform proposals. At the hearing, there were concerns from lawmakers about the costs of such a large increase and whether it would create moral hazard. *While there will continue to be interest in raising the deposit insurance threshold, the skepticism of many members (including the chairs of the committees) means that any legislative reforms will make slow progress.*

**Digital Services Tax.** We recently discussed France's interest in pursuing a major increase to its Digital Services Tax (DST) and how the Trump administration might push back. Since then, the Trump administration has secured commitments from a number of countries (Guatemala, El Salvador, Ecuador, Argentina, Switzerland and Lichtenstein) to not impose a DST. None of these countries currently have a DST. The Trump administration will continue to push back against DSTs in trade and other negotiations. *We can expect more announcements against DSTs, which is welcome news for big US technology companies that would be most impacted by these taxes.*

**China Steps In as US Steps Back.** The COP summit in Brazil underscored a stark contrast between the Biden and Trump administrations' climate strategies. Under President Biden, the US positioned itself as a global leader on climate diplomacy, pledging aggressive emissions targets and spearheading multilateral agreements. By contrast, President Trump and his administration opted to skip this year's summit, citing domestic priorities and skepticism of international climate frameworks. In that context, China sees an opportunity to expand its influence by brokering new financing commitments and shaping the agenda on renewable energy and carbon markets. *Beijing is looking to take a more assertive leadership role in international fora on climate issues.*

**The Epstein Bill.** In an overwhelmingly bipartisan move, both the House and Senate passed legislation to direct the Justice Department to release files related to Jeffrey Epstein. After months of being against this legislative effort, President Trump changed course Sunday night and announced he would sign the measure if it passed. This support galvanized passage by the House in an overwhelming 427-1 vote and a unanimous vote in the Senate shortly thereafter. President Trump signed it into law on Wednesday. The bill requires the Justice Department to make many records related to Epstein publicly available within 30 days of enactment. However, there is an exception for documents related to ongoing investigations. An investigation by the Justice Department into Epstein's ties with notable political figures and campaign contributors could hold up certain materials from being released to the public. *There have been very few times this year where Republicans have defied President Trump, but this has been one notable example.*

### The Final Word

**Food Fight in the House.** On the heels of the House vote to release the Epstein files, Congress passed a resolution of disapproval on the actions of Congressman Chuy Garcia (D-IL). He had chosen not to run for re-election right before the filing deadline. This allowed his chief of staff to be the only Democratic candidate in the primary. This was not typical partisan political fighting since the resolution was offered by a fellow Democrat, Congresswoman Marie Gluesenkamp Perez (WA). She felt that Congressman Garcia's actions did not uphold values of promoting democracy. Adding to the intrigue were two failed attempts to censure Delegate Stacey Plaskett (D-VI) and Congressman Corey Mills (R-FL) for unbecoming behavior. The latter case was referred to the Ethics Committee for further consideration. *After being out of session for 54 days, the House demonstrated this week that there are lasting tensions in Washington that will present challenges going forward.*

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