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Subject: Senate Passes Puerto Rico Bill Ahead Of \$2B Debt Payment

PUBLIC POLICY

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TOP NEWS

Senate Passes Puerto Rico Bill Ahead Of \$2B Debt Payment

The U.S. Senate voted Wednesday in favor of legislation that would form a new oversight authority to manage Puerto Rico's debt, sending the bill to President Barack Obama's desk just two days before the territory is set to default on \$2 billion in debt payments

Judge Posner Says High Court Needs Better Appointees

Seventh Circuit Judge Richard A. Posner in a recent article turned his critique of the legal system to the U.S. Supreme Court, saying the most important needed change is improving the quality of its appointees.

Ambiguities In IRS Country-By-Country Rules May Cause Woes

The IRS' final regulations requiring multinational corporations to report financial data for all jurisdictions they operate in could lead to friction with other jurisdictions, as the rules don't define some important terms such as fiscal autonomy or distinguish between independent contractors and employees, experts say.

DOJ Confirms Epic Spike In FCA Penalties

The U.S. Department of Justice confirmed Wednesday that False Claims Act penalties will soon nearly double, making high-stakes FCA litigation all the more dramatic.

GE Capital Wins Removal From SIFI List

U.S. financial regulators on Wednesday said General Electric Co.'s finance arm was released from its designation as a systemically important financial institution, freeing it from enhanced oversight from the Federal Reserve and providing a roadmap for firms seeking to escape stricter regulation.

Gov't Can't Wait Till Just Before Election To Release BAE Docs

A Washington, D.C., federal judge on Tuesday effectively rejected the U.S. Department of State's bid to push back a deadline to cough up documents to the Associated Press regarding a contentious BAE Systems PLC settlement reached during Hillary Clinton's time as secretary of state, noting the proximity to the upcoming election.

Santander Flunks Fed Stress Test For Third Time

The Federal Reserve on Wednesday rejected capital plans filed by Santander Holdings USA Inc. — for the third time — and Deutsche Bank Trust Corp. over concerns about the two banks' data analysis and risk management tools

LAW FIRMS

Barris Sott
Brown Goldstein
Burke Warren
Chapman and Cutler
Cleary Gottlieb
Coats Rose
Cravath Swaine
DLA Piper
Davis Polk
Dentons
Despres Schwartz
Edelson PC
Gibson Dunn
Gray & Associates
Hogan Lovells
Holland & Knight
Jones Day
Kasowitz Benson
Kaye Scholer
Kirkland & Ellis
Lawrence Beach
Levine Sullivan
Locke Lord
Lowenstein Sandler
Lynn Pinker
Mayer Brown
McKeen & Associates
Milberg LLP
Morrison & Foerster
Ogletree Deakins
Patterson Belknap
Pepper Hamilton
Pitt McGehee
Reed Smith

for the second straight year.

NJ's Chris Christie Rips 'Kitchen Sink' Bridgegate Subpoena

New Jersey Gov. Chris Christie's office fired another salvo of invective at a text, email and electronic records request from former public officials facing criminal charges for their alleged role in the Bridgegate scandal, arguing Tuesday that the subpoena covers huge amounts of irrelevant files.

BANKING & SECURITIES

SEC's Int'l Corporate Finance Head Leaving After 22 Years

The attorney who has led the U.S. Securities and Exchange Commission's office of international corporate finance since the early days of the Clinton administration will step down at the end of the month, the regulator announced on Wednesday.

SEC Can Restart Tilton Case Unless High Court Says No

The Second Circuit on Tuesday vacated an order halting the U.S. Securities and Exchange Commission's in-house suit against Lynn Tilton and her Patriarch Partners private equity firms, but gave her time to seek a stay from the U.S. Supreme Court as she presses forward with claims the SEC court is unconstitutional.

Bill To Beef Up CFTC Floated By Democratic Lawmakers

Three Democratic members of Congress, including Sen. Elizabeth Warren, D-Mass., introduced a bill Wednesday that would increase the enforcement powers of the Commodity Futures Trading Commission and pump up its funding through fees on industry participants.

CFTC Urged To Focus On Risk With Automated Trading Rules

A group of associations representing market participants have sent a letter to the U.S. Commodity Futures Trading Commission urging the agency to focus on risk control with its proposed rules to regulate automated and algorithmic trading, and to limit its access to sensitive source code.

ENERGY & ENVIRONMENTAL

Mich. Gov. Asks Judge To Toss Flint Lawsuit

The state of Michigan and Gov. Rick Snyder are urging a Michigan federal judge to dismiss the claims against them in a proposed class action over the Flint water contamination crisis, saying federal law preempts the civil rights claims.

EPA Unveils First-Year TSCA Implementation Plan

The U.S. Environmental Protection Agency on Wednesday unveiled its road map to complying with the first year of requirements under recently enacted reforms to the Toxic Substances Control Act.

City Drops 7th Circ. Petition Over Lucas Museum

The city of Chicago's efforts to get the Seventh Circuit to dismiss a lawsuit over the construction of "Star Wars" creator George Lucas' art museum ended after the appellate court officially dismissed their petition Tuesday, a few days after Lucas said he was taking his project elsewhere.

HEALTH & LIFE SCIENCES

Schulte Roth

Scott Harris

Skadden

Sutherland Asbill

Thompson & Knight

Weil Gotshal

Weitz & Luxenberg

Winston & Strawn

Young & Associates

COMPANIES

AT&T Inc.

Altman Weil Inc.

American Civil Liberties Union

American International Group Inc.

Anheuser-Busch Inbev SA/NV

Associated Press

Audi AG

BAE Systems

BMW Group

BTI Consulting Group Inc.

Bank of America Corporation

Berkeley Research Group

Citigroup Inc.

Competitive Carriers Association

Daimler AG

Deutsche Bank AG

DraftKings Inc.

Edge International Inc.

Facebook

FanDuel Inc.

Friedman LLP

General Electric Capital Corp.

General Electric Company

Goldman Sachs Group Inc.

International Swaps and
Derivatives Association

JPMorgan Chase & Co.

McGraw Hill Financial Inc.

MetLife Inc.

Morgan Stanley

National Association of
Broadcasters

Natural Resources Defense
Council

New York Times Co.

New York University

III. Agency Must Explain Program Decline Amid Class Action

An Illinois department must explain why so many kids appear to have quit an in-home skilled nursing program in the wake of a federal judge's order that the service restart for children with disabilities involved in a class action to get it back, the judge said Wednesday.

MEDIA & ENTERTAINMENT

Pa. House Passes Daily Fantasy Sports Bill

A bill to legalize and regulate daily fantasy sports operators such as FanDuel Inc. and DraftKings Inc. inched closer to reality on Tuesday, as the Pennsylvania House of Representatives passed the legislation and sent it to the state Senate.

EMPLOYMENT

Texas AG Says Schools Can't Lie To Trans Students' Parents

Texas Attorney General Ken Paxton said on Tuesday that the Fort Worth Independent School District's policy allowing schools to keep information about students' gender identities away from parents is in violation of state education law and that the policy was improperly enacted.

PRIVACY & CONSUMER PROTECTION

3 More Women Say Baylor Botched Sexual Assault Response

Three women on Tuesday joined a Texas federal court lawsuit alleging Baylor University was "deliberately indifferent" to allegations of sexual assault and sexual harassment on campus, following a report by Pepper Hamilton LLP finding failures with the school's policies.

DC Circ. Axes Rule Challenge On Airport Kiosks For Blind

The D.C. Circuit on Tuesday rejected the National Federation of the Blind's challenge of a U.S. Department of Transportation final rule requiring airlines to install ticketing kiosks that are accessible to blind people, saying it had initially been filed too late and in the wrong forum.

NC Privacy Group Wants In On Bathroom Law Fight

A nonprofit that includes people who have been sexually abused by opposite-sex perpetrators asked Tuesday to participate in the U.S.' lawsuit challenging North Carolina's now-infamous transgender bathroom law, to protect the constitutional right to bodily privacy of the group's members.

FTC Beefs Up Fines For Premerger Violations, Deceptive Acts

The Federal Trade Commission said Wednesday that to adjust for inflation, the agency has raised its \$16,000 maximum civil penalty to \$40,000 for violations of several law provisions the FTC enforces, including FTC Act Section 5 and the Clayton Act.

PRODUCT LIABILITY

Lead-Tainted Drinking Water Rampant, NRDC Report Says

The lead-tainted drinking water that sent Flint, Michigan, into a tailspin and triggered a slew of lawsuits and criticism of state and federal regulators is hardly unique, according to a report released Tuesday by the Natural Resources Defense Council.

GOVERNMENT CONTRACTS

Nokia Corporation

Prudential Financial Inc.

Quest Diagnostics Incorporated

SABMiller

SunEdison LLC

The Bank of New York Mellon Corporation

The Blackstone Group L.P.

Verizon Communications

Wells Fargo & Co.

XO Communications LLC

Zeughauser Group LLC

GOVERNMENT AGENCIES

Centers for Disease Control and Prevention

Commodity Futures Trading Commission

Defense Contract Audit Agency

Department of Commerce

Employee Benefits Security Administration

Federal Acquisition Regulatory Council

Federal Communications Commission

Federal Reserve System

Federal Trade Commission

Financial Stability Oversight Council

Food and Drug Administration

Immigration and Customs Enforcement

Internal Revenue Service

International Trade Commission
NAFTA

Occupational Safety and Health Administration

Port Authority of New York & New Jersey

Securities and Exchange Commission

U.S. Customs and Border Protection

U.S. Department of Defense

U.S. Department of Education

U.S. Department of Homeland Security

U.S. Department of Justice

DOD Issues Broad Range Of DFARS Tweaks

The U.S. Department of Defense issued a range of final and proposed tweaks Wednesday to the Defense Federal Acquisition Regulation Supplement, including liberalization of a pilot program for nontraditional purchases and a rule waiving restrictions on buying certain Ukraine-made products.

INTERNATIONAL TRADE

ITC Report Lauds Economic Impact Of US Trade Agreements

The U.S. International Trade Commission released a report Wednesday touting the positive economic effects of 30 years of trade agreements, at a time when individuals and recent events have taken aim at two major agreements that are on the negotiating table.

North American Leaders Push Back Against Anti-Trade Barbs

Heads of state from the U.S., Canada and Mexico gathered in Ottawa, Canada, on Wednesday to reaffirm their commitment to trade liberalization, offering a stern rebuttal to voices on the presidential campaign trail and elsewhere that have called for more protectionist policies.

Sens. Keeping Watchful Eye On Trade Bill Implementation

A bipartisan group of senators on Wednesday informed U.S. trade officials that they will be closely monitoring the officials' efforts to implement a trade enforcement bill enacted earlier this year, stressing that the bill's provisions regarding transparency and accountability must be honored.

US Finds \$1.3 Trillion In Goods May Face Foreign Regs

Approximately 92 percent of U.S. goods exported in 2015 — totaling more than \$1.3 trillion — were potentially hindered by technical regulations in other countries, with electronics, cars and mineral fuels among the most heavily affected product categories, according to a government report released Wednesday.

TAX

Christie Urges Senate To OK Higher Gas Tax, Lower Sales Tax

New Jersey Gov. Chris Christie called on the state Senate on Wednesday to approve a legislative package that would increase the gas tax and reduce the sales tax, saying the measures would deliver net tax savings and provide vital funding for improvements to roads, bridges and mass transit systems.

IMMIGRATION

Feds, LA Slam Class Bid In Immigrant Detainee Suit

Two U.S. citizens can't represent a proposed class of immigrants who say Los Angeles County officers held them unlawfully based on federal detainment orders, the U.S. Department of Homeland Security told a California federal court Tuesday.

DOJ Unveils New Fines For Immigration-Related Violations

The U.S. Department of Justice is set to publish a rule Thursday that will increase possible penalties for unlawfully employing immigrants and unfair employment practices tied to immigration, in the wake of budget legislation that was signed into law last fall.

TELECOMMUNICATIONS

[U.S. Department of Labor](#)
[U.S. Department of State](#)
[U.S. Department of Transportation](#)
[U.S. Environmental Protection Agency](#)
[U.S. General Services Administration](#)
[U.S. Railroad Retirement Board](#)
[U.S. Senate](#)
[U.S. Supreme Court](#)
[United Nations](#)

AT&T Blasts Unnecessary 'Reregulation' Of Biz Data Services

AT&T assailed the Federal Communications Commission's proposed regulatory regime for business data services Tuesday as unnecessary pricing "reregulation" belied by the fact that those services really are competitive and thus don't need such control.

AT&T Slams FCC's Broadband Provider Privacy Rules Proposal

AT&T Inc. warned the Federal Communications Commission that proposed broadband provider privacy rules are overly broad and costly, instead urging the agency to stick with a privacy model similar to the Federal Trade Commission's, according to an ex parte filing on Tuesday.

FCC Spectrum Auction Racks Up \$86B Clearing Cost

The first leg of the Federal Communications Commission's experimental incentive auction wrapped up on Wednesday with an \$86.4 billion clearing cost, the amount the government will have to pay broadcasters for their spectrum licenses with the next phase's proceeds.

DC Circ. Axes LPTV Investor's Suit Over FCC Repack

The D.C. Circuit shot down on Tuesday a challenge to the Federal Communications Commission's plan to relocate low-power television broadcasters to different spectrum in the course of the agency's incentive auction, finding an LPTV investor and religious channel lacked grounds to sue the FCC.

PEOPLE

Obama Taps Public Defender To Sit On DC Superior Court

President Barack Obama on Wednesday nominated a director with the District of Columbia's Public Defender Service to serve as a D.C. Superior Court judge less than a month after a D.C. Superior Court judge announced plans to work for Holland & Knight LLP.

EXPERT ANALYSIS

Tips For Drafting Best-Interest Contracts Under DOL Rule

Practitioners drafting agreements to satisfy the U.S. Department of Labor's new best-interest contract exemption will need to ensure the contract also conforms to the financial institution's related customer agreements and disclosures and employs terms designed to protect the firm, say Clifford Kirsch and Allison Wielobob of Sutherland Asbill & Brennan LLP.

Forming Drug Test Policies Through A Haze Of Marijuana Laws

When it comes to protections for medical marijuana users, the tide appears to be turning as some states are revising their laws to include specific discrimination protections for employees. Amanda Wingfield Goldman at Coats Rose Ryman Yale & Lee PC provides practical steps for drafting drug testing policies in states where medical marijuana is legal, and states where recreational and medical marijuana is legal.

Potassium Chloride Should Be Potassium Salt On Food Labels

The recent citizen petition asking the U.S. Food and Drug Administration to consider "potassium salt" as equivalent to "potassium chloride" on food labels will lead to consumer acceptance of potassium chloride, which will in turn

further the FDA's goals of lowering sodium and increasing potassium consumption, says Ashlee Knuckey at Locke Lord LLP.

Inside DOD's Reasonable Approach To Data Rights Rule

The U.S. Department of Defense's long-awaited proposed rule — which makes significant changes to the ways contractors have conducted “data rights” business for almost 50 years — mostly turns the badly written 2012 National Defense Authorization Act's Section 815 into a workable framework. But two particularly troublesome potential pitfalls remain, say Jay DeVecchio and Locke Bell of Morrison & Foerster LLP.

Clean Energy Incentive Program Creates More CPP Confusion

The U.S. Environmental Agency's position regarding its recently proposed Clean Energy Incentive Program makes it challenging for states and the regulated community to understand and implement Clean Power Plan requirements, and is also contrary to relevant precedent, say attorneys at Jones Day.

LEGAL INDUSTRY

When To Cut An Underperforming Partner Loose

In an environment where clients have many options for counsel and little tolerance for waste, it's become more important than ever for law firms to trim the fat. Here, experts offer their advice on when it's time to cut an underperforming partner loose.

3 Men Charged With Murder Of Cuomo Aide, Ex-Jones Day Atty

Three men were charged in New York state court with murder in connection with last year's shooting death of an aide to Democratic Gov. Andrew Cuomo who was a former Jones Day associate, officials said on Wednesday.

DLA Piper Attys Lied Under Oath About Witness Calls: Judge

Two DLA Piper lawyers lied in sworn testimony about telling a potential witness in a prescription drug plan suit to not speak to opposing counsel, a New York federal judge said in a Wednesday order.

SunEdison Shareholder Fights MoFo's 'Ivy League' Rates

A SunEdison Inc. shareholder has criticized fees that Morrison & Foerster LLP charged for helping represent the debtor's unsecured creditors committee, saying in an objection filed on Tuesday in New York that the firm's “Ivy League” rates are exorbitant.

Beach Reads For Your BigLaw Holiday Weekend

Summer vacations are a great opportunity to grab a book and tune out. Whether you're in search of law-inspired escapism or a continuous legal education, Law360 has this suggested reading list for your Fourth of July weekend.

3 Firms Match Cravath Pay Scale As 4th Of July Approaches

With the Fourth of July just around the corner, Kasowitz Benson Torres & Friedman LLP and Kaye Scholer LLP associates in certain offices will receive new salaries on the Cravath Swaine & Moore LLP pay scale, firm representatives confirmed on Wednesday, and a report said that Lynn Pinker Cox & Hurst LLP associates will also get a Cravath match.

Global 20: Hogan Lovells

Hogan Lovells LLP has continued its role as an international heavy hitter in the past year by opening new offices in Australia and working with clients such as SABMiller in its \$107 billion merger with Anheuser-Busch, landing the firm a sixth consecutive place among Law360's annual Global 20.

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