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MARCH 14-18: THIS WEEK

The House expects to consider fiscal 2011 continuing appropriations to prevent a government shutdown. The current stopgap spending law expires March 18.

The Senate plans to take a cloture vote on a motion to proceed with a bill to reauthorize small-business research

and development programs. The move was prompted by threats from conservative senators who said they would block all bills from advancing to the floor unless Democrats make time for proposals to cut spending and address the government's budgetary problems.

Banking/Financial Services

Financial industry lobbyists say that two senators, **Sens. Jon Tester (D-Mont.)** and **Bob Corker (R-Tenn.)**, are expected to unveil a bill soon that would delay for two years a provision of the 2010 financial regulatory overhaul

limiting the amount banks can charge retailers for processing debit card payments. They are also expected to propose a study of the "interchange" fees.

Defense

The **Senate Budget Committee** delivered a bipartisan message to the **Defense and State departments** Thursday, March 10: Even in the midst of war, your budgets will have to come down to help address the national debt. As the committee prepares to write a

budget resolution to guide federal spending for fiscal 2012, its members seem poised to recommend allocations for several agencies — including Defense and State — that may be lower than President Obama would like.

Education

Besides calling on Congress to rewrite the federal education law before the start of the next school year, President Obama pressed lawmakers to preserve education funding. Appropriators are working to craft a compromise to fund the government through September. The House-passed bill — a measure rejected by Senate Democrats — would slash \$11.6 billion from the education department's budget, including funding for programs such

as Title I, which provides assistance to public schools with low-income students, as well as for many of the administration's competitive grant programs, including Race to the Top. At the same time, the GOP spending proposal would inject \$15.5 million into a D.C. voucher program that the administration has been phasing out, and which Republicans are now using as a bargaining chip for signing on to a broad reauthorization.

Energy/Environment/Climate Change

Republicans on the **House Energy and Commerce Committee** are expected to back legislation this week to block the Obama administration from regulating greenhouse gases that have been linked to climate change. **HR 910, the Energy Tax Prevention Act of 2011**

would add a new section to the **Clean Air Act** exempting greenhouse gases from **Environmental Protection Agency's** purview, while repealing numerous agency actions to implement new emission restrictions. It is likely to advance along partisan lines.

Health Care

Senate Finance Chairman Max Baucus (D-Mont.) said Tuesday, March 8, "the votes aren't there" to move the

nomination of **Donald M. Berwick** as administrator of the **Centers for Medicare and Medicaid Services**. The

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Health Care (cont'd.)

comments came days after 42 GOP senators — enough to sustain a filibuster — said they would vote against Berwick's nomination. Baucus declined to say whether

he had any alternative nominees in mind. Berwick is expected to serve until the end of this year, when his appointment expires.

Insurance

In a Wednesday, March 9 letter to the **Treasury Department, Commodity Futures Trading Commission, FDIC, Federal Reserve, SEC** and the **Office of the Comptroller of the Currency, Rep. Spencer Bachus, (R-Ala.) Chairman of the House Financial Services Committee**, voices concern that businesses and consumers wishing to provide comments on proposed regulations are stymied by the volume and pace of rulemakings under the Dodd-Frank Wall Street Reform and Consumer Protection Act. In addition to an explanation of how each agency is addressing that concern, the letter also requests responses to questions regarding the notice and comment period, regulatory impact analysis, Paperwork Reduction Act, and missed rulemaking deadlines.

The **NAIC Executive Committee Task Force on Professional Health Insurance Advisors** will hold a hearing on Sunday, March 27, to solicit comments from all interested parties regarding the impact of the **Medical Loss Ratio (MLR)** requirements of the **Patient Protection and**

Affordable Care Act (PPACA) on health insurance brokers/agents, insurance consumers and insurance markets. In particular, the Task Force is interested in comments regarding: the impact of removing commissions from what is defined as premium under the MLR requirements; whether commissions have been reduced since the passage of the federal law; the impact of a legislative change that treats producer commissions in the same manner as Federal and State taxes for purposes of calculating the MLR.

On Sunday, March 6, the **National Conference of Insurance Legislators (NCOIL)** adopted a resolution urging Congress to extend the effective date for the **Non-admitted and Reinsurance Reform Act (NRRA)** provisions of the Dodd-Frank Act. The resolution, which notes that numerous states have already moved on a Surplus Lines Insurance Multi-State Compliance Compact, urges Congress to extend the effective date of the NRRA until at least July 21, 2012, to give states more time to meet the Dodd-Frank goals.

Trade

The Obama administration has been touting a new era in U.S.-Russia trade relations as the next step in its much-hyped "reset" with Moscow, but Congress is a long way from taking action on legislation necessary to make the White House's words a reality. Normalized trade relations with Russia are likely to face resistance from two separate camps on Capitol Hill: trade advocates, who might use the issue as leverage to move a backlog of free-trade

agreements, and skeptics who do not support warming relations without significant concessions from Russia. Russia does not enjoy most-favored-nation trade benefits with the United States thanks to a 1974 law banning regular trade relations with communist countries and preventing normalization until those countries demonstrate a commitment to freedom of emigration. By virtually all accounts, Russia has met those conditions.

Transportation & Infrastructure

The House is beginning to move forward on a bill to reauthorize the **Federal Aviation Administration (FAA)**, but not quickly enough to head off the need for another short-term extension. Two House panels will mark up their pieces of the reauthorization Wednesday, March 16. They will then have to be merged together with the main bill on the floor. The **Ways and Means Committee** will mark up the bill's revenue title. As introduced, it is a clean extension of the authority to collect and spend aviation-related excise taxes through fiscal 2014. These tax revenues make up the bulk of funding for the FAA. The **Science and Technology Committee** will mark up its piece of the reauthorization, primarily dealing with aeronautics research and development.

Lawmakers are expressing growing frustration that the Obama administration's reluctance to recommend a plan to finance billions of dollars in surface transportation spending is hampering efforts to draft a new highway bill. During a series of recent hearings on the **Transportation Department's** fiscal 2012 budget request, **Transportation Secretary Ray LaHood** has coyly sidestepped lawmakers pressing for specifics on how the administration proposes to pay for a six-year reauthorization bill that would invest \$556 billion and drastically restructure transportation funding accounts.