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DECEMBER 13 - 17: THIS WEEK

The Senate began with procedural votes on a bill to extend expiring George W. Bush-era tax provisions. With funding for the government set to expire December 18, work will continue during the week on fiscal 2011 appropriations. If the tax and spending bills are dealt with, the Senate could turn later in the week to a number of other measures: an arms control treaty with Russia, an

authorization of defense programs, a repeal of the military's "don't ask, don't tell" policy, and a bill regarding the children of illegal immigrants.

The House's week will be determined in large part by the Senate, as the chamber decides whether to clear or amend any tax or spending provisions the Senate sends over.

Defense

A draft continuing resolution in the House contains several provisions that echo "must-pass" portions of the troubled **defense authorization bill**, setting up a backup plan in the increasingly likely event that Congress fails to clear the annual defense policy measure for the first time in nearly half a century. The draft would ensure enactment of several critical provisions that usually ensure the defense authorization bill becomes law. Those provisions include items required for military pay and bonuses, compensation for civilian employees serving in Iraq and Afghanistan and authorities needed for overseas contingency operations.

Senators have quietly tucked \$450 million for a controversial military jet-engine program into a year-end spending bill, defying a presidential veto threat. The effort to continue funding in fiscal 2011 for a second type of F-35 Joint Strike Fighter engine potentially sets up a fight on the Senate floor. Members and aides said the engine money has been put into an omnibus spending bill for multiple agencies, including the Defense Department, that is being drafted by **Sen. Daniel K. Inouye (D-Hawaii)** the Chairman of the Senate Appropriations Committee.

Education

In the latest draft of a continuing resolution circulating Tuesday, December 7, on Capitol Hill, low-income college students would be spared cuts in tuition grants as a result of increased Pell grant funding. But the draft measure to keep the government running through fiscal 2011 freezes spending levels for most federal grant programs for public schools, leaving

state and local governments with no additional resources as they face declining state and local tax receipts. The administration had asked appropriators for \$800 million for Race to the Top in fiscal 2011. But the current draft provides only \$300 million for the program, originally funded at \$4.3 billion as part of the economic stimulus package.

Health Care

On Thursday, December 9, the Senate failed, 57-42 to move forward on **HR 847, the James Zadroga 9/11 Health and Compensation Act of 2010**. It is unlikely that the legislation, which would provide health services and compensation to September 11 responders, would be enacted on its own before the year end, after all GOP Senators promised to oppose any bills until year-end spending and tax bills are taken up.

physician payment rates, giving lawmakers up to a year before they revisit the matter, which they already considered several times this year. **HR 4994, the Medicare and Medicaid Extenders Act of 2010** would freeze current payment rates until December 31, 2011, and would avert a 25 percent cut in the rates scheduled to take effect January 1. The House voted, 409-2, to concur in the Senate amendments to the bill, thus passing the measure, which the Senate passed by unanimous consent Wednesday, December 8. President Obama is expected to sign it.

The House on Thursday, December 9, cleared a measure to provide a one-year extension of Medicare

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Immigration

On Wednesday, December 8, the House passed, 216-198, the **DREAM Act**, a bill that would provide a path to legal residency for hundreds of thousands of young, undocumented immigrants first brought to the United States illegally by their parents. Among the changes made to the House bill were a lower age cutoff of 30 and leaving in place a federal ban on in-

state tuition for illegal immigrants. It also would specify that applicants must join the armed forces — not just the uniformed services, which includes the National Oceanographic and Atmospheric Administration and the U.S. Public Health Service. Chances of the bill clearing the Senate are still unlikely.

Insurance

On Wednesday, December 1, **Sen. Dick Durbin (D-Ill.)** and **Sen. Chuck Schumer (D-N.Y.)** introduced **S 3994, the Flood Insurance Affordability and Risk Notification Act**. The legislation would delay the mandatory purchasing of flood insurance in communities newly included in designated flood zones. The bill provides for a five-year delay followed by a five-year phase-in period. Insurance industry representatives have called on Congress to address the significant structural flaws in the National Flood Insurance Program, one of which is its reliance on outdated flood plan maps, rather than pursuing a piecemeal approach.

An effort to repeal Section 9006 of the **Patient Protection and Affordable Care Act** which mandates that beginning in 2012 all companies will have to issue 1099 tax forms not just to contract workers but to any individual or corporation from which they buy more than \$600 in goods or services in a tax year, has again failed. It has been reported that Democrats attempted to add the 1099 repeal provisions to the Republican supported tax-cut legislation but Republicans did not allow any add-ons to the legislation. Both parties continue to indicate their intent to work on a repeal of the provision.

Labor, Pensions and Retirements

Senate Democrats were unable to advance a bill Wednesday, December 8, that would extend collective bargaining rights for public safety workers, dooming the once-bipartisan measure for the rest of the year, if not longer. **S 3991, the Public Safety**

Employer-Employee Cooperation Act of 2010 would provide collective bargaining rights to police officers, firefighters and other public safety workers in states that do not allow them to join unions.

Tax

On Monday, December 13, 64 Senators voted to end a filibuster by **Sen. Bernie Sanders (I-Vt.)** to block the \$858 billion package of tax cuts and benefits. The Senate voted 81-19 on Wednesday, December 15, to

approve the tax bill. The House is expected to vote on a rule for the Senate-passed bill later that evening, with a final vote on Thursday, December 16.

Transportation and Infrastructure

Drafts of the continuing resolution would fully extend surface transportation programs, which expire December 31. In the case of expiring aviation programs, the spending measure would continue only capital grants for airports, known as the Airport Improvement Program. The House has passed a stand-alone aviation extension **HR 6473, Airport and**

Airway Extension Act of 2010, Part IV, which would continue **Federal Aviation Administration (FAA)** programs through March 31, 2011; the Senate has yet to act on the bill. The draft of the continuing resolution that has been circulating is unofficial, but the two transportation extensions are among the provisions most likely to stick.