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MARCH 8 - 12: THIS WEEK

The House reconvened Tuesday to consider several commemorative resolutions as well as measures to encourage debt relief for Haiti and provide tax breaks for earthquake relief in Chile. The Senate reconvened on Monday to consider bills to extend tax provisions, create jobs, and reauthorize funding for the FAA.

The **Senate Health, Education, Labor and Pensions Committee** will hold a hearing on Tuesday, March 9, to begin work on reauthorization of the **Elementary and Secondary Education Act**, known as No Child Left Behind.

Budget/Appropriations

On Thursday, the House passed an amended version of **HR 2847, the Hiring Incentives to Restore Employment Act**, \$15 billion jobs bill. The bill, which now must return to the Senate for passage, was amended by the House in an effort to comply with the Pay-As-You-Go rules now in effect. The Senate had previously passed the bill on February 24, by a vote of 70-28, after waiving the pay-as-you-go rule.

Also on Thursday, **Rep. Norman Dicks (D-Wash.)** was chosen to head the **House Appropriations Defense Subcommittee**, while **Rep. James Moran, (D-Va.)**, took his post as Chairman of the **Interior-Environment Subcommittee**. Dicks replaces the late **Rep. John Murtha (D-Pa.)**, whose memorial was held on Capitol Hill on Wednesday. A new member will be appointed to the House Appropriations Committee in the near future.

Leadership

On Wednesday, **Rep. Charles Rangel (D-N.Y.)** temporarily gave up the gavel of the **House Ways and Means Committee** in light of his recent admonishment by the

House Ethics Committee. **Rep. Sander Levin (D-Mich.)** was named acting Chairman on Thursday.

Banking/Financial Services

Senate Banking Chairman Chris Dodd (D-Conn.) and **Ranking Member Richard Shelby (R-Ala.)** continued discussions last week over the potential status of a new consumer watch-dog institution that would seek to protect consumers from predatory financial products and practices. While Sen. Shelby submitted two different proposals outlining the powers and status of a new consumer protection council, Chairman Dodd

has shown dissatisfaction with both of the proposals. Dodd called for the new consumer protection institution to have autonomous rule-writing authority in addition to the power to examine and enforce rules on large banks and mortgage companies. In an effort to gain support from Republicans, Dodd would allow the institution's prudential regulator to appeal decisions made by the consumer protection bureau.

Defense

On Wednesday, the **House Armed Services Subcommittee on Seapower and Expeditionary Forces** held a hearing on Navy shipbuilding which addressed issues and concerns surrounding rising ship costs. The Navy's need to replace some aging vessels has led the Navy to request major funding for the 2011 fiscal year, \$672 million, which would grow to \$955 million in 2015 for designing new submarines. The high costs of building each new submarine of \$7 billion is expected to erode the Navy's ability to fund construction

of other vessels such as aircraft carriers, destroyers, and supply ships. In addition, the Obama administration will soon reveal its policy towards nuclear weapons after its scheduled negotiations with Russia on a new strategic arms reduction treaty. While these negotiations could reduce the size of the U.S. nuclear inventory, submarines carrying nuclear weapons are expected to maintain their important role in the U.S. arsenal since they are less vulnerable to attack than land-based missiles.

Energy/Environment/Climate Change

Energy Secretary Steven Chu testified before the Senate Appropriations Energy and Water Subcommittee on Thursday. Questions have recently arisen regarding the use of \$33 billion in stimulus money that the department received last year. Many lawmakers are dissatisfied with the pace of the spending of the stimulus money, which was meant to be "timely, targeted, and temporary" spending. The department has only spent a little over \$2 billion on projects. Some lawmakers, led by **Sen. Charles Schumer**

(D-N.Y.), are calling for a freeze of stimulus spending on renewable energy grants because they believe a majority of the money has ended up going to foreign wind turbine manufacturers and has not gone towards creating jobs in the U.S. Secretary Chu disagrees with the report and has argued that the money going to foreign companies has led to the employment of American workers and that the slow pace of spending is due to environmental reviews of projects and the slowness of states to process their new funds.

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Energy/Environment/Climate Change (cont'd.)

On Thursday, two West Virginia Democrats, **Senate Commerce, Science and Transportation Committee Chairman Jay Rockefeller** and **House Natural Resources Committee Chairman Nick Rahall** both introduced bills to delay regulation of greenhouse gas emissions by the EPA for two years. Last year, the EPA found that greenhouse gases endanger human health, triggering a requirement

for regulation under clean-air laws, but EPA Administrator Lisa Jackson announced last week that such regulations would be delayed until at least next year, in an effort to persuade Congress to address these issues. Republican **Sen. Lisa Murkowski (R-Ark.)** and **Rep. Joe Barton (R-Texas)**, have previously introduced resolutions that would remove the EPA's power to regulate greenhouse gases.

Health Care

President Obama and Democrats have added in Republican-favored measures to the health care overhaul legislation in an effort to give the bill greater credibility as a bipartisan plan. These measures include some cost-control provisions and medical malpractice reform. President Obama has called for the Senate to move to an up-or-down vote on the comprehensive bill using reconciliation.

On Thursday, President Obama invited a large group of House Democrats to the White House, including representatives of the New Democrat Coalition and the Congressional Progressive Caucus in order to address their concerns and rally support for the Senate bill. **House Majority Leader Steny H. Hoyer (D-Md.)** wants a floor vote on health care reform before Congress adjourns for its two-week spring recess, which begins March 26, 2010.

Insurance

On Wednesday, the House passed **HR 2554, the National Association of Registered Agents and Brokers Reform Act of 2010**, which would provide for a national system to license insurance agents and brokers. The bill passed by voice vote with 44 bipartisan co-sponsors and now moves to the Senate where its prospects for passage are uncertain. The bill received support from many sectors of the insurance industry.

supported antitrust legislation when Sen. Leahy introduced it in September, but an antitrust exemption amendment sponsored by Sen. Leahy was not included in the Senate's health reform bill.

Sen. Patrick Leahy (D-Vt.) and 21 Senators sent a letter on Wednesday to **Senate Majority Leader Harry Reid (D-Nev.)**, pressing him to schedule a vote on legislation that would repeal the federal antitrust exemption for health insurers. The House passed the **Health Insurance Industry Fair Competition Act** on February 24, 2010. Sen. Reid

A short term extension of the National Flood Insurance Program ("NFIP") was passed as part of **HR 4691, the Temporary Extensions Act of 2010** on Tuesday. The NFIP, which had expired on February 28, 2010, was extended through March 28, 2010. The extension was not retroactive, but a FEMA guidance issued March 4, provides that policies that would have had an effective date of March 1 or 2, may be issued with an effective date of March 1 or 2.

Tax

On Tuesday, the Senate passed HR 4691, after a six-day filibuster by **Sen. Jim Bunning (R-Ky.)**, who objected to the \$10.3 billion measure on the grounds that the cost should be offset. Democratic leadership reached an agreement with Sen. Bunning that he would be able to propose an amendment to offset the cost, however the amendment was rejected by the full Senate. President Obama promptly signed the bill, which temporarily extended unemployment insurance, surface transportation funding, COBRA health benefits, a fix to Medicare payments to physicians, the NFIP, Small Business Administration loans, and a law governing transmission of broadcast television signals via satellite services, all of which had expired on February 28.

Senate Democrats then moved on to work on **HR 4213, the Tax Extenders Act of 2009**, a \$149.3 billion package that seeks to both extend those recently-expired tax breaks and to provide emergency subsidies to several federal programs. The package designates a large portion as "emergency" funding, which does not require offsetting its cost. The "tax extenders" portion of the bill includes \$31 billion in research and development credit, deduction for teachers' out-of-pocket expenses and incentives for producing biofuels in addition to extending tax breaks for people affected by natural disasters and tax incentives for investment in economically distressed areas.

Trade

A group of 11 Senators led by Chairman Dodd and **Sens. Sherrod Brown (D-Ohio)**, and **Lindsey Graham (R-S.C.)** have recently expressed deep concern for the manufacturing sector of the U.S. and have called upon the Obama administration to develop a strategy to help the U.S. regain a competitive edge in manufacturing. The Senators, who sent a letter to President Obama on Monday, argue that without a competitive manufacturing sector, job

opportunities for middle class families will be extremely limited and will make it difficult for the U.S. to have a globally competitive economy. Measures called for by the group include investment in emerging technologies, improving market access for U.S. exports, strengthening infrastructure, and ensuring stable capital markets. The letter stresses that all departments of the executive branch must be coordinated and committed to these goals.