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SEPTEMBER 20-24: THIS WEEK

After failing to pass a procedural vote that would have moved the FY2011 defense authorization bill closer to a vote, the Senate continues consideration of the bill, but no further action is expected until November. The chamber also could consider a campaign finance disclosure bill in advance of a planned procedural vote.

The House considers a number of measures under suspension of the rules, as well as taking up the Senate version of the small-business incentives package.

Defense

On Tuesday, September 21, Senate Republicans blocked a measure to invoke cloture on the **National Defense Authorization Act for Fiscal Year 2011 (S 3454)**. **Majority Leader Harry Reid (D-Nev.)** rejected their offer to limit initial debate to strictly defense-related amendments. Senate Democrats wanted to attach amendments to the bill that would create the **DREAM Act (S 729)** and that would repeal the don't ask, don't tell policy. The Senate will continue working on the authorization bill, but it is unlikely to pass before the elections. The chamber also could consider a **campaign finance disclosure** bill in advance of a planned Thursday procedural vote.

striking funding for the joint strike fighter, and more than \$8 billion for programs not requested by the administration.

On Thursday, September 16, the **Senate Appropriations Committee** favorably reported **HR 5136**, the House version of the **National Defense Authorization Act for Fiscal Year 2011**. The bill appropriates \$669.9 billion in defense spending. Amendments to the bill include

Thursday, September 16, the Senate passed by voice vote, **HR 6102**, a bill that would extend the authority of the Navy secretary to enter into multi-year contracts for the F/A-18E/F Super Hornet and the EA-18G Airborne Electronic Attack aircraft. The bill would amend the fiscal 2010 defense authorization law, which authorized the Navy to enter into a multi-year procurement contract for the planes if the Defense secretary certified that such a contract would result in a certain level of cost savings.

Energy/Environment/Climate Change

On Tuesday, September 21, a bipartisan group of senators will introduce stand-alone legislation incorporating the mandate from a broader energy bill that advanced in committee last year. **Energy and Natural Resources Chairman Jeff Bingaman (D-N.M.)**, and **Rep. Sam Brownback (R-Kan.)** will offer the bill, which Bingaman spokesman Bill Wicker said would be "very, very close" to the renewable-energy standard included in

legislation (S 1462) that Bingaman's panel approved, 15-8, in June 2009. That measure would require that 15 percent of U.S. electricity be generated from wind, solar or other renewable sources by 2021.

On Thursday, September 16, the House passed **HR 4785**, the **Rural Energy Savings Program Act** by a vote of 240-172. The bill

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

would authorize \$5 billion over five years for two new energy-efficiency loan programs: \$850 million annually for Home Star, to be administered by the Energy Department, and \$150 million annually for Rural Star, to be administered by the Department of Agriculture.

Health Care

On Thursday, September 16, the **House Energy and Commerce Subcommittee on Health** approved by voice vote a bill that would direct the Department of Health and Human Services to ask about individuals' sexual orientation and gender identity if they participate in HHS programs or surveys. The provisions of the measure also were included as part of a broader **HR 3001**, the **Ending LGBT Health Disparities Act**, introduced by **Rep. Tammy Baldwin (D-Wis.)** to address health disparities for the LGBT population.

Senators pledged on Thursday, September 16, to pass legislation that would allow funding of embryonic stem cell research. However, they said that action would wait until after the November elections, and may spill over into next year. **Senator Arlen Specter (D-Pa.)** introduced **S 3766**, the **Stem Cell Research Advancement Act of 2010**, which was designed to get around a ruling by a District court judge on August 23, that blocked President Obama's executive order to expand federal spending on stem cell research.

Immigration

On Wednesday, September 15, **Sen. Robert Menendez (D-N.J.)**, along with members of the Congressional Hispanic Caucus, said he would press for action on a broad immigration overhaul that has proven elusive all session, along with narrower language aimed at providing legal status and a path to citizenship for some young adults. Menendez stated that he plans to introduce comprehensive legislation by October that would include a path to citizenship for undocumented immigrants.

Insurance

In early August, **Sens. Mark Pryor (D-Ark.)** and **John Rockefeller IV (D-W.Va.)** introduced the **Insurance Competition and Transparency Act of 2010 (S. 3685)** that strikes a provision in the **Federal Trade Commission (FTC) Act** that restricts the FTC's authority to investigate and disclose information about practices employed by insurance companies. The legislation gives the

Tax

Speaker Nancy Pelosi (D-Calif.) opposed calls for across-the-board extension of Bush-era tax cuts on Thursday, September 16. However, she declined to comment on whether the issue would receive a vote before the November elections. Pelosi restated her support for an extension of the 2001 and 2003 tax cuts, which expire December 31, only for income under \$200,000 for individuals and under \$250,000 for married couples. Her comments came a day after **Majority Leader Steny H. Hoyer (D-Md.)**, said he was "prepared to discuss alternatives" and did not rule out an extension of all the tax cuts, though he reiterated his strong preference for extending the cuts only for those in the income brackets Pelosi mentioned.

Telecommunications

On Wednesday, September 15, **Rep. Cliff Stearns (R-Fla.)**, stated that an agreement had been reached after a series of stakeholder meetings between lawmakers, Internet access providers, such as AT&T Inc. and Verizon Inc., and other major technology companies. The discussions have yielded a compromise that lawmakers hope will forestall new regulations by the Federal Communications Commission. Details of the compromise are unclear, but Stearns said that it draws upon a bilateral legislative proposal made by Verizon and Google Inc. last month.

House Judiciary Subcommittee on Commercial and Administrative Law on Wednesday, September 15, approved, by voice vote, **HR 1521**, the **Cell Tax Fairness Act of 2009**, which would restrict for five years the ability of state and local governments to impose new taxes on mobile phone services or providers that are higher than taxes on other businesses. The measure also would allow the creation of a new tax — or the modification of an existing one — that replaces one or more existing taxes on cell phone services, provided the new taxes would not bring in more revenue than the existing requirements.

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Insurance (cont'd.)

FTC the freedom to conduct studies, prepare reports, and release information relating to insurance companies without first receiving a written request from the Senate Commerce or House Energy and Commerce Committees. According to Sen. Pryor, (Chairman of the Senate Subcommittee on Consumer Protection, Product Safety and Insurance), the legislation allows the FTC to police anti-competitive practices of all insurance companies, regardless of whether or not they claim nonprofit status. The bill has been referred to the Senate Commerce Committee.

In recent letters to **Treasury Secretary Geithner**, insurance industry trade groups applaud the establishment of the **Federal Insurance Office (FIO)** in the Treasury Department as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The trade groups also cite several issues they believe are critical to the insurance industry and should be considered during the development and implementation of the FIO, including that the Director have the experience and stature necessary to represent the U.S. internationally, preparing and presenting to the Congress important reports on the health and regulation of the industry, and working with senior executives in the industry

and regulatory community in furtherance of the goal of becoming the federal government's warehouse of knowledge on all important aspects of the industry.

Last week, the Senate defeated an effort to repeal a tax-reporting provision of the new health care reform law. The provision requires all businesses, nonprofit entities and governments to file a 1099 form with the IRS reporting any purchases of goods or services of \$600 or more in a tax year. The **U.S. Chamber of Commerce** and insurance agent and broker associations voiced their opposition to the provision, asserting that the provision will significantly increase costs and bureaucratic red tape for businesses across the country.

On Tuesday, the Senate passed by unanimous consent, **S. 3814**, the **National Flood Insurance Program Reextension (NFIP) Act of 2010**. S. 3814, introduced by **Sen. David Vitter (R-La.)**, extends the NFIP until September 30, 2011. Without House action, the NFIP faces a September 30, 2010 expiration. Industry trade associations have voiced their support of S. 3814 and urge the House to pass the extension before Congress breaks for the mid-term elections.

 Transportation and Infrastructure

Thursday, September 16, a new tax extenders bill was introduced in the Senate that would change how the way highway funds are distributed. At issue is a provision in the jobs bill that would distribute some new highway funds under criteria established in the last surface transportation law, effectively steering most of the money to four states while giving 22 states nothing. The fix **Rep. James Oberstar (D-Minn.)**

wanted — contained in the latest tax extenders bill, the **Small Business and Infrastructure Jobs Tax Act of 2010 (HR 4849)** — would run the money through regular highway funding formulas, plus about \$100 million extra. The change would distribute it more evenly among states.