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NOVEMBER 9 - 13: THIS WEEK

This week will be short, as both the House and Senate plan to recess for Veterans Day. The

Senate recessed early so that Senators could attend the memorial service at Ft. Hood.

CONGRESSIONAL UPDATE BY ISSUE

Congressional Affairs

Two new Democratic Members of the House were sworn in last week following Tuesday's special elections in California's 10th District and New York's 23rd District. Former California Lieutenant Governor **John Garamendi** succeeds Ellen

Tauscher, who resigned to become Undersecretary of State for Arms Control and International Security; attorney and Air Force veteran **Bill Owens** takes over for Republican John McHugh, who resigned to become Secretary of the Army.

Budget/Appropriations

On Thursday, the Senate approved the FY 2010 Commerce-Justice-Science appropriations bill by a vote of 71-28. The measure includes \$27.38 billion for the Justice Department, \$14.04 billion for the Commerce Department, and \$6.9 billion for the National Science Foundation. Conferees were named to reconcile difference with the \$64.4 billion C-J-S bill passed by the House in June.

which **Majority Leader Harry Reid (D-NV)** hopes to clear early this week before the Veterans Day recess.

The Treasury announced on Wednesday that Congress will have until mid-or late-December before it has to pass legislation raising the statutory limit on how much money the government can borrow, two months later than originally requested by **Secretary Timothy Geithner** in August. Questions still remain however about exactly how Democratic leaders will proceed to clear the legislation.

The Senate then moved on to the FY 2010 Military Construction-Veterans Affairs appropriations bill,

Banking/Financial Services/Insurance

On Wednesday, the House passed HR 3639, the Expedited CARD Reform for Consumers Act of 2009. This bill makes the new credit card rules enacted earlier this year effective immediately, rather than the original date of February 2010.

Reserve. **Rep. Melvin Watt (D-NC)** and **Rep. Ron Paul (R-TX)** are the two main negotiators and appear to agree in principle, however more work is needed on the language in order to balance the desire for more information from the Fed with the need to preserve its ability to independently and effectively carry out monetary policy.

The **House Financial Services Committee** continued work on marking up numerous financial regulatory bills that will be assembled into a single package, and **Chairman Barney Frank (D-MA)** announced on Thursday that the markup would stretch to November 20.

Bills to be included in the package that have yet to be taken up include HR 2609, the Federal Insurance Office Act of 2009 and HR 3904, the Overdraft Protection Act of 2009.

The Committee passed HR 3817, the Investor Protection Act of 2009, which authorizes \$9.9 billion over five years for the Securities and Exchange Commission in order to help the agency strengthen securities laws in relation to investor rights, investment advisers and broker-dealers.

Meanwhile **Senate Banking Chairman Chris Dodd (D-CT)** intends to unveil his financial sector overhaul draft legislation this week. Dodd has laid out a broad map of his plan, however details have been closely held and work has taken place mostly behind closed doors. Most of the goals are in line with the House legislation, however Dodd's proposal is expected to include a consolidation of federal banking regulators, an idea not supported by Secretary Geithner or Chairman Frank.

Members of Financial Services continued to negotiate over legislation to expand the Government Accountability Office's ability to audit the Federal

Banking/Financial Services/Insurance (cont'd.)

Chairman Dodd is planning to have a hearing on the discussion draft the week of November 16, and mark up the bill after the Thanksgiving recess. Ranking Member **Richard Shelby (R-AL)** does not support the quick timeline proposed by Chairman Dodd.

Defense

On Thursday, the **House Transportation and Infrastructure Committee** backed legislation to make FEMA an independent agency again, after more than six years of being under the Homeland Security Department.

Although not on the front burner, the effort to renew the federal government's domestic surveillance powers has Democrats grappling with a handful of issues, causing some lawmakers to acknowledge that Congress might have to pass a short-term extension to buy more time. Lawmakers are up against the clock, as key provisions of the USA PATRIOT Act and a related intelligence law will expire December 31. No less than six bills have been introduced in the House and Senate to address the expiring provisions, revealing divisions among lawmakers that everyone agrees must be overcome.

Two bills have come to the forefront, one that was approved by the **House Judiciary Committee** last week and a measure approved by the **Senate Judiciary Committee** in October. Both would reauthorize the ability of the government to use roving wiretaps to monitor the communications of suspects and to obtain Section 215 court orders seeking tangible evidence for investigations.

Energy/Environment/Climate Change

On Thursday, the **Senate Environment and Public Work Committee** approved the Kerry-Boxer climate change bill (S 1733) which would set federal caps on greenhouse gases linked to global warming. The legislation passed the committee 11-1, with only one Democrat, **Finance Committee Chairman Max Baucus (D-MT)** voting no because of the bill's 20 percent reduction target. The Republicans on the committee boycotted the markup after an unsuccessful appeal to **Chairwoman Barbara Boxer (D-CA)** that the vote be delayed until after further EPA analysis. The Finance, Agriculture, Commerce, and Foreign Relations panels all have jurisdiction over parts of the bill, which is expected to be merged with separate draft legislation that the Energy and Natural Resources Committee passed earlier this year.

Immigration

Congressional Hispanic Caucus members threatened early last week to oppose the healthcare bill if the bill's language was changed to echo the immigration restrictions in the Senate bill. The **Senate Finance Committee** bill would exclude illegal immigrants from buying health insurance through the exchanges. Thursday night, House Democratic leaders decided not to change the healthcare bill. This announcement came after members of the CHC met with President Obama to discuss the bill.

Health Care

Health Care Reform—House On Saturday evening, the House passed the Affordable Health Care for America Act (H.R. 3692), by a vote of 220-215. Only one Republican voted for the bill, freshman **Rep. Joseph Cao (R-LA)**. House Democratic leaders allowed an amendment to extend the ban on federal funding for abortion in order to get needed the votes. If the provision becomes law, insurers selling plans through a new "exchange," or marketplace, including a government-run public option, could not offer policies covering elective abortion to people who receive federal subsidies for their premiums. The Democrats were unified in rejecting a Republican substitute amendment to their bill that was offered by **Minority Leader John Boehner (R-OH)**. That measure, which failed on a 176 to 258 vote, would have made only minimal changes to the current health care system, potentially extending coverage to only about 3 million of the 54 million people who would be uninsured by 2019, according to Congressional Budget Office ("CBO") estimates.

Passage of the bill was aided on Thursday, when AARP, the American Medical Association, the American Cancer Society's Cancer Action Network and the Association for Community Affiliated Plans announced their support.

Health Care Reform—Senate Because **Majority Leader Harry Reid (D-NV)** does not know when analysis of the draft overhaul proposals that he presented two weeks ago to the CBO will be available, the Senate health care overhaul debate may push into December. The Senate will not debate the bill until the CBO scores are released. The Washington Post reports that "Senate Democratic leadership aides said they don't expect the CBO to deliver an official cost analysis of the Senate health-care reform legislation until next week at the earliest" (Murray, 11/2). Thus, a final vote may slip into 2010. According to Politico, "[i]n order to have a shot at a year-end bill signing, Reid would have to introduce a bill this week and wrap it up by Thanksgiving, giving House and Senate leaders the month of December to reconcile the differences between the two bills and pass the conference report through both chambers" (Frates and Budoff Brown, 11/3).

Last Wednesday, twenty surgical organizations, led by the American College of Surgeons, sent a letter to the U.S. Senate stating they are prepared to oppose the Senate's health care reform bill because it will threaten patient access and harm quality. Surgeons state that as the legislation currently stands, it fails to address some of the fundamental problems that plague the health care system.

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Labor & Employment

Both the House and Senate approved legislation (HR 3548) to extend unemployment benefits by 14 weeks in all 50 states and an extra 6 weeks in states with high unemployment rates. The President is expected to sign the bill soon.

House Ways and Means Income Security Subcommittee Chairman Jim McDermott (D-WA)

said on Thursday that he would push to extend unemployment insurance benefits through all of 2010 before the end of this year. The projected cost of such a program is potentially \$80-\$85 billion and might face a politically difficult road. Roughly 90 percent of the unemployment insurance extension would be borne by general revenues and the rest from payroll taxes paid by employers.

Tax

In addition to extending unemployment benefits, HR 3548, the Worker, Home Ownership, and Business Assistance Act of 2009, which passed both the House and Senate last week, also included a popular tax credit for homebuyers and tax relief to money-losing businesses, added as amendments by the Senate. The bill extends the \$8,000 credit for first-time homebuyers who enter sales

contracts by April 30, 2010, and close within 60 days, as well as a \$6,500 credit for current homeowners who purchase a home, as long as they have lived in their current one for five consecutive years. The Senate changes to the bill also expanded a tax break for businesses, allowing them to apply net operating losses for 2008 and 2009 to profits from the past five years.

Telecommunications

Senate Commerce Chairman Jay Rockefeller (D-WV) has expressed concern that the FCC has been lowering expectations about the broadband plan requested by Congress. The plan, which consists of a blueprint for extending broadband service to underserved and unserved areas, boost adoption

among the 33 percent of citizens who choose not to subscribe and dramatically increase the speed and capacity of broadband networks, will be submitted to Congress on February 17. Last week Sen. Rockefeller strongly urged the FCC to present a plan with concrete action and timelines.

Transportation and Infrastructure

After failing to secure commitments last week for unanimous consent in the Senate to extend the 2005 surface transportation authorization, supporters are working to get an agreement to bring the bill to the floor without having to file for cloture. Meanwhile, **House Transportation and Infrastructure Committee Ranking Member John Mica (R-FL)** is working on alternative proposals to provide quick funding for transportation projects, including a two year jobs bill that would use untapped money from the economic stimulus and bank bailout laws. Mica cited increased pressure from contractors who are faced with laying off workers because project funding is dwindling.

Rep. Peter DeFazio (D-OR) who is the Chair of the **Highways and Transit Subcommittee** in the House, expressed that he is still pushing for a six-year authorization, but would support front loading the legislation with general fund to spark action in states sooner, an idea originally put forth by **Senate Majority Whip Dick Durbin (D-IL)**.