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## FEBRUARY 21-25: THIS WEEK

The House and Senate are both in recess until Monday, February 28.

### Defense

As part of **HR 1, the Full-Year Continuing Appropriations Act of 2011**, which was passed by the House on Saturday, February 19, by a vote of 235-189, funding for the F-35 Joint Strike Fighter alternative engine program was eliminated.

The House on Thursday, February 17, sent a short-term extension of several anti-terrorism authorities to President Obama, just ahead of their February 28 expiration. After more than a week of legislative

maneuvering, the House cleared a 90-day renewal of three provisions of the 2001 anti-terrorism law known as the **Patriot Act**. The measure was cleared by a vote of 279-143. The Senate backed the short-term proposal late on Tuesday, February 15, as leaders were running out of time to reconcile competing extension proposals: a Republican bill to make the provisions permanent and a pair of Democratic bills to extend the provisions through 2013.

### Education

In a victory to the for-profit college industry, the House adopted an amendment Friday, February 18, that would block the Obama administration from implementing new regulations aimed at curtailing deceptive marketing practices by the schools. But the amendment, which is attached to a seven-month spending bill, faces more-difficult prospects in the Democratic Senate, where **Health, Education, Labor and Pensions Chairman Tom Harkin (D-Iowa)** has led a campaign against what he contends are industry-wide abuses.

President Obama's first effort to build bipartisan momentum in Congress for a rewrite of **"No Child Left Behind"** hit a snag Thursday, February 17, when four House members had to leave a White House meeting to cast votes on the House floor. The President and **Education Secretary Arne Duncan** went on to meet with a bipartisan group of senators — all of whom had already committed to the long-stalled reauthorization.

### Energy/Environment/Climate Change

An amendment by **Rep. John Carter (R-Texas)** to curb the power of the **Environmental Protection Agency (EPA)** by blocking the use of federal money to enforce rules covering a sector of the cement industry, was adopted, 250-177, on Thursday, February 17.

A bipartisan group of senators introduced legislation Thursday, February 17, aimed at stopping federal energy

regulators from forcing consumers to share the cost of building high-power electric lines from distant wind and solar energy facilities. **Sen. Bob Corker (R-Tenn.)** and four other senators are backing a bill that would bar the **Federal Energy Regulatory Commission (FERC)** from spreading the cost of building expensive new transmission lines beyond the customers who would benefit from the new energy projects.

### Health Care

An amendment to HR 1, presented by **Rep. Danny Rehberg (R-Mont.)** and was adopted by the House, 239-187, prohibits using funds from the **Department of**

**Health and Human Services (HHS)** portion of the measure to pay employees or contractors to implement the health care overhaul. The amendment's

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## Health Care (cont'd.)

adoption makes the spending bill even more objectionable to Democrats and sets up another major obstacle to any agreement with the Senate.

House Republicans advanced two measures Thursday, February 17, that would replace a widely criticized business-tax reporting requirement in the 2010 health care law, but differences in Senate-approved language could complicate the road to enactment. On a party-

line 21-15 vote, the **House Ways and Means Committee** approved a fully offset bill to eliminate a tax reporting requirement for businesses and owners of rental real estate. The panel also approved, by voice vote, a bill that would similarly strike the provision in the health care law that requires businesses to file a 1099 form with the IRS for every vendor to whom they pay more than \$600 a year. However, that measure does not include an offset.

## Insurance

In a Wednesday, February 9 letter to **U.S. Treasury Secretary Timothy Geithner**, leadership of the **National Association of Insurance Commissioners (NAIC)** expresses concern about the manner in which the Treasury Department has chosen to implement the Dodd-Frank **Financial Stability Oversight Council (FSOC)**. According to the letter, the Treasury Department, either independently or in concert with other member agencies, has limited the NAIC's ability to meaningfully participate in FSOC's work and provide the insurance sector's regulatory perspective. The letter states that the FSOC participation is heavily weighted to the banking and securities sectors, and with FSOC moving forward on a rapid timeline of implementation, the credibility of FSOC decisions that impact insurance will be jeopardized without appropriate insurance regulatory participation in these efforts.

On Tuesday, February 15, 16 Representatives sent a letter to President Obama voicing their concern that six months after the enactment of Dodd-Frank, the positions of the Federal Insurance Office Director and the insurance expert (as a voting member) on the FSOC remain unfilled. The Senators note that the FSOC has already met and acted on issues which directly impact the insurance sector.

Also on Tuesday, February 15, Republican members of the **Senate Banking Committee** sent a letter to the **Treasury, Federal Reserve, Commodity Futures Trading**

**Commission, SEC, FDIC** and the **Office of the Comptroller of the Currency**, to ask the regulatory agencies charged with implementing the Dodd-Frank Act to employ fundamental principles of good regulation in fulfilling their statutory mandate and not sacrifice quality and fairness in exchange for speed. The Senators voiced their concern that regulators are not allowing adequate time for meaningful public comment on their proposed rules.

It has been reported that **Rep. Mike Rogers (R-Mich.)** will sponsor legislation in the coming weeks that would exempt health insurance agent commissions from the medical loss ratio formula under the **Patient Protection and Affordable Care Act**.

Since 1990, the **Government Accountability Office (GAO)** has designated over 50 federal programs as high risk. In the recently released GAO High Risk Update, the **National Flood Insurance Program (NFIP)** remains on the high risk list. According to the GAO, the NFIP likely will not generate sufficient revenues to repay the billions of dollars borrowed from the Treasury Department to cover claims from the 2005 hurricanes or future catastrophic losses. The lack of sufficient revenues highlights structural weaknesses in how the program is funded. Also, weaknesses in NFIP management and operations, including financial reporting processes and internal controls, and oversight of contractors place the program at risk.

## Transportation and Infrastructure

The Senate on Thursday, February 17, passed a two-year reauthorization of the **Federal Aviation Administration (FAA)**, after members agreed to add 12 round-trips per day immediately for flights at the capital's Ronald Reagan Washington National Airport. Senate passage of the FAA bill portends a potentially contentious House-Senate conference committee to work out the differences between the two bills. The **House Transportation and Infrastructure Committee** on Wednesday, February 16,

advanced its own four-year reauthorization of the FAA. The House's estimated \$59.7 billion bill contains a contentious provision that would overturn a **National Mediation Board (NMB)** rule that changed the way ballots are counted, allowing the outcomes of union-representation elections in airline and rail industries governed by the Railway Labor Act to be determined by a majority of votes cast. Last year, the Senate blocked a resolution of disapproval that would have overturned the NMB rule.