



## Strategies Key Contacts

Shane Doucet  
202-220-6929  
sdoucet@lockelord.com

Douglas P. Faucette  
202-220-6961  
dfaucette@lockelord.com

Denise Hanna  
202-220-6992  
dhanna@lockelord.com

Brian Heindl  
202-220-6994  
bheindl@lockelord.com

Harriet Miers  
202-220-6925  
hmiers@lockelord.com

Jim Moriarty  
202-220-6915  
jmoriarty@lockelord.com

Phil Rivers  
202-220-6927  
privers@lockelord.com

Mark Siegel  
202-220-6926  
msiegel@lockelord.com

Walter B. Smith, Jr.  
202-220-6936  
wsmith@lockelord.com

[www.lockelord.com](http://www.lockelord.com)

*The D.C. Update* is prepared by members of the Locke Lord Strategies Team. It is intended for general information purposes only and does not constitute legal advice. This information is not intended to create, and it does not create an attorney-client relationship. Readers should not act upon this information without first consulting a lawyer.

*The D.C. Update* is published weekly. If you would like to be removed from our mailing list, please contact us at either [unsubscribe@lockelord.com](mailto:unsubscribe@lockelord.com) or Locke Lord Bissell & Liddell LLP, 111 South Wacker Drive, Chicago, Illinois 60606, Attention: Marketing. If we are not so advised, you will continue to receive this newsletter.

Attorney Advertising

© 2010 Locke Lord Bissell & Liddell LLP

## DECEMBER 6 - 10: THIS WEEK

The House is expected to take up fiscal 2011 continuing appropriations legislation and could discuss extending tax cuts that will expire at year's end. House members also could work on a food safety bill, after the Senate passed its version last week.

Procedural votes in the Senate are expected on bills dealing with the health of those exposed to harmful debris from the September 11th terrorist attacks;

bargaining rights for police and firefighters; and one-time payments for Social Security recipients.

Both chambers could vote on immigration legislation. The Senate has planned procedural votes on a bill that would create a path to legal status for certain adult children of illegal immigrants.

## Energy/Environment/Climate Change

**Senate Finance Chairman Max Baucus (D-Mont.)** announced on Thursday, December 2, a set of tax "extenders" that includes an extension of benefits for producers of ethanol, biodiesel, natural gas vehicles and energy efficient products and appliances for the home. The proposal, also would extend for a year the tax credits for building renewable-electricity projects and would create a bond program to help municipal electric companies and cooperatives finance electricity from varied renewable power sources. Baucus' proposal would provide one more year of tax credits to oil companies that blend ethanol into their gasoline, but at a lower rate than currently provided. It also would extend the tariff on ethanol imported into the United States.

On Tuesday, November 30, the House passed by voice vote a bill that would revamp the Energy Department's nuclear energy research and development programs toward reducing nuclear waste and costs associated with nuclear energy production. **HR 5866, the Nuclear Energy Research and Development Act of 2010**, would authorize \$1.3 billion from fiscal 2011 through 2013 for the Energy Department's civilian nuclear energy research and development programs. The bill also would create a program to research technologies and designs for nuclear reactors that are more efficient, cheaper, produce less waste, minimize risk of proliferation and extend the life of existing nuclear reactors.

## Health Care

On Monday, November 29, the House cleared legislation to delay a steep cut in Medicare physician payment rates, providing a bit more time to work on a long-term solution to a recurring congressional headache. **HR 5712, The Physician Payment and Therapy Relief Act of 2010**, would avert for one month a 23 percent cut in Medicare reimbursement rates for physicians that is scheduled to take effect

December 1. It would cost \$1 billion over 10 years but would be offset by savings from a new **Centers for Medicare and Medicaid Services (CMS)** policy on the physician payment system. The legislation would be the fifth short-term extension in the last year of the current Medicare rates. The Senate is expected to vote on their version of the bill on Wednesday, December 8.

## Immigration

A vote on **S. 3992, the DREAM Act**, could come in the next few days, and likely marks the last chance for passage of any legislation sought by immigration advocates until after 2012. On Monday, December 6, **Senate Majority Leader Harry Reid (D-Nev.)** is

expected to schedule a procedural vote that would occur on December 8. On Friday, December 3, **Minority Whip Jon Kyl (R-Ariz.)** stated that the bill could not pass the Senate.

## Offices

Atlanta  
 Austin  
 Chicago  
 Dallas  
 Houston  
 London  
 Los Angeles  
 New Orleans  
 New York  
 Sacramento  
 San Francisco  
 Washington, DC

## Insurance

**The National Association of Insurance Commissioners (NAIC)** established a new task force to address potential adverse impacts on the role of licensed health insurance agents and brokers resulting from the new federal health care reform law. Chaired by **Florida Insurance Commissioner Kevin McCarty**, the task force will report to the NAIC Executive Committee.

It has been reported that insurance agent trade groups have drafted legislation that would exempt health insurance commissions from minimum medical loss ratio (MLR) calculations. **The Department of Health and Human Services** released the MLR interim final regulations on November 22. The trade groups are seeking sponsors for the legislation which is expected to be introduced next year.

Efforts 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, were voted down in the Senate before the Thanksgiving break. It has been reported that Finance Chairman Baucus and **Sen. Mike Johanns**

**(R-Nev.)** have agreed to work on compromise legislation for repealing the provision.

On Wednesday, December 1, the **Senate Commerce Committee**, chaired by **Sen. Jay Rockefeller (D-W.Va.)**, held a hearing on limited benefit health insurance plans. ("Are Mini-Med Policies Really Insurance?") In his opening statement, Sen. Rockefeller opined that mini-med insurance is worse than nothing and that it gives people a false sense of security - it lets them think they have health insurance when they really don't. In prepared testimony, Richard Floersch, Executive Vice President for Human Resources of McDonald's Corporation, stated that McDonald's has worked hard to find affordable health insurance plans that meet the needs of McDonald's restaurant employees. McDonald's works hard to make sure its employees understand the coverage limitations as well as the benefits provided by the plans. All of the documentation provided to employees details the limited nature of the coverage. Other witnesses included Stephen Finan, American Cancer Society, Timothy Jost, Washington and Lee University School of Law and Devon Herrick Ph.D., National Center for Policy Analysis.

## Tax

On Saturday, December 4, the Senate rejected, 53-36, limiting debate on a proposal offered by Finance Chairman Baucus, which would have made permanent the George W. Bush-era tax cuts for individuals earning incomes under \$200,000 and married couples making less than \$250,000. It also would have reinstated the estate tax at 2009 levels and extended unemployment insurance benefits, as well as a slew of expiring tax provisions that have appeared in numerous forms in both chambers throughout the year. The Senate also opposed, 53-37, an amendment offered by **Sen. Charles E. Schumer (D-N.Y.)**, that would have permanently extended

the George W. Bush-era tax cuts on income under \$1 million.

On Saturday, December 4, President Obama met with Majority Leader Reid and **House Speaker Nancy Pelosi (D-Calif.)** at the White House, where he outlined a compromise he could support for extending the expiring 2001 and 2003 tax cuts: one that temporarily extends the cuts for the wealthy in exchange for including an extension of unemployment insurance and other tax extenders, including the Making Work Pay tax credit.

## Transportation and Infrastructure

The House on Thursday, December 2, voted to extend aviation programs for three months, offering a further indication that a longer-term authorization may not be finished this year. **HR 6473, the Airport and Airway Extension Act of 2010**, which passed by voice vote, would extend aviation taxes and the

authority to spend money from the Airport and Airway Trust Fund through March 31, 2011. It also would extend authorizations for Federal Aviation Administration programs, including a program that provides grants for airport projects. The current authorization (**PL 111-249**) expires December 31.