



# The D.C. Update

Tuesday, January 26, 2010

## Strategies Key Contacts

Shane Doucet  
202-220-6929  
sdoucet@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

[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

## JANUARY 25 - 29: THIS WEEK

On Wednesday, January 27, **President Obama** will deliver his first State of the Union speech to a joint session of Congress.

Also this week, the Senate is continuing debate on raising the federal debt limit. Votes on amendments began on January 26. The Senate is also expected to vote on the nomination of Ben Bernanke to a second term as Chairman of the Federal Reserve.

The House reconvened on January 26, and will consider several commemorative resolutions as well as a draft bill to provide emergency aid to U.S. survivors of the earthquake in Haiti. The House is not in session on Thursday and Friday, as House Republicans are set to attend their annual policy conference.

## Politics

On January 19, Massachusetts Republican **Scott Brown** prevailed in the special election to fill the Senate seat formerly held by the late **Sen.**

**Ted Kennedy**. Brown's victory means that Senate Democrats no longer will have a filibuster proof 60 vote supermajority.

## Banking/Financial Services

The Senate expects to vote on the confirmation of **Ben Bernanke** to a second term as chairman of the Federal Reserve this week. **Senate Majority Leader Harry Reid (D-Nev.)** expressed confidence that Bernanke's appointment will be confirmed, despite some opposition from both Democrats and Republicans who cite Bernanke's role in constructing economic policies in recent years and the need for change.

financial institutions including barring banks from owning, investing in or sponsoring a hedge fund or a private equity fund for their own profit, as well as proposing new limits on bank consolidations. The plan would be included in the overall financial regulatory reform package. The announcement came one week after President Obama announced a proposed fee on large financial institutions aimed at recovering outstanding funds from the Troubled Assets Relief Program.

On Thursday, President Obama asked Congress to place new restrictions on the size and scope of

## Health Care

With the election of Scott Brown in Massachusetts, Democratic leaders are examining their options of passing health care reform legislation despite the loss of their supermajority in the Senate. Senate Democratic leaders met on January 22, to discuss the possible ways of passing the legislation, but following the meeting, **Senate Banking Committee Chairman Christopher Dodd (D-Conn.)**, one of the authors of an early version of the Senate bill, called for a break before taking

up the measure again. **Sen. Tom Harkin (D-Iowa)** who is the chairman of the Senate Committee on Health, Education, Labor, and Pensions, suggested that the focus be placed on legislation to create jobs and raise wages, while health care can be revisited later. Republicans in both the House and Senate continue to advocate dropping the expansive health care overhaul and returning to the drawing board to compromise.

## Offices

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

## Insurance

On January 13, **Chairman Patrick Leahy (D-Vt.)** and 18 other Senators sent a letter to President Obama, Majority Leader Reid and **House Speaker Nancy Pelosi** urging the leaders to press for inclusion of language to repeal the federal antitrust exemption for health insurers and medical malpractice insurers in the final health reform legislation. The Patient Protection and Affordable Care Act, HR 3590, which was approved by the Senate on December 24, 2009, does not include the repeal but the repeal provision is included in the House health reform bill, the Affordable Health Care for America Act, HR 3962.

On January 14, the **National Conference of Insurance Legislators (NCOIL)** sent a letter to Majority Leader Reid and Speaker Pelosi opposing the repeal of the federal antitrust exemption for insurers in any health care reform legislation.

As Democratic leaders decide how to proceed with health care reform legislation after the loss of a Senate seat in Massachusetts, one option being considered would involve breaking the bills into separate parts and moving them one at a time.

Sen. Leahy introduced repeal of the antitrust exemption as a stand alone bill in September 2009, the Health Insurance Industry Antitrust Enforcement Act, S 1681. A House companion bill, HR 3596, was introduced by **House Judiciary Chairman John Conyers (D-Mich.)**.

Senate Banking Committee Chairman Dodd has indicated that he hopes to move his financial services regulatory reform legislation from the Senate Banking Committee to the Senate floor within weeks. In December 2009, the House passed its financial services regulatory reform legislation, the Wall Street Reform and Consumer Protection Act, HR 4173, which includes the creation of a federal insurance office and provisions streamlining regulation of surplus lines insurers. Both **House Financial Services Committee Chairman Barney Frank (D-Mass.)** and Chairman Dodd support establishing a federal insurance office within the Treasury Department as well as streamlining regulation of surplus lines insurers.

## Labor

On Friday, the Obama Administration renewed its commitment to passing the Employee Free Choice Act ("card check" legislation), which is aimed at easing union organizing rules. **Labor Secretary Hilda Solis** released a statement citing a new report which showed a decrease in private

sector union membership in 2009 and called for Congress to pass the legislation. Labor leaders consider the bill a top priority, however it continues to draw strong opposition from business groups.

## Telecommunications

On Thursday, January 28, the **House Energy and Commerce Subcommittee on Communications Technology and the Internet** approved two bills aimed at expanding and expediting federal radio spectrum sales to commercial companies. HR 3125, the Radio Spectrum Inventory Act, would require an inventory of radio spectrum bands managed by the National Telecommunications and Information Administration and the Federal Communications Commission. The second

measure, HR 3019, the Spectrum Relocation Improvement Act of 2009, would set rules for federal agencies selling portions of that spectrum to commercial companies. Subcommittee members agreed that both pieces of legislation are necessary to address Americans' growing demand for broadband and allow American wireless companies to maintain an edge over foreign competitors.