



ML Strategies Legislative Update

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MAY 17, 2012

112th Congress Update

As the House and Senate prepare to depart for the Memorial Day recess there was a significant bipartisan legislative victory this week with final approval of a long-awaited reauthorization of the Export-Import Bank. The bank's current authorization expires on May 31, but the reauthorization extends it for three years and increases the bank's loan exposure cap from \$100 billion to \$140 billion. The House approved the reauthorization 330-93 and it was approved in the Senate 78-20.

The Export-Import Bank reauthorization builds on several other significant legislative success of the second session of the 112th Congress, including the *Jumpstart Our Business Startups* (JOBS) bill, a legislative package aimed at increasing capital formation, spurring the growth of startups and small businesses, and paving the way for more small-scale businesses to go public; reauthorization of the Federal Aviation Administration; and a ten-month extension of the payroll tax cut, unemployment insurance, and the Medicare "doc fix."

Progress has also been made on several other legislative efforts:

The **transportation reauthorization bill** has moved to conference, and the conferees met for the first time last week. Senator Boxer (D-CA), Chair of the Environment and Public Works Committee, has said she plans to hold weekly news conferences to provide an update on conference negotiations, and says that they have "moved beyond the organization stage" in the conference process. However, others on the Hill are less enthusiastic about the prospects for a conference report before the current transportation authorization expires on June 30. A possible scenario is that we will see another extension, lasting 6 to 9 months, to postpone this issue until after the election.

The **2012 National Defense Authorization Act (NDAA)** was approved by the House Armed Services Committee (HASC) 56-5 on May 10 and is on the House floor this week. The Senate Armed Services Committee (SASC) has scheduled mark ups of its NDAA at the subcommittee level for Tuesday, May 22, with the bill moving to the full committee on Wednesday, May 23.

Today, Senator Majority Leader Reid filed for cloture to begin debate on the **Food and Drug Administration Safety and Innovation Act** (S. 3187) - a bipartisan bill regarding user fee

programs for prescription drugs, medical devices, generic drugs, and biosimilars – setting the stage for a procedural vote next Monday evening. However, Reid hopes to reach a deal with Republicans to move the legislation sooner. The House is expected to act on a similar measure in June. This would allow the President to sign the bill well ahead of the expiration of existing provisions in September. The White House issued a [Statement of Administration Policy](#) today indicating that the Administration “strongly supports” S. 3187.

The **Agriculture Reform, Food, and Jobs Act** – generally referred to as the farm bill – was approved by the Senate Agriculture Committee last month and is slated to be on the Senate floor the week of June 4. The current farm bill expires on September 30. This week, 44 Senators, representing both parties, sent a [letter](#) to Majority Leader Reid and Minority Leader McConnell urging timely action on the legislation.

The **National Flood Insurance Program** (NFIP) is likely to see a short-term extension. The House passed a long-term extension of NFIP last summer; however, the Senate has yet to act. The House bill, HR 1309, was approved overwhelmingly by a vote of 406-22. With the NFIP set to expire at the end of May, the House is expected to pass a one-month extension of NFIP, allowing the Senate time to act before the end of June.

Fiscal Year 2013 Appropriations continues to make headway, although it is unlikely that the process can be concluded by the new fiscal year which starts on October 1, meaning that there will almost certainly be a Continuing Resolution (CR) funding the government until the process is completed either in the lame duck or early next year. The House Appropriations Committee set total discretionary spending levels for the 12 annual appropriations bills at \$1.028 trillion, which is about \$20 billion below the spending level of \$1.047 trillion agreed upon last August in the Budget Control Act (BCA). The Senate is using the BCA spending levels for its FY13 appropriations bills. To date, the House Appropriations Committee has approved the Agriculture bill, the Commerce/Justice/Science bill, and the Energy and Water Development bill. The Senate Appropriations Committee has approved the Agriculture bill, the Commerce/Justice/Science bill, the Energy and Water Development bill, and the Transportation/HUD bill. While some of the 12 bills could be passed as stand-alone measures, particularly the Defense bill, a more likely scenario is that the committees work through the bills and then combine them in an Omnibus spending bill – packaging all 12 together into one piece of legislation – or a series of “minibus” bills made up of some portion of the bills. We could also see the current congress pass a long-term CR during the lame duck that runs into next year, leaving final passage of FY13 spending bills to the new congress.

HR 3523, the **Cyber Intelligence Sharing and Protection Act** (CISPA), was approved by the House of Representatives on April 26. The Office of Management and Budget (OMB) has recommended that if the bill ever makes it to the President he veto it. Meanwhile, Senators McCain (R-AZ) and Lieberman (I-CT) continue to push their competing cyber security bills, with the Lieberman bill, introduced along with Senator Susan Collins (R-ME), possibly on the Senate floor sometime in June. Senate passage of CISPA, the McCain bill, or the Lieberman/Collins legislation, however, appears difficult. Numerous Senators are working behind the scenes to pull together a compromise bill that may pass the Senate.

Meanwhile, President Obama is pushing his “to-do list” for Congress, that includes legislation to attract and keep jobs by rewarding companies who bring jobs back to the U.S. with lower taxes (paid for by the elimination of tax incentives for companies that ship jobs overseas); to cut red tape to allow “responsible homeowners” who are paying their mortgage to refinance at current low interest rates; to help small business owners create jobs by providing a tax credit for new hires and tax relief for

investments; to invest in clean energy manufacturers; and to create a Veterans Job Corps to help veterans of the wars in Afghanistan and Iraq get jobs as cops, firefighters, and serving their communities.

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