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Government Relations

Congressional Update



News on Capitol Hill

Healthcare, Healthcare, Healthcare

Much has transpired since a brand-new Obama administration uttered the words “healthcare reform.” Now that town halls with representatives across the country have taken place, the President has made his case to a joint session of Congress and everyone from talk show hosts to outraged constituents have made their case, the time has finally come for some real action on healthcare reform. The quick reality is that most members of the Republican Party still stand fiercely opposed to the notion of a public option and some members of the Democratic Party continue to stand with one foot on each side of the debate. Twenty-three Democratic members of Congress stand opposed to their party’s healthcare proposal and it is increasingly obvious that this debate is just as much about political power as it is healthcare.

The new administration needs a big victory to continue with its heavy policy agenda and members of Congress need assurance that their actions on this measure will not jeopardize their chances of remaining in office when the time comes for their constituency to head to the polls. Congress is anticipating the Senate Finance Committee’s draft bill, which could be a bipartisan document reflecting the work of the “Gang of Six.” The draft is rumored to include a cooperative plan instead of a public option, ensure that the bill is deficit-neutral, bar illegals from receiving benefits, force the states to be responsible for some of the increased Medicaid costs for expanding coverage, and cover some degree of tort reform. Members of the Senate Finance Committee believe their draft will be the bill most likely to receive 60 votes of support in the Senate (the number of votes needed for passage).

Meanwhile, the House seems to be ready to let the Senate Finance Committee markup their bill before pursuing their legislation, H.R. 3200, which currently includes a public option. House action may be delayed until early October.

Cap-and-trade Legislation Continues

The American Clean Energy and Security Act, the controversial piece of climate change legislation, passed the House of Representatives earlier in the summer. The legislation has largely been under the radar due to the healthcare buzz but the issue has received some attention in the Senate. Sen. Boxer (D - Calif.), chairwoman of the Senate Environment and Public Works Committee, is working on a compromise measure with fellow Democrats in an effort to unveil their version of climate change legislation by the end of September.

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Financial Services Reform

This week marked one year since the collapse of Lehman Brothers, a milestone that leaves many questioning if the economy is in better or worse shape as a result of the governmental actions taken over the past 12 months. Efforts to regulate the financial services industry remain in progress in the House of Representatives under the leadership of Rep. Barney Frank (D - Mass.), chairman of the House Financial Services Committee. Frank plans to release his markup agenda for the legislation later this week - that package is expected to include, among other regulatory crackdowns, a proposal for the creation of a “Consumer Financial Protection Agency.” Frank plans to pass a series of bills and send them to the Senate.

However, action in the Senate has been much slower, as Senate Banking Chairman Dodd (D-Conn.) has been a lead negotiator on healthcare reform. Dodd wants to have just one bill, but has said he wants it done “the right way.” With the already crowded Senate calendar this fall, which includes passage of the annual appropriations bills, Senate action on financial services reform may not begin in earnest until late this year or next year.

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