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Federal Issues Report

December 3, 2009

This is an e-newsletter of the West Virginia Chamber of Commerce focusing on key federal policy issues and bills. Provided are overviews and status updates on a number of major federal matters that are of concern to business and economic development in West Virginia.

Reid's Health Care Bill Faces Amendments, Slow Going

The United States Senate has returned from its Thanksgiving break and is expected to start considering amendments to U.S. Senate Majority Leader Harry Reid's comprehensive health care reform proposal – the [Patient Protection and Affordable Care Act](#). The amendment process could take weeks. Reid's proposal calls for spending \$848 billion over the next ten years to provide insurance coverage for an additional 31 million Americans, increases the Medicare tax on those earning more than \$200,000 a year (\$250,000 for couples), taxes "Cadillac" health plans, requires individuals to get covered by a health insurance plan and creates a public option plan that will allow states to "opt out." Reid's bill contains a few key differences than the House-passed version, with the most striking being the fact that it does not ban public funding of abortions.

Click to read details of the U.S. Senate bill – "Patient Protection and Affordable Care Act"
http://www.politico.com/livepulse/1109/Major_reforms_delayed_until_2014.html

CBO: Cap-and-Trade Will Impose 'Burden On The Economy'

The non-partisan Congressional Budget Office issued an analysis report on November 23 of climate change legislative proposals, particularly the House cap-and-trade bill (HR 2454). The CBO's report, "The Costs of Reducing Greenhouse-Gas Emissions ([click to read](#))," states that "reducing emissions, through a cap-and-trade program or regulations, for example, would impose a burden on the economy by lessening the use of fossil fuels and altering patterns of land use." The CBO brief discusses the economic costs of reducing greenhouse-gas emissions in the United States and describes the main determinants of costs, how analysts estimate those costs, and the magnitude of estimated costs.

Cap-and-Trade Cost Calculator

[Click to determine](#) possible cost impact on you.

Businesses Urged To Keep Pressure On EPA

Business groups, employers and public officials are encouraged to continue to speak out against the U.S. EPA's actions that have halted issuance of 79 federal surface mining permits. The agency has sent these

permits back for extensive reviews. This action affects 23 pending permits in West Virginia and is part of the Obama Administration's ongoing actions against domestic coal production. The permits represent all of the backlogged surface coal mining projects under review by the Army Corps of Engineers. "EPA believes that the majority of the permit applications recommended for further evaluation have not yet adequately demonstrated that anticipated environmental and water quality impacts have been fully avoided and minimized as required by guidelines," according to an [EPA letter to the U.S. Corps of Engineers](#). The agency, which launched a review process back in April 2009, said it "remains concerned that all the 79 applications identified in the initial list involve surface coal mining projects raising potentially significant water quality and environmental issues." The EPA said it wants "the mining companies to reduce anticipated environmental and water quality impacts."

White House 'Jobs' Summit Aims To Combat Unemployment

Spending more federal money to bail out states, extend jobless benefits and build more roads may be the outcome of a "jobs" summit being held later today by President Obama. About 130 invited individuals will be attending a "jobs" summit in D.C. this afternoon organized by the White House. President Obama and top administration officials will host the event, now called the "Forum on Jobs and Economic Growth." When first announced, the White House stated that the summit would "gather CEOs and small business owners, economists and financial experts, as well as representatives from labor unions and nonprofit groups, to talk about how we can work together to create jobs and get this economy moving again." Among organizations that were not invited to attend are the U.S. Chamber of Commerce, the National Association of Manufacturers and the NFIB. News reports indicate that the proposals that may come out of the summit are possible tax credits to encourage small businesses to hire additional workers, further extensions of unemployment insurance, a new round of bail-out funds for states and more funding for road and infrastructure projects. Also, CNBC reported this morning that a top Obama Administration economist is forecasting the nation's jobless rate will peak this summer at 11 percent. The nation's current unemployment rate is 10.2 percent.

Related News:

Fed survey finds recovery gaining momentum

http://www.usatoday.com/money/economy/2009-12-02-fed-beige_N.htm

Gingrich Holding Alternative Jobs Summit/Tour

Former U.S. House Speaker Newt Gingrich yesterday kicked off his own jobs summit. Called the "Real Jobs Summit," Gingrich is proposing a five-point tax plan that he says will go a long way toward creating new jobs. They are:

1. Cutting payroll taxes by 50 percent for two years
2. Allowing small businesses to expense 100 percent of new equipment purchases each year to help them invest in new technologies
3. Abolishing taxes on Capital Gains
4. Reducing the Business Tax Rate
5. Abolishing the "Death Tax"

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KEY FEDERAL ISSUES

Card Check/EFCA

Employee Free Choice Act (EFCA) ([H.R. 1409](#), [S. 560](#))

The West Virginia Chamber and other national business groups continue to closely monitor legislation pending in Congress that would enact a "card check" system for unionization. The Employee Free Choice Act (HR 1409/S 560) is one of the major objectives of organized labor groups, and it continues to

have the full backing of President Obama. W.Va. Chamber members, both large and small...and from all business sectors, continue to be overwhelmingly (85 percent) opposed to EFCA.

EFCA Positions of W.Va.'s Delegation:

Congressmen Mollohan and Rahall are co-sponsors of HR 1409 ([Source: Thomas](#))

Congresswoman Shelley Moore Capito opposes HR 1409

Senators Byrd and Rockefeller are co-sponsors of S. 560 ([Source: Thomas](#))

W.Va. Chamber's EFCA policy paper – [click to read](#)

Oppose the Consumer Financial Protection Agency Act

Legislation is pending in Congress that would create a new government agency to regulate consumer financial products. The legislation is [H.R. 3126](#), the Consumer Financial Protection Agency (CFPA) Act. Unfortunately, this bill will do far more harm than good.

The bill would replace personal choice with federal bureaucrats who would decide the types of financial products and services that a person can choose to own, buy, or sell. Instead of a common sense approach to improving consumer protection, this proposal will restrict access to credit and affordable financial products, impose vast new regulations and costs on businesses, and ultimately harm the economy at exactly the time when signs of a recovery are on the horizon.

The bill also would affect virtually every business. If your business allows customers to pay with credit, to use a lay-away program, or even to pay in more than one installment, then your business would face significant new regulation. Even businesses that are indirectly related to consumer finance, such as sellers of gift cards, advertisers, accountants, homebuilders, utilities and internet providers, will be covered by this sweeping new law.

In addition, the bill would give the government authority to request and hold information about a person's bank accounts from financial institutions, including how much money is in each account. This is a drastic affront on the privacy and security of a person's financial information.

Efforts to enhance consumer protection should focus on weeding out fraudulent actors and predatory products and ensuring consumers have access to clear and concise information about the terms and conditions of products, and the risks they pose. However, this bill actually weakens consumer protection by allowing government to dictate the financial products you can choose, adding new layers of government bureaucracy, imposing new costs on taxpayers, consumers and businesses, and threatening the privacy of personal financial information.

Election/Campaign Finance

The West Virginia Chamber of Commerce continues to monitor decisions of the U.S. Supreme Court in re: Case -08-205, [Citizens United v. Federal Election Commission](#). This case was orally argued on Sept. 9, 2009, and deals with a documentary about Hillary Clinton. This case challenges states' abilities to restrict free speech with statutory restrictions in campaign financing. The decision of the U.S. Supreme Court may change the political playing field for corporations and how advocacy for candidates is handled by all stakeholders.

Other Federal Bills:

[H.R. 12](#): Paycheck Fairness Act

[H.R. 635](#) – National Commission on State Workers' Compensation Laws Act of 2009

[H.R. 3042](#), S. 1374 -- Federal Oversight, Reform, and Enforcement of the WARN ("FOREWARN") Act

[H.R. 2460](#); S. 1152 -- The Healthy Families Act (Mandated Paid Sick Leave)

TAKE ACTION -- RESOURCES:

Contact information for W.Va.'s Congressional delegation: [click to read](#)

(Note: The most immediate way to get your voice heard is to call or send a fax to any of the D.C. offices.)

Vote For Business: West Virginia - <http://www.wvbusinessvoice.com/>

Prepared for the West Virginia Chamber of Commerce by [Malone Consulting Services](#) © 2009