



REP. TOM PRICE, M.D. (R-GA), CHAIRMAN
 PAUL TELLER, EXECUTIVE DIRECTOR
 424 CANNON HOUSE OFFICE BUILDING
 WASHINGTON, DC 20515

rsc.price.house.gov

ph (202) 226-9717 / fax (202) 226-1633

Legislative Bulletin.....February 25, 2010

Contents:

H.R. ____—Temporary Extensions Act of 2010

**H.R. ____—Temporary Extensions Act of 2010
 (Rangel, D-NY)**

Order of Business: The bill is scheduled to be considered on Thursday, February 25, 2010, under a motion to suspend the rules and pass the bill.

Note: Should the Senate pass similar legislation prior to the House taking up this bill—it is likely that the House would proceed to the Senate-passed bill instead (but the summary that follows below is applicable in either case).

Summary: The legislation extends ten provisions—most currently set to expire at the end of this month—in most cases for one month. Details of the legislation are below:

Extension of Unemployment Insurance: Extends the temporary program of extended unemployment insurance benefits (beyond what is provided by the regular unemployment insurance program) from the current February 28, 2010 expiration date to April 5, 2010 (a little more than one month). This program provides up to 99 weeks of unemployment benefits.

This provision will increase mandatory spending by \$6.9 billion over ten years and reduce tax revenue by \$1.1 billion over ten years (total deficit increase of \$8.02 billion).

Extension of Premium Subsidies and Eligibility for Consolidated Omnibus Budget Reconciliation Act (COBRA): The legislation extends eligibility for individuals who lost their jobs to receive post-employment COBRA subsidies through March 28, 2010 (currently set to expire on February 28, 2010).

A nine-month COBRA subsidy program was created by the “stimulus,” and then was extended by an additional six months as part of the FY 2010 Defense Appropriations bill (for a total of fifteen months). Many conservatives may be concerned that this provision extends eligibility for this program, which provides new government subsidies, leaving an ever-shrinking portion of the population with truly private health care coverage. Some conservatives may also be concerned that this program could cause employees to spend more of their incomes on health care instead of

other goods and services, and force employers to spend more time and money to administer COBRA to former employees.

Individuals pay 35% of the COBRA premium while employers pick up the remaining 65%, which is reimbursed by the government through a payroll tax credit. The program caps eligibility for receiving premium assistance at \$145,000 for an individual and \$290,000 for a family.

This provision would increase mandatory spending by \$94 million over ten years, and decrease tax revenue by \$991 million over ten years, for a total deficit increase of \$1.085 billion.

Extension of Surface Transportation Programs: The legislation extends the authorization for surface transportation programs by one month (from February 28, 2010 to March 28, 2010).

Medicare Physician Update (“Doc Fix”), Sustainable Growth Rate (SGR): The FY 2010 Defense Appropriations bill provided a temporary “patch” to the SGR formula, delaying the 21.2% cut to physician payments that otherwise would have occurred through February 28, 2010. This provision delays the 21.2% reduction to physician payments until March 29, 2010. *This provision would increase mandatory spending by \$1.04 billion over ten years.*

Medicare Therapy Caps Exceptions: Under current law, Medicare Part B outpatient physical and speech language therapy services have a combined cap of \$1,860 per year. This provision would extend the Medicare therapy caps exceptions process—in effect prior to the end of 2009—through March 28, 2010. *This provision would increase mandatory spending by \$37 million over ten years.*

Extension of 2009 Poverty Guidelines: Extends the freeze on updating 2009 poverty guidelines to prevent any lowering of eligibility for government programs (due to negative Consumer Price Index growth) through March 28, 2010 (otherwise set to expire at the end of February). *This provision increases mandatory spending by \$25 million over ten years.*

Other Extensions: Extends the National Flood Insurance Program, the Small Business Administration (SBA) Loan Guarantee Program, and the Satellite Television Extension through March 28, 2010. *The SBA Loan Guarantee provision would increase mandatory spending by \$60 million over ten years.*

PATRIOT Act Extensions: The FY 2010 Defense Appropriations bill extended the sunset on Foreign Intelligence Service Act (FISA) roving wiretaps (Section 206), FISA business records (Section 215), and the “lone-wolf” provision (Section 6001) through February 28, 2010. This provision would extend these three provisions, described below, through March 7, 2010:

- *Section 206: Roving surveillance authority under FISA.* This section permits roving FISA surveillance orders (roving wiretaps). Orders do not need to specifically identify or name individuals when targets take actions to thwart surveillance. Thus, a roving wiretap may cover multiple locations, establishments, or neighborhoods because the target is being evasive and intentionally using multiple telephones for communication (rather than a single cell phone that could be more easily wiretapped). This provision allows for a

surveillance order without authorities having to name a specific person under surveillance.

- *Section 215: Access to records and other items under FISA.* This section permits access to tangible items under FISA, including business records for hotels, motels, automobile rentals, storage facilities, library activities, internet service provider records, and other tangible items, regardless of the individual holding the item. This provision is widely referred to as the “library” provision since libraries’ records are included in the type of tangible items available under a FISA order.
- *Section 6001: “Lone Wolf” provision.* This section allows the government to conduct surveillance on a non-U.S. citizen who is preparing for or engaging in international terrorism, even if that individual is not an agent of a foreign power. This provision was enacted to allow the government to follow individuals who are not explicitly affiliated with a terrorist organization.

Potential Conservative Concerns: Many conservatives may be concerned that the legislation increases the deficit by \$10.3 billion over ten years. No attempt is made to offset the cost of extending the provisions included in the bill. Below are some savings options, not included in this legislation, but that would offset this legislation’s impact on the deficit many times over:

- The RSC (through an amendment sponsored by Rep. Jim Jordan) offered a plan to return FY 2010 domestic discretionary spending to the FY 2008 spending levels. This plan would reduce the deficit by \$84 billion.
- Prohibiting further obligations under the Troubled Asset Relief Program (TARP) would save \$25 billion. The RSC has proposed legislation that includes a similar provision (H.R. 3140, [the REBOUND Act](#)).
- Repealing “stimulus” spending currently set to begin in FY 2011 or later would save \$289 billion over ten years. The RSC has proposed legislation that includes a similar provision (H.R. 3140, [the REBOUND Act](#)).
- Allowing consumers to purchase health insurance across state lines would, according to CBO, save \$7.4 billion over ten years.
- Medical liability reform would, according to CBO, save \$54 billion over ten years.

Further, some conservatives may be concerned with the extension of the “emergency” unemployment benefits program that makes individuals eligible for benefits for up to 99 weeks. Many economists argue that extending unemployment benefits creates incentives to delay returning to work, which has a negative effect on the economy.

Committee Action: The legislation has not been considered by any committee.

Administration Position: A Statement of Administration Policy (SAP) is not available at press time.

Cost to Taxpayers: The legislation would increase mandatory spending by \$8.1 billion over ten years, and reduce tax revenue by \$2.1 billion over ten years. The total increase to the deficit is \$10.3 billion over ten years.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes, the bill extends several government programs.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No CBO score listing any potential mandates is available.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No committee report listing any potential earmarks is available.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Brad Watson, brad.watson@mail.house.gov, (202) 226-9719