

DAILY NEWS CLIPS

FEDERAL NEWS CLIPS

May 8, 2012

INSIDERS PESSIMISTIC ABOUT HIGHWAY BILL TALKS

By Keith Laing
The Hill
May 8, 2012

The committee of lawmakers appointed to negotiate a new federal highway bill will meet for the first time Tuesday, beginning their talks amid low expectations for a deal in a charged election-year environment.

Many observers, including Transportation Secretary Ray LaHood, have expressed doubt that Congress will pass a multiyear bill before the November election.

But leaders of the 47-member panel from both House and Senate say they have a blueprint — hewing closely to their respective chamber’s approach — for the talks to defy the seemingly long odds.

“For the conference to be successful, it must include significant transportation program reforms and ensure that needed jobs will be created,” a spokesman for House Transportation and Infrastructure Committee Chairman John Mica (R-Fla.) said in a statement provided to The Hill on Monday.

“Now is the time to set aside our personal wish lists and focus on the issue at hand — the reauthorization of a bill that is absolutely essential to our economy,” Sen. Barbara Boxer (D-Calif.) agreed in a statement after conferees were first announced last month. “Controversy should not be part of the conference, and we should come together for the good of the country.”

Boxer shepherded a two-year, \$109 billion transportation bill through the Senate earlier this year. Mica tried to do the same in the House with a five-year, \$260 billion version of the bill, but was ultimately unsuccessful.

Members of the lawmakers’ respective committees will now begin negotiations based on the Senate transportation bill and a pair of House-passed short-term extensions of current law that kept funds flowing to road and transit projects.

The talks are likely to center, at least at the outset, on a controversial cross-country pipeline that has emerged as an anti-Obama rallying cry for Republicans. The House version of the transportation and infrastructure bill approves the Keystone XL pipeline to bring Canadian oil sands to Gulf Coast refineries.

The Senate's plan omits the Keystone provision, and Democrats have decried its inclusion in the highway negotiations.

White House press secretary Jay Carney has called the Keystone pipeline provision "noxious" to the highway negotiations.

"What Congress is asking — in this highly politicized, highly partisan way, attaching a provision on the Keystone pipeline to a piece of legislation that has nothing to do with it ... in advance, blind, approve a pipeline, a proposal for which does not exist — but we'll approve it anyway — a foreign pipeline built by a foreign company emanating from foreign territory to cross U.S. borders," Carney said in a White House press briefing last month.

A group of business leaders pressed lawmakers Monday to make sure the Keystone approval stays in the final highway bill, should one emerge from the conference committee.

"As you commence your work on maintaining vital American transportation investments, Business Roundtable urges you to vote 'Yes' on the provision included in the House-passed version of the transportation bill that would expedite approval of the Keystone XL pipeline extension," said the letter from the Business Roundtable.

Even without the Keystone dramatics, transportation supporters say, the stakes for the congressional talks are high.

"As House and Senate conferees begin negotiations on surface transportation legislation tomorrow, nearly 2 million current jobs, and up to 1 million new jobs, are at stake in what remains a slow economic recovery," AFL-CIO Transportation Trades Department President Ed Wytkind said in a statement released Monday.

"More stonewalling will not help families pay mortgages, college tuition or healthcare bills," Wytkind continued. "Members of Congress have a choice to make. They can make a deal based upon the bipartisan Senate bill (MAP-21), or they can force a debate on controversial provisions — such as privatization giveaways to foreign interests — in the House bill (H.R. 7) that never even made it to the floor for a vote."

Many observers will be watching closely to see whether House Speaker John Boehner (R-Ohio) and Senate Majority Leader Harry Reid (D-Nev.) get involved in the highway negotiations.

Often, tough-to-resolve issues in bicameral negotiations are bumped up to the leaders of the respective chambers, but leaders of the transportation committees plan to work out the differences themselves.

"I am sure that every member of the conference, Democrat or Republican, House or Senate, understands how critical it is to swiftly pass a comprehensive transportation bill that is a deficit-neutral reform measure that will preserve or create millions of jobs and thousands of businesses," Boxer said in a statement announcing the conference committee's first meeting last month.

A spokesman for Boehner, however, said the Speaker would be keeping a close eye on the talks.

“The Speaker works closely with conferees, keeping open lines of communications with our members about ongoing negotiations and the goals we are working to achieve,” Boehner spokesman Kevin Smith said Monday in a statement provided to The Hill.

A Senate Democratic aide said Reid had confidence in his conferees and would give them a long leash in the negotiations.

“Each Senate Democratic conferee is a leader in the caucus, with a record of forging bipartisan agreements,” the aide said. “Sen. Reid’s confident conferees will work quickly with Republicans to determine a path forward.”

Originally published here: <http://thehill.com/business-a-lobbying/225927-pessimism-for-highway-talks>

TRANSPORTATION TALKS BEGIN

By Kathryn A. Wolfe and Burgess Everett

Politico

May 7, 2012

The transportation conference committee will meet for the first time on Tuesday. Here are five things to watch as negotiations get started:

Leadership involvement

Conferees are convinced this will be a “real conference” in which most issues won’t have to go to leadership, as was the case with parts of the Federal Aviation Administration reauthorization bill. The Senate has named two of its top members of leadership to the conference team: Majority Whip Dick Durbin of Illinois and third-ranking Democrat Chuck Schumer of New York. House Speaker John Boehner (R-Ohio) did not name any members of leadership to the committee, but his team is certain to be monitoring progress closely. Rep. Jerry Nadler (D-N.Y.), a conferee, told POLITICO, “I have to suspect, at least on the Republican side, leadership will get involved. Otherwise, they won’t have the votes.” Nadler said he expects unity from the Democrats, likely requiring less intervention from Minority Leader Nancy Pelosi (D-Calif.) or her lieutenants.

Keystone

It’s the big gorilla in the room: What happens with the Keystone pipeline language? It’s extremely likely that this highly partisan issue will be negotiated between the House and Senate leadership.

Transportation lobbyists desperately want a bill, whether it has Keystone in it or not, and they are furiously messaging that to their constituencies around Capitol Hill. Pay close attention to what transportation and business interest groups are saying about Keystone — and what they aren’t.

Pay-fors

Lost in the furor over Keystone is the fact that conferees may have a steep hill to climb when it comes to working out the bill's pay-fors. One of the big reasons the House couldn't pass the bill it wanted is that it spent too much money garnering support from GOP freshmen. Though the Senate bill's drastically smaller scope means less of a funding gap, it requires about \$12 billion to be made up with various spending offsets, most of which are unrelated to transportation.

Boehner has tasked Ways and Means Chairman Dave Camp (R-Mich.) with negotiating financing details on the conference directly with Sen. Max Baucus (D-Mont.), who wrote the Senate's revenue title. The two are said to have a warm relationship and served together on the deficit supercommittee in 2011.

What's within the scope of the conference?

The House is in a tough spot. It's gone to conference on a three-month extension with just a handful of policy provisions while the Senate has a full transportation bill that carries the endorsement of the upper chamber. Beyond what the House bill expressly includes, House conferees' negotiating position will be the status quo, current law.

Technically, congressional rules require conference reports to contain only provisions that were originally present in the bills passed by either chamber. However, the reality is that unrelated provisions frequently appear in conference reports — a process called “airdropping” — though not on this scale. Additionally, exactly what is within the scope of the conference is open to interpretation in some areas. Rep. John Mica (R-Fla.) says he'll push to include as much policy from the original five-year House bill as he can: “You can do anything in conference,” he said in an interview with POLITICO. Mica also said language from the House's energy production bill — originally slated to provide about \$4.3 billion for the House's five-year transportation bill over a 10-year period — will get shipped over for consideration.

Bipartisanship

A major storyline of the House's failed long-term bill was Democrats' contention that they were left in the dark until it was too late only to discover a bill filled with provisions they couldn't vote for, such as losing the link between mass transit and the Highway Trust Fund. Mica maintains he worked with the minority party — and, indeed, he heard and accepted dozens of their amendments in markup. Transportation and Infrastructure ranking member Nick Rahall (D-W.Va.) disputes that — during negotiations, Rahall often says he is shut out from the information pipeline.

Nadler said after being unable to marshal 218 GOP votes for their long-term bill, House Republican leaders will simply have to come around to Democrats, who want to make sure the starting point for length and spending levels is the Senate's two-year bill. “There are 50 to 60 Republicans who won't vote for any bill other than a 90-day extension,” Nadler said. “You can't pass anything except on a bipartisan basis.”

Originally published here: <http://www.politico.com/news/stories/0512/76010.html>

HIGHWAY BILL MOVES TO CONFERENCE COMMITTEE

C-SPAN

May 8, 2012

Congress will begin negotiations on a long-term plan to improve the nation's roads, bridges and transit systems. Today, a House and Senate Conference Committee will meet for opening statements on a bill that provides a blueprint for revamping the nation's aging transportation system.

Last month, the House approved a three-month extension for highway and transit programs with a provision in the legislation to clear the way for construction of the Keystone XL pipeline.

The bill, passed on April 18 on a 293-127 vote, now moves into negotiations with the Senate. In the House-Senate conference committee meeting, committee members will work to reconcile differences between the three-month House measure and the \$109-billion, two-year bill that the Senate approved in March.

House Transportation and Infrastructure Committee Chairman John Mica (R-FL) said, "This bill contains no tax increases, earmarks or new federal government programs, which may disappoint Democrats, but this legislation will help move the process forward in working to resolve differences with the Senate."

Senate Environment and Public Works Committee Chairman Barbara Boxer (D-CA) said after the bill's House vote, "The fact that the House voted to take a step forward on a surface transportation bill is encouraging." Sen. Boxer added, "as long as they follow through and immediately appoint conferees so that Congress can complete its work and get a bill to the President's desk."

Transportation has funding through June 30, due to the latest of nine short-term approvals enacted since September 2009.

Originally published here: <http://www.c-span.org/Events/Highway-Bill-Moves-to-Conference-Committee/10737430497/>

LETTER: ROLL-YOUR-OWN CIGARETTE BUSINESSES ENJOY LOOPHOLE

Letter to the Editor by Wes Carruthers, President of Tennessee Fuel and Convenience Store Association
The Daily News Journal (TN)

May 7, 2012

I am writing to you to express my concern about a growing problem that is threatening the longevity and economic viability of honest retailers. Over the past few years, roll-your-own (RYO) cigarette machines have been popping up in retail outlets in communities across Tennessee and the country. These RYO operators have taken advantage of a tax loophole that allows them to manufacture and sell cigarettes at considerably lower prices than those produced in traditional cigarette factories. By inaccurately labeling loose cigarette tobacco as "pipe tobacco," and allowing consumers to produce cigarettes in their stores, retailers evade standard pre-packaged cigarette taxes. By offering the same

product at a heavily discounted price, these retailers are afforded an unmatched and unfair competitive advantage.

Because of this practice, tax-compliant, law-abiding retailers are seeing their revenues decline. If this trend is allowed to continue, these retailers who play by the rules will have a hard time growing their businesses and providing much-needed jobs in their communities.

With our state's small businesses and job creators in mind, Tennessee's own Congresswoman Diane Black has introduced House Resolution 4134, legislation that would put this unfair business practice to an end. If passed into law, House Resolution 4134 would close this tax loophole once and for all without raising taxes on any tobacco products. This bill would level the playing field, bringing fairness and equality back to the retail cigarette business.

I support this measure and ask that my fellow retailers and citizens urge their members of Congress to take action and get behind this bill. Free enterprise and competition are the foundations of our economy, and this legislation would ensure that they continue to be.

Originally published here: <http://www.dnj.com/article/20120508/OPINION/305080022>

NEW STUDY ON ROLL-YOUR-OWN CIGARETTES

Blog Post by Natalia Gromov
North American Quitline
May 3, 2012

Researchers from the CDC and the Oregon Health Authority are authors of a peer-reviewed article on federal and state revenue losses that have resulted from smokers making their own cigarettes using pipe tobacco instead of roll-your-own tobacco. This practice results in lost revenue since pipe tobacco is taxed at a lower rate than roll-your-own. The study provides federal and state-specific estimates of revenues lost from April 2009 - August 2011.

The article, "Fiscal and Policy Implications of Selling Pipe Tobacco for Roll-Your-Own Cigarettes in the United States," has been published by the online peer-reviewed journal, PLoS ONE and available at <http://dx.plos.org/10.1371/journal.pone.0036487> .

Originally published here: <http://www.naquitline.org/news/90935/New-Study-on-Roll-Your-Own-Cigarettes-.htm>