

FEDERAL NEWS CLIPS

March 20, 2012

SPEAKER BOEHNER WEIGHS WHETHER TO TAKE UP SENATE TRANSPORTATION BILL

By Bruce Alpert
New Orleans Times-Picayune
March 20, 2012

This week, House Republicans are going to make some news. Speaker John Boehner is expected to announce whether the House will take up the recently passed Senate transportation bill, or something similar, or go in a significantly different direction. The speaker said he was considering the Senate bill because he's been unable to build a majority for the original House GOP transportation bill.

But some conservative Republicans are urging him to stand firm and stick with key provisions in the original House bill, especially a measure to open up vast new areas, both inland and offshore, to oil and gas development.

The issue is important to Louisiana because the Senate version included the RESTORE Act, which would target 80 percent of Clean Water Act fines for the 2010 BP spill to the five Gulf States.

An earlier House version also included key provisions of the RESTORE Act. But that bill has no prospects of passing the Senate.

Rep. Cedric Richmond, D-New Orleans, joined Sen. Mary Landrieu, D-La., in asking the House to pass the Senate bill.

"I urge my colleagues in the House to support this bipartisan bill which would help the Gulf Coast recover from the worst environmental disaster in U.S. history," Richmond said.

Richmond added: "Sending the bipartisan Senate transportation bill to the president's desk will ensure that critical transportation projects are no longer delayed and desperately needed funds are allocated before the current highway program expires at the end of the month."

Also this week, the House Budget Committee Chairman, Paul Ryan, R-Wisc., is expected to unveil a GOP budget that calls for more cuts in discretionary spending than agreed to last year by President Barack

Obama and Congress, while canceling automatic defense department cuts scheduled to take place if Congress and the administration can't agree on a deficit reduction plan.

"The Speaker and (Armed Services Committee Chairman (Buck) McKeon (R-Calif.) are working towards a shared goal: ensuring that we have \$1.2 trillion in additional deficit reduction, but doing it in a way that does not 'hollow out' our Armed Forces or jeopardize our national security," said Boehner spokesman Michael Steel.

The Senate this week is continuing debate on a House-passed measure designed to increase job creation by improving access to public capital markets by emerging growth companies.

Landrieu is among a group of Senate Democrats urging the Senate to pass a substitute measure she says will be far more effective in helping small businesses. It would allow small businesses and entrepreneurs to raise capital in a way that protects investors, provides financing so businesses can expand and hire more workers, and encourages U.S. companies to export and compete in a global marketplace, Landrieu said.

"We are not trying to say no to everything that is in the House bill because there are some good ideas that have come from some of the brightest entrepreneurs in our country," Landrieu said. "We're trying to say yes to those ideas but do it in a way that protects investors and helps small businesses raise much-needed capital."

Also this week, Speaker Boehner is hosting President Barack Obama Vice President Joe Biden and Republican and Democratic congressional leaders for the annual luncheon for the Irish Prime Minister, Enda Kenny.

Originally published here: http://www.nola.com/politics/index.ssf/2012/03/post_434.html

TRANSPORTATION BILL PLEA: RAY LAHOOD, NEW JERSEY SENATORS PUSH FOR BOEHNER TO TAKE BILL AS-IS

By Matt Sledge
The Huffington Post
March 20, 2012

Federal and state leaders pleaded Monday with House Speaker John Boehner to take up the Senate's transportation bill, which passed last week, but faces an uncertain future in the House.

"Speaker Boehner, take the Senate bill, which is a bipartisan bill," said Transportation Secretary Ray LaHood at a news conference Monday, joined by New Jersey's two Democratic U.S. senators. "It takes care of highways, and bridges and transit, and takes care of meeting America's transportation needs."

Boehner has yet to announce whether he will push the Senate bill, which passed in the upper chamber by a 74-22 margin, as-is.

Sens. Frank Lautenberg and Robert Menendez were even more emphatic, stressing that in their chamber they'd been able to find common ground with Republicans to pass job creation legislation, and painting conservative House members as obstructionists.

"We stand here today in one of America's greatest public transportation cities to deliver a simple message to Speaker John Boehner and the House Republicans: Stop playing silly games with the need for transportation and investment in our society," said Lautenberg. "Let's not allow the House Tea Party to hold jobs hostage in their political contest to defeat President Obama."

About 56 percent of Hoboken residents, more than any other American city, take public transportation to work according to Mayor Dawn Zimmer, and the briefing's location was meant to highlight the bill's funding support for mass transit in New Jersey.

Lautenberg called on Gov. Chris Christie to appeal to House Republicans to pass the bill given his standing with the conservative wing of the party. "Governor Christie, reach out to your Republican colleagues in the House, tell them how important this is to New Jersey."

Time to pass a new bill before the current transportation law expires on March 31 is running out. That may mean that Congress will be forced to pass a short-term extension of the current law, giving House and Senate leaders a little breathing room to work together on passing a comprehensive measure.

But even if a new law is passed, instead of another extension, there are signs that the Senate bill won't close the yawning transportation investment gap that is leaving more and more roads and rails deficient. Last week, LaHood's office released the results of a report showing that America would need to invest \$10 billion more per year to keep maintain highway conditions and performance. The country would also need to spend \$4 billion more per year on transit systems to bring them up to a state of good repair.

The Senate bill, however, merely keeps transportation spending level, so it would do little to close investment gaps, or to provide people with transit alternatives to driving at a time of high gas prices. When asked about the gap, LaHood said he hoped the states, "our partners in transportation," could pick up some of the slack -- a tacit acknowledgment that there is little appetite in Washington for infrastructure investment that would add to the federal deficit.

Originally published here: http://www.huffingtonpost.com/2012/03/19/transportation-bill-ray-lahood-new-jersey_n_1364929.html?view=print&comm_ref=false

NATIONAL BIKE SUMMIT: CYCLING ADVOCATES HEADED TO CAPITOL HILL

By Ashley Halsey
Washington Post
March 19, 2012

Focus will be a threat on funding

The annual National Bike Summit convenes in Washington this week, with threats to government funding for bike and pedestrian programs leading the agenda.

“They want to pick on bike funding as an issue in which they’re going to draw a line in the sand,” said Andy Clarke, president of the League of American Bicyclists, which hosts the summit. “We think it’s perverse and we’re not sure why we are in the crosshairs, but we are and we’re responding in kind.”

In an era of austerity in Congress and state capitals, mandates that a fraction of federal funding be spent on bike paths, bike lanes, walkways and pedestrian bridges have been called into question by those who advocate putting scarce resources into highways and bridges.

A House proposal that would have abolished the 20-year-old Transportation Enhancements program, which mandated the spending, stalled last month. The Senate transportation bill approved last week creates a new competitive grant program open to local governments and agencies for bike and pedestrian programs.

With state transportation departments feeling the crunch of dwindling gas-tax revenue, some House and Senate Republicans argued that states be given latitude to spend enhancement money elsewhere.

Clarke said a compromise in the Senate bill tilted the funding program toward county and city governments, which he said tend to take a more favorable view of cycling and walking programs than do officials who bear statewide responsibility for highways and bridges.

“It’s mayors and city councils and county commissions that are really getting it,” Clarke said. “What they’re running up against in community after community is the state departments of transportation, who are not so committed to or keen on bicycling or walking, with a few notable exceptions.”

“For us, that shift to as local a level as possible is very welcome,” he said, “and we think local elected officials will make smart decisions as to how they use those funds.”

The Obama administration and Transportation Secretary Ray LaHood, himself a cyclist, have been supportive of dedicated bike and pedestrian funding.

The summit will hear from LaHood on Wednesday and from members of the Congressional Bike Caucus, led by U.S. Rep. Earl Blumenauer (D-Ore.), before advocates fan out Thursday for meetings with members of Congress or their staffers on Capitol Hill.

Clarke said the meetings will allow his group to put a human face on the issue “and represent tens of thousands of e-mails and calls and letters that have been generated by this threat for bicycling and walking programs.”

The enhancement program doled out \$927.5 million in federal dollars in fiscal 2011, about 2 percent of the total \$40.2 billion highway budget. Between the program’s inception in 1992 and 2010, states used \$8.7 billion in enhancement funds, about 84 percent of the money made available.

In the Washington region, enhancement funding was used to build a bike and pedestrian bridge over Veirs Mill Road at Aspen Hill Road; restore locks and the adjacent towpath of the Chesapeake & Ohio Canal; restore the buffalo sculptures on the Dumbarton Bridge and the lion sculptures on the Taft

Bridge; transform an abandoned rail line into the Capital Crescent Trail; and build bridges to carry the Bethesda Trolley Trail over interstates 270 and 495.

WASHINGTON REPORT: HIGHWAY BILL AMENDMENT INCLUDES RYO TOBACCO LANGUAGE

NACS News Blog

March 20, 2012

Washington Post portrays RYO legislation as Big Tobacco versus the little guy, a characterization that NACS is fighting to counter.

The Washington Post last week analyzed the \$109 billion federal highway bill, pointing out that the amendment includes language that would reclassify tobacco shops that offer roll-your-own (RYO) machines as "tobacco manufacturers."

The reclassification would thus impose new regulations and higher taxes on the stores, a move that NACS supports, as the RYO storefronts have affected roughly 62% of one-store operators.

The Post, however, painted a different picture, framing the issue as one of Big Tobacco against the little guy. "This is catastrophic," said Phil Accordino, whose small company builds RYO machines in Girard, Ohio.

NACS, along with tobacco companies and some members of Congress, maintain that the bill is aimed at cracking down on unregulated cigarettes. "Roll-your-own cigarette machines take advantage of an unintended tax loophole, and that isn't right, so this offset closes it," said U.S. Sen. Max Baucus.

The RYO issue is a central one for NACS; it is taking the issue to Congress for NACS Day on Capitol Hill, which takes place today and tomorrow in Washington, D.C.

Originally published here: <http://www.nacsonline.com/NACS/News/Daily/Pages/ND0320122.aspx>

JUST WHAT AMERICA NEEDS: MORE RED TAPE

Editorial by A. Barton Hinkle

Richmond Times-Dispatch (VA)

March 20, 2012

Adding another aphorism to the English language, George Will recently observed that "as government expands, its lawfulness contracts." Will offered two examples, concerning the U.N. and education. But he has fallen short of the First Law of Journalism, which states: Any three anecdotes make a trend. He needs a third case study. Here it is.

The IRS has taken upon itself a task no one asked it to do: regulate small, independent tax preparers. And like any federal regulation worthy of the name, its rules are byzantine, unnecessary, redundant, legally dubious, and hostile to free enterprise.

The rules require anyone who accepts payment for filling out income-tax returns to register, pay fees, take special tests, and complete annual continuing-education requirements. "Having made tax filing so complicated that most Americans need help with the forms," The Wall Street Journal tartly notes, "Washington now wants to raise the price of such counsel by regulating advisers in a way that may reduce their supply."

But not all advisers. CPAs won't have to obey the new rules. Neither will lawyers. Not just tax lawyers, mind you — any lawyers, even those who specialize in patent law or personal injury. Neither will any tax preparers who are supervised by CPAs, or "enrolled agents" at, e.g., big tax-prep companies.

That still leaves about 350,000 other people who fill out tax forms part-time — people such as Sabrina Loving, a longtime accountant who opened up a tax-prep storefront in a rundown Chicago neighborhood. Watching people like Loving with a gimlet eye might make sense if people like her were ripping customers off, or defrauding the government, left and right. But they aren't. The IRS recommends sanctions against fewer than 500 tax preparers per year, and prosecution of even fewer than that. Some of those may work for nationwide accounting firms. But even if all were independent agents, that still comes to less than two-tenths of 1 percent of all mom-and-pop tax preparers. How much further would regulation reduce that number?

Sabrina Loving has filed suit to fight the new rules. She is joined by Elmer Killian, a retired Korean War veteran in Eagle, Wisconsin, and John Gambino, a Certified Financial Planner and former equity analyst in Hoboken, N.J. None of them prepares more than 100 returns a year. They are being represented by the Arlington, Va.-based Institute for Justice.

The Institute for Justice (IJ) says the IRS has no statutory authority to impose the new licensing requirements. Instead, the agency is relying on an obscure 1884 law — i.e., one passed before the establishment of the federal income tax — concerning the representatives of people who were owed money by the federal government, not vice versa.

Of course, Congress delegates many rule-making powers to the executive branch, so perhaps Congress is fine with the IRS' unilateral assumption of power here. But it isn't. In 2008, Congress considered — and rejected — an amendment authorizing the IRS to regulate tax preparers. Now ask yourself: If the IRS already had the authority to regulate tax preparers, then why did Congress need to consider such an amendment?

Mark Ernst, a deputy commissioner of the IRS who had a hand in crafting the new rules, is a former CEO of H&R Block. You will be as shocked as Captain Renault to learn that big tax-prep companies — H&R Block, Jackson Hewitt, Liberty — all support the new regulations, for the same reason big tobacco companies go after roll-your-own smoke shops: It's in their interest to stifle low-cost competitors.

And while the big boys might couch their support in the usual consumer-protection language, the Swiss investment bank UBS has noted that the new IRS rules would aid H&R Block (and by implication others) by adding "barriers to entry (or continuation) for small preparers [and] provid[ing] revenue as Block may sell their continuing education and competency tests to others." As Timothy Carney, author of "The Big

Ripoff: How Big Business and Big Government Steal Your Money," noted a while back, the IRS regs provide further evidence that regulation often serves big corporate interests more than it serves consumers.

This might be a fairly minor matter, were it not part of (yes) a larger trend. In a 2010 paper published in the British Journal of Industrial Relations, Morris Kleiner of the University of Minnesota and Alan Krueger of Princeton note that less than 5 percent of the U.S. workforce was required to be licensed in the 1950s. By 2000 the figure had surpassed 20 percent and now stands just shy of 30 percent. The result: higher prices – and economic sclerosis.

"Everyone," said President Barack Obama six months ago, "knows that small businesses are where most new jobs begin. And you know that while corporate profits have come roaring back, smaller companies haven't." Perhaps he should pause to ask himself why.

Originally published here: <http://www2.timesdispatch.com/news/rtd-opinion/2012/mar/20/tdopin02-just-what-america-needs-more-red-tape-ar-1777855/>

MONDAY ROUNDUP

Excerpts from the Daily Yonder News Blog
March 20, 2012

This comes from the "How Things Work" Department of the federal government:

We noted last week that the Senate passed a transportation bill that also included \$364 million to extend the Secure Rural Schools program, which supports schools in areas where timbering on federal lands has been curtailed. Included within THAT amendment was another measure, which would extend the federal tobacco tax on manufacturers to roll-your-own machines.

There's a small Ohio company that builds roll-your-own machines that allow smokers to cut their costs dramatically by bypassing the big tobacco manufacturers. The machines are about the size of an ATM machine. At a tobacco shop, customers can buy their ingredients and in about 8 minutes the machine will produce a carton — sort of the way you grind a pound of tobacco at the store.

Big Tobacco doesn't like being bypassed, so it supported an amendment that would tax any shop that operated the machines as "manufacturers" of cigarettes. That would result in higher taxes and much more regulation.

The Altria Group, formerly Philip Morris, spent \$11 million on lobbying last year, some of it on the legislators who included the amendment aimed at taxing out of business the maker of the roll-your-own machine.

Originally published here: <http://www.dailyyonder.com/monday-roundup-santorums-rural-argument/2012/03/19/3817>