

## Congressional Closeup by Carl Osgood

### **GOP Rams Tax Cut Bill Through House**

House Republicans gave no quarter to Democrats on May 9 on their tax cut bill, which they brought out to the floor under a rule—approved 220-203—that permitted no Democratic amendments. Angry Democrats denounced the rule, and the bill, as an affront to democracy. Rep. Charles Rangel (D-N.Y.) called the day “a day of infamy,” and demanded to know, “If they have a bill that they are so proud of, why is it that they believe that the Democrats should not be able to at least reveal what we want to do?” Rep. Martin Frost (D-Tex.) connected President Bush’s tax cut policy to the “Pioneers,” the group of fundraisers who had raised \$100,000 or more each for his 2000 Presidential campaign. “If Republicans were shooting straight with the American people,” he said, “they would call it the Pioneers’ Tax Relief Act, Part Two”—Part One having been the tax cut bill of 2001.

The bill, which passed by a vote of 222-203, goes for \$550 billion in tax cuts over the next ten years. The plan includes provisions increasing the child tax credit to \$1,000 through 2005, eliminating the so-called marriage penalty, accelerating reductions in income tax rates, and increasing the amounts that small businesses can write off for investments up to \$100,000. The bill also decreases capital gains tax rates to 5% and 15%, from 10% and 20%, respectively. It treats stock dividends the same as capital gains, and taxes them at the same rate. House Ways and Means Committee Chairman Bill Thomas (R-Calif.) claimed that the bill would create 900,000 jobs in next five years.

Being able to do little else, Democrats spent most of their efforts ridiculing the GOP claims about the bill. Minority Whip Steny Hoyer (D-Md.)

noted that while the Republicans have been arguing for years that tax cuts create jobs, 2.7 million jobs have been lost since the 2001 tax cut was passed into law. Rep. Lloyd Doggett (D-Tex.) charged that when it comes to helping the unemployed, the Bush Administration “doesn’t have a clue.” He added, “With the largest deficit in American history adding to a national debt spiraling to almost unimaginable heights, extremists borrow more from us all in order to give tax breaks to a few. . . .”

### **Frist Proposes Change In Filibuster Rule**

Senate Majority Leader Bill Frist (R-Tenn.) took to the floor of the Senate on May 9, to propose changes in the Senate rules, to make it more difficult for the minority to filibuster judicial nominees. The change would reduce the number of votes required to invoke cloture, on each successive cloture vote. The first vote would require 60 votes, but then decrease by three on each successive vote until cloture could be invoked with a simple majority of 51 votes. It also would not allow the filing of a cloture motion until a nominee was on the floor for at least 12 hours, and a new cloture motion could not be filed until the previous one had been disposed of.

Frist told the Senate that his motion was made necessary by Democratic intransigence on judicial nominations. “We confront multiple filibusters of highly qualified and intellectually superior judicial nominees,” he said, “filibusters that are unfair.” He charged that “by denying the right of an up-or-down vote on a nominee and choosing rather to filibuster, they [the Democrats] deny the Senate

and each Senator the right to vote at all.”

The Democratic response was quite mild. Minority Whip Harry Reid (Nev.) said he had no problem with Frist seeking a change in the rules, as long as it was done by long established procedure. Minority Leader Tom Daschle (S.D.) echoed Reid, but questioned the need for such a rule change, noting that the Senate has confirmed 124 judicial nominations since May 2001, when control of the Senate shifted to the Democrats, and only two nominations are being blocked. “Any time you can confirm 124 judicial nominees in two-plus years, I don’t see much broken,” he said. The chances that Frist’s proposed rule change will pass are pretty slim, since the Senate rules require 67 votes to overcome a filibuster of a proposed rule change.

### **Will Electricity Dereg Sink Energy Bill?**

On May 6, the Senate began debate on an energy policy bill that may yet prove to be as contentious as last year’s, which died in conference committee at the end of the 107th Congress. The bill, as presented by Energy and Natural Resources Committee Chairman Pete Domenici (R-N.M.), covers everything from oil, gas, and coal production, to nuclear power, to so-called renewable resources, to research and development. Domenici admitted that the most difficult title in the bill will be the one covering electricity. Among other things, it repeals the Public Utility Holding Company Act (PUHCA)—a bold step to take, especially as long as the Enron-induced 2000-01 electricity crisis in California remains a vivid memory.

That crisis, however, means different things to different Senators. Imme-

diately following Domenici's remarks, Jeff Bingaman (D-N.M.), the ranking Democrat on the Energy and Natural Resources Committee, suggested that the reliance on the spot market in California exposed flaws in the market as a whole that were exacerbated "by the unscrupulous behavior of a number of energy marketers and the inadequate responses by regulators." Larry Craig (R-Id.) argued that the California situation was solely the result of market forces. "To suggest it was a manufactured energy crisis," he said, "is absolute nonsense."

Two days later, Diane Feinstein (D-Calif.) presented evidence from the investigations of the Federal Energy Regulatory Commission that, indeed, the energy marketers had criminally gamed the market. "Yet this energy bill," she said, "doesn't prevent the type of gaming that went on during the energy crisis," but instead, only bans one type of specific manipulation. Rather than fully re-regulating the market and stripping the proposed PUHCA repeal out of the bill, however, Feinstein offered only to support an amendment "to ensure the consumer protections granted by PUHCA are not repealed."

## **Clay Decries Government Secrecy**

Rep. W. Lacey Clay (D-Mo.) put top officials of the FBI, the Transportation Security Administration (TSA), and the Defense Advanced Research Projects Agency (DARPA) on the defensive on May 6, with regard to government secrecy since the Sept. 11, 2001 terror attacks. Speaking at a hearing of the Technology, Information Policy, and Intergovernmental Relations Subcommittee of the House Government Reform Committee, Clay questioned

whether the heavy hand of security, at the expense of liberty, has actually made the United States more secure. "We must learn from the past and not allow our fears to destroy the very liberties for which we fight," he said. "The descriptions of the programs we are considering, today, with secret files and warrantless searches of our electronic lives, puncture that thin wall between liberty and security. At the same time, these programs have not proved that they have a benefit strong enough to justify that breach."

Clay went on to criticize all three agencies for failures to ensure that the information they have will be used appropriately. He charged that the FBI has issued a rule change that exempts information that it holds, including that made available to local law enforcement agencies via the National Crime Information Center, from the requirement that it be accurate. He accused the TSA of not being willing to share with Congress how its data base system works, and the DARPA of developing a profiling system, in the form of the Total Information Awareness project, and said that it doesn't want the American public to see or to correct the information that will be used to profile them.

## **Jobs Bill Includes Faith-Based Provision**

On May 8, the House GOP leadership, once again, excluded Democrats from debate on major pieces of legislation. At issue was a bill, which passed by a vote of 220-204, to re-authorize and reorganize the programs created under the 1998 Workforce Investment Act (WIA). The bill came in the context of two years of rising unemployment, especially in the manufacturing sector,

and under a rule which limited the Democrats to a motion to recommit and no amendments.

As described by House Education and the Workforce Committee Chairman John Boehner (R-Ohio), the bill would "streamline" the bureaucracy created by WIA "and give workers better access to WIA benefits," in the name of giving state and local governments "greater flexibility" in managing the program. The bill also includes a provision allowing faith-based institutions to participate in Federal jobs programs, regardless of their hiring practices.

Democrats blasted the bill for failing to address the unemployment problem. George Miller (D-Calif.) told the House that, in spite of the fact that the Labor Department's own statistics show three job seekers for every job available, the bill "begins to unravel what has been a carefully constructed job training program." He added that the White House's lack of concern for the unemployed is shown by the fact that the Fiscal 2004 budget request proposes to reduce funding for job training programs by \$200 million, on top of a \$650 million decrease in 2003.

Neither did the faith-based provision escape the scrutiny of the Democrats. James McGovern (Mass.) charged that the bill "attacks the Constitution by repealing civil rights protections that are written in the current law." He noted that protection against religious discrimination in employment, in programs that receive Federal funding, was written into law 21 years ago, but the WIA bill "shreds these protections by allowing religious organizations to receive Federal funding . . . for job training activities . . . and then to discriminate in hiring based on religion." He called this "unconstitutional, unacceptable, and offensive."