

Congressional Closeup by Carl Osgood

Budget Remains Stalled in the House

House Majority Leader John Boehner (R-Ohio) cancelled plans to bring the Fiscal 2007 budget resolution to the floor on May 11, because he still does not have the votes to pass it. "We're continuing to talk with our members to have a budget resolution," he told reporters. "When you've got 232 members of the family, trying to come to an agreement on a responsible budget that holds the line on spending is very difficult." The fracture lines remain between the conservatives, who want to hold the line at \$873 billion in discretionary spending, and moderates who want to add about \$7 billion to health and education spending, as was done in the Senate.

The objections of House Appropriations Committee Chairman Jerry Lewis (R-Calif.) appear to have been satisfied. Lewis had been concerned about a provision that would have required the Appropriations Committee to get permission from the Budget Committee to increased non-defense emergency spending above \$4.3 billion, though just how Lewis was mollified is not clear.

Senate Defies Bush On War Supplemental

On May 4, the Senate performed the legislative equivalent of President Bush's "bring'em on" challenge to the Iraqi insurgents, by ignoring a White House veto threat against the Fiscal 2006 emergency supplemental appropriations bill. President Bush's original request was for \$94 billion to cover the wars in Iraq and Afghanistan, and for continuing Hurricane Katrina recovery efforts. The Senate added billions of dollars more to the bill, including \$8 billion above what Bush had asked for for hurricane recovery, \$3.9

billion for agriculture disaster assistance, \$2.6 billion for pandemic flu preparations, and about \$2.5 billion for port and border security.

Robert Byrd (W.Va.), the ranking Democrat on the Senate Appropriations Committee, responded to Bush's veto threat by saying, "Have at it, Mr. President." He noted that there is nothing written in stone that requires the Congress to pass a bill containing only provisions that the President asks for. He further noted that President Bush's request included no money for border security, coal mine safety, disaster assistance for farmers, or flu vaccine, and the request for Katrina victims "is inadequate and leaves critical gaps in housing and education."

The Senate, Byrd said, "recognized the weaknesses of the President's request in these areas and judiciously added funds." He called on the Congress to send to Bush "a bill that meets the needs of this country."

The Senate apparently agreed with Byrd to let Bush "have at it," as the bill passed by a 77 to 21 vote. Only Republicans voted against the bill, and 35 Republican Senators subsequently signed a letter vowing to support a veto, should Bush issue one. Even before that happens, though, the Senate action faces opposition from the House. House Speaker Dennis Hastert (R-Ill.) said in a statement, "As it's currently drafted, the Senate's \$109 billion emergency spending bill is dead on arrival in the House," a position which was also endorsed by Majority Leader John Boehner (R-Ohio).

House Passes 'Sham' Ethics Reform

The House passed a lobbying reform bill on May 3, which House Rules Committee Chairman David Dreier

(R-Calif.) described as "commonsense action." Dreier began the floor debate boasting about how the House Republicans started the year by banning former members of Congress who are registered lobbyists, from the House floor and the House gym. He told the House that the bill it was considering would "enhance transparency and accountability in Congress through increased disclosure and tighter rules." One of those tighter rules is a temporary ban on travel by members of Congress paid for by private groups, until the House Ethics Committee can examine the issue.

Democrats focussed their opposition on what was not in the bill, which they described as "sham" ethics reform. Rep. Louise Slaughter (D-N.Y.) said that "it does nothing to fix the battered and broken political process of this Congress." There are numerous practices that have become commonplace in the House that the bill does not address, including forcing the House to vote on a conference report before anyone has had a chance to read it; holding votes open until the GOP leadership gets the result it desires; locking Democrats out of conference committee meetings; allowing lobbyists to write legislation behind closed doors; and numerous others.

"This bill really represents an effort for some to have it both ways, holding on to the financial benefits and perks they receive from lobbyists and other special interests while claiming they have dealt with the lobbying ethics problems in Congress," said Rep. John Conyers (D-Mich.).

Nonetheless, the vote on the bill was close, 217 to 213, and the Democratic substitute failed on a 213 to 217 vote. Sixteen Republicans crossed the aisle to vote for the Democratic substitute, and 20 voted against passage. Eight Democrats also crossed party

lines, to vote for the GOP bill, an action for which they were later scolded by House Minority Leader Nancy Pelosi (D-Calif.).

Senate Committee Holds Hearing on Line-Item Veto

President Bush's proposed line-item veto received its first hearing in front of the Senate Budget Committee on May 2. The proposal is considerably modified from that passed by Congress in 1996, in an attempt to get over the constitutional objections which led the Supreme Court to strike it down two years later. Committee Chairman Judd Gregg (R-N.H.) described it as "a proposal where basically the Executive branch . . . says to the Legislative branch, 'Here are some spending items. Take another look at them and see whether or not you want to go forward with them.'" He called it an "excellent idea" that provides another avenue to look at government spending.

Sen. Robert Byrd (D-W.Va.), who led the opposition to the line-item veto in 1996, testified against Bush's proposal. He called it "an offensive slap at the Congress" which "embodies the reckless disregard for the fundamental and sacred constitutional principle of three separate and equal branches of government."

The bill as drafted, he said, "would allow the President to roll over the procedures outlined in the presentment clause of Article I, Section 7, and effectively cancel individual items in legislation by impounding such items indefinitely. Without exercising a veto, the President could effect the repeal of a law passed by Congress, and then resist subsequent efforts by the Congress to ensure that law is carried into effect."

Byrd then went through a detailed description of how the proposal transfers power and authority that constitutionally belongs to the Congress—the power of the purse—over to the President. "The power of the purse is the preeminent power in the Congressional arsenal," he said. "It guards against an all-powerful king, an all powerful Executive."

Dems Hold Hearing On Energy Manipulation

On May 8, the Senate Democratic Policy Committee held a hearing on gasoline prices and energy trading. Committee Chairman Sen. Byron Dorgan (D-N.D.) noted the similarities between the present situation and Enron, whose former CEO, Ken Lay, has been on trial in Houston on charges of fraud and conspiracy related to the collapse of his former employer. Dorgan noted that price fixing and price manipulation were included among the criminal charges against many of Enron's former officials.

Senate Minority Leader Harry Reid (D-Nev.) put the blame squarely on the Administration. "Its failed energy policy, its failed foreign policy, its failure to quickly reconstruct New Orleans and the surrounding energy infrastructure there and in Iraq, and the Administration's wildly misplaced budget and enforcement priorities have left America unprepared and with an unresponsive government," he charged.

The witnesses included Illinois Attorney General Lisa Madigan, utility regulators from the West Coast, a trader, a think-tanker, and others. Their testimony demonstrated how unregulated speculation in the commodities markets is responsible for the catastrophic rise in energy prices,

"contrary to common media reports" that place the blame on supply and demand.

Madigan testified that, upon receiving warnings from the natural gas supply companies in her state, she got together with attorneys general in Iowa, Missouri, and Wisconsin to investigate the reasons for the expected price hikes. They found that there is a complete lack of transparency in the primarily unregulated financial markets for natural gas, and that the regulations that do exist are far less than for less-essential commodities. "The reality is that approximately 80% of natural gas trading is done on the unregulated over-the-counter markets," she said, and that these markets are the major factor "in setting the price of natural gas."

Hagel Says U.S. Should Engage Iran

Sen. Chuck Hagel (R-Neb.) authored an op-ed in the May 8 *Financial Times*, in which he argued that "the U.S. should engage Iran directly with an agenda open to all areas of agreement and disagreement." He continued: "The lone world superpower must not act precipitately. The U.S., in partnership with our allies, should work towards a package of issues for discussion with Iran. A military option is not a long-term solution to prevent Iran from acquiring nuclear weapons. Attacking Iran and destroying its nuclear facilities would not destroy Iran's ability and knowledge to come back at nuclear capability again and again. A U.S. military strike in Iran would make Iran's determination that much stronger. A military option would also inflame the Middle East and the global Muslim population, crippling U.S. security, economic and strategic interests worldwide."