

Congressional Closeup by Carl Osgood

Grassley Saves Budget Resolution

Senate Finance Committee Chairman Charles Grassley (R-Ia.) delivered a dramatic speech on the floor of the Senate on April 11, that was instrumental in preventing the Fiscal 2004 budget resolution from going down to defeat. The House version of the resolution provided for \$726 billion in tax cuts, whereas the Senate version only included \$350 billion. The smaller tax cut had turned on the votes of Republicans Olympia Snowe (Me.), George Voinovich (Ohio) and Lincoln Chaffee (R.I.), all three of whom had maintained that anything larger was unacceptable.

Because the House would not accept a tax cut of less than \$550 billion, the GOP members of the conference came up with a parliamentary maneuver, such that the House would be instructed to pass legislation cutting taxes by the \$550 billion, and the Senate by \$350 billion. The Senate would need 60 votes to pass anything larger. Democrats blasted the maneuver, insisting that there was nothing to prevent the larger tax cut from being passed into law, after a conference agreement.

Once it was clear that the deadlock in the Senate was still not broken, Grassley intervened, announcing that he would act to ensure passage of the resolution. "I supported the President's number [of \$726 billion in tax cuts] at each step and support it today. Unfortunately there is not now a majority of Senators in support of the President's figure," he said, nor would that majority materialize. "The reality is that the Republican caucus is split," he said. Hence, he told the Senate that he had made an agreement with Snowe and Voinovich, that he would not allow any tax cut legislation to come to the conference committee for more than \$350 billion. The result was that

the resolution passed the Senate, by 51-50, with Vice President Dick Cheney breaking the tie.

The Grassley deal not only did nothing to mollify Democrats, but it has widened the split among the Republicans. House GOP leaders had understood the conference agreement to mean that the final size of the tax cut would be determined later, so they felt betrayed by Grassley's action. A fuming House Majority Leader Tom DeLay (R-Tex.) told reporters, after the Senate vote, "This goes right to the heart of our ability to work together. This is pretty serious and has serious long-term implications." Therefore, the House Republican strategy seems to be to treat Grassley as irrelevant. "We will continue to press for tax relief that will stimulate more than some Senator's ego," DeLay added.

The White House appears to be somewhat less determined than DeLay, however. With the war in Iraq supposedly over, President Bush has turned to promoting his domestic agenda, in which the tax cuts are a major item. However, in a speech on April 15, President Bush demanded \$550 billion in tax cuts, because "American workers and American businesses need every bit of that relief now, so that people who want to find a job can find one, so that people looking for work are able to put food on the table for their families." While that might be seen as a rebuke of Grassley, it is still a step down from the original \$726 billion proposal.

President Bush Gets War Supplemental

On April 12, the House completed action on the conference report for the Fiscal 2003 war supplemental appropriations bill. The \$78 billion bill included \$62 billion for the Defense De-

partment, \$2.5 billion for Iraq reconstruction, \$3.9 billion for homeland security, and an airline bailout package amounting to \$3.8 billion. The bill also provided for \$9 billion in loan guarantees to Israel, \$8.5 billion to Turkey and \$2 billion to Egypt.

What the bill did not give President Bush was the "flexibility" he demanded on how he could spend the money in the supplemental. Originally the White House requested that \$59 billion of the Pentagon money go into a defense emergency response fund, which would not have been subject to Congressional oversight. The conference agreement reduced that amount to \$15.7 billion and subjected it to a five-day notification requirement before it can be spent. Rep. David Obey (D-Wisc) explained, "That preserves to the Congress the right to review proposals for the spending of taxpayers' money." The rest of the defense request is earmarked to specific accounts, such as military personnel, operations and maintenance, and procurement.

The conference agreement also subjected the Iraq reconstruction money to the oversight provisions of the Foreign Assistance Act of 1961, although it lifted the prohibition against the Pentagon's spending that money. The Iraq reconstruction money is also subject to a five-day notification requirement.

Akaka Warns Against Nuclear 'Bunker Busters'

Daniel Akaka (D-Hi.) took to the floor of the Senate on April 11, to call into question Bush Administration plans to develop nuclear "bunker-buster" bombs. The Pentagon, he said, had reported to the House and Senate Armed Services Committees that it intends to study whether existing B61 and B83

nuclear bombs can be converted to into the so-called Robust Nuclear Earth Penetrator, which, along with low-yield warheads, is intended to destroy deeply buried targets.

Akaka first challenged the notion that such weapons could penetrate deep enough to eliminate the danger of radioactive fallout. He noted that a 0.1 kiloton warhead would have to burrow down 230 feet, for its blast to be fully contained, whereas limits on material strengths make it unlikely that such a weapon could penetrate deeper than 50 feet. Akaka added that a 1 kiloton warhead, exploding at a maximum depth of 20 to 50 feet, would eject more than 1 million cubic feet of radioactive material from a crater the size of a football field, with extensive collateral damage.

Finally, Akaka warned, "If the United States starts down this path, Russia will be encouraged to do the same. If Russia begins, maybe China will too. A new arms race in supposedly low-yield and 'usable' nuclear weapons will result. . . . We should stop this new tactical arms race before it starts."

House Votes Further Electricity Dereg

Republicans are describing as a "comprehensive" energy policy, a new bill voted up, by 247-175, on April 11 in the House. The bill included many provisions of last year's failed effort, but also took up further energy deregulation, through a provision repealing the Public Utility Holding Company Act (PUHCA), which was not taken up in last year's bill. Democrats blasted the bill as a sop to the big energy companies, and alleged that it failed to address the disaster raised by electricity deregulation in California in 2000 and 2001.

House Energy and Commerce Committee chairman Billy Tauzin (R-La.) described the bill as "a balanced approach to energy production and use," by supposedly encouraging investment in both production and conservation. He said the committee bill sought to increase domestic energy supplies and also promote energy efficient technologies. Joe Barton (R-Tex.) said that the bill "puts our nation on a forward path towards better electricity markets," increasing transmission capacity, improving operation of existing capacity, and making widespread competition "even more successful than it currently is today."

John Dingell (D-Mich.) introduced an amendment to strip out the PUHCA repeal, and while the Republicans opposed it vigorously, they refused to acknowledge what the repeal would mean. Dingell told the House that the electricity title, besides repealing the PUHCA, "ties Federal regulators' hands in reviewing unjust and unreasonable electricity contracts." His amendment, to the contrary, "will protect consumers" by curbing fraud and manipulation. Typifying the GOP response to Dingell's amendment, Barton complained that it was just "an expansion of Federal authority over natural gas and electricity generators and transmitters anywhere in the country." Dingell's amendment went down to defeat by a vote of 193-237.

Budget Resolution Debt Ceiling Rise Draws Fire

House Democrats are rarely happy about how the Republicans craft and ram through budget legislation, but the fiscal 2004 budget resolution had them complaining even more loudly than usual. The resolution arrived on the floor of the House less than two hours after it was completed by the confer-

ence committee, necessitating a "martial law" rule so that it could be considered. Because it was considered so quickly, Democrats did not even have a chance to read the bill, and it is likely that very few Republicans have read it either. Rep. James McGovern (D-Mass.) called the process "an assault on regular order" that was "appalling." Third, the resolution provides for a total increase in the debt limit, over ten years, of \$5.64 trillion, or an average of \$564 billion per year through 2012. The increase for 2004 alone would be \$984 billion.

Democrats, without exception, told the House that the debt limit in the resolution means that the GOP was planning to increase the national debt by that amount. Bobby Scott (D-Va.) charged that the GOP plan would raise the national debt from \$4,500 average share for a family of four, to \$8,500, which, of course, generates interest costs. "So every time they cut another tax, they have to pay interest, and this number is going up." Doc Hastings (R-Wa.), responded to a query from Charles Stenholm (D-Tex.) admitting that, under House rules, the budget will, indeed, raise the debt ceiling by the specified amounts, and explained, "We are running deficits because of the war and the downturn of the economy." Stenholm then told the House that it was about to vote to add \$1.4 trillion (that is, the \$984 billion plus last year's \$450 billion) to the national debt "within a period of one year following the economic game plan" that a majority of Republicans will not say is not working.

The budget resolution, which is binding only on the House and Senate, does not actually change the statutory debt limit, however. That will require separate legislation that goes to President Bush for his signature. How the Republicans intend to address that issue has still not become apparent.