

August 20, 2012 – VOLUME 9, ISSUE 8

Health Care Law Must be Repealed in Full

By Rep. Adrian Smith (R-Neb.)



Rep. Adrian Smith (R-Neb.)

Editor's Note: ACPPA periodically invites leading members of Congress to write columns for Actionline on legislative topics to allow our readers to hear directly from people making decisions on Capitol Hill. This month's guest columnist is [Rep. Adrian Smith](#). Rep. Smith represents Nebraska's Third Congressional District and is serving his third term. He sits on the House Ways & Means Committee. The views expressed by Rep. Smith do not necessarily reflect those of ACPPA.

In the aftermath of the Supreme Court's decision to uphold most of the President's health care law, Americans deserve to know what the decision means and what steps Congress will take to repeal the law in full to lower health care costs while increasing access to care.

The Court ruled on a 5-4 vote the federal mandate compelling individuals to purchase health care was Constitutional under Congress' power to tax. I respectfully disagree with the decision, in part because the requirement to purchase minimum health coverage was clearly

written as a mandate, not as a tax. Even the President and other Democrats have argued strongly the mandate is not a tax.

However, the ruling eliminates the possibility the Court would overturn the entire law, instead leaving the responsibility of repeal in the hands of Congress. Said another way, the choice to repeal or leave the law in place lays entirely in the hands of the American people. On this point, Chief Justice John Roberts was quite clear.

Further, simply because the law is Constitutional does not make it good policy; nor does it mean the American people deserve policy they don't want rammed through on an entirely partisan basis. Our health care system is broken and this law is making it worse, not better. More than two years after passage, health care costs continue to rise and millions of Americans are faced with losing the health coverage they were promised they could keep. The non-partisan Congressional Budget Office (CBO) estimates as many as 20 million Americans could lose their current health benefits with this law in place, and the cost of health insurance will rise by \$2,100 per family by 2016.

The law expands the size and scope of government. The estimated cost of the law has nearly doubled to \$2 trillion according to CBO. Furthermore, the law already has added more than 12,000 pages of regulations to the Federal Register.

The House of Representatives already has passed legislation which repeals the health care law in its entirety. If the Senate and President refuse to join us in this effort, we will continue to undo the law piece by piece. The House already has passed, and the President already has signed into law, nine provisions to repeal or defund portions of the law.

However, repeal alone is not enough; our health care system is broken and needs patient-centered reforms which would lead to lower costs and greater access to care. Therefore the House of Representatives will pursue market-based policies which reduce costs. This process will begin in the Ways and Means Committee, where I will continue efforts to find real health care solutions to benefit all Americans without tax increases and onerous government mandates.

Learning from the experience of Obamacare, we will not rush to pass a massive bill without the support of the American people. Instead, we will take a step-by-step approach and build consensus around commonsense ideas to lower the costs and expand access to care.

The Supreme Court ruling was a setback but not a defeat, and with the support of the American people and Nebraskans, we will repeal this law. Our resolve and the stakes for the future of America's health care system never have been higher.

MAP-21 TIFIA Funding Could Add More Than \$3 Billion to Construction Markets

Thanks to MAP-21 (the new highway law) the U.S. construction industry now knows what the funding situation for road, bridge, and transit construction will be for the next two years. Spending on these programs will remain at current levels, adjusted for inflation through the end of FY 2014.

The new law provides some needed near-term certainty, increases efficiency, and makes major improvements to the project delivery process, but MAP-21 is far from perfect. It didn't raise the gas tax or create other new user fee revenues to put the Highway Trust Fund back on solid financial footing. But MAP-21's authors did their best to find other ways to pay for increased infrastructure. Perhaps the most notable example, the bill significantly increases funding for the Transportation Infrastructure Financing & Innovation Act (TIFIA).

This innovative program provides credit assistance to states and localities wanting to pursue transportation projects of regional and national significance. TIFIA seeks to leverage federal funds to attract private and other non-federal investment dollars. According to the Federal Highway Administration (FHWA), TIFIA was created because state and local governments have traditionally had difficulty obtaining financing for projects at reasonable rates due to the unpredictability of revenue streams. For example, toll revenue for new roads can be difficult to predict.

The three distinct types of financial assistance provided through TIFIA are:

- Secured (i.e., direct) loans that offer flexible repayment terms and allow for financing of both construction and capital costs. Borrowers can take as long as 35 years to repay the loan and can wait for as long as five years to begin repayment;
- Loan guarantees through which the federal government guarantees a borrower's repayments to a non-federal lender; and
- Standby lines of credit to supplement project revenues for up to 10 years after a project is completed.

TIFIA assistance is available for up to 33 percent of certain project costs. To be eligible, a project must:

- Be included in the applicable State Transportation Improvement Program;
- Have a capital cost of at least \$50 million (or 33.3 percent of a state's annual apportionment of federal-aid funds, whichever is less) or \$15 million in the case of an intelligent transportation system project; and
- Be supported in whole or in part from user charges or other non-federal dedicated funding sources.

Some of the projects that have used TIFIA are:

- Central Texas Turnpike System in Austin
- South Bay Expressway in San Diego
- Pocahontas Parkway/Airport Connector in Richmond
- Port of Miami Tunnel
- Triangle Expressway in Raleigh-Durham
- Presidio Parkway in San Francisco
- Cooper River Bridge Replacement in Charleston, S.C.

According to FHWA, each dollar of federal money can provide up to \$10 in TIFIA credit assistance and leverage \$30 in transportation infrastructure investment. That means the \$1.75 billion authorized for TIFIA in MAP-21 (\$750 million in 2013 and \$1 billion in 2014) could generate as much as \$52.5 billion worth of construction activity.

For more on TIFIA in general, click here: <http://www.fhwa.dot.gov/ipd/tifia/index.htm>

Is a WIFIA on the Horizon?

Despite hundreds of billions of dollars in water infrastructure needs, Congress has dramatically cut funding for federal sewer and drinking water construction programs in recent years. But TIFIA has the attention of water infrastructure advocates looking for new ways to get projects built. There are rumblings on the Hill that Rep. Bob Gibbs (R-Ohio) may shortly introduce Water Infrastructure Financing Innovation Act legislation. Stay tuned.

In the meantime, on the water infrastructure front, Rep. Earl Blumenauer (D-Ore.) this month introduced legislation to establish a clean water trust fund, which would give water infrastructure projects a dedicated revenue source.

The Water Protection & Reinvestment Act of 2012 ([H.R. 6249](#)) would derive revenue from a three cent sales tax on beverages, a three percent sales tax on water disposal products (such as soaps, toiletries, and cooking oils), and a 0.5% sales tax on pharmaceuticals. The Government Accountability Office (GAO) calculates that H.R. 6249 will generate an estimated \$6.5 billion in annual funding for the nation's clean water infrastructure programs.

The bill would also allocate investments for workforce development grants, research programs, and would improve the application and review process for state revolving funds (SRFs). Additionally, ten percent of the trust fund would be set aside to establish an innovative clean water financing program modeled after TIFIA. As a member of the Clean Water Council, the Water Infrastructure Network, and the Sustainable Water Infrastructure Coalition, ACPPA will continue to advocate for innovative financing initiatives to enhance our investment in national water infrastructure. Send a message to your lawmakers urging investment in our nation's deteriorating water infrastructure using www.ACPPA-Action.org.

Senate Proposal Addresses Need for Rural Water Investments

On July 31, the Senate Energy & Natural Resources Committee held a hearing to discuss the Authorized Rural Water Projects Completion Act ([S. 3385](#)), an effort to improve access to clean and dependable drinking water in less populated areas.

The bill, co-sponsored by Sens. Max Baucus (D-Mont.) and Jon Tester (D-Mont.), calls for an annual investment of \$80 million and establishment of a Rural Water Construction Fund (RWCF) to aid in the construction and maintenance of rural water projects.

Stay tuned for further progress on S. 3385 after the August recess.

House Passes Tax Reform Bills, Senate Excludes Bonus Depreciation

The House approved two significant tax measures before heading home for the August recess. On Aug. 1, the House passed the Job Protection & Recession Prevention Act of 2012 ([H.R. 8](#)), [256-171](#). The bill provides a two-year alternative minimum tax patch (covering 2012 and 2013) and extends through Dec. 31, 2013 the tax cuts originally enacted in 2001 and 2003 including:

- Lower marginal rates;
- Marriage penalty relief;
- \$1,000 child credit;
- 15 percent top rate on dividends and capital gains;
- Estate tax at its 2011 and 2012 parameters (indexed); and

- Higher Sec. 179 small business expensing limits.

On Aug. 2, the House passed the Pathway to Job Creation through Simpler, Fairer Tax Code Act of 2012 ([H.R. 6169](#)), [232-189](#). The bill provides rules for the next Congress to follow in order to expedite the consideration of comprehensive tax reform legislation.

Neither bill is expected to gain traction in the Senate, but together they help to set the tone for the coming tax debate this fall.

Bonus Depreciation Fails to Make the Cut

In related news, the Senate Finance Committee rejected an amendment in the Aug. 2 markup of the Family & Business Tax Cut Certainty Act of 2012 ("extenders bill") that would have reinstated 100 percent bonus depreciation for 2012 and extend it through 2013.

House Approves Broad Regulatory Freeze Measure

On July 26, the House approved the Red Tape Reduction and Small Business Job Creation Act ([H.R. 4078](#)), by a vote of [245-172](#). The measure, which is supported by ACPPA and other leading business groups, is one of the most sweeping attempts by this Congress to limit the administration's rulemaking ability.

H.R. 4078 is a package of six proposals focused on eliminating excessive government regulations and red tape that hurt economic growth and make it harder for small businesses to hire. The legislation includes provisions to:

- Prevent regulatory agencies from taking "significant regulatory action," defined as rules that would cost more than \$50 million annually, until the nation's unemployment dips below 6 percent.
- Bar agencies from proposing or finalizing major rules during the time between a presidential election and the inauguration of a new president.
- Improve transparency and accountability in the "sue-and-settle" process where special interest groups try to impose new regulations through lawsuit settlements with regulatory agencies.
- Streamline federal permitting and environmental regulations, and provide more certainty to small businesses, manufacturers, farmers, and all private-sector job creators.
- Expose the hidden costs of federal red tape by requiring analysis of how changes in federal law affect state and local governments, and small business job creators.
- Mandate the Security & Exchange Commission and the Commodity Futures Trading Commission to conduct cost-benefit analyses of new rules to ensure the merits of a regulation outweigh its negative effects on job growth.

Unfortunately, the Obama administration, which estimates that this legislation would hold up roughly 140 major rulemakings, has issued a veto threat, and the Senate is unlikely to hold a vote on the bill.