



Senate Update – June 16, 2008

Last Week in the Senate

On June 9, 2008, the Senate began consideration of the Consumer First Energy Act (S. 3044). S. 3044 would impose a windfall profits tax on oil companies and roll back oil industry tax breaks. The Administration issued a veto threat for S. 3044 citing that “S. 3044 will undercut U.S. energy security and decrease U.S. energy production, thus exacerbating market tightness and increasing energy prices.” ([SAP for S. 3044](#)) On June 10, 2008, the motion to invoke cloture on the motion to proceed to S. 3044 failed by a vote of 51 to 43 ([Record Vote 146](#)).

The Senate then began consideration of the Renewable Energy and Job Creation Act (H.R. 6049). Senator Max Baucus (D-MT), Chairman of the Senate Finance Committee, offered a substitute amendment that included many of the House- passed provisions, as well as a one-year patch for the Alternative Minimum Tax (AMT), \$1.2 billion in tax credits for New York City. The Baucus amendment also retained the delay of rules regarding worldwide allocation of interest - raising taxes to offset the cost of the bill. The Senate rejected the cloture motion to proceed to H.R. 6049 by a vote of 50 to 44 ([Record Vote 147](#)).

**Note: The House passed H.R. 6049 by a vote of 263 to 160 ([Roll no. 344](#)) on May 21, 2008. Click [here](#) for the Legislative Digest for H.R. 6049.*

Also on June 10, 2008, the Senate voted 94 to 0 to confirm Mark Davis of Virginia to be a U.S. District Court Judge. ([Record Vote 148](#)) President George W. Bush sent his nomination to the Senate on November 15, 2007.

On June 11, 2008, the Senate began consideration of the Medicare Improvements for Patients and Providers Act of 2008 (S. 3101). The bill also introduced by Senator Baucus would prevent the cuts to Medicare physicians slated to begin on July 1, 2008, by increasing payments by .5 percent through December 31, 2008, and a 1.1 percent update for 2009. This increase is offset by reducing Indirect Medical Education payments to Medicare Advantage plans, placing restrictions on Private Fee for Service Medicare Advantage plans, reducing the Physicians Assistance and Quality Improvement fund and the Medicare Advantage Stabilization Fund, and cuts to Durable Medical Equipment suppliers. The Congressional Budget Office (CBO) estimates that S. 3101 would increase spending by \$19.8 billion over five years and \$62.8 billion over 10 years. ([CBO Cost Estimate](#))

The Administration issued a veto threat for S. 3101 because “This legislation unnecessarily expands the Medicare program and irresponsibly imperils the long-term fiscal soundness of Medicare and Medicaid, through which millions of Americans receive their healthcare services. The bill pays for these spending increases, in part, with inappropriate reductions in Medicare Advantage (MA) payments. S. 3101 includes policies that are not included in or are inconsistent with the President’s Budget, increases Trust Fund spending, and includes budget gimmicks.” ([SAP for S. 3101](#))

The Senate failed to invoke cloture on S. 3101 by a vote of 54 to 39. ([Record Vote 149](#)) Majority Leader Harry Reid (D-NV) did not allow a Republican alternative to be considered on the floor. The Preserving Access to Medicare Act (S. 3118), sponsored by Senator Charles Grassley (R-IA),

provides the same increase in physician payments as S. 3101. A summary of Senator Grassley's bill can be found [here](#).

This Week in the Senate

The Senate is expected to renew the debate on tax extenders by bringing the Renewable Energy and Job Creation Act (H.R. 6049) back to the floor with a vote on the cloture motion to proceed on Tuesday, June 17, 2008. Following consideration of H.R. 6049, the Senate may consider the Emergency Extended Unemployment Compensation Act (H.R. 5749), which passed the House on June 12, 2008, by a vote of 274 to 137 ([Roll no. 412](#)) or the Supplemental Appropriations Act, 2008 (H.R. 2642).