RSC
Republican Study Committee
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Legislative Bulletin…………………………………….………February 15, 2006

Contents:

Summary of the Bill Under Consideration Today:

Total Number of New Government Programs: 0

Total Cost of Discretionary Authorizations: $0

Effect on Revenue: $0

Total Change in Mandatory Spending: $2.2 billion

Total New State & Local Government Mandates: 0

Total New Private Sector Mandates: 0

Number of *Bills* Without Committee Reports: 1

Number of *Reported* Bills that Don't Cite Specific Clauses of Constitutional Authority: 0

H.Con.Res. 300 — Paying tribute to Shirley Horn in recognition of her many achievements and contributions to the world of jazz and American culture — *as introduced* (*Conyers, D-MI*)

Order of Business: The resolution is scheduled to be considered on Wednesday, February 15, 2006, under a motion to suspend the rules and pass the resolution.

Summary: H.Con.Res. 300 resolves that Congress:

- "notes with deep sorrow the death of Shirley Horn and extends heartfelt sympathy to her husband and family; and
- "recognizes Shirley Horn's many achievements and contributions to the world of jazz and American culture and notes the loss to American culture with her passing."

Additional Information: According to the resolution, in 1934, Shirley Horn was born in Washington, D.C., and began playing her grandmother's piano at age four. By the age of 12, Horn was studying composition and piano at Howard University, and by 18, she was invited to attend Juilliard School in New York City. As a jazz musician, Horn performed with other music icons such as Miles Davis and Quincy Jones. In 1991, Horn was awarded a Grammy for best jazz vocal performance, and in 1996, was admitted to the Lionel Hampton Jazz Hall of Fame. Finally, in 2005, Horn was given the Nation's highest jazz honor when she was named the 2005 NEA Jazz Master. According to the resolution, "Shirley Horn's voice and piano had a profound effect on her listeners around the world." Shirley Horn died on Thursday, October 20, 2005, at a nursing home outside of Washington, D.C.

Committee Action: On November 16, 2005, the bill was introduced and referred to the House Committee on Education and the Workforce, which took no official action.

Cost to Taxpayers: The resolution authorizes no expenditure.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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S. 2275—National Flood Insurance Program Enhanced Borrowing Authority Act (Shelby, R-AL)

Order of Business: The bill is expected to be considered as amended on Wednesday, February 15th, under a motion to suspend the rules and pass the bill.

NOTE: Under the House Republican Conference Rules, no bill that authorizes more than a 10% increase in authorizations, appropriations, or direct spending in any given year, may be considered on the suspension calendar. This rule may be waived by a vote of the elected leadership. As of press time, it was unclear whether this legislation that increases FEMA's borrowing authority by 11.9% and is scored by CBO as direct spending, received a waiver from the elected leadership.

Summary: S. 2275 increases by $2.2 billion (from $18.5 billion to $20.7 billion), the amount the Federal Emergency Management Agency (FEMA) may borrow from the U.S. Treasury to carry out the National Flood Insurance Program (NFIP). This funding is designated as emergency. The bill contains no other reforms to NFIP.

Additional Background: Under current law, FEMA offers flood insurance through the NFIP to reduce flood losses. If premiums and interest income are insufficient to pay claims, FEMA can borrow from the U.S. Treasury up to a level set in statute. This loan must then be repaid with interest. Until recently, FEMA could borrow up to $1.5 billion. However, this past fall, Congress increased that borrowing authority by $17 billion to its current level of $18.5 billion.

As a result of losses resulting from Hurricanes Katrina and Rita, there is projected to be over $22 billion in total NFIP claims that FEMA is legally obligated to pay over the next few months. Accordingly, the limit on FEMA's borrowing authority needs to be increased again (the current limit expires this week). Upon enactment of this bill, FEMA is expected to be able to pay NFIP claims through the end of April, at which point another increase will be required. **Note**: As passed by the Senate, S. 2275 would have allowed FEMA to pay NFIP claims through July ($2.7 billion increase), while H.R. 4320, the version reported by the Financial Services Committee, would extend such borrowing authority through August ($3.5 billion increase).

According to FEMA, the total level of claims from Hurricanes Katrina and Rita have far surpassed the total claims paid over the entire history of the program. From the program's inception in 1968 to 2004, the total cost of NFIP claims was $15 billion—meaning that at $20.7 billion, Gulf Coast claims are nearly 150% more than total claims over the entire 36-year history of the program. Given this historical context, CBO recently testified that "*it is highly unlikely that the program will be able to repay the amount of borrowing authority out of its income from premium and fees*."

Some conservatives may be concerned that as a result of these sizable claims, the increases in FEMA's borrowing authority (1) may be forgiven in the future and the funds never repaid and (2) are not being coupled with other needed reforms to lower the long-term cost of the NFIP. For instance, Reps. Mike Pence and Jeb Hensarling sent a letter to House Leadership outlining such concerns and noting that "any long-term extension must include comprehensive structural reforms" to NFIP. **INSERT LINK**

Even putting its credit line to the Treasury aside, NFIP is not current self-supporting. 24% of all NFIP policies are federally subsidized, costing taxpayers roughly $1.3 billion annually, with premiums covering only 40% of the actuarial risk. For the most part, this subsidy applies to "pre-FIRM" properties, existing before 1975. In addition, NFIP continues to subsidize property that has experienced repetitive losses over the years only to have homes rebuilt on the same property. For more information on the NFIP and opportunities for reform, please visit the Senate Banking Committee's website: http://banking.senate.gov/index.cfm?Fuseaction=Hearings.Detail&HearingID=188

Committee Action: On February 10, 2006, S. 2275 passed the Senate by unanimous consent. It has not been considered by the House Financial Committee. However, the Committee reported its own version (H.R. 4320) on February 1st that included a larger increase in FEMA's borrowing authority.

Cost to Taxpayer: According to CBO, S. 2275 as amended would increase direct spending by $2.2 billion over ten years. Although FEMA is required to repay this funding over time, CBO does not anticipate this occurring.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

S.Con.Res. 79—A concurrent resolution expressing the sense of Congress that no United States assistance should be provided directly to the Palestinian Authority if any representative political party holding a majority of parliamentary seats within the Palestinian Authority maintains a position calling for the destruction of Israel—*as received from the Senate* (Senator Thune, R-SD)

Order of Business: The resolution, which the Senate passed by unanimous consent on February 1, 2006, is scheduled to be considered on the House floor on Wednesday, February 15th, under a motion to suspend the rules and pass the bill.

Summary: The one-sentence resolution expresses a sense of Congress that "no United States assistance should be provided directly to the Palestinian Authority if any representative political party holding a majority of parliamentary seats within the Palestinian Authority maintains a position calling for the destruction of Israel." **NOTE**: the resolution makes no mention of **indirect** U.S. funding to the Palestinian Authority.

Additional Background: On January 26, 2006, the radical Islamic and terrorist organization Hamas won a significant majority in the new Palestinian parliament, soundly defeating Yasser Arafat's governing Fatah party. Hamas won 76 of the 132 parliamentary seats (Fatah won 43), giving Hamas the right to form the next cabinet under the Palestinian Authority's president, Mahmoud Abbas, the leader of Fatah.

Hamas, which emerged in 1987 during the first Palestinian uprising as an offshoot of Egypt's Muslim Brotherhood, favors the creation of a Palestinian state on land that now includes Israel. Hamas openly opposes a two-state solution and continues, even after the elections, to call for the destruction of Israel. Since the elections, Hamas leaders have reiterated that they have no plans to pursue peace talks with Israel or to disarm Hamas' violent activities.

To see a sampling of murders for which Hamas has proudly claimed responsibility over the last six years, click here and do a search for "Hamas": http://www.mfa.gov.il/mfa/terrorism-%20obstacle%20to%20peace/palestinian%20terror%20since%202000/Victims%20of%20Palestinian%20Violence%20and%20Terrorism%20sinc

Secretary of State Condoleezza Rice said that "the Hamas victory does not change the U.S. view that Hamas is a terrorist organization….Hamas cannot have one foot in the terrorist camp and the other in politics."
(Source: http://usinfo.state.gov/dhr/Archive/2006/Jan/30-192207.html)

Committee Action: On February 7, 2006, the Senate-passed version of S.Con.Res. 79 was referred to the House International Relations Committee, which took no public action on it.

Administration Position: This resolution was reportedly written by the State Department.

Cost to Taxpayers: The resolution itself is non-binding and thus would save no taxpayer dollars.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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