

The top of the page features a background image of the United States Capitol dome in Washington, D.C., set against a stylized American flag with large stars and stripes. A red horizontal bar spans the width of the page, containing the date and website information.

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KELLEN WASHINGTON REPORT

*“We want to sell you all kinds of stuff. We want to sell you planes.
We want to sell you cars. We want to sell you software.”*

– President Obama, described by the media as America’s salesman-in-chief, during the state visit of China’s President Hu, who pledged \$45 billion in purchases of American goods.

NEW FOCUS ON FOOD

The morning after this week’s state dinner for Chinese president Hu, First Lady Michelle Obama teamed up with Wal-Mart president Bill Simon to launch a new campaign for healthier foods.

Wal-Mart said in a [press release](#) that it plans to gradually reduce the prices of its fruits and vegetables and lower the amount of fat, sugar and sodium in the food it sells. It also plans to improve the nutrition of lower-income Americans by building more stores in inner-city neighborhoods.

“Efforts like this show us that yes, we can improve how we make and sell food in this country,” commented Mrs. Obama at the event in the nation’s capital. “Wal-Mart has the potential to transform the marketplace and let Americans put healthier foods on their table.”

The *Wall Street Journal* expressed its own brand of healthy skepticism, noting that “while promises were plentiful, details were scant.”

Food safety concerns

Ironically, Wal-Mart’s home state of Arkansas was given a failing grade for food safety by the Center for Science in the Public Interest, which reported that it was one of 14 states that did such a poor job of tracking foodborne illnesses that they were given an “F” in a new report, based on 10 years’ worth of data from the Centers for Disease Control and Prevention. The seven states that received an “A” for their “excellent laboratory facilities and public health departments” were Florida, Hawaii, Maryland, Minnesota, Oregon, Washington and Wyoming.

“States that aggressively investigate outbreaks and report them to CDC can help nail down the foods that are responsible for making people sick,” commented the CSPI. “When states aren’t detecting outbreaks,

interviewing victims, identifying suspect food sources or connecting with federal officials, outbreaks can grow larger and more frequent, putting more people at risk.”

ENERGY & COMMERCE COMMITTEE LAYS OUT PRIORITIES

The House Energy and Commerce Committee, arguably the most powerful in all of Congress and now chaired by Michigan Republican Fred Upton, this week published its agenda for energy, the environment, health, the economy, manufacturing and trade. Highlights include:

PUBLIC HEALTH:

Repeal and replace Obamacare: Repealing Obamacare will be the central health related focus of the Committee over the next four years.

Medicaid: Reforming the Medicaid program will be a top priority of the nation’s governors and will be a priority of the Committee.

Medicare: The Committee is committed to reforming the methodology on how Medicare pays for physician services.

Oversight of the FDA and regulatory competitiveness: FDA regulated products account for 25 cents out of every dollar spent by our nation’s consumer. The agency’s actions have a significant impact on the American economy. By providing effective oversight, we will improve our country’s regulatory competitiveness so we can get Americans back to work and improve patients’ lives. On October 1, 2012, laws related to prescription drug user fees, medical device user fees and pediatric testing of drugs expire and will provide the Committee the vehicle to reestablish the United States as the leader in medical innovation and keep the jobs that comes with that designation.

Department of Health and Human Services (HHS): An examination and potential reorganization of HHS agencies will be a critical component of the Committee’s agenda. Over \$80 billion a year is spent by HHS on discretionary programs often at overlooked agencies like the Health Services and Resources Administration, the Agency for Healthcare Research and Quality, and the Centers for Disease Control. These agencies frequently have overlapping functions and duplicative programs. As part of our commitment to balancing the budgets and identifying wasteful spending, we will examine budgets and functions of each of the agencies to identify cost saving proposals and make government operations more effective.

ENERGY & POWER:

EPA “regulatory chokehold:” We believe it critical that the Obama Administration stop imposing its new global warming regulatory regime, which will undermine economic growth and U.S. competitiveness for no significant environmental benefits. For EPA’s other multi-billion dollar Clean Air Act rules, we believe the agency has been regulating “too much too fast,” without fully analyzing the feasibility and economic and job impacts of the new rules. Congress will be reasserting its oversight function to ensure sufficient analysis supports the proposed new rules, that the rulemaking process allows for open and full evaluation and information, and that the Administration is fully considering jobs and economic impacts in its decision-making. This oversight effort should be a deliberate, thoughtful, and probing process so that the Committee is satisfied that the agency has done its job. The stakes could not be higher; if the Obama Administration succeeds in imposing unaffordable and unworkable permitting and other rules through EPA, it will severely impede the domestic manufacturing and industrial growth necessary for this nation to create jobs and emerge strongly from a devastating recession.

Rising gasoline prices: Obama Administration policies are helping gas prices to rise and prices are expected to continue higher. In the face of \$4 gasoline, calls for increased supply will be stronger than ever. We will respond by promoting affordable, abundant and secure sources of energy by preventing the Administration’s regulatory overreach and expanding access in an environmentally responsible manner.

Renewable electricity mandates: Although governments have important roles to play in facilitating development of alternative energy, we oppose energy technology mandates that much be met regardless of cost. We will be exploring the electricity cost and reliability implications associated with federal government mandates for increased renewable electricity.

Nuclear oversight & investigation: China is building 25 nuclear plants, while the U.S. can't even process the permit for one, despite Obama Administration promises to "restart" nuclear in the U.S. Nuclear power plant licensing remains bogged in federal review, existing facilities face costly new EPA regulations, and the Administration has shirked its legal obligations to develop a nuclear waste repository at the Yucca Mountain site by shutting down the project, costing taxpayers billions of dollars. The Committee intends to conduct thorough oversight to identify opportunities to reduce regulatory red tape and to ensure that the Administration adheres to its statutory obligations to continue Yucca Mountain development.

Waste in the stimulus programs: The Committee is committed to conducting oversight over the energy portions of the American Recovery and Reinvestment Act of 2009 (the "Stimulus"). Republicans have a host of questions regarding the efficacy of renewable technology and energy efficiency spending under the Stimulus, and until such questions regarding these programs are comprehensively answered, further Republican conference support for additional spending on such programs will not be forthcoming.

ENVIRONMENT & ECONOMY:

Resource Conservation and Recovery Act (Solid Waste Disposal Act): Coal Combustion By-Products (CCB) Requirements (coal ash): The Obama Administration proposes using one of two new regulatory constructs for CCBs: one for hazardous waste and one for solid waste. For three decades States have opposed, and previous Administrations have rejected, calls to regulate CCBs at the Federal level. States remain concerned by these proposals over needless federal intrusion; and several industries fear that beneficial uses of coal ash will be stunted over liability concerns with using a newly designated "hazardous waste" in domestically produced concrete or wall board.

Safe Drinking Water Act (SDWA): hydraulic fracturing: Two recent efforts by the Obama Administration could frustrate domestic natural gas development. The Interior Department announced it would regulate this practice on Federal lands while EPA invoked its Emergency Authority under Section 1431 of SDWA to intervene on a well in Texas -- Texas and EPA disagree on whether EPA's action was warranted. We should determine whether EPA is overreaching its existing legal authority.

Chemical Facility Anti-Terrorism Standards Act (CFATS) and Title IV of the Bioterrorism Preparedness Act (Title IV): Created in the Fiscal Year 2007 appropriations, CFATS sunsets in March 2011. Appropriations Acts have carried one year extensions for the past two years. Even though the program is not fully implemented, some in Congress and the Obama Administration support efforts to dramatically expand the CFATS program into non-security areas. We should highlight how the program has not yet been fully implemented and that expansion beyond security against terrorism could kill domestic investments and jobs. Any program extension should preserve the original focus on security against terrorism. As for the Bioterrorism Act, Title IV, enacted in 2002, we should only require water utilities to update and submit their vulnerability assessments and site security plans. Providing additional EPA regulatory authority could lead to a program that deviates greatly from the security mission authorized by Congress.

Toxic Substances Control Act (TSCA): Enacted in 1976, TSCA is the only Federal environmental law that regulates all forms of chemical manufacturing from "cradle to grave." Several public and private interests seek changes to TSCA, but they vigorously disagree on what the problems and solutions are. Robust oversight to understand existing authorities should precede major legislation.

Comprehensive Environmental Response Compensation and Liability Act (CERCLA, aka Superfund): Originally intended to clean-up the most heavily contaminated sites, Superfund has become a stereotypical government program: it spends too much, accomplishes too little and perpetuates itself. Generally less than 50 cents of each dollar spent goes to actual remediation and sites take about 20 years to

clean up. We must understand why the program has been such a morass for so long, and what can be done to restore focus on environmental remediation and fiscal discipline.

COMMERCE, MANUFACTURING & TRADE:

Commerce Product Safety Improvement Act: A top priority for the subcommittee is to fix this law, passed in 2008, which has already had severe economic consequences for many companies, particularly smaller U.S. manufacturers. Even stricter provisions are scheduled to take effect over the next six months, some retroactively, threatening many more jobs unless Congress acts.

Federal Trade Commission (FTC): Senate Commerce may push reauthorization legislation. FTC is seeking expanded regulatory authorities that were rejected by Republicans (and Congress as a whole) last year. Many industries are concerned with the direction of the FTC's regulatory priorities.

National Highway Traffic Safety Administration: Time is proving that last year's Toyota crisis was overblow, and the many regulatory mandates passed by Committee Democrats in response are unnecessary as well as burdensome. NHTSA's authorization has expired, but Senate Commerce (Sen. Rockefeller) is likely to push for more money, more authority, higher penalties and more fodder for the trial bar.

Others: Inaction on the pending **Free Trade Agreements** with Panama, Columbia and South Korea delays significant opportunities for economic growth. Meanwhile, Republicans should lead the charge in finding ways to provide regulatory relief as well as tax relief for **U.S. manufacturers**.

MEANWHILE, IN THE SENATE...

Not to be outdone, the Senate Commerce, Science and Transportation Committee chaired by Jay Rockefeller (W-VA) also issued a [press release](#) noting its list of its key priorities for the 112th Congress. Highlights include: jobs, economic security, growth, homeland security and consumer protection and safety.

THE RUMOR MILL

More resignations likely. Following the decisions of Senators Joe Lieberman (I-CT), Kent Conrad (D-ND) and Kay Bailey Hutchison (R-TX) to retire in 2012, people are asking who is likely to be next. Among names being floated are Democrats Bill Nelson of Florida, Ben Nelson of Nebraska, Claire McCaskill of Missouri, Amy Klobuchar of Minnesota, Jon Tester of Montana, Jim Webb of Virginia and Joe Manchin of West Virginia. All are seen as centrists who would face tough re-election battles in 2012.

On the Republican side, Senators Orrin Hatch (Utah), Richard Lugar (Indiana) and Olympia Snowe (Maine) are mentioned as facing similar challenges.

A FINAL NOTE

President Obama will address a joint session of Congress for the annual State of the Union on Tuesday, January 25 at 9 PM. Speculating that the President will address the national debt, Rep. Paul Ryan (Wisc.), a leading deficit hawk among Republicans, has been slated to deliver the GOP State of the Union response immediately following President Obama's speech.