

ONE HUNDRED ELEVENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
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March 5, 2010

The Honorable John M. Spratt, Jr.  
Chairman  
House Budget Committee

The Honorable Paul Ryan  
Ranking Member  
House Budget Committee

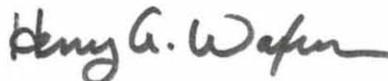
Dear Chairman Spratt and Ranking Member Ryan:

Pursuant to clause 4(f) of Rule X of the rules of the House of Representatives, and section 301(d) of the Congressional Budget Act of 1974, as amended, the Committee on Energy and Commerce is submitting views and estimates on President Obama's fiscal year 2011 budget. It is the custom of this Committee for the majority and minority to transmit separate views and estimates. Attached are the views and estimates of the majority.

The fiscal year 2011 budget proposed by President Obama supports a wide range of initiatives under the Committee's jurisdiction that are important for American consumers. For example, the proposed budget provides new resources for Federal Trade Commission activities to address increasing demands. It reflects the Administration's commitment to assuring the safety of chemicals used in commerce and developing the nation's broadband resources with accountability and transparency. The proposed budget also supports policies integral to continuing the nation's path forward toward economic recovery, including a comprehensive market-based climate change policy that is deficit neutral, and reform of our nation's health care system.

I look forward to working with the Obama Administration in the coming fiscal year.

Sincerely



Henry A. Waxman  
Chairman

Attachment

## **Views and Estimates on the Fiscal Year 2011 Budget**

### **Committee on Energy and Commerce**

#### **United States House of Representatives**

Each standing Committee of the House is required by the Congressional Budget Act of 1974 and Rule X, clause 4(f) of the Rules of the House to submit to the Committee on the Budget its views and estimates on the budget with respect to matters within its jurisdiction or functions. The following discussion is not exhaustive, but highlights the views on issues addressed in the President's fiscal year 2011 budget that are within the Committee's jurisdiction.

#### **Commerce, Trade, and Consumer Protection**

##### **FTC**

The Federal Trade Commission FY 2011 budget is \$314 million supporting 1,207 full time equivalents (FTEs). This is an increase of \$22.3 million and 40 FTEs from FY 2010 levels. The President is to be commended for increasing the resources for the FTC which continues to operate with less resources and fewer FTEs than the agency had in the 1970s despite ever increasing demands. These new resources will be split between the FTC's twin missions of promoting competition and protecting consumers.

Resources should be used to support the FTC's expanded efforts to aggressively respond to growing law enforcement challenges in the financial services arena, including unfair, deceptive, or otherwise unlawful mortgage lending and credit offers; foreclosure rescue and loan modification scams; and bogus debt relief and credit repair services. FTC must devote resources to leverage new technologies to combat increasingly complex and global scams and expand international cooperation using the new tools provided in the US SAFE WEB Act.

##### **CPSC**

The budget provides over \$118 million for the Consumer Product Safety Commission, including new funding for critical initiatives such as expanded enforcement, improved oversight of imports, and modernization of information technology systems. The budget also provides increased funding for continued implementation of the Consumer Product Safety Improvement Act of 2008, which provided the Commission with many new tools, authorities, and responsibilities. The President is to be commended for providing additional resources to support the important work of the Commission.

##### **NHTSA**

The NHTSA budget is getting a slight increase for 2011, but that the increase is intended solely for highway safety grant programs. The budget request for Operations and Research at NHTSA is receiving a slight cut of \$5 million for 2011. NHTSA has a vital mission of ensuring the safety of vehicles on the roadways, and its research, rulemaking, investigations, and

enforcement capabilities have been stressed in recent years. The Administration has set forth important key priorities for rulemaking in 2011, including the completion of the mandates from SAFETEA-LU and the Cameron Gulbrandsen Kids Safe Transportation Act, motorcoach safety, and CAFE, as well as improvements to the New Car Assessment Program. Given the growth of new technologies in vehicles, the research analysis and vehicle safety divisions may require more funding, rather than a flat budget, to keep up with technological change. And given the recent attention to the safety of vehicles on the road, the Administration could consider additional resources for the investigation and enforcement priorities of the agency.

### **EPA's Chemical Management Program**

The \$56 million budget request, \$934,000 over last year's budget, for EPA's chemical management program, demonstrates the Administration's commitment to assuring the safety of chemicals used in commerce. In addition, the proposed funding increases for the computational toxicology program will further the tools available to predict chemical risk. The proposed budget for this program is \$21.9 million, an increase of \$1.9 million over last year. Further resources may be required for the chemical management program to meet any new legislative authority under the Toxic Substances Control Act.

### **ITA**

This Committee has stressed the importance of stimulating the U.S. economy through exports. The Administration's budget recognizes trade promotion as a key prong to economic recovery by increasing, to \$534 million, the International Trade Administration budget in order to provide more exports assistance to our businesses, especially small and medium-sized enterprises.

### **Communications, Technology and the Internet**

The budget proposes for matters relating to the use of the electromagnetic spectrum:

- (1) Permanent Auction Authority – To extend permanently the authority of the Federal Communications Commission (FCC) to auction spectrum licenses. (This authority is currently set to expire in 2012.)
- (2) Spectrum License User Fee –To permit the FCC to impose license fees on spectrum license holders.
- (3) Domestic Satellite Service Spectrum License Auctions – To require the auction of spectrum licenses for predominately domestic satellite services such as Direct Broadcast Satellite and Satellite Digital Audio Radio Services.

The budget proposes to eliminate the following programs:

- (1) The Public Telecommunications Facilities Grants Program – This program funds infrastructure and equipment upgrades and replacements for public broadcasting stations

and is managed by the National Telecommunications and Information Administration of the Department of Commerce.

- (2) The Telecommunications Development Fund (TDF) – This program receives interest earnings from deposits on spectrum auctions and uses a portion of these earnings to invest in telecommunications firms to promote access to capital for small businesses, enhance competition in the telecommunications industry, and improve the delivery of telecommunications services to rural areas.

The complex policy issues associated with the communications and technology sector, including rules regarding spectrum management, should be evaluated through the standard legislative process. The Committee has an obligation to engage in appropriate fact-finding, consultation, and analysis before adopting long-term policies. The Committee will continue working to ensure that the United States maintains a comprehensive and forward-looking spectrum management policy that brings maximum benefit to the American public.

The Committee will monitor these programs to ensure that they continue to fulfill responsibly the missions and goals as mandated by Congress.

The budget contains a number of other important initiatives.

The President should be commended for proposing to reallocate \$23.7 million to administer the Broadband Technology Opportunity Program (BTOP) and broadband mapping grants awarded prior to the Recovery Act deadline of September 30, 2010. Although the majority of the Recovery Act grant funds will be awarded during 2010, recipients usually have three years to complete their projects. This reallocation of grant funds will allow NTIA to continue to provide essential oversight, monitoring, grant evaluation, impact assessments, and reporting essential to ensure these grants comply with applicable regulations. The Commerce Department Inspector General recommended this as one of several steps designed to ensure that BTOP meets accountability and transparency standards.

In addition, the President should be commended for supporting Universal Service Fund (USF) modernization, which will better ensure that subsidies are well-targeted, demonstrate results, and minimize the burden to ratepayers, and that USF financial and program management will be strengthened to minimize waste, fraud, and abuse.

Finally, the budget makes an important commitment to spectrum reform, providing support for efforts to explore spectrum sharing approaches to identify the most efficient and effective sharing of radio spectrum, foster new wireless broadband technologies, and develop a plan to make available significant spectrum suitable for mobile and fixed use over the next ten years.

## **Energy and Environment**

### **Climate Revenues**

The President is to be commended for including in his budget a comprehensive market-based climate change policy that will be deficit neutral. The President's budget states that emission allowances will be used to invest in clean energy technologies, to adapt to the impacts of climate change, and to protect vulnerable families, communities, and businesses during the transition to a clean energy economy. Enacting such legislation in this Congress will be critical to reviving the flagging economy through clean energy investment, protecting the global environment and the public health, and increasing our national security by reducing our dependence on oil.

### **Environmental Protection Agency**

The President is to be commended for including \$10 billion for the operations of the Environmental Protection Agency (EPA) and specifying \$43.5 billion for additional administrative efforts aimed at increasing clean energy and reducing greenhouse gas emissions.

The President is to be commended that the budget proposes to reinstate the Superfund tax. Reinstating the tax will generate more than \$1.3 billion in 2011 for cleanup of the nation's most polluted sites pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The President's budget also proposes a spending reduction of \$13.4 million from the Superfund Program. There are over 1200 active sites on the National Priority List and EPA forecasts to reach construction completion at only 22 of these sites in 2010 and 25 in 2011. Adequate funding for the Superfund Program is vital to accelerate cleanup efforts and protect human health and the environment from uncontrolled exposure to hazardous substances at these sites. The Committee will work with the Administration to determine the appropriate level of funding needed for the Superfund Program.

The President is to be commended for highlighting the importance of investing in clean and safe water and including \$1.3 billion for the Drinking Water State Revolving Fund. The need for these funds, and the ability of states and territories to use these funds effectively, have been demonstrated by the successful commitment of all American Recovery and Reinvestment Act funds by the one year anniversary of that Act.

In addition, the Committee may consider legislation to modify the agency's authorization to collect fees in order to support implementation of the Toxic Substances Control Act.

### **Department of Energy**

The President is to be commended for including \$2.4 billion in the budget to support Department of Energy (DOE) research, development, demonstration, and deployment of renewable energy and energy efficiency technologies that reduce global warming emissions. While the nation's movement towards a clean energy economy will be spurred by comprehensive climate legislation, DOE's ability to encourage innovation and deploy energy

efficiency, renewable energy, and other advanced clean energy systems will help reduce costs, accelerate timeframes, and provide additional economic opportunities.

The Committee may consider legislation to reauthorize the DOE Uranium Enrichment Decontamination & Decommissioning Fund and legislation to address the sales of depleted uranium by DOE.

## Health

### Health Reform

The President's FY 2011 budget assumes the enactment of health insurance reform legislation that will expand coverage to over 30 million uninsured Americans. This is a priority for the Committee and the President is to be commended for this approach. Health insurance reform passage is reflected in the budget through a "health insurance reform allowance" that projects a net reduction in federal spending by \$150 billion over the next ten years as a result of House and Senate health reform proposals.

The House passed the Affordable Health Care for America Act in November 2009 and Senate the passed the Patient Protection and Affordable Care Act in December 2009. Passage of health reform remains imperative to the financial security of Americans families and the long term economic success of this country. It will provide access to affordable, quality health insurance saving individuals and families from medical bankruptcy and providing them access to preventive care and chronic care management. It will also strengthen and improve Medicare and Medicaid and strengthen the nation's investment in public health and the healthcare workforce. Health reform legislation is not only paid for, it reduces the nation's deficit.

The Committee continues to work toward and support the enactment of the policies in these bills and the President is to be commended for his efforts to do the same. As such, each specific policy encompassed in health reform is not separately specified in the President's Fiscal Year 2011 budget, such as mandatory spending for prevention, wellness, community health centers, health workforce, the transitional medical assistance program, state high risk pools and others.

The FY 2011 budget includes additional resources to lay the groundwork for the implementation of health reform. These include \$112 million for health information technology of which approximately \$21 million is above the FY2010 levels, \$286 million for research that compares the effectiveness of different medical options of which \$261 is above the FY2010 levels, and additional \$250 million to reduce fraud and abuse in Medicare and Medicaid.

### Medicare Physician Payments

As in the 2010 budget, this budget assumes that Congress will enact a permanent fix to the sustainable growth rate (SGR) system for Medicare physician payments. Under current law physicians treating Medicare patients will face a 21% reduction in fees on March 1, 2010, and additional cuts for many years thereafter. If allowed to go into effect, these cuts will trigger a

crisis in the availability of medical services for elderly and disabled program beneficiaries. Medicare's physician fee schedule also has a well-documented bias against primary care services and management activities known to provide the most effective and efficient kinds of care.

In November of 2009 the House passed a SGR reform bill (H.R. 3961) that would guarantee beneficiaries' access to their doctors while encouraging the development of more efficient care practices and arrangements. It is essential that H.R. 3961, or a similar package of payment improvements and reforms, be enacted this year. The President's budget assumes that the cost of repairing the Medicare physician payment system will be \$371 billion.

### **Medicare and Medicaid Program Integrity**

The budget proposes to provide an additional \$250 million in discretionary funding for the Health Care Fraud and Abuse Control program at the Department of Health and Human Services (HHS). These funds will, among other things, help expand the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative undertaken by the Department of HHS and the Department of Justice to combat fraud against Medicare and Medicaid. The budget also includes four legislative proposals to reduce fraud and abuse in Medicare and Medicaid, proposals that the Administration estimates will save \$13.1 billion over 10 years. It is important to ensure that taxpayer dollars are spent correctly without imposing unnecessary administrative burdens on beneficiaries or providers.

### **Maintaining Medicaid**

The budget includes \$25.5 billion to extend for 6 months the temporary increase in the federal Medicaid matching rate (FMAP), which ranges from 6.2 to 11.6 percentage points depending on a state's unemployment rate. This temporary increase was originally enacted in the Recovery Act in order to assist states in maintaining their Medicaid programs in the face of higher caseloads and lower revenues resulting from the recession. The increase is scheduled to expire on December 31, 2010, midway through the fiscal years of most states. Failure to extend the increase will result in cuts in Medicaid eligibility, benefits, and payments to hospitals, nursing homes, and other providers, as well as layoffs by states and localities and affected providers.

### **Health Information Technology**

The FY2011 budget includes \$112 million to improve the adoption of health information technology (IT) by health care providers. This is in addition to a \$2 billion investment made by the American Recovery and Reinvestment Act of 2009. The \$112 million investment reflects approximately \$21 million above the FY2010 budget. The bulk of the FY2011 investment in health information technology is \$78 million for the Office of the National Coordinator for Health Information Technology to push for the adoption and meaningful use of electronic health records by providers. The remainder is for other agencies that support the President's health information technology agenda including the Agency for Healthcare Research and Quality that provides research and training grants to improve the quality and safety of care through health

information technology and the Office of Civil Rights to support privacy protections of medical information. The President is to be commended for these investments.

### **Prevention and Wellness**

The budget includes \$20 million at the Center for Disease Control (CDC) to support a new initiative to promote prevention and wellness activities in up to ten of the nation's largest cities. Grantees will focus on tobacco prevention and control; obesity prevention and control; and chronic disease detection and management. The President is to be commended for these targeted efforts to improve health, and the Department of Health and Human Services should make the evaluation and reduction of health disparities a primary goal of the initiative.

The President is to be commended for increasing CDC investment in important ongoing prevention and wellness activities, including an increase of \$23 million for health statistics. However, it is of concern that the CDC's overall budget authority has declined. It is important to continue and expand successful CDC programs that promote the health of Americans and people around the world.

### **Community Health Centers**

The budget includes \$2.5 billion for health centers to expand service capacity and strengthen behavioral health services. The proposed investment represents a \$290 million increase over FY 2010 and would allow health centers to serve a total of 20 million patients. The President is to be commended for supporting and strengthening critical safety net systems that provide access to comprehensive primary care services for vulnerable populations, many of whom are living in poverty or are uninsured.

### **Food Safety**

The budget provides a substantial increase in resources for both the Food and Drug Administration (FDA) and the CDC to strengthen the agencies' efforts to secure the nation's food supply. A series of recent food borne illness outbreaks have illustrated the need for increased oversight of food safety. The President is to be commended for focusing these resources on prevention, strengthening surveillance and enforcement, improving response and recovery, and increasing the number of food facility inspections.

### **HIV/AIDS Prevention and Treatment**

The President is to be commended for proposing to increase resources to detect, prevent, and treat HIV/AIDS domestically, especially in underserved populations.

The President also is to be commended for the proposed increase of \$31 million for prevention and surveillance programs at CDC; the CDC's proposal to expand its targeted testing initiative, already begun among African Americans, to Latinos and to men who have sex with men; and the proposal to increase funding for other sexually transmitted diseases by \$6.7 million.

In addition, the President is to be commended for the proposed increase of \$40 million for the Ryan White program at HRSA. This increase includes \$20 million for states through the AIDS Drug Assistance Program (ADAP). However, a growing number of states are facing major funding gaps in their ADAP programs, and hundreds of Americans who need antiretroviral therapy are on waiting lists for the drugs. Further increases will be necessary to maintain the reach of this vital program, especially at a time when states are poorly equipped to fill the financial gap.

### **Rural Health**

The budget provides \$79 million to strengthen regional and local partnerships among rural health care providers, expand community-based prevention, and modernize the health care infrastructure in rural areas. The President is to be commended for supporting efforts to improve access to health care in rural areas and initiatives to improve the quality of that care.

### **Access to Health Care for American Indians and Alaskan Natives**

The budget proposes \$4.4 billion for the Indian Health Service (IHS) to support and expand the provision of health care services and public health programs for American Indians (AI) and Alaskan Natives (AN). The IHS, tribal health organizations, and urban Indian health programs have been historically underfunded, which has contributed to the health disparities that exist among the AI/AN population. The President's request for an additional \$354 million over FY 2010 levels will provide new resources to enable the Indian health system to address persistent health disparities and to foster healthy Indian communities. These monies will build on \$500 million already authorized under the American Recovery and Reinvestment Act (ARRA) for the construction of health care facilities in Indian Country. Reauthorization of the Indian Health Care Improvement Act is an important step to help achieve the President's goals to strengthen the Indian health system and to help improve the quality of health services provided to American Indians and Alaskan Natives.

### **Teen Pregnancy Prevention**

The budget supports \$183 million, an increase of \$7 million, for state, community-based, and faith-based efforts to reduce teen pregnancy using evidence-based models that emphasize abstinence but also provide medically accurate and age-appropriate information. Funding for evidence-based strategies to reduce teen pregnancy is an important investment, particularly since the birth rate among teens is on the increase for the first time in 15 years. The risk behaviors targeted by these programs are also the behaviors that lead to the unacceptably high rate of sexually transmitted diseases among youth.

### **Health Professions Workforce**

The budget proposes \$995 million to address the shortage of health care providers in underserved areas. The President is to be commended for proposing \$33 million in additional resources to: (1) expand the National Health Service Corps program's efforts to recruit and retain new clinicians who will serve in the communities of greatest need; and (2) support the collection of comprehensive data and completion of analytic studies on the health workforce.

Further analysis is required to ensure that the resources available to the Health Resources and Services Administration (HRSA) will be adequate to respond to current and projected shortages in the health workforce, particularly among primary care providers, nurses, and public health professionals.

### **Emergency Preparedness**

The President's budget reflects a continued commitment to ongoing emergency response and preparedness planning, including \$476 million for the Biomedical Advanced Research and Development Authority (BARDA), an increase of \$136 million. BARDA's charge is to develop new countermeasures for public health threats such as bioterror attacks or an influenza pandemic. The proposal also includes \$302 million for ongoing influenza pandemic preparedness activities across the various HHS agencies as well as \$330 million in carry over funds from the June 2009 emergency supplemental legislation to continue development of new vaccine technologies such as cell-based and recombinant vaccines. These are critical investments that will help ensure that the nation is better equipped to respond to public health threats.

### **Global Health**

The President is to be commended for including in the proposed HHS budget \$352 million for global health, including an increase of \$16 million. The Department should play a key role in the President's interagency Global Health Initiative, with CDC in particular bringing its extensive domestic and international public health experience to bear on the initiative's target health issues.

### **Biomedical Research**

The budget proposes \$32.3 billion in funding for the National Institute of Health (NIH), an increase of \$1 billion, to support the agency's basic and clinical research. It also proposes \$261 million in additional funding at the Agency for Healthcare Research and Quality for patient-centered health research. These investments will support the cutting edge science necessary to better develop, translate, and disseminate critical medical knowledge that will improve the health care that patients receive. Even in a time of economic austerity, these are important investments that demonstrate a commitment to supporting medical innovation.

### **Mental Health and Substance Abuse**

The budget proposes \$3.7 billion for the Substance Abuse and Mental Health Services Administration's (SAMSHA) efforts to prevent and reduce the impact of substance abuse and mental illness on Americans. The costs of under- and untreated substance use and mental illness to the U.S. economy are staggering. The President is to be commended for proposing additional resources to support the quality and availability of activities to address priority mental health, substance abuse prevention, and substance abuse treatment areas; care for children and adolescents with serious emotional disorders and their families; and mental health, substance abuse, and other services for individuals with serious mental illness who experience or are at risk of homelessness.