



# SBLC WEEKLY

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## MISH MASH

Not much happened last week. Not much will happen this week - at least not out in the open.

The Senate will continue to debate the merits of financial institutions' regulatory reform. There are tons of amendments and the proponents are either rejecting them back on votes or making deals with the amendment's proponents.

So far, the first major effort to limit the powers of the Bureau for Consumer Financial Protection (BCFP) was beaten back. As I reported last week, some of the consumer financing providing by some retailers and consumer service providers will fall under the jurisdiction of the BCFP. The operative words are "some" and "some." Strong opinions on both sides as to the scope.

My feeling is the basic BCFP structure will survive. I do think there is some chance that proponents will allow some tinkering around that the edges that might pull some more small businesses out from under the BCFP's microscope.

The stuff going on behind the scenes are tax discussions - good and bad. The good news is the discussion is about extending various expired and expiring tax deductions and credits ranging from the R&D credit to the energy efficiency items and adding some new small business tax relief. The bad news is that we do not know what the final revenue offsets will be.

As I have previously noted, the game is a tricky one because there are three or four tax relief initiatives queued up. Every time Congress passes one of the relief items, it

uses up one of the revenue offsets that proponents of a different tax relief bill were hoping to utilize. It is a floating jig saw puzzle that is constantly reconfiguring itself.

Meanwhile, discussions about the estate tax situation have heated up. Folks have a lot of opinions on why the Democrats will do something and do it now. Here's my take. Senator Blanche Lincoln (D-AR) is in a tough fight for re-election. Her position as a "player" on this issue is perceived to be an important factor in the campaign. Right now, it looks to me that the majority will do just about anything to help hold onto a Senate seat. I think they will do something. I am hoping and we are working for the highest exemption we can get. Working in another direction are the semi-mega potential estates that would benefit from top rate reductions more than a higher exemption.

## COMPETES

We have had a law on the books that the House is planning to renew. Talk about a good idea that has gone nowhere as far as I can tell. Back in 2007, Congress passed and President Bush signed into law, The America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science (COMPETES) Act." The title alone would elicit comments of "about time," "absolutely," and "you bet."

Read this summary: "COMPETES aims to maintain and strengthen our nation's global economic competitiveness by: improving science, technology, engineering and math (STEM) education, so that all students are prepared for the highly technical, high-paying jobs of the future; setting our basic

research programs on a doubling path: the labs at the National Institute of Standards and Technology (NIST); National Science Foundation (NSF); and the Department of Energy's (DOE) Office of Science; and addressing the need for transformational energy technologies with the Advanced Research Projects Agency for Energy (ARPA-E), which is pursuing high-risk, high-reward energy technology development."

Who could be against this bill? As far as I can tell, hardly any one was opposed to it back in 2007 and no is opposed to it this time.

Do not get me wrong, I thought the concept was great in 2007 and I still believe we need to step our efforts to "improve science, technology, engineering and math (STEM) education, so that all students are prepared for the highly technical, high-paying jobs of the future." I would probably amend the punch line as I think some of those students would turn out to be highly paid entrepreneurs, creating bunches of jobs. The problem is implementation and I do not see that yet.

The original bill has its roots in the National Academy of Science's report "Rising Above the Gathering Storm." I believe it remains interesting reading and you can get a copy from the House Science and Technology Committee's site at [http://democrats.science.house.gov/Media/file/Reports/Rising\\_Above\\_the\\_Gathering\\_Storm\\_ES\\_10.12.2005.pdf](http://democrats.science.house.gov/Media/file/Reports/Rising_Above_the_Gathering_Storm_ES_10.12.2005.pdf)