

GOVERNMENT HIGHLIGHTS

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Federal Government Developments

President Gives State of the Union Address and Asks Congress to Give His Iraq Plan a Chance

President George W. Bush gave his seventh State of the Union Address on January 23, the first time during his Administration to a Democratic-controlled House of Representatives and Senate and the first time in history to a House with a female Speaker, Congresswoman Nancy Pelosi (D-CA). The President asked Congress to give his new Iraqi plan of sending additional troops a chance or else come up with a plan Members think would be better.

The President's tone was more moderate than in the past, but a number of his proposals have already engendered strong opposition from both parties. For instance, he reiterated his proposal to add 21,500 additional military to forces currently in Iraq or face what he described as a "nightmare scenario." He noted: "Let us find our resolve and turn events toward victory." He also asked for an increase in active duty Army and Marine Corps by 92,000 troops over five years.

The President renewed his request for a bill that includes more opportunities for temporary "guest workers from other countries. He also promised a FY2008 budget proposal on February 5 that will eliminate the federal deficit within the next five years, beyond the time of his Administration.

The President called on Congress to join him in cutting earmarks in half (from approximately 13,000 in 2006). He also asked that the legislation for the No Child Left Behind initiative be reauthorized, although some legislators may want to hold off doing so until after the 2008 election.

The President proposed a major change in the tax code to try to make health insurance more affordable. Under his proposal, health insurance coverage would be taxable income but families would receive a \$15,000 deduction. It would also make it easier for those who purchase health insurance out of pocket, while at the same time increasing taxes on those who receive employer-funded health care worth more than \$15,000 to eventually offset the cost.

The Association of American Medical Colleges (AAMC) issued a press release commending the President and the Administration for supporting the expansion of health care coverage for the more than 46 million uninsured. The AAMC, however, opposed the President's proposal to redirect federal funds from providers engaged in providing the health care safety net. The AAMC press release said that while major U.S. teaching hospitals represent just six percent of the nation's hospitals, they provide almost 50 percent of all charity care in this country. The AAMC concluded that if these institutions lose federal support, it will stretch the already taut health care safety net.

The transcript of the State of the Union address is available at: <http://www.whitehouse.gov/stateoftheunion/2007/>.

Senators Push Resolution Opposing Iraq War

The Senate Foreign Relations Committee on January 24 approved a resolution supported by all Democrats and one Republican (Senator Chuck Hagel (R-NE)) opposing the introduction of additional American troops in Iraq, requesting more diplomacy and a regional peace effort, and insisting that U.S. troops be deployed outside of the hottest sectarian areas to guard Iraq's borders, seek out terrorists, and train Iraqi police and army forces.

Other resolutions, some similar in opposing the Administration's plan and others more supportive of the Administration's proposal, have come from Senator John Warner (R-VA, the former chair of the Senate Foreign Relations Committee; Senator John McCain (R-AZ); Senator Joseph Biden (D-DE), and Senator Chuck Hagel (R-NE), along with others. Warner likened the current request for surge military capacity to similar requests during the Vietnam War, when he said he greatly regretted that he was not outspoken enough. He said: "We kept surging in those years. It didn't work." Even some of the President's strongest supporters on the war are saying that time has nearly run out for him. Senator Mitch McConnell (R-KY) commented: ". . .[T]his is the last chance for the Iraqis to step up and demonstrate this government can function."

At the end of last week President Bush declared that he is the "decision maker" regarding Iraq and challenged Congressional efforts to condemn his Iraq policy. New Secretary of Defense Robert M. Gates said the proposed Senate resolution would embolden the enemy.

House Republican leaders sent a letter to House Speaker Nancy Pelosi (D-CA) proposing the creation of a bipartisan oversight committee to monitor the progress of the President's Iraq plan. As part of the oversight process, the committee would define a series of benchmarks and the President would be required to submit a report to the committee every 30 days indicating whether they had been met. Pelosi rejected the proposal, saying she had confidence that the committees already in place could exercise oversight effectively.

This past weekend witnessed tens of thousands of anti-war demonstrators converging in Washington, calling for the withdrawal of U.S. forces. The march was organized by the group United for Peace and Justice.

Details of New CR Disclosed

February 15, the expiration date for the current continuing resolution (CR) funding government operations, is fast approaching which means the Democratic majority in both the House and the Senate have to provide funding for the operation of federal departments and agencies other than the Department of Defense and the Department of Homeland Security (the two appropriations bills that have been enacted into law). Senator Robert Byrd (D-WV) and Representative David Obey (D-WI), the respective chairs of the Senate and House Appropriations Committees, have already indicated their intention to pass a long-term CR that would fund the government through the end of the FY2007 fiscal year on September 30, 2007. Two of the primary impacts of such a long-term CR are no earmarks and the funding of agencies at the FY2006 levels, which would mean no increases and no new programs, unless some protection were built in to bump up specific programs.

House Majority Leader Steny H. Hoyer (D-MD) said he intended to introduce the new CR on January 31, but preliminary details are already being circulated. Earmarks are expected to return in the FY2008 budget, but under new Democratic rules requiring legislators to identify the earmarks they support and to provide a certification they have no personal financial interest in the earmark.

Last year, the Republican-controlled Congress failed to pass nine of the 11 annual appropriations bills. The House passed most of its bills, but Senate leaders never scheduled votes on them.

The new CR (H.J. Res. 20) contains appropriations totaling \$463.5 billion, the amount remaining under the Republican budget resolution for the current fiscal year. Most programs are funded at FY2006 levels with increases to cover the cost of pay increases. Necessary additions are made to maintain staffing levels, avoid furloughs, and generally meet increased costs or workloads for agencies. The bill is organized according to the subcommittee structure of last year. The House Appropriations Committee cut over 60 programs below FY2006 levels and rescinded unobligated balances, providing roughly ten billion in savings that were used to address critical investment needs.

Some items of particular interest to the higher education community include the following amounts which were provided in a Summary of the Joint Resolution from Congressman David Obey, chairman of the House Committee on Appropriations:

--The maximum Pell grant would be increased by \$260 to \$4,310, the first increase in four years. The total cost is \$13.6 billion, an increase of \$615.4 million over FY2006.

--Community health centers would receive \$1.9 billion, an increase of \$206.9 million to finance over 300 new or expanded health centers, serving an estimated 1.2 million new patients. Within this total, \$25 million will provide additional funding to existing health centers in order to maintain critical health services.

--Ryan White CARE grants would receive \$1.2 billion, an increase of \$75.8 million to bring the program to the authorized level.

--The National Institutes of Health (NIH) would receive \$28.9 billion, an increase of \$619.5 million or 2.2 percent to reverse a projected decline in new NIH research project awards and support an additional 500 research project grants, 1,500 first time investigators, and expand funding for high risk and high impact research. Senator Tom Harkin (D-IA), chairman of the Senate Labor/Health and Human Services/Labor Appropriations Committee, said the funds will also create a new \$40 million program to support innovative thinking, outside-the-box research. It also provides \$91 million for grants to first-time investigators. The National Children's Study would receive \$69 million.

--Title VII health programs would receive \$184.7 million, a \$39.5 million or 27 percent increase above the FY2006 level of \$145.2 million. The programs were funded at \$300 million in FY2005. The geriatrics training programs, which were eliminated in FY2006, are restored to their FY2005 level with \$31.5 million for FY2007. The primary care medicine and dentistry training programs, which received \$40.8 million in FY2006, received \$48.8 million for FY2007, an \$8 million or 19.6 percent increase. The resolution specifies that no less than \$24.6 million of the primary care and dentistry funding be for the family medicine programs, while \$5 million is designated for pediatric dentistry and another \$5 million for general dentistry.

--The National Science Foundation (NSF) would receive \$4.7 billion, an increase of \$335 million in the NSF's research account to fund Innovation Programs. The increase is a down payment towards enhancing U.S. global competitiveness by investing in basic science research.

--The Department of Energy, Office of Science, would receive \$3.8 billion, an increase of \$200 million to support research including new energy technologies such as improved conversion of cellulosic biomass to biofuels.

--Global Health HIV/AIDS funding would be \$4.5 billion, an increase of \$1.3 billion to expand efforts to combat HIV/AIDS and TB programs in the 15 focus countries and the multilateral efforts through the Global Fund to Fight HIV/AIDS, TB and Malaria.

The House Rules Committee is scheduled to vote on the resolution on the afternoon of January 30, with a full House vote scheduled for Wednesday, January 31. No amendments are permitted during the House consideration, but they may be offered in the Senate. Senators may offer amendments to redirect some of the research and education

increases to other priorities. More details of the long-term CR can be found at: http://www.rules.house.gov/110/text/110th_hjres20.pdf.

President to Unveil Budget Proposal for FY2008

On February 5, 2007, President Bush will disclose his budget proposal for FY2008 which begins on October 1, 2007. The American Association for the Advancement of Science (AAAS) is keeping track of the dates and times of the FY2008 budget briefings by federal research departments and agencies. The briefings will follow the formal release of the President's budget. The AAAS listing can be accessed at: <http://www.aaas.org/spp/rd/brief08.htm>.

NIH Posts Guidance on Implementing the NIH Reauthorization Act

The National Institutes of Health (NIH) has posted information on its Web site regarding how the agency will implement the NIH reauthorization bill, which President Bush signed into law (Pub. L. 109-482) last week. The material is available on the NIH Web site at: <http://www.nih.gov/about/reauthorization/index.htm>.

Temperature Rises for President's Views on Climate Change

The words were few and spoken quickly, but President Bush did commit for the first time in a State of the Union address to pursuing energy breakthroughs to reduce U.S. dependence on foreign oil. "These technologies will help us become better stewards of the environment, and they will help us to confront the serious challenge of global climate change." The Bush proposal calls for reducing projected gasoline consumption in the United States by 20 percent over the next ten years by promoting alternative fuels such as ethanol and increasing fuel efficiency standards for automobiles. The White House projected that such actions would reduce annual emissions from cars and light trucks by ten percent or 175 million metric tons, the equivalent of removing 26 million cars off the road.

The new Bush plan, according to Peter Baker and Steven Mufson of the *Washington Post*, "fell far short of the mandatory reductions in greenhouse gas emissions envisioned by the 1997 Kyoto accord, which Bush renounced in 2001." At a visit to a DuPont facility the day after the State of the Union address, the President said: "We can get beyond . . . the pre-Kyoto era with a post-Kyoto strategy, the center of which is new technologies."

House Approves College Student Relief Act

The U.S. House of Representatives on January 17 approved the College Student Relief Act (H.R. 5) which decreases the rate on new student loans from the current 6.8 percent to 3.4 percent. The 3.4 percent rate would expire after 2011 if an extension is not enacted.

“Sensitive But Unclassified” Information Being Studied

A White House group known as the “information-sharing environment (ISE) program,” formed as a result of the complaint of the September 11 Commission that government agencies failed to communicate with one another, is now working on developing a system for sharing terrorism-related information quickly and securely. In the near future, the group is expected to send the President its recommendations for simplifying and clarifying the various designations (perhaps as many as 180) given by federal agencies to information that is considered “sensitive but unclassified.” The leader of the project, Thomas McNamara, a former State Department counterterrorism official, has set as his goals no more than a dozen such markers, one set of handling rules, and making documents available to all who need them.

Route of Freedom Riders Retraced

Four bus loads of civil rights activists, college students from Vanderbilt University, Fisk University, Tennessee State University, and American Baptist College, and others traced portions of the 1961 Freedom Rides this past weekend to recall the efforts to defy segregation on interstate bus travel. The buses departed from Nashville, Tennessee, stopped in Montgomery, Alabama, and then went on to Birmingham. Along the way, speakers spoke in each of the buses describing their experiences almost 50 years ago.

The Congress of Racial Equality (CORE) decided in 1961 that it was past time for interstate travel to be desegregated, since the U.S. Supreme Court had ruled such segregation was unconstitutional. One of the CORE buses was firebombed in Anniston, Alabama, by the Ku Klux Klan; passengers on another bus were badly beaten when they reached Birmingham; other riders were imprisoned in Mississippi. Eventually, more than 400 riders boarded segregated buses and trains, with their cases taxing the courts. In September, 1961, the Interstate Commerce Commission prohibited all discrimination in interstate busing.

U.S. Congressman John Lewis (D-GA), who had been one of the original bus riders in 1961 and had been beaten and jailed, was one of the speakers on this past weekend’s bus ride.

New Ad Campaign to Help Students “KnowHow2GO” to College

A new advertising campaign called “KnowHow2Go,” co-sponsored by the American Council on Education (ACE), the Lumina Foundation for Education, and the Ad Council and directed at low-income and minority students, is designed to increase public awareness about the steps required to prepare for college. The TV, radio, and print ads use contemporary themes and performers to inform students in grades eight to ten that getting good grades is not enough to get into college. “KnowingHow2GO” to college also requires understanding the application, admission, and financial aid processes. There is also a Web site with information for students, parents, and organizations that are reinforcing the message through participation in a network: www.KnowHow2GO.org.

The campaign was designed *pro bono* by ad agency Publicis in New York. The U.S. Department of Education is a partner and is providing fulfillment and printing costs for a student/parent brochure containing tips on preparing for college. The brochure can be requested at: 800 433-3243.

Other Federal Developments

--January 22 was the 34th anniversary of the U.S. Supreme Court decision in *Roe v. Wade*, the judicial ruling that legalized abortion.

--The House unanimously passed legislation by a vote of 431-0 that would deny Congressional pensions to members of Congress who are convicted of crimes, such as bribery, fraud, and perjury. The bill is not identical to, but is similar to one already passed by the Senate, requiring the House and Senate to conference on the differing versions. Because the bill is not retroactive, it would not affect about 20 former lawmakers who ran afoul of the law and may be collecting benefits.

--The Senate may vote on February 2 on H.R. 2, the minimum wage and small business tax bill. Senate consideration of the Iraq War resolution may begin on February 5.

--The Nuclear Regulatory Commission ruled 5-0 on January 29 that the 103 nuclear power plants in the country do not need to protect themselves from potential attacks by terrorists using airplanes. The action was in response to a 2004 petition from the Committee to Bridge the Gap, which had requested that nuclear power plants construct shields of steel I-beams and cables or take other steps to prevent a release of radiation in the event of an air attack. NRC Chairman Dale Klein said, "Nuclear power plants are inherently robust structures that our studies show provide adequate protection in a hypothetical attack by an airplane."

People on the Move

--Army Lt. General David H. Petraeus was confirmed on January 26 as the top U.S. commander in Iraq. He is expected to oversee the implementation of the Administration's surge capacity plan.

--U.S. Congressman Mike Doyle (D-PA) has been named Vice Chair of the Subcommittee on Telecommunications and the Internet of the House Energy and Commerce Committee.

--Former New York Mayor Rudolph W. Giuliani, according to some pundits, is sounding more and more like a presidential candidate, although he has not made an official announcement of his interest in the Republican presidential nomination. He recently spoke to the New Hampshire Republican Party and encouraged them as to "What you should look for in whatever decision you make in presidential primaries." He also added: "When I promise you things, if I do, when I do, as I do, I'll promise them because I've

done them before.” Mr. Giuliani’s remarks were reported by Richard Perez-Pena of *The New York Times*.

--Declared Democratic presidential candidate Hillary Rodham Clinton spent time this past weekend in Iowa, which has the first nominating caucuses. According to Patrick Healy of *The New York Times*, early Iowa polls have shown her trailing John Edwards, the former Senator from North Carolina; Senator Barack Obama of Illinois; and Tom Vilsack, the former governor of Iowa.

--New Mexico’s Governor Bill Richardson (D) announced the formation of an exploratory committee for the Democratic Presidential nomination on January 21. If successful, Richardson would be the nation’s first Hispanic President. The candidate spent 15 years in Congress and served as the U.S. ambassador to the United Nations and the Secretary of Energy. In fall, 2006, he won reelection in the Governor’s race with 69 percent of the vote. He has also been sent as a roving diplomat.

--Kansas Republican Senator Sam Brownback formally launched his 2008 bid for president in Topeka on January 20. Although his announcement came on the same day that Hillary Rodham Clinton announced her presidential campaign, Brownback was not fazed and said his “positions are where the heart of the Republican party is.”

--Congressman Paul Hodes (D-NH) has been elected president of the 2006 freshman Democratic class in the House of Representatives. Congressman Tim Walz (D-MN) is the new class vice president.

Local and Commonwealth Government Developments

Coverage for All

Governor Ed Rendell has unveiled his "Prescription for Pennsylvania," a health care plan that would impose new requirements on the state's health care industry and other businesses and could eventually require many Pennsylvanians who lack health insurance to obtain coverage. The plan calls for a variety of measures aimed at cutting costs and improving quality. It also would expand affordable health care insurance options, with the goal of increasing access to coverage for nearly one million uninsured Pennsylvanians, most of them adults.

The Governor wants to phase in a mandate requiring health insurance for people with incomes greater than 300 percent of the federal poverty level, about \$60,000 for a four-member family. People with lower incomes would not be required to purchase the coverage, though they could receive it at reduced cost. The Governor’s plan also includes health measures such as a ban on smoking in workplaces, restaurants and bars.

Under the Governor's plan, universities would face new requirements for offering coverage or medical care to students, and businesses that did not offer coverage would face financial penalties. Health insurers would face new scrutiny and restrictions on the

types of coverage they offer. Hospitals would be asked to change some ways of doing business, and could face new review procedures for planned purchases of expensive medical technology, real estate or other capital investments. Hospitals also would be asked to invest in new computer systems aimed at reducing medical errors, including electronic systems to cut down on mistakes in prescribing medications. They would be expected to install other computer technology to track the expensive, often deadly infections that patients can acquire in hospitals.

Hospitals also would face new incentives to devise less costly procedures for treating patients with non-emergency health problems who appear for care in emergency rooms. Eventually, the state plans to no longer pay hospitals extra for emergency room care it considers inappropriate, or for the added cost of treating hospital-acquired infections, for enrollees in Medicaid or other health programs that it administers. In another attempt to prompt improvements, the Governor plans to call a meeting with other large purchasers of health care to develop a "pay for performance" initiative that would link payments to good care.

The plan would shake up the health care system in other ways. Nurse practitioners who work in collaboration with physicians, along with midwives, dental hygienists and other licensed health care providers would be granted expanded ability to practice to the fullest extent of their training, with the goal of enhancing access to care.

The plan would expand an initiative to provide affordable coverage for children, known as Cover All Kids, to adults who are uninsured. The new program, Cover All Pennsylvanians, would provide affordable basic coverage to small businesses and uninsured people through the private insurance market. Uninsured adults earning more than 300 percent of the federal poverty level would pay about \$280 per month. Uninsured adults who earn less could get help paying for their premiums.

State officials said the plan would target about 767,000 Pennsylvania adults who now are uninsured. About 133,000 children also lack coverage, but could obtain it through Cover All Kids or other programs. Cover All Pennsylvanians would be similar to the current AdultBasic program, which provides a basic benefit package to certain Pennsylvanians with low incomes. AdultBasic members would be automatically enrolled in the new program. Unlike AdultBasic, however, the new initiative would provide coverage for behavioral health care and prescription drugs.

The Governor's plan also would:

- Limit the ability of health insurers to consider certain factors such as health history in setting rates for plans offered to individuals and small businesses.
- Impose limits on the cost of monthly premiums for plans offered to small businesses.
- Develop a review process for various regions of the state to assess the need for new technology or other investments planned by hospitals. Officials believe the

- provision could help stem the "medical arms race" for new equipment among health facilities.
- Require insurers to spend 85 percent of premiums paid through small group plans on health care. Those who did not meet the standard could be required to issue rebates to policyholders.
 - Set new guidelines for rate increases requested by insurers.
 - Require insurers to offer plans that could provide coverage for dependent children up to age 30, and require universities to provide clinics or insurance coverage to full-time students. Officials believe the provisions would help provide insurance for the nearly 50 percent of uninsured people in the state who are between 19 and 34.
 - Require hospitals to redirect emergency room patients who do not have emergency needs to lower cost care--for example, by providing an area where they could be treated by a nurse practitioner.
 - Promote use of a model program to manage treatment for such chronic diseases as heart disease, diabetes and asthma.
 - Require hospitals to make foreign language interpreters more readily available.
 - Provide additional funds to federally qualified health centers to provide care in areas of the state where medical treatment is scarce.

Shining Light on the Subject

Senator Dominic Pileggi (R-Chester) has said he will introduce legislation within a month to make major changes to the state's Right-to-Know Law. Among his proposals:

- Expanding the so-called open records laws to include financial records of the legislative and judiciary branches, as well as state-related colleges and the Pennsylvania Higher Education Assistance Agency.
- Narrowing the ten-day time frame for agencies to provide requested records to five days.
- Making the sometimes cumbersome process for requesting records more "user friendly," including allowing requests to be made by e-mail. Many government agencies take requests only by standard mail or fax.

Governor Ed Rendell called for improving open records laws during his inaugural address. Senator Robert Mellow (D) has backed efforts in past sessions to make government more open and was responsible for allowing television cameras in the Senate when he presided as the chamber's president pro tem in the early 1990s. He believes the reform atmosphere created by last year's election will kick-start open records reform.

Opening up higher education records, however, could be contentious. PHEAA has been sued by news organizations over access to some of its spending records, and Penn State University has for years resisted divulging football coach Joe Paterno's salary.

In the House, Republican Representative Steve Nickol is drafting a similar bill to open up PHEAA's records. Another House member, Tim Mahoney (D-Fayette) plans to

introduce a bill that would set up a state clearinghouse for the public to more readily access government records.

A sticking point in the open records debate could arise over the issue of who has the burden of proving a record should be available to the public. Pennsylvania law generally puts the burden on the person requesting a government document to prove it should be public, though many states presume records to be public and require the agency keeping the document to prove otherwise.

House Rules

A bipartisan group of House members began work last week on rewriting House rules. Some hailed it as the latest sign that outrage over the 2005 legislative pay raise is leading to changes. House and Senate rules have been a major tool through which the General Assembly has become so leader-dominated over several decades. Efforts to change them have largely been squashed by the leadership before getting to the rank-and-file. Their goal is to have a package of operational changes ready for vote by March 12, when the House will reconvene after several weeks devoted to budget hearings. At that point, the panel is expected to turn its attention to broader "good government" reforms that could require new law or even Constitutional amendments.

Some proposals include:

- Limiting House floor session hours from 8 a.m. to 11 p.m.
- Stripping the House Rules Committee of its ability to warehouse or "gut and amend" bills poised for final consideration on the floor--a standard method by which leaders from both parties have rushed forward with controversial bills.
- Establishing a mandatory waiting period between final amendments to a bill and its final consideration, in an effort to let all members have a chance to review and gain feedback on pending bills.

Many other issues await, from term-limiting committee chairmen to opening caucus financial records to eliminating the "lame duck" sessions in November.

Representatives Steil (R-Bucks) and Shapiro (D-Montgomery), co-chairs of the reform committee, want the panel to focus on changes that have the support of three-fourths of the members from each party, so the commission can speak with a unified voice when it makes its final report.

The Senate did adopt some reforms earlier this month, including an 11 p.m. debate cut-off and a six-hour waiting period before votes are taken on amended legislation. Its leaders have said they are open to further reforms.

Gambling Oversight Chairman Against Gaming

Republican leaders appointed an anti-gambling lawmaker in the House, Representative

Paul Clymer, to chair a newly created House committee overseeing the gambling industry. Clymer, however, is still busy soliciting legislative support on a bill to repeal casino gambling in Pennsylvania, despite his new committee chairmanship position.

For 26 years Clymer has made a name for himself around the Capitol as the moral voice against gambling. He has pushed consistently for a monthly statement to be sent to the homes of gamblers reminding them of their winnings and losses and wants to ban smoking and free drinks at casinos. But, of course, his top priority is to undo gambling altogether.

His position is not quite as powerful as “chairman” would suggest. Republicans are in the minority, so his role could be reduced to that of “thorn in the side” of the majority chairman, Democrat Representative Harold James of Philadelphia. Clymer asked to be placed on the committee and gave up his longstanding chairmanship on State Government for the opportunity.

Though committee chairman are often put in the role of negotiator, Clymer said he would pull out all stops to prevent gambling from expanding to table games, as House Democratic Leader H. William DeWeese would like. Both the House and the Senate created new committees to oversee gambling issues this year based on the need to handle the myriad of issues stemming from the new multi-billion industry.

Senators Question LCB Appointment

Senators said the Pennsylvania Liquor Control Board's decision last month to create a new CEO position filled by former Bucks County Senator Joe Conti was a flawed process that raises concerns about future appointments at state agencies. The Senate Law and Justice Committee questioned Pennsylvania Liquor Control Board members for more than two hours about the decision for a new \$150,000 job to oversee agency operations because it was initiated by Governor Rendell without legislative input.

After complaints from resigned PLCB Chairman Jonathan Newman, who testified recently, some senators worried that the board had abrogated its own responsibilities by giving them over to a CEO. One senator, Republican Pat Vance (York) asked whether the three-member board needed full-time salaries of \$63,000 any longer, now that a CEO was managing operations. Senators also wanted to know full details on how the quick decision came about while the Legislature was on recess, and a day after the Pennsylvania Society Ball, the annual New York City get-together of Pennsylvania's political elite. The next Monday, Governor Ed Rendell phoned board members saying he wanted the new position and filled it with Conti. Two days later, the PLCB board acted in accordance with the Governor's request, with Newman dissenting.

Senators were careful to note that they were not criticizing Conti personally and never challenged his qualifications for a job leading a \$1.6 billion industry with more than 4,500 employees. Conti, a senator for 13 years, has cited his experience in running his

family's two Bucks County restaurants for more than 20 years. Senators did ask why a national search was not done.

Primary Objective

There is renewed interest in the General Assembly for Pennsylvania moving the state's presidential primary to an earlier date. The change would give Pennsylvanians a more meaningful vote in choosing the nominees for president, while potentially pumping millions of campaign dollars into the state economy, proponents and analysts say.

Moving the primary date requires approval of the state Legislature. Similar proposals have failed in the past. Opponents say the early March date could subject voters to harsh winter weather. It means legislative candidates, who are up for election in presidential election years, would have to circulate nominating petitions in mid-winter.

Representative Ron Buxton (D–Dauphin) has introduced a measure that would move Pennsylvania's primary in presidential election years up about seven weeks--from its present date in the third week in April to the first week in March. State Senator Robert Wonderling (R–Lansdale) is considering introducing a companion bill in the Senate.

Governor Ed Rendell's election reform task force recommended such a change in a report released nearly two years ago, saying it could increase voter turnout and give the state a more prominent role in presidential politics. Representative Harry Readshaw (D–Allegheny), a longtime advocate of an earlier presidential primary, said the effort could gain steam if Governor Rendell makes it a priority. It is unclear whether that will happen with a legislative agenda already packed with other major issues.

New Cabinet

Governor Rendell has named Revenue Secretary Gregory C. Fajt as his senior adviser and nominated a York businessman Tom Wolf to replace Fajt as head of the Revenue Department. Rendell's nomination of Wolf to the \$124,940-a-year post will require confirmation by the state Senate. Wolf is chairman of the board of Wolf Organization Inc., a building-materials distributor. Wolf holds a bachelor's degree from Dartmouth College, a master of philosophy degree from the University of London, and a doctorate from the Massachusetts Institute of Technology. He served on a business-tax advisory commission that counseled Governor Rendell on ways to create a fairer tax code.

The Governor also renominated 14 cabinet secretaries for confirmation by the Senate. Two others, Education Secretary Gerald L. Zahorchak and Secretary of State Pedro A. Cortes, will remain in their jobs but do not require renomination and confirmation. The Governor also appointed Don Morabito as Director of the Office of Public Liaison, which oversees the Governor's nominations and appointments. Morabito, 64, has been executive director of the state Democratic Party since 2003.

Governor Optimistic About Pens

After talking with a co-owner of the Penguins, Governor Ed Rendell is optimistic that a new arena agreement can be reached to keep the team in Pittsburgh. In a recent phone conversation, Rendell and co-owner Ron Burkle discussed some of the arena issues that needed to be clarified and agreed to work on them. The Governor said he expects to speak with Burkle again this week, but that no new negotiating sessions are scheduled. This followed several days of exchanges between the Governor and Mario Lemieux, the Penguins chairman and former star player. Burkle is also talking with Pittsburgh Mayor Luke Ravenstahl and Allegheny County Chief Executive Dan Onorato.

At the NHL All-Star game in Dallas this week, Lemieux said the time was drawing near for the Penguins to decide whether to stay or to relocate--possibly to Kansas City. Team executives also are considering a visit to Houston, the largest U.S. city without an NHL team. Lemieux said last week's negotiating session with Governor Rendell, county and city leaders took a step backward because of a request the team share revenues from a redevelopment of the Mellon Arena site with casino operator Don Barden. Barden was chosen last month by the state gaming board to build the only slots machine parlor license granted in Pittsburgh. Mr. Barden has agreed to contribute \$7.5 million per year toward a new arena, but also wants to redevelop the area around Mellon Arena, where the Penguins have played since 1967.

Governor Rendell said the state can "tweak this a little bit," in reference to the arena deal--meaning further concessions could be offered. The Penguins are the only Pennsylvania major pro sports team playing in an arena or stadium that is more than 10 years old. Mellon Arena was built in 1961.

Peduto Off and Running

In front of more than 300 supporters, City Councilman William Peduto last week launched his second campaign for the city's top post. He appears likely to be the only well-known challenger to Mayor Luke Ravenstahl. Observers of local politics, speaking before the campaign kickoff, took different views of his odds yesterday.

Mr. Peduto, a 42-year-old Point Breeze resident who attended Penn State University, was elected to council in 2001, finished second in the 2005 mayor's race with one-quarter of the vote, while simultaneously defending his council seat. The mayoral race winner, Bob O'Connor, died September 1, and Mr. Ravenstahl ascended from the council presidency to the mayor's office, after nearly three years on City Council.

As mayoral candidates have long done, Peduto pledged to "empower people to make a difference in their own neighborhood. Decisions that are made about neighborhood revitalization should happen on Main Street, not on Grant Street." He also said he would work with mayors of other cities to promote "a new urban agenda, to solve Pennsylvania's problems, not just Pittsburgh's."

Mr. Ravenstahl previously announced his bid December 4. The primary is May 15.

Lamb Enters Controller's Race; Dawida Too

Allegheny County Prothonotary Michael Lamb kicked off his bid for city controller last week. He said his experience running the prothonotary's office for six years, weathering budget cuts, makes him the right man for the city's No. 2 post. The controller's roles under the city charter include completing the city's annual audit and reporting on the performances of each agency, trust and department every four years. Mr. Lamb, 44, an attorney who lives in Mount Washington, ran for mayor in 2005, finishing third.

Tom Flaherty was controller from 1984 through 2005, when he became a Common Pleas Court judge. He brought a pugnacious style to the office, holding colorful news conferences over perceived wrongs. Mr. Lamb said his style would be different. He said he would seek the Democratic Committee's endorsement, but would run even if he does not get the party nod.

Current Deputy Controller Anthony Pokora, City Council President Doug Shields, and Highland Park property manager DaMon Macklin have also said they are running for controller in the May 15 Democratic primary.

Attorney, former state legislator (both representative and senator), and Allegheny County Council commissioner Mike Dawida also announced he was in the race for city controller. Dawida said that at this point in life, he can say and do what needs to be done. "At this point, I just want to help my city," he stated.

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