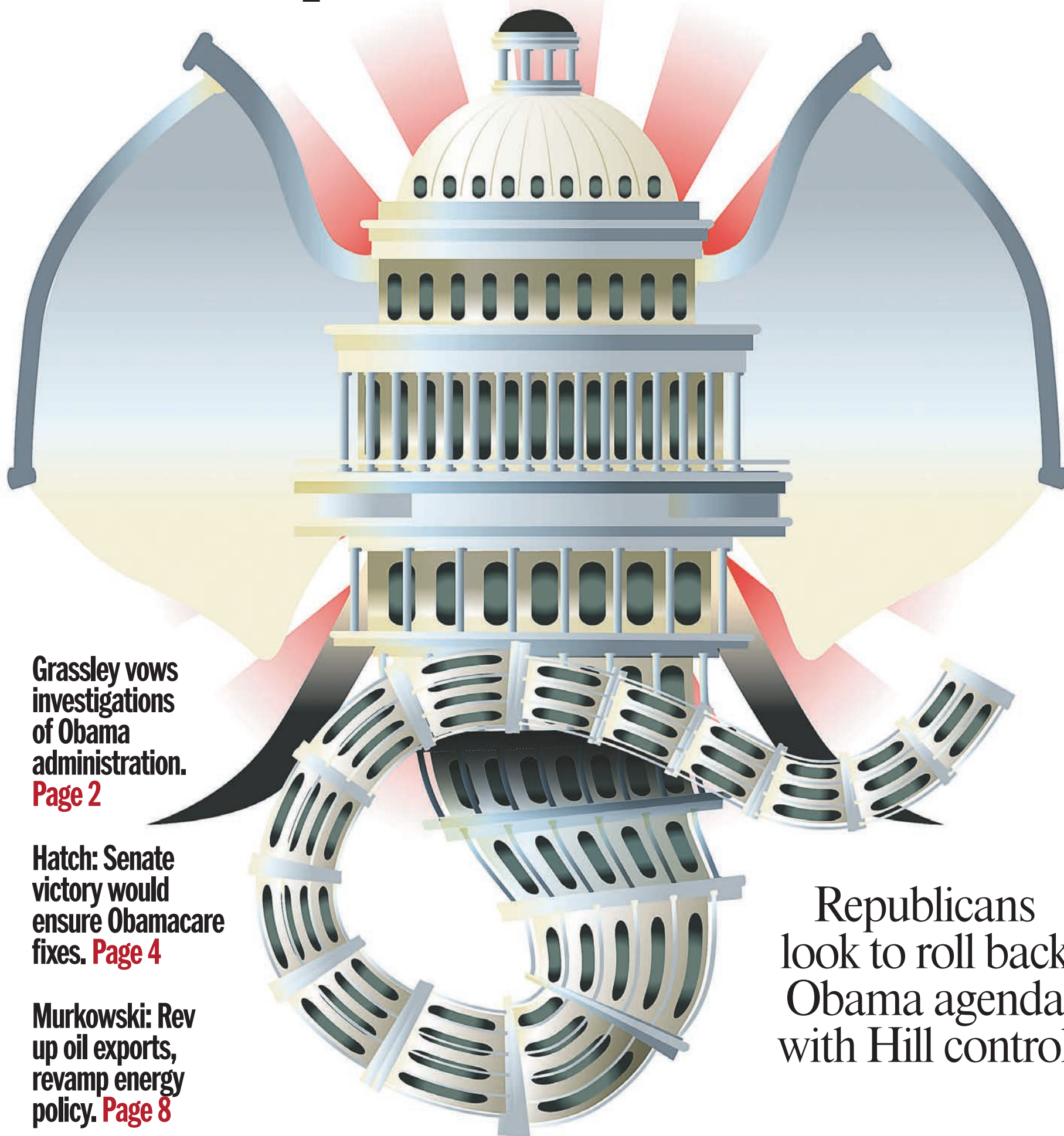


GOP's quest for the Senate



Grassley vows investigations of Obama administration. **Page 2**

Hatch: Senate victory would ensure Obamacare fixes. **Page 4**

Murkowski: Rev up oil exports, revamp energy policy. **Page 8**

Republicans look to roll back Obama agenda with Hill control

A watchdog ready to dig deeper

By Kelly Riddell

THE WASHINGTON TIMES

Government watchdog Sen. Chuck Grassley is waiting to be unleashed.

Blocked by Democratic control of the Senate, the Iowa Republican has had to play a secondary role while investigations he wants to spearhead — such as the probe of Internal Revenue Service targeting of conservative groups — have had to go through his Republican colleagues in the House of Representatives, who are in control and have subpoena power.

But the ranking member on the Senate Judiciary Committee promises a slew of contentious hearings focused on the Justice Department, National Security Agency snooping, Benghazi and others if Republicans win control of the Senate in November.

“[Oversight] is going to be a very big thing as far as I’m concerned. I’m talking about investigations, not just having the attorney general in once a year, or the FBI director in once a year,” Mr. Grassley said in an interview with *The Washington Times*. “If Republicans are in the majority, I hope we can get the same information this administration says only a chairman is entitled to.”

The Washington bureaucracy, which views Mr. Grassley’s minority party status as a reason not to answer back, have stymied the senator’s effort to hound the Obama administration for information on what he sees as potential abuses of power or mismanagement.

So far this year, Mr. Grassley has pushed the Homeland Security Department for answers about a “hands-off” list that keeps off the no-fly list some individuals with suspected terrorist ties. He has yet to hear back from the agency.

He also has reached out to the inspector general at the Treasury Department to make sure authorities are probing hiring practices of its Financial Crimes Enforcement Network after the division was caught screening job candidates illegally.

The IRS has been another high-profile Grassley target. He said in September that despite the IRS creation of a whistleblower office, the agency has put off processing cases and making

Grassley promises more investigations, hearings if Republicans take back Senate

financial rewards to workers who report wrongdoing.

He has written President Obama a letter calling on the White House to prohibit federal agencies from designating jobs as “non-critical sensitive” as a way to silence whistleblowers.

“It takes 51 votes to get a bill passed but it only takes one vote to do oversight — in other words, Chuck Grassley making up my mind to do it,” said Mr. Grassley, who said his No. 1 job in Congress is to police the government and

report about what he viewed as wasteful spending.

Defense Secretary Caspar Weinberger dodged the senator’s requests.

“I tried to make arrangements to meet [Mr. Spinney] and Cap Weinberger never set it up so I thought I’m going to go over to the Defense Department and see him myself,” said Mr. Grassley. “When I got over there, Cap Weinberger was gone ... and they wouldn’t let me talk to Spinney.”

Mr. Grassley returned to his

room and allowed cameras. The Monday that followed, Mr. Spinney’s image was printed on the cover of *Time* magazine with the headline “U.S. Defense Spending: Are Billions Being Wasted?”

“Sen. Grassley has shown a stronger loyalty to principles than to politics,” said Tom Devine, legal director for the Government Accountability Project, an independent government watchdog. “He’s been the conscience of the Senate — championing the freedom of individuals to chal-

Congressional Research Service who used to work with Mr. Grassley’s staff. “I remember once he was trying to get information about some department head and they were blowing him off and he announced to the press: ‘I’m going to go over there and speak to the secretary and get the information.’ He showed up to the office and they shuffled him to a third-level person in the agency who said ‘no.’ But, eventually he does a good job at annoying people and getting the information he wants.”

Mr. Grassley became the champion for whistleblowers in 1986 when he helped author amendments to the False Claims Act that gave private citizens more power to report and sue government contractors for fraudulent activity. He also co-authored the Whistleblower Protection Act in 1989 as well as the act’s enhancements two years ago.

Mr. Grassley’s whistleblower laws have become the government’s premier anti-fraud tool. Because of Mr. Grassley’s efforts, more than \$22 billion have been returned to the Treasury that otherwise would have been lost to fraud, according to an IRS report to Congress penned in 2009.

“The bottom line is: I can have the best staff in the world, four or five or six investigators — and they can do the best job as possible, but this big bureaucracy that we have — you can’t know where all the skeletons are buried,” Mr. Grassley said.

So he relies on whistleblowers — and they come to him.

John Dodson, a special agent with the Bureau of Alcohol, Tobacco, Firearms and Explosives, worked with Mr. Grassley’s staff when he came clean on the Operation Fast and Furious scandal, in which the agency lost track of hundreds of firearms sold to Mexican drug cartels.

In October, Mr. Grassley joined Rep. Darrell E. Issa, California Republican and chairman of the House Oversight and Government Reform Committee, in condemning the ATF for trying to prohibit Mr. Dodson from writing a book about the doomed operation. His account, “The Unarmed Truth: My Fight to Blow the Whistle and Expose Fast and Furious,” was published in December.



ANDREW HARNIK/THE WASHINGTON TIMES

Sen. Chuck Grassley, Iowa Republican and one of the Senate’s top government watchdogs, said that if Republicans take back the Senate in November, he is ready to launch investigations into government scandals.

defend those who dare to speak out against it.

Mr. Grassley, who spends every weekend in his home state, made a name for himself 30 years ago when he challenged spending at the Defense Department under President Reagan.

Mr. Grassley, then a junior senator and new to the budget committee, wanted to talk with Pentagon analyst Franklin C. “Chuck” Spinney, who wrote a

office determined to talk with Mr. Spinney one way or another. He threatened to subpoena Mr. Spinney to get him to testify before the Senate Budget Committee on Defense. Under subpoena pressure, the Pentagon agreed to hold a hearing that Friday afternoon in a remote room to have Mr. Spinney and his superior testify. Mr. Grassley — knowing this was an effort to dodge the press — reconvened the meeting to a larger

challenge the abuses by bureaucracy.”

And Mr. Grassley doesn’t care if he has to get in your face to do it.

Since his days storming the Pentagon, Mr. Grassley has been known to show up at the doorstep if documents are denied or requests are being dodged.

“Chuck is a good, aggressive guy,” said Mort Rosenberg, a fellow at the Constitution Project and a former staffer for the

Sen. Chuck Grassley’s whistleblower’s laws have become the government’s premier anti-fraud tool, and because of Mr. Grassley’s efforts, more than \$22 billion have been returned to the Treasury that would otherwise have been lost to fraud.

LET'S VOTE

Perhaps you have noticed that Liberals like President Obama have long touted the value of alternate energy sources, i.e. wind, solar, grain and ethanol – which runs up the cost of corn so that we all pay more for food and gas.

Energy experts have long argued that natural gas delivered through pipelines, which the U. S. has some one hundred thousand miles in place, is the least expensive and safest method of transportation.

Building new interstate pipeline branches to new users in Maryland, Delaware and elsewhere would create hundreds of thousands of new jobs.

There is absolutely no decent argument against the administration's approval of the Keystone Pipeline project. Experts also estimate this project would produce over 200,000 new well-paying jobs together with huge side benefits.

A development of this kind will produce a confluence of new small businesses. Reliable economists point out that small businesses provide approximately 65% of all new jobs in the U. S.

Picture the U. S. as a country with low competing energy costs. Folks, it's there for the taking.

I believe American engineers can do virtually anything. In the past 10 years Americans and Canadians have discovered enough natural gas reserve to provide inexpensive and safe fuel for hundreds, if not thousands of years.

When the necessary facilities and distribution points have been completed, this country will have energy sources within its own borders and will no longer have to rely on countries in the Middle East or anywhere else.

There is another proven way to create new jobs and enrich our economy. That is to establish good trade relations with foreign nations. To do we should negotiate appropriate trade agreements.

Here is an example. It costs several times more to produce and transport natural gas in Eastern Europe, most of Asia and the Pacific Rim. Throughout the world good heads will continue to envy the U. S. and seriously want to develop their own natural gas or other energy sources to compete in a world where winning means producing and selling goods and services at a competitive price. If they do not have necessary resources within their own boundaries, they will have to buy from the U. S. or some other competing country.

Once entrepreneurs and engineers produce a new and lasting product and have obtained appropriate patents and other protective devices, buyers will be found on a worldwide basis. More jobs!

History tells us that few countries can outpace the U. S. when it comes to new discoveries, talents and abilities to design and produce products. **Many of these services and products have greatly improved the health, safety and wealth of millions and millions of men and women and thousands of institutions in every corner of the world.**

Let's return to our small but important part of the world. I believe that we have the knowledge, experience, willingness, and ability to design and initiate a new political and economic model. We must find leaders with vision and the ability to reverse our present course which can only steer us into a form of socialism which is largely present in Western Europe.

The United States has built the richest and most successful economy and produced the largest number of new ways of improving life. This, I believe, has been accomplished through the guidance, hopes and wishes of our forefathers who believed in a system which would provide each man with the ability to make his own choices.

This is known as capitalism. It is interesting to note that Winston Churchill once said, "The inherent voice of capitalism is the unequal sharing of the blessings. The inherent blessing of socialism is the equal sharing of misery."

I am confident that we do have men and women with character, strength, courage and guts to provide stepping stones for a new government which will in fact be a servant of the people and provide them with leadership and laws legislated only in the best interest of their constituents, as opposed to their own selfish interests or those of others.

If you have an ounce of doubt, you may remember some great pioneers. Thomas Edison, the Wright Brothers, Charles Lindbergh, or Franklin D. Roosevelt.

I include Roosevelt because he had the unique genius to find the very best men and women to reorganize and lead an ill-equipped and untrained nation to wage a history-changing war against Germany and the Axis powers, who might have carried our world into a second Middle-Age hell.

Ladies and gentlemen, the U. S. and most of our states have gotten us into a jam! The Obama administration has borrowed an additional \$7 trillion from the Chinese and others to buy a system that simply does not work, i.e. Obamacare, and it is also impossible to properly administer or govern.

This added to the nation's original debt makes a total of \$17 trillion, continuing to rise. \$7 trillion represents about \$20,000 for every man, woman and child in the U. S., and about \$48,000 for every family.

Folks, think of this in terms of a debt and a burden which will be passed on to our children and our children's children.

Our generation, yours and mine, are preparing to leave the next generation not only in debt, but with a standard of living which is lower than we have enjoyed.

Can this be reversed? Can the tide be turned? Of course! But not without your attention, your action and my action, and the resolve of Americans everywhere. Let's resolve to proceed forward.

Ronald Reagan once said, "Freedom is never more than one generation from extinction. We didn't pass it on to our children in the bloodstream. It must be fought for, protected and handed on to them to do the same, or one day we will spend our sunset years telling our children and our children's children what it was once like in the U. S. when men were free."

On November 4, 2014, a little over four months from now there will be an election where we can replace those Senators, Congressmen and other elected officials at all levels of government with Conservative Democrat, Republican, or Independent men and women who can and will represent their constituents' needs and wishes. Polls have consistently shown that the majority of voters of every persuasion are conservative and desperately want to reorganize this country into a land which more defines those principles of our Founding Fathers that stood strong for liberty, peace and freedom. I believe it is your right and duty to vote next November 4th for the men and women who will best represent your own very best needs and wishes.

God bless and save our great nation.

Respectfully,

DANIEL G. ANDERSON, @GopSenate2014

Hatch's healthier health care option

Obamacare will be rewritten under GOP leadership of the Senate

By **KELLY RIDDELL**
THE WASHINGTON TIMES

There is no Obamacare retreat in Sen. Orrin G. Hatch's office. The Utah Republican promises that President Obama's signature health care law will cease to exist in its current form if Republicans win control of the Senate this fall.

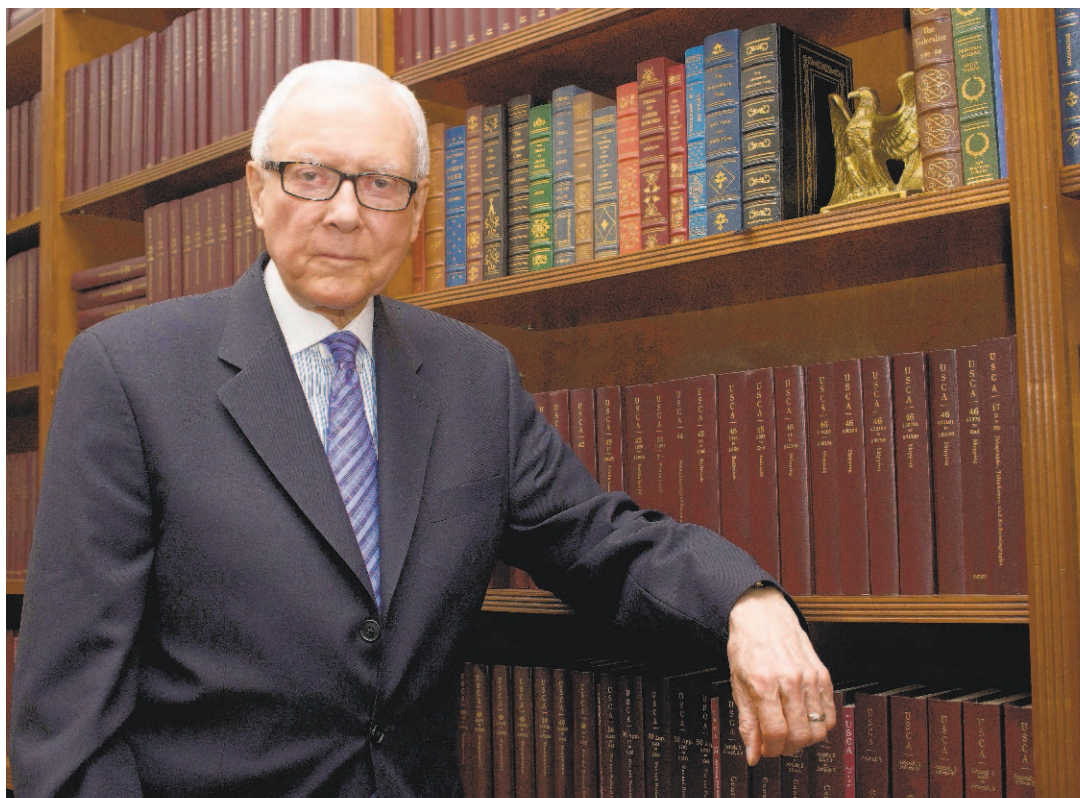
Mr. Hatch, who is poised to become chairman of the powerful Senate Finance Committee if Republicans regain the majority, has been chipping away at Obamacare as a ranking member. He has offered numerous amendments to the Affordable Care Act since it became law, such as delaying tax credits and subsidies to certain immigrants and banning abortion coverage.

Mr. Hatch also has co-sponsored a bipartisan bill that would repeal taxes on medical device companies as a way to fund the Affordable Care Act. He says the bill has enough Democratic support to pass on the Senate floor if Majority Leader Harry Reid, Nevada Democrat, would allow a vote. It's one of the first pieces of legislation that would be approved under Mr. Hatch's leadership if Republicans win the Senate.

"We have to win this election. We have to have Republicans take control of the Senate, and if we do, we have to change Obamacare," said Mr. Hatch. "The American people are really upset right now and they're concerned with — what I think great justification — that they're going to be big losers. They will be if we keep Obamacare going."

Mr. Hatch, along with Sens. Tom Coburn of Oklahoma and Richard Burr of North Carolina, have offered a blueprint for the Republican replacement of the Affordable Care Act. Their plan builds on many of the key elements of Obamacare but isn't full of government-issued mandates. It instead focuses on the free market and individuals making decisions for themselves.

Until Republicans can control the White House and successfully repeal the health care measure, they are looking for ways to modify and mitigate the legislation's damage before parts of it are intractable — regulations forever



THE WASHINGTON TIMES

Sen. Orrin G. Hatch, Utah Republican, has been chipping away at Obamacare, but if his party takes control of the Senate in November elections, he hopes to overhaul President Obama's signature health care law.

lodged in the bureaucratic malfeasance of Washington, they say.

A Kaiser Health Tracking Poll survey conducted in May shows public opinion remains negative toward Obamacare, with 45 percent of the public having an unfavorable view of the health care law versus 38 percent who like it. About six in 10 say they would prefer their representative in Congress to work to improve the law, while about a third want their representative to work to repeal the law and replace it with something else.

"We need the White House and from that standpoint it's going to be very difficult to get rid of Obamacare for the next two years," said Mr. Hatch. "But there's going to come a time when even the president is going to have to face reality and where even he's going to have to say, 'Look, I'm tired of fighting this — they have some good ideas and maybe we can work together.'"

"Up until now, they haven't been willing to work with us, and

when you have a bill that passes with 60 Democrats — and only Democrats in the House and the Senate — you know it's a lousy bill," Mr. Hatch said. "Something that's this controversial and this important and this costly."

Under the Republican plan, regulations on what insurance companies must provide in their offerings would be erased, tax cuts for employer-sponsored insurance would be reduced for employees with "Cadillac" plans, the expansion of Medicaid would be undone, and tax credits would be provided to help lower-income people buy private insurance — paid for by the reduction in tax credits given to employer-sponsored insurance.

The most popular elements of Obamacare — allowing young adults to stay on their parents' plans until they are 26 and not allowing insurance companies to drop individuals from their plans because of pre-existing conditions — would be kept.

Those with pre-existing

conditions would be allowed to change their health care plans or sign up for coverage during an open-enrollment phase, that if missed and coverage lapsed, would not be given the same guarantees for later enrollment. This aspect would prompt more consumers to get covered during these open-enrollment periods, as well as give insurers a steadier risk profile on their enrollees, allowing for greater pricing flexibility.

"This is the most feasible Republican alternative to Obamacare so far," said Yevgeniy Feyman, a health care analyst at the Manhattan Institute who has studied the plan. "It ensures within the structure of Obamacare as little disruption as you can possibly have."

"Those who bought coverage on the Obamacare exchanges can keep it. But the bill pulls down the floor for requirements — there are no minimum benefits that plans must have and insurers must provide, so it injects new

potential plans into the marketplace that will ultimately lower the cost and give people more choices for coverage," Mr. Feyman said.

Mr. Hatch knows how to broker a deal in the Senate. He has sponsored or co-sponsored the most laws of any current senator — 742 — compared with the median of 78.

With a Republican-led Senate, it's likely that some of the tenets in Obamacare could be modified and replaced with something more palatable for Republicans, said Dennis Smith, a managing director at McKenna Long & Aldridge LLP who served in the George W. Bush administration as Medicaid director and as health and human services secretary in Wisconsin.

"The Democrats just want to consolidate all of the authority in Washington, but the Republicans care just as much about our vulnerable populations. So the differences are not about whether there's a role for government, but what level of government and where the decision-making lies," Mr. Smith said.

Liberal groups have attacked the Hatch & Co. health care plan and have condemned its provision to scale back the rules for people with pre-existing conditions.

"Making it legal again for big insurance to discriminate against and deny coverage to 89 million Americans with pre-existing conditions is not an alternative — it's a joke," Americans United for Change said in a statement. "A sick one at that."

Still, criticisms are not deterring Mr. Hatch or others in the Senate who think Obamacare is unworkable.

"Right now, you talk about affordable health care and [Democrats] don't think there are any better ideas even though they're changing the deadlines on a daily basis, they're unilaterally changing the bill, instead of facing it upright and saying let's redo this bill and get it done right," said Mr. Hatch. He added that Republicans are willing to work with "Democrats who are open and honest to try to come up with a health care system that really does work and doesn't cost the American taxpayers trillions of dollars extra."

Sen. Orrin G. Hatch knows how to broker a deal in the Senate — he's sponsored or co-sponsored the most laws out of any current senator — 742 — compared with the median of 78.

Cost of 'green' initiatives is U.S. security

Inhofe: President values climate over military readiness

By **KELLY RIDDELL**
THE WASHINGTON TIMES

President Obama has spent about \$120 billion on climate change initiatives since taking office. That is the equivalent of 1,400 F-35s — the Pentagon's most expensive fighter jets, according to estimates by Sen. James M. Inhofe of Oklahoma, the ranking Republican on the Senate Armed Services Committee.

The Pentagon, dealing with unprecedented spending cuts, plans to slash the Army's size to pre-World War II levels. Top brass are grappling with which programs to cut and are questioning military readiness.

At the same time, the White House is pushing its climate change agenda at the expense of other programs and perhaps national security, Mr. Inhofe said.

"When you have the top person in the military — the chairman of the Joint Chiefs of Staff [Gen.] Martin Dempsey saying our force is so degraded and so unready that it would be immoral to use force. That's big time, that's serious," said Mr. Inhofe in an interview with *The Washington Times*.

"Our capabilities historically since World War II have been what our strategy was: to be able to fight in two fronts in two separate wars — we can't do that now," said Mr. Inhofe. "I've got 20 kids and grandkids, and when I bail out of here I want to make sure that we have a military that's going to take care of them."

That means spending a little more than 4 percent of the nation's gross domestic product on defense — roughly the level to which payments have dropped under the Obama administration, Mr. Inhofe said.

Last year, Russia outspent the U.S. in defense for the first time in more than a decade, allocating 4.8 percent of its GDP to military arms, according to the Stockholm International Peace Research Institute.

"There are people who don't want to believe that the threat is real out there," said Mr. Inhofe, noting that China has increased its arms spending by 300 percent while the U.S. has been cutting back. "And it's so convenient not

to believe it. I'd give anything to say, 'Oh we're still the strongest, and have the most modern stuff; when we don't have the capabilities that the American public believes we have.'"

Military analysts agree with the senator. The president's defense cuts, combined with sequestration — automatic cuts that are scheduled to shave \$492 billion from the military's budget over a period of 10 years — are having a negative impact on the

modernization. [This means] risk to the performance of our mission and risk to those who serve continues to grow."

With sequestration, military and combat readiness are usually the first to go because they are the easiest to cut with the fastest monetary return, said Nora Bensahel, a fellow at the Washington-based Center for a New American Security.

"The defense cuts of the past few years and that will extend

In 2009, the White House guaranteed a \$2.1 billion alternative energy loan to Solar Trust of America — which later went defunct — leaving taxpayers to foot the bill. That money was enough to patch the 2015 budget shortfall for military pay and housing, Mr. Inhofe notes.

This year, the president has pledged \$757 million for the Global Climate Change Initiative to help build green power plants abroad. That is the equivalent of

and they can work with soldiers on the ground to ascertain the best practical implementation. Biofuels have been ordered to be used to fuel equipment, and a pilot program is underway to try all-electric vehicles on six bases in five states.

Last month, a Government Accountability Office report found that the military was spending as much as \$150 a gallon on alternative jet fuel derived from algal oil rather than \$2.88 a gallon for conventional jet fuel.

"Why should the Defense Department be paying for solar panels? Why should defense be paying for biorefineries? Those are not defense items. We have a Department of Energy that's supposed to be doing that stuff. The disarming of America is not just what he's been doing in cuts or delays like the F-35s, but less obvious is what he's puts in [the defense budget] that we're spending money on that should be spent on defense as opposed to his agenda.

"Now, [the president's] true to his agenda, and you may agree with it and that's fine. I don't," Mr. Inhofe said.

Still, the Pentagon is no harbinger for fiscal responsibility, said Sen. Tom Coburn, a fellow Oklahoma Republican.

In his 2014 infamous waste book, Mr. Coburn found it offensive that the Department of Defense was destroying \$7 billion worth of usable vehicles and other military equipment — rather than selling it or shipping it back home — as the wars in Iraq and Afghanistan were drawing down, and that \$82.5 million was gifted to local law enforcement agencies in the form of surplus mine resistant ambush protected tactical vehicles.

Mr. Inhofe acknowledges that fiscal strings could be tightened. He is proposing putting more authority in the hands of the military — rather than other government bureaucrats and contractors — to decide how to modify plans when a ship or plane encounters cost overruns.

He also is recommending no contract cancellations after a certain milestone has been met. Many times, projects are almost completed before they are canceled, he said, which has been a significant contributor to time and money waste.



ASSOCIATED PRESS

Sen. James M. Inhofe, Oklahoma Republican, said President Obama's liberal spending on green initiatives is at the expense of a robust and ready U.S. military. He is looking for ways to change that.

readiness and ability of our nation's defense.

"The sky technically is falling for the Defense Department, but it's more of a slow bleed rather than one significant event or precipitous moment," said Mackenzie Eaglen, a national security analyst at the American Enterprise Institute. "All defense priorities are taking a hit including readiness and people — the two things that politicians have hoped to avoid. There's a squeeze and it's real."

In a May hearing, Gen. Dempsey told Congress that budget cuts were causing the military to "hemorrhage readiness and cutting further into

as a requirement of sequestration really are having an effect on the military readiness," she said. "There is great pressure to find savings quickly to meet the required level of cuts. Operations and maintenance funds — the funds the forces use for readiness — are the easiest way to get your hands on money really fast. That includes everything that a unit needs to operate, to deploy on a rotation to the national training center, to maintaining equipment, and buying ammunition comes out of those funds. So when they get cut, readiness levels go down."

Yet the White House has other spending priorities.

50 Black Hawk helicopters that the National Guard and reserve units need under the Army Aviation Restructure initiative.

Even the Defense Department's budget is full of green initiatives that the president ordered. To cut fossil fuels in the combat theater, the military has been taking action such as adding solar panels to tents and backpacks and sealing camps with an insulating coating so cooled that air does not leak.

The Defense Department now dispatches energy teams to operating bases with policy knowledge of how renewable energy systems can be used,

GOP homing in on Senate, ready to push policies

By **SETH McLAUGHLIN**
THE WASHINGTON TIMES

Having beaten back all of the tea party challengers so far this year, Senate Republicans have assembled a field of candidates well-poised to hold their own seats and make a run at the at least six Democrat-held seats needed to flip control of the chamber and start calling the shots in the upper chamber.

With the midterm elections four months away, Republicans are beginning to make a case for what the chamber would look like, with approval of the Keystone XL pipeline and repeal of a tax on medical devices — a widely despised component of Obamacare — at

Most prognosticators say the top eight or nine Senate seats in play this year are all held by Democrats, which means the majority party is playing heavy defense everywhere, from Alaska to North Carolina.

the top of the list.

Also on the list are a slew of bills to cut regulations and roll back some of President Obama's executive actions, all of which have passed the Republican-controlled House but are languishing in the Senate, where Majority Leader Harry Reid, Nevada Democrat, has them bottled up.

"There are lots of bipartisan jobs bills being held up after passing the House," said Don Stewart, a spokesman for Sen. Mitch McConnell, the Kentucky Republican who likely would ascend to majority leader if he wins re-election in November and if Republicans take control. "And there are lots of good ideas on Obamacare."

That Republicans are even envisioning control shows just how bad the environment is for Democrats this year.

Most prognosticators say the top eight or nine Senate seats in play this year are all held by Democrats, which means the majority party is playing heavy defense everywhere, from Alaska to North Carolina. Even Virginia, Michigan and New Hampshire could come into play.



ASSOCIATED PRESS

Bills in the Senate is still as a statue in the Capitol Rotunda, but Republicans hope to get things moving if they win control of the chamber in the midterm elections. Polls suggest they have a solid chance.

Republicans have managed to avoid the self-inflicted wounds that cost them in 2010 and 2012, when they nominated candidates that squandered winnable races, including in Indiana, Missouri, Delaware and Nevada — a race that could have toppled Mr. Reid in 2010.

Instead, Mr. McConnell survived a tea party primary challenge in Kentucky, two mainstream candidates emerged in the Republican primary runoff in Georgia and Sen. Thad Cochran survived a tea party challenge in Mississippi last week, though that race

fostered bad blood when Mr. Cochran relied on Democrats to win.

Prognosticators who crunch the numbers on various scenarios give Republicans a good chance at succeeding.

The New York Times gives Republicans a 56 percent chance of winning control. Nate Silver, a former number-cruncher at The New York Times who now runs FiveThirtyEight.com, says Republicans have a probability of winning 5.7 seats or, when rounded, the six seats needed to gain a majority.

University of Virginia political scientist Larry Sabato predicts a gain of four to eight seats for Republicans.

If Republicans win five seats, the chamber would be split 50-50, with Vice President Joseph R. Biden giving Democrats control through his tie-breaking vote, but even that would seriously hamper Mr. Reid's control.

Mr. McConnell signaled this year that if he takes the gavel from Mr. Reid, he would encourage a more robust committee process and open up the debate and amendment processes.

"Voting on amendments is good for the Senate, and it's good for the country," he said. "Our constituents should have greater voice in the process. They should also know where we stand on the issues of the day, regardless of whether the majority party thinks those issues are worth debating or voting on. And if Republicans are fortunate enough to be in the majority next year, they would."

Republicans say Mr. Reid has become too powerful in controlling the chamber, unilaterally deciding which

issues get floor time. One Republican aide said Mr. Reid single-handedly foiled a bipartisan patent reform bill by leaving it to die in committee after he said in May he wouldn't bring it to the floor.

Sen. John Barrasso, Wyoming Republican and Republican Policy Committee chairman, said that if Republicans win the majority, energy bills will be a major focus, and priorities will be the Keystone pipeline and legislation to boost natural gas exports.

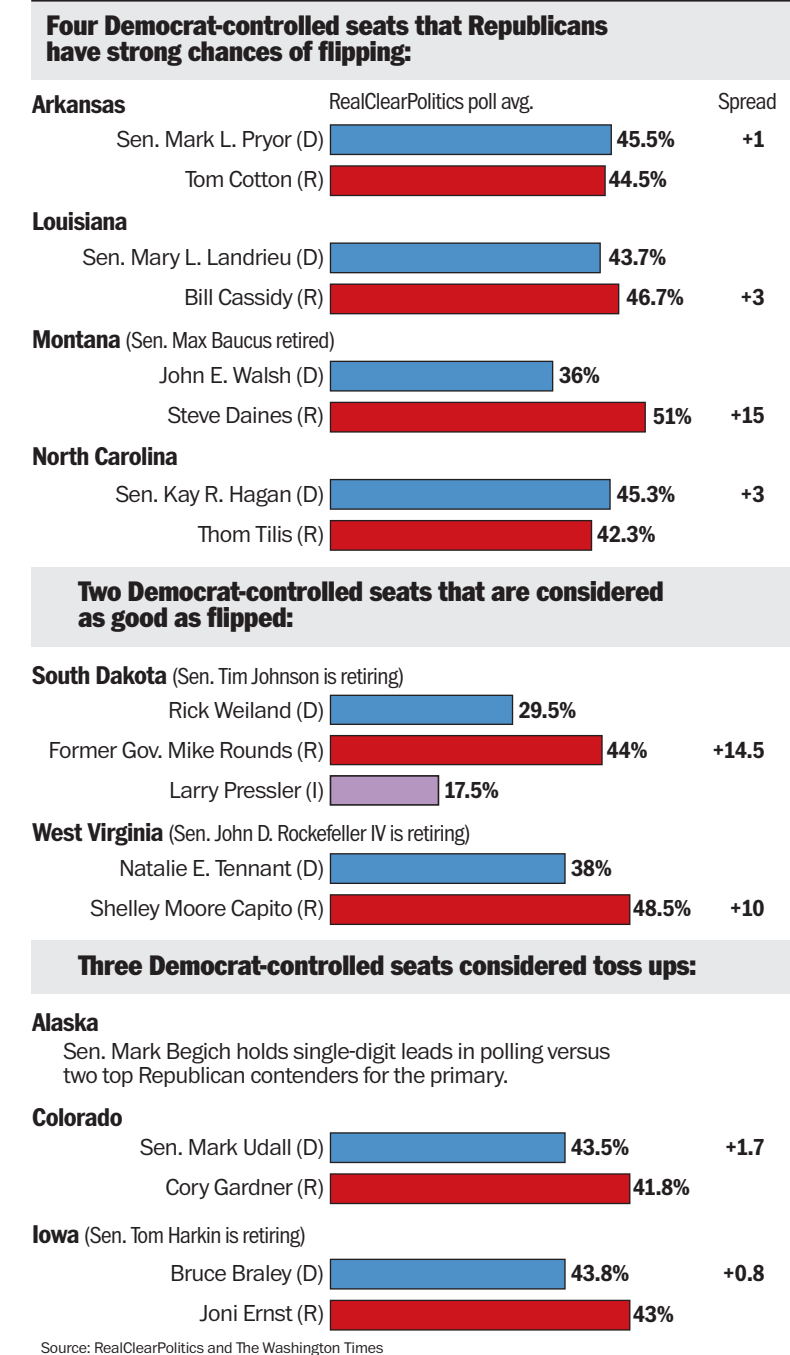
"We realize that we'll need 60 votes

to get anything to the president's desk," he said. "Republicans would ensure that the Senate actually works, holds votes and focuses on issues that have a level of bipartisan support."

"Right now, nothing is getting done in the Senate because Harry Reid and President Obama won't allow Republicans and Democrats to vote on consequential issues," Mr. Barrasso said. "If Republicans were in charge, the Senate would actually listen to the American people and work to solve important problems."

RACES TO WATCH

The following races are expected to determine whether Democrats can fend off Republican efforts to flip six seats and take control of the Senate.



If Republicans win five seats, the chamber would be split 50-50, with Vice President Joseph R. Biden giving Democrats control through his tie-breaking vote, but even that would seriously hamper Senate Majority Leader Harry Reid's control.

Fueling the world

Murkowski pushes for natural gas, oil exports

By Kelly Riddell

THE WASHINGTON TIMES

Sen. Lisa Murkowski is looking to help drive the natural gas export rush and maybe even turn some heads into considering shipping oil, despite pricing and environmental concerns.

The Republican from Alaska, the fourth-largest oil producing state, is poised to become chairwoman of the Energy and Natural Resources Committee if Republicans win the Senate in elections this year. Her father held that position 13 years ago.

Among Ms. Murkowski's top priorities are increasing U.S. exports of crude oil and natural gas, called LNG because natural gas needs to be liquefied before it can be shipped.

"Part of my push to move toward exports is to get our oil in better alignment — so that we can continue to produce at a level and at a rate that continues to spur our economy along," said Ms. Murkowski. "Also think about [Russian President Vladimir] Putin's continued ability to utilize energy as a weapon. If we can, through our exports, allow for a level of insulation — allow for a level of stability geopolitically — is this not a good thing for us?"

Because of the boon in hydraulic fracturing, or fracking — a drilling process in which chemically treated water is plunged underground to help shatter rock and free natural gas — the U.S. now produces more natural gas than any other country. Yet Russia, the second-largest producer, is the world's top net exporter, followed by Qatar and Norway.

The reason is simple: U.S. law limits the number of countries to which energy companies can export. Companies are required to get "public interest" approval from the Energy Department if their potential buyers haven't signed free trade agreements with the United States. That stipulation restricts exports to all European nations, along with China, India and Japan — where natural gas prices are the highest.

If Ms. Murkowski had her way, that law would be changed to include all countries that participate in the World Trade Organization, along with those that have free



ANDREW HARNIK/THE WASHINGTON TIMES

Sen. Lisa Murkowski, Alaska Republican, is pushing to make the export of U.S. natural gas and oil easier, over the concerns of environmentalists.

trade agreements with the U.S.

"Japan is coming to us here in the United States — and they're not just coming to me as the ranking member — I know that they're talking to anybody that will listen, and they're saying: Can you please hurry it up on these export applications because as a nation, we keenly want to purchase U.S. LNG," said Ms. Murkowski. "We are providing them with a resource that they desperately want, that they desperately need."

Exporting natural gas would help build U.S. influence globally, leading to stronger ties with allies and help deter bad actors, such as Russia, that look to use abundant energy resources as a way to manipulate the geopolitical scene, she said.

Over the past 3½ years, the Energy Department has used its discretion to approve only six applications to export LNG. It is sitting on 24 other applications, some of which have been pending for more than two years. Only one, Cheniere Energy's Sabine Pass Liquefaction terminal on the Texas-Louisiana border, has received the final construction

go-ahead from the Federal Energy Regulatory Commission. It is scheduled to begin operation next year.

Opponents worry that exporting natural gas or crude oil ultimately will drive up domestic prices because supplies will dwindle.

"We have crossed a line into an era when we could be massively

Among Sen. Lisa Murkowski's top priorities are increasing U.S. exports of crude oil and natural gas.

exporting America's natural gas, sending the jobs and consumer benefits abroad along with the fuel," Sen. Edward J. Markey, Massachusetts Democrat, said in March, predicting higher domestic prices. "The level of exports approved is now more than every single American home consumes."

Those in the manufacturing sector worry that if LNG exports are approved too hastily, market volatility could push up costs

or make investment uncertain within that industry, which relies on natural gas byproducts.

"Exporting such a large volume of this strategic commodity will raise domestic natural gas and electricity prices for every American, undermine manufacturing competitiveness and cost the nation good-paying jobs," America's Energy Advantage, a coalition of industrial companies such as Dow Chemical Co. and Alcoa Inc., said in a statement.

Ms. Murkowski challenges that thinking.

"Just because you have a product leaving a country doesn't automatically assume that you're going to see an increase in price or that there will be a limitation of supply," said Ms. Murkowski. "It takes you back to Econ 101: If you have a bigger market, a more stable market that is clearly available when you're allowed to export, then that increases production domestically — which will work to reduce the overall price of oil. As the overall price of oil is reduced, then American consumers will see that benefit."

Environmentalists are also concerned.

Increased LNG exports will "increase fracking and carbon emissions, put sensitive ecological areas at risk, and do nothing to address our country's energy challenges," said the Sierra Club. Exporting LNG to overseas markets would be a "dirty, dangerous practice that lets the industry make a killing at the expense of human health," the environmentalist group said.

That argument undermines the technical advances the industry has made over the years, Ms. Murkowski said, challenging naysayers to visit Alaska's North Slope, where horizontal drilling is at the forefront compared with older sites such as Alaska's Prudhoe Bay.

"It's important that everyone acknowledge the gains and the advances that we've made with the technology that allows us to reduce the footprint when it comes to exploration and production, to minimize our environmental impact in ways that are incredibly consequential," said Ms. Murkowski. "I don't think that the industry gets a lot of credit for how they are accessing these resources."

The telecom agenda of a GOP Senate

Net neutrality, spectrum auctions at issue

A Q&A with Sen. John Thune, South Dakota Republican and ranking member of the Committee on Commerce, Science & Transportation

Q: A lot has been in the news regarding net neutrality. Where do you stand on that debate?

A: Well, first off, I don't think you want to govern the Internet with a 20th-century law, we want a 21st-century law for 21st-century communication systems. I think, unfortunately, what [the Federal Communications Commission is] attempting to do — and what they're getting a lot of political pressure from the left to do — is use Title II to recategorize it as a telecommunications services. Which would essentially subject them to "Ma Bell"-type regulations in an era when you have all this innovation and things happening; a marketplace has just blossomed. It strikes me as a big mistake to go back to that kind of a framework.

[FCC Chairman Tom Wheeler] is getting a lot of pressure on that. They're going to use this Section 706 debate — now they're trying to find a toehold to regulate — in hopes of, that eventually they'll go back to more of a Title II reclassification approach.

Right now, we think they ought to leave it alone. They don't need to regulate this. If they're looking for direction, they ought to come to Congress.

We would like to work with them to try to develop statutes that better fit the environment we're in today. If we get the majority, I think that's something — looking at reforming telecom law — that we would certainly have an interest in.

We've been in conversations with [Reps.] Fred Upton and Greg Walden on the House side who are also interested in that. It's probably time for some updates, but in the meantime we don't want to see the FCC going down a path that is going to really endanger just what has been a remarkable success story here in the last few years.

Q: One of the issues that the left has is that there are too few companies in the telecommunications space. Taking a look at the landscape now, is it broken



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Sen. John Thune, South Dakota Republican, is poised to become chairman of the Commerce, Science and Transportation Committee if Republicans reclaim control of the Senate in the November midterms.

or working? What is your feeling regarding consolidation, given the Time-Warner Cable and Comcast proposed merger, as well as what's going on in the wireless marketplace?

A: All those mergers get reviewed by the Justice Department, and they'll make determinations about antitrust and concentration of market power and make, if necessary, appropriate adjustments there.

I think that, by and large, if you look at the results, the market has worked pretty well. There are certain consolidations and mergers that have occurred that you take a hard look and say, how does this facilitate or promote the mission, how is this going to impact ultimately the consumer, and I think those are the things that you have to keep in mind.

There seems to be today, at least, in pretty much every sector of the telecom world and the digital world, sufficient numbers of competitors that are competing with each other, and knock on wood, doing a reasonably good job at creating an open and competitive marketplace that is constantly spinning out new ideas, new solutions, new services for consumers to use and hopefully at a price they can afford.

That isn't to say there aren't a few things that we can do in terms of reforms that may update and

modernize that a little bit. We've obviously had some discussion about that. It's time we update and look at that stuff all with an eye toward competition.

I'm not as concerned as those on the left are that we're at a point where we don't have a very robust market that is price competitive and has an eye toward putting the best product out there for the consumer at the most affordable price.

Q: Spectrum auction. AT&T and Verizon have said they don't like the limits as to what they can buy — that the resulting spectrum will be purchased at a lower price, shorting the American taxpayer. Where do you fall?

A: To better optimize the spectrum auction and the return you get for the taxpayer — a certain amount of that goes to deficit reduction — you want to make sure you have the maximum amount of bidders and the broadcasters participate. I don't think that excluding folks from that auction makes much sense. We wrote a bipartisan letter --- Sen. [Charles E.] Schumer and I --- to the FCC essentially saying that we don't think it's a good idea for them to preclude certain participants of that auction. To get the best possible return for the taxpayers at the best possible outcome, then it ought to be a very open process

by which everybody has an opportunity to compete.

Q: If you were chairman of the committee, what would be on the top of your to-do list?

A: In terms of priorities and where the critical mass is in terms of legislating, I do think if we could work with our counterparts in the House to work on some telecom reforms. I think we're due, I think the time's come. So that would be a fairly high priority.

Q: Is that a bipartisan issue?

A: I hope so.

Q: Then why hasn't this been done?

A: The STELA (Satellite Television Extension and Localism Act) stuff they did at the committee level in the House was pretty bipartisan, but they weren't doing any of the really heavy-duty lifting. They did a few reforms, and I think there's bipartisan support, recognition that we're in a whole new era and that our laws and statutes need to reflect that.

The devil is always in the details when it comes to writing legislation. So we'll see. But that's an area that I'm interested in, and I think there's sufficient interest among our members on our committee and on the House side, too, in doing something there.

There are some things that are immediate. For example, we need to extend the moratorium on Internet taxes that expires Nov. 1 of this year, and if we don't extend that, there will be an awful lot of services, broadband-type services, that would be taxed at the state level because a lot of states have tax regimes that cover telecommunication services to include things that are currently not taxable.

Now, this is more of a Finance Committee jurisdiction issue, but another issue out there is trade, which I think is very important. We're a huge exporter of digital goods, and there are other countries with which we trade that we think use some of these more recent revelations — the NSA stuff — as an excuse for what we call digital protectionism. And so we're also really focused on that.

Q: Can you explain that a little bit; what that is?

A: If a country wants to prevent cross-border data flows, there are ways they can do that. They can have localization requirements when it comes to servers and things like that. It's ways of basically protecting trade the same way as you would agricultural commodities. You just put barriers up, and these would essentially just be digital barriers.

There's been some discussion among European countries particularly in regard to the TTIP agreement — the European trade agreement — about the importance of ensuring that doesn't happen. It's a huge marketplace. Digital goods and services is something that we stand as an economy to benefit enormously from, because it's one of the things they say has really reduced our trade deficit.

So we're really focused on that, and that crosses jurisdictions between Finance and Commerce. But with all of these trade agreements being negotiated, that will be an issue we'll deal with next year.

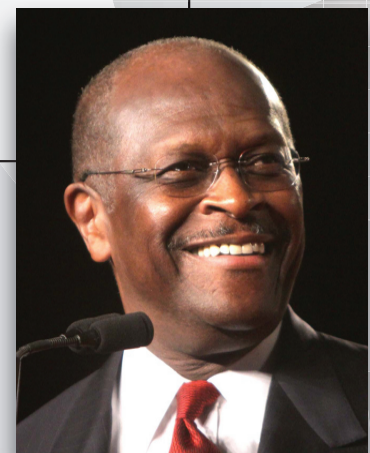
I guess I'd say today, I'll be interested, too, in some of the rural issues. Making sure that the rural consumers can access broadband services. We've asked the FCC to look at some of the universal service fund policies and to allow people who don't necessarily want to subscribe to wireline phone services to be able to get broadband services. Right now, the FCC has policies to prevent that.

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Finding the middle ground

Crapo sets sights on overhauling \$10 trillion mortgage market

By **KELLY RIDDELL**
THE WASHINGTON TIMES

Sen. Mike Crapo, Idaho Republican, has been in a yearlong tug of war to revamp the nation's \$10 trillion mortgage market.

The ranking member of the Senate Banking, Housing and Urban Affairs Committee, has been fighting opponents on his left — who say his bill to overhaul Fannie Mae and Freddie Mac doesn't do enough to help lower-income Americans find affordable housing — and those on his right, who claim the legislation he crafted with Sen. Tim Johnson, South Dakota Democrat, gives an explicit taxpayer-funded bailout to the banking industry.

"The fact that it's being assaulted by the extremes in both parties indicates to me that it's a good, centrist, middle-of-the-road compromise that has been the hallmark of our legislative process," said Jerry Howard, chief executive officer of the National Association of Home Builders, an organization that supports the bill. "What Sen. Johnson and Sen. Crapo, what they've been able to do in these political times, is an outstanding effort. It's to their credit."

Walking the political tightrope between making mortgages available and limiting taxpayer liability has been difficult for those at the helm of the banking committee. The ideological opposition between Republicans and Democrats, in terms of what the role of government should play in the housing market, has crippled reform.

Still, the White House and the president are behind Mr. Crapo's efforts. Meaning, if the Senate can get behind the bill, it has a real chance of being signed into law.

Restructuring the mortgage market is the largest piece of unfinished business from the 2008 credit crisis, when the U.S. government seized Fannie Mae and Freddie Mac, which were left for dead after backing too many subprime loans. The companies, which buy mortgages and package them into securities to sell to investors, were bailed out with \$188 billion in U.S. taxpayer money, the single largest bailout



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Sen. Mike Crapo (right), Idaho Republican, confers with Sen. Rand Paul, Kentucky Republican. He aims to revamp a \$10 trillion mortgage market, the largest piece of unfinished business from the 2008 credit crisis.

in America's history.

"We've taken it from where the government is essentially shareholder, board of directors and CEO of the mortgage market — and a first-line position for loss — and moved them to a point where it's extremely remote that they'd be even called upon for any kind of a financial role in the market," said Mr. Crapo. "So I think that's a critical step."

Mr. Crapo, 63, prides himself on his ability to be a collaborative, common-sense lawmaker who can find the middle road on hot-button issues such as rehauling the mortgage market. Mr. Crapo understands that concessions will need to be made in a Democrat-controlled Congress, but that's all for the greater good of unwinding Fannie and Freddie.

"We need to go back to a private-sector oriented housing market," said Mr. Crapo. "We need to get to a system in which government — or I should say the

taxpayer — is not in the first-line position against loss."

Mr. Crapo's bill would replace Fannie and Freddie with U.S.-owned mortgage financiers with government bond insurance that would kick in only after private capital suffered losses of at least 10 percent. The bill also would require most borrowers to make down payments of at least 5 percent of the mortgage cost and establish funds for affordable housing that would be paid for with a fee on users of the new government reinsurance agency, among other architectural tenants.

If Republicans win back the Senate in the fall, a push will be made to drop Mr. Crapo's 10 percent insurance guarantee. Many conservatives say the guarantee is an explicit taxpayer bailout, making the bill far more untenable for Democrats because it may deter private companies from issuing loans to riskier, low-credit applicants.

If Democrats remain in control — and with moderate Mr. Johnson stepping in as chairman — the bill will be at the hands of a far more leftist committee. That may look to guarantee affordable loans for most buyers and include significant support for low-income rental housing.

Republicans say such ideological provisions led to the financial crisis in the first place.

"The left is always looking to water down credit requirements," said Norbert Michel, a banking analyst at the Heritage Foundation. "Fannie and Freddie themselves didn't start with low credit standards; they were watered down over time. Eventually, their mission morphed into an affordable housing institution, and you see where that got us."

Although Mr. Crapo's bill dismantles the two institutions, it also gives private enterprises an explicit guarantee that if they take risks and experience losses greater

than 10 percent, the taxpayer will back them up, Mr. Michel said. Thus, Mr. Crapo's bill cements the taxpayer's role as a financial backstop.

Mr. Michel would rather see Mr. Crapo's bill stall in Congress, gamble that Republicans take control of the Senate, then have legislation that resembles what is in the House of Representatives, which demolishes Fannie and Freddie without any government-backed guarantees.

Sen. Richard C. Shelby, an Alabama Republican who will vie with Mr. Crapo for the committee chairmanship if Republicans take control, has indicated that he has serious concerns with the current bill.

Still, 60 votes would be needed for any housing bill to pass the Senate, even with Republican control. If the bill leans harder right, many centrist Democrats may drop their support, leaving Fannie and Freddie to linger in U.S. conservatorship indefinitely.

That worries Mr. Howard.

"The housing markets are getting stagnant again and the economy as a whole is becoming stagnant. Something is amiss in the housing sector," said Mr. Howard. "A significant component of what is amiss is the uncertainty concerning Fannie and Freddie. This status quo of where the [government-sponsored enterprises] are in conservatorship is untenable."

Mr. Crapo agrees and has dedicated himself to pushing through a bill either this year or next.

If Republicans win Senate control, Mr. Crapo will continue to push his version of the bill, although he hasn't publicly opposed dropping the 10 percent private-loss threshold.

Right now, Mr. Crapo is focused on this year, this bill, and dismantling Fannie and Freddie no matter what the battle.

"The bottom line is: If you look at the status quo, you have Fannie Mae and Freddie Mac. And if you add the [Federal Housing Administration], 95 percent of the market is now dominated by the government," said Mr. Crapo. "If we stay where we are, we are back to a very heavy hand of the government regulating the industry and controlling, literally, the markets."

Sen. Mike Crapo — prides himself on his ability to be a collaborative, commonsense lawmaker, to find the middle road on hot-button issues like rehauling the mortgage market.

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