

# ROLL CALL

## Lobbyists Eye Pension Bill as Year's 'Last Train'

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The long-stalled pension reform measure, now awaiting action in Congress, could turn into a magnet for lobbyists who want to find one last vehicle this year to turn their clients' favored tax credits into reality.

"This seems like the last golden goose of this Congress," said one lobbyist who is working the bill.

Bob Shepler, director of corporate finance and tax at the National Association of Manufacturers, has been monitoring the pension bill for his association.

"I think folks have been going under the assumption that the pension bill would be the engine for a lot of tax work," he said.

But the pension bill has spent more than four months in conference committee and conferees have missed previous deadlines to finish the bill.

Still, several lobbyists and Congressional aides said this week an agreement appears closer than ever. And lobbyists with a stake in the guts of the pension bill itself — which is designed to address retirement plans — now say they are worried any add-ons could trip up a bill that is already in a precarious situation.

One lobbyist tracking pension reform said Tuesday that "there's been a lot of scrambling. The atmosphere seems to be more charged."

A Senate aide said conferees planned another meeting during mid-day today.

Shepler's group and most American businesses want to see a package of tax-credit extensions added to the pension bill. "It was assumed that the pension bill was going to be the vehicle for the extenders," he said. And the business community has been pushing hard for that.

Dan Kostenbauder, a vice president with Hewlett-Packard, came to town this week to lobby for the renewal of a tax credit for research and development. The research and development credit, along with other items taken off the reconciliation bill last year, are part of that package of credit extensions. He said as he made the rounds on Capitol Hill on Tuesday, all indications were that the pension bill was moving closer.

"We're expecting the extender package will be included in the pension bill, certainly assuming it goes before the August recess," he said. Kostenbauder said he is making sure that Members know that HP and other companies want a research and development credit that's "retroactive and that it includes the alternative simplified credit as an enhanced way of calculating the credit."

Stephanie Silverman, a lobbyist at Venn Strategies, represents the S Corporation Association. That client is looking for tax changes that would give those types of small businesses greater tax parity with limited liability corporations.

"My job is to make the tax rules fairer between S corporations and LLCs," Silverman said, "to reduce specific tax obligations on S corporations to make them look and feel like LLCs."

The pension bill, she said, "could be the last train of the year" to make that change. Silverman said that "trailers" to the pension bill can't be policy initiatives but must be germane to the budget.

But pension-focused lobbyists worry any additional measures will only hurt the pension bill's chances of passing.

Dawn Levy, a former Democratic tax counsel on the Senate Finance Committee who is now a lobbyist at Cassidy & Associates, said she is focusing on the pension bill itself and not on measures that are looking for a vehicle.

"There is an interest in keeping things off of it," she said. "You feel like you've made deals on a bill, so if you start messing with other controversial tax issues, there is the concern of your basic bill falling apart."

Said another lobbyist who is working the pension bill: "If you put too many packages on the back of the mule, the mule don't go."

Levy added that unlike some appropriations bills that get loaded up with client perks, tax bills are tricky because measures have to be vetted and scored for their impact on the federal budget.

"It's not like appropriations where it becomes that kind of Christmas tree," Levy said.

Scott Talbott, senior vice president of government affairs at the Financial Services Roundtable, said that while his group in theory supports the tax credit extensions or other potential add-on measures, its focus is on a completed pension law as soon as possible. The financial services group supports provisions such as automatic enrollment in 401(k) plans and making certain tax cuts permanent.

"If adding other pieces does not slow it down, that's fine," Talbott said. "We want to get this bill done."

Other lobbyists have been playing defense to keep their clients' unwarranted provisions out of the pension bill. One advocate for clients who are against a measure supported by Senate Finance Chairman Chuck Grassley (R-Iowa) said his

clients were working to keep Grassley's charitable governance provision off pension reform. "We've ginned up the House folks," said this lobbyist of his strategy.

The pension bill's sticking points include how the law would define when a company's pension plan is at risk, how long airlines would have to fund their pensions and rules on giving investment advice to employees, among other issues.

The long-running conference committee and the uncertainty surrounding the bill have led to a difficult lobbying environment, lobbyists said, with almost daily rumors about negotiated deals coalescing and then evaporating.

"It's been a hard environment for lobbying," said one lobbyist following the bill. "It's been an atmosphere of hurry up and wait, where everyone is desperate to see what's happening. You hear there might be some progress, then find out it all blew up" after skirmishes between Members.

Ken Kies, former chief of staff to the Joint Congressional Committee on Taxation and now a tax lobbyist at Clark Consulting's federal policy group, said many Members, staffers and lobbyists would be relieved to see this bill get passed and sent to the president.

"This is a conference that's long past getting completed," Kies said.

Another lobbyist said, "I have seen people who are just flat-out tired. Other people are re-energized. Everyone just keeps moving, doing letters, doing ads. But there is a fatigue factor."

Tax lobbyists looking for a moving vehicle have lined up some backup plans in case their provisions either don't make it onto the pension bill or if the pension bill doesn't move soon. Several lobbyists said they would be ready to pounce on an estate tax bill, should there be one; a stand-alone bill just for the tax-extensions; or an omnibus bill after the August recess.