

Sent: Tue, 23 Apr 2013 07:31:21 -0400

From:

To: josh_ogburn@warner.senate.gov

Bcc: jessica_e_wagstaff@who.eop.gov

Subject: April 23, 2013

[MRW News Clips 042313.doc](#)

P6/b(6)

MRW News Clips: 4/23/2013

Compiled at 7:30 AM EST

MRW

MENTIONS.....
..... 2

Va. tax department eliminates investigative unit
(AP)..... 2

Suburbs now playing a key role in gun legislation
(AP)..... 3

V.A. promises to clear up medical benefit claim backlogs
(WVEC)..... 5

Mark Warner reappointed chair of bipartisan Government Performance Task Force (Augusta
Free Press) 6

Mark Warner helps introduce bipartisan Government Customer Service Improvement Act of
2013 (Augusta Free
Press).....
..... 7

So, When Will The ABC, NBC, and CBS Report on Obamacare? (Red
State)..... 8

Get Ready for Gun Control As a Wedge Issue in 2016 (New
Republic)..... 9

LTE: Huzzah, freedom from all firearms! (Daily
Progress)..... 11

LTE: Conservatives, Don't Let Del. May Fool You (Leesburg
Patch)..... 11

Editorial: Different votes
(RTD)..... 12

McGrady announces bid for 6th District House of Delegates seat at closed Smyth plant (Smyth

County News & Messenger).....	13
Earth Day: 43 Years of Environmental Hopes (Celebrity Café).....	14
Earth Day 2013: What's in danger is Earth Day, not just Earth (CS Monitor).....	14
EPA holding its ground on sewer line damage (Southwest Times).....	16
Ahead of Iowa and New Hampshire talks, Sen. Rand Paul ranked in second tier of 2016 White House hopefuls (Courier-Journal).....	17
Scene Last Night: Mars, Robert Duvall, Hopper, Bucksbaum (Bloomberg).....	19
Sanare il deficit con le pensioni degli anziani e disabili: cecità o vigliaccheria? (Rinascita).....	20
Opinion/Editorial.....	21
Editorial: Pound foolish (RTD).....	22
Editorial: Degree of investment in education (Daily Press).....	22
Editorial: Another misguided online security push (VA Pilot).....	23
Editorial: Liftoff (Free Lance-Star).....	24
Base closures make strange bedfellows of politicians (VA Pilot).....	25
New Immigration Bill Has One Terrible Flaw (Bloomberg).....	27
Restore states' authority to collect online sales tax (Politico).....	28

The Mom & Pop Internet Sales Tax (WSJ).....	30
Editorial: Lawmakers stoking fear of immigrants (WaPo).....	31
Editorial: A Confirmation Too Long Delayed (NYT).....	33
Let's protect biotech crops from environmental zealots (Politico).....	33
Research Offers Hope for People With Fragile X, Autism (CQ).....	35
Budget/banking/commerce.....	36
Fed Still Owes Congress a Blueprint on Its Emergency Lending (NYT).....	36
Co-Directors for S.E.C. Signal Shift (NYT).....	39
Regulators Get Banks to Rein In Bonus Pay (WSJ).....	41
Congressional News.....	43
Senate Cloture Vote Clears Way for Online Sales Tax Debate (CQ).....	44
In Tax Fight, Amazon Hands Baton to eBay (NYT).....	45
Military's efforts to cut programs, save billions, are thwarted by Congress (AP).....	47
Rand Paul Tries to Transform a Moment Into a Movement (WSJ).....	50
WHITE HOUSE News.....	55
In Gun Bill Defeat, a President Who Hesitates to Twist Arms (NYT).....	55

State Department Criticized by E.P.A. on Pipeline Report (NYT).....	57
Obama Budget Spreads the Tax Pain (WSJ).....	58
National/World News.....	60
Boston Suspect Is Charged and Could Face the Death Penalty (NYT).....	60
U.S. Supreme Court rejects tobacco marketing appeal (AP).....	63
Flights are delayed at major East Coast airports as sequester-related furloughs begin (WaPo)	63
China: Cyberattacks Are Like Nuclear Bombs (WSJ).....	66
Canada thwarts "al Qaeda-backed" train plot, Iran denies role (Reuters).....	67
Israel Says Syria Has Used Chemical Weapons (NYT).....	69
Shrinking Europe Military Spending Stirs Concern (NYT).....	71
Virginia News.....	75
Kaine Talks Technology in Reston Visit (Reston Patch).....	75
Historic Virginia winery agrees to five-year export deal (Daily Progress).....	75
ACC realignment talks put to rest with TV accord (RTD).....	76
Democrats demand outside investigation into Cuccinelli, McDonnell (Washington Examiner)	77
Bolling regrets dropping out of race so soon (RTD).....	78

Cuccinelli's run for governor of Va. tests core elements of GOP makeover (NBC)..... 79

Abortion foes to air first ad of governor's race (WaPo)..... 80

Speaker Howell's new PAC for pro-transportation delegates (VA Pilot)..... 81

Virginia colleges focus on improving cybersecurity programs (Daily Progress)..... 82

MRW MENTIONS

Va. tax department eliminates investigative unit (AP)

RICHMOND, Va. (AP) — The Virginia Department of Taxation is eliminating its criminal investigation unit as part of a cost-savings strategy.

Six positions on the investigative staff were eliminated by laying off two employees and transferring four others to the agency's compliance department to do data research. The change was established in the revised state budget the General Assembly passed in February, and is intended to save \$120,000 annually. It takes effect July 1.

Because Virginia is a compliance state whose income tax policies comply with federal tax law, most of the heavy lifting on fraud investigations falls first to the Internal Revenue Service.

"If you're cheating Virginia, you're also cheating the IRS," said Bill Leighty, a former chief of staff to **Govs. Mark R. Warner** and Tim Kaine, and now a consultant and expert on government efficiency.

Tax Commissioner Craig Burns said a large-scale shift to electronic filing had increasingly rendered the unit, formed to conduct old-fashioned investigations of tax cheats, obsolete. At the same time, he said, the agency was understaffed in the sector responsible for sophisticated data analysis that flags potential fraud within electronic filings.

There was a growing need for help in the compliance department to "ensure the required research and analytical services were available while directing resources to larger compliance and possible fraud-prevention programs," Burns said.

Investigations into fraud cases that the tax department criminal investigations unit handled will be handed off to law-enforcement agencies such as the Virginia State Police, which has a white collar crimes division, and local police agencies.

Suburbs now playing a key role in gun legislation (AP)

QUAKERTOWN, Pa. (AP) - In the emotional politics of gun control, the suburbs seem to be emerging as a new sphere of influence.

The Senate's defeat last week of firearms restrictions underscored the nation's shifting demographics and a pronounced divide on the gun issue between Americans in rural areas and residents of suburban enclaves, like Quakertown, outside Philadelphia.

Packed with married women and political independents, vote-rich communities like these are starting – in the wake of a string of shooting massacres – to act more like urban centers that long have been concerned with the threat of local gun violence and have favored stricter laws. Those include the expansion of background checks, viewed by gun control advocates as a way to prevent criminals and the mentally ill from buying firearms.

Like most Pennsylvania voters, Lisa Inglis, 43, a stay-at-home mom of two from the Philadelphia suburbs, is a supporter of expanded checks of gun buyers, part of the legislation defeated last week. She said she was very disappointed by the Senate action, though she also questioned whether such measures would prevent many crimes.

"The reality hits you that nobody can keep anybody safe. You really depend on the stability of other people's thinking. You just hope for the best," said Inglis, eating at John's Plain & Fancy Diner in Quakertown, about 45 miles north of Philadelphia.

Voters like her in suburbs like this are a big reason why a handful of Republican lawmakers broke ranks with the GOP last week to support the expanded checks, raising the possibility that gun control could end up becoming more acceptable to other Republicans as suburbs in swing-voting states swell and push farther into rural areas where people cherish their gun rights.

Four Republicans backed the proposal, including three – Sens. Patrick Toomey of Pennsylvania, Mark Kirk of Illinois and John McCain of Arizona – where suburbs play a strong role in their home states' politics. The proposal also won support from Democrats such as Virginia Sens. **Mark Warner** and Tim Kaine and Colorado Sens. Michael Bennet and Mark Udall, two states that are home to many hunters living in rural areas – but also to booming suburbs outside Washington and Denver.

To be sure, rural interests still play a powerful role in Congress, and the gun vote showed how small states can shape the debate. Democrats representing rural states bucked members of their party and President Barack Obama to help scuttle the legislation. Among Democrats, five opposed the plan, including rural state lawmakers like Mark Pryor of Arkansas, Mark Begich of Alaska and Max Baucus of Montana, all of whom face the voters next year.

Polling bears out the geographic divide.

In the months since the deadly Newtown, Conn., elementary school shooting, polls showed an overwhelming support for expanding background checks and strong sentiment for tighter gun measures among women. An Associated Press-GfK poll this month found that 52 percent of people living in suburban areas supported stricter gun laws compared with 41 percent rural residents. An additional 44 percent who live in rural areas say gun laws should remain the same, 13 percent think they should be made less strict.

The poll found that 58 percent of women favored stricter gun laws, compared with 41 percent of men. The difference held up across party lines, though 34 percent of Republican women supported stricter gun laws compared with 80 percent of Democratic women.

Republicans said many GOP members were challenged by the larger context of Obama's agenda – including likely votes ahead on immigration and growing support in the nation for gay marriage. "They can't go all in. They have to pick and choose," said Chip Felkel, a South Carolina-based Republican strategist. "The NRA doesn't want to give an inch on anything because they think it's the beginning of the slide."

Toomey's role offered an apt case study. A reliable conservative and former head of the free-market advocacy group Club for Growth, Toomey joined forces with West Virginia Democrat Joe Manchin to push for expanded background checks. Toomey has garnered strong ratings from the National Rifle Association but faces re-election in 2016, a presidential year in which elections in his home state tend to pivot on voters in the Philadelphia and Pittsburgh suburbs.

Inglis, of Quakertown, calls herself a "liberal Republican" – she voted for Obama twice and Toomey in 2010 – and she credited Toomey with picking "the right issue to break out of his mold on." She said it made her view him as a pragmatist working to solve problems.

Bob Linquist, 73, a retired utility worker from Quakertown, used to belong to the NRA but dropped his membership because of the group's views on military-style assault weapons, which he believes do not belong in private hands. Linquist, a Democrat who sometimes votes Republican, said he supported Toomey's position on background checks even though he questioned whether it would solve the problem and thought it was politically calculated.

"Politicians don't always stand up for their country or ideologically what's right or morally right. They worry about their job," Linquist said.

Toomey sought to explain his position to a gathering of conservatives during the weekend. "My hope is that we can agree to disagree on this and move on to the many, many areas on which we agree," he told the Pennsylvania Leadership Conference in Camp Hill.

Terry Madonna, a pollster and political scientist at Franklin & Marshall College, said that with more than 9 in 10 Pennsylvanians supporting universal background checks, Toomey staked out a very safe political position. He said Toomey's bill was probably designed to appeal to swing voters in suburban Philadelphia, noting that "the largest area of support for gun control measures comes from the Philly suburbs."

The pressure points on the bill were found in the suburbs. A gun-control group backed by New York Mayor Michael Bloomberg focused its persuasion campaign – with mixed results – on areas represented by Republicans that include pivotal suburbs. The organization, Mayors Against Illegal Guns, aired ads in Philadelphia, Phoenix, Atlanta, Las Vegas and parts of Ohio.

Despite the measure's failure, some Democrats view it as evidence of how the issue has taken hold of suburban voters.

"Pat Toomey is no moderate. The fact that he's doing it in the state he's from tells you the power of the suburbs," said Rep. Gerald Connolly, D-Va., who represents a suburban district outside Washington.

V.A. promises to clear up medical benefit claim backlogs (WVEC)

NORFOLK-Virginia **Senator Mark Warner** says there needs to be “dramatic improvement” in how the Department of Veterans Affairs processes medical benefits claims for veterans.

Warner says it is “inexcusable” that there are currently more than 570,000 claims from veterans that are officially classified by the V.A. as “backlogged.” That means the cases are more than 125 days without any action having been taken. Beyond that, nearly 250,000 veterans have been waiting more than one year for their claims to be acted upon.

“I think if we don’t see a dramatic change this year, congress’ patience has worn out and we’ll expect to see changes at the V.A.,” **Warner** said in an interview Monday with 13News.

When **Warner** was asked if that means Veterans Affairs Department Secretary Eric Shinseki would have to go, **Warner** said, “I’m saying, if we don’t see changes this year, we’re going to look top to bottom about bringing in management that can get the job done.”

Last Friday, the V.A. announced its plans to process the nearly quarter of a million claims that are one year or older within the next six months. The plan calls for regional offices of its Veterans Benefits Administration to issue so-called "provisional rulings" on all claims that are one year or older, provided a minimum level of evidence has been submitted to support those claims.

If claims are given provisional approval, veterans will start receiving benefits immediately.

In addition, Shinseki pledged to eliminate all claims backlogs by 2015, as the department transitions from paper to electronic records-keeping.

Warner seemed skeptical. "The system is too complicated, it takes too long, and veterans should not have to wait a year to get the claims adjudicated," he said.

Also skeptical is Vietnam War Army veteran Dick Amick of Chesapeake, who fought the V.A. for years to get a 40 percent disability rating for his Agent Orange-related diabetes. "We all felt the longer they drag it out, the less they'd have to pay us. Hopefully, some of us would die and they wouldn't have to pay us anything," he said.

North Carolina Senator Kay Hagan is also taking a wait-and-see approach. In a release, she said "I welcome any action by the V.A. to reduce the unacceptable backlog of claims that have prevented our brave men and women from accessing the benefits they've earned. While this initiative marks a step in the right direction for the V.A., more must be done to reduce the wait times veterans face."

Mark Warner reappointed chair of bipartisan Government Performance Task Force (Augusta Free Press)

U.S. Sen. Mark Warner (D-Va.) today was reappointed chairman of the bipartisan Government Performance Task Force by U.S. Senate Budget Committee Chair Patty Murray (D-Wash.). The Task Force, established in 2009 with Sen. **Warner** as its initial chairman, supports the Budget Committee by providing oversight and recommendations on ways to increase the performance and reduce the cost of federal agencies and programs.

“The continuation of the Task Force represents a strong, ongoing commitment from the Budget Committee to keep looking for smart ways to save taxpayer dollars by improving how our government works,” Sen. **Warner** said. “Our Task Force will pursue additional reforms that will reduce duplication, break down agency silos, build a more collaborative culture across government, and modernize how we use technology to improve transparency and accountability. This kind of oversight work typically does not generate a lot of headlines, but I look forward to working with my colleagues from both sides of the aisle to find new ways to save taxpayer money.”

Sen. Murray also announced additional members of the Task Force today, including Sens. Sheldon Whitehouse (D-RI), Chris Coons (D-Del.), Ron Johnson (R-Wisc.) and Kelly Ayotte (R-N.H.). Chairman Murray and Ranking Member Jeff Sessions (R-Ala.) will serve as ex officio members.

“I am pleased to announce the membership of the Budget Committee’s Government Performance Task Force and that it will continue to be chaired by Sen. **Warner**,” said Sen. Murray. “This bipartisan Task Force is an important tool to improve efficiency and effectiveness in government operations as well as ensure that taxpayer dollars are being invested wisely. Sen. **Warner** has a long history of fighting for smart and efficient government investments and I cannot think of a better chair for the Task Force. I look forward to their continued work and thank all who have agreed to serve.”

As governor of Virginia from 2002 to 2006, Sen. **Warner** worked in a bipartisan way to implement businesslike reforms that made state government more effective and affordable, resulting in Virginia’s designation as the nation’s best managed state in the Pew Charitable Trust’s independent 2005 Government Performance Project.

In Congress, Sen. **Warner** successfully sponsored the bipartisan Government Performance and Results Modernization Act of 2010, which requires federal agencies to identify their top priorities, annually report program results, and clearly identify ineffective or overlapping programs for potential consolidation or elimination.

In addition, Sen. **Warner** has introduced the Digital Accountability and Transparency Act, which would improve and expand federal fiscal accountability by requiring more transparent reporting of every dollar spent by the federal government. He also is a lead sponsor of the Government Customer Service Improvement Act, reintroduced last week, which aims to make

the taxpayer's interaction with federal agencies more efficient and customer-friendly.

Mark Warner helps introduce bipartisan Government Customer Service Improvement Act of 2013 (Augusta Free Press)

Today, U.S. Sens. Mark R. **Warner** (D-Va.) and Ron Johnson (R-Wisc.) announced the introduction of the Government Customer Service Improvement Act of 2013. The bipartisan legislation works to improve customer service delivery across federal agencies, and a companion bill was introduced in the House by U.S. Reps. Henry Cuellar (D-Texas) and Michael McCaul (R-Texas).

Millions of Americans depend on federal agencies for vital services, and delays in processing those requests often result in inconvenience, frustration and financial hardship. Passage of this legislation will make the federal agency customer service process both more transparent and efficient and will focus limited resources on improving front-line customer service functions.

“Citizens should expect federal agencies to deliver customer services at least as well as the private sector does, but this often is not the case,” Sen. **Warner** said. “Many of our military veterans still wait too long for critical medical services and benefits, and I’ve heard from Virginians waiting over 400 days for their full retirement benefits from the federal government. That simply is not acceptable.”

“For companies operating in the private sector, bad customer service means reduced profits and the risk of failure,” said Sen. Johnson. “While federal agencies don’t face that pressure, this bipartisan measure requires the development of customer service standards and performance measures at each agency. This is a common sense approach to help make government operations more responsive.”

“Millions of American families encounter the federal government on a daily basis. They deserve first class customer service. When trying to navigate the bureaucracy and cut through the red tape, it is the job of our federal agencies to provide helpful answers in a professional and timely manner. This bill puts the taxpayer first,” said Congressman Cuellar. “Too often we

hear that Americans' are frustrated with government service. It is our responsibility to act when we hear that students are having difficulty with federal student loans or when seniors experience a delay in their retirement benefits. Every taxpayer, every day will benefit from this legislation."

The measure requires the Office of Management and Budget (OMB) to set government-wide customer service standards to improve response times for citizen requests and government services. It holds the Chief Performance Officer at each agency responsible for improving customer service and it would also establish a specialized team to assist those agencies which consistently fail to meet customer service standards. In addition, the Government Customer Service Improvement Act of 2013 sets specific service improvement targets for the Office of Personnel Management, an agency which has experienced chronic backlogs in processing retirement benefits for federal employees. As of March 2013, OPM still has a backlog of more than 36,000 claims. In addition, customers who call OPM consistently experience busy signals and significant wait times. Senator **Warner** has specific interest in reducing the OPM backlog because Virginia is home to approximately 130,000 federal retirees.

Sen. **Warner** is the Chairman of the Budget Committee's Government Performance Task Force and Senator Ron Johnson is also a Member of this bipartisan group reappointed today to increase the performance and accountability of federal agencies and programs.

So, When Will The ABC, NBC, and CBS Report on Obamacare? (Red State)

As the Big Three –NBC, ABC, and CBS – continue to engage in, to borrow a George Will term, journalistic malpractice over Obamacare's adverse effects on the economy, they probably missed the development concerning some Democrats, who've started to chip away at portions of the bill. Some labor unions are calling for full repeal, and Democratic senators are trying to excise the medical devices tax within the legislation. If these two developments aren't enough to for these networks to cover this story, what will?

As Brad Dayspring of the NRSC noted today:

Yesterday, On Meet the Press' "Press Pass," Former Obama advisor Zeke Emanuel (Rahm's

brother) said that Obamacare's uncertainty is driving up premium costs. "No one, not the hospitals, insurers, or the federal government, know how many people are going to come in. Are they going to be a broad representation of the uninsured or will only the sick come in? That is a big fear of the insurance companies. That's why you're seeing an increase in the rates. They're worried, we'll only get the sick, we're going to pay a lot of money, so we're increasing the rates because of uncertainty."

Really not good.

Democrats responsible for the Affordable Care Act – including Mary Landrieu, Mark Pryor, Bruce Braley, Kay Hagan, Mark Begich, Mark Udall, Gary Peters, **Mark Warner**, Al Franken, Jeanne Shaheen, and Max Baucus - promised that Obamacare would "cut the cost of a typical family's premium by up to \$2,500 a year." However, since the ACA was passed, average Americans have seen the cost of health care increase by \$3,000, according to the nonpartisan Congressional Budget Office.

Concerning the medical devices tax, Sen. Amy Klobuchar (D-Minnesota) is ramping up her efforts to repeal the tax on medical devices that's included in the health care reform bill. Talking Points Memo reported today that it's building upon the vote last month, where the majority of Senate Democrats voted with the GOP to repeal the tax.

Adding to the Democratic discontent, Sen. Max Baucus, at a Senate Finance Committee hearing last week, warned of the "train wreck" concerning the full implementation of Obamacare by 2014. He cited the mass anxiety and confusion amongst small business owners over the regulatory juggernaut that's about to hit them. When questioning Kathleen Sibelius, Secretary of Health and Human Services, Sen. Baucus demanded more than just concepts. He wanted data.

The big government nightmare of Obamacare is slowly coming to light, but the news media seems content with keeping the American taxpayer in the dark.

Get Ready for Gun Control As a Wedge Issue in 2016 (New Republic)

By Nate Cohn

I'm relatively agnostic about gun control. I'm from the West; I have friends who really like their guns. And I live in the East; I have friends who really hate guns. But it should be troubling to partisans of all stripes when terrible political analysis dictates public policy. Unfortunately, that's exactly what's happened with gun control. This week, the Manchin-Toomey amendment requiring background checks on gun purchases failed in the Senate, in part—perhaps in large part—because senators bought into the myth of an omnipotent National Rifle Association. The good news for gun control advocates is that the myth could break in 2016.

It might seem that only an omnipotent villain could defeat a measure supported by 90 percent of Americans, but don't blame the NRA. Mayor Michael Bloomberg's "Mayors Against Illegal Guns" outspent the NRA on the airwaves by a wide margin. Indeed, Bloomberg spent as much on advertisements over the last month as the NRA spent opposing Democrats in the entire 2012 election cycle. Of course, that doesn't say very much, since the NRA only spent a total of \$17 million in 2012's presidential and congressional contests, and the money was spread so thinly across dozens of races that the lobby was largely inconsequential in every contest it entered—and mostly lost.

If it's not the NRA's money, then it must be the ratings. Jonathan Chait recently wrote that, if he were a red state Democrat, he would have voted against background checks to preserve his "A" rating from the NRA. But real senators with low NRA ratings routinely win Senate elections in culturally conservative states. Bill Nelson has an "F" from the NRA and campaigned on gun control in 2000, yet he always outperforms Democratic presidential candidates in culturally conservative stretches of northern and central Florida. Nelson isn't the only Democrat succeeding in Dixie with an "F." He's joined by Senators Tim Kaine ("F"), Kay Hagan ("F"), Jay Rockefeller ("D"), and Claire McCaskill ("F"). In Ohio, where John Kerry went hunting before the 2004 presidential election, F-rated Sharrod Brown carried much of the southeastern part of the state in 2006 and cleanly won a second term in 2012. Senator Heidi Heitkamp could have peered across North Dakota's eastern border and noticed F-rated Amy Klobuchar winning rural, conservative, western Minnesota with more than 60 percent of the vote.

This isn't to say that there aren't risks to supporting gun control legislation. But background checks? Polls show that every demographic group, including NRA households, support background checks by overwhelming margins. A-rated Senators Jon Tester, **Mark Warner**, Pat Toomey, and Joe Manchin all voted for Manchin-Toomey. Mark Pryor's decision to vote against the bill is particularly baffling, since he already had a C-minus rating. I'll be surprised if C-rated Mary Landrieu's 2014 post-mortem mentions her vote for Manchin-Toomey, let alone F-rated Kay Hagan's. How many of these voters are supporting Democratic candidates, anyway? My hunch: not many. Red state Democrats take votes that align them with the national

party all the time—often taking far bigger risks than supporting popular legislation that’s unlikely to spur a great backlash among gun owners.

Even if there were meaningful costs to supporting background checks, the NRA’s power is still exaggerated. There’s no credible argument that the NRA has a veto over Democratic fortunes outside of the Acela corridor, which is basically what commentators have implied since gun control was blamed for Al Gore’s collapse in Appalachia. Not that this really made any sense at the time, since President Bill Clinton signed the Brady Bill and the assault weapons ban before winning reelection with big wins in states like West Virginia. Appalachia’s reluctance to return to Democratic presidential candidates since 2000 suggests that these voters have turned toward the GOP for other reasons, or are otherwise lost for good.

The good news for gun control advocates is that the myth could break in 2016. It’s easy to envision the next Democratic presidential candidate campaigning on gun control—and winning. Thirteen years ago, Democrats needed rural Ohio, West Virginia, or Missouri to win the presidency. Today, Democratic presidential candidates are less reliant on rural, conservative gun owners than at any time in the history of the party. Democrats win with big margins in cities and suburbs, where support for gun control is an asset, not a hindrance. This is even true in Ohio, where Obama won twice despite losing additional ground in the traditionally Democratic, gun-toting, southeastern part of the state. Now Republicans find themselves in the place that haunted Democrats in the early part of the last decade: To win, Republicans need to reclaim the socially moderate suburbs around Denver, Washington, and Philadelphia, where gun control is a real asset to Democratic candidates.

Obama could have used gun control in the 2012 presidential election, but it wasn’t necessary: He had already consolidated the well-educated suburbs by the time of the Aurora movie massacre, which gave him an opening. But if well-educated voters are up for grabs in 2016, or if a more prudent Republican denies Democrats more effective wedge issues like Planned Parenthood, Democrats might instead rely on gun control to consolidate their suburban gains. The 2016 presidential primaries and the possibility that Obama will keep the issue alive suggest that the issue will play a major role in 2016. If Democrats campaign on gun control and win, the myth of the NRA’s power may finally fade, allowing innocuous reforms like background checks to become law.

Correction: An earlier version of this article referred to Bill Nelson as Ben Nelson.

LTE: Huzzah, freedom from all firearms!

(Daily Progress)

Folks, it's time to get serious. There are too many guns in this world, and we have to get rid of them. We have the right people in Congress and the White House. I say it's time to stop sugarcoating our agenda and get down to business.

I realize there's opposition to even modest gun control proposals. So what! Let's not lie. We all know that private citizens cannot be allowed to have guns.

We can accomplish our goal if we can control the media. We're in pretty good shape already as far as the major networks are concerned, but Fox News needs to be shut down. It's subversive.

I know, I know, there's this thing called the Constitution. It was written a long time ago by dead white guys. It won't matter.

We can appoint judges from our side. They can write law that says anything we want it to say.

It's time for Sen. Tim Kaine and Sen. Mark Warner to declare their support for those brave New Yorkers, New York City Mayor Michael Bloomberg and Gov. Andrew Cuomo. They're going to make sure they know where all the guns are, then they're going to round them up. It might take a few years before hunting is outlawed, but it will come. Just look at Great Britain!

Euell E. Dowdy

Nelson County

LTE: Conservatives, Don't Let Del. May Fool

You (Leesburg Patch)

Dear Editor,

When Republicans consider who to cast a vote for in the June 11 primary, they should check the facts to make sure they are voting for a true conservative.

A true conservative Republican ought to adhere closely to the principles of put forth in the Republican Party platform. They are, "lower taxes, less government, personal responsibility, creating opportunities for anyone, protection of life, empowering families, and defending freedom and liberty."

Joe May has supported four huge tax and fee increases since he began his 20-year career as a delegate. He broke ranks with Republicans in 2004 to join Gov. **Mark Warner** and cast the swing vote for higher taxes. High taxes work against families and businesses while diminishing liberty. High taxes also have the effect of impeding opportunity for working men and women.

The results of the tax hiking Mr. May supports? According to the Wall Street Journal, "... a major tax increase that was supposed to ease gridlock but instead financed a new, higher general spending plateau. The state's own audit commission reports that the budget swelled to \$39 billion in 2011 from \$23.5 billion in 2002, a 66% spending increase."

What values has May protected? Mr. May, in his printed fliers, is claiming to share the pro-life values that will ingratiate him to the voters of a solidly conservative district - but what are the facts?

Note this: As of 3/31/2013, there are 5,046 "Choose Life" license plates on Virginia roads, according to the Choose Life website. People who choose to pay a premium for those plates provide steady stream of financial support to expectant moms as they cope with a pregnancy. I'd hope that the values of any person with a heart, whether they are pro-life or not, would want to help a mother in need. Joe May voted to block the "Choose Life" license plates.

State government spending has soared in the twenty years Joe May has been in Richmond. May

consistently votes with the big spenders, to grow government and shrink freedom, yet he wants two more years to raise our taxes even higher, to block other wholesome initiatives like raising money and visibility for mothers in need.

I sincerely hope that the families who want to see jobs grow as our communities prosper will consider May's big-spending past, and choose their candidate wisely.

Charles Cole

Sterling, VA

Editor's note: Sterling is not in Del. May's (R-33) district.

Editorial: Different votes (RTD)

Sens. Tim Kaine and **Mark Warner** belong to the same party. The Democrats do not always vote the same way, however.

During the contentious debate regarding gun control, the two voted in favor of expanded background checks but differed on concealed-carry laws, the assault-weapons ban and magazine limits.

Kaine voted against a uniform federal standard regarding concealed-carry that would make it easier for individuals to carry concealed handguns to other states; **Warner** voted aye. Kaine voted for the assault-weapons ban; **Warner** opposed it. Kaine voted to end a GOP filibuster against an amendment to limit magazines to 10 bullets; **Warner** voted against invoking cloture. The bid to stop the filibuster failed, which doomed the magazine amendment.

Kaine and **Warner** voted their consciences, and we applaud them for doing so.

McGrady announces bid for 6th District House of Delegates seat at closed Smyth plant (Smyth County News & Messenger)

Carroll County native Jonathan Lee McGrady recently announced plans to run for the 6th District House of Delegates, which includes the counties of Carroll, Wythe, and part of Smyth. He is seeking to fill the seat being vacated by Anne B. Crockett-Stark, who is retiring after eight years in office.

An attorney with McGrady & McGrady, L.L.P. in Hillsville, McGrady, 43, said he was inspired to seek elected office as a chance to serve the community.

“Just a month ago I was reading to my daughter Molly’s -rade class one of our favorite books, ‘Oh, The Places You’ll Go’ by Dr. Seuss,” he said. “When I looked around the room, I was moved by the energy of this class – the hope and opportunities that lie ahead for these young people. Little did I know that just a few days later our Delegate Annie B. Crockett-Stark would retire and that suddenly I had a chance to make a difference for these children.”

McGrady began his campaign at an empty factory in the Carroll Industrial Park where he said, “This empty plant is at the core of my campaign. We hear so much about filling empty plants which many times turn out to be empty promises. I get it. I know we need jobs. This is my top priority!”

McGrady did another announcement at Progress Industrial Park in Wythe County and then traveled to the Merillat plant in Smyth County that announced its closing in January.

McGrady is also focusing on education, public safety and agriculture. He grew up on a beef farm, which he now operates as a tree farm. His wife, Jennifer, is a former kindergarten teacher and current president of Hillsville Elementary School PTSO.

McGrady is an attorney in Hillsville and will be seeking the Democrat nomination. There will be a delegate nomination caucus on Tuesday, April 30, at 7 p.m. at Wytheville, Community

College.

He is a member and former deacon of Hillsville Christian Church. He is a Cub Scout den leader, member of the Hillsville Masonic Lodge, Kazim Shriner's, Moose Lodge and Elks Lodge. He is a former president of Twin County Regional Chamber of Commerce and served on the New River/Mount Rogers Workforce Investment Board. McGrady was appointed in 2005 by **Governor Mark Warner** where he represented private attorneys for five years on the Virginia Department of Criminal Justice Services Board, which provides grant funding for public safety to various agencies, including local police and sheriff departments.

McGrady's roots go back approximately 250 years ago in the district. He and his wife have three children, Molly, Jon, and Sam. McGrady is an avid sportsman and strongly supports second amendment rights.

Earth Day: 43 Years of Environmental Hopes (Celebrity Café)

Earth Day first began April 22 in 1970. The idea of Earth Day is attributed to Gaylord Nelson, a U.S. Senator, after witnessing the 1969 oil spill in Santa Barbara, California. However the movement was also a grassroots one that start with students, community leaders and residents. Since 1970 Earth Day has continued and is being celebrated today.

According to the Earth Day Website, Senator Nelson announced this idea of a “national teach-in on the environment” to the media. On April 22, 1970 20 million Americans, in their communities, were rallying for healthier and more sustainable environmental practices.

Politico published an article by **Senator Mark Warner** and Tom King that highlights what strides are being made for the environment and ones that have been made. **Warner** and King wrote that, "Improved energy productivity is already taking shape on our roads and in our military. The Obama administration issued rules last year that will more than double the U.S. auto fleet's average fuel economy – to 54.5 miles per gallon – by 2025."

Earth Day however, isn't just for Presidential policies, anyone can get involved and is

encouraged. Check out Earth Day and see what endeavors are being had to make the Earth a better place.

The Baltimore Sun also has a collection of amazing photos they published in honor of Earth Day.

Earth Day 2013: What's in danger is Earth Day, not just Earth (CS Monitor)

Maybe not, but if we've read the tree rings correctly, it may be dying. Which is why 2013 is the year we don't need to save the Earth – we need to save Earth Day.

Consider this: A new Huffington Post/YouGov poll finds Americans are less concerned about the environment now than when Earth Day began. A lot less.

In 1971, the year after Earth Day was founded, 63 percent of Americans said it was “very important” to work to restore and enhance the national environment, according to an Opinion Research Corp. poll for President Richard Nixon. This year, only 39 percent of respondents said it was very important, according to a 2013 HuffPost/YouGov poll.

Other categories show similar disinterestedness. In 1971, 25 percent said working to restore the environment is “fairly important,” and 8 percent said it was “not too important.” In 2013, 41 percent said it was fairly important, and 16 percent said it was not too important.

And a 2012 Harris Interactive poll found a similar falloff in eco-consciousness just over the past three or four years, with fewer and fewer Americans describing themselves as “environmentally conscious.”

What with all the other concerns competing for our attention – terrorism, a limping economy, celebrities behaving badly – we shouldn't be surprised that the Earth has orbited off our list of priorities.

That's why we're not surprised to read about fracking in California (Yes, you read that right: The land of redwood-hugging, granola-crunching, eat local-pioneering, plastic bag-banning Earth hippies is considering the controversial technique known as fracking.) and coal mining in the Mountain West.

And that's why we shouldn't be surprised to learn that among developed nations, the US is dead last in energy productivity, the level of economic output achieved from energy consumed.

According to a Politico opinion piece by Sen. **Mark Warner** (D) of Virginia and National Grid president Tom King, 57 percent of the "energy flowing into our economy is simply wasted," costing US businesses and households \$130 billion per year.

Heck, even China ranks better than us.

No, Earth Day isn't dead. But it needs intervention.

Is it time to make it a priority again – both in government and public opinion? If so, several things would need to happen.

For starters, lawmakers must advance initiatives that support not just the environment and clean energy, but also economic growth. As **Senator Warner** wrote for Politico, "It's critical that we recognize stewardship and growth not as mutually exclusive, but as complementary goals."

Warner also suggests rethinking regulations for our energy market in order to incentivize energy efficiency, as well as adopting a "Race to the Top"-style framework to challenge state and local governments to boost energy productivity.

And if, 50 years after Earth Day began, we want to see more Americans say they care about the environment than do now, it would be key to instill such an ethic in the nation's youths, ensuring that the generations who would be most affected by today's environmental policy tomorrow are fully invested in Earth Day – and their Earth.

EPA holding its ground on sewer line damage (Southwest Times)

The Environmental Protection Agency (EPA) is holding its ground and continuing to deny liability, and therefore refusing reimbursement, for damage its contractor did to a Dublin sewer line in November.

In an April 11 letter sent to **U.S. Senator Mark Warner** and received by Dublin Town Manager Bill Parker last week, EPA Regional Administrator Shawn M. Garvin states, “We believe the EPA has no liability for this incident. Without liability, there is no statutory authority under which EPA can reimburse repair costs.”

A contractor hired by the EPA on behalf of the Department of Environmental Quality (DEQ) drilled through a main sewer line in November while installing monitoring wells at Electroplate-Rite. The contractor not only drilled through the line, but also pumped it full of concrete, requiring Dublin to hire H.T. Bowling to replace 45 feet of sewer line at a cost of \$22,675.

In his letter to **Warner**, Garvin states that EPA “took all necessary and appropriate actions to ensure that any drilling activities would not disturb underground facilities.” He says EPA called Miss Utility to have utilities marked and received a report that indicated, “All utilities in the area had been marked or had ‘no conflict’” with the property where drilling was to occur.”

He said EPA took the “extra precaution” of conducting “soft digs” at the site because of the “potential for abandoned utilities.” He explained that soft digs are used to uncover utilities without the potential for damage to the lines.

“On Nov. 13, 2012, while EPA’s driller contractor was setting up at the well, the Dublin water/sewer supervisor visited the site, and again assured EPA that there were no utilities in that location,” Garvin adds. “The Township was unaware of the location of an unmarked sewer line. Utilities did not seem to be present,” based on Miss Utility and the soft dig.

He continues, "Damage occurred, but EPA believes that it took all reasonable actions and the work was performed in accordance with all required standards."

Garvin says EPA's on-scene coordinator provided information on how a locality can apply for reimbursement under the Comprehensive Environmental Response, Compensation and Liability Act when the damage occurred. However, Parker told council Thursday night that is not the case.

Parker recommended council not "spend more money chasing this" reimbursement, but he said he will file for reimbursement under the above act by means of a link to the application website, which was included in Garvin's letter.

However, Parker asked Town Attorney Tommy Baker if "a snowball's chance" is probably an accurate assessment of the town's chances of being reimbursed. Baker agreed.

Parker also presented council with an April 4 letter of support for reimbursement from Pulaski County and Pulaski County Public Service Authority, which contributes about 24.8 percent of the 265,000 gallons per day of sewage that passes through the sewer line in question.

"We do not find fault with the EPA for drilling through the line, as we fully understand the difficulty of locating 17-foot deep terracotta sewer line not having the electrical capability of carrying a locator signal," states County Administrator Peter Huber. "However, we fully fault EPA and the well driller for pumping a significant volume of concrete into the sewer line after penetrating the line."

The letter continues, "A competent well driller would surely have noticed something unusual about the material being brought to the surface, the sudden void as the drill penetrated into the 10-inch line and the subsequent change in odor. There is no justification in pumping a sewer line full of concrete ..."

Huber's letter concludes that the Pulaski County Board of Supervisors and PSA "respectfully request that EPA take the same responsibility for its actions in directing the drilling operation as the EPA would expect from Pulaski County and the Town of Dublin had our actions caused an environmental issue of concern to the EPA."

Ahead of Iowa and New Hampshire talks, Sen. Rand Paul ranked in second tier of 2016 White House hopefuls (Courier-Journal)

WASHINGTON – As he prepares to talk to Iowa Republicans next month, Kentucky Sen. Rand Paul has some ground to make up if he wants to be in the first tier of 2016 GOP presidential candidates.

That's the assessment of Larry Sabato, director of the University of Virginia's Center for Politics. He and two colleagues, Kyle Kondik and Geoffrey Skelley, penned an early look at the Republican field on Sabato's Crystal Ball, which you can read in full here: www.centerforpolitics.org/crystalball.

Paul is scheduled to address the Republican Party of Iowa's Lincoln Day dinner in Cedar Rapids on May 10. Iowa, of course, is the first-in-the-nation caucus state in 2016.

Ten days later, Paul is slated to give the keynote address at the New Hampshire Republican Party's Liberty Dinner. That state holds the first presidential primary in 2016.

The University of Virginia political scientists say the emerging picture of GOP primaries is complicated "and the top-tier contenders are grouped much closer together at the starting gate."

They list three Republicans on the top tier at the moment: Wisconsin Gov Scott Walker, New Jersey Gov. Chris Christie and Florida Sen. Marco Rubio.

The second tier is occupied by Paul and Louisiana Gov. Bobby Jindal.

In the third tier: former Pennsylvania Sen. Rick Santorum (who ran in 2012), Wisconsin Rep. Paul Ryan (the GOP's vice presidential nominee in 2012) and Texas Gov. Rick Perry.

A possible wild card is Ohio Gov. John Kasich, the Crystal Ball piece says.

Not on the list is former Florida Gov. Jeb Bush, brother of former President George W. Bush and son of former President George H.W. Bush. Jeb Bush “doesn’t seem keen to run,” Sabato and his colleagues say.

On Paul and Jindal, the Crystal Ball says this:

“Sen. Rand Paul (KY) and Gov. Bobby Jindal (LA), our second tier, are two candidates who definitely would make waves if they entered the field (and both seem inclined to). But we suspect that Paul’s appeal is too narrow even within his own party, and his foreign policy positions, though less dovish than his father Ron’s, are not (yet?) widely accepted in the Republican mainstream. Jindal, meanwhile, is having trouble back home, and his speaking skills are widely panned.”

Paul’s key advantages, in the Crystal Ball’s view, are: he is a tea party favorite, has strong support from the libertarian wing of the GOP, has national name ID and a national fundraising network.

The Kentuckian’s disadvantages were listed as “too libertarian?; association with out-of-the-mainstream father (former Texas Rep. Ron Paul); too dovish/eclectic for GOP tastes?” (Crystal Ball’s question marks.)

Sabato’s Crystal Ball already took a look at the potential Democratic field, saying that former Secretary of State Hillary Rodham Clinton would be, if she runs, “a clear, perhaps overwhelming, favorite to win her party’s nomination. Period.”

Vice President Joe Biden would be the default early favorite if Clinton opts out.

In the Democrats’ third tier are New York Gov. Andrew Cuomo and Massachusetts Sen. Elizabeth Warren. The fourth tier includes **Virginia Sen. Mark Warner**, New York Sen.

Kirsten Gillibrand, Maryland Gov. Martin O'Malley and former Montana Gov. Brian Schweitzer. A possible wild card, the Crystal Ball says, might be Colorado Gov. John Hickenlooper.

Scene Last Night: Mars, Robert Duvall, Hopper, Bucksbaum (Bloomberg)

"I can't think of a time when I wasn't fascinated by Munnings," said Jacqueline Mars, co-owner of Mars Inc.

She was referring to Alfred Munnings, the early 20th-century British painter of country life and equestrian scenes whose career was celebrated last night at the National Sporting Library & Museum in Middleburg, Virginia. Mars is vice chairman of the board.

Once a passionate equestrian, Mars said she no longer rides but still enjoys looking at horses, especially in the works of Munnings. The library's current exhibition is "Munnings: Out in the Open," open through September.

Mars invested in the film "Summer in February," about the late artist's turbulent marriage. The film stars "Downton Abbey's" Dan Stevens, who was unable to attend last night.

Guests including actor Robert Duvall, former Republican Senator John Warner of Virginia screened the film, which will make its debut in the U.K. in June. British Ambassador Peter Westmacott said he has a bust of Munnings in his Washington residence.

Private investor Ronald Bradley and his wife, Danielle, sponsors of the evening along with Mars, admired "Whipper on a Grey Hunter," a 1913 work they loaned to the library for the exhibition.

Sheila Johnson, founder and chief executive of Salamander Hotels & Resorts, said she was busy producing a film of her own, "The Butler," starring Oprah Winfrey, about White House

butler Eugene Allen, coming to theaters later this year.

A dinner of game pie with rabbit and guinea fowl was served on tables decorated with horse brushes and painting utensils in a heated tent to ward off the spring chill. The desserts were horse-shaped sugar cookies and bowls of colorful confections donated by Mars.

Corcoran Gallery

When **Senator Mark Warner**, Virginia Democrat, needs art advice he relies on Columbia Capital partner Harry Hopper and his daughter Eliza, an art-history major.

Warner was Hopper's guest at Friday night's 58th annual Corcoran Ball at the Corcoran Gallery of Art.

Hopper is chairman of the board and is an avid art collector. He owns pieces by Donald Sultan and is especially proud of his works by "emerging artists."

"I collect books. It's cheaper," said Congressman Jim Moran, Virginia Democrat, from the dance floor, near a jazz band.

Shooting Stars

Pop Art flowers in pinks and oranges hung from the ceiling in honor of the museum's current exhibition "Shooting Stars: Publicity Stills from Early Hollywood and Portraits by Andy Warhol."

Spring lobster and Australian lamb were served followed by peanut butter and jelly cupcakes. The event's 700 guests raised more than \$700,000

Melva Bucksbaum

Art patron Melva Bucksbaum celebrated her 80th birthday with about 600 guests at her home in the Litchfield County town of Sharon, Connecticut, yesterday.

Guests included art dealer Mary Boone, collectors Mera and Don Rubell, Richard Armstrong, director of the Solomon R. Guggenheim Museum and his counterpart at the Whitney Museum of American Art, Adam Weinberg. They gathered in a white tent where mini cupcakes formed a large tower and balloons hung in midair.

The occasion also marked Bucksbaum's curatorial debut for an exhibition titled "The Distaff Side" with works by more than 100 female artists drawn from the private collection of Bucksbaum and her husband, Raymond Learsy.

The show takes over the couple's private museum, The Granary, and stars pieces by Marina Abramovic, Louise Bourgeois and Jenny Holzer as well as a host of emerging and mid-career artists.

"It's the first show I have ever curated so I am incredibly nervous," said Bucksbaum. "I wish I had a shot of vodka before coming here."

Sanare il deficit con le pensioni degli anziani e disabili: cecità o vigliaccheria? (Rinascita)

I tagli alle pensioni sono "sbagliati e imperdonabili". Parla Richard Trumka, il leader del AFL-CIO, il più potente sindacato degli Stati Uniti, mentre commenta la proposta di Barack Obama di ridurre gli aumenti automatici alle pensioni degli americani che ricevono il Social Security. Si tratta di una nuova formula per calcolare il Cpi, l'indice dei prezzi al consumo, il più importante indicatore dell'inflazione, che ridurrebbe le pensioni di anziani, disabili e veterani.

Si capisce come i sindacati e la sinistra in generale, che cercano di proteggere i più poveri, si siano schierati contro la proposta di Obama. Ma anche alcuni repubblicani hanno mostrato il loro disappunto, non per motivi ideologici ma spinti da realpolitik.

Il parlamentare repubblicano Greg Walden, dello Stato dell'Oregon, capogruppo della commissione del suo partito per la campagna elettorale alla Camera, ha dichiarato in un'intervista alla Cnn che il bilancio proposto dal presidente consiste in un "attacco agli anziani". Bisogna capire il disappunto di Walden in termini politici, dato che il parlamentare si preoccupa delle prossime elezioni di midterm del 2014. Walden ha paura che i democratici useranno il tema per ottenere una spinta e ricordare agli elettori che il Social Security e il Medicare sono programmi "democratici" che i repubblicani hanno sempre ostacolato e che un voto per il Gop si traduce in un'erosione che condurrà alla possibile privatizzazione. Per Walden, dunque, meglio il silenzio sul tema, dato che scotta e i repubblicani si potranno bruciare. È già successo nelle elezioni del 2012, quando Paul Ryan aveva proposto una parziale privatizzazione del Social Security ed in uno dei suoi discorsi nel suo Stato del Wisconsin venne sonoramente fischiato da un gruppo di anziani.

Ma il coltello include una doppia lama, perché la sola menzione di toccare il Social Security ed il Medicare causa costernazione anche tra i democratici. Ecco perché anche la sinistra non ha accolto a braccia aperte la proposta di Obama sui tagli alle pensioni. Si sentono già voci di possibili beniamini della sinistra che si porranno come difensori delle pensioni. Le elezioni presidenziali del 2016 sono abbastanza lontane, ma alcuni suggerimenti ci indicano che il tema del Social Security potrebbe incoraggiare delle sfide da parte dell'ala sinistra dei democratici ai candidati centristi per le primarie democratiche. Non sarebbe inconcepibile che una "sinistroide" come Elizabeth Warren, la nuovissima senatrice liberal del Massachusetts, potesse sfidare la possibile candidatura di Hillary Clinton.

Perché dunque Obama ha offerto i tagli alle pensioni ai repubblicani? Il presidente lo ha fatto per convincere il Gop ad accettare tasse più alte ai benestanti per controllare il deficit federale. La sua offerta è valida solo se i repubblicani accettano gli aumenti alle tasse. Non si tratta di una buona mossa, perché i tagli proposti da Obama colpiscono i pensionati più poveri le cui tasche non dovrebbero essere usate per sanare il deficit. Troppo facile, e con pochissimo impatto alla vita dei benestanti, sarebbe la richiesta di un sacrificio per rimettere a posto la casse del tesoro americano. Ma Obama voleva dimostrare che è serio sulla questione del deficit e che per questo sarebbe pronto a sacrificare alcuni dei suoi principi. Rischia, con questa mossa, l'accusa di non mantenere la sua promessa di proteggere il Social Security. Un rischio evidentemente ritenuto utile per avvicinarsi ai repubblicani e spingerli dunque ad ingoiare il rospo, costringendo i ricchi a fare qualche piccolo sacrificio per il Paese. Alcuni leader democratici non hanno rifiutato la proposta di Obama. Nancy Pelosi, leader democratica alla Camera, la sta studiando. Il senatore democratico **Mark Warner** dello Stato del Virginia ha però dichiarato che nel caso del Social Security e del Medicare bisogna cercare metodi per "riformarli", perché altrimenti si dovranno apportare tagli ai programmi che beneficiano "i bambini, le scuole infantili, l'educazione in generale ed i veterani". Parole che potrebbero uscire dalla bocca di un repubblicano come Mitt Romney: queste categorie fanno parte del "47 per cento" degli americani che "non paga tasse". Chiedere ai poveri invece dei ricchi di sanare il

bilancio non è però democratico né repubblicano: è semplicemente vigliaccheria.

Opinion/Editorial

Editorial: Pound foolish (RTD)

Doing something efficiently is still a waste of effort if the task is unnecessary in the first place. By the same token, increasing efficiency can prove costly in certain circumstances. Take the state tax department's decision to shut down its criminal investigative unit.

Closing the office will save about \$120,000 a year. But the office recovers millions of dollars a year in unpaid taxes. In theory, commonwealth's attorneys will pick up the slack. In practice, those in law enforcement find the notion laughably unrealistic.

One can argue about the right level at which to set tax rates; we prefer to keep them as low as possible. But even when taxes are set too high, taxpayers still have an obligation to meet them — and those who don't should be prosecuted. The elimination of the state's enforcement unit makes that less likely and, it would seem, offers a textbook example of the adage that some decisions can be penny-wise but pound-foolish.

Editorial: Degree of investment in education (Daily Press)

Last week, the College of William and Mary took a bold step toward making a college education more affordable: it became the first public university in the nation to adopt a four-year tuition guarantee.

At a time when other state universities are looking at tuition hikes — for example, U.Va. announced last week that in-state undergraduates will pay 3.8 percent more next year — William and Mary is to be commended. Not only will tuition costs will be fixed during a student's tenure, the university's expectations for student loans will decrease by 18 to 36 percent.

To replace declining state and federal funding, public universities have been challenged to find additional revenue sources, and jacking up tuition rates seems to have been the solution of choice. According to a 2012 report by the Center for College Affordability and Productivity (CCAP), using data from the U.S. Department of Labor, Bureau of Labor Statistics, U.S. tuition prices between 1978 and 2010 rose at well over double the rate of inflation and faster than family incomes.

While Virginia boasts some of the finest institutions of higher learning in the U.S., the cost of obtaining a degree can approach six figures. Many students are using student loans to help finance their educations. How many parents and students sitting through upcoming commencement ceremonies will be wondering if their investment will pay off?

Obtaining a bachelor's diploma is no longer an automatic pathway to success. We have such a glut of college graduates that employers are able to use "college degree" to weed out applicants for even the most basic of jobs. According to the CCAP, more than 14 percent of waiters and waitresses, 12 percent of parking lot attendants and 15 percent of taxi drivers have college degrees. About half of today's graduates will be either unemployed or underemployed.

At the same time, employers aren't able to fill their skilled jobs. An estimated 60,000 jobs remain unfilled in the U.S. today because companies — our own Newport News Shipbuilding among them — are challenged to find workers who can read blueprints, do basic math or perform the analytical tasks necessary to perform the jobs.

While America has fiercely avoided the European model of branding young students as "college-bound" or "trade-school bound," high school is an ideal time to provide vocational direction for students who may have better job prospects by learning skills that can turn into dollars. Partnerships with community colleges and trade schools are an excellent way to bridge the training gap while motivating students to work toward a degree that will actually pay off.

Focusing on two-year degrees could also improve how our higher education graduation rates

stack up compared to those of our global competitors. A 2010 study by the Organisation of Economic Co-operation and Development revealed that while the U.S. ranks second behind Norway in the percentage of its population with four-year degrees (the U.S. has 32 percent; Norway, 35 percent), we are fifth in the rankings for both two- and four-year degrees: 42 percent compared to Russia's 54 percent, Canada's 51 percent, Israel's 46 percent and Japan's 45 percent.

Universities love to publish rankings, many of which relate to quality of academic departments, campus beauty and facilities. These marketing gems are used to attract students as well as donors. Perhaps it's time to insist on another set of rankings: the percentage of graduates who end up employed within their first year and in what sorts of jobs.

Meanwhile, making higher education — both traditional colleges and technical schools — more accessible to Virginia students ought to be one of our state's top economic development strategies. The College of William and Mary has advanced that goal by guaranteeing students their tuition costs will not rise during their four-year term and lowering student loan expectations. May other universities follow this courageous lead.

Editorial: Another misguided online security push (VA Pilot)

The Cyber Intelligence Sharing and Protection Act, better known as CISPA, passed the U.S. House of Representatives last week by a wide margin. It is the latest iteration of misguided efforts to surrender privacy rights and chill speech for the sake of security, and is poised next for a vote in the U.S. Senate.

The bill's proponents, which counted most House Republicans and nearly half of the Democrats, have argued that the measure is necessary to combat the growing threat of major online attacks on public and private systems.

It would allow federal officials to obtain information from Internet companies, including details about users, their online activities and some personal information. Companies would be granted legal protection in exchange for providing users' information to the government. There are few restrictions on the scope or depth of this "information-sharing" agreement.

By favoring this approach, supporters seem to suggest that online activity occurs in a unique venue, where traditional privacy rules and laws no longer should apply. In essence, the bill would provide the government with a pathway to go fishing for data, an Orwellian notion that should repulse any lawmaker willing to ponder the consequences.

Republican Reps. Scott Rigell, of Virginia Beach, and Walter B. Jones, of northeastern North Carolina, were among the few Republicans to vote against the measure.

"Under CISA," Jones said in a statement, "private emails and a user's Internet browser history could be sent to the federal government. Users would have no way of knowing whether or not their information has been shared, as the information provided under CISA would not be available through the Freedom of Information Act."

There is no question that the Internet can be used to inflict harm on the public. The vulnerabilities of critical infrastructure, and public and private systems, have been well documented, and preventing such offenses while respecting American rights represents a significant challenge.

But proponents of recent cybersecurity measures - including the unsuccessful Stop Online Piracy Act and the failed Protect IP Act - have paid insufficient attention to the potential for misuse.

The House's approval of CISA shows too many remain willing to trample privacy concerns on their way to handing more power, and information, to an already sprawling federal bureaucracy.

Editorial: Liftoff (Free Lance-Star)

PONIES, the beach, oysters, vacation: Those are what most people associate with Chincoteague. Now it's clear "rockets" should be added to the list.

Not that rockets are newcomers to Virginia's Eastern Shore. In fact, Wallops Island, just five miles east of Chincoteague, has been launching missiles since 1945, when NASA's predecessor agency began sending test rockets skyward from the site. Early in the 1960s, before human astronauts took flight, two rhesus monkeys launched from Wallops (and safely recovered) tested the practice.

On Sunday, NASA's Wallops Flight Facility marked another milestone: the successful launch of Orbital Sciences Corp.'s Antares rocket, the biggest craft ever to lift off from there. Designed to ferry supplies to the International Space Station, the practice Antares launch was not only a boost for Wallops and for Orbital, a Dulles-area company, but for the entire state as well.

The Antares rocket lifted off from the Mid-Atlantic Regional Spaceport pad at the NASA facility. MARS is managed by the Virginia Commercial Space Flight Authority, which the General Assembly created in 1995 to promote commercial space activity in the state. The MARS pad is one of only four U.S. facilities approved for space launches, and the success of the Antares places the facility--and the commonwealth--in a competitive position in the growing space industry.

Orbital won a \$1.9 billion contract from NASA to make eight deliveries to the ISS. Its next launch, scheduled for this summer, will be another test to see if its delivery vehicle can successfully dock with the ISS, delivering about 1,600 pounds of supplies. On the way back, it will carry garbage--serving as a flying incinerator as it re-enters the atmosphere. Assuming that test flight goes well, Orbital's eight contracted launches will start soon after.

Suzanne Taylor, director of the Chincoteague Chamber of Commerce, said that Sunday's launch, which had been delayed twice, was "most exciting." The rocket lifted off slowly, its fiery tail creating a beautiful scene enjoyed by those who had come to the area specifically to watch the event. "It's a new day for Chincoteague," said Mrs. Taylor, who expects the town to benefit from additional tourists for subsequent launches.

It's a new day for Virginia as well. Known as the home of one of the finest deep water ports on the East Coast, adding "spaceport" to the state's resume greatly enhances it. This successful Antares launch, says Dale Nash, executive director of the Virginia Commercial Space Flight Authority, means that "We are getting into the big time." Not bad for a little barrier island off Virginia's Eastern Shore.

Base closures make strange bedfellows of politicians (VA Pilot)

Roger Chesley

When it comes to military spending, the budget hawks in Congress are getting less hawkish.

Democrats have clasped hands with Republicans - and no, that's not a misprint.

Their common opponent? A president who dares to cut defense dollars by weeding out unnecessary bases nationwide. Such a task would probably aid the country but harm local economies.

That means angering voters.

And that's something craven lawmakers abhor.

This display of bipartisan hypocrisy is no surprise. Nothing focuses the 535 members of Congress more than a threatened tightening of the federal spigot for their states and districts.

No incumbent wants to risk it - even if that's the correct course in the long run.

The Pilot's Bill Bartel reported that President Barack Obama wants to begin a new round of base closings within 24 months. His budget proposals include spending \$2.4 billion over five years to identify and shut down facilities that Pentagon officials don't want.

Lawmakers, however, have expressed a raft of reasons why this simply won't do:

- Previous rounds didn't save enough money, representatives and senators claim.
- Threats to shut down installations caused upheaval; and goodness knows, we can't allow that while reducing deficits.
- Look overseas first, said Sen. Tim Kaine, a Democrat.
- Don't cut anything from defense, said Rep. Randy Forbes, a Republican.

See? Bipartisanship at its finest.

Never mind that Department of Defense officials believe that a new Defense Base Closure and Realignment Commission makes sense. We're coming out of wars in Iraq and Afghanistan. The administration wants to reduce the size of the Army and Marine Corps.

Pentagon officials believe base closings would save \$1 billion to \$2 billion annually after several years.

Yes, closure of installations causes heartburn for communities. That's not welcome, but it's not necessarily a bad thing, either.

The last BRAC in 2005 forced lawmakers to defend the worth of existing facilities. We nearly lost Oceana Naval Air Station as the Navy's East Coast master jet base.

Closure of Oceana didn't make sense. After being surprised by the looming threat, leaders in the region worked overtime to save the base. Since then, encroachment around Oceana and Fentress Naval Auxiliary Landing Field has been fought. We know what's at stake.

But if an independent panel finds that specific bases are extraneous, isn't that the best thing for the country?

Shouldn't national interests supersede strictly parochial concerns?

I understand the fear in Hampton Roads.

In 2012, Old Dominion University's State of the Region report said defense spending continues to be the "primary regional economic engine" and was on course to total nearly \$21 billion. It was an estimate that included DOD civilian employees and all defense procurement activities.

"Despite auspicious attempts to diversify the regional economic base, reality is that we have not succeeded in doing so," the report said.

Defense spending now accounts for 47 percent of regional economic activity, James Koch, ODU's president emeritus and prime mover behind the report, told me Monday by email.

Lawmakers are quick to gore somebody else's ox.

When it's their own? That's when the excuses mount.

New Immigration Bill Has One Terrible Flaw (Bloomberg)

By Ramesh Ponnuru - Apr 22, 2013

"Amnesty" is the swear word many conservatives apply to the new bipartisan immigration bill. The same invective was used to sink the last major attempt to change American immigration laws, during President George W. Bush's second term. Some critics say that offering legal

status to illegal immigrants is simply wrong in principle.

Yet that isn't the most troubling aspect of the bill. What ought to be drawing more opposition is the proposal to bring hundreds of thousands of "temporary guest workers" to the U.S.

That's not to deny that legalization poses risks of its own. If enforcement of the laws is lax, it could encourage more people to come here illegally in the hope of the next round of legalization. If we can be reasonably assured of strong enforcement, on the other hand, offering legal status to many or most undocumented immigrants already in the U.S. may be the best way to handle past policy mistakes. Although there's room to argue about whether the bill offers this assurance, I think Senator Marco Rubio and other supporters of the legislation are right in principle to offer legal status.

The guest-worker program is where they go wrong. For the Republican politicians who have in the past been its main supporters, this provision is like a dessert with no calories: Businesses get the benefit of the temporary workers' labor and they get to make some money, but the rest of us don't have to make room for immigrants in our society, and Republicans don't have to worry how they will vote.

That's exactly what's wrong with the idea. One of the worst things about illegal immigration is that it creates a class of people who contribute their labor to this country but aren't full participants in it and lack the rights and responsibilities of everyone else. A guest-worker program doesn't solve this problem. It formalizes it.

Two Tiers

So we would have a two-tier labor market. Most people who work in the U.S. can quit their jobs without worrying that they'll be ejected from the country after 60 days of unemployment. Temporary workers would have no such security. Most people can leave one industry for another. The temporary agricultural workers in the bill would have no such freedom. Some foreigners may choose this fate as better than their alternatives. It seems unfair, though, to ask Americans to compete with workers who will be more willing to put up with bad working conditions because of this artificially precarious situation.

Organized labor and its liberal allies have traditionally opposed guest-worker programs. President Bill Clinton came out strongly against the idea when he was in office, citing the work of Barbara Jordan's bipartisan commission on immigration. That commission found that such programs were bad for workers and didn't reduce illegal immigration as advertised. Instead they increased it: Guest workers overstayed their terms, and family members and friends came to join them.

This time around, union leaders are going along with the guest-worker program. Perhaps they think it's a price worth paying to legalize illegal immigrants, and that after it passes they can push to liberalize the program to make it easier for guest workers to become citizens.

In that case, the program will end up backfiring on the Republican politicians who most avidly support it. If they say no to liberalization, they will be portrayed as anti-Hispanic -- the very image they are trying to dispel by backing this bill. If they say yes, they will be increasing the number of low-wage voters, which is what they wanted to avoid by supporting a guest-worker program.

Bad Choices

Enforcing the program's limits would involve similarly bad choices. One of the chief arguments for this bill is to stop enforcing immigration laws in ways that break up families. What happens when a guest worker has finished his three-year term and has no job -- but has brought his family here? (Or had a child, who would be a U.S. citizen?) Will we then deport him? Or will we just let him overstay his visa and go into the shadows as an illegal immigrant?

Supporters of the bill should rethink these provisions. Opponents should train their fire on them. Many Americans support legalizing illegal immigrants because it seems more humane and practical than mass deportations. Guest-worker programs seem at odds with those impulses, because they're neither humane nor practical.

(Ramesh Ponnuru is a Bloomberg View columnist, a visiting fellow at the American Enterprise Institute and a senior editor at National Review. The opinions expressed are his own.)

Restore states' authority to collect online sales tax (Politico)

By: Dan Crippen

April 22, 2013 09:30 PM EDT

Treating all sales the same is a common-sense idea whose time has come.

Just last month the Senate demonstrated overwhelming, bipartisan support for the Marketplace Fairness Act, a bill to level the playing field between Main Street and Internet sellers when it comes to sales tax. A symbolic show of strength, these 75 senators stand in stark contrast to those who oppose this common-sense legislation.

In our federalist government, states must be allowed to control their tax systems. However, in the 1992 case of *Quill v. North Dakota*, the Supreme Court ruled that only Congress can give the states the authority they need to require collection from out-of-state vendors selling into their states. In other words, although the tax already is owed, states cannot compel out-of-state sellers to collect the sales tax without federal legislation.

Much of the Supreme Court's 1992 decision was based on catalog sales and the apparent complexity of sales taxes in 50 states. In 1992, administrative complexity is the closest that opponents come to a legitimate argument. But, it is 2013. Since that ruling, at least two facts have changed: (1) the proliferation of computers to calculate taxes due on sales — just as shipping costs are determined based on ZIP code — and (2) a state agreement on streamlining and simplifying sales taxes so that there is only one point of collection per state and only a few tax rates per state. While this argument is still used by opponents, does anyone really believe that a merchant who can navigate the Internet to sell across state lines cannot figure out how much sales tax is due?

Opponents of Marketplace Fairness also distort the facts by calling this legislation a tax increase. Of course, this is not a tax increase — it is a means of collecting taxes already owed by consumers. Nor is it a tax on the Internet or on business; it is a tax on the goods and services that are sold over the Internet. In most states, the consumer is legally responsible for reporting and paying sales tax on out-of-state purchases. As such, the Internet encourages tax avoidance; the lack of an effective system to collect sales taxes at the time of purchase causes many

Americans to incur — but not pay — the taxes they legally owe.

From the states' point of view, if a company is doing business, selling goods and soliciting customers within their boundaries, that company should have to play by that state's rules. If a state has a sales tax, then everybody selling goods in that state should have to collect and remit it. This philosophy is not only fair, it also promotes competition, which is good for consumers; helps with collections, which keep other taxes down and helps pay for essential services; and levels the playing field for business, creating certainty.

In a 21st-century economy, it does not make sense to play by 1950s rules. A sale no longer requires a storefront or a handshake. The Internet has spurred our economy and increased choice, but it does not need a subsidy — it needs to follow the rules like everyone else. Main Street retailers contribute to their communities, sponsor the Little League teams and hire our citizens.

These efforts to grant states collection authority over remote vendors will help states close a tax gap that is costing states billions every year, help small businesses comply with the law and expand their business and assist consumers through fair competition.

For business, it means that the corner store is on the same footing as the online retailer. It also means that the corner store can grow its business more easily. Simplified tax requirements make doing business easier by reducing risk and creating opportunity.

The legislation also helps consumers. Fair competition means more choice. The success of electronic commerce should not mean the death of Main Street. Instead, our laws should set the stage for all businesses to compete and succeed.

This is an issue whose time has come, and Senate leaders have demonstrated this by choosing to move forward with the vote on Marketplace Fairness. States look forward to the restoration of this fundamental principle of federalism: control over their own revenues.

Dan Crippen is the executive director of the National Governors Association and a former director of the Congressional Budget Office.

The Mom & Pop Internet Sales Tax (WSJ)

By JOHN DONAHOE

This week the Senate is expected to vote on an Internet sales tax bill that would hurt small business and job growth in America. For small businesses, there is nothing fair about the Marketplace Fairness Act. The legislation stems from a fight between big bricks-and-mortar national retailers and big online retailers, all of whom seem unconcerned that small enterprises—and the jobs they create—are going to be collateral damage.

The trouble with the bill is that it treats mom-and-pop businesses the same way as it does multibillion-dollar retailers. Yet a small business with a dozen employees simply can't be lumped in with national behemoths such as Amazon and retail chains that have warehouses and stores around the country. The Marketplace Fairness Act should include an exception for small businesses. Why? Because otherwise an unfair burden will be placed on them.

Today small businesses that operate online are responsible for collecting sales taxes on purchases made in the state where they are located. That is fair. But the proposed bill would require them to collect sales taxes on behalf of every state where they make a sale. That would make it difficult, if not impossible, for them to succeed.

While compromise seems like a foreign concept in Washington these days, eBay EBAY -1.47% is advocating a simple solution. Small businesses with fewer than 50 employees or with less than \$10 million in annual out-of-state sales should be exempt from the chore of collecting sales taxes nationwide. These are reasonable exemptions, equivalent to other federal standards, such as those set by the Affordable Care Act and the Treasury Department's Office of Tax Analysis.

Unfortunately, certain lawmakers and big national retailers who support the bill have refused to consider a reasonable and robust small business exemption. As is often the case in politics, the small business voice is getting lost in the debate, while big retailers with the deepest pockets are dominating the conversation.

On Sunday, I began sending a message to the entire eBay community updating them on this situation and encouraging them to share their views with Congress on the importance of protecting the smallest businesses and entrepreneurs from unfair and crippling tax burdens. Over the years, I've heard repeatedly from small business owners who sell in the eBay marketplace and other online channels that expanding Internet sales taxes to all transactions would hurt their ability to grow or create jobs and to fuel the price and service competition that creates value for consumers.

This bill could put entrepreneurs like Colleen Rast out of business. Colleen and her three employees run all of their business operations out of a small office in Kalispell, Mont. Although her apparel-sales business is located in a state without sales taxes, the Marketplace Fairness Act would require Colleen to track and comply with the tax laws of more than 9,600 tax jurisdictions across the U.S. It would create costly paperwork and accounting burdens and subject her to potential audits and litigation from tax collectors in states that are more than a thousand miles away from where she lives and works.

The \$10 million exemption we propose would protect businesses like Colleen's. To put the exemption in perspective, Amazon makes more than \$10 million in sales every 90 minutes. So we believe this is a reasonable exemption that recognizes that small businesses are vastly different from the nation's billion-dollar retailers. These are very small startups, mom-and-pops and entrepreneurs whose businesses and cost structures are nothing like billion-dollar retailers. They should not face the same tax-collection burdens.

This isn't a debate pitting the Internet against Main Street. This is about big retailers, like Amazon, trying to undermine small online businesses. Amazon supports the bill, while at the same time it negotiates local tax exemptions across the country where it builds warehouses. Small businesses don't have that kind of bargaining power.

I believe that Congress would not want small businesses to become the collateral damage in this debate. Many of the largest and most renowned companies in America began as small businesses.

Enabling small businesses and entrepreneurs to grow, and giving consumers across the country and around the world the opportunity to connect with them, is at the heart of what we do at eBay. We want to continue this tradition and make it possible for small businesses to keep their virtual doors open, so that they can compete in the marketplace, grow into bigger businesses—just the sort that should be subject to the Marketplace Fairness Act.

Mr. Donahoe is the president and CEO of eBay Inc.

Editorial: Lawmakers stoking fear of immigrants (WaPo)

CYNICS IN CONGRESS, eager to derail landmark legislation to overhaul the nation's broken immigration system, have seized on last week's events in Boston as a pretext to slow momentum on the issue. In the process, they may unwittingly provide a push for the very bill they hope to derail.

With scant regard for the actual immigration status of the bombing suspects, who came to this country legally as minors, Sen. Charles E. Grassley (R-Iowa) nonetheless framed the attacks in Boston in the context of the debate over immigration. With a suspect still at large Friday, he asked, "How do we ensure that people who wish to do us harm are not eligible for benefits under the immigration laws, including this new bill before us?"

His fellow Republican, Sen. Rand Paul of Kentucky, then sent a letter to Senate Majority Leader Harry Reid (D-Nev.), arguing that the Senate "should not proceed [with immigration reform] until we understand the specific failures in our immigration system."

Just what flaws in the immigration system are the senators talking about? The failure to divine the future and predict that Tamerlan Tsarnaev, who was a teenager when his family immigrated, and his surviving brother, Dzhokhar, who was 9, might become radicalized years after arriving?

In fact, the senators aren't raising real questions about immigration; they're more interested in stirring fear: fear that immigration reform may somehow open America's gateways to even more scary foreigners, and more terrorist attacks, and that undocumented immigrants already here, who would receive legal status under a Senate bill, would be threats in our midst, free to circulate as they please.

One potential casualty of playing politics with immigration reform in this way is the refugee

asylum program, which has been at the heart of America's immigration system for years. (It was as asylum-seekers that the Tsarnaev family received permission to stay here.) Hundreds of thousands of refugees have arrived on these shores over the years as asylum-seekers; minuscule numbers of them have posed any threat to national security.

From what is publicly known, if any governmental failure allowed the suspects to slip through the cracks — and that's far from certain at this point — it was an intelligence failure, not an immigration failure. The real immigration failure is the perpetuation of a system that forces 11 million undocumented migrants, most of whom have been here for more than a decade, to live and work in the shadows.

By extending legal status to undocumented residents, immigration reform would bring them into the sunlight. In the process of applying for documents, they would be identified, subjected to fingerprinting and background checks and, ultimately, integrated into American society. That could only enhance the nation's security, and it's one of many powerful arguments for reform.

Too many opponents of immigration reform still cling to the fantasy of mass deportation. Seeing the Boston bombing suspects as convenient catalysts, they hope to galvanize the nation's anger. That tactic has worked at times in American history. It mustn't be allowed to work now.

Editorial: A Confirmation Too Long Delayed (NYT)

The Senate Finance Committee is scheduled to hold a long-overdue vote on Tuesday on President Obama's nominee to lead the embattled agency responsible for overseeing Medicare, Medicaid and the implementation of health care reforms. The committee ought to set aside its deep partisan divisions and unanimously endorse Marilyn Tavenner to be the administrator of the Centers for Medicare and Medicaid Services. The full Senate should then confirm her.

Ms. Tavenner, a nurse, experienced hospital administrator and former state health official, has performed capably as the acting administrator for 16 months. She was first nominated for the post in December 2011, but Republican antipathy to the agency's former administrator, Donald Berwick, Republican determination to undermine the health care reform law and insufficient

votes to overcome a filibuster persuaded Democrats to shy away from a confirmation vote during a presidential election year.

Now that many senators seem willing to consider Ms. Tavenner on her own considerable merits, not as a pawn in bigger political struggles, there is no good reason to deny her the added authority that support by the full Senate would bring.

Some Republicans have high regard for her. Representative Eric Cantor, a Republican of Virginia and the House majority leader, worked with Ms. Tavenner when she led his state's health and human resources department; he has testified on her behalf before the Senate panel. Senator Orrin Hatch of Utah, the ranking Republican on the committee, considers her "a bright and capable nominee and absolutely will support her," according to his staff. We can only hope that other Republicans follow their lead.

Let's protect biotech crops from environmental zealots (Politico)

By: John R. Block

April 22, 2013 09:30 PM EDT

President Barack Obama signed a six-month funding bill on March 27 to little fanfare, with the exception of one attention-grabbing provision listed as Section 735. This language is vital for American farmers and should be celebrated in the countryside. This new law will give growers the assurance that in addition to managing the everyday challenges of drought, weeds, pests and more, they can now worry a little bit less about activist groups trying to tell them what they can and can't plant on their farms.

If that last scenario sounds a little farfetched, ask an alfalfa or sugar beet grower who adopted varieties of those crops improved by biotechnology, then watched as the investment was threatened by groups ideologically opposed to its use. Alfalfa, a nutritious livestock feed, is our fourth-most-valuable crop but susceptible to difficult weed management that has made Roundup Ready varieties of the crop so popular with growers. For Roundup Ready sugar beets, the demand was even more evident, as the adoption rate went from zero to 95 percent of all domestic acreage in just a few years.

Unable to persuade farmers not to adopt a safe and environmentally beneficial technology, anti-biotech organizations and other plaintiffs instead tied up the U.S. Department of Agriculture in court on their approval of biotech varieties of both crops. The litigation had nothing to do with the safety of the crops but, rather, the steps the department took to reach its conclusion.

In each case, the activists put farmers at risk by advocating for the destruction of crops that had already been reviewed and approved by USDA. Sugar beet seedlings were ordered to be destroyed by one judge, and only an emergency appeal stayed that ruling. Another judge took alfalfa off the market entirely, an action the Supreme Court later ruled 7-1 to be an act of judicial overreach. All the while, agricultural productivity was being lost, growers were uncertain about the legal status of their crops, and millions in taxpayer dollars were being wasted tying up the limited resources of USDA in court.

As if to prove the point about the plaintiffs' true aims, USDA's lengthy and duplicative review — ordered by a judge as a result of the litigation — that confirmed the lack of risk presented by Roundup Ready alfalfa did not satisfy the activists. They just sued again.

Something has to change, and I was pleased when supporters of agriculture introduced language in a House agricultural spending bill designed to mitigate the affects of these nuisance lawsuits. This language, at the time known as Section 733, was identical to what Obama signed into law last month. Put simply, it reinforces the secretary of agriculture's authority to allow farmers to continue to cultivate crops improved with biotechnology even if ideologically opposed groups use the courts to try to force farmers to plow up what they have planted.

Farmers need assurance that, once they have planted an approved crop, they will be allowed to harvest it. Imagine that you were manufacturing cars but always faced the prospect that there could be a court challenge that would require that you destroy all of the cars you had made?

Contrary to the mischaracterizations of opponents of the language, Section 735 does not remove or restrict anyone's right to file litigation or challenge USDA's decision to deregulate a trait. In fact, it comes into effect only as a result of litigation. Also, the provision applies only to products that have already completed the U.S. regulatory review process and are approved for commercial sale and planting. It does not give the agency any expansive new authority; rather, it is a straightforward codification of authority the secretary of agriculture has previously exercised and has been affirmed in federal court. However, if farmers file a request that the agency set temporary conditions for the sake of providing certainty to the marketplace, now it

will have to do so.

When the effort to fight back against these lawsuits first became public over nine months ago, I joined former Secretary of Agriculture Mike Espy, along with most major farm groups such as the American Farm Bureau Federation, American Soybean Association, National Corn Growers Association, the National Cotton Council, the American Sugarbeet Growers Association and several state agriculture commissioners in supporting this language. It was approved at the subcommittee and full committee level with bipartisan support for good reason: It makes sense for agriculture.

After the farmer protection language resurfaced in the Senate's version of the continuing resolution prior to debate, groups ideologically opposed to biotechnology quickly pounced, referring to the language as a "Monsanto Protection Act," a gratuitous reference to one of several companies in the business of offering seeds, traits and crop protection tools that farmers across the U.S., and now around the world, are choosing in overwhelming numbers. Over three-quarters of the acreage in corn, cotton and soybeans are planted with biotech varieties, and a recent report from the International Service for the Acquisition of Agri-Biotech Applications shows that developing countries for the first time are devoting more acreage to biotech crops than industrialized countries.

There is no expectation that litigation and the threat to influence the planting decisions of growers will slow down. The same groups that have sued before have already stated their intention to file suit on traits that have yet to be approved.

We raise corn and soybeans on our family farm in Illinois, and Section 735 addresses a very real and costly threat to all farmers. Including this language in the agriculture spending bill should really be referred to as the "Farmer Protection Act." We need protection.

John R. Block operates a farm in Illinois and served as secretary of agriculture from 1981 to 1986. He is currently a senior policy adviser at Olsson Frank Weeda Terman Matz PC.

Research Offers Hope for People With Fragile X, Autism (CQ)

By Reps. Gregg Harper and Eliot L. Engel

Recent scientific developments linking Fragile X Syndrome and autism have ushered in a renewed sense of hope in the disabilities community.

Just last year, researchers discovered specific connections between these genetic conditions. But to fully grasp the significance of this breakthrough, one must first understand Fragile X.

Fragile X-associated disorders are tied to a mutation on the X chromosome. The Fragile X gene produces a protein that plays a critical role in regulating other genetic activity. This process is interrupted in people with Fragile X, leading to neurodevelopmental and behavioral impairments. As a result, these individuals generally experience developmental and language disabilities throughout their lifespan.

Research has identified a direct connection between this mutated Fragile X gene and autism. As many as 76 percent of individuals diagnosed with Fragile X may also receive autism-related diagnoses. Three percent of autism diagnoses also have the Fragile X mutation.

This research has led to innovative clinical trials for medical therapies aiming to reverse the core symptoms related to Fragile X-associated disorders. Notably, individuals with severely impaired social and communication skills have seen the greatest improvements.

Even more, reports indicate that these treatments may reach beyond Fragile X-related autism.

But this is just the beginning.

New ways to accurately identify the genetic roots of these conditions will lead to improved diagnostics. A more timely diagnosis means more effective treatments.

To continue these tests, it is imperative for Congress to encourage innovative drug developments. This is why we successfully promoted the inclusion of a market exclusivity

provision for these treatments in last year's bipartisan pharmaceutical user fee agreement.

As a result, additional clinical trials are under way. These studies give more children with Fragile X hope. These studies provide more families with new opportunities. These studies help our nation's most dedicated scientists build on promising discoveries.

For these trials to meet their full potential, adequate federal resources must be directed to research and development studying the Fragile X-autism link.

As chairmen of the bipartisan Congressional Fragile X Caucus, we understand that these scientific advancements are the product of a partnership between committed families and the federal government. Continuing these studies takes equal effort from the whole team. Completing these trials could affect millions of our friends and neighbors.

Therefore, we will not give up. We will continue our efforts to modernize programs intended to support youth with significant disabilities.

With the help of disabilities advocates from our home states, and across America, we will inspire continued success in this area so children with special needs can reach their maximum potential.

Reps. Gregg Harper, R-Miss., and Eliot L. Engel, D-N.Y., are chairmen of the Congressional Fragile X Caucus. Harper's 23-year-old son lives with Fragile X Syndrome.

Budget/banking/commerce

Fed Still Owes Congress a Blueprint on Its Emergency Lending (NYT)

By PETER EAVIS

After the Federal Reserve lent more than \$1 trillion to big banks during the 2008 financial crisis, Congress required the central bank to devise specific ways of protecting taxpayers when doling out emergency loans to financial institutions.

But nearly three years after that overhaul became law, the Fed still has not established these regulations.

The delay involves a crucial but little-noticed part of the Dodd-Frank act, the sweeping financial sector overhaul that Congress passed in July 2010. One part of the legislation focused on the Fed. While the government used many different tools to shore up the financial system during the crisis, Congress was well aware that the Fed played a decisive role.

The central bank made huge loans to scores of domestic and foreign banks as markets seized up, dwarfing bailouts like the Troubled Asset Relief Program. But the identities of the borrowers were not disclosed at first, stoking concerns that the Fed had carried out a vast stealth bailout of Wall Street.

Against that backdrop, Dodd-Frank required the Fed to develop policies and procedures to safeguard taxpayers when making emergency loans “as soon as is practicable.” To some banking specialists, the delay suggests the Fed is stalling because it values the need to act freely in times of crisis.

“The Fed might be thinking, ‘We don’t want to make a lot of rules that might hinder us from acting in an emergency situation that we can’t anticipate,’ ” said Michael Bradfield, a former general counsel at the Fed.

When asked, Barbara Hagenbaugh, a spokeswoman for the Fed, did not say when the new rules would be completed.

Even without freshly written rules from the Fed, the Dodd-Frank legislation immediately introduced measures to make the central bank more accountable. For example, the Fed must now file regular and detailed reports to Congress if it undertakes any emergency lending.

Still, the overhaul went much further to set conditions on Fed loans during a crisis, and it is these measures that the central bank has yet to complete.

It has to have policies in place to prevent losses on emergency loans. For instance, the assets pledged to the Fed in return for the loans would have to be sufficient to absorb losses should the borrower default.

In an interesting twist, Congress also requested that when a bank participates in an emergency loan, its chief executive must certify that the bank is not insolvent at the time. The Fed would need to set out procedures for doing that.

“I think the Fed should have reasonably broad discretion to deal with systemic issues,” Mr. Bradfield said. “But then the question is, What’s systemic and what’s really needed, and what conditions ought to accompany that lending?”

A person familiar with the Fed’s thinking says any future emergency lending would still be bound by the demands of Dodd-Frank, even if the Fed has not issued rules by then. The central bank would still be obliged by the law to take careful steps to avoid losses, for instance.

Some banking analysts agree. “If something suddenly came up, they would make decisions based on Dodd-Frank, even if they had not previously published rules about how they would do this,” said Douglas J. Elliott, a fellow at the Brookings Institution.

Mr. Elliott also says the Fed may be focusing on writing other important rules stemming from Dodd-Frank. “It’s reasonable that they have not given a priority instead to a rule about a hypothetical future crisis,” he said.

Still, unlike other rules, whose writing requires cooperation with several other agencies, the Fed can complete these itself after consulting with the Treasury Department. In addition, these

emergency lending guidelines are likely to be far less complicated than regulations like the Volcker Rule, which aims to define the types of trading that banks are allowed to do.

Senior Fed officials have already been voicing concern about aspects of the financial system that were shored up by crisis loans. For example, Daniel K. Tarullo, the Fed governor who oversees regulation, said in an interview with Bloomberg TV last week that he was still concerned about “too big to fail” banks borrowing in credit markets “that are subject to runs and liquidity freezes.”

Also last week, another Fed governor, Jeremy C. Stein, gave a speech that recognized one of the risks involved in the Fed’s emergency lending programs. He spoke about moral hazard, the belief that government support can subsidize banks and make them less careful about the dangers inherent in their businesses.

One way to help address the moral hazard problem would be for the Fed to come out with the new rules on emergency lending. Depending on how strict the rules are, the banks might then realize that the Fed will not be a pushover in times of market stress.

But the Fed may find it hard to formulate rules that allow it to stem market panics without bailing out undeserving institutions.

“You don’t want to put out rules that make you look vacuous and you don’t want to put out rules that tie your hands,” Mr. Bradfield said.

But whenever the rules appear, the Fed will face political scrutiny on such a contentious subject. “No rule about potential assistance from the Fed is going to be easy under the highly politicized conditions that exist today, with everything they do subject to criticism, especially if it helps financial institutions,” Mr. Elliott said.

Co-Directors for S.E.C. Signal Shift (NYT)

By BEN PROTESS

The Securities and Exchange Commission ushered in a new era of leadership on Monday, appointing a former federal prosecutor turned defense lawyer to help run the unit that polices the front lines of financial fraud.

While the shake-up comes as the financial misdeeds of 2008 fade from view, the S.E.C.'s enforcement team will soon confront a fresh batch of challenges under its new leader, Andrew J. Ceresney.

Mr. Ceresney will inherit a unit that is on pace to file the lowest number of enforcement cases in a decade, according to S.E.C. figures provided to The New York Times. In the last six months, through March 31, the number of cases is down 23 percent from the same period a year ago — a sharp contrast from recent years when the agency trumpeted its record-high numbers.

Some longtime S.E.C. officials, who were not authorized to speak publicly, also question whether their focus on insider trading cases distracts from investigations of broader significance. What's more, the officials say that the S.E.C. opened fewer investigations in the 2012 fiscal year than the previous year, presenting a potential obstacle to Mr. Ceresney, who will take the reins with George Canellos, an agency veteran.

The slowdown in cases could stem from any number of issues, including recent court rulings that curb the agency's power.

Longtime enforcement officials, however, attribute the decline to low morale at the Washington office. They said that some enforcement lawyers were dusting off their résumés to move to the private sector.

"The enforcement division travels on raw enthusiasm," said Stephen J. Crimmins, a partner at the law firm K&L Gates and a former enforcement official at the S.E.C. "When the troops are not enthused, things slow down."

The S.E.C. argues that Mr. Ceresney will find high morale in the agency's outposts, including its New York office. It also said that the enforcement numbers don't tell the full story. A dwindling docket of cases is only natural, some officials say, as the agency clears out a backlog of cases stemming from the financial crisis.

“In recent years the division has achieved remarkable success prosecuting financial crisis cases, insider trading and other violations, while returning billions to harmed investors,” the agency said in a statement on Monday. The S.E.C. noted that, under Robert Khuzami, a revamped enforcement unit brought cases against more than 150 companies and individuals tied to the crisis.

Securities lawyers also say that it is common for the S.E.C. to suffer low morale amid a transition period. It was only a week ago that Mary Jo White, a longtime prosecutor and defense lawyer, took over as chairwoman.

Some lawyers say that Mr. Ceresney, her first major hire, could breathe new life into the enforcement unit. They note that he was Ms. White’s longtime lieutenant as both a corporate defense lawyer at Debevoise & Plimpton and earlier in his career as a federal prosecutor in Manhattan.

“He has an incredible ability to master the facts,” said Barry R. Goldsmith, a partner at Gibson, Dunn & Crutcher and the former chief litigation counsel at the S.E.C. who has worked on cases alongside Mr. Ceresney.

Ms. White announced on Monday that Mr. Ceresney would share the role with Mr. Canellos, who became the commission’s interim enforcement chief this year when Mr. Khuzami left the agency. Mr. Canellos, who served as a federal prosecutor under Ms. White when she was United States attorney in Manhattan, is also a friend and former colleague of Mr. Ceresney.

“I am excited to be charged with implementing Chairman White’s mandate of bold and unrelenting enforcement and thrilled to be teaming again with George,” Mr. Ceresney, 41, said in a statement.

Yet it is rare, if not unprecedented, for the enforcement unit to be run jointly.

And while Mr. Canellos is well liked, people close to the agency say, some S.E.C. commissioners objected to his bid for more power. The commissioners were particularly

concerned with Mr. Canellos's push to bolster the independence and authority of the enforcement unit, a move some investigators welcomed but might have isolated the commissioners from the investigative process.

He also irked some members of the S.E.C. trial team when he referred to them at an agency town hall meeting as "case killers," employing an obscenity as an adjective, according to people who attended the event. Mr. Canellos later apologized.

Despite the concerns, the joint leadership is likely to be temporary, people briefed on the matter said. Mr. Canellos, who has been at the S.E.C. nearly four years, is expected to return to private practice before the end of 2013.

And some S.E.C. officials argued that Mr. Ceresney, a newcomer to the agency, would benefit from Mr. Canellos's experience. He was instrumental, for example, in revamping the S.E.C.'s policy for how companies use social media.

"George is a brilliant lawyer, and a tremendous and inspirational leader," said Andrew M. Calamari, head of the agency's New York office.

In a statement, Ms. White added that "George and Andrew are two of the best lawyers and finest people I know."

Still, Mr. Ceresney faces his share of challenges. His appointment, which does not require Senate approval, could renew concerns about a revolving door that shuttles S.E.C. lawyers from the government to the private sector, and back again.

While at Debevoise, Mr. Ceresney represented a number of the nation's largest banks, including JPMorgan Chase during an inquiry involving its foreclosure practices. Mr. Ceresney is expected to recuse himself from cases involving his former clients.

The S.E.C.'s caseload presents another test for Mr. Ceresney. In addition to the dwindling number of actions, the S.E.C. is unlikely to catch any breaks from the courts. The Supreme Court recently rejected the agency's argument that it should have additional time before the

statute of limitations in fraud cases expires.

The agency has run into resistance in the lower courts as well. Judge Jed S. Rakoff of the Federal District Court, for example, has said the agency's settlement with Citigroup "is neither fair, nor reasonable, nor adequate" in part because it did not include any admission of wrongdoing.

The enforcement unit's own employees are also eager for new direction. Senior investigators were sidelined when Mr. Khuzami created specialized units to track complex corners of Wall Street after the financial crisis and Bernard L. Madoff's Ponzi scheme.

Some officials have suggested abolishing the units, people briefed on the matter said. Others are proposing an expansion, hoping the agency will broaden its reach to thwart the next financial crisis.

"The commission went through a very tough time post-Madoff," Mr. Goldsmith, the former S.E.C. chief litigation counsel, said. "People are looking beyond that to ask: so now what?"

Regulators Get Banks to Rein In Bonus Pay (WSJ)

By AARON LUCCHETTI and JULIE STEINBERG

U.S. banks are bowing to regulators' concerns about the size of executive pay and its role in financial industry risk-taking.

Seven large U.S. financial-services firms, including PNC Financial Services Group, PNC +0.28% Capital One Financial Corp., COF -1.44% and Discover Financial Services Inc., DFS +0.62% said they are scaling back the maximum bonuses awarded to executives who beat their performance targets, according to regulatory filings.

Late last year, the Federal Reserve began contacting banks about their compensation plans, said a person familiar with the phone calls. In regulatory filings, many of the firms cited the Fed as a reason for changes.

Since the financial crisis the Fed has urged banks to cap bonuses in cases where they could encourage executives to take too much risk. Before the crisis, banks erred by focusing too much on short-term profits and too little on risk when designing bonus plans for employees and executives, according to the Fed.

While the moves involve bonuses for exceeding internal financial targets and not basic pay packages, they are the latest hit to Wall Street compensation, which has shriveled in recent years because of smaller bonuses and poor stock performance. A study earlier this year by New York State Comptroller Thomas DiNapoli showed that Wall Street bonuses in 2012, while up from the previous year, were down about 40% from 2006.

The new scrutiny comes as European regulators move ahead with a plan finalized last week to cap bankers' short-term cash bonuses at twice the base salary. Banking executives in Europe already are preparing for the changes, with some considering boosting salaries to make up for the lost bonuses.

The moves show that, five years after the financial crisis, regulators are still looking at ways to lower risk in the banking system, even if it means interfering with private pay practices.

"The Fed wants to ensure that excessive risk-taking is not encouraged in these structures," said Mark Williams, a former Federal Reserve bank examiner who now teaches at Boston University.

Some shareholder groups question the trend, arguing that executives' incentives should be aligned with those of investors, who want companies to perform as strongly as possible. "There is some tension between the Fed's focus, which is on risk mitigation, and the focus of investors," said Carol Bowie, a senior research executive for Institutional Shareholder Services, an advisory firm.

Investors who own bank shares want the companies to take "reasonable risks," she said, because that is an important ingredient in making bank stocks rise. Some banks might use the Fed's guidance to replace performance-based pay with fixed salaries that could reward sluggish performance, said Ms. Bowie.

BB&T Corp., BBT +0.27% KeyCorp, KEY +0.32% U.S. Bancorp USB -0.12% and SunTrust Banks Inc. STI -1.20% are the other U.S. firms that cut their maximum performance-based bonuses recently, according to a study set to be released as early as Tuesday by pay-consulting firm Compensation Advisory Partners. The study examined practices at 23 of the largest financial-services firms.

Seven firms kept their performance programs the same as last year, according to the study. Eight others didn't have a plan last year. One securities firm, Morgan Stanley, MS +0.63% increased the maximum performance payout after reducing it a few years ago, according to the study's authors. The report points out that Morgan's payout couldn't increase if the company's shareholders experienced a loss.

Typically, the plans promise to give top executives a certain number of shares if they meet their targets over several years, and to give them more if they exceed their targets, up to a limit.

In many industries, such as technology and manufacturing, companies commonly set limits of 200% of the target bonus, said Rose Marie Orens, a senior partner at Compensation Advisory Partners and one of the authors of the study. So executives set to receive, 10,000 shares, for example, could receive up to 20,000 shares if they exceed their performance targets.

But the Fed grew concerned that the programs were too sweet for big banks. Last year, it urged certain financial-services firms to cap bonuses at a lower multiple of the target payouts, usually 125% or 150% instead of 200%, according to a person briefed on the Fed's work.

According to the survey, five of the 23 banks recently disclosed that they awarded their executives with an incentive plan in which the stock or cash received would double over time, as long as the executive reached certain performance goals. In the previous reporting period, eight of the banks had such plans.

This year it was more common to give executives 125% or 150% of their target award for hitting or exceeding certain goals, the study said. Banks in that category increased to 14 from six last year. Some of the largest banks, including Bank of America Corp., BAC +0.51% Goldman Sachs Group Inc. GS +0.58% and Wells Fargo WFC +0.11% & Co. were in that category for both time periods, the study said.

PNC reduced the payout to 125% of the target award, then approved \$2 million for an additional compensation pool to be divided among the affected executives. Spokespeople for PNC and BB&T declined to comment.

A SunTrust spokesman said the bank reviews its executive compensation programs each year "to ensure the executive compensation programs are competitive with the market and aligned with the interests of our shareholders."

A spokesman for U.S. Bancorp confirmed the numbers. A spokeswoman for KeyCorp said the numbers in the survey related to the firm's short-term incentive plan.

A Discover spokesman declined to comment. In its 2013 proxy filing, Discover said that it "reduced the upside" in its performance plan "to further inhibit excessive risk taking." It noted that the "further strengthening" of "risk-balancing features" was "consistent with guidance from the Federal Reserve."

Congressional News

Senate Cloture Vote Clears Way for Online Sales Tax Debate (CQ)

Senate opponents are likely to continue their effort to derail with amendments or procedural moves a bill that would require most online retailers to collect state sales taxes.

The Senate voted Monday to clear the way for floor action this week on the legislation. The vote was 74-20 to limit debate on a procedural motion to take up the bill (S 743), overcoming a filibuster by senators representing some states without sales taxes.

Majority Whip Richard J. Durbin, D-Ill., a sponsor of the bill, said it is unclear whether the measure will survive attempts to amend its provisions and possibly another filibuster. Supporters have said amendments to add federal revenue provisions would be particularly problematic, since that could prompt an objection from the House that the legislation violates the constitutional requirement that revenue measures originate in that chamber.

The Obama administration endorsed the bill on Monday, echoing the argument of the bill's supporters that current practices give Internet commerce an unfair advantage. "This is simply about leveling the playing field so that bricks-and-mortar businesses . . . aren't competing at a disadvantage," said White House Press Secretary Jay Carney.

The White House endorsement was a boost for supporters of the bill. The legislation has also benefited from lobbying by the retail industry, governors and local governments. An amendment to the Senate's fiscal 2014 budget resolution (S Con Res 8) was adopted with the support of 75 senators last month, setting the stage for this week's floor action on the legislation.

The bill would reverse a 1992 Supreme Court decision and allow states to require that out-of-state retailers with annual online sales exceeding \$1 million calculate and add sales tax at the time of purchase. Retailers are now required to collect sales tax in states where they have a physical presence. While consumers elsewhere are supposed to remit the sales tax for online purchases, studies show most do not.

"Right now it's not only fundamentally unfair to Main Street retailers, but it's costing states and localities billions in lost revenue," bill sponsor Michael B. Enzi, R-Wyo., said on the Senate floor. "The Supreme Court invited Congress to address this issue, and we stalled."

Senators representing states without sales taxes, including Montana, Oregon, and New Hampshire, argue that the legislation would disproportionately impact businesses in their states. They say the bill would shift the burden of tax collection from government to online retailers,

who would have to comply with different tax rates and codes for states and localities.

In a letter to Majority Leader Harry Reid, D-Nev., seven senators — Kelly Ayotte, R-N.H.; Ron Wyden, D-Ore.; Jon Tester, D-Mont.; Jeanne Shaheen, D-N.H.; Marco Rubio, R-Fla.; Mike Lee, R-Utah; and Ted Cruz, R-Texas — expressed concern that the bill was rushed to the floor without Finance Committee consideration.

“This bill forces small businesses across the country to spend time and resources they should be using to create jobs, jumping through new bureaucratic hoops,” said Finance Chairman Max Baucus, D-Mont. “In Montana, it forces our small businesses to play tax collector for other states, with absolutely no benefit to them.”

Shaheen said the legislation would “put a serious burden on small businesses that rely on the Internet to tap into growing markets, expand their operations, and create jobs.”

But Durbin said in a floor speech that consumers in states without sales taxes would not be affected. And he said retailers in those states should expect to comply with laws in the states where they make sales.

In a Statement of Administration Policy, the White House said new technology has made it easier for online retailers to collect sales taxes that apply where purchasers are located. “In recognition of these developments, a broad and growing group of bipartisan State and Federal leaders — including governors, mayors, business and labor groups, and members of Congress from both parties — has called for commonsense Federal legislation to make the system more fair,” the administration concluded.

The legislation faces another potential barrier in the House, where GOP leaders oppose anything resembling a tax increase.

The conservative Heritage Foundation has urged its members to oppose the legislation as a tax increase and an overreach of federal authority. The group said it will score Monday’s Senate cloture vote in its evaluation of lawmakers.

In Tax Fight, Amazon Hands Baton to eBay (NYT)

By ANDREW ROSS SORKIN

Let's rename it the eBay loophole.

For more than a decade, Amazon led a ferocious lobbying campaign in Washington against a law to force online merchants to collect state and municipal sales tax from their customers. Local and national retailers with brick-and-mortar stores complained that online merchants were enjoying a tax-free ride — they don't have to collect state sales tax unless they have operations in the state — and getting an unfair advantage. The tax treatment was widely known as the Amazon loophole, until Amazon dropped its opposition of the tax. (More on why Amazon did that in a moment.)

In Amazon's place has emerged its smaller rival, eBay, which has taken up the cause with a major campaign against the tax just as the issue is moving through Washington for the first time in earnest. On Monday, the bill cleared a procedural hurdle in the Senate, setting it up for a vote this week, and President Obama said he supported it.

Over the weekend, John Donahoe, eBay's chief executive, sent out an audacious e-mail to tens of millions of eBay merchants, pleading with them to write their representatives in Congress to block the legislation.

"This legislation treats you and big multibillion-dollar online retailers — such as Amazon — exactly the same," wrote Mr. Donahoe. "It may harm your ability to grow and costs jobs, including yours."

Talk about being heavy-handed.

Most of eBay's sellers have less than \$1 million in out-of-state revenue and, under the terms of the proposal, the Marketplace Fairness Act, would be exempt from collecting the tax anyway.

It isn't until the end of Mr. Donahoe's letter that he argues for a compromise. If there is action, he wrote, the bill should be changed so that a small business is defined as making less than \$10 million in out-of-state sales or having fewer than 50 employees. "To put that in perspective, Amazon does more than \$10 million of sales every 90 minutes."

Mr. Donahoe, who deserves credit for turning around eBay in recent years, isn't trying to protect the mom-and-pop store or the struggling artist, he's trying to keep substantial businesses with real revenue from paying taxes.

When I asked an eBay spokeswoman to quantify how many eBay sellers would be affected by the legislation if it were not raised to the \$10 million cap, she said she did not have a number. (Considering the amount of money and energy eBay is spending on its lobbying effort, you'd think it would be able to quantify the cost.)

Part of eBay's argument is that it is too complicated and expensive for small merchants to collect the tax. "Are you prepared to collect sales taxes in the more than 9,600 tax jurisdictions across the U.S.?" Mr. Donahoe asked.

What Mr. Donahoe did not mention is that Amazon will already collect this tax for merchants if they ask, and eBay will help provide them with third-party technology services that will help them do this, too. There are a number of companies that will manage and streamline the process, like Avalara or TaxCloud. And you have to believe that if the bill gets passed, there will be a cottage industry of companies that will offer services to collect the tax, including eBay, which has made a reputation trying to streamline the selling process for merchants. In fairness, eBay also argues that a cost of complying with enforcement will be a nightmare. Think about the prospect of an out-of-state tax audit.

Before we continue, a little history: the reason the online merchants don't have to collect sales tax is a function of the Supreme Court ruling in 1992 in *Quill Corporation v. North Dakota*. In that case, Quill, a mail-order office equipment retailer, was sued over what North Dakota said was taxes due because Quill shipped products to the state. The court ruled that merchants did not have to collect taxes in a state unless they had a physical presence in the state. This covered mail-order businesses and, yes, the then-nascent business of Internet retailing. (Amazon didn't even exist then.)

A note to readers, and to self: If you live in a state with a sales tax, you are supposed to submit uncollected taxes on Internet purchases at the end of the year, even if the merchant doesn't seek it at the time of the sale. Of course, nobody does that.

At a time when states are desperate for revenue, you can see the allure of taxing online merchants. According to the National Conference of State Legislatures, \$23 billion is lost annually from out-of-state sales, a considerable portion from online transactions.

There's an argument to made, which eBay does, that the sales tax is regressive for businesses — and it is. The tax does not discriminate between a large, national retailer and a mom-and-pop. The tax is flat. And big business already has special tax advantages: states often offer big companies tax incentives to build stores and distribution systems, benefits that are not offered to small businesses.

But on the flip side, there is an argument that the current state of sales taxes online is regressive for consumers. Poorer people are less likely to be able to benefit from being able to shop online.

So what about Amazon? Why did it abandon the fight?

Not because it felt altruistic. It was a business decision. As Amazon has grown, it has become better positioned to handle the tax hit. And perhaps more important, it is moving to build physical warehouse and shipping centers in many states so that it can offer faster delivery services, in some cases within 24 hours. That means it would most likely have had to collect sales tax anyway.

In the end, it is unclear whether the Republican-controlled House will approve tax legislation if it clears the Senate, as expected. But when consumers make purchases, either in a store or online, they should be prepared to pay the requisite sales tax. And, yes, merchants and lawmakers should provide the way to collect it.

Military's efforts to cut programs, save

billions, are thwarted by Congress (AP)

WASHINGTON — Parked around the airstrip at Lackland Air Force Base are more than a dozen massive C-5A Galaxy transport planes. There is no money to fly them, repair them or put pilots in the cockpits, but Congress rejected the Air Force's bid to retire them.

So every now and then, crews will tow the planes around the Texas tarmac a bit to make sure the tires don't rot, then send them back into exile until they can finally get permission to commit the aging aircraft to the boneyard.

It's not an unfamiliar story.

Idle aircraft and pricey ship deployments underscore the contradictions and conflicts as Congress orders the Pentagon to slash \$487 billion in spending over the next 10 years and another \$41 billion in the next six months. Yet, at the same time, lawmakers are forcing the services to keep ships, aircraft, military bases, retiree benefits and other programs that defense leaders insist they don't want, can't afford or simply won't be able to use. The Associated Press interviewed senior military leaders involved in the ongoing analysis of the budget and its impact on the services and compiled data on the costs and programs from Defense Department documents.

The Pentagon long has battled with Congress over politically sensitive spending cuts. But this year, military officials say Congress' refusal to retire ships and aircraft means the Navy and Air Force are spending roughly \$5 billion more than they would if they were allowed to make the cuts. In some cases Congress restored funds to compensate for the changes, but the result overall was lost savings.

In other cases, frustrated military leaders quietly complained that they were being forced to furlough civilians, ground Air Force training flights and delay or cancel ship deployments to the Middle East and South America, while Congress refuses to accept savings in other places that could ease those pains.

Along the eastern seaboard, two Navy cruisers — the USS Anzio in Norfolk, Va., and the USS Vicksburg in Mayport, Fla. — were scheduled for retirement this year but both are now sitting pierside. Navy leaders will soon schedule the ships for significant repairs and begin readying

their crews so they can go back into service.

Altogether, Congress is requiring the Navy to keep seven cruisers and two amphibious warships in service, eliminating the \$4.3 billion the retirements would have saved over the next two years.

“A lot of it comes down to parochial political interests,” said Todd Harrison, senior fellow at the Center for Strategic and Budgetary Assessments. “No member of Congress wants to have a base closed in their district or to have a fighter squadron relocated out of their district.”

Members of Congress argue that they believe the Pentagon sometimes makes bad decisions and other times may purposely target programs that have broad support.

“Certainly that has been a pattern, they’ve cut Guard and Reserves in areas where it’s clearly unwise and Congress steps in to put the money in,” said Rep. Michael Turner, R-Ohio, chairman of the House Armed Services air and land forces subcommittee.

While the Navy sought to retire the seven ships, the Air Force wanted to save more than \$600 million by retiring C-130 and C-5A cargo aircraft, three B-1 bombers and 18 high-altitude Global Hawk surveillance drones.

Congress disagreed, adding various requirements that the Navy and Air Force maintain the ships and aircraft, and in some cases added money to the budget to cover them. Fifteen of the C-5A Galaxy aircraft no longer set to retire are at Lackland, while 11 are at Martinsburg, W.Va., and are flown by the Air National Guard there.

A senior Air Force official said the service determined that it didn’t need all of the aging aircraft. And it pushed to cut the Global Hawks because defense officials determined that the U-2 spy plane, first produced more than 50 years ago, was better suited for the high-altitude surveillance job and would cost less money.

The official also noted that while lawmakers rejected plans to retire the Galaxy aircraft, congressional appropriators did not add back money to pay for the fuel or the manpower to fly

them. Similarly, the three B-1 bombers will move into backup status and likely will be used infrequently. The official was not authorized to speak publicly about the budget, so requested anonymity.

The decision to block retirement of some C-130s, however, reveals how narrow, yet critical, the political interests can be. Pennsylvania lawmakers declared victory last month when they reversed the decision to retire eight C-130s and shut down the 911th Airlift Wing near Pittsburgh. Local officials and business owners argued that the base, which uses space at Pittsburgh International Airport, provides an economic boost to the entire community.

Sens. Pat Toomey, a Republican, and Bob Casey, a Democrat, lobbied Pentagon leaders and fellow lawmakers to keep the wing. They argued in a letter to then-Defense Secretary Leon Panetta that “the 911th is a very efficient and cost effective installation” and that closing it could be a waste of taxpayer dollars.

Pentagon officials have also been thwarted in their broader efforts to shut down costly and underused military facilities around the country. Congress rejected the department’s request last year for two more rounds of base closings, as lawmakers objected not only to the prospect of taking jobs and dollars out of a region’s economy, but also questioned whether closing the facilities actually achieves the promised savings.

Pentagon budget chief Robert Hale acknowledged earlier this month that the department spent \$35 billion on the base closure round in 2005, and while it saves \$4 billion a year, officials won’t break even until 2018. The expense is largely because a number of new facilities were built even as some were merged and closed.

“Would a (base closings) round be effective in providing rapid savings? Unfortunately, history has emphatically told us, no,” Rep. Rob Wittman, R-Va., said during a recent hearing on the Base Realignment and Closures program. “I believe that aggressively moving forward with the BRAC round could significantly harm our military power and their ability to project power.”

Currently, the department saves about \$8 billion a year on the four rounds that were carried out before 2005. The Pentagon has proposed another round in 2014 that Hale said would save \$1 billion to \$2 billion a year. Pentagon leaders insist that the military still has nearly 20 percent too many bases and facilities.

“There is still excess infrastructure,” Assistant Army Secretary Katherine Hammack told the House Armed Services Committee last month. “I was just on one (base) that had 800 buildings and we were utilizing 300 of them.”

Perhaps the most significant cost savings historically opposed by Congress are Pentagon efforts to scale back military retirement benefits, including proposals to increase premiums or co-pays for retirees.

“I think there’s a misunderstanding in Congress about what it is that would change,” Harrison said. “They tend to associate changes in retirement benefits with changes to veterans benefits.”

But changes to retiree health care would only affect the approximately 17 percent of the service members who stay in the military long enough to qualify for retirement, and those are usually more senior officers who already have a higher income. Veterans’ benefits more often help those with lower incomes, and they are included in the Veterans Affairs Department budget, not the Pentagon’s.

Turner faulted department leaders for some of the problems with those broader issues.

“I think on policy shifts you need a more holistic approach, and the Pentagon usually doesn’t engage Congress in discussions of finding cuts or program changes. They send them up as missiles for Congress to deal with, instead of using a deliberative approach.”

Harrison said the Pentagon needs to do a better job explaining and selling its arguments for such politically unpalatable spending cuts.

“If you actually try to do smart targeted reductions, like closing bases, like actually reducing the size of the workforce, targeted cuts have winners and losers,” Harrison said. “And Congress has not been willing to make those tough decisions.”

As a result, he said, lawmakers resort to broader, across-the-board cuts, such as the furloughs.

“It spreads pain across evenly,” he said. “So everyone can wash their hands of it.”

Rand Paul Tries to Transform a Moment Into a Movement (WSJ)

Sen. Rand Paul's big moment lasted nearly 13 hours.

To many, that's how long it took the Republican lawmaker to transform from fringe politician to overnight sensation, in an old-fashioned Senate floor filibuster to seek White House safeguards against using drones to kill Americans.

Billed as a spontaneous gesture, the filibuster was in fact the most successful of several planned actions that began when the eye doctor-turned-senator decided in December to weigh a run for president.

In short order, Sen. Paul, of Kentucky, won a first-place finish in a straw poll at the Conservative Political Action Conference, beating Florida Sen. Marco Rubio and New Jersey Gov. Chris Christie in a field of potential 2016 contenders; his new super PAC welcomed a flood of new donors; and he was invited to prestigious speaking engagements in key primary states.

Although Sen. Paul says he hasn't made a decision to run, he isn't coy about his ambitions to be a national force. "My new notoriety allows me to talk about ways to make the Republican Party bigger and better, and to be part of the national debate," he said, using a copy of the Constitution to block the sun from his eyes on a recent drive down a Kentucky interstate.

The rise of Rand Paul shows the political cunning of an often iconoclastic yet low-key, second-generation politician who seeks to rebrand the Republican Party after consecutive presidential election losses.

Sen. Paul faces an "uphill climb" to become the Republican nominee, but "he's suddenly viewed as a serious player who will impact 2016," said Brian Jones, a senior adviser to the past three GOP presidential campaigns. "He has uncanny political instincts."

GOP strategist Scott Reed said Sen. Paul was "doing outreach unlike any other Republican, sticking it to the president and the Democrats, and on the front line of new ideas."

What's clear is that Sen. Paul isn't content to follow in the exact footsteps of his libertarian father, former Rep. Ron Paul, who has often been seen as an ideological gadfly. The younger Paul calls himself a libertarian and "constitutional conservative." He is a tea-party favorite for his small-government, low-tax agenda, but his emerging brand is more complex.

He stands apart from mainstream Republicans with a largely hands-off foreign policy view and an unpopular plan to eliminate federal deficits in five years. On social issues, he opposes abortion and favors a federal law that declares life begins at conception. Yet, he disagrees with federal laws that discriminate against gay marriage or impose penalties for drug use.

Sen. Paul backs term limits and blames the GOP's "moss-covered" longtime politicians for his party's troubles. His views irritate many: Sen. John McCain last month called him a "wacko bird," but later apologized.

"Rand Paul's brand doesn't line up with all of what our party stands for—on national security, social values, the economy and the role of government in society," said former U.S. senator and presidential candidate, Rick Santorum. "His message won't ultimately lead us to be a more successful party."

Others delight in his apparent defiance of politics as usual. "We love you, Rand Paul!" yelled Lisa Gianardi, of Nicholasville, Ky., when the senator entered a recent lunch meeting of Women Republicans of Central Kentucky. "Rand Paul for president!"

Many of the women clutched his book "Government Bullies" and wore "I Stand with Rand" buttons. They applauded when he said the role of former Secretary of State Hillary Clinton—a potential 2016 rival—in the deaths of four Americans in Benghazi during her tenure "should preclude her from ever holding high office."

Former Senator Jim DeMint, a conservative Republican from South Carolina, said, "Rand showed early on that he didn't need to be loved by the establishment or official Washington."

Sen. Paul has one important establishment ally, Senate Minority Leader Mitch McConnell, who has given the junior senator from his state access to Republican leadership. In return, Sen. Paul has extended his tea-party credentials and home-state popularity to Sen. McConnell, who faces re-election next year.

To be a more credible figure than his libertarian father, a three-time presidential contender, Sen. Paul said, he must "appeal to a larger group of voters." For example, he hasn't called for eliminating the Federal Reserve or instituting the gold standard, his father's pet projects.

Sen. Paul is moving swiftly to build on his new momentum by broadening his reach, with mixed results. Some tea-party supporters were angered when he told the Hispanic Chamber of Commerce recently that he favored a path to citizenship for illegal immigrants who were working. Sen. Paul later spent much of the day clarifying that he opposed unconditional amnesty.

The 50-year-old senator is "not trying to make himself attractive to voters," said his wife, Kelley Paul, who cringes when he cuts his curly hair over the bathroom sink between trips to the barber.

Her husband is reserved, soft-spoken and operates without the charisma of modern politicians. At a trim, 5 feet 8 inches tall, he doesn't stand out in a crowd or show any pomp. Left on his own, he said, he dresses in worn jeans, a pair of his brother's hand-me-down boots and generic ties. He prefers clunky walking shoes, even with suits.

During gatherings in Kentucky and Washington, Sen. Paul didn't schmooze, instead sticking to a serious tone in talks about government abuse and issues before Congress. Occasionally, he has trouble hearing questions; he wears hearing aids in both ears.

He also has a dry sense of humor. Speaking recently at the University of Kentucky to students

who had lined up around the building to see him, he said, when the lights went out, "That's a little too dark. We're going to have some sleeping going on. These are students."

Sen. Paul, raised with four siblings in Lake Jackson, Texas, grew up hearing the libertarian political speeches of his obstetrician father, Ron. Without finishing his undergraduate studies at Baylor University, Sen. Paul obtained a medical degree at Duke University, followed by an ophthalmology residency there.

The Pauls moved to Bowling Green, Ky.—near his wife's family—where he started a medical practice and a taxpayer watchdog group. In 1995, Sen. Paul built a home in a gated community and was incensed over the requirement to install low-flow toilets, designed to save water. He complained the toilets needed repeated flushes to work properly, defeating the purpose.

His anger over such rules became a theme when he helped his father's 2008 presidential campaign. At the 234th anniversary of the Boston Tea Party in December 2007, Sen. Paul rallied his father's libertarian followers at Faneuil Hall with a defense of small government. His wife recalled her brother saying that night: "You better get ready, Rand has a future in politics."

Her husband instead bought an office building and left a large medical group to set up his own surgical practice. But he jumped into the 2010 race when former Sen. Jim Bunning declined to seek re-election. The state's GOP establishment, including Sen. McConnell, backed Sen. Paul's primary opponent. Sen. Paul, who had never run for office, rallied the anti-incumbent tea party, and tapped into his father's fundraising network, to easily win the primary, then the general election.

As a freshman senator, he stuck to his pledge to offer a bill balancing the budget in five years. It got seven votes. This year, it got 18 votes. He challenged his party by arguing for cuts to military, as well as domestic spending.

After the Republican Party's poor performance in November's presidential election, Republican National Committee chair Reince Priebus visited Sen. Paul for ideas. The senator saw an opening for his brand of politics.

In December, he gathered advisers, including top strategist Jesse Benton, in a friend's Capitol

Hill living room. Over pizza and beer, Sen. Paul said he was "very interested" in considering a run for president in 2016. He would need to "break the mold" to reach nontraditional GOP voters—as well as Democrats and independents—without losing support from his base of libertarians, tea-party followers and social and fiscal conservatives.

Sen. Paul mapped out actions that "are similar things you would do whether you're running for president or becoming a national leader," said Doug Stafford, his chief of staff.

Officially, Sen. Paul said, he won't make a decision until next year. But he has stepped in that direction.

Sen. Paul's first stop was Israel. He had proposed slashing foreign aid, including to Israel, and needed to dispel fears he was anti-Israel. Swimming in the Dead Sea, touring the country and meeting with Israeli Prime Minister Benjamin Netanyahu, "Rand made the right moves if he runs for president," said evangelical leader David Lane, who organized the trip in early January. Back in Washington, Sen. Paul displayed a stronger pro-Israel stance, saying an attack on Israel should be treated as an attack on the U.S.

His next step was unplanned. In late January, he was at the Nashville airport, heading to Washington, when he triggered an alarm in the body scanner. He refused consent to a full-body pat-down by an agent of the Transportation Security Administration and was prevented from boarding. He had his office tweeting about the TSA, a favorite target, within minutes.

Sen. Paul next delivered a foreign-policy speech at the conservative Heritage Foundation, designed in part, said an adviser, to distinguish himself from his father, who wants no U.S. bases overseas. "I am a realist," the speech began. "Not a neoconservative, nor an isolationist." He laid out a course of limited intervention, particularly in confronting radical Islam.

Then, on March 6, Sen. Paul talked his way onto the national stage. As Democrats pushed for quick confirmation of John Brennan as Central Intelligence Agency director, Sen. Paul took the Senate floor and surprised his colleagues, saying he would talk until President Barack Obama clarified whether he had the authority to kill Americans with drones on U.S. soil.

"I will speak until I can no longer speak," he said, shortly before noon. As the hours passed, the

senator—without food, drink or bathroom break—began fading but refused to yield the floor. Friendly colleagues, including one Democrat, asked questions to allow him a few moments of silence.

Sen. Paul, days earlier, had asked aides for a binder with ideas for his filibuster but said he didn't plan to talk so long.

By nightfall, the chamber had filled with supporters from both parties, and the Twitter world was exploding. When he finally stopped at 12:40 a.m., Sen. Paul was the talk of the town. Within hours, the White House confirmed it wouldn't use drones to kill Americans on U.S. soil.

Last week, he showed his brass-knuckle tactics in leading the Senate opposition to gun-control legislation. In a closed-door session, some Republican senators tried to persuade Sen. Paul to retreat from his promise to stop or slow down the floor debate. Senators warned it would look bad, given the presence of families of children fatally shot at Sandy Hook Elementary School, said two people familiar with the session.

The day of the April 17 vote, Sen. Paul said, "In some cases, the president has used them as props," referring to the Sandy Hook parents. After the bill's defeat, Mr. Obama took an indirect dig at Sen. Paul. "Do we think their emotions, their loss is not relevant to this debate?" the president said.

At home in Bowling Green with his wife and two of their three sons, Sen. Paul worked in the yard and filled the compost bin that he built himself. "Rand doesn't feel like he has a lot to lose," Mrs. Paul said. "He's not interested in being in Washington for a long time."

Sen. Paul said regardless of whether he stays in the Senate or runs for president, he would continue providing free eye operations to keep up his skills. "My goal is to make my country solvent and prosperous," he said, "or be an eye surgeon back in Bowling Green."

A day earlier, he had performed cataract surgery on Peggy Clark, 48, of Benton, Ky., who couldn't afford the \$2,000 operation. "He's a wonderful eye doctor," she said. "But I can't vouch for him as a politician. Besides, I'm a lifelong Democrat."

WHITE HOUSE News

In Gun Bill Defeat, a President Who Hesitates to Twist Arms (NYT)

By MICHAEL D. SHEAR and PETER BAKER

WASHINGTON — Senator Mark Begich, Democrat of Alaska, asked President Obama's administration for a little favor last month. Send your new interior secretary this spring to discuss a long-simmering dispute over construction of a road through a wildlife refuge, Mr. Begich asked in a letter. The administration said yes.

Four weeks later, Mr. Begich, who faces re-election next year, ignored Mr. Obama's pleas on a landmark bill intended to reduce gun violence and instead voted against a measure to expand background checks. Mr. Obama denounced the defeat of gun control steps on Wednesday as "a shameful day."

But Mr. Begich's defiance and that of other Democrats who voted against Mr. Obama appear to have come with little cost. Sally Jewell, the interior secretary, is still planning a trip to Alaska — to let Mr. Begich show his constituents that he is pushing the government to approve the road.

The trip will also reinforce for Mr. Begich and his colleagues a truth about Mr. Obama: After more than four years in the Oval Office, the president has rarely demonstrated an appetite for ruthless politics that instills fear in lawmakers. That raises a broader question: If he cannot translate the support of 90 percent of the public for background checks into a victory on Capitol Hill, what can he expect to accomplish legislatively for his remaining three and a half years in office?

Robert Dallek, a historian and biographer of President Lyndon B. Johnson, said Mr. Obama

seems “inclined to believe that sweet reason is what you need to use with people in high office.” That contrasts with Johnson’s belief that “what you need to do is to back people up against a wall,” Mr. Dallek said.

“Obama has this more reasoned temperament,” he said. “It may well be that it’s not the prescription for making gains. It raises questions about his powers of persuasion.”

Some supporters said the imperative of the moment requires more force from Mr. Obama. “He needs to turn up the heat every way he can and every chance he gets because it’s not political points or poll numbers that are at stake but lives,” said Representative Carolyn B. Maloney, a New York Democrat who has sponsored a gun control bill in the House.

The White House on Monday defended the president’s efforts on the gun legislation, saying he had made a vigorous effort to lobby wavering senators. “He made numerous phone calls and had numerous meetings,” said Jay Carney, the White House press secretary. “And his entire team here engaged in this process completely and thoroughly.”

But the president has long struggled to master his relationship with Congress. During his first two and a half years in office, he favored what aides called an inside approach, working quietly in back rooms to convince lawmakers of the logic of his positions. That worked better when Democrats controlled both the House and the Senate, and he passed legislation to expand health care, regulate Wall Street and spend hundreds of billions of dollars to stimulate the economy.

After Republicans took control of the House in the 2010 midterm elections, Mr. Obama grew exasperated by talks that rarely seemed to lead to deals. As a result, he adjusted to an “outside strategy” and used campaign-style rallies around the country to put pressure on lawmakers. That won him victories on a payroll tax cut and keeping student loan rates low, but when he tried it on gun control, it failed.

“There have been very few consequences for those that defeat the legislation, and that’s what allows the legislation to be defeated,” said former Senator Byron L. Dorgan, Democrat of North Dakota, who retired in 2011. But Mr. Dorgan said that in the modern era, constituent pressure is the key. “Put some real pressure on back home. The pressure back home is more important than pressure from the White House.”

William M. Daley, Mr. Obama's chief of staff from 2011 to 2012, wrote in *The Washington Post* that Democratic donors should hold back their support. "So I'll have some advice for my friends in Chicago, New York and Los Angeles: Just say no to the Democrats who said no on background checks," Mr. Daley wrote.

White House officials insisted the president had mobilized the full weight of his office to wage a public campaign on behalf of the gun legislation. The president deputized Vice President Joseph R. Biden Jr., a veteran of past gun control battles, to lead the public effort. Behind the scenes, outreach and coordination were managed first by Bruce Reed, Mr. Biden's chief of staff, and later by Denis R. McDonough, the president's new chief of staff.

Not counting dinners that Mr. Obama held with senators, White House officials said he and Mr. Biden participated in more than 45 calls or meetings with 30 senators in March and April.

"I don't know how he could have been more all-in than he's been," said Dan Gross, the president of the Brady Campaign to Prevent Gun Violence.

Some Democrats on Capitol Hill agreed, saying that Mr. Obama's reputation for not imposing discipline had more to do with the current nature of legislating in Washington, where the two parties have grown increasingly polarized. Several also noted that presidents can no longer use earmarks — the pet projects of legislators that are now banned — to help grease a bill's passage. Aides to Mr. Obama said such incentives would not have worked anyway for Democrats worried about the power of the gun issue.

"President Obama is not Lyndon Johnson, and this is not the 1960s," said Representative Mike Thompson, a California Democrat and chairman of the House Gun Violence Prevention Task Force. Mr. Johnson had large Democratic majorities in Congress during much of his presidency. "It's a different time and different people, and everyone has their own way of doing things. This president can be every bit as convincing as any president before him."

Mr. Obama's former campaign operation has already pledged to go after Democrats who opposed gun control. In remarks after the gun legislation died Wednesday, Mr. Obama hinted that retribution might come after all. "If this Congress refuses to listen to the American people and pass common-sense gun legislation, then the real impact is going to have to come from the voters," he said.

In the case of Mr. Begich, though, it is unclear whether Mr. Obama will punish him, and to what end. The administration has agreed only to reconsider its decision to block the road in Alaska, not to reverse it. And yet, the president also wants to keep a Democrat in Alaska to help hold onto control of the Senate.

“It certainly is the \$64,000 question,” Mr. Dallek said.

State Department Criticized by E.P.A. on Pipeline Report (NYT)

By JOHN M. BRODER

WASHINGTON — The Environmental Protection Agency sharply criticized the State Department’s impact statement for the proposed Keystone XL oil pipeline, saying the report failed to adequately consider the climate change impacts of building the pipeline or to realistically assess alternative pipeline routes or modes of transport.

In a relatively unusual public squabble between agencies, a top E.P.A. official said in a letter to State Department officials that the department’s latest environmental statement for the 1,700-mile pipeline provided “insufficient information” to adequately judge the project, and that the E.P.A. could not sign off on the pipeline unless more complete studies were performed.

The letter was one of more than a million documents submitted as part of the public comment phase of the project. At the end of February, the State Department issued an environmental-impact statement for the pipeline, saying there was no conclusive environmental or economic reason not to build the project. The pipeline would carry a heavy form of oil known as bitumen from oil sands formations in Alberta to refineries in Texas.

Secretary of State John Kerry is expected to make a recommendation to President Obama on the pipeline later this year. The State Department must determine whether the project is in the national interest because it crosses an international border.

The E.P.A. comments cheered environmentalists, who have made stopping the pipeline a major cause. But it was not clear whether it would affect the decision on the project.

Cynthia Giles, the E.P.A. assistant administrator for enforcement and compliance, said that the State Department had failed to adequately support its two fundamental conclusions supporting the project — that the climate change effects of building the pipeline would be negligible, and that Canada would develop the oil sands regardless of whether the \$7 billion pipeline is built.

Ms. Giles said that the State Department significantly underestimated the long-term climate change impact of developing the Canadian oil formations. She also questioned the study's conclusion that Canada would find other modes of transportation — chiefly rail — to ship the oil without a pipeline.

Critics of the pipeline have seized upon these two issues as reasons to veto the project. They say that Canadian oil is substantially dirtier than other forms of oil, and that if Canada cannot easily get the oil to the American market, it will slow development of the oil sands.

Anthony Swift, a lawyer with the Natural Resources Defense Council, called the E.P.A. report “tremendous,” and said it proved that the State Department had not yet adequately considered the wide range of environmental issues that have long concerned the pipeline's opponents.

A senior State Department official said the department had been closely working with the E.P.A. to analyze the pipeline's environmental effects and would take the agency's concerns into consideration.

Dan Frosch contributed reporting from Denver.

Obama Budget Spreads the Tax Pain (WSJ)

By DAMIAN PALETTA

WASHINGTON—President Barack Obama's budget proposal would lead to significant tax increases on upper-income Americans, and also to moderate increases on some lower-income Americans, largely because of a new tax on tobacco products, according to an analysis by a Washington think tank.

The Tax Policy Center, a project run by the Urban Institute and the Brookings Institution, found that the budget plan would raise roughly \$1.1 trillion over 10 years through a combination of limits on tax breaks, a tax on the banking industry and new estate taxes, among other things. The White House's proposed tax increases have run into stiff opposition from congressional Republicans.

Still, the plan is likely to draw attention from House and Senate leaders considering whether to pursue an overhaul of the tax code this year, particularly because the White House says that tax increases must be part of any broad deficit-reduction plan.

The TPC analysis offers one of the first in-depth, outside reviews of the White House's plan since it was offered April 10.

TPC found the tax increases would primarily affect upper-income earners, with 86% of the additional taxes paid in 2015 coming from Americans earning more than \$200,000. That is largely because the plan would limit the value of certain tax breaks at 28%, which would boost income taxes paid by those in the 33%-and-higher tax brackets, essentially raising taxes for couples with taxable income above about \$223,000 currently.

Another budget proposal would prevent Americans with incomes exceeding \$1 million a year from paying an effective tax rate of less than 30%. The White House estimates this change and the cap on tax breaks would raise about \$580 billion over 10 years.

TPC said these changes and others would force taxpayers earning more than \$1 million to pay an average of \$82,604 in additional taxes in 2015, lowering their after-tax income 3.8%. Taxpayers earning between \$500,000 and \$1 million would see their after-tax income fall by 1.9% and pay an average of \$8,888 more in taxes that year.

Low- and moderate-income families would also pay more on average, at least initially, TPC found, mostly because of a new tax on tobacco products.

The White House proposes raising the federal tax on a pack of cigarettes to \$1.95 from \$1.05. It estimates this would raise \$78 billion over 10 years, and it plans to use the proceeds for expanded preschool education.

TPC found that this change would push average tax bills higher for low- and moderate-income taxpayers, at least in 2015, because they are more likely to smoke than higher-income earners. TPC estimated that the average taxpayer earning between \$20,000 and \$30,000 would pay an additional \$67 in taxes in 2015, reducing after-tax income by 0.3%.

White House officials long said that they planned to shield low- and moderate-income Americans from any tax increases, but they have acknowledged the tobacco proposal would hit these groups.

"It's a bad tax policy because it goes at the poor, and it doesn't make any sense," said Curtis Dubay, a senior policy analyst at the conservative Heritage Foundation.

The White House has defended the proposal by saying it would both discourage smoking and fund an education initiative that low-income families would benefit from the most.

Obama administration officials also point to other budget proposals aimed at helping low- and middle-income households, including permanent changes to the earned-income tax credit and the child-tax credit that would otherwise expire in 2017.

The TPC said that by 2023, these changes would lead to a net tax cut for taxpayers earning less than \$30,000 a year.

Democrats and Republicans remain at odds over how to proceed on potential changes to the tax code, but they could face pressure to reach a decision by this summer, when the government is expected to hit its borrowing limit.

Many GOP lawmakers have said they only feel comfortable backing a debt-limit increase as

part of a broader package that reduces the deficit.

National/World News

Boston Suspect Is Charged and Could Face the Death Penalty (NYT)

By KATHARINE Q. SEELYE, MICHAEL S. SCHMIDT and WILLIAM K. RASHBAUM

BOSTON — Lying grievously wounded in a hospital bed, the surviving suspect in the Boston Marathon bombings admitted on Sunday to playing a role in the attacks, said law enforcement officials, and on Monday he was charged with using a weapon of mass destruction that resulted in three deaths and more than 170 injuries.

Uttering the word “no” once, but mostly nodding his responses, the suspect, Dzhokhar Tsarnaev, 19, was charged in a brief but dramatic bedside scene in the intensive care ward of Beth Israel Deaconess Medical Center, where he is recovering from multiple gunshot wounds sustained during his capture last week.

Mr. Tsarnaev made his admission on Sunday morning to specially trained F.B.I. agents who had been waiting outside his hospital room for him to regain consciousness. After he woke up, they questioned him, invoking a special Justice Department public safety exception that allowed them to interrogate him without telling him he had the right to remain silent.

In the course of questioning him about whether he knew of any other active plots or threats to public safety, he admitted that he had been involved in laying the bombs that killed three people at the finish line of the Boston Marathon.

He said that he knew of no other plots and that he and his brother had acted alone, and he said

he knew of no more bombs that had not been detonated.

At the legal hearing Monday, he shook his head in response to most questions. The brief bedside session began when Magistrate Judge Marianne B. Bowler asked a doctor whether Mr. Tsarnaev was alert, according to a transcript of the proceeding.

“You can rouse him,” the judge told the doctor.

“How are you feeling?” asked the doctor, identified in the transcript as Dr. Odom. “Are you able to answer some questions?” He nodded.

Judge Bowler then read Mr. Tsarnaev his rights. Also present were two United States attorneys and three federal public defenders, who will be representing him. Judge Bowler asked if he understood his right to remain silent, to which he nodded affirmatively, according to the transcript.

The only word Mr. Tsarnaev uttered, apparently, was “No,” after he was asked if he could afford a lawyer.

Judge Bowler said, “Let the record reflect that I believe the defendant has said, ‘No.’ ”

At the end of the session, Judge Bowler said: “At this time, at the conclusion of the initial appearance, I find that the defendant is alert, mentally competent, and lucid. He is aware of the nature of the proceedings.” If convicted, he faces the death penalty or life behind bars.

Mr. Tsarnaev is being treated for what court papers described as possible gunshot wounds to the “head, neck, legs and hand.” One law enforcement officer said the wound to the neck appeared to be the result of a self-inflicted gunshot. The charges were lodged in a criminal complaint unsealed Monday in United States District Court for the District of Massachusetts, the first step in a lengthy process.

The White House said that Mr. Tsarnaev would not be placed in military detention. "We will prosecute this terrorist through our civilian system of justice," said Jay Carney, the White House press secretary.

He noted that it was illegal to try an American citizen in a military commission, and that a number of high-profile terrorism cases had been handled in the civilian court system, including that of the would-be bomber who tried to bring down a passenger jet around Christmas 2009 with explosives in his underwear.

The charges against Mr. Tsarnaev were made public about the same time that Boston, like many cities across the country, held a moment of silence at 2:50 p.m., the time of the explosions a week before. Hundreds of people gathered in Copley Square, near the scene of the attacks, after which church bells tolled mournfully in a cold, wintry wind.

Already, hundreds of mourners had attended a funeral at St. Joseph Church in Medford, Mass., for Krystle Campbell, the 29-year-old restaurant manager killed near the finish line of the marathon. In the evening, hundreds more attended a memorial service at Boston University for Lu Lingzi, 23, a Chinese graduate student who was killed in the bombings.

A service is planned Wednesday for Sean Collier, 26, the M.I.T. campus police officer who was killed in his car Thursday night.

Mr. Tsarnaev and his brother, Tamerlan, 26, are accused of going on a violent spree that ended in Tamerlan's death and Dzhokhar's capture in a boat parked in a driveway in Watertown, Mass., about seven miles west of Boston. New details were included in the affidavit accompanying the criminal complaint, which also outlined the evidence that law enforcement agencies have collected linking the two suspects to the bombings. However, there was no mention in the affidavit of the killing of the campus police officer, nor any explanation why it was not mentioned.

The affidavit, sworn by Daniel R. Genck, an F.B.I. special agent assigned to the Joint Terrorist Task Force in Boston, cited surveillance video as it detailed the movements the brothers made around the time of the bombings.

In chilling detail, the affidavit described how a man it referred to as “Bomber Two,” whom it identified as Dzhokhar Tsarnaev, could be seen “apparently slipping his knapsack onto the ground.”

Video from a nearby restaurant, Forum, showed the bomber remaining in place, checking his cellphone and even appearing to take a picture with it, the affidavit said. Then he seemed to speak into his phone.

“A few seconds after he finishes the call, the large crowd of people around him can be seen reacting to the first explosion,” the court papers said. “Virtually every head turns to the east (towards the finish line) and stares in that direction in apparent bewilderment and alarm. Bomber Two, virtually alone among the individuals in front of the restaurant, appears calm. He glances to the east and then calmly but rapidly begins moving to the west, away from the direction of the finish line.”

“He walks away without his knapsack, having left it on the ground where he had been standing,” the court papers said. “Approximately 10 seconds later, an explosion occurs in the location where Bomber Two had placed his knapsack.”

Just seven hours after the F.B.I. released pictures of the two suspects on Thursday afternoon to the public, one of the suspects emerged in Cambridge, pointing a gun at a man sitting in his car.

The affidavit said that the driver eventually escaped and his stolen vehicle was located soon thereafter in Watertown. As the two suspects drove around, they tossed at least two small improvised explosive devices from the car window, the affidavit said. When the police caught up with the men on Laurel Street, they engaged in a gunfight.

At the scene of the shootout, the F.B.I. found more clues: two unexploded improvised explosive devices and the remnants of “numerous” exploded devices, which were similar to those found at the scene of the marathon bombings — and at least one was in a pressure cooker, the affidavit said. “The pressure cooker was of the same brand as the ones used in the Marathon explosions,” it said.

As the legal process was playing out, investigators were still working feverishly to determine

the motives for the attacks. A lawyer for Katherine Russell, who married Tamerlan Tsarnaev in 2010, said that Ms. Russell found out that her husband was a suspect in the bombings only after the authorities released the photos on Thursday.

“She was shocked,” said the lawyer, Amato A. DeLuca. “She had no idea.”

Mr. DeLuca said that he had been speaking with law enforcement authorities but declined to say whether Ms. Russell had. He also declined to elaborate on whether his client had seen changes in her husband recently. He did say that his client did not speak Russian, so she could not always understand what her husband was saying.

Katharine Q. Seelye reported from Boston, Michael S. Schmidt from Washington and William K. Rashbaum from New York. Reporting was contributed by Michael Cooper and John Eligon from New York; Richard A. Oppel Jr., Serge F. Kovalski and Jess Bidgood from Boston; and Peter Baker from Washington.

U.S. Supreme Court rejects tobacco marketing appeal (AP)

WASHINGTON — The Supreme Court has rejected a First Amendment challenge by tobacco companies to a 2009 law that restricts how they can market their products.

The justices on Monday left in place a ruling by the 6th U.S. Circuit Court of Appeals in Cincinnati that upheld the 2009 Family Smoking Prevention and Tobacco Control Act that, for the first time, gave the federal government authority to regulate tobacco. The challenged rules include a ban on tobacco companies sponsoring athletic, social and cultural events or offering free samples or branded merchandise.

The industry said the law improperly limited its "truthful, non-misleading" marketing of its products to adult consumers.

The Obama administration urged the court to turn away the appeal and said the lower court ruling was correct.

Flights are delayed at major East Coast airports as sequester-related furloughs begin (WaPo)

By Ashley Halsey III and Luz Lazo, Published: April 22

After months of inside-the-Beltway drama, the impact of sequestration cutbacks moved to center stage America on Monday as the aviation system was slowed by the furlough of 1,500 air traffic controllers.

With about 10 percent of the controllers who direct 23,000 planes a day scheduled to be off daily until October, both industry and government officials forecast that the effect would snowball as the nation enters peak travel season.

Short on staff and besieged by brisk winds at the three big New York area airports, controllers fell behind by mid-morning Monday and never caught up. The Newark, LaGuardia and John F. Kennedy airports reported delays of one to three hours.

Most flights from the major Washington area airports ran close to on time, but some headed to New York faced long delays on the ground.

When New York's three mega-airports fall behind schedule, that often has a ripple effect as far as the West Coast. By mid-afternoon Monday, flights into the US Airways hub in Charlotte were late in arriving; by evening, airports in Miami and Los Angeles reported lengthy delays because of controller shortages. Meanwhile, an ice storm at Denver's airport further gummed up the system.

As TV crews panned across anxious and angry passengers in New York terminals, the debate revived in Washington over whether the controller furloughs announced last week were necessary or a White House ploy to dramatize the effects of sequestration.

“Our aviation system should not be used as a pawn in budget debate,” said Lee Moak, president of the Air Line Pilots Association. “The livelihood of our economy is dependent on air commerce, and the financial strength of our airlines and the people they employ are at risk.”

He predicted that delays would spread in the weeks ahead if the Federal Aviation Administration presses on with a plan to recoup \$200 million of the \$637 million it must cut to meet sequestration goals this fiscal year.

After the furlough plan was presented last week, House Republicans insisted that FAA cuts should be made elsewhere and the airlines went to court in an attempt to block them. The Obama administration brushed off suggestions that air travel had become “a political football,” but crowds of delayed passengers undoubtedly made better television than announcements that federal office workers would have to take unpaid days off.

The FAA has estimated that a third of passengers will face delays during the furloughs, with up to 6,700 flights arriving late at more than a dozen major airports each day. On the worst travel day of 2012, when severe weather crippled the system, about 3,000 flights were delayed.

Senate Majority Leader Harry M. Reid (D.-Nev.) predicted that fliers would face lengthy waits at virtually every airport.

The longest delays were expected at major hubs, including the three that serve New York, two in Chicago and those in Atlanta; Charlotte; Fort Lauderdale, Fla.; Los Angeles; Miami; Philadelphia; San Diego and San Francisco.

“In airports across the country, millions of Americans will get their first taste of the pain of sequestration,” Reid said on the Senate floor. “But many Americans have been feeling that pain for weeks. We cannot and we should not only address the FAA cuts. We cannot ignore the sequester’s overall effect on Americans.”

Rep. Rick Larsen (D-Wash.), ranking member of the House aviation subcommittee, defended the FAA furloughs as necessary but said the issue needs resolution.

“There’s a lot finger-pointing going on, but the simple truth is that it is Congress’s job to fix this,” Larsen said. “Flight delays are just the latest example of how the sequester is damaging the economy and hurting families across the country.”

But as the first effects of the controller furloughs began to be seen, some Democrats broke ranks to say that Congress should find money elsewhere to reverse the cuts.

“Simply put, we cannot allow these furloughs to go through, because if they go through, it will make flying on a normal day seem like you’re flying in blizzard weather,” Sen. Charles E. Schumer (N.Y.) said at a Sunday news conference.

Greg Principato, president of a group that represents U.S. airports, said the cuts would “create a ripple effect throughout our highly interconnected system, affecting travelers at both large and small airports. We believe that these delays will get significantly worse as we move into peak summer travel season.”

Passengers faced another sequestration frustration as furloughs of Transportation Security Administration workers caused peak-hour backups at security checkpoints, and passengers on international flights arriving at Dulles International Airport faced 30-minute delays clearing short-staffed customs stations.

“We’re basically telling them to plan on a little bit of extra time to clear security,” said Chris Paolino, spokesman for the Metropolitan Washington Airports Authority. “In terms of the FAA [furloughs], it’s almost like a weather situation, where we’re advising people to check with their airlines in case there are delays.”

At noon Monday, the lines at TSA checkpoints at Reagan National Airport were long, but travelers and officials said that was normal at peak hours.

For the most part, travelers said they had not experienced big delays.

Juliana Mejia, who has relatives in the D.C. area, was heading home to Madrid and said she arrived earlier than usual to catch her flight to New York before her connecting flight to Spain.

“If it indeed turns out as bad as it has been described, I just hope it’s not today,” she said. “I have yet to see the long lines. So far, everything looks pretty smooth.”

Arriving from Dallas, D.C. resident Orion Vanhart said he almost missed his flight because of delays getting to the gate. He said he noticed longer-than-usual lines at the checkpoints coming in.

“I am here now so I can’t be mad,” Vanhart said. “I was just a little frustrated back in Dallas.”

A few flights at National were behind schedule.

Marcie Hickman, 43, a business traveler who shuttles between offices in North Carolina and Washington, said her flight from Raleigh was delayed for almost an hour Monday morning.

“To me less than an hour is not a big deal,” she said, hurrying to claim her luggage. “Just a little delay, nothing bad.”

Betty Kirkland, 54, was headed home to Atlanta on Monday afternoon. Her 1 p.m. flight was delayed by 30 minutes because of announced “air traffic” delays.

“We knew there was going to be some issues, and we were pretty lucky it was only 30 minutes,” she said. “It wasn’t too bad, can’t complain.”

China: Cyberattacks Are Like Nuclear Bombs (WSJ)

By ANDREW BROWNE

BEIJING—Cyberattacks could be "as serious as a nuclear bomb," according to a top Chinese general, who rejected suggestions that the Chinese military is behind cyberspying aimed at Western companies.

Gen. Fang Fenghui, chief of staff of the People's Liberation Army, made the comments after meeting with his U.S. counterpart Martin Dempsey, chairman of the Joint Chiefs of Staff.

Cybersecurity was one of a number of sensitive issues covered. The Obama administration is looking at options to confront Beijing over the issue, including trade sanctions, diplomatic pressure and indictments of Chinese nationals in U.S. courts.

Gen. Fang denied allegations that the army sponsors hacking against Western companies to steal commercial secrets. "None of these activities is tolerated here in China," he said at a news conference. If Internet security can't be guaranteed, "the damaging consequences may be as serious as a nuclear bomb."

He also suggested it was hard to trace the source of attacks, saying "the Internet is open to anyone, and anyone can launch attacks from the place where they live, from their own country or from another country." The general reiterated that China itself is a victim of cyberattacks. "We should jointly work on this," he said.

Meantime, Gen. Fang repeated the consistent Chinese line that North Korea's nuclear threat is best dealt with through negotiation, even though he said it was possible Pyongyang could conduct a fourth nuclear test despite U.N. sanctions that China helped draft following the latest test by China's close ally.

He urged restraint from all sides, comments suggesting Beijing thinks Washington as much as Pyongyang should take responsibility for calming tensions in North Asia.

Secretary of State John Kerry, on a visit to China this month, made little headway in trying to persuade Beijing to publicly rebuke North Korea after it threatened to attack U.S. and allied targets in North Asia and the Pacific.

The first face-to-face meeting between the two chiefs of staff was part of an effort to rebuild military-to-military ties between the U.S. and China that are strained by U.S. arms sales to Taiwan.

Military relations have lagged behind other aspects of the engagement between the U.S. and China, whose economies are deeply entwined. There is a sense of strategic distrust between the two powers, as China becomes more assertive in Asia and as the U.S. refocuses its attention on the world's most economically dynamic region.

But Gen. Fang struck a conciliatory tone. "The Pacific Ocean is wide enough to accommodate us both," he said, though adding that each country should respect the other's "core interests." China's expansive interests in the region include a claim to sovereignty over almost the entire South China Sea, which brings it into conflict with many of its smaller neighbors.

Gen. Fang said it is important for the two countries "to avoid vicious competition, friction, or even confrontation in this area."

Gen. Dempsey said the U.S. wants a "healthy, stable and reliable" military-to-military relations with China. "The U.S. is a Pacific power," he said, adding that Washington seeks to be a stabilizing presence in the region and "the absence of a U.S. presence would be destabilizing."

China believes the U.S. aims to contain China's rise in the world. It feels hemmed in by a string of U.S. military alliances in the region stretching from Japan all the way to Australia.

Canada thwarts "al Qaeda-backed" train plot,

Iran denies role (Reuters)

TORONTO (Reuters) - Canadian police have arrested two men and charged them with plotting to derail a Toronto-area passenger train in an operation that they say was backed by al Qaeda elements in Iran.

"Had this plot been carried out, it would have resulted in innocent people being killed or seriously injured," Royal Canadian Mounted Police official James Malizia told reporters on Monday.

U.S. officials said the attack would have targeted a rail line between New York and Toronto, a route that travels along the Hudson Valley and enters Canada near Niagara Falls.

The RCMP said it had arrested Chiheb Esseghaier, 30, of Montreal, and Raed Jaser, 35, of Toronto in connection with the plot. Authorities said it was not linked to last week's Boston Marathon bombings, which killed three people and injured more than 200.

Neither suspect is a Canadian citizen, and police did not reveal their nationalities. Two sources following the investigation said one was Tunisian.

Canada's intelligence agency has long expressed concern about the possibility that disgruntled and radicalized Canadians could attack targets at home and abroad.

Police gave little detail about the alleged plotters, but said a tip from the Muslim community had helped their year-long investigation.

Esseghaier has been a doctoral student at the Institut National de la Recherche Scientifique near Montreal since 2010 and was about midway through his degree, the school said.

"He is doing a PhD in the field of energy and materials sciences," said Julie Martineau, the school's director of communications.

A bail hearing for the two men was due to take place in Toronto on Tuesday morning.

"AL QAEDA ELEMENTS"

Malizia said they had received "support from al Qaeda elements located in Iran", but added that there was no sign that the conspiracy, which police described as the first known al Qaeda-backed plot on Canadian soil, had been sponsored by the Iranian state.

Nevertheless, Iran reacted angrily. Canada last year severed diplomatic ties over what it said was Iran's support for terrorist groups, as well as its nuclear program and its hostility towards Israel.

"No shred of evidence regarding those who've been arrested and stand accused has been provided," Iranian Foreign Ministry spokesman Ramin Mehmanparast said on Tuesday, according to the Mehr news agency.

He said al Qaeda's beliefs were in no way consistent with the Islamic Republic, and that Iran opposed "any kind of violent action that endangers lives".

"In recent years, Canada's radical government has put in practice a project to harass Iran and it is clear that it has pursued these hostile actions," he added.

Al Qaeda is strongly Sunni Muslim-oriented. Shi'ite Iran did host some senior al Qaeda figures under a form of house arrest in the years following the September 11 attacks, but there has been little to no evidence of joint attempts to stage attacks against the West.

However, a U.S. government source said Iran was home to a little-known network of al Qaeda fixers and "facilitators" based in the Iranian city of Zahedan, very close to Iran's borders with both Pakistan and Afghanistan.

GO-BETWEENS FOR AL QAEDA

The source said they serve as go-betweens, travel agents and financial intermediaries for al Qaeda operatives and cells operating in Pakistan and moving through the area.

They do not operate under the protection of the Iranian government, which periodically launches crackdowns on al Qaeda elements, though at other times it appears to turn a blind eye to them, according to the source.

The region is one where Iranian authorities have battled a Sunni insurgency of their own in recent years from Sunni Muslims complaining of discrimination. The Jundollah group, believed to be based across the border in Pakistan, has claimed several attacks including a bombing that killed 42 people in 2009, and attacks on mosques in Zahedan and elsewhere in the region.

Michael Stephens of the Royal United Services Institute, based in Qatar, said it was very unlikely that Iran could have given any direct support to the Canadian plot.

"It is difficult to make the connection of Iran trying to hit North America using al Qaeda as the vector," he said. "The idea of Salafist jihadis (such as al Qaeda) sitting and talking to Iranians is very far fetched."

Canadian police said the plot had involved a train route in the Toronto area, but declined to be more specific.

Malizia said the RCMP believed the two suspects had had the capacity and intent to carry out the attack, but there had been no imminent threat to the public, passengers or infrastructure.

The plot is one of a handful of terrorism-related investigations involving Canadians or Canadian residents.

Police said this year that Canadians had taken part in an attack by militants on a gas plant in

Algeria in January, while Canadian and Somalia authorities are investigating whether a former University of Toronto student participated in a bomb attack in Mogadishu last week.

And in 2006, police arrested and charged nearly 20 Toronto-area men accused of planning to plant bombs at various Canadian targets. Eleven were eventually convicted.

Israel Says Syria Has Used Chemical Weapons (NYT)

By JODI RUDOREN and DAVID E. SANGER

TEL AVIV – Israel’s senior military intelligence analyst said Tuesday that the Syrian regime had repeatedly used chemical weapons, and criticized the international community for failing to respond appropriately.

The statements by Brig. Gen. Itai Brun, commander of the research division in the intelligence directorate of the Israeli defense forces, are the most definitive by an Israeli official to date regarding evidence of chemical weapons attacks on March 19 near Aleppo and Damascus. They are likely to put pressure on the Obama administration to act on the matter even as Defense Secretary Chuck Hagel wraps up a three-day visit to Israel, during which he said the intelligence about chemical weapons use remained inconclusive.

The finding has potentially broad-reaching implications for American intervention in the Syrian civil war, which has entered its third year. President Obama has described the movement of chemical weapons as a “red line for us” that could provoke American military intervention, and last month in Israel he said proof of their use would be a “game changer.”

But Washington has since been tentative in its assessment of the March 19 incident even as its allies sound the alarm.

General Brun’s comments came after the British and French governments, in a confidential letter sent last week to the United Nations Secretary General, said they had evidence Syria used chemical agents around Aleppo, Homs and perhaps Damascus.

Speaking about Syria at a conference of Israel's Institute for National Security Studies here, General Brun said "it is quite clear that they used harmful chemical weapons," citing "different signs" including pictures of victims "foaming at the mouth." He went beyond the March 19 attack to speak of "continuous" use of such weapons.

"The regime has increasingly used chemical weapons," General Brun said, describing a "huge arsenal" of more than 1,000 tons of substances stockpiled in Syria. "The very fact that they have used chemical weapons without any appropriate reaction — this is a very worrying development, because it might signal that this is legitimate."

General Brun said the evidence suggested the weapon used was sarin gas, the same deadly compound that killed 13 people in a domestic terrorist attack on the Tokyo subway system in 1995. The number of victims in Syria is unclear. General Brun also said a second agent, a retardant of some kind, had been deployed.

Though the Assad regime had claimed last month that it was the rebels who used chemicals, General Brun echoed previous statements by Israeli and American officials that it was clearly the Syrian government, and not the opposition, that had conducted the attacks.

In recent months, according to Israeli intelligence reports, the embattled regime of President Bashar al-Assad has been moving weapons, consolidating its stockpiles into perhaps 17 or 18 sites.

If American officials have been more reluctant than their allies to come to firm conclusions, it may be because it would force Mr. Obama's hand. In August, the president told reporters that any evidence that Mr. Assad was moving the weapons or making use of them could prompt the United States to act.

"That would change my calculus," he said. "That would change my equation."

But when strong evidence emerged earlier this year that Mr. Assad's forces were in fact moving their weapons -- at least from one depot to another -- the White House insisted that the action

did not cross the line that Mr. Obama set. By “move” the weapons, a White House spokesman said, Mr. Obama meant transferring them to a terror group, like Hezbollah. He said there was no evidence of that.

Nonetheless, according to two American officials, Washington sent messages to President Assad that the threat had to be taken seriously. “We saw a reaction,” one official said. Protection of the sites was improved. Still, American officials believe Mr. Assad would use chemical weapons as a last resort to stay in power.

While the United States has drawn up plans to seize control of the weapons if need be -- by parachuting in troops to the key sites -- American officials have made it clear that they would prefer that regional forces take the lead. But if the weapons were actually used, as three American allies now contend, it would be far more difficult for Mr. Obama to argue that his “red line” has not been crossed.

Israel’s primary concern is that the chemicals could be seized by Hezbollah or other terrorist groups now operating within Syria. In January, the Israeli air force attacked a convoy of sophisticated anti-aircraft weapons it feared was about to be transferred to Hezbollah in Lebanon. The attack also damaged a research complex near Damascus believed to be a training site for engineers developing chemical and biological systems.

“We have to be very bothered by the possibility that chemical weapons are going to get into the hands of less responsible actors, because they don’t manage calculations based on profit and loss that you can manage,” General Brun warned at Tuesday’s conference. “There is the risk of chemical weapons crossing the border. It is certainly possible that there will be other incidents of attack against Israel by other orgs that obtain diff types of weapons.”

Shrinking Europe Military Spending Stirs Concern (NYT)

BRUSSELS — Alarmed by years of cuts to military spending, the NATO secretary general, Anders Fogh Rasmussen, issued a dire public warning to European nations, noting that together they had slashed \$45 billion, or the equivalent of Germany’s entire military budget, endangering the alliance’s viability, its mission and its relationship with the United States.

That was two years ago. Since then, with the Afghan war winding down and pressure from the European Union to limit budget deficits, Europe has only cut deeper.

Now, as President Obama wrestles with his own huge budget deficit and military costs, the responsibility for keeping NATO afloat has fallen disproportionately onto the United States, an especially untenable situation as priorities shift to Asia.

The United States finances nearly three-quarters of NATO's military spending, up from 63 percent in 2001. And yet among the alliance's 28 nations, experts note, only the United States, Britain and Greece are meeting NATO's own spending guidelines of 2 percent of gross domestic product. Even Britain and France — the two leading European nations willing to project military might — are slipping further. France says that by 2014 it may cut deeper still — to just 1.3 percent of G.D.P., down from 1.9 percent this year. By comparison, the United States spent 4.8 percent of its G.D.P. on the military in 2011.

In 2012, for the first time, military spending among Asian nations, in particular China, exceeded that of the Europeans.

“We are moving toward a Europe that is a combination of the unable and the unwilling,” said Camille Grand, a French military expert who directs the Foundation for Strategic Research. “European countries are continuing to be free riders, instead of working seriously to see how to act together.”

Increasingly, without United States assistance, military experts said, Europe's armed forces have trouble carrying out basic operations as its dwindling financial and political commitment has derailed multiple initiatives intended to make the continent more self-reliant.

NATO's deputy secretary general, Alexander R. Vershbow, a former senior Defense Department official, said that “the financial crisis has been corrosive to the alliance” and that relations between the European Union and NATO remained “dysfunctional.”

Even as Britain and France have boasted of operations in Libya and Mali, those interventions

have revealed Europe's weakness more than its strength. In Libya, the United States supplied intelligence, drones, fighter and refueling aircraft, ammunition stocks and missiles to destroy air defenses, and in Mali the French required American intelligence, drones, and refueling and transport aircraft.

Senior American officials have warned that unless European countries spend more on defense, they risk "collective military irrelevance."

A senior American official said that Washington was eager for partnership in the Middle East and Asia, but that "Europe's decision to abdicate on defense spending increasingly means it can't take care of itself, and it can't be a valuable partner to us."

While the United States would like to be able to rely more on its European allies, many experts doubt that even the strongest among them, Britain and France, could carry out their part of another Libya operation now, and certainly not in a few years. Both are struggling to maintain their own nuclear deterrents as well as mobile, modern armed forces. The situation in Britain is so bad that American officials are quietly urging it to drop its expensive nuclear deterrent.

"Either they can be a nuclear power and nothing else or a real military partner," a senior American official said.

The challenge is particularly acute as NATO pulls its forces out of Afghanistan after a long, wearying and unsatisfying war, with results widely seen as fragile, even unsustainable. After Afghanistan, with Europeans looking inward and the Russian threat considered more rhetorical than real, some wonder once more about the real utility of NATO.

James M. Goldgeier, dean of the School of International Service at American University in Washington, thinks that NATO has some considerable soul-searching ahead if its European members become increasingly unwilling to operate abroad.

"If NATO isn't outward looking, it's got nothing to do," he said. "It can't go back to managing a threat from Russia, because it's not a real threat."

A decade of halting European efforts to create a Common Security and Defense Policy has yielded little. A NATO Response Force, agreed to in 2002, was supposed to be an all-terrain rapid reaction force, with rotating membership for land, air, naval and special forces, ready to go anywhere and do most anything with at least 13,000 troops. But it has never been used, except in part to add security to the 2004 Athens Olympic Games and the 2004 Afghan elections and to provide disaster relief.

The European Union had a 1999 goal of 60,000 troops available for battle in a “Eurocorps.” That has been quietly abandoned, replaced by battle groups of 1,500 to 2,500 troops, also on a rotating basis among the many and differently equipped member states. The “lead” country is supposed to take the political risk and provide most of the troops and most of the money.

“Not every battle group has been what it’s made out to be,” said Tomas Valasek, a defense expert and president of the Central European Policy Institute in Bratislava, Slovakia, with diplomatic understatement. “Some are more ready than others.”

But the will to participate has also declined. While the intent was to have two battle groups, a shortage of countries willing to participate has meant a quiet halving of ready forces to one battle group.

There is also a French-German brigade, formed in 1987, of some 5,000 men, which proudly marched down the Champs-Élysées on Bastille Day. But it, too, has remained unused. When the French wanted to use it for Mali, the Germans objected.

“It’s given military cooperation a bad name,” Mr. Valasek said. The brigade was supposed to be the foundation for the Eurocorps, the abandoned goal of 60,000 troops ready to deploy for two months, but the reality has been embarrassing.

The Germans also objected to fighting in Libya, and even the European Union’s effort to come up with 550 military trainers to help reconstruct the Malian Army became a slow slog of negotiations and preparations; the first of those trainers has only now arrived.

There have been many discussions of how smaller European countries can share capabilities, the way the Baltic States do, and the Dutch and Belgians do for naval training and ship

purchasing. There is an old debate about whether some countries will give up their own capabilities — air forces or navies, for example — so long as partners agree to protect them.

“The way forward is to permanently pool training, procurement, logistics and maintenance,” Mr. Valasek said. “We won’t find any more money any time soon.” In the meantime, a lack of procurement means a steady decline as older weapons systems become obsolete.

Toomas Hendrik Ilves, the president of NATO member Estonia, said that “it’s time for a serious rethink about security policy.”

The United States “has made it clear that it won’t continue to pay what is now 75 percent of all NATO military spending,” he said. “That should be sufficient for the European members of NATO to understand that this can’t work as now,” especially with the rise of China.

A Western European ambassador to NATO said that “we need to think more about how to share the burden and rebalance it, both in decision-making and responsibility,” especially with the pivot to Asia. France, he said, sees the pivot “as an opportunity, while the East Europeans see it as a threat.” After Afghanistan, he said, “we need an adult conversation about rebalancing.”

James B. Steinberg, a former deputy secretary of state and deputy national security adviser, now dean of the Maxwell School at Syracuse University, said that Washington could cope. “There’s less strategic focus on the remaining security problems in Europe itself,” which he described as mostly residual, including the Balkans and a post-Soviet equilibrium. That means Washington will not put more resources into Europe, especially as it concentrates on China.

But on broader strategic challenges, including China, Washington “likes the partnership with Europe for political legitimacy, which is not a function of its military capacity,” he said. European political support allows the United States to take a broader position in East Asia that is not simply bilateral.

No one knows where the next crisis will emerge, Mr. Steinberg said, but it is useful to have NATO there, even acting as a limited coalition, as in Libya. If the United States represents 75 percent of NATO spending, “that’s a modest price to pay when the next crisis comes along.”

Whatever NATO's weaknesses, "if it were gone, it would be very, very hard to recreate."

Virginia News

Kaine Talks Technology in Reston Visit (Reston Patch)

U.S. Senator Tim Kaine (D-Va.) stopped by Oracle's Reston office on Monday to to discuss his efforts to help technology businesses grow and how he is working on a solution to enable talented tech workers to remain in the United States.

Kaine has advocated comprehensive immigration reform as way to attract talent to Virginia businesses and has voiced support for the bipartisan Border Security, Economic Opportunity, and Immigration Modernization Act that was introduced last week by a group of eight senators.

Kaine has also cosponsored the I-Squared Act that would expand visas for trained professionals seeking to work in the technology sector.

Kaine also had the opportunity to meet with Wounded Warriors who were participants in an internship program at Oracle in Reston.

Historic Virginia winery agrees to five-year export deal (Daily Progress)

A Virginia winery and a commodity exchange in China have agreed on a five-year wine export deal.

Gov. Bob McDonnell on Monday announced the agreement between Chateau Morrisette in Floyd County and the Tianjin Commodity Exchange Company. McDonnell is leading a job creation and economic development marketing mission to China, Japan and California.

McDonnell said Chateau Morrisette's initial sale of more than 1,150 cases of wine is scheduled to arrive in Tianjin during the trade mission.

"The Tianjin partnership is an integral step toward implementing our long-range strategy of increasing distribution both domestically and internationally," said George Weldon, Chateau Morrisette's general manager.

Chateau Morrisette, which is part of the Rocky Knob American Viticultural Area, is regarded as one of the oldest and largest production wineries in Virginia, producing more than 60,000 cases of wine per year.

The Charlottesville region is part of the Monticello American Viticultural Area, home to about half of Virginia's 2,000 vineyard acres, according to the monticellowinetrail.com website. The area includes most of Albemarle, Greene, Orange and Nelson counties.

"I think it's fantastic," Jerry Bias, head of Wisdom Oak Winery in Albemarle County, said of the Chateau Morrisette deal.

The agreement means "access to millions of people, [and] it gives us an opportunity to showcase what we are doing quite well overseas," Bias said. "I think our wines can stand up against wines around the world."

Formerly known as Sugarleaf Vineyards, Wisdom Oak Winery plans to host a grand opening for its enlarged facilities next month.

Virginia ranks fifth in the nation in the number of wineries with more than 230.

The Virginia wine industry employs more than 4,700 people and contributes almost \$750 million annually to the state's economy.

ACC realignment talks put to rest with TV accord (RTD)

CHARLOTTESVILLE The demise of the ACC will have to wait another 14 years.

Conference realignment talk was officially tabled on Monday afternoon, as the Atlantic Coast Conference's 15 current and future members agreed to a "Grant of Rights."

If any school leaves the ACC, the conference retains the rights to broadcast that team's games until 2027. Without TV money, other conferences have no incentive to poach ACC teams.

"The presidents have strengthened their commitment to the Atlantic Coast Conference," Virginia Tech athletic director Jim Weaver said. "To me, it's a very strong statement that everybody's on the same page and the ACC's moving forward."

The Big 12, Big Ten and Pac-12 all have similar agreements with their school's teams. With the SEC still a financial powerhouse, all five leagues have essentially locked in their membership for the next decade.

Maryland's move from the ACC to the Big Ten is not affected by Monday's agreement, and a lawsuit involving the Terrapins' \$50 million exit fee will continue.

Notre Dame signed the agreement, but its football television contract with NBC will remain in place.

As part of the agreement, ESPN has reportedly agreed to bump each team's annual payout from \$17 million to \$20 million, as well as extending its contract with the league through 2027.

ACC commissioner John Swofford has said the league is interested in creating its own television channel, something the Big Ten and SEC have done.

Swofford had been facing the threat of defections over the past two years as conferences with richer TV deals courted his teams.

In the end, the ACC will remain intact.

"These are strong and definitive moves by the ACC and its member schools to further announce our desire to stay together and position ourselves among the top conferences in the country," UNC athletic director Bubba Cunningham said in an e-mail.

"Today's announcement should put realignment on the shelf. It's time to put the focus back on celebrating the successes of our students and teams."

The deal was formally signed by each school's president.

Virginia Tech president Charles Steger declined comment through a spokesman. Virginia athletics director Craig Littlepage did not respond to an e-mail seeking comment.

One big question was whether Florida State would go along with a Grant of Rights, given that the Seminoles voted against a larger exit fee just last year.

FSU was a full participant in Monday's signing, though, keeping one of the conference's top football programs on board for the foreseeable future.

The ACC is celebrating its 60th anniversary this year, and can now do so without the looming threat of losing teams to other conferences.

College football fans can also breathe easy, as the national game of musical chairs comes to an end.

Democrats demand outside investigation into Cuccinelli, McDonnell (Washington Examiner)

Virginia Democrats said Monday that Republican Attorney General Ken Cuccinelli should appoint an outside investigator to determine whether he properly disclosed his relationship with a Henrico-based supplement maker.

The Washington Examiner reported Sunday that state law puts Cuccinelli in charge of investigating economic disclosure forms for irregularities. But Democrats have been calling for a probe of Cuccinelli himself after the Republican candidate for governor invested in and accepted gifts from Star Scientific, a company that sued the state over unpaid taxes.

In 2011, Cuccinelli owned more than \$10,000 in stock in the company but initially failed to disclose it. His office said it was a mistake, that Cuccinelli did not realize the value of the stock grew to exceed the \$10,000 reporting threshold. Cuccinelli also increased his holdings in the company even as his office was representing the state in a legal dispute with Star Scientific.

Gov. Bob McDonnell, a fellow Republican, also has close ties to the company and has received gifts from CEO Jonnie Williams. Williams also paid for the catering at a wedding for McDonnell's daughter. McDonnell did not report the gift on his annual disclosure forms because, he said, it was for a family member, not him.

"It is a shame that Ken Cuccinelli's refusal to resign his office over his shady conflict of interest with Star Scientific continues to tarnish Virginia's reputation," said state Del. Charniele Herring, chairwoman of the state Democratic Party.

"Allowing Cuccinelli to determine whether his and McDonnell's conduct with the same CEO merits investigation is a sure way to further damage the public trust," Herring said. "If Cuccinelli won't resign, he should at least make sure an investigator is able to look into his and McDonnell's statements of economic interest to determine if their failures to properly disclose gifts, stock, and free trips broke any laws."

Cuccinelli's office told The Examiner that any implication of wrongdoing is "pure fantasy."

Cuccinelli, meanwhile, continues to pressure Democratic opponent Terry McAuliffe to release his taxes. Cuccinelli unveiled eight years of tax returns last week and has since put out daily releases demanding McAuliffe follow suit.

On Monday, the Republican's campaign released a new web video that includes video footage of President Obama and other Democrats criticizing Republican presidential candidate Mitt Romney for failing to release his taxes on the campaign trail last year.

McAuliffe has not yet indicated whether he will make any tax returns public.

Bolling regrets dropping out of race so soon (RTD)

Lt. Gov. Bill Bolling has a hard time eating lunch in public these days.

Lately, he says, people keep coming up to him and asking him about the governor's race. And many tell him that they wish he hadn't dropped out of the running for the Executive Mansion, effectively narrowing the choice for voters this fall to Republican Attorney General Ken Cuccinelli or Democrat businessman Terry McAuliffe.

Bolling feels their pain, perhaps even more than his supporters. In fact, the political ups and

downs and partisan nastiness of the Cuccinelli and McAuliffe campaigns in the five weeks since he announced his decision not to run as an independent have given him second thoughts about whether he made the right decision not to stay in the game.

“If I have one regret about the decision it's that I wish I had waited longer,” he said in an interview. “Because if I had waited longer I think we may have the direction these campaigns were going and that may have made it easier to raise more money.”

Money -- specifically the \$10 million to \$15 million Bolling believed he needed to run a winning independent campaign -- was a primary factor in his decision March 12 to forego an independent challenge.

Since that time, both candidates have suffered wounds, most of them self-inflicted, and exploited by rivals in a campaign that has turned nasty in its earliest stages.

Cuccinelli's run for governor of Va. tests core elements of GOP makeover (NBC)

WAKEFIELD, Va. — Ken Cuccinelli, the Republican candidate for governor in Virginia, is no Mitt Romney — and that's one trait that his most ardently conservative supporters appreciate.

"The thing I think that's cool about Ken is you know where he comes from, he's going to be direct and honest, and he's not going to tell you what you want to hear — he's going to tell you what he honestly believes," said Connie Meyer, one of the hundreds of Cuccinelli supporters who attended last week's "Shad Planking" — a rite of political passage in rural Virginia featuring cold beer and smoked fish.

"I might not agree on everything with him, but I know who he is," Meyer said.

Cuccinelli, the Old Dominion's attorney general and an outspoken conservative, will have to hope that independent and moderate voters agree with Meyer if he's to have any hope of beating

his Democratic opponent, Terry McAuliffe, in November.

The high-profile campaign will test whether a dyed-in-the-wool conservative like Cuccinelli can remain palatable in a state like Virginia, which has undergone steady changes that have transformed it from a cornerstone of the Old South into a 21st Century swing state.

"I think I have a lot broader record than what is widely known," Cuccinelli told NBC News following his speech at the 2013 Shad Planking. "I talk to groups, one at a time. I've put a lot of miles on cars, talking to Virginians in their communities and doing it pretty regularly."

A former state senator from suburban Washington, D.C., Cuccinelli distinguished himself on the state and national level as a reliable conservative. He led the charge against President Barack Obama's health care law in court, and broke more recently with Virginia Gov. Bob McDonnell, a Republican he's hoping to succeed, over a landmark transportation law that raised some taxes.

Many of Cuccinelli's supporters at last Wednesday's event said his conservative credentials are beyond reproach, and suggested that Cuccinelli would not moderate his views in pursuit of higher office.

But the gubernatorial nominee's ideology could be his undoing. Democrats have become more reliable contenders in statewide races in Virginia; Obama won it in both of his presidential campaigns, and the state boasts two Democrats in the U.S. Senate. The growth of D.C.'s suburbs in northern Virginia — fueled in part by government spending — has transformed Virginia into a more prosperous and diverse state.

Cuccinelli's campaign will test conservatives' hypothesis that a forceful conservative message, if articulated well, is the path to GOP resurgence (rather than a gradual moderation of the party). And the outcome of his campaign could have reverberations throughout the Republican Party nationally, as the party establishment works to broaden its appeal by adopting a more inviting tone toward those who disagree with it.

Even supporters worry that Cuccinelli is too forthright about his views.

"I don't support gay rights, and I'm against abortion — but he has to tone down his rhetoric," said Ray Hughes, a retired food production executive who resides in Norfolk.

Indeed, much of Cuccinelli's speech before several hundred attendees of this year's Shad Planking focused not on social issues, but bread-and-butter issues like job and the economy. He sought to humanize himself by talking about his service work earlier in his life, and his work as attorney general to free some wrongfully convicted inmates. (His campaign has been eager to publicize instances of the latter.)

And McAuliffe found himself as much of a target of the attorney general's comments at the Shad Planking as anything else. Cuccinelli repeatedly made reference to Greentech Automotive, the environmentally-friendly auto company that McAuliffe helped found (and from which he subsequently resigned). Cuccinelli reeled off jokes about Greentech, referencing the fact that its production was based in Mississippi, not Virginia.

Those jokes sat well with the crowd at Shad Planking, a group that tended older, whiter and Republican. (In the past, Democrats were more of a presence at this fundraiser for the Wakefield Ruritan Club; this year, the event was dominated with tents for GOP candidates, and groups like Americans for Prosperity and Heritage Action.)

But the voters at this year's Shad Planking aren't the ones Cuccinelli will have to convince. The Virginia election, held in Washington's backyard during an off-year, and combined with the relative brashness of McAuliffe and Cuccinelli, have all the makings of a "squeaker," said Don Woodsmall, a former attorney who's supporting the attorney general.

"I don't think you'll find two candidates more extreme — their style, their ideology, everything about them," he said. "I think Cuccinelli's going to be swinging for the fences. It always has the potential to backfire, but I think you win people over to your principles."

Abortion foes to air first ad of governor's race (WaPo)

By Laura Vozzella and Errin Whack, Published: April 22

RICHMOND — A group opposed to abortion will announce Tuesday that it is launching the first radio ad of the Virginia governor's race.

The Susan B. Anthony List confirmed Monday that it is funding an ad in the contest between Attorney General Ken Cuccinelli II (R) and former Democratic National Committee chairman Terry McAuliffe. But it declined to describe the spot or provide other details until its formal announcement Tuesday.

The ad is an early indication of the importance that abortion will play in the race to succeed term-limited Gov. Robert F. McDonnell (R), an abortion opponent who at times has tried to downplay the issue but recently supported applying strict, hospital-style building codes to Virginia clinics.

Cuccinelli and McAuliffe are on opposite sides of the issue, with Cuccinelli an opponent and McAuliffe a supporter. Each has tried to cast the other as an extremist on the issue.

Susan B. Anthony List has been a big supporter of Cuccinelli's, announcing an initial \$1.5 million donation to Cuccinelli's campaign in February. Planned Parenthood has, for its part, lined up behind McAuliffe.

Abortion dominated Virginia's 2012 General Assembly session, when legislators considered a measure to require women to undergo a vaginal ultrasound before an abortion. The issue was more muted this year. GOP leaders, who felt the ultrasound controversy helped Democrats push claims of a GOP "war on women" in last fall's presidential and U.S. Senate contests, made sure this year that abortion bills died quietly in committee.

Speaker Howell's new PAC for pro-transportation delegates (VA Pilot)

Virginia House Speaker William Howell is raising money to protect incumbent Republican delegates he said wouldn't lose re-election for voting this winter to pass a statewide

transportation funding bill with new taxes.

A fundraiser for Howell's newly established Commonwealth Transportation Political Action Committee is scheduled for Thursday at a private home in Northern Virginia where invited guests are being asked for contributions ranging from \$5,000 to \$1,000, according to an invitation obtained by The Virginian-Pilot.

Howell worked with Gov. Bob McDonnell and other key Virginia Republicans to secure approval for legislation written to raise nearly \$1.4 billion annually in new money, when fully phased in, for state and regional needs in Hampton Roads and Northern Virginia.

It took considerable effort to muster support for a bill that raises the retail sales tax, adjusts the gas tax, and places new fees and levies on other motor vehicle transactions.

A coalition of Democratic and Republican legislators voted for measure representing the first major state investment in transportation in more than a quarter century.

Despite that achievement, its approval angered many fiscal conservatives who consider it betrayal for Republicans to back tax increases.

And now, several GOP legislators who supported the bill, Howell among them, face nomination fights from other Republicans in the June 11 primary election.

None on that list are from Hampton Roads, though there's been talk of challenging Chesapeake Del. John Cosgrove as he seeks the Republican nomination for an upcoming state Senate special election.

Howell said his new PAC "was started as a way to reach out to business leaders who supported this year's transportation plan."

"I am working hard for all of our incumbent candidates," he added, saying the "Commonwealth

Transportation PAC will strengthen the fundraising efforts of our caucus and help grow the Republican Majority in Virginia."

The April 25 fundraiser is being held at the McLean home of Bobbie Kilberg, president of the Northern Virginia Technology Council.

The fundraiser, she said, is to help support legislators who "showed courage" in standing with McDonnell and Howell to pass the transportation bill.

A past candidate for Virginia office, Kilberg said she's hosting the fundraiser as a private citizen, though she said the technology council PAC has contributed to Howell's new political committee.

Virginia colleges focus on improving cybersecurity programs (Daily Progress)

With computer hackers hijacking everything from the University of Virginia website to federal government records, colleges are putting more emphasis on programs that improve the security of computer networks.

Charlottesville's National College campus plans this summer to introduce a new associate degree program in cybersecurity. In 2011, Piedmont Virginia Community College launched a similar program, an "analyst boot camp."

In the two years since, officials said about 80 students have completed the 10-week-long program.

"Across the board, everything is being cut except cybersecurity," said University of Fairfax President Chris Feudo. He predicted a positive response to the new program and said Charlottesville, given the presence of the federal National Ground Intelligence Center in Albemarle County, is a great place to start and expand.

On April 15, Internet users trying to access the University of Virginia's homepage found instead a page featuring a hacking group logo.

The university said no sensitive or confidential information was compromised. However, Root The Box, a group that claimed responsibility for the attack, said it had accessed sensitive data and will release it later. UVa police are investigating and the school has asked for the FBI's help, school officials said.

In March, details were released on what federal officials called an aggressive hacking campaign on American businesses, perhaps perpetrated by a Chinese military unit, an accusation China has denied.

Tom Jackson, National College's institutional director of information technology programs, described a cybersecurity specialist's job as a cross between an information technology network manager and a detective.

"In order to be really good, you have to be able to get into the mind of the bad guy. [To] think like he thinks so you can anticipate what he does," Jackson said .

The 96-hour program at National College will prepare students for entry-level careers as computer infrastructure and network security administrators, according to a recent announcement about the initiative.

The associate program is slated to begin in Charlottesville in July, said college spokeswoman Nancy Simmons. Developed in conjunction with the University of Fairfax, National's Roanoke campus is set to launch the program this month. A bachelor's degree program in cybersecurity is also planned through American National University, according to the announcement.

According to federal labor statistics cited by National, faster than average growth — up to 22 percent — in employment opportunities is anticipated in the industry through the end of the decade.

“This is a field that will go on forever and only get more important over time,” Jackson said .

Piedmont Virginia Community College's program focuses on three elements — an overview of the industry, intelligence ethics and problem-solving and collaboration from a cybersecurity perspective.

“It’s a lot of reading, synthesizing information and coming to conclusions and being able to back up their conclusion with a level of certainty,” said Valerie Palamountain, Piedmont's dean of workforce services .

Although most people associate cybersecurity with military careers, Palamountain said opportunities in the civilian sector are growing as companies discover the necessity and value of protecting their information and resources.

For private companies and federal entities, “We might think we’re secure, but I think we just need to be a lot more wary and put more emphasis on the fact that [we’re] not as secure as we want to be,” said Palamountain.

MRW News Clips: 4/23/2013

Compiled at 7:30 AM EST

MRW MENTIONS.....	2
VA. TAX DEPARTMENT ELIMINATES INVESTIGATIVE UNIT (AP).....	2
SUBURBS NOW PLAYING A KEY ROLE IN GUN LEGISLATION (AP).....	3
V.A. PROMISES TO CLEAR UP MEDICAL BENEFIT CLAIM BACKLOGS (WVEC).....	5
MARK WARNER REAPPOINTED CHAIR OF BIPARTISAN GOVERNMENT PERFORMANCE TASK FORCE (AUGUSTA FREE PRESS).....	6
MARK WARNER HELPS INTRODUCE BIPARTISAN GOVERNMENT CUSTOMER SERVICE IMPROVEMENT ACT OF 2013 (AUGUSTA FREE PRESS).....	7
SO, WHEN WILL THE ABC, NBC, AND CBS REPORT ON OBAMACARE? (RED STATE).....	8
GET READY FOR GUN CONTROL AS A WEDGE ISSUE IN 2016 (NEW REPUBLIC).....	9
LTE: HUZZAH, FREEDOM FROM ALL FIREARMS! (DAILY PROGRESS).....	11
LTE: CONSERVATIVES, DON'T LET DEL. MAY FOOL YOU (LEESBURG PATCH).....	11
EDITORIAL: DIFFERENT VOTES (RTD).....	12
MCGRADY ANNOUNCES BID FOR 6TH DISTRICT HOUSE OF DELEGATES SEAT AT CLOSED SMYTH PLANT (SMYTH COUNTY NEWS & MESSENGER).....	13
EARTH DAY: 43 YEARS OF ENVIRONMENTAL HOPES (CELEBRITY CAFÉ).....	14
EARTH DAY 2013: WHAT'S IN DANGER IS EARTH DAY, NOT JUST EARTH (CS MONITOR).....	14
EPA HOLDING ITS GROUND ON SEWER LINE DAMAGE (SOUTHWEST TIMES).....	16
AHEAD OF IOWA AND NEW HAMPSHIRE TALKS, SEN. RAND PAUL RANKED IN SECOND TIER OF 2016 WHITE HOUSE HOPEFULS (COURIER-JOURNAL).....	17
SCENE LAST NIGHT: MARS, ROBERT DUVAL, HOPPER, BUCKSBAUM (BLOOMBERG).....	19
SANARE IL DEFICIT CON LE PENSIONI DEGLI ANZIANI E DISABILI: CECITÀ O VIGLIACCHERIA? (RINASCITA).....	20
OPINION/EDITORIAL.....	21
EDITORIAL: POUND FOOLISH (RTD).....	22
EDITORIAL: DEGREE OF INVESTMENT IN EDUCATION (DAILY PRESS).....	22
EDITORIAL: ANOTHER MISGUIDED ONLINE SECURITY PUSH (VA PILOT).....	23
EDITORIAL: LIFTOFF (FREE LANCE-STAR).....	24
BASE CLOSURES MAKE STRANGE BEDFELLOWS OF POLITICIANS (VA PILOT).....	25
NEW IMMIGRATION BILL HAS ONE TERRIBLE FLAW (BLOOMBERG).....	27
RESTORE STATES' AUTHORITY TO COLLECT ONLINE SALES TAX (POLITICO).....	28
THE MOM & POP INTERNET SALES TAX (WSJ).....	30
EDITORIAL: LAWMAKERS STOKING FEAR OF IMMIGRANTS (WAPO).....	31
EDITORIAL: A CONFIRMATION TOO LONG DELAYED (NYT).....	33
LET'S PROTECT BIOTECH CROPS FROM ENVIRONMENTAL ZEALOTS (POLITICO).....	33
RESEARCH OFFERS HOPE FOR PEOPLE WITH FRAGILE X, AUTISM (CQ).....	35
BUDGET/BANKING/COMMERCE.....	36
FED STILL OWES CONGRESS A BLUEPRINT ON ITS EMERGENCY LENDING (NYT).....	36
CO-DIRECTORS FOR S.E.C. SIGNAL SHIFT (NYT).....	39
REGULATORS GET BANKS TO REIN IN BONUS PAY (WSJ).....	41
CONGRESSIONAL NEWS.....	43
SENATE CLOTURE VOTE CLEARS WAY FOR ONLINE SALES TAX DEBATE (CQ).....	44
IN TAX FIGHT, AMAZON HANDS BATON TO EBAY (NYT).....	45
MILITARY'S EFFORTS TO CUT PROGRAMS, SAVE BILLIONS, ARE THWARTED BY CONGRESS (AP).....	47
RAND PAUL TRIES TO TRANSFORM A MOMENT INTO A MOVEMENT (WSJ).....	50
WHITE HOUSE NEWS.....	55
IN GUN BILL DEFEAT, A PRESIDENT WHO HESITATES TO TWIST ARMS (NYT).....	55
STATE DEPARTMENT CRITICIZED BY E.P.A. ON PIPELINE REPORT (NYT).....	57
OBAMA BUDGET SPREADS THE TAX PAIN (WSJ).....	58

NATIONAL/WORLD NEWS.....	60
BOSTON SUSPECT IS CHARGED AND COULD FACE THE DEATH PENALTY (NYT).....	60
U.S. SUPREME COURT REJECTS TOBACCO MARKETING APPEAL (AP).....	63
FLIGHTS ARE DELAYED AT MAJOR EAST COAST AIRPORTS AS SEQUESTER-RELATED FURLOUGHS BEGIN (WaPo).....	63
CHINA: CYBERATTACKS ARE LIKE NUCLEAR BOMBS (WSJ).....	66
CANADA THWARTS "AL QAEDA-BACKED" TRAIN PLOT, IRAN DENIES ROLE (REUTERS).....	67
ISRAEL SAYS SYRIA HAS USED CHEMICAL WEAPONS (NYT).....	69
SHRINKING EUROPE MILITARY SPENDING STIRS CONCERN (NYT).....	71
VIRGINIA NEWS.....	75
KAINE TALKS TECHNOLOGY IN RESTON VISIT (RESTON PATCH).....	75
HISTORIC VIRGINIA WINERY AGREES TO FIVE-YEAR EXPORT DEAL (DAILY PROGRESS).....	75
ACC REALIGNMENT TALKS PUT TO REST WITH TV ACCORD (RTD).....	76
DEMOCRATS DEMAND OUTSIDE INVESTIGATION INTO CUCCINELLI, McDONNELL (WASHINGTON EXAMINER).....	77
BOLLING REGRETS DROPPING OUT OF RACE SO SOON (RTD).....	78
CUCCINELLI'S RUN FOR GOVERNOR OF VA. TESTS CORE ELEMENTS OF GOP MAKEOVER (NBC).....	79
ABORTION FOES TO AIR FIRST AD OF GOVERNOR'S RACE (WaPo).....	80
SPEAKER HOWELL'S NEW PAC FOR PRO-TRANSPORTATION DELEGATES (VA PILOT).....	81
VIRGINIA COLLEGES FOCUS ON IMPROVING CYBERSECURITY PROGRAMS (DAILY PROGRESS).....	82

MRW MENTIONS

Va. tax department eliminates investigative unit (AP)

RICHMOND, Va. (AP) — The Virginia Department of Taxation is eliminating its criminal investigation unit as part of a cost-savings strategy.

Six positions on the investigative staff were eliminated by laying off two employees and transferring four others to the agency's compliance department to do data research. The change was established in the revised state budget the General Assembly passed in February, and is intended to save \$120,000 annually. It takes effect July 1.

Because Virginia is a compliance state whose income tax policies comply with federal tax law, most of the heavy lifting on fraud investigations falls first to the Internal Revenue Service.

"If you're cheating Virginia, you're also cheating the IRS," said Bill Leighty, a former chief of staff to **Govs. Mark R. Warner** and Tim Kaine, and now a consultant and expert on government efficiency.

Tax Commissioner Craig Burns said a large-scale shift to electronic filing had increasingly rendered the unit, formed to conduct old-fashioned investigations of tax cheats, obsolete. At the same time, he said, the agency was understaffed in the sector responsible for sophisticated data analysis that flags potential fraud within electronic filings.

There was a growing need for help in the compliance department to "ensure the required research and analytical services were available while directing resources to larger compliance and possible fraud-prevention programs," Burns said.

Investigations into fraud cases that the tax department criminal investigations unit handled will be handed off to law-enforcement agencies such as the Virginia State Police, which has a white collar crimes division, and local police agencies.

Suburbs now playing a key role in gun legislation (AP)

QUAKERTOWN, Pa. (AP) - In the emotional politics of gun control, the suburbs seem to be emerging as a new sphere of influence.

The Senate's defeat last week of firearms restrictions underscored the nation's shifting demographics and a pronounced divide on the gun issue between Americans in rural areas and residents of suburban enclaves, like Quakertown, outside Philadelphia.

Packed with married women and political independents, vote-rich communities like these are starting – in the wake of a string of shooting massacres – to act more like urban centers that long have been concerned with the threat of local gun violence and have favored stricter laws. Those include the expansion of background checks, viewed by gun control advocates as a way to prevent criminals and the mentally ill from buying firearms.

Like most Pennsylvania voters, Lisa Inglis, 43, a stay-at-home mom of two from the Philadelphia suburbs, is a supporter of expanded checks of gun buyers, part of the legislation defeated last week. She said she was very disappointed by the Senate action, though she also questioned whether such measures would prevent many crimes.

"The reality hits you that nobody can keep anybody safe. You really depend on the stability of other people's thinking. You just hope for the best," said Inglis, eating at John's Plain & Fancy Diner in Quakertown, about 45 miles north of Philadelphia.

Voters like her in suburbs like this are a big reason why a handful of Republican lawmakers broke ranks with the GOP last week to support the expanded checks, raising the possibility that gun control could end up becoming more acceptable to other Republicans as suburbs in swing-voting states swell and push farther into rural areas where people cherish their gun rights.

Four Republicans backed the proposal, including three – Sens. Patrick Toomey of Pennsylvania, Mark Kirk of Illinois and John McCain of Arizona – where suburbs play a strong role in their home states' politics. The proposal also won support from Democrats such as Virginia Sens. **Mark Warner** and Tim Kaine and Colorado Sens. Michael Bennet and Mark Udall, two states that are home to many hunters living in rural areas – but also to booming suburbs outside Washington and Denver.

To be sure, rural interests still play a powerful role in Congress, and the gun vote showed how small states can shape the debate. Democrats representing rural states bucked members of their party and President Barack Obama to help scuttle the legislation. Among Democrats, five opposed the plan, including rural state lawmakers like Mark Pryor of Arkansas, Mark Begich of Alaska and Max Baucus of Montana, all of whom face the voters next year.

Polling bears out the geographic divide.

In the months since the deadly Newtown, Conn., elementary school shooting, polls showed an overwhelming support for expanding background checks and strong sentiment for tighter gun measures among women. An Associated Press-GfK poll this month found that 52 percent of people living in suburban areas supported stricter gun laws compared with 41 percent rural residents. An additional 44 percent who live in rural areas say gun laws should remain the same, 13 percent think they should be made less strict.

The poll found that 58 percent of women favored stricter gun laws, compared with 41 percent of men. The difference held up across party lines, though 34 percent of Republican women supported stricter gun laws compared with 80 percent of Democratic women.

Republicans said many GOP members were challenged by the larger context of Obama's agenda – including likely votes ahead on immigration and growing support in the nation for gay marriage. "They can't go all in. They have to pick and choose," said Chip Felkel, a South Carolina-based Republican strategist. "The NRA doesn't want to give an inch on anything because they think it's the beginning of the slide."

Toomey's role offered an apt case study. A reliable conservative and former head of the free-market advocacy group Club for Growth, Toomey joined forces with West Virginia Democrat Joe Manchin to push for expanded background checks. Toomey has garnered strong ratings from the National Rifle Association but faces re-election in 2016, a presidential year in which elections in his home state tend to pivot on voters in the Philadelphia and Pittsburgh suburbs.

Inglis, of Quakertown, calls herself a "liberal Republican" – she voted for Obama twice and Toomey in 2010 – and she credited Toomey with picking "the right issue to break out of his mold on." She said it made her view him as a pragmatist working to solve problems.

Bob Linquist, 73, a retired utility worker from Quakertown, used to belong to the NRA but dropped his membership because of the group's views on military-style assault weapons, which he believes do not belong in private hands. Linquist, a Democrat who sometimes votes Republican, said he supported Toomey's position on background checks even though he questioned whether it would solve the problem and thought it was politically calculated.

"Politicians don't always stand up for their country or ideologically what's right or morally right. They worry about their job," Linquist said.

Toomey sought to explain his position to a gathering of conservatives during the weekend. "My hope is that we can agree to disagree on this and move on to the many, many areas on which we agree," he told the Pennsylvania Leadership Conference in Camp Hill.

Terry Madonna, a pollster and political scientist at Franklin & Marshall College, said that with more than 9 in 10 Pennsylvanians supporting universal background checks, Toomey staked out a very safe political position. He said Toomey's bill was probably designed to appeal to swing voters in suburban Philadelphia, noting that "the largest area of support for gun control measures comes from the Philly suburbs."

The pressure points on the bill were found in the suburbs. A gun-control group backed by New York Mayor Michael Bloomberg focused its persuasion campaign – with mixed results – on areas represented by Republicans that include pivotal suburbs. The organization, Mayors Against Illegal Guns, aired ads in Philadelphia, Phoenix, Atlanta, Las Vegas and parts of Ohio.

Despite the measure's failure, some Democrats view it as evidence of how the issue has taken hold of suburban voters.

"Pat Toomey is no moderate. The fact that he's doing it in the state he's from tells you the power of the suburbs," said Rep. Gerald Connolly, D-Va., who represents a suburban district outside Washington.

V.A. promises to clear up medical benefit claim backlogs (WVEC)

NORFOLK-Virginia **Senator Mark Warner** says there needs to be "dramatic improvement" in how the Department of Veterans Affairs processes medical benefits claims for veterans.

Warner says it is "inexcusable" that there are currently more than 570,000 claims from veterans that are officially classified by the V.A. as "backlogged." That means the cases are more than 125 days without any action having been taken. Beyond that, nearly 250,000 veterans have been waiting more than one year for their claims to be acted upon.

"I think if we don't see a dramatic change this year, congress' patience has worn out and we'll expect to see changes at the V.A.," **Warner** said in an interview Monday with 13News.

When **Warner** was asked if that means Veterans Affairs Department Secretary Eric Shinseki would have to go, **Warner** said, "I'm saying, if we don't see changes this year, we're going to look top to bottom about bringing in management that can get the job done."

Last Friday, the V.A. announced its plans to process the nearly quarter of a million claims that are one year or older within the next six months. The plan calls for regional offices of its Veterans Benefits Administration to issue so-called "provisional rulings" on all claims that are one year or older, provided a minimum level of evidence has been submitted to support those claims.

If claims are given provisional approval, veterans will start receiving benefits immediately. In addition, Shinseki pledged to eliminate all claims backlogs by 2015, as the department transitions from paper to electronic records-keeping.

Warner seemed skeptical. “The system is too complicated, it takes too long, and veterans should not have to wait a year to get the claims adjudicated,” he said.

Also skeptical is Vietnam War Army veteran Dick Amick of Chesapeake, who fought the V.A. for years to get a 40 percent disability rating for his Agent Orange-related diabetes. “We all felt the longer they drag it out, the less they’d have to pay us. Hopefully, some of us would die and they wouldn’t have to pay us anything,” he said.

North Carolina Senator Kay Hagan is also taking a wait-and-see approach. In a release, she said “I welcome any action by the V.A. to reduce the unacceptable backlog of claims that have prevented our brave men and women from accessing the benefits they’ve earned. While this initiative marks a step in the right direction for the V.A., more must be done to reduce the wait times veterans face.”

Mark Warner reappointed chair of bipartisan Government Performance Task Force (Augusta Free Press)

U.S. Sen. Mark Warner (D-Va.) today was reappointed chairman of the bipartisan Government Performance Task Force by U.S. Senate Budget Committee Chair Patty Murray (D-Wash.). The Task Force, established in 2009 with Sen. **Warner** as its initial chairman, supports the Budget Committee by providing oversight and recommendations on ways to increase the performance and reduce the cost of federal agencies and programs.

“The continuation of the Task Force represents a strong, ongoing commitment from the Budget Committee to keep looking for smart ways to save taxpayer dollars by improving how our government works,” Sen. **Warner** said. “Our Task Force will pursue additional reforms that will reduce duplication, break down agency silos, build a more collaborative culture across government, and modernize how we use technology to improve transparency and accountability. This kind of oversight work typically does not generate a lot of headlines, but I look forward to working with my colleagues from both sides of the aisle to find new ways to save taxpayer money.”

Sen. Murray also announced additional members of the Task Force today, including Sens. Sheldon Whitehouse (D-RI), Chris Coons (D-Del.), Ron Johnson (R-Wisc.) and Kelly Ayotte (R-N.H.). Chairman Murray and Ranking Member Jeff Sessions (R-Ala.) will serve as ex officio members.

“I am pleased to announce the membership of the Budget Committee’s Government Performance Task Force and that it will continue to be chaired by Sen. **Warner**,” said Sen. Murray. “This bipartisan Task Force is an important tool to improve efficiency and effectiveness in government operations as well as ensure that taxpayer dollars are being invested wisely. Sen. **Warner** has a long history of fighting for smart and efficient government investments and I cannot think of a better chair for the Task Force. I look forward to their continued work and thank all who have agreed to serve.”

As governor of Virginia from 2002 to 2006, Sen. **Warner** worked in a bipartisan way to implement businesslike reforms that made state government more effective and affordable, resulting in Virginia's designation as the nation's best managed state in the Pew Charitable Trust's independent 2005 Government Performance Project.

In Congress, Sen. **Warner** successfully sponsored the bipartisan Government Performance and Results Modernization Act of 2010, which requires federal agencies to identify their top priorities, annually report program results, and clearly identify ineffective or overlapping programs for potential consolidation or elimination.

In addition, Sen. **Warner** has introduced the Digital Accountability and Transparency Act, which would improve and expand federal fiscal accountability by requiring more transparent reporting of every dollar spent by the federal government. He also is a lead sponsor of the Government Customer Service Improvement Act, reintroduced last week, which aims to make the taxpayer's interaction with federal agencies more efficient and customer-friendly.

Mark Warner helps introduce bipartisan Government Customer Service Improvement Act of 2013 (Augusta Free Press)

Today, U.S. Sens. Mark R. **Warner** (D-Va.) and Ron Johnson (R-Wisc.) announced the introduction of the Government Customer Service Improvement Act of 2013. The bipartisan legislation works to improve customer service delivery across federal agencies, and a companion bill was introduced in the House by U.S. Reps. Henry Cuellar (D-Texas) and Michael McCaul (R-Texas).

Millions of Americans depend on federal agencies for vital services, and delays in processing those requests often result in inconvenience, frustration and financial hardship. Passage of this legislation will make the federal agency customer service process both more transparent and efficient and will focus limited resources on improving front-line customer service functions.

"Citizens should expect federal agencies to deliver customer services at least as well as the private sector does, but this often is not the case," Sen. **Warner** said. "Many of our military veterans still wait too long for critical medical services and benefits, and I've heard from Virginians waiting over 400 days for their full retirement benefits from the federal government. That simply is not acceptable."

"For companies operating in the private sector, bad customer service means reduced profits and the risk of failure," said Sen. Johnson. "While federal agencies don't face that pressure, this bipartisan measure requires the development of customer service standards and performance measures at each agency. This is a common sense approach to help make government operations more responsive."

"Millions of American families encounter the federal government on a daily basis. They deserve first class customer service. When trying to navigate the bureaucracy and cut through the red

tape, it is the job of our federal agencies to provide helpful answers in a professional and timely manner. This bill puts the taxpayer first,” said Congressman Cuellar. “Too often we hear that Americans’ are frustrated with government service. It is our responsibility to act when we hear that students are having difficulty with federal student loans or when seniors experience a delay in their retirement benefits. Every taxpayer, every day will benefit from this legislation.”

The measure requires the Office of Management and Budget (OMB) to set government-wide customer service standards to improve response times for citizen requests and government services. It holds the Chief Performance Officer at each agency responsible for improving customer service and it would also establish a specialized team to assist those agencies which consistently fail to meet customer service standards. In addition, the Government Customer Service Improvement Act of 2013 sets specific service improvement targets for the Office of Personnel Management, an agency which has experienced chronic backlogs in processing retirement benefits for federal employees. As of March 2013, OPM still has a backlog of more than 36,000 claims. In addition, customers who call OPM consistently experience busy signals and significant wait times. Senator **Warner** has specific interest in reducing the OPM backlog because Virginia is home to approximately 130,000 federal retirees.

Sen. **Warner** is the Chairman of the Budget Committee’s Government Performance Task Force and Senator Ron Johnson is also a Member of this bipartisan group reappointed today to increase the performance and accountability of federal agencies and programs.

So, When Will The ABC, NBC, and CBS Report on Obamacare? (Red State)

As the Big Three –NBC, ABC, and CBS – continue to engage in, to borrow a George Will term, journalistic malpractice over Obamacare’s adverse effects on the economy, they probably missed the development concerning some Democrats, who’ve started to chip away at portions of the bill. Some labor unions are calling for full repeal, and Democratic senators are trying to excise the medical devices tax within the legislation. If these two developments aren’t enough to for these networks to cover this story, what will?

As Brad Dayspring of the NRSC noted today:

Yesterday, On Meet the Press’ “Press Pass,” Former Obama advisor Zeke Emanuel (Rahm’s brother) said that Obamacare’s uncertainty is driving up premium costs. “No one, not the hospitals, insurers, or the federal government, know how many people are going to come in. Are they going to be a broad representation of the uninsured or will only the sick come in? That is a big fear of the insurance companies. That why you’re seeing an increase in the rates. They’re worried, we’ll only get the sick, we’re going to pay a lot of money, so we’re increasing the rates because of uncertainty.”

Really not good.

Democrats responsible for the Affordable Care Act – including Mary Landrieu, Mark Pryor, Bruce Braley, Kay Hagan, Mark Begich, Mark Udall, Gary Peters, **Mark Warner**, Al Franken, Jeanne Shaheen, and Max Baucus - promised that Obamacare would “cut the cost of a typical family’s premium by up to \$2,500 a year.” However, since the ACA was passed, average Americans have seen the cost of health care increase by \$3,000, according to the nonpartisan Congressional Budget Office.

Concerning the medical devices tax, Sen. Amy Klobuchour (D-Minnesota) is ramping up her efforts to repeal the tax on medical devices that’s included in the health care reform bill. Talking Points Memo reported today that it’s building upon the vote last month, where the majority of Senate Democrats voted with the GOP to repeal the tax.

Adding to the Democratic discontent, Sen. Max Baucus, at a Senate Finance Committee hearing last week, warned of the “train wreck” concerning the full implementation of Obamacare by 2014. He cited the mass anxiety and confusion amongst small business owners over the regulatory juggernaut that’s about to hit them. When questioning Kathleen Sibelius, Secretary of Health and Human Services, Sen. Baucus demanded more than just concepts. He wanted data.

The big government nightmare of Obamacare is slowly coming to light, but the news media seems content with keeping the American taxpayer in the dark.

Get Ready for Gun Control As a Wedge Issue in 2016 (New Republic)

By Nate Cohn

I’m relatively agnostic about gun control. I’m from the West; I have friends who really like their guns. And I live in the East; I have friends who really hate guns. But it should be troubling to partisans of all stripes when terrible political analysis dictates public policy. Unfortunately, that’s exactly what’s happened with gun control. This week, the Manchin-Toomey amendment requiring background checks on gun purchases failed in the Senate, in part—perhaps in large part—because senators bought into the myth of an omnipotent National Rifle Association. The good news for gun control advocates is that the myth could break in 2016.

It might seem that only an omnipotent villain could defeat a measure supported by 90 percent of Americans, but don’t blame the NRA. Mayor Michael Bloomberg’s “Mayors Against Illegal Guns” outspent the NRA on the airwaves by a wide margin. Indeed, Bloomberg spent as much on advertisements over the last month as the NRA spent opposing Democrats in the entire 2012 election cycle. Of course, that doesn’t say very much, since the NRA only spent a total of \$17 million in 2012’s presidential and congressional contests, and the money was spread so thinly across dozens of races that the lobby was largely inconsequential in every contest it entered—and mostly lost.

If it’s not the NRA’s money, then it must be the ratings. Jonathan Chait recently wrote that, if he were a red state Democrat, he would have voted against background checks to preserve his “A” rating from the NRA. But real senators with low NRA ratings routinely win Senate elections in

culturally conservative states. Bill Nelson has an "F" from the NRA and campaigned on gun control in 2000, yet he always outperforms Democratic presidential candidates in culturally conservative stretches of northern and central Florida. Nelson isn't the only Democrat succeeding in Dixie with an "F." He's joined by Senators Tim Kaine ("F"), Kay Hagan ("F"), Jay Rockefeller ("D"), and Claire McCaskill ("F"). In Ohio, where John Kerry went hunting before the 2004 presidential election, F-rated Sharrod Brown carried much of the southeastern part of the state in 2006 and cleanly won a second term in 2012. Senator Heidi Heitkamp could have peered across North Dakota's eastern border and noticed F-rated Amy Klobuchar winning rural, conservative, western Minnesota with more than 60 percent of the vote.

This isn't to say that there aren't risks to supporting gun control legislation. But background checks? Polls show that every demographic group, including NRA households, support background checks by overwhelming margins. A-rated Senators Jon Tester, **Mark Warner**, Pat Toomey, and Joe Manchin all voted for Manchin-Toomey. Mark Pryor's decision to vote against the bill is particularly baffling, since he already had a C-minus rating. I'll be surprised if C-rated Mary Landrieu's 2014 post-mortem mentions her vote for Manchin-Toomey, let alone F-rated Kay Hagan's. How many of these voters are supporting Democratic candidates, anyway? My hunch: not many. Red state Democrats take votes that align them with the national party all the time—often taking far bigger risks than supporting popular legislation that's unlikely to spur a great backlash among gun owners.

Even if there were meaningful costs to supporting background checks, the NRA's power is still exaggerated. There's no credible argument that the NRA has a veto over Democratic fortunes outside of the Acela corridor, which is basically what commentators have implied since gun control was blamed for Al Gore's collapse in Appalachia. Not that this really made any sense at the time, since President Bill Clinton signed the Brady Bill and the assault weapons ban before winning reelection with big wins in states like West Virginia. Appalachia's reluctance to return to Democratic presidential candidates since 2000 suggests that these voters have turned toward the GOP for other reasons, or are otherwise lost for good.

The good news for gun control advocates is that the myth could break in 2016. It's easy to envision the next Democratic presidential candidate campaigning on gun control—and winning. Thirteen years ago, Democrats needed rural Ohio, West Virginia, or Missouri to win the presidency. Today, Democratic presidential candidates are less reliant on rural, conservative gun owners than at any time in the history of the party. Democrats win with big margins in cities and suburbs, where support for gun control is an asset, not a hindrance. This is even true in Ohio, where Obama won twice despite losing additional ground in the traditionally Democratic, gun-toting, southeastern part of the state. Now Republicans find themselves in the place that haunted Democrats in the early part of the last decade: To win, Republicans need to reclaim the socially moderate suburbs around Denver, Washington, and Philadelphia, where gun control is a real asset to Democratic candidates.

Obama could have used gun control in the 2012 presidential election, but it wasn't necessary: He had already consolidated the well-educated suburbs by the time of the Aurora movie massacre, which gave him an opening. But if well-educated voters are up for grabs in 2016, or if a more prudent Republican denies Democrats more effective wedge issues like Planned Parenthood,

Democrats might instead rely on gun control to consolidate their suburban gains. The 2016 presidential primaries and the possibility that Obama will keep the issue alive suggest that the issue will play a major role in 2016. If Democrats campaign on gun control and win, the myth of the NRA's power may finally fade, allowing innocuous reforms like background checks to become law.

Correction: An earlier version of this article referred to Bill Nelson as Ben Nelson.

LTE: Huzzah, freedom from all firearms! (Daily Progress)

Folks, it's time to get serious. There are too many guns in this world, and we have to get rid of them. We have the right people in Congress and the White House. I say it's time to stop sugarcoating our agenda and get down to business.

I realize there's opposition to even modest gun control proposals. So what! Let's not lie. We all know that private citizens cannot be allowed to have guns.

We can accomplish our goal if we can control the media. We're in pretty good shape already as far as the major networks are concerned, but Fox News needs to be shut down. It's subversive.

I know, I know, there's this thing called the Constitution. It was written a long time ago by dead white guys. It won't matter.

We can appoint judges from our side. They can write law that says anything we want it to say.

It's time for Sen. Tim Kaine and Sen. Mark Warner to declare their support for those brave New Yorkers, New York City Mayor Michael Bloomberg and Gov. Andrew Cuomo. They're going to make sure they know where all the guns are, then they're going to round them up. It might take a few years before hunting is outlawed, but it will come. Just look at Great Britain!

Euell E. Dowdy

Nelson County

LTE: Conservatives, Don't Let Del. May Fool You (Leesburg Patch)

Dear Editor,

When Republicans consider who to cast a vote for in the June 11 primary, they should check the facts to make sure they are voting for a true conservative.

A true conservative Republican ought to adhere closely to the principles of put forth in the Republican Party platform. They are, "lower taxes, less government, personal responsibility,

creating opportunities for anyone, protection of life, empowering families, and defending freedom and liberty.”

Joe May has supported four huge tax and fee increases since he began his 20-year career as a delegate. He broke ranks with Republicans in 2004 to join Gov. **Mark Warner** and cast the swing vote for higher taxes. High taxes work against families and businesses while diminishing liberty. High taxes also have the effect of impeding opportunity for working men and women.

The results of the tax hiking Mr. May supports? According to the Wall Street Journal, "... a major tax increase that was supposed to ease gridlock but instead financed a new, higher general spending plateau. The state's own audit commission reports that the budget swelled to \$39 billion in 2011 from \$23.5 billion in 2002, a 66% spending increase."

What values has May protected? Mr. May, in his printed fliers, is claiming to share the pro-life values that will ingratiate him to the voters of a solidly conservative district - but what are the facts?

Note this: As of 3/31/2013, there are 5,046 "Choose Life" license plates on Virginia roads, according to the Choose Life website. People who choose to pay a premium for those plates provide steady stream of financial support to expectant moms as they cope with a pregnancy. I'd hope that the values of any person with a heart, whether they are pro-life or not, would want to help a mother in need. Joe May voted to block the "Choose Life" license plates.

State government spending has soared in the twenty years Joe May has been in Richmond. May consistently votes with the big spenders, to grow government and shrink freedom, yet he wants two more years to raise our taxes even higher, to block other wholesome initiatives like raising money and visibility for mothers in need.

I sincerely hope that the families who want to see jobs grow as our communities prosper will consider May's big-spending past, and choose their candidate wisely.

Charles Cole
Sterling, VA

Editor's note: Sterling is not in Del. May's (R-33) district.

Editorial: Different votes (RTD)

Sens. Tim Kaine and **Mark Warner** belong to the same party. The Democrats do not always vote the same way, however.

During the contentious debate regarding gun control, the two voted in favor of expanded background checks but differed on concealed-carry laws, the assault-weapons ban and magazine limits.

Kaine voted against a uniform federal standard regarding concealed-carry that would make it easier for individuals to carry concealed handguns to other states; **Warner** voted aye. Kaine voted for the assault-weapons ban; **Warner** opposed it. Kaine voted to end a GOP filibuster against an amendment to limit magazines to 10 bullets; **Warner** voted against invoking cloture. The bid to stop the filibuster failed, which doomed the magazine amendment.

Kaine and **Warner** voted their consciences, and we applaud them for doing so.

McGrady announces bid for 6th District House of Delegates seat at closed Smyth plant (Smyth County News & Messenger)

Carroll County native Jonathan Lee McGrady recently announced plans to run for the 6th District House of Delegates, which includes the counties of Carroll, Wythe, and part of Smyth. He is seeking to fill the seat being vacated by Anne B. Crockett-Stark, who is retiring after eight years in office.

An attorney with McGrady & McGrady, L.L.P. in Hillsville, McGrady, 43, said he was inspired to seek elected office as a chance to serve the community.

“Just a month ago I was reading to my daughter Molly’s -rade class one of our favorite books, ‘Oh, The Places You’ll Go’ by Dr. Seuss,” he said. “When I looked around the room, I was moved by the energy of this class – the hope and opportunities that lie ahead for these young people. Little did I know that just a few days later our Delegate Annie B. Crockett-Stark would retire and that suddenly I had a chance to make a difference for these children.”

McGrady began his campaign at an empty factory in the Carroll Industrial Park where he said, “This empty plant is at the core of my campaign. We hear so much about filling empty plants which many times turn out to be empty promises. I get it. I know we need jobs. This is my top priority!”

McGrady did another announcement at Progress Industrial Park in Wythe County and then traveled to the Merillat plant in Smyth County that announced its closing in January.

McGrady is also focusing on education, public safety and agriculture. He grew up on a beef farm, which he now operates as a tree farm. His wife, Jennifer, is a former kindergarten teacher and current president of Hillsville Elementary School PTSO.

McGrady is an attorney in Hillsville and will be seeking the Democrat nomination. There will be a delegate nomination caucus on Tuesday, April 30, at 7 p.m. at Wytheville, Community College.

He is a member and former deacon of Hillsville Christian Church. He is a Cub Scout den leader, member of the Hillsville Masonic Lodge, Kazim Shriner’s, Moose Lodge and Elks Lodge. He is a former president of Twin County Regional Chamber of Commerce and served on the New River/Mount Rogers Workforce Investment Board. McGrady was appointed in 2005 by

Governor Mark Warner where he represented private attorneys for five years on the Virginia Department of Criminal Justice Services Board, which provides grant funding for public safety to various agencies, including local police and sheriff departments.

McGrady's roots go back approximately 250 years ago in the district. He and his wife have three children, Molly, Jon, and Sam. McGrady is an avid sportsman and strongly supports second amendment rights.

Earth Day: 43 Years of Environmental Hopes (Celebrity Café)

Earth Day first began April 22 in 1970. The idea of Earth Day is attributed to Gaylord Nelson, a U.S. Senator, after witnessing the 1969 oil spill in Santa Barbara, California. However the movement was also a grassroots one that start with students, community leaders and residents. Since 1970 Earth Day has continued and is being celebrated today.

According to the Earth Day Website, Senator Nelson announced this idea of a “national teach-in on the environment” to the media. On April 22, 1970 20 million Americans, in their communities, were rallying for healthier and more sustainable environmental practices.

Politico published an article by **Senator Mark Warner** and Tom King that highlights what strides are being made for the environment and ones that have been made. **Warner** and King wrote that, "Improved energy productivity is already taking shape on our roads and in our military. The Obama administration issued rules last year that will more than double the U.S. auto fleet's average fuel economy – to 54.5 miles per gallon – by 2025."

Earth Day however, isn't just for Presidential policies, anyone can get involved and is encouraged. Check out Earth Day and see what endeavors are being had to make the Earth a better place.

The Baltimore Sun also has a collection of amazing photos they published in honor of Earth Day.

Earth Day 2013: What's in danger is Earth Day, not just Earth (CS Monitor)

Maybe not, but if we've read the tree rings correctly, it may be dying. Which is why 2013 is the year we don't need to save the Earth – we need to save Earth Day.

Consider this: A new Huffington Post/YouGov poll finds Americans are less concerned about the environment now than when Earth Day began. A lot less.

In 1971, the year after Earth Day was founded, 63 percent of Americans said it was “very important” to work to restore and enhance the national environment, according to an Opinion Research Corp. poll for President Richard Nixon. This year, only 39 percent of respondents said it was very important, according to a 2013 HuffPost/YouGov poll.

Other categories show similar disinterestedness. In 1971, 25 percent said working to restore the environment is “fairly important,” and 8 percent said it was “not too important.” In 2013, 41 percent said it was fairly important, and 16 percent said it was not too important.

And a 2012 Harris Interactive poll found a similar falloff in eco-consciousness just over the past three or four years, with fewer and fewer Americans describing themselves as “environmentally conscious.”

What with all the other concerns competing for our attention – terrorism, a limping economy, celebrities behaving badly – we shouldn’t be surprised that the Earth has orbited off our list of priorities.

That’s why we’re not surprised to read about fracking in California (Yes, you read that right: The land of redwood-hugging, granola-crunching, eat local-pioneering, plastic bag-banning Earth hippies is considering the controversial technique known as fracking.) and coal mining in the Mountain West.

And that’s why we shouldn’t be surprised to learn that among developed nations, the US is dead last in energy productivity, the level of economic output achieved from energy consumed.

According to a Politico opinion piece by Sen. **Mark Warner** (D) of Virginia and National Grid president Tom King, 57 percent of the “energy flowing into our economy is simply wasted,” costing US businesses and households \$130 billion per year.

Heck, even China ranks better than us.

No, Earth Day isn’t dead. But it needs intervention.

Is it time to make it a priority again – both in government and public opinion? If so, several things would need to happen.

For starters, lawmakers must advance initiatives that support not just the environment and clean energy, but also economic growth. As **Senator Warner** wrote for Politico, “It’s critical that we recognize stewardship and growth not as mutually exclusive, but as complementary goals.”

Warner also suggests rethinking regulations for our energy market in order to incentivize energy efficiency, as well as adopting a “Race to the Top”-style framework to challenge state and local governments to boost energy productivity.

And if, 50 years after Earth Day began, we want to see more Americans say they care about the environment than do now, it would be key to instill such an ethic in the nation’s youths, ensuring that the generations who would be most affected by today’s environmental policy tomorrow are fully invested in Earth Day – and their Earth.

EPA holding its ground on sewer line damage (Southwest Times)

The Environmental Protection Agency (EPA) is holding its ground and continuing to deny liability, and therefore refusing reimbursement, for damage its contractor did to a Dublin sewer line in November.

In an April 11 letter sent to **U.S. Senator Mark Warner** and received by Dublin Town Manager Bill Parker last week, EPA Regional Administrator Shawn M. Garvin states, “We believe the EPA has no liability for this incident. Without liability, there is no statutory authority under which EPA can reimburse repair costs.”

A contractor hired by the EPA on behalf of the Department of Environmental Quality (DEQ) drilled through a main sewer line in November while installing monitoring wells at Electroplate-Rite. The contractor not only drilled through the line, but also pumped it full of concrete, requiring Dublin to hire H.T. Bowling to replace 45 feet of sewer line at a cost of \$22,675.

In his letter to **Warner**, Garvin states that EPA “took all necessary and appropriate actions to ensure that any drilling activities would not disturb underground facilities.” He says EPA called Miss Utility to have utilities marked and received a report that indicated, “All utilities in the area had been marked or had ‘no conflict’” with the property where drilling was to occur.”

He said EPA took the “extra precaution” of conducting “soft digs” at the site because of the “potential for abandoned utilities.” He explained that soft digs are used to uncover utilities without the potential for damage to the lines.

“On Nov. 13, 2012, while EPA’s driller contractor was setting up at the well, the Dublin water/sewer supervisor visited the site, and again assured EPA that there were no utilities in that location,” Garvin adds. “The Township was unaware of the location of an unmarked sewer line. Utilities did not seem to be present,” based on Miss Utility and the soft dig.

He continues, “Damage occurred, but EPA believes that it took all reasonable actions and the work was performed in accordance with all required standards.”

Garvin says EPA’s on-scene coordinator provided information on how a locality can apply for reimbursement under the Comprehensive Environmental Response, Compensation and Liability Act when the damage occurred. However, Parker told council Thursday night that is not the case.

Parker recommended council not “spend more money chasing this” reimbursement, but he said he will file for reimbursement under the above act by means of a link to the application website, which was included in Garvin’s letter.

However, Parker asked Town Attorney Tommy Baker if “a snowball’s chance” is probably an accurate assessment of the town’s chances of being reimbursed. Baker agreed.

Parker also presented council with an April 4 letter of support for reimbursement from Pulaski County and Pulaski County Public Service Authority, which contributes about 24.8 percent of the 265,000 gallons per day of sewage that passes through the sewer line in question.

“We do not find fault with the EPA for drilling through the line, as we fully understand the difficulty of locating 17-foot deep terracotta sewer line not having the electrical capability of carrying a locator signal,” states County Administrator Peter Huber. “However, we fully fault EPA and the well driller for pumping a significant volume of concrete into the sewer line after penetrating the line.”

The letter continues, “A competent well driller would surely have noticed something unusual about the material being brought to the surface, the sudden void as the drill penetrated into the 10-inch line and the subsequent change in odor. There is no justification in pumping a sewer line full of concrete ...”

Huber’s letter concludes that the Pulaski County Board of Supervisors and PSA “respectfully request that EPA take the same responsibility for its actions in directing the drilling operation as the EPA would expect from Pulaski County and the Town of Dublin had our actions caused an environmental issue of concern to the EPA.”

Ahead of Iowa and New Hampshire talks, Sen. Rand Paul ranked in second tier of 2016 White House hopefuls (Courier-Journal)

WASHINGTON – As he prepares to talk to Iowa Republicans next month, Kentucky Sen. Rand Paul has some ground to make up if he wants to be in the first tier of 2016 GOP presidential candidates.

That’s the assessment of Larry Sabato, director of the University of Virginia’s Center for Politics. He and two colleagues, Kyle Kondik and Geoffrey Skelley, penned an early look at the Republican field on Sabato’s Crystal Ball, which you can read in full here: www.centerforpolitics.org/crystalball.

Paul is scheduled to address the Republican Party of Iowa’s Lincoln Day dinner in Cedar Rapids on May 10. Iowa, of course, is the first-in-the-nation caucus state in 2016.

Ten days later, Paul is slated to give the keynote address at the New Hampshire Republican Party’s Liberty Dinner. That state holds the first presidential primary in 2016.

The University of Virginia political scientists say the emerging picture of GOP primaries is complicated “and the top-tier contenders are grouped much closer together at the starting gate.”

They list three Republicans on the top tier at the moment: Wisconsin Gov Scott Walker, New Jersey Gov. Chris Christie and Florida Sen. Marco Rubio.

The second tier is occupied by Paul and Louisiana Gov. Bobby Jindal.

In the third tier: former Pennsylvania Sen. Rick Santorum (who ran in 2012), Wisconsin Rep. Paul Ryan (the GOP’s vice presidential nominee in 2012) and Texas Gov. Rick Perry.

A possible wild card is Ohio Gov. John Kasich, the Crystal Ball piece says.

Not on the list is former Florida Gov. Jeb Bush, brother of former President George W. Bush and son of former President George H.W. Bush. Jeb Bush “doesn’t seem keen to run,” Sabato and his colleagues say.

On Paul and Jindal, the Crystal Ball says this:

“Sen. Rand Paul (KY) and Gov. Bobby Jindal (LA), our second tier, are two candidates who definitely would make waves if they entered the field (and both seem inclined to). But we suspect that Paul’s appeal is too narrow even within his own party, and his foreign policy positions, though less dovish than his father Ron’s, are not (yet?) widely accepted in the Republican mainstream. Jindal, meanwhile, is having trouble back home, and his speaking skills are widely panned.”

Paul’s key advantages, in the Crystal Ball’s view, are: he is a tea party favorite, has strong support from the libertarian wing of the GOP, has national name ID and a national fundraising network.

The Kentuckian’s disadvantages were listed as “too libertarian?; association with out-of-the-mainstream father (former Texas Rep. Ron Paul); too dovish/eclectic for GOP tastes?” (Crystal Ball’s question marks.)

Sabato’s Crystal Ball already took a look at the potential Democratic field, saying that former Secretary of State Hillary Rodham Clinton would be, if she runs, “a clear, perhaps overwhelming, favorite to win her party’s nomination. Period.”

Vice President Joe Biden would be the default early favorite if Clinton opts out.

In the Democrats’ third tier are New York Gov. Andrew Cuomo and Massachusetts Sen. Elizabeth Warren. The fourth tier includes Virginia Sen. Mark Warner, New York Sen. Kirsten Gillibrand, Maryland Gov. Martin O’Malley and former Montana Gov. Brian Schweitzer. A possible wild card, the Crystal Ball says, might be Colorado Gov. John Hickenlooper.

Scene Last Night: Mars, Robert Duvall, Hopper, Bucksbaum (Bloomberg)

“I can’t think of a time when I wasn’t fascinated by Munnings,” said Jacqueline Mars, co-owner of Mars Inc.

She was referring to Alfred Munnings, the early 20th- century British painter of country life and equestrian scenes whose career was celebrated last night at the National Sporting Library & Museum in Middleburg, Virginia. Mars is vice chairman of the board.

Once a passionate equestrian, Mars said she no longer rides but still enjoys looking at horses, especially in the works of Munnings. The library's current exhibition is "Munnings: Out in the Open," open through September.

Mars invested in the film "Summer in February," about the late artist's turbulent marriage. The film stars "Downton Abbey's" Dan Stevens, who was unable to attend last night.

Guests including actor Robert Duvall, former Republican Senator John Warner of Virginia screened the film, which will make its debut in the U.K. in June. British Ambassador Peter Westmacott said he has a bust of Munnings in his Washington residence.

Private investor Ronald Bradley and his wife, Danielle, sponsors of the evening along with Mars, admired "Whipper on a Grey Hunter," a 1913 work they loaned to the library for the exhibition.

Sheila Johnson, founder and chief executive of Salamander Hotels & Resorts, said she was busy producing a film of her own, "The Butler," starring Oprah Winfrey, about White House butler Eugene Allen, coming to theaters later this year.

A dinner of game pie with rabbit and guinea fowl was served on tables decorated with horse brushes and painting utensils in a heated tent to ward off the spring chill. The desserts were horse-shaped sugar cookies and bowls of colorful confections donated by Mars.

Corcoran Gallery

When **Senator Mark Warner**, Virginia Democrat, needs art advice he relies on Columbia Capital partner Harry Hopper and his daughter Eliza, an art-history major.

Warner was Hopper's guest at Friday night's 58th annual Corcoran Ball at the Corcoran Gallery of Art.

Hopper is chairman of the board and is an avid art collector. He owns pieces by Donald Sultan and is especially proud of his works by "emerging artists."

"I collect books. It's cheaper," said Congressman Jim Moran, Virginia Democrat, from the dance floor, near a jazz band.

Shooting Stars

Pop Art flowers in pinks and oranges hung from the ceiling in honor of the museum's current exhibition "Shooting Stars: Publicity Stills from Early Hollywood and Portraits by Andy Warhol."

Spring lobster and Australian lamb were served followed by peanut butter and jelly cupcakes. The event's 700 guests raised more than \$700,000

Melva Bucksbaum

Art patron Melva Bucksbaum celebrated her 80th birthday with about 600 guests at her home in the Litchfield County town of Sharon, Connecticut, yesterday.

Guests included art dealer Mary Boone, collectors Mera and Don Rubell, Richard Armstrong, director of the Solomon R. Guggenheim Museum and his counterpart at the Whitney Museum of American Art, Adam Weinberg. They gathered in a white tent where mini cupcakes formed a large tower and balloons hung in midair.

The occasion also marked Bucksbaum's curatorial debut for an exhibition titled "The Distaff Side" with works by more than 100 female artists drawn from the private collection of Bucksbaum and her husband, Raymond Learsy.

The show takes over the couple's private museum, The Granary, and stars pieces by Marina Abramovic, Louise Bourgeois and Jenny Holzer as well as a host of emerging and mid-career artists.

"It's the first show I have ever curated so I am incredibly nervous," said Bucksbaum. "I wish I had a shot of vodka before coming here."

Sanare il deficit con le pensioni degli anziani e disabili: cecità o vigliaccheria? (Rinascita)

I tagli alle pensioni sono "sbagliati e imperdonabili". Parla Richard Trumka, il leader del AFL-CIO, il più potente sindacato degli Stati Uniti, mentre commenta la proposta di Barack Obama di ridurre gli aumenti automatici alle pensioni degli americani che ricevono il Social Security. Si tratta di una nuova formula per calcolare il Cpi, l'indice dei prezzi al consumo, il più importante indicatore dell'inflazione, che ridurrebbe le pensioni di anziani, disabili e veterani.

Si capisce come i sindacati e la sinistra in generale, che cercano di proteggere i più poveri, si siano schierati contro la proposta di Obama. Ma anche alcuni repubblicani hanno mostrato il loro disappunto, non per motivi ideologici ma spinti da realpolitik.

Il parlamentare repubblicano Greg Walden, dello Stato dell'Oregon, capogruppo della commissione del suo partito per la campagna elettorale alla Camera, ha dichiarato in un'intervista alla Cnn che il bilancio proposto dal presidente consiste in un "attacco agli anziani". Bisogna capire il disappunto di Walden in termini politici, dato che il parlamentare si preoccupa delle prossime elezioni di midterm del 2014. Walden ha paura che i democratici useranno il tema per ottenere una spinta e ricordare agli elettori che il Social Security e il Medicare sono programmi "democratici" che i repubblicani hanno sempre ostacolato e che un voto per il Gop si traduce in un'erosione che condurrà alla possibile privatizzazione. Per Walden, dunque, meglio il silenzio sul tema, dato che scotta e i repubblicani si potranno bruciare. È già successo nelle elezioni del 2012, quando Paul Ryan aveva proposto una parziale privatizzazione del Social Security ed in uno dei suoi discorsi nel suo Stato del Wisconsin venne sonoramente fischiato da un gruppo di anziani.

Ma il coltello include una doppia lama, perché la sola menzione di toccare il Social Security ed il Medicare causa costernazione anche tra i democratici. Ecco perché anche la sinistra non ha accolto a braccia aperte la proposta di Obama sui tagli alle pensioni. Si sentono già voci di possibili beniamini della sinistra che si porranno come difensori delle pensioni. Le elezioni presidenziali del 2016 sono abbastanza lontane, ma alcuni suggerimenti ci indicano che il tema del Social Security potrebbe incoraggiare delle sfide da parte dell'ala sinistra dei democratici ai candidati centristi per le primarie democratiche. Non sarebbe inconcepibile che una "sinistroide" come Elizabeth Warren, la nuovissima senatrice liberal del Massachusetts, potesse sfidare la possibile candidatura di Hillary Clinton.

Perché dunque Obama ha offerto i tagli alle pensioni ai repubblicani? Il presidente lo ha fatto per convincere il GOP ad accettare tasse più alte ai benestanti per controllare il deficit federale. La sua offerta è valida solo se i repubblicani accettano gli aumenti alle tasse. Non si tratta di una buona mossa, perché i tagli proposti da Obama colpiscono i pensionati più poveri le cui tasche non dovrebbero essere usate per sanare il deficit. Troppo facile, e con pochissimo impatto alla vita dei benestanti, sarebbe la richiesta di un sacrificio per rimettere a posto la cassa del tesoro americano. Ma Obama voleva dimostrare che è serio sulla questione del deficit e che per questo sarebbe pronto a sacrificare alcuni dei suoi principi. Rischia, con questa mossa, l'accusa di non mantenere la sua promessa di proteggere il Social Security. Un rischio evidentemente ritenuto utile per avvicinarsi ai repubblicani e spingerli dunque ad ingoiare il rospo, costringendo i ricchi a fare qualche piccolo sacrificio per il Paese. Alcuni leader democratici non hanno rifiutato la proposta di Obama. Nancy Pelosi, leader democratica alla Camera, la sta studiando. Il senatore democratico **Mark Warner** dello Stato del Virginia ha però dichiarato che nel caso del Social Security e del Medicare bisogna cercare metodi per "riformarli", perché altrimenti si dovranno apportare tagli ai programmi che beneficiano "i bambini, le scuole infantili, l'educazione in generale ed i veterani". Parole che potrebbero uscire dalla bocca di un repubblicano come Mitt Romney: queste categorie fanno parte del "47 percento" degli americani che "non paga tasse". Chiedere ai poveri invece dei ricchi di sanare il bilancio non è però democratico né repubblicano: è semplicemente vigliaccheria.

OPINION/EDITORIAL

Editorial: Pound foolish (RTD)

Doing something efficiently is still a waste of effort if the task is unnecessary in the first place. By the same token, increasing efficiency can prove costly in certain circumstances. Take the state tax department's decision to shut down its criminal investigative unit.

Closing the office will save about \$120,000 a year. But the office recovers millions of dollars a year in unpaid taxes. In theory, commonwealth's attorneys will pick up the slack. In practice, those in law enforcement find the notion laughably unrealistic.

One can argue about the right level at which to set tax rates; we prefer to keep them as low as possible. But even when taxes are set too high, taxpayers still have an obligation to meet them — and those who don't should be prosecuted. The elimination of the state's enforcement unit makes that less likely and, it would seem, offers a textbook example of the adage that some decisions can be penny-wise but pound-foolish.

Editorial: Degree of investment in education (Daily Press)

Last week, the College of William and Mary took a bold step toward making a college education more affordable: it became the first public university in the nation to adopt a four-year tuition guarantee.

At a time when other state universities are looking at tuition hikes — for example, U.Va. announced last week that in-state undergraduates will pay 3.8 percent more next year — William and Mary is to be commended. Not only will tuition costs will be fixed during a student's tenure, the university's expectations for student loans will decrease by 18 to 36 percent.

To replace declining state and federal funding, public universities have been challenged to find additional revenue sources, and jacking up tuition rates seems to have been the solution of choice. According to a 2012 report by the Center for College Affordability and Productivity (CCAP), using data from the U.S. Department of Labor, Bureau of Labor Statistics, U.S. tuition prices between 1978 and 2010 rose at well over double the rate of inflation and faster than family incomes.

While Virginia boasts some of the finest institutions of higher learning in the U.S., the cost of obtaining a degree can approach six figures. Many students are using student loans to help finance their educations. How many parents and students sitting through upcoming commencement ceremonies will be wondering if their investment will pay off?

Obtaining a bachelor's diploma is no longer an automatic pathway to success. We have such a glut of college graduates that employers are able to use "college degree" to weed out applicants for even the most basic of jobs. According to the CCAP, more than 14 percent of waiters and waitresses, 12 percent of parking lot attendants and 15 percent of taxi drivers have college degrees. About half of today's graduates will be either unemployed or underemployed.

At the same time, employers aren't able to fill their skilled jobs. An estimated 60,000 jobs remain unfilled in the U.S. today because companies — our own Newport News Shipbuilding among them — are challenged to find workers who can read blueprints, do basic math or perform the analytical tasks necessary to perform the jobs.

While America has fiercely avoided the European model of branding young students as "college-bound" or "trade-school bound," high school is an ideal time to provide vocational direction for students who may have better job prospects by learning skills that can turn into dollars. Partnerships with community colleges and trade schools are an excellent way to bridge the training gap while motivating students to work toward a degree that will actually pay off.

Focusing on two-year degrees could also improve how our higher education graduation rates stack up compared to those of our global competitors. A 2010 study by the Organisation of Economic Co-operation and Development revealed that while the U.S. ranks second behind Norway in the percentage of its population with four-year degrees (the U.S. has 32 percent; Norway, 35 percent), we are fifth in the rankings for both two- and four-year degrees: 42 percent compared to Russia's 54 percent, Canada's 51 percent, Israel's 46 percent and Japan's 45 percent.

Universities love to publish rankings, many of which relate to quality of academic departments, campus beauty and facilities. These marketing gems are used to attract students as well as donors. Perhaps it's time to insist on another set of rankings: the percentage of graduates who end up employed within their first year and in what sorts of jobs.

Meanwhile, making higher education — both traditional colleges and technical schools — more accessible to Virginia students ought to be one of our state's top economic development strategies. The College of William and Mary has advanced that goal by guaranteeing students their tuition costs will not rise during their four-year term and lowering student loan expectations. May other universities follow this courageous lead.

Editorial: Another misguided online security push (VA Pilot)

The Cyber Intelligence Sharing and Protection Act, better known as CISPA, passed the U.S. House of Representatives last week by a wide margin. It is the latest iteration of misguided efforts to surrender privacy rights and chill speech for the sake of security, and is poised next for a vote in the U.S. Senate.

The bill's proponents, which counted most House Republicans and nearly half of the Democrats, have argued that the measure is necessary to combat the growing threat of major online attacks on public and private systems.

It would allow federal officials to obtain information from Internet companies, including details about users, their online activities and some personal information. Companies would be granted legal protection in exchange for providing users' information to the government. There are few restrictions on the scope or depth of this "information-sharing" agreement.

By favoring this approach, supporters seem to suggest that online activity occurs in a unique venue, where traditional privacy rules and laws no longer should apply. In essence, the bill would provide the government with a pathway to go fishing for data, an Orwellian notion that should repulse any lawmaker willing to ponder the consequences.

Republican Reps. Scott Rigell, of Virginia Beach, and Walter B. Jones, of northeastern North Carolina, were among the few Republicans to vote against the measure.

"Under CISPA," Jones said in a statement, "private emails and a user's Internet browser history could be sent to the federal government. Users would have no way of knowing whether or not

their information has been shared, as the information provided under CISPA would not be available through the Freedom of Information Act."

There is no question that the Internet can be used to inflict harm on the public. The vulnerabilities of critical infrastructure, and public and private systems, have been well documented, and preventing such offenses while respecting American rights represents a significant challenge.

But proponents of recent cybersecurity measures - including the unsuccessful Stop Online Piracy Act and the failed Protect IP Act - have paid insufficient attention to the potential for misuse.

The House's approval of CISPA shows too many remain willing to trample privacy concerns on their way to handing more power, and information, to an already sprawling federal bureaucracy.

Editorial: Liftoff (Free Lance-Star)

PONIES, the beach, oysters, vacation: Those are what most people associate with Chincoteague. Now it's clear "rockets" should be added to the list.

Not that rockets are newcomers to Virginia's Eastern Shore. In fact, Wallops Island, just five miles east of Chincoteague, has been launching missiles since 1945, when NASA's predecessor agency began sending test rockets skyward from the site. Early in the 1960s, before human astronauts took flight, two rhesus monkeys launched from Wallops (and safely recovered) tested the practice.

On Sunday, NASA's Wallops Flight Facility marked another milestone: the successful launch of Orbital Sciences Corp.'s Antares rocket, the biggest craft ever to lift off from there. Designed to ferry supplies to the International Space Station, the practice Antares launch was not only a boost for Wallops and for Orbital, a Dulles-area company, but for the entire state as well.

The Antares rocket lifted off from the Mid-Atlantic Regional Spaceport pad at the NASA facility. MARS is managed by the Virginia Commercial Space Flight Authority, which the General Assembly created in 1995 to promote commercial space activity in the state. The MARS pad is one of only four U.S. facilities approved for space launches, and the success of the Antares places the facility--and the commonwealth--in a competitive position in the growing space industry.

Orbital won a \$1.9 billion contract from NASA to make eight deliveries to the ISS. Its next launch, scheduled for this summer, will be another test to see if its delivery vehicle can successfully dock with the ISS, delivering about 1,600 pounds of supplies. On the way back, it will carry garbage--serving as a flying incinerator as it re-enters the atmosphere. Assuming that test flight goes well, Orbital's eight contracted launches will start soon after.

Suzanne Taylor, director of the Chincoteague Chamber of Commerce, said that Sunday's launch, which had been delayed twice, was "most exciting." The rocket lifted off slowly, its fiery tail

creating a beautiful scene enjoyed by those who had come to the area specifically to watch the event. "It's a new day for Chincoteague," said Mrs. Taylor, who expects the town to benefit from additional tourists for subsequent launches.

It's a new day for Virginia as well. Known as the home of one of the finest deep water ports on the East Coast, adding "spaceport" to the state's resume greatly enhances it. This successful Antares launch, says Dale Nash, executive director of the Virginia Commercial Space Flight Authority, means that "We are getting into the big time." Not bad for a little barrier island off Virginia's Eastern Shore.

Base closures make strange bedfellows of politicians (VA Pilot)

Roger Chesley

When it comes to military spending, the budget hawks in Congress are getting less hawkish.

Democrats have clasped hands with Republicans - and no, that's not a misprint.

Their common opponent? A president who dares to cut defense dollars by weeding out unnecessary bases nationwide. Such a task would probably aid the country but harm local economies.

That means angering voters.

And that's something craven lawmakers abhor.

This display of bipartisan hypocrisy is no surprise. Nothing focuses the 535 members of Congress more than a threatened tightening of the federal piggy bank for their states and districts.

No incumbent wants to risk it - even if that's the correct course in the long run.

The Pilot's Bill Bartel reported that President Barack Obama wants to begin a new round of base closings within 24 months. His budget proposals include spending \$2.4 billion over five years to identify and shut down facilities that Pentagon officials don't want.

Lawmakers, however, have expressed a raft of reasons why this simply won't do:

- Previous rounds didn't save enough money, representatives and senators claim.
- Threats to shut down installations caused upheaval; and goodness knows, we can't allow that while reducing deficits.
- Look overseas first, said Sen. Tim Kaine, a Democrat.
- Don't cut anything from defense, said Rep. Randy Forbes, a Republican.

See? Bipartisanship at its finest.

Never mind that Department of Defense officials believe that a new Defense Base Closure and Realignment Commission makes sense. We're coming out of wars in Iraq and Afghanistan. The administration wants to reduce the size of the Army and Marine Corps.

Pentagon officials believe base closings would save \$1 billion to \$2 billion annually after several years.

Yes, closure of installations causes heartburn for communities. That's not welcome, but it's not necessarily a bad thing, either.

The last BRAC in 2005 forced lawmakers to defend the worth of existing facilities. We nearly lost Oceana Naval Air Station as the Navy's East Coast master jet base.

Closure of Oceana didn't make sense. After being surprised by the looming threat, leaders in the region worked overtime to save the base. Since then, encroachment around Oceana and Fentress Naval Auxiliary Landing Field has been fought. We know what's at stake.

But if an independent panel finds that specific bases are extraneous, isn't that the best thing for the country?

Shouldn't national interests supersede strictly parochial concerns?

I understand the fear in Hampton Roads.

In 2012, Old Dominion University's State of the Region report said defense spending continues to be the "primary regional economic engine" and was on course to total nearly \$21 billion. It was an estimate that included DOD civilian employees and all defense procurement activities.

"Despite auspicious attempts to diversify the regional economic base, reality is that we have not succeeded in doing so," the report said.

Defense spending now accounts for 47 percent of regional economic activity, James Koch, ODU's president emeritus and prime mover behind the report, told me Monday by email.

Lawmakers are quick to gore somebody else's ox.

When it's their own? That's when the excuses mount.

New Immigration Bill Has One Terrible Flaw (Bloomberg)

By Ramesh Ponnuru - Apr 22, 2013

“Amnesty” is the swear word many conservatives apply to the new bipartisan immigration bill. The same invective was used to sink the last major attempt to change American immigration laws, during President George W. Bush’s second term. Some critics say that offering legal status to illegal immigrants is simply wrong in principle.

Yet that isn’t the most troubling aspect of the bill. What ought to be drawing more opposition is the proposal to bring hundreds of thousands of “temporary guest workers” to the U.S.

That’s not to deny that legalization poses risks of its own. If enforcement of the laws is lax, it could encourage more people to come here illegally in the hope of the next round of legalization. If we can be reasonably assured of strong enforcement, on the other hand, offering legal status to many or most undocumented immigrants already in the U.S. may be the best way to handle past policy mistakes. Although there’s room to argue about whether the bill offers this assurance, I think Senator Marco Rubio and other supporters of the legislation are right in principle to offer legal status.

The guest-worker program is where they go wrong. For the Republican politicians who have in the past been its main supporters, this provision is like a dessert with no calories: Businesses get the benefit of the temporary workers’ labor and they get to make some money, but the rest of us don’t have to make room for immigrants in our society, and Republicans don’t have to worry how they will vote.

That’s exactly what’s wrong with the idea. One of the worst things about illegal immigration is that it creates a class of people who contribute their labor to this country but aren’t full participants in it and lack the rights and responsibilities of everyone else. A guest-worker program doesn’t solve this problem. It formalizes it.

Two Tiers

So we would have a two-tier labor market. Most people who work in the U.S. can quit their jobs without worrying that they’ll be ejected from the country after 60 days of unemployment. Temporary workers would have no such security. Most people can leave one industry for another. The temporary agricultural workers in the bill would have no such freedom. Some foreigners may choose this fate as better than their alternatives. It seems unfair, though, to ask Americans to compete with workers who will be more willing to put up with bad working conditions because of this artificially precarious situation.

Organized labor and its liberal allies have traditionally opposed guest-worker programs. President Bill Clinton came out strongly against the idea when he was in office, citing the work of Barbara Jordan’s bipartisan commission on immigration. That commission found that such programs were bad for workers and didn’t reduce illegal immigration as advertised. Instead they increased it: Guest workers overstayed their terms, and family members and friends came to join them.

This time around, union leaders are going along with the guest-worker program. Perhaps they think it’s a price worth paying to legalize illegal immigrants, and that after it passes they can push to liberalize the program to make it easier for guest workers to become citizens.

In that case, the program will end up backfiring on the Republican politicians who most avidly support it. If they say no to liberalization, they will be portrayed as anti-Hispanic -- the very image they are trying to dispel by backing this bill. If they say yes, they will be increasing the number of low-wage voters, which is what they wanted to avoid by supporting a guest-worker program.

Bad Choices

Enforcing the program's limits would involve similarly bad choices. One of the chief arguments for this bill is to stop enforcing immigration laws in ways that break up families. What happens when a guest worker has finished his three-year term and has no job -- but has brought his family here? (Or had a child, who would be a U.S. citizen?) Will we then deport him? Or will we just let him overstay his visa and go into the shadows as an illegal immigrant?

Supporters of the bill should rethink these provisions. Opponents should train their fire on them. Many Americans support legalizing illegal immigrants because it seems more humane and practical than mass deportations. Guest-worker programs seem at odds with those impulses, because they're neither humane nor practical.

(Ramesh Ponnuru is a Bloomberg View columnist, a visiting fellow at the American Enterprise Institute and a senior editor at National Review. The opinions expressed are his own.)

Restore states' authority to collect online sales tax (Politico)

By: Dan Crippen

April 22, 2013 09:30 PM EDT

Treating all sales the same is a common-sense idea whose time has come.

Just last month the Senate demonstrated overwhelming, bipartisan support for the Marketplace Fairness Act, a bill to level the playing field between Main Street and Internet sellers when it comes to sales tax. A symbolic show of strength, these 75 senators stand in stark contrast to those who oppose this common-sense legislation.

In our federalist government, states must be allowed to control their tax systems. However, in the 1992 case of *Quill v. North Dakota*, the Supreme Court ruled that only Congress can give the states the authority they need to require collection from out-of-state vendors selling into their states. In other words, although the tax already is owed, states cannot compel out-of-state sellers to collect the sales tax without federal legislation.

Much of the Supreme Court's 1992 decision was based on catalog sales and the apparent complexity of sales taxes in 50 states. In 1992, administrative complexity is the closest that opponents come to a legitimate argument. But, it is 2013. Since that ruling, at least two facts have changed: (1) the proliferation of computers to calculate taxes due on sales — just as

shipping costs are determined based on ZIP code — and (2) a state agreement on streamlining and simplifying sales taxes so that there is only one point of collection per state and only a few tax rates per state. While this argument is still used by opponents, does anyone really believe that a merchant who can navigate the Internet to sell across state lines cannot figure out how much sales tax is due?

Opponents of Marketplace Fairness also distort the facts by calling this legislation a tax increase. Of course, this is not a tax increase — it is a means of collecting taxes already owed by consumers. Nor is it a tax on the Internet or on business; it is a tax on the goods and services that are sold over the Internet. In most states, the consumer is legally responsible for reporting and paying sales tax on out-of-state purchases. As such, the Internet encourages tax avoidance; the lack of an effective system to collect sales taxes at the time of purchase causes many Americans to incur — but not pay — the taxes they legally owe.

From the states' point of view, if a company is doing business, selling goods and soliciting customers within their boundaries, that company should have to play by that state's rules. If a state has a sales tax, then everybody selling goods in that state should have to collect and remit it. This philosophy is not only fair, it also promotes competition, which is good for consumers; helps with collections, which keep other taxes down and helps pay for essential services; and levels the playing field for business, creating certainty.

In a 21st-century economy, it does not make sense to play by 1950s rules. A sale no longer requires a storefront or a handshake. The Internet has spurred our economy and increased choice, but it does not need a subsidy — it needs to follow the rules like everyone else. Main Street retailers contribute to their communities, sponsor the Little League teams and hire our citizens.

These efforts to grant states collection authority over remote vendors will help states close a tax gap that is costing states billions every year, help small businesses comply with the law and expand their business and assist consumers through fair competition.

For business, it means that the corner store is on the same footing as the online retailer. It also means that the corner store can grow its business more easily. Simplified tax requirements make doing business easier by reducing risk and creating opportunity.

The legislation also helps consumers. Fair competition means more choice. The success of electronic commerce should not mean the death of Main Street. Instead, our laws should set the stage for all businesses to compete and succeed.

This is an issue whose time has come, and Senate leaders have demonstrated this by choosing to move forward with the vote on Marketplace Fairness. States look forward to the restoration of this fundamental principle of federalism: control over their own revenues.

Dan Crippen is the executive director of the National Governors Association and a former director of the Congressional Budget Office.

The Mom & Pop Internet Sales Tax (WSJ)

By JOHN DONAHOE

This week the Senate is expected to vote on an Internet sales tax bill that would hurt small business and job growth in America. For small businesses, there is nothing fair about the Marketplace Fairness Act. The legislation stems from a fight between big bricks-and-mortar national retailers and big online retailers, all of whom seem unconcerned that small enterprises—and the jobs they create—are going to be collateral damage.

The trouble with the bill is that it treats mom-and-pop businesses the same way as it does multibillion-dollar retailers. Yet a small business with a dozen employees simply can't be lumped in with national behemoths such as Amazon and retail chains that have warehouses and stores around the country. The Marketplace Fairness Act should include an exception for small businesses. Why? Because otherwise an unfair burden will be placed on them.

Today small businesses that operate online are responsible for collecting sales taxes on purchases made in the state where they are located. That is fair. But the proposed bill would require them to collect sales taxes on behalf of every state where they make a sale. That would make it difficult, if not impossible, for them to succeed.

While compromise seems like a foreign concept in Washington these days, eBay EBAY -1.47% is advocating a simple solution. Small businesses with fewer than 50 employees or with less than \$10 million in annual out-of-state sales should be exempt from the chore of collecting sales taxes nationwide. These are reasonable exemptions, equivalent to other federal standards, such as those set by the Affordable Care Act and the Treasury Department's Office of Tax Analysis.

Unfortunately, certain lawmakers and big national retailers who support the bill have refused to consider a reasonable and robust small business exemption. As is often the case in politics, the small business voice is getting lost in the debate, while big retailers with the deepest pockets are dominating the conversation.

On Sunday, I began sending a message to the entire eBay community updating them on this situation and encouraging them to share their views with Congress on the importance of protecting the smallest businesses and entrepreneurs from unfair and crippling tax burdens. Over the years, I've heard repeatedly from small business owners who sell in the eBay marketplace and other online channels that expanding Internet sales taxes to all transactions would hurt their ability to grow or create jobs and to fuel the price and service competition that creates value for consumers.

This bill could put entrepreneurs like Colleen Rast out of business. Colleen and her three employees run all of their business operations out of a small office in Kalispell, Mont. Although her apparel-sales business is located in a state without sales taxes, the Marketplace Fairness Act would require Colleen to track and comply with the tax laws of more than 9,600 tax jurisdictions across the U.S. It would create costly paperwork and accounting burdens and subject her to potential audits and litigation from tax collectors in states that are more than a thousand miles away from where she lives and works.

The \$10 million exemption we propose would protect businesses like Colleen's. To put the exemption in perspective, Amazon makes more than \$10 million in sales every 90 minutes. So we believe this is a reasonable exemption that recognizes that small businesses are vastly different from the nation's billion-dollar retailers. These are very small startups, mom-and-pops and entrepreneurs whose businesses and cost structures are nothing like billion-dollar retailers. They should not face the same tax-collection burdens.

This isn't a debate pitting the Internet against Main Street. This is about big retailers, like Amazon, trying to undermine small online businesses. Amazon supports the bill, while at the same time it negotiates local tax exemptions across the country where it builds warehouses. Small businesses don't have that kind of bargaining power.

I believe that Congress would not want small businesses to become the collateral damage in this debate. Many of the largest and most renowned companies in America began as small businesses.

Enabling small businesses and entrepreneurs to grow, and giving consumers across the country and around the world the opportunity to connect with them, is at the heart of what we do at eBay. We want to continue this tradition and make it possible for small businesses to keep their virtual doors open, so that they can compete in the marketplace, grow into bigger businesses—just the sort that should be subject to the Marketplace Fairness Act.

Mr. Donahoe is the president and CEO of eBay Inc.

Editorial: Lawmakers stoking fear of immigrants (WaPo)

CYNICS IN CONGRESS, eager to derail landmark legislation to overhaul the nation's broken immigration system, have seized on last week's events in Boston as a pretext to slow momentum on the issue. In the process, they may unwittingly provide a push for the very bill they hope to derail.

With scant regard for the actual immigration status of the bombing suspects, who came to this country legally as minors, Sen. Charles E. Grassley (R-Iowa) nonetheless framed the attacks in Boston in the context of the debate over immigration. With a suspect still at large Friday, he asked, "How do we ensure that people who wish to do us harm are not eligible for benefits under the immigration laws, including this new bill before us?"

His fellow Republican, Sen. Rand Paul of Kentucky, then sent a letter to Senate Majority Leader Harry Reid (D-Nev.), arguing that the Senate "should not proceed [with immigration reform] until we understand the specific failures in our immigration system."

Just what flaws in the immigration system are the senators talking about? The failure to divine the future and predict that Tamerlan Tsarnaev, who was a teenager when his family immigrated, and his surviving brother, Dzhokhar, who was 9, might become radicalized years after arriving?

In fact, the senators aren't raising real questions about immigration; they're more interested in stirring fear: fear that immigration reform may somehow open America's gateways to even more scary foreigners, and more terrorist attacks, and that undocumented immigrants already here, who would receive legal status under a Senate bill, would be threats in our midst, free to circulate as they please.

One potential casualty of playing politics with immigration reform in this way is the refugee asylum program, which has been at the heart of America's immigration system for years. (It was as asylum-seekers that the Tsarnaev family received permission to stay here.) Hundreds of thousands of refugees have arrived on these shores over the years as asylum-seekers; minuscule numbers of them have posed any threat to national security.

From what is publicly known, if any governmental failure allowed the suspects to slip through the cracks — and that's far from certain at this point — it was an intelligence failure, not an immigration failure. The real immigration failure is the perpetuation of a system that forces 11 million undocumented migrants, most of whom have been here for more than a decade, to live and work in the shadows.

By extending legal status to undocumented residents, immigration reform would bring them into the sunlight. In the process of applying for documents, they would be identified, subjected to fingerprinting and background checks and, ultimately, integrated into American society. That could only enhance the nation's security, and it's one of many powerful arguments for reform.

Too many opponents of immigration reform still cling to the fantasy of mass deportation. Seeing the Boston bombing suspects as convenient catalysts, they hope to galvanize the nation's anger. That tactic has worked at times in American history. It mustn't be allowed to work now.

Editorial: A Confirmation Too Long Delayed (NYT)

The Senate Finance Committee is scheduled to hold a long-overdue vote on Tuesday on President Obama's nominee to lead the embattled agency responsible for overseeing Medicare, Medicaid and the implementation of health care reforms. The committee ought to set aside its deep partisan divisions and unanimously endorse Marilyn Tavenner to be the administrator of the Centers for Medicare and Medicaid Services. The full Senate should then confirm her.

Ms. Tavenner, a nurse, experienced hospital administrator and former state health official, has performed capably as the acting administrator for 16 months. She was first nominated for the post in December 2011, but Republican antipathy to the agency's former administrator, Donald Berwick, Republican determination to undermine the health care reform law and insufficient votes to overcome a filibuster persuaded Democrats to shy away from a confirmation vote during a presidential election year.

Now that many senators seem willing to consider Ms. Tavenner on her own considerable merits, not as a pawn in bigger political struggles, there is no good reason to deny her the added authority that support by the full Senate would bring.

Some Republicans have high regard for her. Representative Eric Cantor, a Republican of Virginia and the House majority leader, worked with Ms. Tavenner when she led his state's health and human resources department; he has testified on her behalf before the Senate panel. Senator Orrin Hatch of Utah, the ranking Republican on the committee, considers her "a bright and capable nominee and absolutely will support her," according to his staff. We can only hope that other Republicans follow their lead.

Let's protect biotech crops from environmental zealots (Politico)

By: John R. Block

April 22, 2013 09:30 PM EDT

President Barack Obama signed a six-month funding bill on March 27 to little fanfare, with the exception of one attention-grabbing provision listed as Section 735. This language is vital for American farmers and should be celebrated in the countryside. This new law will give growers the assurance that in addition to managing the everyday challenges of drought, weeds, pests and more, they can now worry a little bit less about activist groups trying to tell them what they can and can't plant on their farms.

If that last scenario sounds a little farfetched, ask an alfalfa or sugar beet grower who adopted varieties of those crops improved by biotechnology, then watched as the investment was threatened by groups ideologically opposed to its use. Alfalfa, a nutritious livestock feed, is our fourth-most-valuable crop but susceptible to difficult weed management that has made Roundup Ready varieties of the crop so popular with growers. For Roundup Ready sugar beets, the demand was even more evident, as the adoption rate went from zero to 95 percent of all domestic acreage in just a few years.

Unable to persuade farmers not to adopt a safe and environmentally beneficial technology, anti-biotech organizations and other plaintiffs instead tied up the U.S. Department of Agriculture in court on their approval of biotech varieties of both crops. The litigation had nothing to do with the safety of the crops but, rather, the steps the department took to reach its conclusion.

In each case, the activists put farmers at risk by advocating for the destruction of crops that had already been reviewed and approved by USDA. Sugar beet seedlings were ordered to be destroyed by one judge, and only an emergency appeal stayed that ruling. Another judge took alfalfa off the market entirely, an action the Supreme Court later ruled 7-1 to be an act of judicial overreach. All the while, agricultural productivity was being lost, growers were uncertain about the legal status of their crops, and millions in taxpayer dollars were being wasted tying up the limited resources of USDA in court.

As if to prove the point about the plaintiffs' true aims, USDA's lengthy and duplicative review — ordered by a judge as a result of the litigation — that confirmed the lack of risk presented by Roundup Ready alfalfa did not satisfy the activists. They just sued again.

Something has to change, and I was pleased when supporters of agriculture introduced language in a House agricultural spending bill designed to mitigate the affects of these nuisance lawsuits. This language, at the time known as Section 733, was identical to what Obama signed into law last month. Put simply, it reinforces the secretary of agriculture's authority to allow farmers to continue to cultivate crops improved with biotechnology even if ideologically opposed groups use the courts to try to force farmers to plow up what they have planted.

Farmers need assurance that, once they have planted an approved crop, they will be allowed to harvest it. Imagine that you were manufacturing cars but always faced the prospect that there could be a court challenge that would require that you destroy all of the cars you had made?

Contrary to the mischaracterizations of opponents of the language, Section 735 does not remove or restrict anyone's right to file litigation or challenge USDA's decision to deregulate a trait. In fact, it comes into effect only as a result of litigation. Also, the provision applies only to products that have already completed the U.S. regulatory review process and are approved for commercial sale and planting. It does not give the agency any expansive new authority; rather, it is a straightforward codification of authority the secretary of agriculture has previously exercised and has been affirmed in federal court. However, if farmers file a request that the agency set temporary conditions for the sake of providing certainty to the marketplace, now it will have to do so.

When the effort to fight back against these lawsuits first became public over nine months ago, I joined former Secretary of Agriculture Mike Espy, along with most major farm groups such as the American Farm Bureau Federation, American Soybean Association, National Corn Growers Association, the National Cotton Council, the American Sugarbeet Growers Association and several state agriculture commissioners in supporting this language. It was approved at the subcommittee and full committee level with bipartisan support for good reason: It makes sense for agriculture.

After the farmer protection language resurfaced in the Senate's version of the continuing resolution prior to debate, groups ideologically opposed to biotechnology quickly pounced, referring to the language as a "Monsanto Protection Act," a gratuitous reference to one of several companies in the business of offering seeds, traits and crop protection tools that farmers across the U.S., and now around the world, are choosing in overwhelming numbers. Over three-quarters of the acreage in corn, cotton and soybeans are planted with biotech varieties, and a recent report from the International Service for the Acquisition of Agri-Biotech Applications shows that developing countries for the first time are devoting more acreage to biotech crops than industrialized countries.

There is no expectation that litigation and the threat to influence the planting decisions of growers will slow down. The same groups that have sued before have already stated their intention to file suit on traits that have yet to be approved.

We raise corn and soybeans on our family farm in Illinois, and Section 735 addresses a very real and costly threat to all farmers. Including this language in the agriculture spending bill should really be referred to as the “Farmer Protection Act.” We need protection.

John R. Block operates a farm in Illinois and served as secretary of agriculture from 1981 to 1986. He is currently a senior policy adviser at Olsson Frank Weeda Terman Matz PC.

Research Offers Hope for People With Fragile X, Autism (CQ)

By Reps. Gregg Harper and Eliot L. Engel

Recent scientific developments linking Fragile X Syndrome and autism have ushered in a renewed sense of hope in the disabilities community.

Just last year, researchers discovered specific connections between these genetic conditions. But to fully grasp the significance of this breakthrough, one must first understand Fragile X.

Fragile X-associated disorders are tied to a mutation on the X chromosome. The Fragile X gene produces a protein that plays a critical role in regulating other genetic activity. This process is interrupted in people with Fragile X, leading to neurodevelopmental and behavioral impairments. As a result, these individuals generally experience developmental and language disabilities throughout their lifespan.

Research has identified a direct connection between this mutated Fragile X gene and autism. As many as 76 percent of individuals diagnosed with Fragile X may also receive autism-related diagnoses. Three percent of autism diagnoses also have the Fragile X mutation.

This research has led to innovative clinical trials for medical therapies aiming to reverse the core symptoms related to Fragile X-associated disorders. Notably, individuals with severely impaired social and communication skills have seen the greatest improvements.

Even more, reports indicate that these treatments may reach beyond Fragile X-related autism.

But this is just the beginning.

New ways to accurately identify the genetic roots of these conditions will lead to improved diagnostics. A more timely diagnosis means more effective treatments.

To continue these tests, it is imperative for Congress to encourage innovative drug developments. This is why we successfully promoted the inclusion of a market exclusivity provision for these treatments in last year’s bipartisan pharmaceutical user fee agreement.

As a result, additional clinical trials are under way. These studies give more children with Fragile X hope. These studies provide more families with new opportunities. These studies help our nation’s most dedicated scientists build on promising discoveries.

For these trials to meet their full potential, adequate federal resources must be directed to research and development studying the Fragile X-autism link.

As chairmen of the bipartisan Congressional Fragile X Caucus, we understand that these scientific advancements are the product of a partnership between committed families and the federal government. Continuing these studies takes equal effort from the whole team. Completing these trials could affect millions of our friends and neighbors.

Therefore, we will not give up. We will continue our efforts to modernize programs intended to support youth with significant disabilities.

With the help of disabilities advocates from our home states, and across America, we will inspire continued success in this area so children with special needs can reach their maximum potential.

Reps. Gregg Harper, R-Miss., and Eliot L. Engel, D-N.Y., are chairmen of the Congressional Fragile X Caucus. Harper's 23-year-old son lives with Fragile X Syndrome.

BUDGET/BANKING/COMMERCE

Fed Still Owes Congress a Blueprint on Its Emergency Lending (NYT)

By PETER EAVIS

After the Federal Reserve lent more than \$1 trillion to big banks during the 2008 financial crisis, Congress required the central bank to devise specific ways of protecting taxpayers when doling out emergency loans to financial institutions.

But nearly three years after that overhaul became law, the Fed still has not established these regulations.

The delay involves a crucial but little-noticed part of the Dodd-Frank act, the sweeping financial sector overhaul that Congress passed in July 2010. One part of the legislation focused on the Fed. While the government used many different tools to shore up the financial system during the crisis, Congress was well aware that the Fed played a decisive role.

The central bank made huge loans to scores of domestic and foreign banks as markets seized up, dwarfing bailouts like the Troubled Asset Relief Program. But the identities of the borrowers were not disclosed at first, stoking concerns that the Fed had carried out a vast stealth bailout of Wall Street.

Against that backdrop, Dodd-Frank required the Fed to develop policies and procedures to safeguard taxpayers when making emergency loans "as soon as is practicable." To some banking

specialists, the delay suggests the Fed is stalling because it values the need to act freely in times of crisis.

“The Fed might be thinking, ‘We don’t want to make a lot of rules that might hinder us from acting in an emergency situation that we can’t anticipate,’ ” said Michael Bradfield, a former general counsel at the Fed.

When asked, Barbara Hagenbaugh, a spokeswoman for the Fed, did not say when the new rules would be completed.

Even without freshly written rules from the Fed, the Dodd-Frank legislation immediately introduced measures to make the central bank more accountable. For example, the Fed must now file regular and detailed reports to Congress if it undertakes any emergency lending.

Still, the overhaul went much further to set conditions on Fed loans during a crisis, and it is these measures that the central bank has yet to complete.

It has to have policies in place to prevent losses on emergency loans. For instance, the assets pledged to the Fed in return for the loans would have to be sufficient to absorb losses should the borrower default.

In an interesting twist, Congress also requested that when a bank participates in an emergency loan, its chief executive must certify that the bank is not insolvent at the time. The Fed would need to set out procedures for doing that.

“I think the Fed should have reasonably broad discretion to deal with systemic issues,” Mr. Bradfield said. “But then the question is, What’s systemic and what’s really needed, and what conditions ought to accompany that lending?”

A person familiar with the Fed’s thinking says any future emergency lending would still be bound by the demands of Dodd-Frank, even if the Fed has not issued rules by then. The central bank would still be obliged by the law to take careful steps to avoid losses, for instance.

Some banking analysts agree. “If something suddenly came up, they would make decisions based on Dodd-Frank, even if they had not previously published rules about how they would do this,” said Douglas J. Elliott, a fellow at the Brookings Institution.

Mr. Elliott also says the Fed may be focusing on writing other important rules stemming from Dodd-Frank. “It’s reasonable that they have not given a priority instead to a rule about a hypothetical future crisis,” he said.

Still, unlike other rules, whose writing requires cooperation with several other agencies, the Fed can complete these itself after consulting with the Treasury Department. In addition, these emergency lending guidelines are likely to be far less complicated than regulations like the Volcker Rule, which aims to define the types of trading that banks are allowed to do.

Senior Fed officials have already been voicing concern about aspects of the financial system that were shored up by crisis loans. For example, Daniel K. Tarullo, the Fed governor who oversees regulation, said in an interview with Bloomberg TV last week that he was still concerned about “too big to fail” banks borrowing in credit markets “that are subject to runs and liquidity freezes.”

Also last week, another Fed governor, Jeremy C. Stein, gave a speech that recognized one of the risks involved in the Fed’s emergency lending programs. He spoke about moral hazard, the belief that government support can subsidize banks and make them less careful about the dangers inherent in their businesses.

One way to help address the moral hazard problem would be for the Fed to come out with the new rules on emergency lending. Depending on how strict the rules are, the banks might then realize that the Fed will not be a pushover in times of market stress.

But the Fed may find it hard to formulate rules that allow it to stem market panics without bailing out undeserving institutions.

“You don’t want to put out rules that make you look vacuous and you don’t want to put out rules that tie your hands,” Mr. Bradfield said.

But whenever the rules appear, the Fed will face political scrutiny on such a contentious subject. “No rule about potential assistance from the Fed is going to be easy under the highly politicized conditions that exist today, with everything they do subject to criticism, especially if it helps financial institutions,” Mr. Elliott said.

Co-Directors for S.E.C. Signal Shift (NYT)

By BEN PROTESS

The Securities and Exchange Commission ushered in a new era of leadership on Monday, appointing a former federal prosecutor turned defense lawyer to help run the unit that polices the front lines of financial fraud.

While the shake-up comes as the financial misdeeds of 2008 fade from view, the S.E.C.’s enforcement team will soon confront a fresh batch of challenges under its new leader, Andrew J. Ceresney.

Mr. Ceresney will inherit a unit that is on pace to file the lowest number of enforcement cases in a decade, according to S.E.C. figures provided to The New York Times. In the last six months, through March 31, the number of cases is down 23 percent from the same period a year ago — a sharp contrast from recent years when the agency trumpeted its record-high numbers.

Some longtime S.E.C. officials, who were not authorized to speak publicly, also question whether their focus on insider trading cases distracts from investigations of broader significance. What’s more, the officials say that the S.E.C. opened fewer investigations in the 2012 fiscal year

than the previous year, presenting a potential obstacle to Mr. Ceresney, who will take the reins with George Canellos, an agency veteran.

The slowdown in cases could stem from any number of issues, including recent court rulings that curb the agency's power.

Longtime enforcement officials, however, attribute the decline to low morale at the Washington office. They said that some enforcement lawyers were dusting off their résumés to move to the private sector.

"The enforcement division travels on raw enthusiasm," said Stephen J. Crimmins, a partner at the law firm K&L Gates and a former enforcement official at the S.E.C. "When the troops are not enthused, things slow down."

The S.E.C. argues that Mr. Ceresney will find high morale in the agency's outposts, including its New York office. It also said that the enforcement numbers don't tell the full story. A dwindling docket of cases is only natural, some officials say, as the agency clears out a backlog of cases stemming from the financial crisis.

"In recent years the division has achieved remarkable success prosecuting financial crisis cases, insider trading and other violations, while returning billions to harmed investors," the agency said in a statement on Monday. The S.E.C. noted that, under Robert Khuzami, a revamped enforcement unit brought cases against more than 150 companies and individuals tied to the crisis.

Securities lawyers also say that it is common for the S.E.C. to suffer low morale amid a transition period. It was only a week ago that Mary Jo White, a longtime prosecutor and defense lawyer, took over as chairwoman.

Some lawyers say that Mr. Ceresney, her first major hire, could breathe new life into the enforcement unit. They note that he was Ms. White's longtime lieutenant as both a corporate defense lawyer at Debevoise & Plimpton and earlier in his career as a federal prosecutor in Manhattan.

"He has an incredible ability to master the facts," said Barry R. Goldsmith, a partner at Gibson, Dunn & Crutcher and the former chief litigation counsel at the S.E.C. who has worked on cases alongside Mr. Ceresney.

Ms. White announced on Monday that Mr. Ceresney would share the role with Mr. Canellos, who became the commission's interim enforcement chief this year when Mr. Khuzami left the agency. Mr. Canellos, who served as a federal prosecutor under Ms. White when she was United States attorney in Manhattan, is also a friend and former colleague of Mr. Ceresney.

"I am excited to be charged with implementing Chairman White's mandate of bold and unrelenting enforcement and thrilled to be teaming again with George," Mr. Ceresney, 41, said in a statement.

Yet it is rare, if not unprecedented, for the enforcement unit to be run jointly.

And while Mr. Canellos is well liked, people close to the agency say, some S.E.C. commissioners objected to his bid for more power. The commissioners were particularly concerned with Mr. Canellos's push to bolster the independence and authority of the enforcement unit, a move some investigators welcomed but might have isolated the commissioners from the investigative process.

He also irked some members of the S.E.C. trial team when he referred to them at an agency town hall meeting as "case killers," employing an obscenity as an adjective, according to people who attended the event. Mr. Canellos later apologized.

Despite the concerns, the joint leadership is likely to be temporary, people briefed on the matter said. Mr. Canellos, who has been at the S.E.C. nearly four years, is expected to return to private practice before the end of 2013.

And some S.E.C. officials argued that Mr. Ceresney, a newcomer to the agency, would benefit from Mr. Canellos's experience. He was instrumental, for example, in revamping the S.E.C.'s policy for how companies use social media.

"George is a brilliant lawyer, and a tremendous and inspirational leader," said Andrew M. Calamari, head of the agency's New York office.

In a statement, Ms. White added that "George and Andrew are two of the best lawyers and finest people I know."

Still, Mr. Ceresney faces his share of challenges. His appointment, which does not require Senate approval, could renew concerns about a revolving door that shuttles S.E.C. lawyers from the government to the private sector, and back again.

While at Debevoise, Mr. Ceresney represented a number of the nation's largest banks, including JPMorgan Chase during an inquiry involving its foreclosure practices. Mr. Ceresney is expected to recuse himself from cases involving his former clients.

The S.E.C.'s caseload presents another test for Mr. Ceresney. In addition to the dwindling number of actions, the S.E.C. is unlikely to catch any breaks from the courts. The Supreme Court recently rejected the agency's argument that it should have additional time before the statute of limitations in fraud cases expires.

The agency has run into resistance in the lower courts as well. Judge Jed S. Rakoff of the Federal District Court, for example, has said the agency's settlement with Citigroup "is neither fair, nor reasonable, nor adequate" in part because it did not include any admission of wrongdoing.

The enforcement unit's own employees are also eager for new direction. Senior investigators were sidelined when Mr. Khuzami created specialized units to track complex corners of Wall Street after the financial crisis and Bernard L. Madoff's Ponzi scheme.

Some officials have suggested abolishing the units, people briefed on the matter said. Others are proposing an expansion, hoping the agency will broaden its reach to thwart the next financial crisis.

“The commission went through a very tough time post-Madoff,” Mr. Goldsmith, the former S.E.C. chief litigation counsel, said. “People are looking beyond that to ask: so now what?”

Regulators Get Banks to Rein In Bonus Pay (WSJ)

By AARON LUCCHETTI and JULIE STEINBERG

U.S. banks are bowing to regulators' concerns about the size of executive pay and its role in financial industry risk-taking.

Seven large U.S. financial-services firms, including PNC Financial Services Group, PNC +0.28% Capital One Financial Corp., COF -1.44% and Discover Financial Services Inc., DFS +0.62% said they are scaling back the maximum bonuses awarded to executives who beat their performance targets, according to regulatory filings.

Late last year, the Federal Reserve began contacting banks about their compensation plans, said a person familiar with the phone calls. In regulatory filings, many of the firms cited the Fed as a reason for changes.

Since the financial crisis the Fed has urged banks to cap bonuses in cases where they could encourage executives to take too much risk. Before the crisis, banks erred by focusing too much on short-term profits and too little on risk when designing bonus plans for employees and executives, according to the Fed.

While the moves involve bonuses for exceeding internal financial targets and not basic pay packages, they are the latest hit to Wall Street compensation, which has shriveled in recent years because of smaller bonuses and poor stock performance. A study earlier this year by New York State Comptroller Thomas DiNapoli showed that Wall Street bonuses in 2012, while up from the previous year, were down about 40% from 2006.

The new scrutiny comes as European regulators move ahead with a plan finalized last week to cap bankers' short-term cash bonuses at twice the base salary. Banking executives in Europe already are preparing for the changes, with some considering boosting salaries to make up for the lost bonuses.

The moves show that, five years after the financial crisis, regulators are still looking at ways to lower risk in the banking system, even if it means interfering with private pay practices.

"The Fed wants to ensure that excessive risk-taking is not encouraged in these structures," said Mark Williams, a former Federal Reserve bank examiner who now teaches at Boston University.

Some shareholder groups question the trend, arguing that executives' incentives should be aligned with those of investors, who want companies to perform as strongly as possible. "There is some tension between the Fed's focus, which is on risk mitigation, and the focus of investors," said Carol Bowie, a senior research executive for Institutional Shareholder Services, an advisory firm.

Investors who own bank shares want the companies to take "reasonable risks," she said, because that is an important ingredient in making bank stocks rise. Some banks might use the Fed's guidance to replace performance-based pay with fixed salaries that could reward sluggish performance, said Ms. Bowie.

BB&T Corp., BBT +0.27% KeyCorp, KEY +0.32% U.S. Bancorp USB -0.12% and SunTrust Banks Inc. STI -1.20% are the other U.S. firms that cut their maximum performance-based bonuses recently, according to a study set to be released as early as Tuesday by pay-consulting firm Compensation Advisory Partners. The study examined practices at 23 of the largest financial-services firms.

Seven firms kept their performance programs the same as last year, according to the study. Eight others didn't have a plan last year. One securities firm, Morgan Stanley, MS +0.63% increased the maximum performance payout after reducing it a few years ago, according to the study's authors. The report points out that Morgan's payout couldn't increase if the company's shareholders experienced a loss.

Typically, the plans promise to give top executives a certain number of shares if they meet their targets over several years, and to give them more if they exceed their targets, up to a limit.

In many industries, such as technology and manufacturing, companies commonly set limits of 200% of the target bonus, said Rose Marie Orens, a senior partner at Compensation Advisory Partners and one of the authors of the study. So executives set to receive, 10,000 shares, for example, could receive up to 20,000 shares if they exceed their performance targets.

But the Fed grew concerned that the programs were too sweet for big banks. Last year, it urged certain financial-services firms to cap bonuses at a lower multiple of the target payouts, usually 125% or 150% instead of 200%, according to a person briefed on the Fed's work.

According to the survey, five of the 23 banks recently disclosed that they awarded their executives with an incentive plan in which the stock or cash received would double over time, as long as the executive reached certain performance goals. In the previous reporting period, eight of the banks had such plans.

This year it was more common to give executives 125% or 150% of their target award for hitting or exceeding certain goals, the study said. Banks in that category increased to 14 from six last year. Some of the largest banks, including Bank of America Corp., BAC +0.51% Goldman Sachs Group Inc. GS +0.58% and Wells Fargo WFC +0.11% & Co. were in that category for both time periods, the study said.

PNC reduced the payout to 125% of the target award, then approved \$2 million for an additional compensation pool to be divided among the affected executives. Spokespeople for PNC and BB&T declined to comment.

A SunTrust spokesman said the bank reviews its executive compensation programs each year "to ensure the executive compensation programs are competitive with the market and aligned with the interests of our shareholders."

A spokesman for U.S. Bancorp confirmed the numbers. A spokeswoman for KeyCorp said the numbers in the survey related to the firm's short-term incentive plan.

A Discover spokesman declined to comment. In its 2013 proxy filing, Discover said that it "reduced the upside" in its performance plan "to further inhibit excessive risk taking." It noted that the "further strengthening" of "risk-balancing features" was "consistent with guidance from the Federal Reserve."

CONGRESSIONAL NEWS

Senate Cloture Vote Clears Way for Online Sales Tax Debate (CQ)

Senate opponents are likely to continue their effort to derail with amendments or procedural moves a bill that would require most online retailers to collect state sales taxes.

The Senate voted Monday to clear the way for floor action this week on the legislation. The vote was 74-20 to limit debate on a procedural motion to take up the bill (S 743), overcoming a filibuster by senators representing some states without sales taxes.

Majority Whip Richard J. Durbin, D-Ill., a sponsor of the bill, said it is unclear whether the measure will survive attempts to amend its provisions and possibly another filibuster. Supporters have said amendments to add federal revenue provisions would be particularly problematic, since that could prompt an objection from the House that the legislation violates the constitutional requirement that revenue measures originate in that chamber.

The Obama administration endorsed the bill on Monday, echoing the argument of the bill's supporters that current practices give Internet commerce an unfair advantage. "This is simply about leveling the playing field so that bricks-and-mortar businesses . . . aren't competing at a disadvantage," said White House Press Secretary Jay Carney.

The White House endorsement was a boost for supporters of the bill. The legislation has also benefited from lobbying by the retail industry, governors and local governments. An amendment to the Senate's fiscal 2014 budget resolution (S Con Res 8) was adopted with the support of 75 senators last month, setting the stage for this week's floor action on the legislation.

The bill would reverse a 1992 Supreme Court decision and allow states to require that out-of-state retailers with annual online sales exceeding \$1 million calculate and add sales tax at the time of purchase. Retailers are now required to collect sales tax in states where they have a physical presence. While consumers elsewhere are supposed to remit the sales tax for online purchases, studies show most do not.

“Right now it’s not only fundamentally unfair to Main Street retailers, but it’s costing states and localities billions in lost revenue,” bill sponsor Michael B. Enzi, R-Wyo., said on the Senate floor. “The Supreme Court invited Congress to address this issue, and we stalled.”

Senators representing states without sales taxes, including Montana, Oregon, and New Hampshire, argue that the legislation would disproportionately impact businesses in their states. They say the bill would shift the burden of tax collection from government to online retailers, who would have to comply with different tax rates and codes for states and localities.

In a letter to Majority Leader Harry Reid, D-Nev., seven senators — Kelly Ayotte, R-N.H.; Ron Wyden, D-Ore.; Jon Tester, D-Mont.; Jeanne Shaheen, D-N.H.; Marco Rubio, R-Fla.; Mike Lee, R-Utah; and Ted Cruz, R-Texas — expressed concern that the bill was rushed to the floor without Finance Committee consideration.

“This bill forces small businesses across the country to spend time and resources they should be using to create jobs, jumping through new bureaucratic hoops,” said Finance Chairman Max Baucus, D-Mont. “In Montana, it forces our small businesses to play tax collector for other states, with absolutely no benefit to them.”

Shaheen said the legislation would “put a serious burden on small businesses that rely on the Internet to tap into growing markets, expand their operations, and create jobs.”

But Durbin said in a floor speech that consumers in states without sales taxes would not be affected. And he said retailers in those states should expect to comply with laws in the states where they make sales.

In a Statement of Administration Policy, the White House said new technology has made it easier for online retailers to collect sales taxes that apply where purchasers are located. “In recognition of these developments, a broad and growing group of bipartisan State and Federal leaders — including governors, mayors, business and labor groups, and members of Congress from both parties — has called for commonsense Federal legislation to make the system more fair,” the administration concluded.

The legislation faces another potential barrier in the House, where GOP leaders oppose anything resembling a tax increase.

The conservative Heritage Foundation has urged its members to oppose the legislation as a tax increase and an overreach of federal authority. The group said it will score Monday’s Senate cloture vote in its evaluation of lawmakers.

In Tax Fight, Amazon Hands Baton to eBay (NYT)

By ANDREW ROSS SORKIN

Let's rename it the eBay loophole.

For more than a decade, Amazon led a ferocious lobbying campaign in Washington against a law to force online merchants to collect state and municipal sales tax from their customers. Local and national retailers with brick-and-mortar stores complained that online merchants were enjoying a tax-free ride — they don't have to collect state sales tax unless they have operations in the state — and getting an unfair advantage. The tax treatment was widely known as the Amazon loophole, until Amazon dropped its opposition of the tax. (More on why Amazon did that in a moment.)

In Amazon's place has emerged its smaller rival, eBay, which has taken up the cause with a major campaign against the tax just as the issue is moving through Washington for the first time in earnest. On Monday, the bill cleared a procedural hurdle in the Senate, setting it up for a vote this week, and President Obama said he supported it.

Over the weekend, John Donahoe, eBay's chief executive, sent out an audacious e-mail to tens of millions of eBay merchants, pleading with them to write their representatives in Congress to block the legislation.

"This legislation treats you and big multibillion-dollar online retailers — such as Amazon — exactly the same," wrote Mr. Donahoe. "It may harm your ability to grow and costs jobs, including yours."

Talk about being heavy-handed.

Most of eBay's sellers have less than \$1 million in out-of-state revenue and, under the terms of the proposal, the Marketplace Fairness Act, would be exempt from collecting the tax anyway.

It isn't until the end of Mr. Donahoe's letter that he argues for a compromise. If there is action, he wrote, the bill should be changed so that a small business is defined as making less than \$10 million in out-of-state sales or having fewer than 50 employees. "To put that in perspective, Amazon does more than \$10 million of sales every 90 minutes."

Mr. Donahoe, who deserves credit for turning around eBay in recent years, isn't trying to protect the mom-and-pop store or the struggling artist, he's trying to keep substantial businesses with real revenue from paying taxes.

When I asked an eBay spokeswoman to quantify how many eBay sellers would be affected by the legislation if it were not raised to the \$10 million cap, she said she did not have a number. (Considering the amount of money and energy eBay is spending on its lobbying effort, you'd think it would be able to quantify the cost.)

Part of eBay's argument is that it is too complicated and expensive for small merchants to collect the tax. "Are you prepared to collect sales taxes in the more than 9,600 tax jurisdictions across the U.S.?" Mr. Donahoe asked.

What Mr. Donahoe did not mention is that Amazon will already collect this tax for merchants if they ask, and eBay will help provide them with third-party technology services that will help them do this, too. There are a number of companies that will manage and streamline the process, like Avalara or TaxCloud. And you have to believe that if the bill gets passed, there will be a cottage industry of companies that will offer services to collect the tax, including eBay, which has made a reputation trying to streamline the selling process for merchants. In fairness, eBay also argues that a cost of complying with enforcement will be a nightmare. Think about the prospect of an out-of-state tax audit.

Before we continue, a little history: the reason the online merchants don't have to collect sales tax is a function of the Supreme Court ruling in 1992 in *Quill Corporation v. North Dakota*. In that case, Quill, a mail-order office equipment retailer, was sued over what North Dakota said was taxes due because Quill shipped products to the state. The court ruled that merchants did not have to collect taxes in a state unless they had a physical presence in the state. This covered mail-order businesses and, yes, the then-nascent business of Internet retailing. (Amazon didn't even exist then.)

A note to readers, and to self: If you live in a state with a sales tax, you are supposed to submit uncollected taxes on Internet purchases at the end of the year, even if the merchant doesn't seek it at the time of the sale. Of course, nobody does that.

At a time when states are desperate for revenue, you can see the allure of taxing online merchants. According to the National Conference of State Legislatures, \$23 billion is lost annually from out-of-state sales, a considerable portion from online transactions.

There's an argument to made, which eBay does, that the sales tax is regressive for businesses — and it is. The tax does not discriminate between a large, national retailer and a mom-and-pop. The tax is flat. And big business already has special tax advantages: states often offer big companies tax incentives to build stores and distribution systems, benefits that are not offered to small businesses.

But on the flip side, there is an argument that the current state of sales taxes online is regressive for consumers. Poorer people are less likely to be able to benefit from being able to shop online.

So what about Amazon? Why did it abandon the fight?

Not because it felt altruistic. It was a business decision. As Amazon has grown, it has become better positioned to handle the tax hit. And perhaps more important, it is moving to build physical warehouse and shipping centers in many states so that it can offer faster delivery services, in some cases within 24 hours. That means it would most likely have had to collect sales tax anyway.

In the end, it is unclear whether the Republican-controlled House will approve tax legislation if it clears the Senate, as expected. But when consumers make purchases, either in a store or online, they should be prepared to pay the requisite sales tax. And, yes, merchants and lawmakers should provide the way to collect it.

Military's efforts to cut programs, save billions, are thwarted by Congress (AP)

WASHINGTON — Parked around the airstrip at Lackland Air Force Base are more than a dozen massive C-5A Galaxy transport planes. There is no money to fly them, repair them or put pilots in the cockpits, but Congress rejected the Air Force's bid to retire them.

So every now and then, crews will tow the planes around the Texas tarmac a bit to make sure the tires don't rot, then send them back into exile until they can finally get permission to commit the aging aircraft to the boneyard.

It's not an unfamiliar story.

Idle aircraft and pricey ship deployments underscore the contradictions and conflicts as Congress orders the Pentagon to slash \$487 billion in spending over the next 10 years and another \$41 billion in the next six months. Yet, at the same time, lawmakers are forcing the services to keep ships, aircraft, military bases, retiree benefits and other programs that defense leaders insist they don't want, can't afford or simply won't be able to use. The Associated Press interviewed senior military leaders involved in the ongoing analysis of the budget and its impact on the services and compiled data on the costs and programs from Defense Department documents.

The Pentagon long has battled with Congress over politically sensitive spending cuts. But this year, military officials say Congress' refusal to retire ships and aircraft means the Navy and Air Force are spending roughly \$5 billion more than they would if they were allowed to make the cuts. In some cases Congress restored funds to compensate for the changes, but the result overall was lost savings.

In other cases, frustrated military leaders quietly complained that they were being forced to furlough civilians, ground Air Force training flights and delay or cancel ship deployments to the Middle East and South America, while Congress refuses to accept savings in other places that could ease those pains.

Along the eastern seaboard, two Navy cruisers — the USS Anzio in Norfolk, Va., and the USS Vicksburg in Mayport, Fla. — were scheduled for retirement this year but both are now sitting pier-side. Navy leaders will soon schedule the ships for significant repairs and begin readying their crews so they can go back into service.

Altogether, Congress is requiring the Navy to keep seven cruisers and two amphibious warships in service, eliminating the \$4.3 billion the retirements would have saved over the next two years.

“A lot of it comes down to parochial political interests,” said Todd Harrison, senior fellow at the Center for Strategic and Budgetary Assessments. “No member of Congress wants to have a base closed in their district or to have a fighter squadron relocated out of their district.”

Members of Congress argue that they believe the Pentagon sometimes makes bad decisions and other times may purposely target programs that have broad support.

“Certainly that has been a pattern, they’ve cut Guard and Reserves in areas where it’s clearly unwise and Congress steps in to put the money in,” said Rep. Michael Turner, R-Ohio, chairman of the House Armed Services air and land forces subcommittee.

While the Navy sought to retire the seven ships, the Air Force wanted to save more than \$600 million by retiring C-130 and C-5A cargo aircraft, three B-1 bombers and 18 high-altitude Global Hawk surveillance drones.

Congress disagreed, adding various requirements that the Navy and Air Force maintain the ships and aircraft, and in some cases added money to the budget to cover them. Fifteen of the C-5A Galaxy aircraft no longer set to retire are at Lackland, while 11 are at Martinsburg, W.Va., and are flown by the Air National Guard there.

A senior Air Force official said the service determined that it didn’t need all of the aging aircraft. And it pushed to cut the Global Hawks because defense officials determined that the U-2 spy plane, first produced more than 50 years ago, was better suited for the high-altitude surveillance job and would cost less money.

The official also noted that while lawmakers rejected plans to retire the Galaxy aircraft, congressional appropriators did not add back money to pay for the fuel or the manpower to fly them. Similarly, the three B-1 bombers will move into backup status and likely will be used infrequently. The official was not authorized to speak publicly about the budget, so requested anonymity.

The decision to block retirement of some C-130s, however, reveals how narrow, yet critical, the political interests can be. Pennsylvania lawmakers declared victory last month when they reversed the decision to retire eight C-130s and shut down the 911th Airlift Wing near Pittsburgh. Local officials and business owners argued that the base, which uses space at Pittsburgh International Airport, provides an economic boost to the entire community.

Sens. Pat Toomey, a Republican, and Bob Casey, a Democrat, lobbied Pentagon leaders and fellow lawmakers to keep the wing. They argued in a letter to then-Defense Secretary Leon Panetta that “the 911th is a very efficient and cost effective installation” and that closing it could be a waste of taxpayer dollars.

Pentagon officials have also been thwarted in their broader efforts to shut down costly and underused military facilities around the country. Congress rejected the department’s request last year for two more rounds of base closings, as lawmakers objected not only to the prospect of taking jobs and dollars out of a region’s economy, but also questioned whether closing the facilities actually achieves the promised savings.

Pentagon budget chief Robert Hale acknowledged earlier this month that the department spent \$35 billion on the base closure round in 2005, and while it saves \$4 billion a year, officials won't break even until 2018. The expense is largely because a number of new facilities were built even as some were merged and closed.

"Would a (base closings) round be effective in providing rapid savings? Unfortunately, history has emphatically told us, no," Rep. Rob Wittman, R-Va., said during a recent hearing on the Base Realignment and Closures program. "I believe that aggressively moving forward with the BRAC round could significantly harm our military power and their ability to project power."

Currently, the department saves about \$8 billion a year on the four rounds that were carried out before 2005. The Pentagon has proposed another round in 2014 that Hale said would save \$1 billion to \$2 billion a year. Pentagon leaders insist that the military still has nearly 20 percent too many bases and facilities.

"There is still excess infrastructure," Assistant Army Secretary Katherine Hammack told the House Armed Services Committee last month. "I was just on one (base) that had 800 buildings and we were utilizing 300 of them."

Perhaps the most significant cost savings historically opposed by Congress are Pentagon efforts to scale back military retirement benefits, including proposals to increase premiums or co-pays for retirees.

"I think there's a misunderstanding in Congress about what it is that would change," Harrison said. "They tend to associate changes in retirement benefits with changes to veterans benefits."

But changes to retiree health care would only affect the approximately 17 percent of the service members who stay in the military long enough to qualify for retirement, and those are usually more senior officers who already have a higher income. Veterans' benefits more often help those with lower incomes, and they are included in the Veterans Affairs Department budget, not the Pentagon's.

Turner faulted department leaders for some of the problems with those broader issues.

"I think on policy shifts you need a more holistic approach, and the Pentagon usually doesn't engage Congress in discussions of finding cuts or program changes. They send them up as missiles for Congress to deal with, instead of using a deliberative approach."

Harrison said the Pentagon needs to do a better job explaining and selling its arguments for such politically unpalatable spending cuts.

"If you actually try to do smart targeted reductions, like closing bases, like actually reducing the size of the workforce, targeted cuts have winners and losers," Harrison said. "And Congress has not been willing to make those tough decisions."

As a result, he said, lawmakers resort to broader, across-the-board cuts, such as the furloughs.

“It spreads pain across evenly,” he said. “So everyone can wash their hands of it.”

Rand Paul Tries to Transform a Moment Into a Movement (WSJ)

Sen. Rand Paul's big moment lasted nearly 13 hours.

To many, that's how long it took the Republican lawmaker to transform from fringe politician to overnight sensation, in an old-fashioned Senate floor filibuster to seek White House safeguards against using drones to kill Americans.

Billed as a spontaneous gesture, the filibuster was in fact the most successful of several planned actions that began when the eye doctor-turned-senator decided in December to weigh a run for president.

In short order, Sen. Paul, of Kentucky, won a first-place finish in a straw poll at the Conservative Political Action Conference, beating Florida Sen. Marco Rubio and New Jersey Gov. Chris Christie in a field of potential 2016 contenders; his new super PAC welcomed a flood of new donors; and he was invited to prestigious speaking engagements in key primary states.

Although Sen. Paul says he hasn't made a decision to run, he isn't coy about his ambitions to be a national force. "My new notoriety allows me to talk about ways to make the Republican Party bigger and better, and to be part of the national debate," he said, using a copy of the Constitution to block the sun from his eyes on a recent drive down a Kentucky interstate.

The rise of Rand Paul shows the political cunning of an often iconoclastic yet low-key, second-generation politician who seeks to rebrand the Republican Party after consecutive presidential election losses.

Sen. Paul faces an "uphill climb" to become the Republican nominee, but "he's suddenly viewed as a serious player who will impact 2016," said Brian Jones, a senior adviser to the past three GOP presidential campaigns. "He has uncanny political instincts."

GOP strategist Scott Reed said Sen. Paul was "doing outreach unlike any other Republican, sticking it to the president and the Democrats, and on the front line of new ideas."

What's clear is that Sen. Paul isn't content to follow in the exact footsteps of his libertarian father, former Rep. Ron Paul, who has often been seen as an ideological gadfly. The younger Paul calls himself a libertarian and "constitutional conservative." He is a tea-party favorite for his small-government, low-tax agenda, but his emerging brand is more complex.

He stands apart from mainstream Republicans with a largely hands-off foreign policy view and an unpopular plan to eliminate federal deficits in five years. On social issues, he opposes

abortion and favors a federal law that declares life begins at conception. Yet, he disagrees with federal laws that discriminate against gay marriage or impose penalties for drug use.

Sen. Paul backs term limits and blames the GOP's "moss-covered" longtime politicians for his party's troubles. His views irritate many: Sen. John McCain last month called him a "wacko bird," but later apologized.

"Rand Paul's brand doesn't line up with all of what our party stands for—on national security, social values, the economy and the role of government in society," said former U.S. senator and presidential candidate, Rick Santorum. "His message won't ultimately lead us to be a more successful party."

Others delight in his apparent defiance of politics as usual. "We love you, Rand Paul!" yelled Lisa Gianardi, of Nicholasville, Ky., when the senator entered a recent lunch meeting of Women Republicans of Central Kentucky. "Rand Paul for president!"

Many of the women clutched his book "Government Bullies" and wore "I Stand with Rand" buttons. They applauded when he said the role of former Secretary of State Hillary Clinton—a potential 2016 rival—in the deaths of four Americans in Benghazi during her tenure "should preclude her from ever holding high office."

Former Senator Jim DeMint, a conservative Republican from South Carolina, said, "Rand showed early on that he didn't need to be loved by the establishment or official Washington."

Sen. Paul has one important establishment ally, Senate Minority Leader Mitch McConnell, who has given the junior senator from his state access to Republican leadership. In return, Sen. Paul has extended his tea-party credentials and home-state popularity to Sen. McConnell, who faces re-election next year.

To be a more credible figure than his libertarian father, a three-time presidential contender, Sen. Paul said, he must "appeal to a larger group of voters." For example, he hasn't called for eliminating the Federal Reserve or instituting the gold standard, his father's pet projects.

Sen. Paul is moving swiftly to build on his new momentum by broadening his reach, with mixed results. Some tea-party supporters were angered when he told the Hispanic Chamber of Commerce recently that he favored a path to citizenship for illegal immigrants who were working. Sen. Paul later spent much of the day clarifying that he opposed unconditional amnesty.

The 50-year-old senator is "not trying to make himself attractive to voters," said his wife, Kelley Paul, who cringes when he cuts his curly hair over the bathroom sink between trips to the barber.

Her husband is reserved, soft-spoken and operates without the charisma of modern politicians. At a trim, 5 feet 8 inches tall, he doesn't stand out in a crowd or show any pomp. Left on his own, he said, he dresses in worn jeans, a pair of his brother's hand-me-down boots and generic ties. He prefers clunky walking shoes, even with suits.

During gatherings in Kentucky and Washington, Sen. Paul didn't schmooze, instead sticking to a serious tone in talks about government abuse and issues before Congress. Occasionally, he has trouble hearing questions; he wears hearing aids in both ears.

He also has a dry sense of humor. Speaking recently at the University of Kentucky to students who had lined up around the building to see him, he said, when the lights went out, "That's a little too dark. We're going to have some sleeping going on. These are students."

Sen. Paul, raised with four siblings in Lake Jackson, Texas, grew up hearing the libertarian political speeches of his obstetrician father, Ron. Without finishing his undergraduate studies at Baylor University, Sen. Paul obtained a medical degree at Duke University, followed by an ophthalmology residency there.

The Pauls moved to Bowling Green, Ky.—near his wife's family—where he started a medical practice and a taxpayer watchdog group. In 1995, Sen. Paul built a home in a gated community and was incensed over the requirement to install low-flow toilets, designed to save water. He complained the toilets needed repeated flushes to work properly, defeating the purpose.

His anger over such rules became a theme when he helped his father's 2008 presidential campaign. At the 234th anniversary of the Boston Tea Party in December 2007, Sen. Paul rallied his father's libertarian followers at Faneuil Hall with a defense of small government. His wife recalled her brother saying that night: "You better get ready, Rand has a future in politics."

Her husband instead bought an office building and left a large medical group to set up his own surgical practice. But he jumped into the 2010 race when former Sen. Jim Bunning declined to seek re-election. The state's GOP establishment, including Sen. McConnell, backed Sen. Paul's primary opponent. Sen. Paul, who had never run for office, rallied the anti-incumbent tea party, and tapped into his father's fundraising network, to easily win the primary, then the general election.

As a freshman senator, he stuck to his pledge to offer a bill balancing the budget in five years. It got seven votes. This year, it got 18 votes. He challenged his party by arguing for cuts to military, as well as domestic spending.

After the Republican Party's poor performance in November's presidential election, Republican National Committee chair Reince Priebus visited Sen. Paul for ideas. The senator saw an opening for his brand of politics.

In December, he gathered advisers, including top strategist Jesse Benton, in a friend's Capitol Hill living room. Over pizza and beer, Sen. Paul said he was "very interested" in considering a run for president in 2016. He would need to "break the mold" to reach nontraditional GOP voters—as well as Democrats and independents—without losing support from his base of libertarians, tea-party followers and social and fiscal conservatives.

Sen. Paul mapped out actions that "are similar things you would do whether you're running for president or becoming a national leader," said Doug Stafford, his chief of staff.

Officially, Sen. Paul said, he won't make a decision until next year. But he has stepped in that direction.

Sen. Paul's first stop was Israel. He had proposed slashing foreign aid, including to Israel, and needed to dispel fears he was anti-Israel. Swimming in the Dead Sea, touring the country and meeting with Israeli Prime Minister Benjamin Netanyahu, "Rand made the right moves if he runs for president," said evangelical leader David Lane, who organized the trip in early January. Back in Washington, Sen. Paul displayed a stronger pro-Israel stance, saying an attack on Israel should be treated as an attack on the U.S.

His next step was unplanned. In late January, he was at the Nashville airport, heading to Washington, when he triggered an alarm in the body scanner. He refused consent to a full-body pat-down by an agent of the Transportation Security Administration and was prevented from boarding. He had his office tweeting about the TSA, a favorite target, within minutes.

Sen. Paul next delivered a foreign-policy speech at the conservative Heritage Foundation, designed in part, said an adviser, to distinguish himself from his father, who wants no U.S. bases overseas. "I am a realist," the speech began. "Not a neoconservative, nor an isolationist." He laid out a course of limited intervention, particularly in confronting radical Islam.

Then, on March 6, Sen. Paul talked his way onto the national stage. As Democrats pushed for quick confirmation of John Brennan as Central Intelligence Agency director, Sen. Paul took the Senate floor and surprised his colleagues, saying he would talk until President Barack Obama clarified whether he had the authority to kill Americans with drones on U.S. soil.

"I will speak until I can no longer speak," he said, shortly before noon. As the hours passed, the senator—without food, drink or bathroom break—began fading but refused to yield the floor. Friendly colleagues, including one Democrat, asked questions to allow him a few moments of silence.

Sen. Paul, days earlier, had asked aides for a binder with ideas for his filibuster but said he didn't plan to talk so long.

By nightfall, the chamber had filled with supporters from both parties, and the Twitter world was exploding. When he finally stopped at 12:40 a.m., Sen. Paul was the talk of the town. Within hours, the White House confirmed it wouldn't use drones to kill Americans on U.S. soil.

Last week, he showed his brass-knuckle tactics in leading the Senate opposition to gun-control legislation. In a closed-door session, some Republican senators tried to persuade Sen. Paul to retreat from his promise to stop or slow down the floor debate. Senators warned it would look bad, given the presence of families of children fatally shot at Sandy Hook Elementary School, said two people familiar with the session.

The day of the April 17 vote, Sen. Paul said, "In some cases, the president has used them as props," referring to the Sandy Hook parents. After the bill's defeat, Mr. Obama took an indirect dig at Sen. Paul. "Do we think their emotions, their loss is not relevant to this debate?" the president said.

At home in Bowling Green with his wife and two of their three sons, Sen. Paul worked in the yard and filled the compost bin that he built himself. "Rand doesn't feel like he has a lot to lose," Mrs. Paul said. "He's not interested in being in Washington for a long time."

Sen. Paul said regardless of whether he stays in the Senate or runs for president, he would continue providing free eye operations to keep up his skills. "My goal is to make my country solvent and prosperous," he said, "or be an eye surgeon back in Bowling Green."

A day earlier, he had performed cataract surgery on Peggy Clark, 48, of Benton, Ky., who couldn't afford the \$2,000 operation. "He's a wonderful eye doctor," she said. "But I can't vouch for him as a politician. Besides, I'm a lifelong Democrat."

WHITE HOUSE NEWS

In Gun Bill Defeat, a President Who Hesitates to Twist Arms (NYT)

By MICHAEL D. SHEAR and PETER BAKER

WASHINGTON — Senator Mark Begich, Democrat of Alaska, asked President Obama's administration for a little favor last month. Send your new interior secretary this spring to discuss a long-simmering dispute over construction of a road through a wildlife refuge, Mr. Begich asked in a letter. The administration said yes.

Four weeks later, Mr. Begich, who faces re-election next year, ignored Mr. Obama's pleas on a landmark bill intended to reduce gun violence and instead voted against a measure to expand background checks. Mr. Obama denounced the defeat of gun control steps on Wednesday as "a shameful day."

But Mr. Begich's defiance and that of other Democrats who voted against Mr. Obama appear to have come with little cost. Sally Jewell, the interior secretary, is still planning a trip to Alaska — to let Mr. Begich show his constituents that he is pushing the government to approve the road.

The trip will also reinforce for Mr. Begich and his colleagues a truth about Mr. Obama: After more than four years in the Oval Office, the president has rarely demonstrated an appetite for ruthless politics that instills fear in lawmakers. That raises a broader question: If he cannot translate the support of 90 percent of the public for background checks into a victory on Capitol Hill, what can he expect to accomplish legislatively for his remaining three and a half years in office?

Robert Dallek, a historian and biographer of President Lyndon B. Johnson, said Mr. Obama seems "inclined to believe that sweet reason is what you need to use with people in high office."

That contrasts with Johnson's belief that "what you need to do is to back people up against a wall," Mr. Dallek said.

"Obama has this more reasoned temperament," he said. "It may well be that it's not the prescription for making gains. It raises questions about his powers of persuasion."

Some supporters said the imperative of the moment requires more force from Mr. Obama. "He needs to turn up the heat every way he can and every chance he gets because it's not political points or poll numbers that are at stake but lives," said Representative Carolyn B. Maloney, a New York Democrat who has sponsored a gun control bill in the House.

The White House on Monday defended the president's efforts on the gun legislation, saying he had made a vigorous effort to lobby wavering senators. "He made numerous phone calls and had numerous meetings," said Jay Carney, the White House press secretary. "And his entire team here engaged in this process completely and thoroughly."

But the president has long struggled to master his relationship with Congress. During his first two and a half years in office, he favored what aides called an inside approach, working quietly in back rooms to convince lawmakers of the logic of his positions. That worked better when Democrats controlled both the House and the Senate, and he passed legislation to expand health care, regulate Wall Street and spend hundreds of billions of dollars to stimulate the economy.

After Republicans took control of the House in the 2010 midterm elections, Mr. Obama grew exasperated by talks that rarely seemed to lead to deals. As a result, he adjusted to an "outside strategy" and used campaign-style rallies around the country to put pressure on lawmakers. That won him victories on a payroll tax cut and keeping student loan rates low, but when he tried it on gun control, it failed.

"There have been very few consequences for those that defeat the legislation, and that's what allows the legislation to be defeated," said former Senator Byron L. Dorgan, Democrat of North Dakota, who retired in 2011. But Mr. Dorgan said that in the modern era, constituent pressure is the key. "Put some real pressure on back home. The pressure back home is more important than pressure from the White House."

William M. Daley, Mr. Obama's chief of staff from 2011 to 2012, wrote in *The Washington Post* that Democratic donors should hold back their support. "So I'll have some advice for my friends in Chicago, New York and Los Angeles: Just say no to the Democrats who said no on background checks," Mr. Daley wrote.

White House officials insisted the president had mobilized the full weight of his office to wage a public campaign on behalf of the gun legislation. The president deputized Vice President Joseph R. Biden Jr., a veteran of past gun control battles, to lead the public effort. Behind the scenes, outreach and coordination were managed first by Bruce Reed, Mr. Biden's chief of staff, and later by Denis R. McDonough, the president's new chief of staff.

Not counting dinners that Mr. Obama held with senators, White House officials said he and Mr. Biden participated in more than 45 calls or meetings with 30 senators in March and April.

“I don’t know how he could have been more all-in than he’s been,” said Dan Gross, the president of the Brady Campaign to Prevent Gun Violence.

Some Democrats on Capitol Hill agreed, saying that Mr. Obama’s reputation for not imposing discipline had more to do with the current nature of legislating in Washington, where the two parties have grown increasingly polarized. Several also noted that presidents can no longer use earmarks — the pet projects of legislators that are now banned — to help grease a bill’s passage. Aides to Mr. Obama said such incentives would not have worked anyway for Democrats worried about the power of the gun issue.

“President Obama is not Lyndon Johnson, and this is not the 1960s,” said Representative Mike Thompson, a California Democrat and chairman of the House Gun Violence Prevention Task Force. Mr. Johnson had large Democratic majorities in Congress during much of his presidency. “It’s a different time and different people, and everyone has their own way of doing things. This president can be every bit as convincing as any president before him.”

Mr. Obama’s former campaign operation has already pledged to go after Democrats who opposed gun control. In remarks after the gun legislation died Wednesday, Mr. Obama hinted that retribution might come after all. “If this Congress refuses to listen to the American people and pass common-sense gun legislation, then the real impact is going to have to come from the voters,” he said.

In the case of Mr. Begich, though, it is unclear whether Mr. Obama will punish him, and to what end. The administration has agreed only to reconsider its decision to block the road in Alaska, not to reverse it. And yet, the president also wants to keep a Democrat in Alaska to help hold onto control of the Senate.

“It certainly is the \$64,000 question,” Mr. Dallek said.

State Department Criticized by E.P.A. on Pipeline Report (NYT)

By JOHN M. BRODER

WASHINGTON — The Environmental Protection Agency sharply criticized the State Department’s impact statement for the proposed Keystone XL oil pipeline, saying the report failed to adequately consider the climate change impacts of building the pipeline or to realistically assess alternative pipeline routes or modes of transport.

In a relatively unusual public squabble between agencies, a top E.P.A. official said in a letter to State Department officials that the department’s latest environmental statement for the 1,700-mile pipeline provided “insufficient information” to adequately judge the project, and that the E.P.A. could not sign off on the pipeline unless more complete studies were performed.

The letter was one of more than a million documents submitted as part of the public comment phase of the project. At the end of February, the State Department issued an environmental-

impact statement for the pipeline, saying there was no conclusive environmental or economic reason not to build the project. The pipeline would carry a heavy form of oil known as bitumen from oil sands formations in Alberta to refineries in Texas.

Secretary of State John Kerry is expected to make a recommendation to President Obama on the pipeline later this year. The State Department must determine whether the project is in the national interest because it crosses an international border.

The E.P.A. comments cheered environmentalists, who have made stopping the pipeline a major cause. But it was not clear whether it would affect the decision on the project.

Cynthia Giles, the E.P.A. assistant administrator for enforcement and compliance, said that the State Department had failed to adequately support its two fundamental conclusions supporting the project — that the climate change effects of building the pipeline would be negligible, and that Canada would develop the oil sands regardless of whether the \$7 billion pipeline is built.

Ms. Giles said that the State Department significantly underestimated the long-term climate change impact of developing the Canadian oil formations. She also questioned the study's conclusion that Canada would find other modes of transportation — chiefly rail — to ship the oil without a pipeline.

Critics of the pipeline have seized upon these two issues as reasons to veto the project. They say that Canadian oil is substantially dirtier than other forms of oil, and that if Canada cannot easily get the oil to the American market, it will slow development of the oil sands.

Anthony Swift, a lawyer with the Natural Resources Defense Council, called the E.P.A. report “tremendous,” and said it proved that the State Department had not yet adequately considered the wide range of environmental issues that have long concerned the pipeline's opponents.

A senior State Department official said the department had been closely working with the E.P.A. to analyze the pipeline's environmental effects and would take the agency's concerns into consideration.

Dan Frosch contributed reporting from Denver.

Obama Budget Spreads the Tax Pain (WSJ)

By DAMIAN PALETTA

WASHINGTON—President Barack Obama's budget proposal would lead to significant tax increases on upper-income Americans, and also to moderate increases on some lower-income Americans, largely because of a new tax on tobacco products, according to an analysis by a Washington think tank.

The Tax Policy Center, a project run by the Urban Institute and the Brookings Institution, found that the budget plan would raise roughly \$1.1 trillion over 10 years through a combination of limits on tax breaks, a tax on the banking industry and new estate taxes, among other things. The White House's proposed tax increases have run into stiff opposition from congressional Republicans.

Still, the plan is likely to draw attention from House and Senate leaders considering whether to pursue an overhaul of the tax code this year, particularly because the White House says that tax increases must be part of any broad deficit-reduction plan.

The TPC analysis offers one of the first in-depth, outside reviews of the White House's plan since it was offered April 10.

TPC found the tax increases would primarily affect upper-income earners, with 86% of the additional taxes paid in 2015 coming from Americans earning more than \$200,000. That is largely because the plan would limit the value of certain tax breaks at 28%, which would boost income taxes paid by those in the 33%-and-higher tax brackets, essentially raising taxes for couples with taxable income above about \$223,000 currently.

Another budget proposal would prevent Americans with incomes exceeding \$1 million a year from paying an effective tax rate of less than 30%. The White House estimates this change and the cap on tax breaks would raise about \$580 billion over 10 years.

TPC said these changes and others would force taxpayers earning more than \$1 million to pay an average of \$82,604 in additional taxes in 2015, lowering their after-tax income 3.8%. Taxpayers earning between \$500,000 and \$1 million would see their after-tax income fall by 1.9% and pay an average of \$8,888 more in taxes that year.

Low- and moderate-income families would also pay more on average, at least initially, TPC found, mostly because of a new tax on tobacco products.

The White House proposes raising the federal tax on a pack of cigarettes to \$1.95 from \$1.05. It estimates this would raise \$78 billion over 10 years, and it plans to use the proceeds for expanded preschool education.

TPC found that this change would push average tax bills higher for low- and moderate-income taxpayers, at least in 2015, because they are more likely to smoke than higher-income earners. TPC estimated that the average taxpayer earning between \$20,000 and \$30,000 would pay an additional \$67 in taxes in 2015, reducing after-tax income by 0.3%.

White House officials long said that they planned to shield low- and moderate-income Americans from any tax increases, but they have acknowledged the tobacco proposal would hit these groups.

"It's a bad tax policy because it goes at the poor, and it doesn't make any sense," said Curtis Dubai, a senior policy analyst at the conservative Heritage Foundation.

The White House has defended the proposal by saying it would both discourage smoking and fund an education initiative that low-income families would benefit from the most.

Obama administration officials also point to other budget proposals aimed at helping low- and middle-income households, including permanent changes to the earned-income tax credit and the child-tax credit that would otherwise expire in 2017.

The TPC said that by 2023, these changes would lead to a net tax cut for taxpayers earning less than \$30,000 a year.

Democrats and Republicans remain at odds over how to proceed on potential changes to the tax code, but they could face pressure to reach a decision by this summer, when the government is expected to hit its borrowing limit.

Many GOP lawmakers have said they only feel comfortable backing a debt-limit increase as part of a broader package that reduces the deficit.

NATIONAL/WORLD NEWS

Boston Suspect Is Charged and Could Face the Death Penalty (NYT)

By KATHARINE Q. SEELYE, MICHAEL S. SCHMIDT and WILLIAM K. RASHBAUM
BOSTON — Lying grievously wounded in a hospital bed, the surviving suspect in the Boston Marathon bombings admitted on Sunday to playing a role in the attacks, said law enforcement officials, and on Monday he was charged with using a weapon of mass destruction that resulted in three deaths and more than 170 injuries.

Uttering the word “no” once, but mostly nodding his responses, the suspect, Dzhokhar Tsarnaev, 19, was charged in a brief but dramatic bedside scene in the intensive care ward of Beth Israel Deaconess Medical Center, where he is recovering from multiple gunshot wounds sustained during his capture last week.

Mr. Tsarnaev made his admission on Sunday morning to specially trained F.B.I. agents who had been waiting outside his hospital room for him to regain consciousness. After he woke up, they questioned him, invoking a special Justice Department public safety exception that allowed them to interrogate him without telling him he had the right to remain silent.

In the course of questioning him about whether he knew of any other active plots or threats to public safety, he admitted that he had been involved in laying the bombs that killed three people at the finish line of the Boston Marathon.

He said that he knew of no other plots and that he and his brother had acted alone, and he said he knew of no more bombs that had not been detonated.

At the legal hearing Monday, he shook his head in response to most questions. The brief bedside session began when Magistrate Judge Marianne B. Bowler asked a doctor whether Mr. Tsarnaev was alert, according to a transcript of the proceeding.

“You can rouse him,” the judge told the doctor.

“How are you feeling?” asked the doctor, identified in the transcript as Dr. Odom. “Are you able to answer some questions?” He nodded.

Judge Bowler then read Mr. Tsarnaev his rights. Also present were two United States attorneys and three federal public defenders, who will be representing him. Judge Bowler asked if he understood his right to remain silent, to which he nodded affirmatively, according to the transcript.

The only word Mr. Tsarnaev uttered, apparently, was “No,” after he was asked if he could afford a lawyer.

Judge Bowler said, “Let the record reflect that I believe the defendant has said, ‘No.’ ”

At the end of the session, Judge Bowler said: “At this time, at the conclusion of the initial appearance, I find that the defendant is alert, mentally competent, and lucid. He is aware of the nature of the proceedings.” If convicted, he faces the death penalty or life behind bars.

Mr. Tsarnaev is being treated for what court papers described as possible gunshot wounds to the “head, neck, legs and hand.” One law enforcement officer said the wound to the neck appeared to be the result of a self-inflicted gunshot. The charges were lodged in a criminal complaint unsealed Monday in United States District Court for the District of Massachusetts, the first step in a lengthy process.

The White House said that Mr. Tsarnaev would not be placed in military detention. “We will prosecute this terrorist through our civilian system of justice,” said Jay Carney, the White House press secretary.

He noted that it was illegal to try an American citizen in a military commission, and that a number of high-profile terrorism cases had been handled in the civilian court system, including that of the would-be bomber who tried to bring down a passenger jet around Christmas 2009 with explosives in his underwear.

The charges against Mr. Tsarnaev were made public about the same time that Boston, like many cities across the country, held a moment of silence at 2:50 p.m., the time of the explosions a week before. Hundreds of people gathered in Copley Square, near the scene of the attacks, after which church bells tolled mournfully in a cold, wintry wind.

Already, hundreds of mourners had attended a funeral at St. Joseph Church in Medford, Mass., for Krystle Campbell, the 29-year-old restaurant manager killed near the finish line of the marathon. In the evening, hundreds more attended a memorial service at Boston University for Lu Lingzi, 23, a Chinese graduate student who was killed in the bombings.

A service is planned Wednesday for Sean Collier, 26, the M.I.T. campus police officer who was killed in his car Thursday night.

Mr. Tsarnaev and his brother, Tamerlan, 26, are accused of going on a violent spree that ended in Tamerlan's death and Dzhokhar's capture in a boat parked in a driveway in Watertown, Mass., about seven miles west of Boston. New details were included in the affidavit accompanying the criminal complaint, which also outlined the evidence that law enforcement agencies have collected linking the two suspects to the bombings. However, there was no mention in the affidavit of the killing of the campus police officer, nor any explanation why it was not mentioned.

The affidavit, sworn by Daniel R. Genck, an F.B.I. special agent assigned to the Joint Terrorist Task Force in Boston, cited surveillance video as it detailed the movements the brothers made around the time of the bombings.

In chilling detail, the affidavit described how a man it referred to as "Bomber Two," whom it identified as Dzhokhar Tsarnaev, could be seen "apparently slipping his knapsack onto the ground."

Video from a nearby restaurant, Forum, showed the bomber remaining in place, checking his cellphone and even appearing to take a picture with it, the affidavit said. Then he seemed to speak into his phone.

"A few seconds after he finishes the call, the large crowd of people around him can be seen reacting to the first explosion," the court papers said. "Virtually every head turns to the east (towards the finish line) and stares in that direction in apparent bewilderment and alarm. Bomber Two, virtually alone among the individuals in front of the restaurant, appears calm. He glances to the east and then calmly but rapidly begins moving to the west, away from the direction of the finish line."

"He walks away without his knapsack, having left it on the ground where he had been standing," the court papers said. "Approximately 10 seconds later, an explosion occurs in the location where Bomber Two had placed his knapsack."

Just seven hours after the F.B.I. released pictures of the two suspects on Thursday afternoon to the public, one of the suspects emerged in Cambridge, pointing a gun at a man sitting in his car.

The affidavit said that the driver eventually escaped and his stolen vehicle was located soon thereafter in Watertown. As the two suspects drove around, they tossed at least two small improvised explosive devices from the car window, the affidavit said. When the police caught up with the men on Laurel Street, they engaged in a gunfight.

At the scene of the shootout, the F.B.I. found more clues: two unexploded improvised explosive devices and the remnants of “numerous” exploded devices, which were similar to those found at the scene of the marathon bombings — and at least one was in a pressure cooker, the affidavit said. “The pressure cooker was of the same brand as the ones used in the Marathon explosions,” it said.

As the legal process was playing out, investigators were still working feverishly to determine the motives for the attacks. A lawyer for Katherine Russell, who married Tamerlan Tsarnaev in 2010, said that Ms. Russell found out that her husband was a suspect in the bombings only after the authorities released the photos on Thursday.

“She was shocked,” said the lawyer, Amato A. DeLuca. “She had no idea.”

Mr. DeLuca said that he had been speaking with law enforcement authorities but declined to say whether Ms. Russell had. He also declined to elaborate on whether his client had seen changes in her husband recently. He did say that his client did not speak Russian, so she could not always understand what her husband was saying.

Katharine Q. Seelye reported from Boston, Michael S. Schmidt from Washington and William K. Rashbaum from New York. Reporting was contributed by Michael Cooper and John Eligon from New York; Richard A. Oppel Jr., Serge F. Kovaleski and Jess Bidgood from Boston; and Peter Baker from Washington.

U.S. Supreme Court rejects tobacco marketing appeal (AP)

WASHINGTON — The Supreme Court has rejected a First Amendment challenge by tobacco companies to a 2009 law that restricts how they can market their products.

The justices on Monday left in place a ruling by the 6th U.S. Circuit Court of Appeals in Cincinnati that upheld the 2009 Family Smoking Prevention and Tobacco Control Act that, for the first time, gave the federal government authority to regulate tobacco. The challenged rules include a ban on tobacco companies sponsoring athletic, social and cultural events or offering free samples or branded merchandise.

The industry said the law improperly limited its “truthful, non-misleading” marketing of its products to adult consumers.

The Obama administration urged the court to turn away the appeal and said the lower court ruling was correct.

Flights are delayed at major East Coast airports as sequester-related furloughs begin (WaPo)

By Ashley Halsey III and Luz Lazo, Published: April 22

After months of inside-the-Beltway drama, the impact of sequestration cutbacks moved to center stage America on Monday as the aviation system was slowed by the furlough of 1,500 air traffic controllers.

With about 10 percent of the controllers who direct 23,000 planes a day scheduled to be off daily until October, both industry and government officials forecast that the effect would snowball as the nation enters peak travel season.

Short on staff and besieged by brisk winds at the three big New York area airports, controllers fell behind by mid-morning Monday and never caught up. The Newark, LaGuardia and John F. Kennedy airports reported delays of one to three hours.

Most flights from the major Washington area airports ran close to on time, but some headed to New York faced long delays on the ground.

When New York's three mega-airports fall behind schedule, that often has a ripple effect as far as the West Coast. By mid-afternoon Monday, flights into the US Airways hub in Charlotte were late in arriving; by evening, airports in Miami and Los Angeles reported lengthy delays because of controller shortages. Meanwhile, an ice storm at Denver's airport further gummed up the system.

As TV crews panned across anxious and angry passengers in New York terminals, the debate revived in Washington over whether the controller furloughs announced last week were necessary or a White House ploy to dramatize the effects of sequestration.

"Our aviation system should not be used as a pawn in budget debate," said Lee Moak, president of the Air Line Pilots Association. "The livelihood of our economy is dependent on air commerce, and the financial strength of our airlines and the people they employ are at risk."

He predicted that delays would spread in the weeks ahead if the Federal Aviation Administration presses on with a plan to recoup \$200 million of the \$637 million it must cut to meet sequestration goals this fiscal year.

After the furlough plan was presented last week, House Republicans insisted that FAA cuts should be made elsewhere and the airlines went to court in an attempt to block them. The Obama administration brushed off suggestions that air travel had become "a political football," but crowds of delayed passengers undoubtedly made better television than announcements that federal office workers would have to take unpaid days off.

The FAA has estimated that a third of passengers will face delays during the furloughs, with up to 6,700 flights arriving late at more than a dozen major airports each day. On the worst travel day of 2012, when severe weather crippled the system, about 3,000 flights were delayed.

Senate Majority Leader Harry M. Reid (D.-Nev.) predicted that fliers would face lengthy waits at virtually every airport.

The longest delays were expected at major hubs, including the three that serve New York, two in Chicago and those in Atlanta; Charlotte; Fort Lauderdale, Fla.; Los Angeles; Miami; Philadelphia; San Diego and San Francisco.

“In airports across the country, millions of Americans will get their first taste of the pain of sequestration,” Reid said on the Senate floor. “But many Americans have been feeling that pain for weeks. We cannot and we should not only address the FAA cuts. We cannot ignore the sequester’s overall effect on Americans.”

Rep. Rick Larsen (D-Wash.), ranking member of the House aviation subcommittee, defended the FAA furloughs as necessary but said the issue needs resolution.

“There’s a lot finger-pointing going on, but the simple truth is that it is Congress’s job to fix this,” Larsen said. “Flight delays are just the latest example of how the sequester is damaging the economy and hurting families across the country.”

But as the first effects of the controller furloughs began to be seen, some Democrats broke ranks to say that Congress should find money elsewhere to reverse the cuts.

“Simply put, we cannot allow these furloughs to go through, because if they go through, it will make flying on a normal day seem like you’re flying in blizzard weather,” Sen. Charles E. Schumer (N.Y.) said at a Sunday news conference.

Greg Principato, president of a group that represents U.S. airports, said the cuts would “create a ripple effect throughout our highly interconnected system, affecting travelers at both large and small airports. We believe that these delays will get significantly worse as we move into peak summer travel season.”

Passengers faced another sequestration frustration as furloughs of Transportation Security Administration workers caused peak-hour backups at security checkpoints, and passengers on international flights arriving at Dulles International Airport faced 30-minute delays clearing short-staffed customs stations.

“We’re basically telling them to plan on a little bit of extra time to clear security,” said Chris Paolino, spokesman for the Metropolitan Washington Airports Authority. “In terms of the FAA [furloughs], it’s almost like a weather situation, where we’re advising people to check with their airlines in case there are delays.”

At noon Monday, the lines at TSA checkpoints at Reagan National Airport were long, but travelers and officials said that was normal at peak hours.

For the most part, travelers said they had not experienced big delays.

Juliana Mejia, who has relatives in the D.C. area, was heading home to Madrid and said she arrived earlier than usual to catch her flight to New York before her connecting flight to Spain.

"If it indeed turns out as bad as it has been described, I just hope it's not today," she said. "I have yet to see the long lines. So far, everything looks pretty smooth."

Arriving from Dallas, D.C. resident Orion Vanhart said he almost missed his flight because of delays getting to the gate. He said he noticed longer-than-usual lines at the checkpoints coming in.

"I am here now so I can't be mad," Vanhart said. "I was just a little frustrated back in Dallas."

A few flights at National were behind schedule.

Marcie Hickman, 43, a business traveler who shuttles between offices in North Carolina and Washington, said her flight from Raleigh was delayed for almost an hour Monday morning.

"To me less than an hour is not a big deal," she said, hurrying to claim her luggage. "Just a little delay, nothing bad."

Betty Kirkland, 54, was headed home to Atlanta on Monday afternoon. Her 1 p.m. flight was delayed by 30 minutes because of announced "air traffic" delays.

"We knew there was going to be some issues, and we were pretty lucky it was only 30 minutes," she said. "It wasn't too bad, can't complain."

China: Cyberattacks Are Like Nuclear Bombs (WSJ)

By ANDREW BROWNE

BEIJING—Cyberattacks could be "as serious as a nuclear bomb," according to a top Chinese general, who rejected suggestions that the Chinese military is behind cyberspying aimed at Western companies.

Gen. Fang Fenghui, chief of staff of the People's Liberation Army, made the comments after meeting with his U.S. counterpart Martin Dempsey, chairman of the Joint Chiefs of Staff.

Cybersecurity was one of a number of sensitive issues covered. The Obama administration is looking at options to confront Beijing over the issue, including trade sanctions, diplomatic pressure and indictments of Chinese nationals in U.S. courts.

Gen. Fang denied allegations that the army sponsors hacking against Western companies to steal commercial secrets. "None of these activities is tolerated here in China," he said at a news conference. If Internet security can't be guaranteed, "the damaging consequences may be as serious as a nuclear bomb."

He also suggested it was hard to trace the source of attacks, saying "the Internet is open to anyone, and anyone can launch attacks from the place where they live, from their own country or

from another country." The general reiterated that China itself is a victim of cyberattacks. "We should jointly work on this," he said.

Meantime, Gen. Fang repeated the consistent Chinese line that North Korea's nuclear threat is best dealt with through negotiation, even though he said it was possible Pyongyang could conduct a fourth nuclear test despite U.N. sanctions that China helped draft following the latest test by China's close ally.

He urged restraint from all sides, comments suggesting Beijing thinks Washington as much as Pyongyang should take responsibility for calming tensions in North Asia.

Secretary of State John Kerry, on a visit to China this month, made little headway in trying to persuade Beijing to publicly rebuke North Korea after it threatened to attack U.S. and allied targets in North Asia and the Pacific.

The first face-to-face meeting between the two chiefs of staff was part of an effort to rebuild military-to-military ties between the U.S. and China that are strained by U.S. arms sales to Taiwan.

Military relations have lagged behind other aspects of the engagement between the U.S. and China, whose economies are deeply entwined. There is a sense of strategic distrust between the two powers, as China becomes more assertive in Asia and as the U.S. refocuses its attention on the world's most economically dynamic region.

But Gen. Fang struck a conciliatory tone. "The Pacific Ocean is wide enough to accommodate us both," he said, though adding that each country should respect the other's "core interests." China's expansive interests in the region include a claim to sovereignty over almost the entire South China Sea, which brings it into conflict with many of its smaller neighbors.

Gen. Fang said it is important for the two countries "to avoid vicious competition, friction, or even confrontation in this area."

Gen. Dempsey said the U.S. wants a "healthy, stable and reliable" military-to-military relations with China. "The U.S. is a Pacific power," he said, adding that Washington seeks to be a stabilizing presence in the region and "the absence of a U.S. presence would be destabilizing."

China believes the U.S. aims to contain China's rise in the world. It feels hemmed in by a string of U.S. military alliances in the region stretching from Japan all the way to Australia.

Canada thwarts "al Qaeda-backed" train plot, Iran denies role (Reuters)

TORONTO (Reuters) - Canadian police have arrested two men and charged them with plotting to derail a Toronto-area passenger train in an operation that they say was backed by al Qaeda elements in Iran.

"Had this plot been carried out, it would have resulted in innocent people being killed or seriously injured," Royal Canadian Mounted Police official James Malizia told reporters on Monday.

U.S. officials said the attack would have targeted a rail line between New York and Toronto, a route that travels along the Hudson Valley and enters Canada near Niagara Falls.

The RCMP said it had arrested Chiheb Esseghaier, 30, of Montreal, and Raed Jaser, 35, of Toronto in connection with the plot. Authorities said it was not linked to last week's Boston Marathon bombings, which killed three people and injured more than 200.

Neither suspect is a Canadian citizen, and police did not reveal their nationalities. Two sources following the investigation said one was Tunisian.

Canada's intelligence agency has long expressed concern about the possibility that disgruntled and radicalized Canadians could attack targets at home and abroad.

Police gave little detail about the alleged plotters, but said a tip from the Muslim community had helped their year-long investigation.

Esseghaier has been a doctoral student at the Institut National de la Recherche Scientifique near Montreal since 2010 and was about midway through his degree, the school said.

"He is doing a PhD in the field of energy and materials sciences," said Julie Martineau, the school's director of communications.

A bail hearing for the two men was due to take place in Toronto on Tuesday morning.

"AL QAEDA ELEMENTS"

Malizia said they had received "support from al Qaeda elements located in Iran", but added that there was no sign that the conspiracy, which police described as the first known al Qaeda-backed plot on Canadian soil, had been sponsored by the Iranian state.

Nevertheless, Iran reacted angrily. Canada last year severed diplomatic ties over what it said was Iran's support for terrorist groups, as well as its nuclear program and its hostility towards Israel.

"No shred of evidence regarding those who've been arrested and stand accused has been provided," Iranian Foreign Ministry spokesman Ramin Mehmanparast said on Tuesday, according to the Mehr news agency.

He said al Qaeda's beliefs were in no way consistent with the Islamic Republic, and that Iran opposed "any kind of violent action that endangers lives".

"In recent years, Canada's radical government has put in practice a project to harass Iran and it is clear that it has pursued these hostile actions," he added.

Al Qaeda is strongly Sunni Muslim-oriented. Shi'ite Iran did host some senior al Qaeda figures under a form of house arrest in the years following the September 11 attacks, but there has been little to no evidence of joint attempts to stage attacks against the West.

However, a U.S. government source said Iran was home to a little-known network of al Qaeda fixers and "facilitators" based in the Iranian city of Zahedan, very close to Iran's borders with both Pakistan and Afghanistan.

GO-BETWEENS FOR AL QAEDA

The source said they serve as go-betweens, travel agents and financial intermediaries for al Qaeda operatives and cells operating in Pakistan and moving through the area.

They do not operate under the protection of the Iranian government, which periodically launches crackdowns on al Qaeda elements, though at other times it appears to turn a blind eye to them, according to the source.

The region is one where Iranian authorities have battled a Sunni insurgency of their own in recent years from Sunni Muslims complaining of discrimination. The Jundollah group, believed to be based across the border in Pakistan, has claimed several attacks including a bombing that killed 42 people in 2009, and attacks on mosques in Zahedan and elsewhere in the region.

Michael Stephens of the Royal United Services Institute, based in Qatar, said it was very unlikely that Iran could have given any direct support to the Canadian plot.

"It is difficult to make the connection of Iran trying to hit North America using al Qaeda as the vector," he said. "The idea of Salafist jihadis (such as al Qaeda) sitting and talking to Iranians is very far fetched."

Canadian police said the plot had involved a train route in the Toronto area, but declined to be more specific.

Malizia said the RCMP believed the two suspects had had the capacity and intent to carry out the attack, but there had been no imminent threat to the public, passengers or infrastructure.

The plot is one of a handful of terrorism-related investigations involving Canadians or Canadian residents.

Police said this year that Canadians had taken part in an attack by militants on a gas plant in Algeria in January, while Canadian and Somalia authorities are investigating whether a former University of Toronto student participated in a bomb attack in Mogadishu last week.

And in 2006, police arrested and charged nearly 20 Toronto-area men accused of planning to plant bombs at various Canadian targets. Eleven were eventually convicted.

Israel Says Syria Has Used Chemical Weapons (NYT)

By JODI RUDOREN and DAVID E. SANGER

TEL AVIV – Israel’s senior military intelligence analyst said Tuesday that the Syrian regime had repeatedly used chemical weapons, and criticized the international community for failing to respond appropriately.

The statements by Brig. Gen. Itai Brun, commander of the research division in the intelligence directorate of the Israeli defense forces, are the most definitive by an Israeli official to date regarding evidence of chemical weapons attacks on March 19 near Aleppo and Damascus. They are likely to put pressure on the Obama administration to act on the matter even as Defense Secretary Chuck Hagel wraps up a three-day visit to Israel, during which he said the intelligence about chemical weapons use remained inconclusive.

The finding has potentially broad-reaching implications for American intervention in the Syrian civil war, which has entered its third year. President Obama has described the movement of chemical weapons as a “red line for us” that could provoke American military intervention, and last month in Israel he said proof of their use would be a “game changer.”

But Washington has since been tentative in its assessment of the March 19 incident even as its allies sound the alarm.

General Brun’s comments came after the British and French governments, in a confidential letter sent last week to the United Nations Secretary General, said they had evidence Syria used chemical agents around Aleppo, Homs and perhaps Damascus.

Speaking about Syria at a conference of Israel’s Institute for National Security Studies here, General Brun said “it is quite clear that they used harmful chemical weapons,” citing “different signs” including pictures of victims “foaming at the mouth.” He went beyond the March 19 attack to speak of “continuous” use of such weapons.

“The regime has increasingly used chemical weapons,” General Brun said, describing a “huge arsenal” of more than 1,000 tons of substances stockpiled in Syria. “The very fact that they have used chemical weapons without any appropriate reaction — this is a very worrying development, because it might signal that this is legitimate.”

General Brun said the evidence suggested the weapon used was sarin gas, the same deadly compound that killed 13 people in a domestic terrorist attack on the Tokyo subway system in 1995. The number of victims in Syria is unclear. General Brun also said a second agent, a retardant of some kind, had been deployed.

Though the Assad regime had claimed last month that it was the rebels who used chemicals, General Brun echoed previous statements by Israeli and American officials that it was clearly the Syrian government, and not the opposition, that had conducted the attacks.

In recent months, according to Israeli intelligence reports, the embattled regime of President Bashar al-Assad has been moving weapons, consolidating its stockpiles into perhaps 17 or 18 sites.

If American officials have been more reluctant than their allies to come to firm conclusions, it may be because it would force Mr. Obama's hand. In August, the president told reporters that any evidence that Mr. Assad was moving the weapons or making use of them could prompt the United States to act.

"That would change my calculus," he said. "That would change my equation."

But when strong evidence emerged earlier this year that Mr. Assad's forces were in fact moving their weapons -- at least from one depot to another -- the White House insisted that the action did not cross the line that Mr. Obama set. By "move" the weapons, a White House spokesman said, Mr. Obama meant transferring them to a terror group, like Hezbollah. He said there was no evidence of that.

Nonetheless, according to two American officials, Washington sent messages to President Assad that the threat had to be taken seriously. "We saw a reaction," one official said. Protection of the sites was improved. Still, American officials believe Mr. Assad would use chemical weapons as a last resort to stay in power.

While the United States has drawn up plans to seize control of the weapons if need be -- by parachuting in troops to the key sites -- American officials have made it clear that they would prefer that regional forces take the lead. But if the weapons were actually used, as three American allies now contend, it would be far more difficult for Mr. Obama to argue that his "red line" has not been crossed.

Israel's primary concern is that the chemicals could be seized by Hezbollah or other terrorist groups now operating within Syria. In January, the Israeli air force attacked a convoy of sophisticated anti-aircraft weapons it feared was about to be transferred to Hezbollah in Lebanon. The attack also damaged a research complex near Damascus believed to be a training site for engineers developing chemical and biological systems.

"We have to be very bothered by the possibility that chemical weapons are going to get into the hands of less responsible actors, because they don't manage calculations based on profit and loss that you can manage," General Brun warned at Tuesday's conference. "There is the risk of chemical weapons crossing the border. It is certainly possible that there will be other incidents of attack against Israel by other groups that obtain different types of weapons."

Shrinking Europe Military Spending Stirs Concern (NYT)

BRUSSELS — Alarmed by years of cuts to military spending, the NATO secretary general, Anders Fogh Rasmussen, issued a dire public warning to European nations, noting that together

they had slashed \$45 billion, or the equivalent of Germany's entire military budget, endangering the alliance's viability, its mission and its relationship with the United States.

That was two years ago. Since then, with the Afghan war winding down and pressure from the European Union to limit budget deficits, Europe has only cut deeper.

Now, as President Obama wrestles with his own huge budget deficit and military costs, the responsibility for keeping NATO afloat has fallen disproportionately onto the United States, an especially untenable situation as priorities shift to Asia.

The United States finances nearly three-quarters of NATO's military spending, up from 63 percent in 2001. And yet among the alliance's 28 nations, experts note, only the United States, Britain and Greece are meeting NATO's own spending guidelines of 2 percent of gross domestic product. Even Britain and France — the two leading European nations willing to project military might — are slipping further. France says that by 2014 it may cut deeper still — to just 1.3 percent of G.D.P., down from 1.9 percent this year. By comparison, the United States spent 4.8 percent of its G.D.P. on the military in 2011.

In 2012, for the first time, military spending among Asian nations, in particular China, exceeded that of the Europeans.

"We are moving toward a Europe that is a combination of the unable and the unwilling," said Camille Grand, a French military expert who directs the Foundation for Strategic Research. "European countries are continuing to be free riders, instead of working seriously to see how to act together."

Increasingly, without United States assistance, military experts said, Europe's armed forces have trouble carrying out basic operations as its dwindling financial and political commitment has derailed multiple initiatives intended to make the continent more self-reliant.

NATO's deputy secretary general, Alexander R. Vershbow, a former senior Defense Department official, said that "the financial crisis has been corrosive to the alliance" and that relations between the European Union and NATO remained "dysfunctional."

Even as Britain and France have boasted of operations in Libya and Mali, those interventions have revealed Europe's weakness more than its strength. In Libya, the United States supplied intelligence, drones, fighter and refueling aircraft, ammunition stocks and missiles to destroy air defenses, and in Mali the French required American intelligence, drones, and refueling and transport aircraft.

Senior American officials have warned that unless European countries spend more on defense, they risk "collective military irrelevance."

A senior American official said that Washington was eager for partnership in the Middle East and Asia, but that "Europe's decision to abdicate on defense spending increasingly means it can't take care of itself, and it can't be a valuable partner to us."

While the United States would like to be able to rely more on its European allies, many experts doubt that even the strongest among them, Britain and France, could carry out their part of another Libya operation now, and certainly not in a few years. Both are struggling to maintain their own nuclear deterrents as well as mobile, modern armed forces. The situation in Britain is so bad that American officials are quietly urging it to drop its expensive nuclear deterrent.

“Either they can be a nuclear power and nothing else or a real military partner,” a senior American official said.

The challenge is particularly acute as NATO pulls its forces out of Afghanistan after a long, wearying and unsatisfying war, with results widely seen as fragile, even unsustainable. After Afghanistan, with Europeans looking inward and the Russian threat considered more rhetorical than real, some wonder once more about the real utility of NATO.

James M. Goldgeier, dean of the School of International Service at American University in Washington, thinks that NATO has some considerable soul-searching ahead if its European members become increasingly unwilling to operate abroad.

“If NATO isn’t outward looking, it’s got nothing to do,” he said. “It can’t go back to managing a threat from Russia, because it’s not a real threat.”

A decade of halting European efforts to create a Common Security and Defense Policy has yielded little. A NATO Response Force, agreed to in 2002, was supposed to be an all-terrain rapid reaction force, with rotating membership for land, air, naval and special forces, ready to go anywhere and do most anything with at least 13,000 troops. But it has never been used, except in part to add security to the 2004 Athens Olympic Games and the 2004 Afghan elections and to provide disaster relief.

The European Union had a 1999 goal of 60,000 troops available for battle in a “Eurocorps.” That has been quietly abandoned, replaced by battle groups of 1,500 to 2,500 troops, also on a rotating basis among the many and differently equipped member states. The “lead” country is supposed to take the political risk and provide most of the troops and most of the money.

“Not every battle group has been what it’s made out to be,” said Tomas Valasek, a defense expert and president of the Central European Policy Institute in Bratislava, Slovakia, with diplomatic understatement. “Some are more ready than others.”

But the will to participate has also declined. While the intent was to have two battle groups, a shortage of countries willing to participate has meant a quiet halving of ready forces to one battle group.

There is also a French-German brigade, formed in 1987, of some 5,000 men, which proudly marched down the Champs-Élysées on Bastille Day. But it, too, has remained unused. When the French wanted to use it for Mali, the Germans objected.

“It’s given military cooperation a bad name,” Mr. Valasek said. The brigade was supposed to be the foundation for the Eurocorps, the abandoned goal of 60,000 troops ready to deploy for two months, but the reality has been embarrassing.

The Germans also objected to fighting in Libya, and even the European Union’s effort to come up with 550 military trainers to help reconstruct the Malian Army became a slow slog of negotiations and preparations; the first of those trainers has only now arrived.

There have been many discussions of how smaller European countries can share capabilities, the way the Baltic States do, and the Dutch and Belgians do for naval training and ship purchasing. There is an old debate about whether some countries will give up their own capabilities — air forces or navies, for example — so long as partners agree to protect them.

“The way forward is to permanently pool training, procurement, logistics and maintenance,” Mr. Valasek said. “We won’t find any more money any time soon.” In the meantime, a lack of procurement means a steady decline as older weapons systems become obsolete.

Toomas Hendrik Ilves, the president of NATO member Estonia, said that “it’s time for a serious rethink about security policy.”

The United States “has made it clear that it won’t continue to pay what is now 75 percent of all NATO military spending,” he said. “That should be sufficient for the European members of NATO to understand that this can’t work as now,” especially with the rise of China.

A Western European ambassador to NATO said that “we need to think more about how to share the burden and rebalance it, both in decision-making and responsibility,” especially with the pivot to Asia. France, he said, sees the pivot “as an opportunity, while the East Europeans see it as a threat.” After Afghanistan, he said, “we need an adult conversation about rebalancing.”

James B. Steinberg, a former deputy secretary of state and deputy national security adviser, now dean of the Maxwell School at Syracuse University, said that Washington could cope. “There’s less strategic focus on the remaining security problems in Europe itself,” which he described as mostly residual, including the Balkans and a post-Soviet equilibrium. That means Washington will not put more resources into Europe, especially as it concentrates on China.

But on broader strategic challenges, including China, Washington “likes the partnership with Europe for political legitimacy, which is not a function of its military capacity,” he said. European political support allows the United States to take a broader position in East Asia that is not simply bilateral.

No one knows where the next crisis will emerge, Mr. Steinberg said, but it is useful to have NATO there, even acting as a limited coalition, as in Libya. If the United States represents 75 percent of NATO spending, “that’s a modest price to pay when the next crisis comes along.”

Whatever NATO’s weaknesses, “if it were gone, it would be very, very hard to recreate.”

VIRGINIA NEWS

Kaine Talks Technology in Reston Visit (Reston Patch)

U.S. Senator Tim Kaine (D-Va.) stopped by Oracle's Reston office on Monday to to discuss his efforts to help technology businesses grow and how he is working on a solution to enable talented tech workers to remain in the United States.

Kaine has advocated comprehensive immigration reform as way to attract talent to Virginia businesses and has voiced support for the bipartisan Border Security, Economic Opportunity, and Immigration Modernization Act that was introduced last week by a group of eight senators.

Kaine has also cosponsored the I-Squared Act that would expand visas for trained professionals seeking to work in the technology sector.

Kaine also had the opportunity to meet with Wounded Warriors who were participants in an internship program at Oracle in Reston.

Historic Virginia winery agrees to five-year export deal (Daily Progress)

A Virginia winery and a commodity exchange in China have agreed on a five-year wine export deal.

Gov. Bob McDonnell on Monday announced the agreement between Chateau Morrisette in Floyd County and the Tianjin Commodity Exchange Company. McDonnell is leading a job creation and economic development marketing mission to China, Japan and California.

McDonnell said Chateau Morrisette's initial sale of more than 1,150 cases of wine is scheduled to arrive in Tianjin during the trade mission.

“The Tianjin partnership is an integral step toward implementing our long-range strategy of increasing distribution both domestically and internationally,” said George Weldon, Chateau Morrisette’s general manager.

Chateau Morrisette, which is part of the Rocky Knob American Viticultural Area, is regarded as one of the oldest and largest production wineries in Virginia, producing more than 60,000 cases of wine per year.

The Charlottesville region is part of the Monticello American Viticultural Area, home to about half of Virginia’s 2,000 vineyard acres, according to the monticellowinetrail.com website. The area includes most of Albemarle, Greene, Orange and Nelson counties.

"I think it's fantastic," Jerry Bias, head of Wisdom Oak Winery in Albemarle County, said of the Chateau Morrisette deal.

The agreement means "access to millions of people, [and] it gives us an opportunity to showcase what we are doing quite well overseas," Bias said. "I think our wines can stand up against wines around the world."

Formerly known as Sugarleaf Vineyards, Wisdom Oak Winery plans to host a grand opening for its enlarged facilities next month.

Virginia ranks fifth in the nation in the number of wineries with more than 230.

The Virginia wine industry employs more than 4,700 people and contributes almost \$750 million annually to the state's economy.

ACC realignment talks put to rest with TV accord (RTD)

CHARLOTTESVILLE The demise of the ACC will have to wait another 14 years.

Conference realignment talk was officially tabled on Monday afternoon, as the Atlantic Coast Conference's 15 current and future members agreed to a "Grant of Rights."

If any school leaves the ACC, the conference retains the rights to broadcast that team's games until 2027. Without TV money, other conferences have no incentive to poach ACC teams.

"The presidents have strengthened their commitment to the Atlantic Coast Conference," Virginia Tech athletic director Jim Weaver said. "To me, it's a very strong statement that everybody's on the same page and the ACC's moving forward."

The Big 12, Big Ten and Pac-12 all have similar agreements with their school's teams. With the SEC still a financial powerhouse, all five leagues have essentially locked in their membership for the next decade.

Maryland's move from the ACC to the Big Ten is not affected by Monday's agreement, and a lawsuit involving the Terrapins' \$50 million exit fee will continue.

Notre Dame signed the agreement, but its football television contract with NBC will remain in place.

As part of the agreement, ESPN has reportedly agreed to bump each team's annual payout from \$17 million to \$20 million, as well as extending its contract with the league through 2027.

ACC commissioner John Swofford has said the league is interested in creating its own television channel, something the Big Ten and SEC have done.

Swofford had been facing the threat of defections over the past two years as conferences with richer TV deals courted his teams.

In the end, the ACC will remain intact.

“These are strong and definitive moves by the ACC and its member schools to further announce our desire to stay together and position ourselves among the top conferences in the country,” UNC athletic director Bubba Cunningham said in an e-mail.

“Today’s announcement should put realignment on the shelf. It’s time to put the focus back on celebrating the successes of our students and teams.”

The deal was formally signed by each school’s president.

Virginia Tech president Charles Steger declined comment through a spokesman. Virginia athletics director Craig Littlepage did not respond to an e-mail seeking comment.

One big question was whether Florida State would go along with a Grant of Rights, given that the Seminoles voted against a larger exit fee just last year.

FSU was a full participant in Monday’s signing, though, keeping one of the conference’s top football programs on board for the foreseeable future.

The ACC is celebrating its 60th anniversary this year, and can now do so without the looming threat of losing teams to other conferences.

College football fans can also breathe easy, as the national game of musical chairs comes to an end.

Democrats demand outside investigation into Cuccinelli, McDonnell (Washington Examiner)

Virginia Democrats said Monday that Republican Attorney General Ken Cuccinelli should appoint an outside investigator to determine whether he properly disclosed his relationship with a Henrico-based supplement maker.

The Washington Examiner reported Sunday that state law puts Cuccinelli in charge of investigating economic disclosure forms for irregularities. But Democrats have been calling for a probe of Cuccinelli himself after the Republican candidate for governor invested in and accepted gifts from Star Scientific, a company that sued the state over unpaid taxes.

In 2011, Cuccinelli owned more than \$10,000 in stock in the company but initially failed to disclose it. His office said it was a mistake, that Cuccinelli did not realize the value of the stock

grew to exceed the \$10,000 reporting threshold. Cuccinelli also increased his holdings in the company even as his office was representing the state in a legal dispute with Star Scientific.

Gov. Bob McDonnell, a fellow Republican, also has close ties to the company and has received gifts from CEO Jonnie Williams. Williams also paid for the catering at a wedding for McDonnell's daughter. McDonnell did not report the gift on his annual disclosure forms because, he said, it was for a family member, not him.

"It is a shame that Ken Cuccinelli's refusal to resign his office over his shady conflict of interest with Star Scientific continues to tarnish Virginia's reputation," said state Del. Charniele Herring, chairwoman of the state Democratic Party.

"Allowing Cuccinelli to determine whether his and McDonnell's conduct with the same CEO merits investigation is a sure way to further damage the public trust," Herring said. "If Cuccinelli won't resign, he should at least make sure an investigator is able to look into his and McDonnell's statements of economic interest to determine if their failures to properly disclose gifts, stock, and free trips broke any laws."

Cuccinelli's office told The Examiner that any implication of wrongdoing is "pure fantasy."

Cuccinelli, meanwhile, continues to pressure Democratic opponent Terry McAuliffe to release his taxes. Cuccinelli unveiled eight years of tax returns last week and has since put out daily releases demanding McAuliffe follow suit.

On Monday, the Republican's campaign released a new web video that includes video footage of President Obama and other Democrats criticizing Republican presidential candidate Mitt Romney for failing to release his taxes on the campaign trail last year.

McAuliffe has not yet indicated whether he will make any tax returns public.

Bolling regrets dropping out of race so soon (RTD)

Lt. Gov. Bill Bolling has a hard time eating lunch in public these days.

Lately, he says, people keep coming up to him and asking him about the governor's race. And many tell him that they wish he hadn't dropped out of the running for the Executive Mansion, effectively narrowing the choice for voters this fall to Republican Attorney General Ken Cuccinelli or Democrat businessman Terry McAuliffe.

Bolling feels their pain, perhaps even more than his supporters. In fact, the political ups and downs and partisan nastiness of the Cuccinelli and McAuliffe campaigns in the five weeks since he announced his decision not to run as an independent have given him second thoughts about whether he made the right decision not to stay in the game.

"If I have one regret about the decision it's that I wish I had waited longer," he said in an interview. "Because if I had waited longer I think we may have the direction these campaigns were going and that may have made it easier to raise more money."

Money -- specifically the \$10 million to \$15 million Bolling believed he needed to run a winning independent campaign -- was a primary factor in his decision March 12 to forego an independent challenge.

Since that time, both candidates have suffered wounds, most of them self-inflicted, and exploited by rivals in a campaign that has turned nasty in its earliest stages.

Cuccinelli's run for governor of Va. tests core elements of GOP makeover (NBC)

WAKEFIELD, Va. — Ken Cuccinelli, the Republican candidate for governor in Virginia, is no Mitt Romney — and that's one trait that his most ardently conservative supporters appreciate.

"The thing I think that's cool about Ken is you know where he comes from, he's going to be direct and honest, and he's not going to tell you what you want to hear — he's going to tell you what he honestly believes," said Connie Meyer, one of the hundreds of Cuccinelli supporters who attended last week's "Shad Planking" — a rite of political passage in rural Virginia featuring cold beer and smoked fish.

"I might not agree on everything with him, but I know who he is," Meyer said.

Cuccinelli, the Old Dominion's attorney general and an outspoken conservative, will have to hope that independent and moderate voters agree with Meyer if he's to have any hope of beating his Democratic opponent, Terry McAuliffe, in November.

The high-profile campaign will test whether a dyed-in-the-wool conservative like Cuccinelli can remain palatable in a state like Virginia, which has undergone steady changes that have transformed it from a cornerstone of the Old South into a 21st Century swing state.

"I think I have a lot broader record than what is widely known," Cuccinelli told NBC News following his speech at the 2013 Shad Planking. "I talk to groups, one at a time. I've put a lot of miles on cars, talking to Virginians in their communities and doing it pretty regularly."

A former state senator from suburban Washington, D.C., Cuccinelli distinguished himself on the state and national level as a reliable conservative. He led the charge against President Barack Obama's health care law in court, and broke more recently with Virginia Gov. Bob McDonnell, a Republican he's hoping to succeed, over a landmark transportation law that raised some taxes.

Many of Cuccinelli's supporters at last Wednesday's event said his conservative credentials are beyond reproach, and suggested that Cuccinelli would not moderate his views in pursuit of higher office.

But the gubernatorial nominee's ideology could be his undoing. Democrats have become more reliable contenders in statewide races in Virginia; Obama won it in both of his presidential campaigns, and the state boasts two Democrats in the U.S. Senate. The growth of D.C.'s suburbs in northern Virginia — fueled in part by government spending — has transformed Virginia into a more prosperous and diverse state.

Cuccinelli's campaign will test conservatives' hypothesis that a forceful conservative message, if articulated well, is the path to GOP resurgence (rather than a gradual moderation of the party). And the outcome of his campaign could have reverberations throughout the Republican Party nationally, as the party establishment works to broaden its appeal by adopting a more inviting tone toward those who disagree with it.

Even supporters worry that Cuccinelli is too forthright about his views.

"I don't support gay rights, and I'm against abortion — but he has to tone down his rhetoric," said Ray Hughes, a retired food production executive who resides in Norfolk.

Indeed, much of Cuccinelli's speech before several hundred attendees of this year's Shad Planking focused not on social issues, but bread-and-butter issues like job and the economy. He sought to humanize himself by talking about his service work earlier in his life, and his work as attorney general to free some wrongfully convicted inmates. (His campaign has been eager to publicize instances of the latter.)

And McAuliffe found himself as much of a target of the attorney general's comments at the Shad Planking as anything else. Cuccinelli repeatedly made reference to Greentech Automotive, the environmentally-friendly auto company that McAuliffe helped found (and from which he subsequently resigned). Cuccinelli reeled off jokes about Greentech, referencing the fact that its production was based in Mississippi, not Virginia.

Those jokes sat well with the crowd at Shad Planking, a group that tended older, whiter and Republican. (In the past, Democrats were more of a presence at this fundraiser for the Wakefield Ruritan Club; this year, the event was dominated with tents for GOP candidates, and groups like Americans for Prosperity and Heritage Action.)

But the voters at this year's Shad Planking aren't the ones Cuccinelli will have to convince. The Virginia election, held in Washington's backyard during an off-year, and combined with the relative brashness of McAuliffe and Cuccinelli, have all the makings of a "squeaker," said Don Woodsmall, a former attorney who's supporting the attorney general.

"I don't think you'll find two candidates more extreme — their style, their ideology, everything about them," he said. "I think Cuccinelli's going to be swinging for the fences. It always has the potential to backfire, but I think you win people over to your principles."

Abortion foes to air first ad of governor's race (WaPo)

By Laura Vozzella and Errin Whack, Published: April 22

RICHMOND — A group opposed to abortion will announce Tuesday that it is launching the first radio ad of the Virginia governor's race.

The Susan B. Anthony List confirmed Monday that it is funding an ad in the contest between Attorney General Ken Cuccinelli II (R) and former Democratic National Committee chairman Terry McAuliffe. But it declined to describe the spot or provide other details until its formal announcement Tuesday.

The ad is an early indication of the importance that abortion will play in the race to succeed term-limited Gov. Robert F. McDonnell (R), an abortion opponent who at times has tried to downplay the issue but recently supported applying strict, hospital-style building codes to Virginia clinics.

Cuccinelli and McAuliffe are on opposite sides of the issue, with Cuccinelli an opponent and McAuliffe a supporter. Each has tried to cast the other as an extremist on the issue.

Susan B. Anthony List has been a big supporter of Cuccinelli's, announcing an initial \$1.5 million donation to Cuccinelli's campaign in February. Planned Parenthood has, for its part, lined up behind McAuliffe.

Abortion dominated Virginia's 2012 General Assembly session, when legislators considered a measure to require women to undergo a vaginal ultrasound before an abortion. The issue was more muted this year. GOP leaders, who felt the ultrasound controversy helped Democrats push claims of a GOP "war on women" in last fall's presidential and U.S. Senate contests, made sure this year that abortion bills died quietly in committee.

Speaker Howell's new PAC for pro-transportation delegates (VA Pilot)

Virginia House Speaker William Howell is raising money to protect incumbent Republican delegates he said wouldn't lose re-election for voting this winter to pass a statewide transportation funding bill with new taxes.

A fundraiser for Howell's newly established Commonwealth Transportation Political Action Committee is scheduled for Thursday at a private home in Northern Virginia where invited guests are being asked for contributions ranging from \$5,000 to \$1,000, according to an invitation obtained by The Virginian-Pilot.

Howell worked with Gov. Bob McDonnell and other key Virginia Republicans to secure approval for legislation written to raise nearly \$1.4 billion annually in new money, when fully phased in, for state and regional needs in Hampton Roads and Northern Virginia.

It took considerable effort to muster support for a bill that raises the retail sales tax, adjusts the gas tax, and places new fees and levies on other motor vehicle transactions.

A coalition of Democratic and Republican legislators voted for measure representing the first major state investment in transportation in more than a quarter century.

Despite that achievement, its approval angered many fiscal conservatives who consider it betrayal for Republicans to back tax increases.

And now, several GOP legislators who supported the bill, Howell among them, face nomination fights from other Republicans in the June 11 primary election.

None on that list are from Hampton Roads, though there's been talk of challenging Chesapeake Del. John Cosgrove as he seeks the Republican nomination for an upcoming state Senate special election.

Howell said his new PAC "was started as a way to reach out to business leaders who supported this year's transportation plan."

"I am working hard for all of our incumbent candidates," he added, saying the "Commonwealth Transportation PAC will strengthen the fundraising efforts of our caucus and help grow the Republican Majority in Virginia."

The April 25 fundraiser is being held at the McLean home of Bobbie Kilberg, president of the Northern Virginia Technology Council.

The fundraiser, she said, is to help support legislators who "showed courage" in standing with McDonnell and Howell to pass the transportation bill.

A past candidate for Virginia office, Kilberg said she's hosting the fundraiser as a private citizen, though she said the technology council PAC has contributed to Howell's new political committee.

Virginia colleges focus on improving cybersecurity programs (Daily Progress)

With computer hackers hijacking everything from the University of Virginia website to federal government records, colleges are putting more emphasis on programs that improve the security of computer networks.

Charlottesville's National College campus plans this summer to introduce a new associate degree program in cybersecurity. In 2011, Piedmont Virginia Community College launched a similar program, an "analyst boot camp."

In the two years since, officials said about 80 students have completed the 10-week-long program.

“Across the board, everything is being cut except cybersecurity,” said University of Fairfax President Chris Feudo. He predicted a positive response to the new program and said Charlottesville, given the presence of the federal National Ground Intelligence Center in Albemarle County, is a great place to start and expand.

On April 15, Internet users trying to access the University of Virginia’s homepage found instead a page featuring a hacking group logo.

The university said no sensitive or confidential information was compromised. However, Root The Box, a group that claimed responsibility for the attack, said it had accessed sensitive data and will release it later. UVA police are investigating and the school has asked for the FBI’s help, school officials said.

In March, details were released on what federal officials called an aggressive hacking campaign on American businesses, perhaps perpetrated by a Chinese military unit, an accusation China has denied.

Tom Jackson, National College’s institutional director of information technology programs, described a cybersecurity specialist’s job as a cross between an information technology network manager and a detective.

“In order to be really good, you have to be able to get into the mind of the bad guy. [To] think like he thinks so you can anticipate what he does,” Jackson said .

The 96-hour program at National College will prepare students for entry-level careers as computer infrastructure and network security administrators, according to a recent announcement about the initiative.

The associate program is slated to begin in Charlottesville in July, said college spokeswoman Nancy Simmons. Developed in conjunction with the University of Fairfax, National’s Roanoke campus is set to launch the program this month. A bachelor’s degree program in cybersecurity is also planned through American National University, according to the announcement.

According to federal labor statistics cited by National, faster than average growth — up to 22 percent — in employment opportunities is anticipated in the industry through the end of the decade.

“This is a field that will go on forever and only get more important over time,” Jackson said .

Piedmont Virginia Community College’s program focuses on three elements — an overview of the industry, intelligence ethics and problem-solving and collaboration from a cybersecurity perspective.

“It’s a lot of reading, synthesizing information and coming to conclusions and being able to back up their conclusion with a level of certainty,” said Valerie Palamountain, Piedmont’s dean of workforce services .

Although most people associate cybersecurity with military careers, Palamountain said opportunities in the civilian sector are growing as companies discover the necessity and value of protecting their information and resources.

For private companies and federal entities, "We might think we're secure, but I think we just need to be a lot more wary and put more emphasis on the fact that [we're] not as secure as we want to be," said Palamountain.
