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House Democrats Temporarily Abandon Plan for Vote on Drug Trade Secrets

By Molly K. Hooper, CQ Staff

House Democrats dropped a Democrat-written bill from Tuesday's floor calendar rather than provoke another veto showdown with the White House.

At issue was a bill that mostly deals with Government Accountability Office pay raises, but also seeks to require the Department of Health and Human Services to give congressional investigators information it collects about drug pricing that the pharmaceutical industry considers to be trade secrets.

Even more troubling from the White House point of view, the bill sought to deduct the cost of some GAO audits from the target agency's budget — cost-shifting that the Bush administration would not accept, according to Democratic and Republican leadership aides. In addition, the bill would require the GAO to keep track of and publish the names of agency officials who fail to cooperate with its inquiries.

The administration privately warned leaders that a formal veto threat was under consideration, and the combination of pressures persuaded leaders to drop the bill (HR 5683) from Tuesday's suspension calendar — the part of the calendar normally reserved for non-controversial measures.

“The administration tried to get the bill pulled last week ... and tried to get people focused [Monday], but it's tough to get people engaged when they are coming back from recess,” one aide said, explaining that additional lobbying by the pharmaceutical industry made the difference.

The administration concentrated its lobbying effort on the Republican Study Committee, a 106-member faction of the most conservative GOP House members.

In a short memo, the administration's lobbying team warned against expanding the GAO's power to investigate the executive branch.

“Departing from the 80-plus years of practice in this manner is unnecessary and would chill the interaction between agencies and GAO,” the memo said.

A committee aide said the cost-shifting part of the bill was drawn very narrowly and would not apply to every investigation. Rather, the aide said, it would apply only to financial statement audits, which currently can be done by private sector contractors rather than the GAO's auditors.

The language about cost-shifting, identifying uncooperative administration officials and giving the GAO access to any information it requests about Medicare's Advantage Plan, which provides health insurance to the elderly through private insurance companies approved by Medicare, and its prescription drug insurance, known as Part D, ended up in the bill after the House Oversight and Government Reform Committee, chaired by Henry A. Waxman, D-Calif., adopted the chairman's substitute amendment.

A Democratic committee aide said the day's events were a "short-term hiccup" prompted by what the majority considers exaggerated concerns.

Committee staff members expect to have conversations with the administration and more of the rank and file of both parties before rescheduling a floor vote, the aide said.

The rest of the bill is focused on pay raises for GAO employees. It would give them a guaranteed minimum yearly pay boost equal to what the civil service provides executive branch workers.

Yearly pay raises are not now guaranteed at the GAO, because salary decisions are based on a pay-for-performance system.

The bill would not eliminate that system, and it would still permit the GAO to give raises higher than the minimum based on performance.

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