

## Senate Finance Committee Rejects Both Public Option Amendments

By William Branigin, Washington Post Staff Writer, Tuesday, September 29, 2009

The Senate Finance Committee on Tuesday rejected two Democratic amendments that would have created a government-run "public option" as part an overhaul of the nation's health-insurance system, with the panel's chairman bowing to staunch Republican opposition that he said would prevent final passage of a bill containing such a provision.... After an amendment offered by Sen. John D. Rockefeller IV (D-W.Va.) was voted down 15 to 8, the committee voted 13 to 10 to reject a second public-option provision introduced by Sen. Charles E. Schumer (D-N.Y.). The committee chairman, Sen. Max Baucus (D-Mont.), voted against both politically volatile amendments, saying he feared that a bill including either one would not get the 60 votes it would need for passage by the full Senate.

Republicans stood solidly against both provisions, arguing that they would lead to complete government control over health care.

But Schumer vowed to keep pressing for a public option on grounds it was the best way to control rising health-care costs.

"The present system is broken," Schumer told the committee. He said he was pushing for a public option not for ideological or symbolic reasons but because "costs are going through the roof." And he expressed confidence that, "with some work and some compromise," proponents of the provision eventually could get 60 votes on the Senate floor.

"We are going to get at this, and at this, and at this, until we succeed, because we believe in it so strongly," Schumer said. The more Americans hear about benefits of a public option, he asserted, "the more they like it."

Rockefeller and Schumer argued repeatedly during the committee's markup that a public option would be the best way to give consumers an affordable choice in health insurance and rein in what they described as voracious, profit-driven private insurance companies.

Republicans charged that both plans would lead to a government "takeover" of the health-care system and ultimately force private insurers out of business. Some

Democrats also took issue with aspects of the public option plans, particularly Rockefeller's proposal to tie medical providers' reimbursement rates to Medicare for two years.

The debate came as the committee worked for a fifth day on an overall health-care reform bill authored by Baucus. His bill, which he says would cost nearly \$900 billion over 10 years, contains no public option, favoring instead a system in which nonprofit cooperatives would offer health insurance to people who could not afford private companies' plans.

Democrats who favor a public option argued that polls show 65 percent of Americans support including it in health-insurance reform legislation. House committees have included such an option in their proposals, and President Obama has expressed support for a public option, while also indicating that this is not the most important consideration for him and leaving the way open for cooperatives.

Charging that private insurance companies have "failed to meet their obligations" to the public, Rockefeller said the firms are "determined to protect their profits and put their customers second." A public option, he said, would act as a "counterweight" to "rapacious" health-insurance companies, helping to reduce excessive growth in the cost of premiums.

The West Virginia Democrat also took aim at what he called "junk insurance" products -- limited-benefit policies that he said make up one of the fastest-growing sectors of the insurance industry but that provide no real coverage when a consumer gets sick because they are so riddled with loopholes and exceptions.

"They're getting away with banditry, and they revel in it," Rockefeller said. The companies encourage employees to find reasons to deny coverage to policyholders and will not change their ways unless forced to do so, he asserted.... Nor, he charged, will new rules under the Baucus bill suffice. "Their whole livelihood is made by getting around rules," he said.

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Sen. Charles E. Grassley (Iowa), the top Republican on the committee, acknowledged "shortcomings" in the U.S. health-care system and said he was "not arguing for the

status quo." But he maintained that "a government-run plan is not the answer."

Such a plan, he said, "will ultimately force private insurers out of business" and lead to "single-payer health care" in which the federal government runs health insurance and the health-care system.

Source: [http://www.washingtonpost.com/wp-dyn/content/article/2009/09/29/AR2009092902028\\_2.html](http://www.washingtonpost.com/wp-dyn/content/article/2009/09/29/AR2009092902028_2.html)

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## Airline Stocks

While passenger load factors, a measure of passengers to available seats, rose 1.2 percentage points to 80.9%, average fares remained low, slumping 22% for premium seats and 18% for economy.

"Demand continues to improve, but profitability remains ever distant," said Giovanni Bisignani, IATA's director general and chief executive.

Meanwhile, major airlines have been tapping the thawing credit markets, raising cash and refinancing debt to prepare for the leaner winter months ahead and with an eye on next year's expected recovery.

American parent AMR Corp. said Tuesday it had raised about \$4.2 billion in cash this month after completing a secondary offering of common stock and issuing new debt.

"Completion of the offerings, which closed yesterday, together with a number of other recent transactions, has improved the company's liquidity position as it seeks to weather the current global financial downturn and build a financial foundation for the future," the company said in a statement.

Source: <http://www.marketwatch.com/story/august-traffic-report-helps-lift-airline-stocks-2009-09-29>

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## Selling Spree at American Airlines

**American Airlines**, the second-largest carrier in the world, saw its shares fall on Tuesday after it announced plans to sell stock. But to those concerned about the company's ability to outlive a recession -- such as Citigroup and General Electric -- it's a wise move.

If the sales go as planned, the airline should have enough cash to cover its debts for the next year and a half, according to an analyst at Gimme Credit, and the chance to survive a recession that some predicted would crush a major carrier.

Over the past week, American parent corralled \$2.9 billion in cash in several ways. It pocketed \$1 billion through the advance sale of frequent flyer miles to Citigroup, \$1.6 billion from a sale-leaseback of Boeing 737s on order to General Electric's aircraft financing arm and another \$280 million in a loan facility from the same GE group.

Coupled with those moves, the sale of 30 million shares and \$250 million in convertible bonds announced on Monday could boost cash on hand to more than \$6.7 billion, estimates Vicki Bryan, an analyst at debt research firm Gimme Credit. "This is more than three times the cash needed to meet debt obligations through 2010, and AMR could add more cash by year end as it continues to build free [cash flow](#)," she wrote in a note to clients.

Bryan called this \$6.7 billion "a comfy mattress of liquidity" that should ease any worries about the airline's ability to pay its bills for the next couple of years.

Source: [http://www.forbes.com/2009/09/22/american-airlines-citigroup-ge-delta-bonds-markets-equities.html?partner=airlines\\_newsletter](http://www.forbes.com/2009/09/22/american-airlines-citigroup-ge-delta-bonds-markets-equities.html?partner=airlines_newsletter)