



DAILY EXECUTIVE SUMMARY

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President

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HOUSE SUSTAINS PRESIDENT'S VETO REGARDING SCHIP

The US House on October 18th sustained by a 273-156 vote President George W. Bush's October 3rd veto of legislation reauthorizing and expanding the State Children's Health Insurance Program (SCHIP). The override, following two weeks of pressuring and politicking by the bill's proponents, fell 13 votes short. The SCHIP bill stood to increase the bipartisan and highly-charged health plan by \$35 billion over five years and to expand coverage from 6.6 million to 10 million children, funded mainly by increases in the Federal excise tax on tobacco products including a 61 cent per pack hike on cigarette taxes (from 39 cents to \$1.00 per pack) and a new tax rate on large cigars of 52.988% of the manufacturer's price with a cap of \$3 per cigar, well up from the current rate of \$48.75 per thousand (TMA Research).

The US Senate passed the bill with enough votes (67-29) in September to override the president's veto, but House passage (265-159) fell 25 votes short of the required number. President Bush, who wants a \$5 billion expansion, had repeatedly said that he would veto the bill, arguing that the \$35 billion expansion was too costly, took the program too far from its original intent to help the poor, and would be a step toward socialized medicine (TW07-40).

President Bush's veto was widely expected to be upheld. No Republican lawmaker announced plans to switch and vote to override the veto, and not even Democrats predicted that they will amass the two-thirds majority (290 votes) needed for an override. Earlier today before the vote, President Bush said that he assigned three advisors, Mike Leavitt, the health and human services secretary; Al Hubbard, director of the National Economic Council, and Jim Nussle, the White House budget chief to begin negotiations on a new deal concerning SCHIP (AP 10/16, 10/18).

The SCHIP issue is unlikely to go away anytime soon since a new public opinion poll by NPR, the Kaiser Family Foundation, and the Harvard School of Public Health found strong support for the program's increased funding even after people were given arguments against it (NPR 10/17).

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