

December 17, 2014

## **Senate Fails to Extend TRIA; Program Set to Expire**

Last night, Senate Majority Leader Harry Reid (D-NV) attempted to call up the *Terrorism Risk Insurance Program Reauthorization Act of 2014* (S. 2244) for passage; however, Senator Tom Coburn (R-OK) objected, and Leader Reid did not choose to run the bill through the necessary procedural traps (which could have taken several days) for a final vote. Coburn, Reid, and others had tried for days to find a compromise that would placate Coburn's objections to Title II of the bill (the NARAB provision, unrelated to TRIA), but in the end no deal was reached. As such, the Senate adjourned last night without any consideration of the legislation, and TRIA will expire at the end of the month. The Council sent a letter last Thursday urging all New England Senators to support S. 2244, and was in touch with most offices individually this week urging them to use every tool they could to get the bill over the finish line.

The question now is what occurs next. TRIA was extended prior to its expiration in both 2005 and 2007, and so there has been no "world without TRIA" since 2002.

There are already rumblings that the new Congress will pass some kind of short-term TRIA extension quickly in the new year, to give the chambers time to develop new legislation (and given Republican control of the Senate, that bill may look more like the original House bill than the legislation that passed the House 417-7 last week).

Another possible – though less likely – option is that the chambers will pass a long-term reauthorization similar to S. 2244 shortly after returning in the new year. There will likely be ample pressure for business groups for this to occur.

It will likely take a few days, if not longer, to determine what plans House Speaker John Boehner (R-OH) and incoming Senate Majority Leader Mitch McConnell (R-KY) have for the legislation. Additionally, while Senator Richard Shelby is widely expected to be the next Chairman of the Senate Banking Committee, the announcement likely will not be made until January, meaning that he may wish to consider new legislation related to TRIA in his committee.

House Financial Services Committee Chairman Jeb Hensarling (R-TX) has long said he would be open to a short-term extension (at least during this Congress), which would allow the new Congress to prepare its own legislation; but, as he told industry groups earlier this year, if they didn't like the House bill the way it was then, they certainly won't like it next year – which means TRIA could be in for some major changes.

Despite this unfortunate development, a special note of thanks should be given to Senator Chris Murphy (D-CT) for his efforts. According to his staff, he was the only member besides Senator Chuck Schumer (D-NY) to speak at yesterday's Democratic caucus lunch about the importance of extending TRIA before the Senate left town for the holidays, and he whipped his colleagues on the Senate floor last evening during nominations votes to try to keep Senators in town to deal with TRIA. The Council met with his office on Monday to urge his help, and he responded to that call.

I will send an update once I hear more from folks on the Hill about what they expect the path forward to look like. Additionally, the Coalition to Insure Against Terrorism (CIAT), of which the Council is a member, will work to develop a new plan for next year, and I will keep you informed of their efforts. Thank you all for your patience, and my apologies on bringing you some disappointing news during the holidays.

Best,

Chris

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