



## **Republican Presidential Primary Spending Analysis – John McCain**

**Total Annual Spending: \$68.517 billion**

### **Economy, Transportation, and Infrastructure: \$3.502 billion**

#### **A. Free Trade Agreements (FTAs) – Thailand, Malaysia, and South Korea:**

“Completing FTAs with Thailand, Malaysia, and South Korea, in concert with the agreements we have already struck with Australia and Singapore, should set the stage for an ambitious Pacific-wide effort to liberalize trade. By concluding bilateral and regional trade agreements, by revitalizing the Doha round of global trade talks, and by ensuring that America stands on the cutting edge of global commerce, we can ensure that the benefits of open markets reach all 50 of our states.”

<http://www.johnmccain.com/informing/News/PressReleases/bba416b9-372d-4c2e-ac02-866a37db0c86.htm>

Cost: Unknown.

Note: The primary impact of free trade bills is generally on federal revenues. Depending on the terms of the agreement, there may be some outlays as well. For example, the Congressional Budget Office (CBO) projects that H.R. 3688, the United States-Peru Trade Promotion Agreement Implementation Act (110<sup>th</sup> Congress), “would reduce revenues by \$20 million in 2008, increase revenues by \$292 million over the 2008-2012 period, and reduce revenues by \$423 million over the 2008-2017 period. CBO estimates that enacting H.R. 3688 also would increase direct spending by \$4 million in 2008 and by \$27 million over the 2008-2012 period, and reduce direct spending by \$443 million over the 2008-2017 period. Further, CBO estimates that implementing the legislation would result in new discretionary spending of less than \$500,000 per year, assuming the availability of appropriated funds.”

<http://www.cbo.gov/ftpdoc.cfm?index=8790&type=1>

#### **B. Free Trade Agreements – Indonesia:**

“A new economic partnership initiative with Indonesia would help spur growth and strengthen market institutions in the world’s largest Muslim country.”

<http://www.exploremccain.com/Informing/News/PressReleases/bba416b9-372d-4c2e-ac02-866a37db0c86.htm>

Cost: Unknown.

Note: See the note directly above. In 2003, Congress passed and the President signed S. 1417 (108<sup>th</sup> Congress): A bill to implement the United States-Singapore

Free Trade Agreement. CBO determined, “The bill would not have a significant effect on direct spending or spending subject to appropriation.”

<http://www.cbo.gov/ftpdoc.cfm?index=4448&type=1>

C. Mortgage Abuse Task Force\*:

“John McCain [c]alls [f]or [t]he [i]mmediate [f]ormation [o]f [a] Justice Department Mortgage Abuse Task Force. The Task Force will aggressively investigate potential criminal wrongdoing in the mortgage industry and bring to justice any who violated the law. The DOJ Task Force will offer assistance to State Attorney Generals [sic] who are investigating abusive lending practices.”

<http://www.johnmccain.com/Informing/News/PressReleases/169de714-b6f0-4ea9-947e-383b5f4e7f14.htm>

Cost: \$2 million (\$10 million over five years).

Source: A similar task force offering assistance to state Attorneys General by the Department of Justice and Federal Trade Commission to monitor the oil and gas industry was created by S. 2557 (109<sup>th</sup> Congress), the Oil and Gas Industry Antitrust Act of 2006. This legislation was not sponsored by Senator McCain.

<http://www.cbo.gov/ftpdocs/72xx/doc7215/s2557.pdf>

D. NeighborWorks Mortgage Assistance\*:

“John McCain [w]ill [b]olster [g]roups [l]ike NeighborWorks America [t]hat [p]rovide [m]ortgage [a]ssistance [t]o [h]omeowners [i]n [t]heir [c]ommunities.”

<http://www.johnmccain.com/Informing/News/PressReleases/169de714-b6f0-4ea9-947e-383b5f4e7f14.htm>

Cost: Unknown.

Note: NeighborWorks America is requesting an additional \$30 million for Fiscal Year 2009 over its 2008 appropriation to continue operations (\$5 million) and provide mortgage mitigation assistance (\$25 million).

<http://www.nw.org/network/policy/documents/FY2009BudgetJustification.pdf>

E. Unemployment Compensation for Older Workers\*:

“John McCain [w]ill [p]rovide [s]pecial, [t]argeted [a]ssistance [f]or [o]lder [w]orkers. Because training is often inefficient for older workers, those 55 years of age and older who have built up an LEB [Lost Earnings Buffer Account] will be eligible for a Lost Earnings Supplement. The supplement of up to 50 percent of their earnings loss (up to a maximum of \$10,000) for two years will be rewarded for those who find work inside 26 weeks.”

<http://www.johnmccain.com/Informing/Issues/4dbd2cc7-890e-47f1-882f-b8fc4cfec878.htm>

Cost: \$3.5 billion (\$17.5 billion over five years).

Source: “A Fairer Deal for America’s Workers in a New Era of Offshoring,” published by the Brookings Institution.  
[http://www3.brookings.edu/es/commentary/journals/tradeforum/2005btf\\_brainard.pdf](http://www3.brookings.edu/es/commentary/journals/tradeforum/2005btf_brainard.pdf)

Note: This quotation and estimate replaces an item in the original analysis: “I’m willing to compensate [older workers who lose their jobs and have to take lower-paying work] for the difference [in salary].”

<http://www.washingtontimes.com/article/20080111/NATION/115148281/1002>  
In the original analysis, the cost was unknown.

#### F. Worker Retraining\*:

“The U[nemployment] I[nurance] system must be more effective in helping those who have lost a job. John McCain will modernize and transform our current programs by consolidating redundant federal programs, strengthening community colleges and technical training and giving displaced workers more choices to find their way back to productive and prosperous lives.”

<http://www.johnmccain.com/Informing/News/PressReleases/169de714-b6f0-4ea9-947e-383b5f4e7f14.htm>

Cost: Unknown.

### **Education, Science, and Research: \$ 1.8 billion**

#### A. Education Accountability and Competition:

“No one should have to wait until they are laid off to build a better life. We can start right now by improving the accountability of public education at the primary and secondary level[s] ... and helping provide parents with choices for their children’s education.”

<http://www.exploremccain.com/Informing/News/Speeches/32676e3b-4492-4fc4-b0e9-e01efe5cceb.htm>

Cost: \$1.8 billion (\$5.4 billion over three years).

Source: Senator McCain has not sponsored or cosponsored any bills related to this since the 106<sup>th</sup> Congress, when he introduced S. 1512: A bill to provide educational opportunities for disadvantaged children, and for other purposes. The bill provides \$1.8 billion a year over three years for states to award scholarships that “may be redeemed for elementary or secondary education for the children at any of a broad variety of public and private schools, including religious schools.” The bill also would have eliminated authority to use sugar as collateral for loans and it would have eliminated the sugar price support and production adjustment programs for sugarcane and sugar beets. These reforms would have provided outlay savings to partially offset the costs of the scholarship program.

#### B. Student Loan Continuity Plan\*:

“John McCain [i]s [p]roposing [a] [s]tudent [l]oan [c]ontinuity [p]lan. Students face the possibility that the credit crunch will disrupt loans for the fall semester. John McCain calls on the federal government and the 50 governors to anticipate problems and expand the lender-of-last resort capabilities for each state’s guarantee agency.”

<http://www.johnmccain.com/Informing/News/PressReleases/1ad1df45-57a9-4bd4-b71f-9d5c011d14c5.htm>

Cost: Unknown.

Note: H.R. 5715, the Ensuring Continued Access to Student Loans Act of 2008, became Public Law 110-227 in January 2008. Its companion, S. 2815, was not sponsored by Senator McCain. This law allows for deferral on PLUS loan payments, raises limits on unsubsidized loans, and expands eligibility of the SMART grant program, while also bolstering the lender-of-last-resort mission by “requir[ing] guaranty agencies to carry out the functions of the lender-of-last-resort program on a school-wide basis rather than an individual-borrower basis when requested by an institution that meets standards set out by the Secretary.” It also “would clarify that the Secretary of Education has the authority to advance federal funds to guaranty agencies serving as lenders of last resort who do not have sufficient capital to originate guaranteed loans.” It is uncertain how Senator McCain would further expand student financing.

#### **Energy, Environment, and Agriculture: \$56.481 billion**

##### A. Alcohol Fuels Development:

“Alcohol fuels made from corn, sugar, switch grass and many other sources, fuel cells, biodiesel derived from waste products, natural gas, and other technologies are all promising and available alternatives to oil. I won’t support subsidizing every alternative or tariffs that restrict the healthy competition that stimulates innovation and lower costs. But I’ll encourage the development of infrastructure and market growth necessary for these products to compete, and let consumers choose the winners.”

<http://www.johnmccain.com/Informing/News/Speeches/13bc1d97-4ca5-49dd-9805-1297872571ed.htm>

Cost: Unknown.

Note: Legislation sponsored by Senator McCain, S. 280 the Climate Stewardship and Innovation Act of 2007 (mentioned later in this section) creates a “Climate Technology Financing Board,” which may grant loans and loan guarantees for up to three “biofuels production facilities ... maximizing the use of cellulosic biomass” from proceeds from credit auctions in section 253, but does not detail exact amounts. It is unclear whether McCain would promote additional alcohol-based alternatives through federal outlays or targeted tax credits.

#### B. Electric Battery Development:

“With some of the savings from cutting subsidies for industries that can stand on their own, we can establish a national challenge to improve the cost, range, size, and weight of electric batteries for automobiles. ... Affordable battery-powered vehicles that can meet average commuter needs could help us cut oil imports in half.”

<http://www.johnmccain.com/Informing/News/Speeches/13bc1d97-4ca5-49dd-9805-1297872571ed.htm>

Cost: \$1 million (\$5 million over five years).

Source: Although Senator McCain was not a sponsor of the underlying legislation, a related provision was included within S. 357 (110<sup>th</sup> Congress): A bill to improve passenger automobile fuel economy and safety, reduce greenhouse gas emissions, reduce dependence on foreign oil, and for other purposes.

CBO has a cost estimate for the battery development provision in the bill: “The bill would require DOT [the Department of Transportation] to administer a grant program to support research, development, demonstration, and commercial application of electric battery technologies and to establish a council of industry advisors. Under current law, DOE [the Department of Energy] administers a similar program that costs about \$10 million annually. CBO expects that the grants authorized in the bill would likely augment the program as administered by DOE. Assuming appropriation of the necessary amounts, CBO estimates that the grant program would cost \$1 million annually.”

<http://www.cbo.gov/ftpdocs/81xx/doc8185/s357.pdf>

#### C. Flexible-Fuel Vehicles:

“Flexible-fuel vehicles aren’t futuristic pie in the sky. ... We can provide fuel options and improve the fuel efficiency of our vehicle fleet by making them out of high tech materials that improve their strength and safety.”

<http://www.johnmccain.com/Informing/News/Speeches/13bc1d97-4ca5-49dd-9805-1297872571ed.htm>

Cost: Unknown.

Note: It is unclear if Senator McCain would enforce this policy through the use of federal regulatory powers or through incentives that may or may not affect outlays.

#### D. Nuclear Energy Development:

“We have in use today a zero[-]emission energy that could provide electricity for millions more homes and businesses than it currently does. Yet it has been over [25] years since a nuclear power plant has been constructed. The barriers to nuclear energy are political [-] not technological. We’ve let the fears of [30] years ago, and an endless political squabble over the storage of nuclear spent fuel make it virtually impossible to build a single new

plant that produces a form of energy that is safe and non-polluting. ... If France can produce 80 [percent] of its electricity with nuclear power, why can't we? ... Let's provide for safe storage of spent nuclear fuel, and give host states or localities a proprietary interest so when advanced recycling technologies turn used fuel into a valuable commodity, the public will share in its economic benefits.”  
<http://www.johnmccain.com/Informing/News/Speeches/13bc1d97-4ca5-49dd-9805-1297872571ed.htm>

Cost: Unknown.

Note: It is unknown how Senator McCain would provide for safe storage of nuclear fuel. In 2003, S. 14 (108<sup>th</sup> Congress) contained a provision to furnish federal loan guarantees for the construction of the next generation of nuclear power plants. CBO estimated “that the net present value of amounts recovered by the government on its loan guarantee from continued plant operations following a default and the project’s technical and regulatory risk would result in a subsidy cost of 30 percent[,] or about \$375 million over the 2011-2013 period.”

<http://www.cbo.gov/ftpdocs/42xx/doc4206/s14.pdf>

Note: H.R. 2764, the Consolidated Appropriations Act (passed into law in the 110<sup>th</sup> Congress) contained \$20.5 billion in loan guarantees for the nuclear industry for nuclear power facilities.

[http://www.foxbusiness.com/markets/industries/industrials/article/usec-statement-loan-guarantees-nuclear-power-industry\\_419253\\_6.html](http://www.foxbusiness.com/markets/industries/industrials/article/usec-statement-loan-guarantees-nuclear-power-industry_419253_6.html)

#### E. Pollution Cap-and-Trade Program\*:

“This is why I have joined with Joe Lieberman to pursue a market-based, cap-and-trade system that will bolster our economic competitiveness and achieve appropriate limits on greenhouse gas emissions as efficiently and effectively as possible without harming our economy.”

<http://www.exploremccain.com/Informing/News/PressReleases/d29b14ef-f923-448b-bc33-db51cf07fff1.htm>

Cost: \$56.48 billion (\$282.4 billion over five years).

Source: Senator McCain is a cosponsor of S. 280 (110<sup>th</sup> Congress), which creates a cap-and-trade system of emission allowances. The proceeds of the auction for the allowances will be used to administer the program, as well as provide funding for other programs that are established in the bill. A CBO cost estimate is available for a related cap-and-trade bill in the 110<sup>th</sup> Congress, S. 2191, the America’s Climate Security Act of 2007.

<http://www.cbo.gov/ftpdocs/91xx/doc9120/s2191.pdf>

#### F. Smart Grid Development:

“Energy efficiency by using improved technology and practicing sensible habits in our homes, businesses, and automobiles is a big part of the answer, and is something we can achieve right now. And new advances will make conservation an ever more important

part of the solution. Improved light bulbs can use much less energy; smart grid technology can help homeowners and businesses lower their energy use, and breakthroughs in high[-]tech materials can greatly improve fuel efficiency in the transportation sector.”

<http://www.johnmccain.com/Informing/News/Speeches/13bc1d97-4ca5-49dd-9805-1297872571ed.htm>

Cost: Unknown.

#### G. Sugar Quotas\*:

“John McCain [w]ill [e]nd [p]olicies [t]hat [c]ontribute [t]o [h]igher [t]ransportation [a]nd [f]ood [c]osts ... sugar quotas drive up food prices and hurt Americans. However, we cannot take the wrong direction and cut off trade for American goods.”

<http://www.johnmccain.com/Informing/News/PressReleases/169de714-b6f0-4ea9-947e-383b5f4e7f14.htm>

Cost: Unknown.

Note: Cost of sugar and refined food products purchased by the U.S. Government may decrease as a result of this measure, but the potential savings has not been quantified.

#### H. Technology Partnerships\*:

“I want to spend less money on government bureaucracies, and, where the private sector isn’t moving out of regulatory fear, to form the partnerships necessary to build demonstration models of promising new technologies such as advanced nuclear power plants, coal gasification, carbon capture and storage, and renewable power so we can take maximum advantage of our most abundant resources. And I’ll make it a national mission to develop a catalyst capable of breaking down carbon dioxide into useful chemical building blocks, and rendering it a new source of revenue and opportunity.”

<http://www.johnmccain.com/informing/news/Speeches/13bc1d97-4ca5-49dd-9805-1297872571ed.htm>

Cost: Unknown.

Note: Although Senator McCain was not a sponsor of this legislation, a model for the approach he described was proposed in S. 517 (107<sup>th</sup> Congress): A bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships. This bill was sponsored by two Democrats and two Republicans. At the time, CBO estimated it would cost \$55 million over five years.

<http://www.cbo.gov/ftpdocs/28xx/doc2858/S517.pdf>

Note: A related program is included in S. 280, the Climate Stewardship and Innovation Act of 2007, cited above. It is unknown whether or not the technology partnerships would be funded under the cap-and-trade program.

## I. Utility and Automaker Partnerships:

“I’ll work to promote real partnerships between utilities and automakers to accelerate the deployment of plug-in hybrids.”

<http://www.johnmccain.com/Informing/News/Speeches/13bc1d97-4ca5-49dd-9805-1297872571ed.htm>

Cost: Unknown.

Note: It is unclear whether this would be achieved by a tax credit or by federal grants. An example of the latter is contained in a CBO estimate for H.R. 5656 (109th Congress): A bill to provide for federal energy research, development, demonstration, and commercial application activities, and for other purposes, includes \$136 million (\$1.3 billion over five years) for plug-in hybrid vehicle technology development.

<http://www.cbo.gov/ftpdocs/73xx/doc7391/hr5656.pdf>

## Health Care: \$1.137 billion

### A. Association Health Care Plans:

“[My plan] promotes robust health care markets by, among other things, allowing families to purchase insurance ... through any willing provider such as an association or a church.”

<http://www.exploremccain.com/Informing/News/PressReleases/d29b14ef-f923-448b-bc33-db51cf07fff1.htm>

Cost: \$6 million (\$31 million over five years).

Source: CBO cost estimate for H.R. 525 (109<sup>th</sup> Congress): A bill to improve access and choice for entrepreneurs with small businesses with respect to medical care for their employees.

<http://www.cbo.gov/ftpdocs/62xx/doc6265/hr525.pdf>

### B. Community Health Centers:

“Community health centers need to be expanded.”

<http://www.exploremccain.com/Informing/News/PressReleases/07b94e42-9466-4c24-8bc0-68a7c83d960d.htm>

Cost: Unknown.

Note: Senator McCain has not sponsored any general legislation in the last four Congresses whose provisions might refer to “Community Health Centers.” The most recent Senate proposal to expand Community Health Centers that has a CBO estimate is S. 3771, the Health Centers Renewal Act of 2006 (109<sup>th</sup> Congress), which would cost \$3.9 billion over five years.

<http://www.cbo.gov/ftpdocs/75xx/doc7592/s3771.pdf>

C. Disease Management, Individual Case Management, and Health & Wellness\*:

“A [s]pecific [p]lan of [a]ction: [e]nsuring [c]are for [h]igher [r]isk [p]atients ... John McCain [w]ill [p]romote [p]roper [i]ncentives. John McCain will work with Congress, the governors, and industry to make sure this approach is funded adequately and has the right incentives to reduce costs such as disease management, individual case management, and health and wellness programs.”

<http://www.johnmccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm>

Cost: Unknown.

Note: In the past, Senator McCain has advocated the creation of nonprofit entities to support the health and wellness activities of government agencies. One such legislative example was S. 555 (108<sup>th</sup> Congress), the Native American Health and Wellness Foundation Act of 2003. CBO estimate this legislation at \$3 million over 4 years. It is unclear if Senator McCain would use the same methodology on a nationwide scale.

<http://www.cbo.gov/ftpdocs/42xx/doc4288/s555.pdf>

D. Disease Prevention:

“We must make fundamental reforms to our health care system that benefit hard-working American families. ... To ease the burden placed on businesses and individuals, we must open up the avenues of competition, improve the quality of care and put greater emphasis on disease prevention.”

<http://www.exploremccain.com/Informing/News/PressReleases/26d10a09-714f-4012-b0d9-6f8d8ba0ca11.htm>

Cost: Unknown.

Source: Senator McCain is a sponsor of related legislation, S. 2115 (109<sup>th</sup> Congress): A bill to amend the Public Health Service Act to improve provisions relating to Parkinson’s disease research. A cost estimate is unavailable.

E. Drug Re-importation:

“My plan ... permits the safe re-importation [sic] of drugs to keep competition vigorous.”

<http://www.exploremccain.com/Informing/News/PressReleases/d29b14ef-f923-448b-bc33-db51cf07fff1.htm>

Cost: -\$540 million (savings) (-\$2.7 billion over five years).

Source: CBO cost estimate for H.R. 380 (110<sup>th</sup> Congress): A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to the importation of prescription drugs, and for other purposes.

<http://www.cbo.gov/ftpdocs/87xx/doc8729/hr380Ltr.pdf>

F. Flexible Training Account\*:

“Workers will have access to a flexible training account that permits them to ... use leftover funds to keep their health insurance.”

<http://www.johnmccain.com/Informing/News/PressReleases/169de714-b6f0-4ea9-947e-383b5f4e7f14.htm>

Cost: Unknown.

G. Generic Drugs:

“My plan harnesses market competition to lower pharmaceutical costs by fostering a more efficient process for bringing cheaper generic drugs to consumers sooner ... .”

<http://www.exploremccain.com/Informing/News/PressReleases/d29b14ef-f923-448b-bc33-db51cf07fff1.htm>

Cost: Unknown.

Note: Senator McCain was a sponsor of S. 812 (107<sup>th</sup> Congress): A bill to amend the Federal Food, Drug, and Cosmetic Act to provide greater access to affordable pharmaceuticals. Title I of the legislation would revise provisions concerning the timing of generic drug availability. No cost estimate is available.

H. Guaranteed Access Plan\*:

“John McCain [w]ill [w]ork [w]ith [s]tates [t]o [e]stablish [a] Guaranteed Access Plan. As President, John McCain will work with governors to develop a best practice model that states can follow – a Guaranteed Access Plan or GAP – that would reflect the best experience of the states to ensure these patients have access to health coverage. One approach would establish a nonprofit corporation that would contract with insurers to cover patients who have been denied insurance and could join with other state plans to enlarge pools and lower overhead costs. There would be reasonable limits on premiums, and assistance would be available for Americans below a certain income level.”

<http://www.johnmccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm>

Cost: Unknown.

Note: According to Blue Cross Blue Shield of Michigan:

“A review of insurance nationally shows that 34 other states have adopted high risk pools to help cover individuals with serious medical conditions. In 29 states, high risk pools are subsidized by a financial assessment on all insurance carriers operating in the individual health insurance market.” Senator McCain has not detailed what mix of association plan and high-risk pool coverage he would implement as President.

[http://www.bcbsm.com/pr/pr\\_01-30-2008\\_94497.shtml](http://www.bcbsm.com/pr/pr_01-30-2008_94497.shtml)

#### I. Health Care Competition across State Lines:

“[My plan] promotes robust health care markets by, among other things, allowing families to purchase insurance across state lines . . . .”

<http://www.exploremccain.com/Informing/News/PressReleases/d29b14ef-f923-448b-bc33-db51cf07fff1.htm>

Cost: \$56 million (\$280 million over five years).

Source: CBO cost estimate for H.R. 2355, the Health Care Choice Act of 2005 (109<sup>th</sup> Congress): A bill to amend the Public Health Service Act to provide for cooperative governing of individual health insurance coverage offered in interstate commerce. This bill was reintroduced in the 110<sup>th</sup> Congress as H.R. 4460.

<http://www.cbo.gov/ftpdocs/66xx/doc6639/hr2355.pdf>

#### J. Health Insurance Portability:

“John McCain believes that insurance reforms should increase the variety and affordability of insurance coverage available to American families by fostering competition and innovation. . . . Insurance should be innovative, moving from job to home, job to job, and providing multi-year coverage.”

<http://www.exploremccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm>

Cost: Unknown.

#### K. Medical Tort Reform:

“[My plan] focuses on tort reform to stop frivolous lawsuits which enrich trial lawyers while raising health costs for everyone else.”

<http://www.exploremccain.com/Informing/News/PressReleases/d29b14ef-f923-448b-bc33-db51cf07fff1.htm>

Cost: -\$890 million (-\$4.452 billion over five years).

Source: CBO cost estimate for H.R. 5 (109<sup>th</sup> Congress): A bill to improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system. The cost estimate is from the 108<sup>th</sup> Congress. Although the bill was reintroduced and passed by the House in the 109<sup>th</sup> Congress, CBO did not update its estimate. It was also reintroduced in the 110<sup>th</sup> Congress as H.R. 2580 and S. 243, which is not cosponsored by Senator McCain.

<http://www.cbo.gov/ftpdocs/40xx/doc4091/hr5.pdf>

Note: Senator McCain has not sponsored a piece of legislation including the words “frivolous lawsuits” or “tort” relating to general medical practice in the last five Congresses.

L. Prescription Subsidies for the Affluent\*:

“John McCain [b]elieves [t]hat [w]e [s]hould [n]ot [s]ubsidize [t]he [p]rescription [d]rugs [o]f America’s [m]ost [a]ffluent [i]ndividuals. He will propose reforms to reduce the large subsidies in the Medicare drug program.”

<http://www.johnmccain.com/Informing/News/PressReleases/1ad1df45-57a9-4bd4-b71f-9d5c011d14c5.htm>

Cost: -\$520 million (-\$2.6 billion over five years).

Source: Related legislation has been introduced in the form of S. 2662 (110<sup>th</sup> Congress), the Medicare Funding Warning Response Act of 2008. Cost is derived from a CBO estimate for the portion of S. 2662 pertaining to Medicare Part D subsidies. Senator McCain is not a cosponsor of this legislation.

<http://www.cbo.gov/ftpdocs/90xx/doc9051/s2662.pdf>

M. Online Health Records:

“We need to do a whole lot of things ... including putting health care records online ...”

<http://www.johnmccain.com/Informing/News/PressReleases/2e4d3703-851b-46b3-abbf-2fe38cdce592.htm>

Cost: \$169 million (first-year cost).

Source: President Bush offered a similar proposal in his 2007 State of the Union Address.

<http://www.ntu.org/main/page.php?PageID=115>

N. Refundable Health Insurance Tax Credit:

“[My plan] provides all individuals with a refundable tax credit of \$2,500 and families with a \$5,000 credit toward the purchase of health insurance, and rewards innovative insurance by allowing any money remaining to be deposited in tax-free Health Savings Accounts.”

<http://www.exploremccain.com/Informing/News/PressReleases/d29b14ef-f923-448b-bc33-db51cf07fff1.htm>

Cost: \$2.856 billion (\$14.28 billion over five years).

Source: In his FY 2008 Budget, President Bush offered a similar health insurance tax credit proposal that had a refundable component. An estimate is available in Table S-5 of the *Budget of the United States Government* under “Outlay Effects of Tax Proposals.”

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/budget/tables.pdf>

O. Risk Adjustment Bonuses for Medicaid:

“John McCain believes that insurance reforms should ... require any state receiving Medicaid to develop a financial ‘risk adjustment’ bonus to high-cost and low-income families to supplement tax credits and Medicaid funds.”

<http://www.exploremccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm>

Cost: Unknown.

Note: CBO determined the Medicare Advantage Risk Adjustment included in the 2005’s Deficit Reduction Act (S. 1932) would save \$1.4 billion in the first year. A cost estimate for Medicaid “risk adjustment” bonuses is unavailable.

<http://www.cbo.gov/ftpdocs/70xx/doc7028/s1932conf.pdf>

P. State Children’s Health Insurance Program Health (SCHIP):

“I think that we can make health care affordable and available without a mandate. Million[s of] children that haven’t taken advantage of the SCHIP ... because they just haven’t signed up.”

<http://www.exploremccain.com/Informing/News/PressReleases/07b94e42-9466-4c24-8bc0-68a7c83d960d.htm>

Cost: Unknown.

Note: In the past, Senator McCain has supported the extension of the availability of allotments beyond the original time frame (S. 312, 108<sup>th</sup> Congress) and has sponsored S. 556, which would have ended cost sharing under the SCHIP and Medicaid programs for Indians. According to CBO, “The provisions also would require that payments by Medicaid and SCHIP for services provided directly by those programs could not be reduced by the amount of cost sharing that Indians otherwise would pay.”

<http://www.cbo.gov/ftpdocs/60xx/doc6026/s556.pdf>

**Homeland Security and Law Enforcement: \$1.5 billion**

A. Border Security:

“As President, I will secure the border. I will restore the trust Americans should have in the basic competency of their government.”

<http://www.johnmccain.com/informing/issues/68db8157-d301-4e22-baf7-a70dd8416efa.htm>

Cost: \$1.5 billion (\$3 billion over two years).

Source: Senator McCain is a cosponsor of related legislation, S. 2348 (110<sup>th</sup> Congress): A bill to ensure control over the United States border and to strengthen

enforcement of the immigration laws. The text appropriates \$3 billion for two years.

Note: In the spring of 2007, while he was a declared candidate for the Republican nomination, Senator McCain was also an advocate of comprehensive immigration and border security reform efforts in Congress. An amendment he sponsored with Senator Kennedy, S.A. 1150 to S. 1348, would have increased legal immigration levels and provided for increased border security enforcement initiatives. CBO estimated this would increase spending by \$29.5 billion over five years. However, Senator McCain has not explicitly articulated that he would work to pass the initiatives in S.A. 1150 as President.

<http://www.cbo.gov/ftpdoc.cfm?index=8179&type=1>

If Senator McCain is advocating constructing of a border fence as reported by the *Keene Sentinel*, that could have an additional cost which will depend on the length of additional wall (approximately \$3 million/mile according to CBO), and how much new technology is used (the Department of Homeland Security estimates the virtual wall will cost \$7.6 billion over four years). Currently, \$1.225 billion is appropriated for border security to complete 670 miles of fence.

<http://www.sentinelsource.com/print.asp?ArticleID=172087&SectionID=31&SubSectionID=454>

[http://www.nytimes.com/cq/2007/07/11/cq\\_3057.html](http://www.nytimes.com/cq/2007/07/11/cq_3057.html)

<http://www.pcworld.com/article/id,129294/article.html>

#### B. Guantánamo Bay Cuba Detention Facility Closure\*:

“We must close the detention facility at Guantánamo and come to a common international understanding on the disposition of dangerous detainees under our control.”

[http://www.ft.com/cms/s/c7e219e2-f4ea-11dc-a21b-000077b07658,dwp\\_uuid=73adc504-2ffa-11da-ba9f-00000e2511c8,print=yes.html#](http://www.ft.com/cms/s/c7e219e2-f4ea-11dc-a21b-000077b07658,dwp_uuid=73adc504-2ffa-11da-ba9f-00000e2511c8,print=yes.html#)

Cost: Unknown.

Note: Senator McCain has not detailed his plan to manage the current detainees of Guantánamo Bay.

#### C. Intelligence Reform:

“As President, John McCain will ensure that America has the quality intelligence necessary to uncover plots before they take root, the resources to protect critical infrastructure and our borders against attack . . . .”

<http://www.exploremccain.com/Informing/Issues/054184f4-6b51-40dd-8964-54fcf66a1e68.htm>

Cost: Unknown.

## **National Defense: \$3.917 billion**

### A. Increased Troop Levels:

“John McCain thinks it is especially important to increase the size of the Army and Marine Corps to defend against the threats we face today.”

<http://www.exploremccain.com/Informing/Issues/054184f4-6b51-40dd-8964-54fcf66a1e68.htm>

Cost: Unknown.

Note: In general, each incremental increase of 10,000 troops costs \$1.2 billion.

<http://www.washingtonpost.com/wpdyn/content/article/2006/12/19/AR2006121900880.html>

### B. Reservists Equipment\*:

“I will also work to ensure that our Reserve Forces are provided adequate modern equipment, access to training and full-time support personnel to perform their many missions and to maintain their readiness.”

<http://www.johnmccain.com/Informing/News/PressReleases/8dab2db1-25e0-43cc-afb0-5b92959f3938.htm>

Cost: Unknown.

Note: According to the Reserve Officers Association, the Army Secretary “has promised ... \$3.9 billion for the Army Reserve over the next four years.” It is unclear how Senator McCain would add to this amount.

[http://www.roa.org/site/PageNavigator/legislative/RESETTING\\_AND\\_REEQUIPPING\\_0702](http://www.roa.org/site/PageNavigator/legislative/RESETTING_AND_REEQUIPPING_0702)

### C. Theater and National Missile Defense:

“John McCain strongly supports the development and deployment of theater and national missile defenses.”

<http://www.exploremccain.com/Informing/Issues/054184f4-6b51-40dd-8964-54fcf66a1e68.htm>

Cost: \$1.917 billion (\$9.583 billion over five years).

Source: CBO letter to Representative Ellen Tauscher: “In response to your request of April 20, 2007, the Congressional Budget Office has completed a preliminary assessment of the cost of the Missile Defense Agency’s and Air Force’s plans for developing, fielding, and operating a fleet of airborne lasers (ABL) as part of the ballistic missile defense system.”

<http://www.cbo.gov/ftpdocs/87xx/doc8722/05-09-ABL-Estimate.pdf>

D. Transfer of Educational Benefits\*:

“To boost retention, this plan would allow members who served six years or more to transfer part or all their post-service education benefits to a spouse or child. There’s no official cost estimate for this alternative, but government analysts had calculated that such a program would run \$1 billion to \$2 billion a year.”

<http://www.johnmccain.com/Informing/News/PressReleases/5f86aaa0-379e-4725-9962-6e34e9949c9f.htm>

Cost: \$2 billion (\$10 billion over five years).

Source: Campaign Web site.

<http://www.johnmccain.com/Informing/News/PressReleases/5f86aaa0-379e-4725-9962-6e34e9949c9f.htm>

**Veterans: \$60 million**

A. Access to Health Care:

“John McCain believes that all military retirees, even if they are not eligible for VA health care, should be provided with meaningful access to health care. The federal government should ease the burden of health care costs on those people who have dedicated their careers to protecting our freedom.”

<http://www.exploremccain.com/Informing/Issues/9cb5d2aa-f237-464e-9cdf-a5ad32771b9f.htm>

Cost: \$60 million (\$300 million over five years).

Source: Senator McCain is a cosponsor of S. 1606 (110<sup>th</sup> Congress), the Dignified Treatment of Wounded Warriors Act: A bill to provide for the establishment of a comprehensive policy on the care and management of wounded warriors in order to facilitate and enhance their care, rehabilitation, physical evaluation, transition from care by the Department of Defense to care by the Department of Veterans Affairs, and transition from military service to civilian life, and for other purposes. While a cost estimate is unavailable for S. 1606, CBO scored a related bill in the House, H.R. 1538 (110<sup>th</sup> Congress), the Wounded Warrior Assistance Act: A bill to amend title 10, United States Code, to improve the management of medical care, personnel actions, and quality of life issues for members of the Armed Forces who are receiving medical care in an outpatient status, and for other purposes.

<http://www.cbo.gov/ftpdocs/79xx/doc7905/hr1538.pdf>

**Miscellaneous – Federal Government: \$120 million.**

A. Civil Service Reform\*:

“John McCain will provide the leadership necessary to control spending, including ... [r]eform [of] [o]ur [c]ivil [s]ervice [s]ystem [t]o [p]romote [a]ccountability [a]nd [g]ood [p]erformance [i]n [o]ur [f]ederal [w]orkforce.”

<http://www.johnmccain.com/Informing/News/PressReleases/b61edf42-a65d-4c4d-b038-6123db8fc2a5.htm>

Cost: Unknown

Source: Related legislation, H.R. 5439 (110<sup>th</sup> Congress), establishes the Civil Service Reform Commission to study and report to the President and Congress on: (1) the federal compensation system; (2) recruiting individuals for the federal workforce; (3) expediting and improving hiring processes; (4) retaining a high-quality federal workforce and providing continuing professional education to maintain the quality of such workforce; (5) policies and barriers related to the termination of under-performing workers; (6) the role and oversight of federal contractors and issues related to contractor assumption of traditionally federal duties; and (7) proposed legislation to implement recommended improvements. The JOBS Act included a similar Blue Ribbon Commission scored by CBO at \$2 million per year (\$10 million over five years).

[http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110\\_cong\\_bills&docid=f:h5439ih.txt.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h5439ih.txt.pdf)

#### B. Democratization of Cuba\*:

“America can and should help hasten the sparking of freedom in Cuba. The Cuban people have waited long enough.”

<http://www.johnmccain.com/Informing/News/PressReleases/3fa77b84-1122-4084-bfcb-3d7dd970ecb3.htm>

Cost: Unknown.

Note: The State Department’s Congressional Budget Justification for Foreign Operations notes, “The FY 2009 request for Cuba is significantly less than the FY 2008 estimate. FY 2009 funding is intended to sustain efforts to encourage democratic change initiated during the surge of funding in FY 2007 and FY 2008, as mandated through the CAFC II report, which recommended an annual investment of \$20 million thereafter until there is clear evidence of a democratic transition in Cuba. The reductions are primarily reflected in civil society programs.”

<http://www.state.gov/documents/organization/101368.pdf>

#### C. Eliminate Earmarks\*:

“John McCain will provide the leadership necessary to control spending, including ... [e]liminating [e]armarks, [w]asteful [s]ubsidies [a]nd [p]ork-[b]arrel [s]pending.”

<http://www.johnmccain.com/Informing/News/PressReleases/b61edf42-a65d-4c4d-b038-6123db8fc2a5.htm>

Cost: Unknown.

Note: Eliminating earmarks does not necessarily reduce spending. If the earmarked funds are returned to the agencies' general appropriations, no savings would result.

#### D. Eliminate Underperforming Government Programs\*:

“John McCain will provide the ... leadership necessary to control spending, including ... [e]liminat[ion] [of] [b]roken [g]overnment [p]rograms.”

<http://www.johnmccain.com/Informing/News/PressReleases/b61edf42-a65d-4c4d-b038-6123db8fc2a5.htm>

Cost: Unknown.

Note: It is unclear which programs Senator McCain would eliminate and whether some programs would have their funding cut without being completely eliminated.

A BillTally estimate for H.R. 379 (110<sup>th</sup> Congress): A bill to make 5 percent across-the-board rescissions in non-defense, non-homeland-security discretionary spending for Fiscal Year 2007 indicates first-year savings of \$25 billion. It is unclear if Senator McCain would cut spending in a similar manner.

#### E. Emergency Operations Centers\*:

“We’re going to clear away the bureaucratic obstacles to disaster response, and establish clear, straight lines of communication among federal, state, and local agencies. We’re going to give first-responders in our states and cities every tool they need to move fast, work together, and save lives. We’re going to give them allies, too – the same kind of partners who rushed to the Gulf Coast after Katrina but were turned away or told to wait. Every Emergency Operations Center will have a unit run by trained experts from local businesses, with the skills and technology to track assets and send them where they are needed, when they are needed.”

<http://www.johnmccain.com/Informing/News/PressReleases/def1dbb0-0f3d-443e-b37e-4af149ad0759.htm>

Cost: \$120 million (\$600 million over five years).

Source: Related legislation has been introduced, in the form of H.R. 5351 (109<sup>th</sup> Congress): A bill to amend the Homeland Security Act of 2002 to establish a Directorate of Emergency Management, to codify certain existing functions of the Department of Homeland Security, and for other purposes. Specifically, the estimate is based on the additional amounts that state and local governments would receive to “improve emergency preparedness.”

<http://www.cbo.gov/ftpdocs/72xx/doc7246/hr5351REV.pdf>

Note: H.R. 1 (110<sup>th</sup> Congress), which was passed into law, created a new grant program for states and regions to improve the interoperability of emergency communications systems used by police, firefighters, and other first responders. A

CBO cost estimate is available. It is unclear how Senator McCain would improve communication among agencies.

<http://www.cbo.gov/ftpdoc.cfm?index=7780&type=1>

F. Reforming Procurement Programs\*:

“John McCain will provide the leadership necessary to control spending, including ... [r]eform [of] [p]rocurement [p]rograms ...”

<http://www.johnmccain.com/Informing/News/PressReleases/b61edf42-a65d-4c4d-b038-6123db8fc2a5.htm>

Cost: Unknown.

Note: Senator McCain sponsored S. 32 (110<sup>th</sup> Congress): A bill to reform the acquisition process of the Department of Defense, and for other purposes. A cost estimate is unavailable.

G. Transparency\*:

“We’re going to make every aspect of government purchases and performance transparent. Information on every step of contracts and grants will be posted on the Internet in plain and simple English. We’re not going to hide anything behind accounting tricks and bureaucratic doubletalk that a linguist with a Ph. D in accounting couldn’t decipher.”

<http://www.johnmccain.com/Informing/News/Speeches/48474414-5864-4de8-921e-d2d51de82bdd.htm>

Cost: Unknown.

Source: Senator McCain sponsored the “Federal Funding Accountability and Transparency Act of 2006,” P.L.109-282, “direct[ing] the Office of Management and Budget (OMB) to oversee the creation of a single comprehensive searchable Web site that would include information on all federal grants, contracts, and other funding awarded to public and private organizations.” It is uncertain what additional steps Senator McCain would take.

**Fiscal Quotations:**

“We became paralyzed by the demands of competing special interests and the narrow, selfish partisanship of both parties has crippled our efforts to reform government and face squarely the problems the people expect us to fix. We need to reform and modernize our transportation system, our energy use, our public education; our Tax Code; our health care system; our telecommunications laws; the way we assist displaced workers; respond to emergencies; even the way we defend our national security. We need to balance the federal budget and stop spending money on things that are not the business of government. We need to repair Social Security and Medicare now, not when they’re completely insolvent and some unluckier generation of Americans is stuck with the

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problem. None of these daunting challenges can be addressed without genuine and lasting reform. It is essential to our security and our continued economic vitality. And beyond providing more choices in the marketplace; or a secure old age; or enhanced security; reforming government so that it meets real needs with basic competence will help restore America's pride in the way we govern ourselves, and remind us all, those of us lucky enough to serve and those who elect us, what a special thing it is to be an American.”  
<http://www.johnmccain.com/Informing/News/Speeches/48474414-5864-4de8-921e-d2d51de82bdd.htm>

“John McCain has proposed comprehensive health care reforms that will reduce the growth in Medicare spending, protect seniors against rising Medicare premium payments, and preserve the advancements in medical science central to providing quality care.”  
<http://www.johnmccain.com/Informing/Issues/0b8e4db8-5b0c-459f-97ea-d7b542a78235.htm>