REPUBLICAN CONFERENCE VICE CHAIRMAN KAY GRANGER SECRETARY JOHN CARTER

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February 14, 2008

Dear Republican Colleague:

House Republicans returned to Washington last month determined to fix a broken Washington. Facing a slowing economy and seeing new examples of wasteful Washington spending, the American people demanded better from their government, and Republicans were prepared to meet that challenge.

Unfortunately, the spirit of bipartisanship that guided the passage of the economic growth package the President signed into law this week was not to last. If hope springs eternal, reality is fleeting.

- When House Republicans called for an immediate earmark moratorium so a bipartisan panel could fundamentally fix how Washington spends taxpayer dollars, Democrat leaders rejected it outright.
- When President Bush submitted his budget proposal, rather than begin this year's conversation about our fiscal future on stopping the largest tax hike in American history, on reining in wasteful spending, on meaningful entitlement reform the Democrat Budget Committee chairman said that is something "for the next Congress to deal with." Their hope, of course, is to get a better tax-and-spend deal from the next administration.
- And this week, as the clock ticked on the Protect America Act, critical legislation that helps keep us safe and the terrorists on the run, Democrats refused to consider bipartisan legislation approved by the Senate and send it straight-away to the President for his signature. By allowing this law to expire, House Democrats have put our nation at risk.

Share this story with your constituents during the President's Day work period. They deserve to know how Republicans are working to fix a broken Washington, while Democrats appear perfectly content with the broken status quo. That is a debate Republicans will win with the public.

Enclosed please find talking points, fact sheets and a sample speech to assist your messaging efforts. Feel free to use this information to frame the coming budget debate and compare and contrast our Republican priorities with the Democrats' tax-and-spend liberal agenda.

As always, please do not hesitate to contact me or the House Republican Conference for further assistance. Thank you very much for all you do.

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Sincerely,

Jan Hart

Adam Putnam

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SAMPLE SPEECH: LINCOLN DAY

Thank you for having me for this celebration of one of the giants in the history of our party and our republic.

It's no secret what made Abraham Lincoln such a great statesman – when this Union needed to be saved from its destruction, our 16th President proved to be equal to the task.

What made Abraham Lincoln such a good Republican was perhaps his pragmatism.

Receiving news that a brigadier general and twelve army mules had been captured in Northern Virginia by the Confederates, Lincoln replied, "How unfortunate! Those mules cost us two hundred dollars apiece!"

These are times that certainly call for more practicality in our politics, more plain talk in our dealings.

For instance ... last year, the average American worked until the end of April to pay off their tax burden. That's a full third of the calendar year.

And what did you get in return for your generous, if involuntary, contribution?

A Democratic Congress that tried on several occasions, and thankfully failed each time, to cut off funds for our troops in harm's way.

A Democratic Congress that voted to impose on you and nearly half the country the largest tax increase in history.

A Democratic Congress that pledged to end wasteful pork-barrel earmarks, and went on to pass nearly 12,000 of them.

Among those tens of thousands was a \$243,000 earmark for an organization to create gourmet school lunches for the Berkeley, CA school district. Some of their menu items include, and I quote, "Meyer lemon éclairs with huckleberry coulis" and "Chicory salad with creamy anchovy vinaigrette and olive toast."

I point to this particular spending item because it was just last month that Berkeley's City Council not only voted to oust the Marine Corps' Recruiting Station from its downtown office, but in turn granted a parking spot right in front of that recruiting center to a radical fringe, anti-war organization known as "Code Pink." What's more, the city council urged Code Pink to use this prime real estate to, and I quote, "impede, passively or actively" the work of the recruiters.

The Marine Corps has been protecting Americans and carrying the banner of freedom for 233 years.

And this Democrat Congress has done nothing to stand with them on this critical issue.

The same-old tone-deaf way of doing business has left Washington broken, and the two parties have very different visions of how to fix it.

Democrats in Washington believe Washington can fix Washington. We know better. We know that an institution that more than 3 in 4 Americans do not approve of cannot get the job done alone.

No, the task of repairing our government -- to make it work for you, not the other way around – will require the energies of all those committed to the long-term prosperity and security of this nation – no matter which industry you work in, no matter which sector you serve.

It will require forward-looking solutions that empower individuals and limit the scope of government.

We can start by cutting your taxes. On this score, we have had some success in recent years – we have been able to reduce the marriage penalty, increase the child tax credit, and nearly put the death tax out of its very costly misery.

That is all, however, subject to change, and much sooner than you think. In the weeks ahead, Democrats will show their cards and present to the American people a budget containing the largest tax increase in history.

This is not an exaggeration. If we do not act to stop the Democrat tax hike, you may be working well into springtime to contribute your fair share to the government.

Here's what I mean. In a few short years:

- A typical family of four with an annual income of \$50,000 will have to pay an additional \$2,145 in taxes under the Democrat plan.
- An elderly couple with \$80,000 gross income will see a tax increase of more than \$2,300 under with the Democrat plan.
- A family of four operating a small business with two children that net profits of \$87,000, and \$5,000 of dividends, would see a tax increase of \$5,100 under the Democrat plan.

This is real money for hard-working Americans already frustrated about the challenges they face in making ends meet each month, whether it be due to the soaring costs of living or unbearably high property taxes.

When Democrats say they want to raise your taxes, believe them.

Believe them when they say they want to pull our troops out of Iraq too.

At this hour, there are over 200,000 of our fighting men and women serving in harm's way in Iraq and Afghanistan. Each and every one of them is a volunteer. They and their families have made enormous sacrifices defending our nation and the promise of liberty. And the mission they are courageously executing under General David Petraeus is making undeniable progress.

How has Congress reacted to our troops' sacrifice and success?

Not too long ago, the Speaker of the House called our mission in Iraq a "failure." In fact, she did it twice. Of course, three days after that, the Iraqi parliament passed three critical pieces of legislation – one of which was a national budget and the other providing for local elections.

And come next month, Democrats in Washington will put forward a measure that ties funding the continuation of our troops' mission to a plan for their precipitous withdrawal from the battlefield.

Ladies and gentleman, the consequences of our failure in Iraq are as high as they have ever been.

In Gen. Petraeus, our nation has a commander in Iraq whose opinion the President, Members of Congress, and the American people trust.

Lincoln was a wartime president – he understood the limitations of civilian politicians in critical hours of decision. He once said, "he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions."

General Petraeus has a great deal to do with how our citizens make sense of the future of our mission in Iraq - let's leave it up to him, not Democrats in Washington or City Councilmen in Berkeley, to give us his honest assessment of our mission in Iraq and when and how our troops can return home on success, not failure. Washington is broken, and the American people have before them a stark choice of which party is better equipped to fix it.

It's no coincidence that on these seminal issues, Democrats are ready to turn back the clock, whether it be on the gains our troops have made on the battlefield or the benefits hard-working Americans have seen from broad-based tax relief.

Right now, Americans can see a stark contrast between the Democrat Party's brand of tried-and-failed, high-dollar liberalism and our party's forward-looking vision for America's future.

Make no mistake, the principles of individual freedom and limited government are alive and well in the Party of Lincoln.

For if we were to confront today's challenges before they become tomorrow's crises, if we accepted nothing less than a world-class education for our children; if we ensured that health care was affordable and accessible for those who need it; if we put on the battlefield the strongest, most fierce fighting force in the world – we wouldn't need to look to government to make promises it cannot keep.

I'm not sure how Lincoln would work with today's Democrat Congress. Maybe he would try and break the ice. He was like another great Republican, Ronald Reagan, in that he was a serial storyteller who appreciated self-deprecation.

He often told a story of a man who accosted him on a train, saying: "Excuse me, sir, but I have an article in my possession which rightfully belongs to you."

"How is that?" asked Lincoln in amazement.

The stranger produced a jack-knife and explained: "This knife was placed in my hands some years ago, with the injunction that I was to keep it until I found a man uglier than myself. Allow me now to say, sir, that I think you are fairly entitled to it."

Lincoln is certainly entitled to the honors history has bestowed on him. And if he were dealing with today's Congress, he'd surely insist upon our obligation to hand to our posterity a better, more prosperous nation.

With your help and hard work, we will make this a reality and fix Washington once and for all.

DRIVING OUR MESSAGE: HOUSE REPUBLICAN PRESS FOR END TO WASTEFUL PORK-BARREL SPENDING

"House Republicans called ... for 'an immediate moratorium' on earmarking money for pet projects"

"Republicans also vowed to immediately and unilaterally adopt rules for its own members"

<u>CNN:</u> "GOP challenges House Dems to join earmark reform effort. House Republicans challenged Democrats in a letter sent Friday night to Speaker Nancy Pelosi to join a bi-partisan effort to change the way members of congress 'earmark' taxpayer money for special projects that benefit their districts or campaign contributors. ... The Republicans also vowed to immediately and unilaterally adopt rules for its own members that bar them from certain earmarking practices, including 'airdropping' spending items into budget bills at the last minute." (1/26/08)

<u>The New York Times:</u> "House Republicans Urge Earmark Moratorium. House Republicans called on Friday for 'an immediate moratorium' on earmarking money for pet projects. They urged Democrats to join them in establishing a bipartisan panel to set strict new standards for such spending. As an interim step, House Republican leaders said, they will insist that all House Republicans follow standards to eliminate 'wasteful pork-barrel spending.'" (<u>1/26/08</u>)

<u>The Washington Post:</u> "Do Democrats Have a Plan on Earmarks? ... [I]t doesn't appear there are active plans right now to come up with a new, Democratic plan to further reform the earmark process." (Capitol Briefing blog, 1/29/08)

<u>The Washington Times</u>: "House Democrats refuse to ban pork ... House Democrats yesterday rejected a Republican bid to halt pork-barrel spending and set up a panel to write more earmark reform measures." (<u>2/8/08</u>)

<u>Heritage Foundation</u>: "House GOP to Force Vote on Earmark Moratorium. <u>House Republican leaders were</u> serious when they promised to hold Democrats accountable for ignoring the request for an immediate earmark <u>moratorium.</u> The first test will come tomorrow when Minority Leader John Boehner and Whip Roy Blunt plan to force an earmark reform vote on the higher education authorization bill." (<u>Heritage Foundation Blog. 2/6/08</u>)

<u>The Hill</u>: "House GOP to seek vote on earmark plan. ... Boehner and his leadership team have pushed a plan introduced by Reps. Jack Kingston (R-Ga.), Frank Wolf (R-Va.) and Zack Wamp (R-Tenn.), which would establish a bipartisan panel to study ways to reform the earmarking process." (<u>2/6/08</u>)

San Francisco Chronicle: "The new Party of Pork. ... This time, the Democrats are on the wrong side of an issue they once so passionately championed." (Editorial, 2/1/08)

<u>Chronicle of Higher Education</u>: "Republican Lawmakers Threaten Berkeley With Loss of Earmarks. Republicans in Congress are threatening to withhold more than \$2-million in earmarks from the City of Berkeley and the University of California campus there if the City Council does not rescind a vote calling on military recruiters to leave the city." (2/12/08)

<u>CNS News:</u> "House Republicans Launch Earmark Reform Website. ... EarmarkReform.House.Gov is focused solely on earmark reform, House Republican Leader John Boehner (Ohio) said on Tuesday. It will serve as a hub for news and information (news releases, opinion pieces, and news stories) regarding Republican efforts to overhaul the taxpayer-funded earmark system." (2/13/08)

TALKING POINTS: ECONOMIC GROWTH PACKAGE

<u>The bipartisan economic growth package signed into law by the President is a victory for taxpayers.</u> The economic growth package will inject about \$152 million into the economy and deliver broad-based tax relief to nearly 132 million Americans. Middle-class married couples, families with children, and workers will benefit, as will senior citizens and disabled veterans. This economic growth package also provides incentives for small business entrepreneurs to expand their ventures, invest in new equipment, and create new jobs.

<u>This bipartisan package lives up to pro-growth Republican principles.</u> From day one, Republicans argued that tax relief should be the centerpiece of this economic growth package. In addition, Republicans insisted on and won the elimination of massive spending increases that would have done more to grow the government than the economy.

House Republicans will continue to fight for pro-growth tax policies that ensure long-term economic growth. As this Congress continues to discuss the need to address the slowing economy, House Republicans will dedicate our efforts to stopping the coming Democrat tax hike in its tracks and instead cutting taxes for middle-class families, married couples, and workers.

CQ TODAY Details of the Economic Growth Package

February 8, 2008

Tax Rebates for Individuals and Families

- Workers who earned at least \$3,000 in qualifying income during 2007, but paid little or no income tax, would qualify for checks of \$300 for individuals or \$600 for couples filing joint tax returns. Qualifying income includes wages, Social Security benefits and payments to disabled veterans or their survivors.
- Those who paid taxes last year on wages or investment income would receive checks of up to \$600 for individuals, \$1,200 for couples. Payments would phase out beginning with individuals with more than \$75,000 in adjusted gross income and couples with more than \$150,000. The rebate phase-out occurs at a rate of \$50 for every \$1,000 in qualifying income earned, so childless individuals with incomes above \$87,000, or \$174,000 for couples, would get nothing.
- Anyone qualifying for a check would receive \$300 for each dependent child under age 17.

Business Tax Breaks

- Companies could write off an additional 50 percent of new investment expenditures in 2008 for items subject under current law to depreciation over 20 years or less. The remaining value of the investments would be depreciated over the life of the item.
- Small businesses would be allowed to write off the entire cost of new investment expenditures up to \$250,000. That is almost twice the current Section 179 expensing limit and it would apply to companies with overall investments of less than \$800,000 in 2008.'

BIPARTISAN ECONOMIC GROWTH PACKAGE DELIVERS TAX RELIEF TO NEARLY 132 MILLION AMERICANS

NOTE: This chart, which includes data provided by the Treasury Department's Office of Tax Analysis, provides a state-by-state breakdown of the effects of the economic growth package signed into law by the President. The data is based on individual income tax returns filed through the IRS in 2007.

State	Number of Tax Filers Who Will Benefit (<i>in</i> <i>millions</i>)	Estimates of Individual Tax Savings (in billions of dollars				
Alabama	2.0	1.7				
Alaska	0.3	0.3				
Arizona	2.5	2.2				
Arkansas	1.2	1.0				
California	14.7	12.4				
Colorado	2.1	1.8				
Connecticut	1.5	1.3				
Delaware	0.4	0.3				
Florida	8.3	6.8				
Georgia	3.9	3.3				
Hawaii	0.6	0.5				
Idaho	0.6	0.6				
Illinois	5.6	4.8				
Indiana	2.9	2.5				
lowa	1.3	1.2				
Kansas	1.2	1.1				
Kentucky	1.8	1.6				
Louisiana	1.9	1.6				
Maine	0.6	0.5				
Maryland	2.5	2.1				
Massachusetts	2.9	2.4				
Michigan	4.5	3.8				
Minnesota	2.4	2.1				
Mississippi	1.2	1.0				
Missouri	2.6	2.3				
Montana	0.5	0.4				
Nebraska	0.8	0.7				
Nevada	1.1	1.0				
New Hampshire	0.6	0.5				
New Jersey	3.8	3.2				

New Mexico	0.9	0.7
New York	8.3	6.7
North Carolina	3.9	3.4
North Dakota	0.3	0.3
Ohio	5.3	4.4
Oklahoma	1.5	1.3
Oregon	1.6	1.4
Pennsylvania	5.8	4.9
Rhode Island	0.5	0.4
South Carolina	1.9	1.6
South Dakota	0.4	0.3
Tennessee	2.7	2.3
Texas	9.7	8.3
Utah	1.0	1.0
Vermont	0.3	0.3
Virginia	3.3	2.9
Washington	2.8	2.5
West Virginia	0.8	0.7
Wisconsin	2.6	2.3
Wyoming	0.2	0.2
District of Columbia	0.2	0.2
Other Areas	1.1	0.7
United States	131.8	112.0

(SOURCE: Department of the Treasury, Office of Tax Analysis)

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SAMPLE OP-ED: ECONOMIC GROWTH PACKAGE AND TAX MESSAGES

Tax relief is more than a proven solution for fostering prosperity and keeping America competitive in the global economy, it is critical to the economic security of the middle class.

Last week, the President signed into law an economic growth package that will inject about **\$152** million into the economy and deliver broad-based tax relief to nearly 132 million Americans, including X million in our great state.

Among the initiatives included in this law are incentives for small business entrepreneurs to expand their ventures, invest in new equipment, and create more jobs. In fact, according to the Treasury Secretary, we expect to add 500,000 jobs nationwide as a direct result of this economic jumpstart.

While this is certainly an important step in our efforts to put our nation on a surer financial footing during what has been a prolonged season of economic anxiety, our work is not yet done.

I have been proud to go to Washington on your behalf and vote time and again to lower your taxes, and will continue to do so. In recent years, we have been able to cut the marriage penalty, increase the child tax credit, lower tax rates for everyone, and nearly put the death tax out of its misery. That is all, however, subject to change, and sooner than you think.

If we do not act to stop the tax hike plans House Democrats have in store, Americans will be socked with the largest tax increase in history. This is not shopworn rhetoric – it is the plain, simple truth. The tax increase is already there, lurking on the horizon.

Unfortunately, Democrats in Washington are on record declaring that they will run out the clock on middle-class tax relief, and allow this massive tax hike to take effect.

Make no mistake, this Democrat tax increase will put the hammer to the middle class. For instance:

- A typical family of four with an annual income of \$50,000 will have to pay an additional \$2,145 in taxes under the Democrat plan.
- An elderly couple with \$80,000 gross income will see a tax increase of more than \$2,300 under with the Democrat plan.
- A family of four with two children operating a small business that nets profits of \$87,000, and \$5,000 of dividends, would see a tax increase of \$5,100 under the Democrat plan.

This is real money for hard-working Americans already frustrated about the challenges they face in making ends meet each month, whether it be due to the soaring costs of living or higher property taxes.

If we are going to fix a broken Washington, then we must confront today's challenges before they become tomorrow's crises. To ensure our long-term prosperity, we must stop the Democrat tax hike in its tracks and instead cut taxes for middle-class families and small business owners.

TALKING POINTS: HOUSE REPUBLICANS FIGHT FOR FISCAL RESPONSIBILITY

In the coming weeks, Democrats will unveil their budget for the new fiscal year. In that forthcoming budget debate, House Republicans will continue pressing the Democrat majority to fulfill the priorities of the American people. House Republicans reject the notion that a balanced federal budget should require an increased tax burden for working families while government gets a green light for more wasteful spending. House Republicans will fight for the following budget principles:

- Stopping the Democrat tax hike. Making tax relief permanent for middle-class married couples, parents and workers is more than the right thing to do, it is critical to ensuring the long-term economic prosperity of working families.
- Ending wasteful government spending. Taxpayers deserve a federal government that sheds waste and spends
 not one penny more than it needs to. Last year, Republicans successfully fought to stop Democrats from
 needlessly adding \$22 billion in extra spending to the budget.
- An immediate moratorium on earmarks. The immediate earmark moratorium House Republicans have called for is a significant step towards ending wasteful Washington spending and putting a stop to pork-barrel projects like taxpayer-funded "hippie museums." Not only have Democrats so far refused to join us in this effort, they have offered no solution to the broken earmark status quo.
- *Meaningful entitlement reform.* The crushing costs of entitlement programs pose a very real threat to the future fiscal solvency. We literally cannot afford to kick the can down the road on this generational issue.

THE DEMOCRAT RECORD on Fiscal Responsibility

THEY SAID IT: "We, really, have been leaders on fiscal responsibility." (Speaker Nancy Pelosi, NPR, 2/6/08)

- Job-Killing Tax Hikes. A little over three months ago, Ways and Means Chairman Charlie Rangel (D-NY) proposed a series of tax increases at a cost of \$3.5 trillion over the next ten years. The proposal quickly came to be known as the "Mother of All Tax Hikes." In addition, the budget resolution Democrats passed in the House last spring contained the largest tax increase in American history.
- Massive Spending Increases. Despite being unsuccessful in their efforts to put \$22 billion in needless yearly spending on the books, House Democrats were able to pass nearly \$180 billion in new mandatory, entitlement spending in 2007. The <u>Democrats' War on American Jobs</u> report has more.
- **Earmark Abuses.** Last spring, Democrats took their first step towards becoming the "Party of Pork," as the Speaker's hometown paper has dubbed them, when they attempted to use our troops in harm's way as oxen to carry <u>billions of dollars in unrelated pork-barrel spending</u> across the President's desk. Inserting earmarks into the emergency troop funding bill was but a precursor to the majority's attempt to sneak billions in secret earmarks into our dozen annual spending bills. By design, this plan would have allowed the majority to leave all the earmarking decisions to just one man the Democrat Appropriations Committee chairman. When <u>House Republicans stood</u> <u>united</u> against the majority's secret slush fund plans, Democrats were forced to capitulate. This marked a huge victory for the American taxpayer.
- **Tardy Budgeting.** In their first year in charge of the annual spending process since 1994, Democrats passed a half-trillion dollar omnibus spending bill containing eleven appropriations measures rolled into one. What's worse, they did so nearly three months after the new fiscal year had begun.

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TALKING POINTS: STOPPING THE DEMOCRAT TAX HIKE

Pro-growth policies led to a strong and growing economy over the last four-and-a-half years.

- In order to keep our economy growing, we must stop the coming Democrat tax hike in its tracks and instead cut taxes for middle-class families and small business owners.
- Earlier this month, when asked if he would act to make the tax relief passed by Republican Congresses in 2001 and 2003 permanent, the top budget writer in the House, Rep. John Spratt (D-SC), said: "It will be something that the next Congress will have to deal with."
- That is simply unacceptable. It is critical now, in this time of economic anxiety, that we take definitive action to ease the concerns of middle-class families budgeting a paycheck at a time. If we are to fix a broken Washington, then we must confront challenges before they become intractable crises.

Just the Facts

- The budget House Democrats proposed last spring imposed what was then the largest tax increase in American history -- nearly \$400 billion over 5 years. (Budget Committee Republicans)
 - Raising the 10% Tax Rate Bracket to 15%. More than 5 million individuals and families who previously owed no taxes would become subject to the individual income tax in 2011 if Democrats are successful in raising the 10% tax rate bracket to 15%, and reducing or eliminating other low-income tax benefits.
 - Eliminating Marriage Penalty Relief. 23 million taxpayers would see their taxes increase, on average, by \$466 in 2011.
 - Cutting the Child Tax Credit in Half. 31 million taxpayers would see their taxes increase, on average, by \$859 in 2011.
- America's top personal income tax rate is 25 percent higher than it was when Ronald Reagan left office. If the tax cuts are allowed to expire, the top tax rate will climb to 39.6 percent—more than 41 percent higher than the top rate when Reagan was President." (<u>Heritage Foundation</u>)
- In 2007, the average American worked until April 30 to pay for government. "Americans will work longer to pay for government (120 days) than they will for food, clothing and housing combined (105 days) ... In fact, Americans will work longer to afford federal taxes alone (79 days) than they will to afford housing (62 days)." (Tax Foundation)
- As many as 13.5 million taxpayers will experience delays in their tax refunds because Democrats waited until the 164th and very last legislative day of the year to enact a fix for the AMT. The IRS estimates "based on traditional filing patterns" that upwards of 4 million taxpayers would have to "postpone the timing of their filings because of the computer reprogramming."

TALKING POINTS: ENDING WASTEFUL GOVERNMENT SPENDING

Taxpayers demand and deserve a Congress that practices fiscal responsibility. Republicans are committed to eliminating waste, fraud and abuse to make government programs efficient and effective. Americans' hard-earned tax dollars must be spent with accountability and transparency, or not at all.

Just the Facts

Government Spending

- Between 1965 and 2006, federal spending increased 250 percent, five times faster than the rise in median income.
- In 2007, House Democrats attempted to increase discretionary spending by at least \$22 billion. (\$22 billion is more money than the entire budget for 37 of our 50 states.) If enacted, this would have put over \$200 billion in **PERMANENT** government spending on the books.

Government Waste

- In the 1980s, President Reagan's Grace Commission concluded that as many as one out of every three taxpayer dollars is squandered through government waste and inefficiency.
- During the 109th Congress, a panel overseen by Sen. Coburn found \$200.9 BILLION in WASTE and \$33 BILLION in FRAUD in addition to a \$345 BILLION Tax Gap.
 - **WASTE.** For instance, at least \$93 billion was wasted by the government in wrong payments and \$27.3 million lost because Centers for Medicaid paid benefits to deceased beneficiaries.
 - According to a recent government audit cited in the *Wall Street Journal,* improper and unwarranted first-class and business-class travel cost taxpayers an extra \$146 million over a recent 12 month period.

Fiscal Year	# of Terminations and Reductions Proposed by the President	# of Terminations and Reductions fully or partially Adopted by the Congress	Total Savings	% of Administration Requests for Elimination Approved		
2006	154 (99 terminations and 55 reductions)	89 (52 terminations and 37 reductions)	Almost \$6.5 billion	41%		
2007*	141(91 terminations and 50 reductions)	44 (23 terminations and 21 reductions)	Over \$2 billion	14%		
2008	141 (91 terminations and 50 reductions)	29 (16 terminations and 13 reductions)	Almost \$1.6 billion	13%		

Republicans Act to Rein in the Size of Government

TALKING POINTS: EARMARK REFORM

Washington is broken, and in order to fix it, we must put an end to the kind of wasteful, pork-barrel spending that breeds taxpayer-funded hippie museums and the "Murtha, Inc" earmark factory. Last month, House Republicans called for a halt to earmarking as we know it and proposed a bipartisan commission to fix a system that allows pork-barrel spending to go unchecked.

Given the choice to join us and take the sensible bipartisan course to reform, Democrats have once again sided with the broken earmark status quo. House Democrats have rejected our call for a bipartisan, immediate moratorium on earmarks. No wonder Speaker Pelosi's hometown newspaper called Democrats the "<u>new party of pork</u>."

- "House Republicans opened a new front in the war on earmarks last week when they proposed a moratorium on them, and then forced a floor vote on it. The measure, which also called for a bipartisan select committee to overhaul the process, failed 204 to 196, with all but seven Democrats voting in opposition." (<u>Christian Science</u> <u>Monitor, 2/13/08</u>) [NOTE: The vote in question is <u>Roll Call 32</u>, a previous question vote on the rule to consider HR 4137.]
- Last week, however, one leading Democrat broke ranks with his status quo leadership to embrace an immediate earmark moratorium. Rep. Henry Waxman (D-CA) embraced the House Republican call to "suspend all earmarks ... while we consider the right reforms for the earmark process."
- Only House Democrats stand between taxpayers and the real earmark reform they deserve. Repairing the broken earmark status quo is critical to restoring taxpayer trust.
- "Earmarks breed public cynicism. ... Abuse of the earmark has undercut respect for Congress. Members would be better off without the public cynicism they have, by this habit, earned." (<u>Charleston Daily Mail, editorial,</u> <u>1/31/08</u>)

Just the Facts

THEY SAID IT: Asked about earmarks in July 2006, then-**Minority Leader Nancy Pelosi** told <u>The Wall Street</u> <u>Journal</u>: "I'd get rid of all of them ... None of them is worth the skepticism, the cynicism the public has . . . and the fiscal irresponsibility of it."

- Democrats pledged to cut the number of earmarks in half, from the 2005 peak of 13,492. According to the OMB, the Democrat Congress passed 11,737 earmarks in 2007 at a cost of \$16.9 billion.
- The Defense bill signed into law had 2,049 disclosed earmarks worth close to \$5 billion, while the Omnibus contained nearly 9,250 earmarks, over 300 of which were "airdropped" into the bill. This means that these specific earmarks were not passed by either the House or Senate during previous consideration of spending bills, were not subject to a point of order, amendment or debate on the floor of either body questioning their merit.
- The numerous non-federal priorities funded by earmarks include the following:
 - o 34 earmarks for museums and museum exhibits (\$7.0 million)
 - 25 earmarks for sidewalks and streetscapes (\$8.6 million)
 - o 21 earmarks for bike paths and trails (\$11.6 million)
 - o 20 earmarks for the YMCA (\$4.9 million)
 - o 12 earmarks for weed and animal waste management (\$5.2 million)
 - o 3 earmarks for fruit fly research (\$748,000)

TALKING POINTS: MEANINGFUL ENTITLEMENT REFORM

- Runaway entitlement spending threatens to leave the federal government fiscally adrift and unable to keep the promises it has made.
- When presented with the opportunity to address this generational issue in their budget last year, House Democrats passed the buck. We simply cannot afford to continue to waste opportunities to enact meaningful entitlement reform.

Just the Facts

- "The US is at risk of losing its top-notch triple-A credit rating within a decade unless it takes radical action to curb soaring healthcare and social security spending, Moody's, the credit rating agency, said on Thursday." (<u>Financial</u> <u>Times, 1/10/2008</u>)
- "The Congressional Budget Office projects that, absent reform, federal spending could drive federal tax rates up to 90% or more--on both corporations and individuals--by 2045." (<u>Heritage, 1/15/2008</u>)
- "When you divide the unfunded costs of promised entitlement benefits by the number of Americans who work full time, says [GAO Comptroller] Mr. Walker, it equals \$410,000 per worker." (<u>Washington Times, 2/8/2008</u>)

Deficit Reduction Act (2006)	College Cost Reduction and Access Act (2007)
\$39 billion in savings over 5 years / \$99 billion over 10 years	\$752 million in savings over 5 years / \$3.6 billion in savings over 10 years

Republicans Act to Rein in Entitlements

- Medicare and Medicaid spending threaten to consume an untenable share of the budget and economy in the coming decades," (Comptroller General David Walker, 1/29/2008)
- "Over the next 10 years the cumulative difference between Medicare expenditures and public receipts is projected to total \$2.8 trillion." (<u>American Academy of Actuaries</u>, April 2007)
- "The American Academy of Actuaries says eliminating the 75-year Medicare deficit would require an immediate 122% increase in the 2.9% Medicare payroll tax, a 51% cut in benefits, or a combination of the two." (USA Today, 1/16/08)
- "By 2017, Social Security is expected to start paying out more than it collects in payroll taxes. It faces a funding gap over the next 75 years of about 1.8% of taxable payroll. That gap could be addressed by raising taxes or cutting benefits by a like amount, CBO says." (USA Today, 1/16/08)
- Social Security faces a shortfall over the indefinite future of \$13.6 trillion in present-value terms, an amount equal to 3.5 percent of future taxable payrolls." (Treasury Department Issue Brief)



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	Easter Sunday	23		Palm Sunday	16	Puerto Rico gressional P Daylight Sav Time Begins	9	Russian election	N			MA
	unday			nday		Puerto Rico Con- gressional Primary; Daylight Savings Time Begins		Russian presidential election			SUNDAY	MARCH
	District Work Period	24	National Agriculture Week	District Work Period	17	Votes Postponed until 6:30 p.m. Girl Scout Week	10	No Votes National Anthem Day	с		MONDAY	
		25	Week		18	MS Co Prima Specia Votes	1	ОН, nal F Post PM	4		_	
						MS Congressional Primary, IN-07 Special Election; Votes		OH, TX Congressio- nal Primaries; Votes Postponed until 6:30 PM			TUESDAY	
		26		War in Iraq Began (2003)	19	Votes	12	Votes	J		× ¥	
				Iraq (2003)							WEDNESDAY	
		27		FEC Repo	20	Votes	13	Votes	6			
				FEC Monthly Report Due							THURSDAY	
30		28		Goo Seln Marc	21	Votes	14	Not	7			
				Good Friday Selma Civil Rights March (1965)		ώ 		No Vofes			FRIDAY	
31 v		29			22		1 5	LA-01, L Special I IL-14 Sp Election	œ		s -	
Votes Postponed until 6:30 p.m.	Columbus Founders Day	Knights of						LA-01, LA-06 Special Primary; IL-14 Special Election			SATURDAY	