HOUSE REPUBLICAN CONFERNCE CHAIRMAN ADAM PUTNAM RECESS RESOURCE KIT FEBRUARY 2007 www.GOP.60v

Dear Republican Colleagues:

As you return home for the President's Day Recess, please utilize this time to strengthen your district communications efforts and highlight the principles we have fought for on the House floor. The district work period is a great opportunity for all of us to go on the offensive and connect with our constituents.

Thus far in the 110th Congress, the Democrat majority has operated under the principle that it is more important to debate non-controversial measures for a couple hours a day than it is to be at home with the constituents we represent. While we may not control the schedule on Capitol Hill, we do control how we spend our time back home.

In order to assist you in preparing for the events you have scheduled in your district, the Republican Conference has provided you with talking points, vote justifications, draft recess speeches and op-eds as well as recent press articles that reiterate the principles we have been fighting for. We would be happy to provide you with any additional information you may need.

Thank you for all of your hard work this year, and I hope you have a refreshing and productive District Work Week.

Sincerely,

Adam Putnam

Chairman, House Republican Conference

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HOUSE DEMOCRATS IN THE 110TH CONGRESS:

The Bait-and-Switch Caucus

Bait: "This is our pledge to you. You have given us a chance to turn this country around and we'll give you the government that no longer lets you down." (Then-DCCC Chair Rahm Emanuel, Election Night)

Switch: "Three months after a power shifting election, a majority of Americans still disapprove of Congress - a sign of public impatience with the new Democratic majority even among party loyalists." (AP, 2/9/07)

Bait: "We will do it by reaching across the partisan divide." (Emanuel, Election Night)

Switch: "As they prepare to take control of Congress this week and face up to campaign pledges to restore bipartisanship and openness, <u>Democrats are planning to largely sideline Republicans from the first burst of lawmaking.</u>" (*The Washington Post*, 1/2/07)

Bait: "Tonight, we extend a hand of cooperation to the president..." (Emanuel, Election Night)

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Switch: "One day after President Bush unveiled his health care tax plan to the nation, Congressional Democrats all but buried the proposal Wednesday... Rep. Pete Stark, D-Calif., chairman of the House Ways and Means Health Subcommittee, said his panel won't consider Bush's proposal." (McClatchy, 1/24/07)

Bait: "To promote policies that make it easier for hard-working Americans who are struggling with the costs of health care ...prescription drugs and retirement security." (Emanuel, Election Night)

Switch: "President Bush promised Thursday to veto Democratic-drafted legislation requiring the government to negotiate with drug companies for lower prices under Medicare. ... The nonpartisan Congressional Budget Office said the legislation was unlikely to result in lower prices.

'The secretary would be unable to negotiate prices across the broad range of covered Part D drugs that are more favorable than those obtained by (the plans) under current law,' Donald B. Marron, the CBO's acting director, has written." (Associated Press, 1/12/07)

Bait: "To get serious about ...enacting the recommendations of the 9/11 Commission recommendations." – (Emanuel, Election Night)

Switch: "With control of Congress now secured, Democratic leaders have decided for now against implementing the one measure that would affect them most directly: a wholesale reorganization of Congress to improve oversight and funding of the nation's intelligence agencies." (*The Washington Post*, 11/30/06)

Bait: "Democrats have a plan for college affordability: our New Direction will begin by cutting student loan interest rates in half." (Web site of Speaker Nancy Pelosi)

Switch: "The plan House Democrats pushed Wednesday to slash rates on some student loans falls short of a proposal they pitched nearly a year ago when the Republicans controlled Congress. The House Democrats' plan doesn't

cover all student loans—only federally subsidized Stafford loans targeting some middle-income families—and it will take five years to phase in." (*McClatchy*, 1/19/07)

Bait: "Hoyer: We Must Get Minimum Wage Increase to the President's Desk Without Delay" (1/10/07)

Switch: "House tax writers will consider small business tax cuts worth \$1.3 billion over 10 years in hopes of freeing minimum wage legislation currently stuck in an impasse between the House and Senate." (AP, 2/10/07)

Bait: "This 110th Congress will commit itself to a higher standard: pay-as-you-go, no new deficit spending." (Speaker Nancy Pelosi, Opening Remarks, 1/4/07)

Switch: "A bill to enact the 9/11 Commission recommendations -- one of the first bills passed by the new Democratic-led House of Representatives -- will cost \$21 billion over five years if enacted into law, congressional budget officials said Friday." (AP, 2/2/07)

Bait: "To get serious about breaking our dependence on foreign oil..." (Emanuel, Election Night)

Switch: "While gas prices are creeping back down to \$2 a gallon, Democrats are devising a plan to manipulate the energy markets, despite the disastrous consequences. The oil-tax increase will, by the laws of economics, *decrease* domestic energy production and provide a boost for OPEC producers — thereby *increasing* our energy dependence." (Grover Norquist, ATR President, *National Review Online*, 1/18/07)

Bait: "So our first order of business is passing the toughest congressional ethics reform in history..." (Speaker Pelosi, 1/4/07)

Switch: "Now that House Democrats are beyond the spotlight of their ballyhooed first 100 hours, there are signs of foot-dragging on the keystone of their promised lobbying reform: forcing disclosure of the huge sums in campaign donations that lobbyists package to grease privileged access in the Capitol." (New York Times editorial, 2/1/07)

Bait: "In order to achieve our new America for the 21st century, we must return this House to the American people. Let us join together in the first 100 hours to make this Congress the most honest and open Congress in history." (Speaker Pelosi, 1/4/07)

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Switch: "House Speaker Nancy Pelosi is demanding regular use of the military's "Lincoln Bedroom" in the sky - a luxurious aircraft of the same type that carries Vice President Dick Cheney and First Lady Laura Bush on official trips, officials said yesterday. ... Pelosi recently asked the Pentagon to give her access to the Air Force's super-opulent C-32 for flights to her San Francisco home and other official trips." (New York Post, 2/8/07)

PRESIDENT'S DAY RECESS REMARKS, 2007

[Thank introducer, recognize local electeds and dignitaries.]

[Begin by offering a moment of silence for service members in harm's way in Africa, Europe, the Middle East, and South Asia defending our freedom against the forces of terror. Or, take a moment to talk about any soldiers engaged from your area. This serves the overall purpose of getting the crowd's focus.]

Last week, these brave men and women were done a great disservice when the House voted to express its disapproval for their mission in Iraq.] It was an emotional debate, and unfortunately for our troops, a bitter and partisan one. Time was, politics stopped at the water's edge, but no longer – Democrats have chosen to politicize this war regardless of whether their actions damage morale or embolden the enemy.

And, let me make it clear, that is exactly what it does. The terrorists know full well that the House's disapproval of our mission to secure the Middle East's second democracy puts them one day closer to having free reign over a large swath of the most volatile region of the world. The consequences of failure in Iraq are dire, and Democrats have put us one step closer to realizing them.

But this was not just about one vote. Democrats have made clear that this resolution was just the first step in a longer process of cutting and running in Iraq, and in turn, peeling away the veils of deterrence our troops provide against militant Islamists looking to expand their reach beyond the Middle East.

This all took place just days after General David Petraeus assumed command of U.S. forces in Iraq as part of the President's new strategy for victory. General Petraeus literally wrote the book on counterinsurgency strategy – he is well-suited for this challenging task. To pull the rug out from under him so quickly demonstrates the growing extent to which Democrats lack the resolve to defeat the forces of terror.

To put it in perspective for a moment, General Petraeus is our third commander in Iraq. When Ulysses S. Grant took command of Union forces three years into the Civil War, he was President Lincoln's *fourth* commander.

Lincoln knew a thing or two about fighting in a grueling war with difficult odds. He was firm in his belief that, despite the detours, the Union must be preserved at all costs. And when he was prompted to defend his strategy by the editor of the New York Tribune, he wrote, "I would save the Union the shortest way under the Constitution," defeating the Confederacy.

Taking "the shortest way" was not merely a coincidental or convenient line of rhetoric devised to justify a war, but a modus operandi bred in Lincoln from his austere upbringing and rigorous legal training.

One day, before he was President, Lincoln was navigating a flatboat down the Sangamon River near Springfield. And he came upon a mill-dam. A mill dam is like any other dam but the water level is raised so you can fill a pond with enough water to help power a mill. Now, normally, you approach a mill-dam, you go over it, and the boat fills up with water and you calmly wait for it to bail out.

But not Lincoln, who went right ahead and bore a hole through the protruding part of the boat's bow. The water quickly flowed out of the boat.

It is no wonder Lincoln was one of the first Republicans. We go to Washington to bore holes right through problems while Democrats go right on letting the water run.

Speaking of politician travel, I was hoping to get here by a catching a ride on Speaker Pelosi's jumbo jet. I thought that with the 42 business class seats, private bedroom, and entertainment center, there would be room for me.

But these days, the Democrat leader does not travel light. She carries with her a full slate of broken promises, invoices for higher taxes, blueprints for bloated bureaucracies, not to mention those extra votes she gained from delegates from non-taxpaying territories.

I want to dwell on that last point for a second. Thanks to House Democrats, the five non-voting delegates from American Samoa, the Virgin Islands, Guam, Puerto Rico and the District of Columbia now have a full vote on the floor of the U.S. House of Representatives. American Samoa has a population of 57,000, here in the **Xth** district, there are **XXX,XXX** residents. Whatever happened to 'one man, one vote?'

Of course, nobody said Democrats flew to Washington armed with common sense.

For instance, Democrats came to Washington promising to pass a minimum wage increase, insistent on doing so without providing tax relief for those small businesses that would be hardest hit. But the Senate made clear that was impossible, and House Democrats were forced to reluctantly consider small business tax cuts as part of a minimum wage increase.

Democrats came to Washington to try and break our dependence on foreign oil. Their solution was to raise taxes on an industry that employs nearly two million Americans just as gas prices approach \$2 a gallon.

Democrats came to Washington to make college more affordable. And they did – to the tune of, on average, \$6 a month.

Democrats came to Washington to make prescription drugs more affordable for seniors. Now, last I checked, we had implemented a program that was providing prescription drug coverage for 38 million seniors through Medicare. Not only that, but it has gone on to save seniors and the taxpayers more money than originally planned.

Never missing an opportunity to stifle the marketplace at its best, Democrats went ahead and said that government should be negotiating prices on seniors' behalf. Nonpartisan experts came back and said that this plan would not save seniors another dime. But Democrats passed it anyway.

And when it comes to spending your taxpayer dollars wisely, not only is the Speaker trying to get away with spending hundreds of thousands of your hard earned tax dollars on her cross-country travel, but Democrats refuse to endorse the idea of balancing the budget without raising your taxes.

Now this was a deficit that government spending created, so government should have to impose serious spending discipline on itself in order to bring your books into balance.

The water is certainly filling up the boat somewhere right now. Spending on entitlement programs is on the verge of spinning out of control. Today, combined Medicare and Medicaid spending *exceeds* Social Security spending. This with 77 million baby boomers set to begin retiring next year. We believe government must address its spending problem, while Democrats want to have you pay more to compensate for their inability to make tough spending choices.

The Republican vision of government is blissfully minimal – provide for a sound national defense and make sure the trains run on time, while allowing your innovation and ingenuity to take flight.

That's how we arrived at an economy that has boldly withstood six years of body blows: the dot-com bust, a major terrorist attack, corporate scandals, natural disasters, and two wars.

So when Democrats call for a New Direction, I ask, a New Direction from what?

- From tax revenues at all-time highs?
- From gas prices approaching \$2 per gallon?
- From 7.4 million new jobs in less than 4 years?
- From a Dow with nearly 30 record closes in the last 4 months?
- ➤ From record consumer and home ownership?
- > A New Direction from all this means what?
- ➤ Since September 11, there have been major terrorist attacks in Karachi, Bali, Moscow, Casablanca, Riyadh, Istanbul, Madrid, London, and Amman. Not a single terrorist attack on U.S. soil since 9/11. That is not a coincidence.
- > 95% of Al Qaeda's top dogs are either dead, in custody, or cooperating with U.S. intelligence.
- > Several major terrorist attacks have been thwarted by U.S. and British intelligence agencies.
- ➤ A New Direction from all this means what?

The shortest way to preserving our shared conservative values is to enact the kind of common sense reforms we have come to expect our leaders to deliver. When Lincoln saw a flood, he bored a hole, and when Lincoln saw a need for a change in strategy, he appointed a new commander -- I will go back to Washington to protect your tax dollars and defend our troops, but I cannot do it without your help.

Democrats now in power will propose even more nonsense plans that are nothing more than the seeds for tax hikes and bloated bureaucracies, but not if your voices are heard. And you don't have to wait until the next Lincoln Day or the next Election Day, you know that. The Republican principles of limited government and personal responsibility live on in the tradition of Lincoln, Roosevelt, and Reagan, but not without your help.

Thank you for coming – God Bless our brave men and women in harm's way, and God Bless America.

TALKING POINTS: DELEGATE VOTING

OUR PRINCIPLE: Republicans believe in the Constitutional principle of one-person, one-vote. To change this principle and allow delegate voting requires an amendment to the Constitution, not a power grab by the new Democrat majority.

The Democrat plan is nothing but an unconstitutional power grab.

- ➤ The Constitution says the House shall be composed of "Members chosen ... by the People of the several States," not delegates representing non-state territories.
- Former Democrat Speaker of the House Tom Foley (D-WA) said in 1970: "it is very clear ... that a constitutional amendment would be required to give [delegates] a vote in the Committee of the Whole, or in the full House." (The New York Times, editorial, 12/29/92)

Democrat plan runs roughshod over the constitutional principle of one person, one vote.

- The average congressional district has approximately 650,000 people, while American Samoa has 57,000, the Virgin Islands 108,000, and Guam 155,000.
- ➤ Under the Democrat plan, the 57,000 people in American Samoa would have the same voting rights on the House floor as the 640,000 in Nancy Pelosi's San Francisco district.

<u>Democrat delegates can vote to raise taxes but would not have to pay them.</u> Residents of Guam, the Virgin Islands, American Samoa, and Puerto Rico do not pay federal income taxes, yet the Democrat plan will allow their representatives to hike taxes on Americans who do.

The new Democratic majority resurrects a discredited idea from the old Democratic majority. The Rip Van Winkle Democrats instituted delegate voting for the 103rd Congress in 1993. The GOP majority rescinded delegate voting in 1995.

- Chicago Tribune in Dec. 1992: The Democrat delegate vote plan "would subvert the Constitution to give the territorial delegates the power to vote, but guarantee that any time their votes really count...they won't be counted." (Editorial, 12/30/92)
- New York Times in Dec. 1992: "A greedy grab ... an outrageous power play....a distressing sign that the leadership hasn't the slightest clue that people are fed up with Washington's business as usual." (Editorial, 12/29/92)
- ➤ <u>USA Today in Jan. 1993</u>: "The Democrats' first order of business is a power grab that short-circuits the Constitution." (Editorial, 1/4/93)

SAMPLE OP-ED: DELEGATE VOTING

Democrat Voting Plan Dilutes Your Voice in the House

No right in America is more fundamental than the right to vote and have that vote count. Our democracy is rightly grounded in the constitutional principle of one person, one vote.

In the U.S. House of Representatives, each Member has one vote representing a roughly equal number of people. It does not matter if you are represented by the Speaker of the House or a freshman member, the majority or minority party, a district from California or Rhode Island. Each member receives an equal vote.

So it is troubling that House Democrats, in one of their first moves as the new majority, have reinstituted an unconstitutional rule that tears that principle apart. The Democratic leadership has just diluted your vote – your voice – on the House floor.

Each congressional district is drawn to offer even representation: about 650,000 people for each of the 435 members of the House. It reflects the fact that the lower chamber is designed to be "the People's house." The Constitution says its members shall be "chosen ... by the People of the several States."

House Democrats have a different idea. As one of their first acts, Democrats passed a rule giving the five non-voting delegates from American Samoa, the Virgin Islands, Guam, Puerto Rico, and the District of Columbia a full vote on the floor of the U.S. House of Representatives. Although none of them are states, they now have the same vote you have as a resident of [this Congressional District].

When the voting power of one person is increased, it must come at the expense of the voting power of others. Welcome to the new Democrat majority's idea of a new direction.

Consider that American Samoa has 57,000 residents, the Virgin Islands 108,000, and Guam 155,000. Under the Democrat plan, the 57,000 people in American Samoa would have the same voting rights on the House floor as the [650,000] in [this Congressional District].

Montana only has one representative for its 900,000 residents, not enough, like Rhode Island's 1.1 million, for two. Under the Democrats' wrong-headed plan, the voting power on the House floor of American Samoa is 16 times that of each Montanan. So much for "one person, one vote."

The right and power to vote in the House is meaningful, and it has consequences for your pocket book. Residents of Guam, the Virgin Islands, American Samoa, and Puerto Rico do not pay federal income taxes. Yet with a full vote on the House floor, the Democrat plan will allow their representatives to hike taxes on Americans who do.

You've heard of taxation without representation? The Democrats' delegate voting plan is representation without taxation.

Nor is the Democrats' unconstitutional push for delegate voting new. When Democrats instituted delegate voting in 1993, newspapers across the country criticized it. USA Today called it a "power grab." The Chicago Tribune said it "would subvert the Constitution." The New York Times called it "an outrageous power play" and "a distressing sign that the [Democrat] leadership hasn't the slightest clue that people are fed up with Washington's business as usual."

Back to the future: today's Democrat leadership has just diluted your voting rights on the House floor by giving voting power to non-state territories.

Just a few months into their new majority, and the Democrat leadership is showing that it hasn't the slightest clue that people are fed up with Washington's business as usual.

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WHAT THEY **SAID**: DELEGATE VOTING

"Outrageous Power Play" ... "Shameless Political Tyranny"

Major Newspapers Blasted Democrat Delegate Vote Plan in 1992

The New Hork Times

"This maneuver is nothing but shameless political tyranny... an outrageous power play ... a distressing sign that the [Democrat] leadership hasn't the slightest clue that people are fed up with Washington's business as usual." (*editorial*, 12/29/92)



The Democrat delegate vote plan "would subvert the Constitution to give the territorial delegates the power to vote, but guarantee that any time their votes really count ... they won't be counted ... a power grab and a disservice to government." (editorial, 12/30/92)



"The Democrats' first order of business is a power grab that short-circuits the Constitution ... And since residents of the territories pay no taxes to the U.S. Treasury, their voting status would mean representation without taxation, a curious and unjust twist on American history." (editorial, 1/4/93)

The Washington Post

Former Democrat Speaker Tom Foley (WA) in 1970: "Now it is very clear ... that a constitutional amendment would be required to give the resident commissioner a vote in the committee of the whole or the full House." (12/20/92)

The New York Times

"Whatever happened to one person one vote? For the most part, each member represents about 520,000 constituents, but the Virgin Islands' delegate has only 95,000 while Puerto Rico's has 3.5 million." (*editorial*, 12/29/92)

TALKING POINTS: The Debate on Iraq

OUR PRINCIPLE: We are firmly committed to supporting the brave men and women of our Armed Forces in their efforts to fight and win the Global War on Terror.

<u>The enemy – calculating, patient, indiscriminate, and murderous in nature – is actively fighting a global war.</u>

➤ Osama bin Laden's deputy stated that Al Qaeda's goal is to "Extend the Jihad Wave" across the Middle East: "It is my humble opinion that the Jihad in Iraq requires several incremental goals: The first stage: Expel the Americans from Iraq. The second stage: Establish an Islamic authority ... then develop it and support it until it achieves the level of a caliphate... The third stage: Extend the jihad wave to the secular countries neighboring Iraq. The fourth stage: It may coincide with what came before: the clash with Israel, because Israel was established only to challenge any new Islamic entity. (Letter from Ayman al-Zawahiri to Abu Musab al-Zarqawi in Iraq, dated 7/9/05, declassified 10/11/05)

The consequences of failure in Iraq would be catastrophic – for America and the world.

- The outcome in Iraq will directly affect our efforts in the Global War on Terror for decades. A victory for the forces of terror would embolden the enemy to expand the reach of their efforts.
- Retreat would result in pervasive instability, embolden radical Islamist terrorists and rogue regimes to expand to new areas in the region, and give terrorists a secure base from which to launch attacks against the U.S. and the West.

The only impact this nonbinding resolution has is to give aid and comfort to the enemy.

➤ In a Senate Armed Services Committee hearing on January 23, Gen. David Petraeus, now commanding officer in Iraq, agreed that a resolution of disapproval for this new strategy would "give the enemy some encouragement."

Democrats now have the responsibility to govern, but they lack both a plan for success in Iraq and the political will to advance a bill that cuts off funding for the troops.

➤ The Constitution gives Democrats the option to cut off funding for the war. "[Rep. Dennis] Kucinich added that the **funding is the bigger issue**. 'The war is binding, the resolution is not," he said, "We've got to get out of there, **Congress must cut off the funds**."" (*Roll Call*, 2/7/07)

ADDENDUM: IRAQ RESOLUTION REFLECTS LACK OF DEMOCRAT RESOLVE TO CUT OFF TROOP FUNDING

OUR PRINCIPLE: The Democrat resolution is a political stunt that does nothing to stop the war and gives aid and comfort to the enemy. Democrats now have the responsibility to govern, but they lack both a plan for success in Iraq and the political will to advance a bill that cuts off funding for the troops.

This nonbinding resolution will do nothing to stop the war.

The President began to execute his new strategy for victory on January 10. According to CQ Today: "...the deployment of additional brigades to Baghdad and Anbar province will largely be accomplished by the time the supplemental is enacted." (2/9/07)

The only impact this nonbinding resolution has is to give aid and comfort to the enemy.

These excerpts are taken from the Senate Armed Services Committee's confirmation hearing for Gen. David Petraeus, appointed by the President to serve as commanding officer in Iraq:

Gen. Petraeus: "This is a test of wills, at the end of the day. ... A commander in such an endeavor would obviously like the enemy to feel that there's no hope."

Sen. Joe Lieberman: "And a resolution, a Senate-passed resolution of disapproval for this new strategy in Iraq would give the enemy some encouragement, some feeling that – well, some clear expression that the American people were divided."

Gen. Petraeus: "That's correct, sir."

<u>Democrats lack both a plan for success in Iraq and the political will to advance a bill that cuts off funding for the troops.</u>

- ➤ Democrats recognize the only way they can stop the war is to cut off funding: "Aides acknowledged that Congress' power to affect administration policy on the war via appropriations, short of a cutoff of funds, is limited." (CQ Today, 2/9/07)
- ➤ Liberal Democrats want to press the funding issue: "[Rep. Dennis] Kucinich added that the **funding is the bigger issue**. 'The war is binding, the resolution is not," he said, "We've got to get out of there, **Congress must cut off the funds**." (Roll Call, 2/7/07)

ADDENDUM: WHAT'S AT STAKE IN THE GLOBAL WAR AGAINST MILITANT ISLAMISTS

OUR PRINCIPLE: We are in a war against Islamist militant extremists with battlefields around the globe. The enemy is opposed to freedom and democracy and will stop at nothing to destroy America and our allies. We did not start this war, but we must take the fight to the enemy to help protect our homeland.

The enemy – calculating, patient, indiscriminate, and murderous in nature – is actively fighting a global war.

- ➤ Osama bin Laden's deputy stated in a letter that Al Qaeda's stated goal is to "Extend the Jihad Wave" across the Middle East: "It is my humble opinion that the Jihad in Iraq requires several incremental goals: The first stage: Expel the Americans from Iraq. The second stage: Establish an Islamic authority ... then develop it and support it until it achieves the level of a caliphate...The third stage: Extend the jihad wave to the secular countries neighboring Iraq. The fourth stage: It may coincide with what came before: the clash with Israel, because Israel was established only to challenge any new Islamic entity. (Letter from Ayman al-Zawahiri to Abu Musab al-Zarqawi in Iraq, dated 7/9/05, declassified 10/11/05)
- From an Osama bin Laden *fatwa*: "In compliance with God's order, we issue the following *fatwa* to all Muslims: The ruling is to kill the Americans and their allies is an individual duty for every Muslim who can do it ..." ("1998 Fatwa," *Al-Quds Al-Arabi* newspaper, 2/23/98)

American public policy failed to grasp the scope of the threat posed by radical Islamists until September 11, 2001.

➤ On September 11, we reaped the consequences of decades of inaction against the very real threat posed by Militant Islamists:

1979: 66 American diplomats taken hostage and held in Iran for 444 days.

1983: A truck bomb kills 241 Marines at their barracks in Beirut.

1988: Pan Am 103 bombing kills 270, including 189 Americans, over Lockerbie, Scotland.

1993: Six killed in first World Trade Center bombing by militant Islamic terrorists.

1996: 19 U.S. service members are killed in Khobar Towers bombing.

1998: 225 people killed in bombings at the U.S. embassies in Tanzania and Kenya.

2000: Al Qaeda's attack on the destroyer U.S.S. Cole kills 17 American sailors.

2001: Al Qaeda hijackers fly planes into the World Trade Center and the Pentagon, while passengers force a fourth to crash land in Pennsylvania. Total number killed: 2973.

- ➤ To abandon our fight against the militant Islamists is to have failed to learn the lessons of 9/11, and to revert to a public policy stance that allowed two decades of escalating terrorist violence against Americans by militant Islamists.
- ➤ We are now at a historic crossroads: we either boldly tackle the issue of militant Islam on the Iraqi front of this world-wide struggle, applying the lessons we have learned from the years leading up to 9/11, or we approach the issue as we naively demonstrated before 9/11, and expect those previous results.

Not a single major terrorist attack has occurred on U.S. soil since we resolved to fight and win the War on Terror in September 2001.

Since September 11, there have been major terrorist attacks in Karachi, Bali, Moscow, Casablanca, Riyadh, Istanbul, Madrid, London, and Amman. There have been none in the United States. This is not a coincidence.

The consequences of failure in Iraq would be catastrophic – for the region, the world, and for U.S. national security interests.

- Any veil of deterrence that American forces would be removed, which would surely result in unmitigated chaos and sectarian genocide.
- ➤ Escalation of tensions with Iran would almost surely ensue. Iran and Syria could intervene directly across their borders, seizing Iraq's oil fields and threatening Saudi Arabia and Kuwait.
- ➤ Iraq could quickly become the major theatre for an all-out regional conflict.
 - o Saudi Arabia and Egypt could deploy forces to Iraq protect the Sunni population.
 - o Turkey could deploy troops into Northern Iraq to prevent an independent Kurdistan.
 - Such troop movements would invite other world actors to defend the strategic Persian Gulf, the world-wide consequences of which are inestimable.
- Al Qaeda, Hamas and Hezbollah with the backing and aid of Syria and Iran could exploit America's retreat and increase terrorist activity in Israel and Lebanon.

VOTE JUSTIFICATION

HR 1 – Implementing the 9/11 Commission Recommendations Act of 2007

There is no greater responsibility our government has to the American people than national security. With respect to the recommendations of the bipartisan 9/11 Commission, Republicans acted swiftly in implementing 39 of the 41 recommendations that we believe make Americans more safe. To the extent that some of the recommendations were not acted on, it is because they were either counterproductive or outright dangerous toward the larger goal of making Americans safer.

The nonpartisan Congressional Budget Office estimated that the Democrat Bill would cost \$21 billion over the next five years. Components of the Democrat bill are more effective political sound bites than effective policy, imposing unrealistic requirements without consideration to the cost, economic viability, and practicality. We repudiate the attempts that some have made to politicize the Commission's recommendations for short-term gain. It is reprehensible that some have used the Commission's recommendations as a vehicle to make empty, even dangerous promises that would have jeopardized national security – particularly when they had no intentions of keeping those promises.

	AYES	NOES	PRES	NV
REPUBLICAN	68	128		6
DEMOCRATIC	231			2
INDEPENDENT				
TOTALS	299	128		8

"Not that one should be unconcerned about the danger, but by trying to inspect every single container, we would certainly risk paralyzing U.S. trade, and with it the world's. This is the equivalent of inspecting every single airplane passenger a sad and inconvenient fact of life today that constantly ruffles the feathers of travelers who are the most unlikely suspects and wastes a huge amount of time and resources." The Washington Times, January 10, 2007

"While the legislation does not, as stated, implement all of the commission's recommendations, it does contain some of the commission's ideas that will be detrimental to national security, and some unfortunate additions nowhere to be found in the original report." The Washington Times, January 10, 2007

VOTE JUSTIFICATION

HR 2 - Fair Minimum Wage Act of 2007

Government should help both workers who depend on the minimum wage and the job-creators who pay the minimum wage. Any federally-mandated increase in the minimum wage should be accompanied by relief that protects the ability of small businesses to stay competitive and create jobs for working families. Bipartisan support exists for a balanced plan to raise the minimum wage. The Ways and Means Committee unanimously approved Small Business Tax Relief. The Democrat plan is an enormous unfunded mandate on both job creators and on states. The unbalanced Democrat plan increases unemployment.

	AYES	NOES	PRES	NV
REPUBLICAN	82	116		4
DEMOCRATIC	233			
INDEPENDENT				
TOTALS	315	116		4

"Before you count the big gains for low-income families, consider this fact: Among the poorest fifth of U.S. households (their 2005 incomes: less than \$19,178), only one in seven has a full-time, year-round worker. About 60 percent have no worker at all, says the Census Bureau. The rest have part-time or part-year workers. A higher minimum wage won't help most of these households, which consist heavily of single parents and the elderly." Washington Post, January 17, 2007

"Most of the working poor earn more than the minimum wage, and most of the 0.6 percent (479,000 in 2005) of America's wage workers earning the minimum wage are not poor. Only one in five workers earning the federal minimum lives in families with earnings below the poverty line. Sixty percent work part time, and their average household income is well over \$40,000." The Washington Post, January 4, 2007

VOTE JUSTIFICATION

HR 3 – Stem Cell Research Enhancement Act of 2007

Scientific research should not depend on the destruction of life. Frozen embryos are pre-born human beings that are not automatically destined for destruction. They can be and have been matched with adoptive families.

According to researchers at Harvard and Wake Forest, stem cells drawn from the amniotic fluid of pregnant women hold much the same promise as embryonic stem cells. Federal funding for stem cell research has increased by 60% since 2004, and was nonexistent before 2001.

	AYES	NOES	PRES	NV
REPUBLICAN	37	158		7
DEMOCRATIC	216	16		1
INDEPENDENT				
TOTALS	253	174		8

Arguments in Support of HR 3 (Courtesy of Congressman Mike Castle)

This legislation would establish ethical guidelines to oversee embryonic stem cell research by ensuring embryos were created solely for the purpose of fertility treatment, were in excess of clinical need, and were going to be discarded. Embryos cannot be created for research purposes, nor can funding be used for therapeutic cloning. There is no federal funding for the derivation of the stem cell lines – only for research.

VOTE JUSTIFICATION

HR 4 – Medicare Prescription Drug Price Negotiation Act

The Democrat Medicare Prescription Drug Plan would not actually lower senior's prescription drug costs. The Democrat proposal would force the HHS Secretary to find savings in other areas, including restricting senior's access to lifesaving drugs, removing the special coverage protections for drugs that treat cancer, mental illness, HIV/AIDs, epilepsy, and Alzheimer's disease, and restricting senior's access to the local pharmacist of their choice by steering seniors towards mail order.

According to the nonpartisan Congressional Budget Office, the legislation is unlikely to result in savings to taxpayers. It could also increase drug costs for veterans, which is why the bill was opposed by the American Legion.

	AYES	NOES	PRES	NV
REPUBLICAN	24	170		8
DEMOCRATIC	231			2
INDEPENDENT				
TOTALS	255	170		10

"In fact, the nonpartisan Congressional Budget Office said yesterday that the House bill would have a 'negligible effect' on federal Medicare spending because without a formulary the HHS secretary probably could not obtain better drug prices than those negotiated by the many private insurers who offer Medicare drug plans." The Washington Post, January 11, 2007

"Shifting the 42 million Medicare beneficiaries to the VA model would destroy local pharmacies." Washington Times, January 12, 2006

"There are a number of reasons that the Veterans Administration can now offer lower prescription drug prices than Medicare, but simple economics shows that if the VA model is expanded to include all Medicare beneficiaries, America's veterans will face higher prescription drug costs." Washington Times, January 12, 2006

VOTE JUSTIFICATION

HR 5 – College Student Relief Act

Cutting student loan interest rates does nothing to expand access to a college education for millions of low- and middle-income young people, nor does it address the significant federal spending increases on higher education and the role the federal government may be playing in the hyperinflation of college costs. The bill also does nothing to tackle the prohibitive cost of college.

It is important to make college more affordable for all Americans. The Democrat Student Loan Bill does more for college graduates than it does for college hopefuls.

	<u>YEAS</u>	NAYS	PRES	NV
REPUBLICAN	124	71		7
DEMOCRATIC	232			1
INDEPENDENT				
TOTALS	356	71		8

"The bill, passed by an overwhelming, bipartisan vote, was touted as reducing the interest on federally subsidized student loans, from the present 6.8 percent to 3.4 percent. Actually, it gradually reaches the 3.4 percent level on July 1, 2011. A student taking out a loan on July 1 of this year would pay 6.12 percent after graduation. Only 29 percent of all students getting loans would be eligible for this gradual reduction. Other student loan programs will be cut to help cover the \$7 billion cost over five years." The Washington Post, January 22, 2007

"The interest rate doesn't affect whether a student can pay his or her tuition bill, which means that no one unable to afford college today will suddenly be able to do so because of a reduction in the rate. Rather, lowering the rate will simply boost the federal subsidy for loan repayments after graduation." The Wall Street Journal, January 17, 2007

"The plan House Democrats pushed Wednesday to slash rates on some student loans falls short of a proposal they pitched nearly a year ago when the Republicans controlled Congress. The House Democrats' plan doesn't cover all student loans—only federally subsidized Stafford loans targeting some middle-income families—and it will take five years to phase in." *McClatchy*, January 19, 2007

VOTE JUSTIFICATION

HR 6 -- Creating Long-Term Energy Alternatives for the Nation Act

The inherent flaws and unfairness of the current government giveaways to gas and oil companies began under the Clinton Administration. Republicans recognize these shortcomings, which is why we acted in 2006 to eliminate those giveaways. The Democrat Energy Bill eliminates exploration incentives, hurting consumers and job creation. The Democrat proposal does nothing to increase American-made energy; instead, it gives an unfair competitive advantage to foreign energy firms, like those run by Hugo Chavez and OPEC. In the long run, the Democrat Bill will raise the price of gasoline for hard-working Americans.

	<u>YEAS</u>	NAYS	PRES	NV
REPUBLICAN	36	159		7
DEMOCRATIC	228	4		1
INDEPENDENT				
TOTALS	264	163		8

[&]quot;The House Democrats plan to pass an energy bill Thursday that combines the good, the bad and a large dose of missed opportunity." The Washington Post, January 17, 2007

"The House will vote today on the Democrats' energy policy, which turns the economic laws of supply and demand on their collective heads, while hurling a dagger at contract law and scoring a direct hit." The Washington Times, January 18, 2007

"Democrats say they agree that America should become less dependent on foreign sources for our energy. They just don't want to increase U.S. output of oil and gas." The Washington Times, January 18, 2007

"Thirty-five years ago, in 1972 (the year before the Arab oil embargo, which Iran, America's ally at the time, helped to alleviate), the United States produced 9.4 million barrels of oil per day and imported 28 percent of the petroleum it consumed...In 2005, the United States produced 5.1 million barrels of oil per day and imported 60 percent of the petroleum it consumed." The Washington Times, January 18, 2007

IN CASE YOU MISSED IT

The Washington Times

Post 9/11 legislation; House bill fails to measure up

By Helle Dale January 10, 2007 Wednesday

Democrats are leaving no stone unturned to make the nation feel safer, now that they are in control of both houses of Congress. Or perhaps one should say no piece of paper unused. It is a far cry, however, from campaign rhetoric to national security.

As Washington gets used to the long unfamiliar configuration of a Democratic Congress and a Republican president, the skill of sorting through the rhetoric will have to be honed to a fine art among observers. Not since the first Reagan administration has the political landscape looked so complex.

The very first bill offered in the first 100 hours of the 110th Congress the September 11 Commission legislation is positively encyclopedic. If the sheer weight in paper of a piece of legislation could make the United States a safer country, we should all sleep like babies tonight. "Today marks a giant leap forward toward a safer and more secure America," said Rep. Bennie Thompson, Mississippi Democrat and the new chairman of the House Committee on Homeland Security, when he unveiled the bill on Friday. Would it were so easy.

But of course, it is not as simple as that. While the legislation does not, as stated, implement all of the commission's recommendations, it does contain some of the commission's ideas that will be detrimental to national security, and some unfortunate additions nowhere to be found in the original report. If this is a sign of things to come, President Bush will soon find need for that dusty implement his underutilized veto pen. Fortunately, we are not there yet since the Senate has not produced similar legislation.

Among the things left undone in the House bill is changing the committee structure for the intelligence oversight committees. Also too hot to touch was the recommendation to place all intelligence agencies under the Department of Defense, which according to House Majority Leader Steny Hoyer, "is not on the table."

To their credit, the House Democrats included a provision to make \$2 billion worth of homeland-security grants based on threat risk, which means that big harbors such as New York or San Francisco would receive more money than they would have under the current distribution formula.

Far more troubling, though, is the commission's recommendation to inspect 100 percent of cargo coming into the United States for nuclear threats. Not that one should be unconcerned about the danger, but by trying to inspect every single container, we would certainly risk paralyzing U.S. trade, and with it the world's. This is the equivalent of inspecting every single airplane passenger a

sad and inconvenient fact of life today that constantly ruffles the feathers of travelers who are the most unlikely suspects and wastes a huge amount of time and resources.

And one might ask why no other threats such as chemical or biological? Are we only to be concerned about terrorists smuggling nuclear weapons and dirty bombs? This provision, of course, is a by-product of the Dubai ports uproar, which came and went in Washington as the perfect political storm, helping to knock down the Republican majority.

Meanwhile, the House bill actually seeks to undermine one of the most successful policies of the Bush administration on nuclear proliferation, the Proliferation Security Initiative. Dozens of countries have individually signed up for this program, which was established when John Bolton was undersecretary of state for arms control. The network facilitates cooperation to detect and prevent the spread of nuclear technology.

This excellent example of multilateral cooperation, which has flourished outside the stifling embrace of the United Nations, would, according to the September 11 Commission bill, be subject to approval of the U.N. Security Council, which includes among its permanent members some of the proliferators we're concerned about, Russia and China specifically. This provision was so worrisome that House Republicans hurried to submit a motion to have it struck from the bill.

If House Democrats are truly intent on making the nation more secure, as opposed to simply scoring political points, this legislation will need some major work in conference. Homeland security is like motherhood and apple pie in today's world, and certainly a goal that the White House and Congress share.

Can Washington rise above politics to enhance it? Stranger things have happened at sea, as the British say, but perhaps not much stranger.

* Helle Dale is director of the Douglas and Sarah Allison Center for Foreign Policy Studies at the Heritage Foundation. Her column appears on Wednesdays. E-mail: helle.dale@heritage.org.

IN CASE YOU MISSED IT

The Washington Post

The Right Minimum Wage

By George F. Will January 4, 2007 Thursday

A federal minimum wage is an idea whose time came in 1938, when public confidence in markets was at a nadir and the federal government's confidence in itself was at an apogee. This, in spite of the fact that with 19 percent unemployment and the economy contracting by 6.2 percent in 1938, the New Deal's frenetic attempts had failed to end, and perhaps had prolonged, the Depression.

Today, raising the federal minimum wage is a bad idea whose time has come, for two reasons, the first of which is that some Democrats have an evidently incurable disease -- New Deal Nostalgia. Witness Nancy Pelosi's "100 hours" agenda, a genuflection to FDR's 100 Days. Perhaps this nostalgia resonates with the 5 percent of Americans who remember the 1930s.

Second, President Bush has endorsed raising the hourly minimum from \$5.15 to \$7.25 by the spring of 2009. The Democratic Congress will favor that, and he may reason that vetoing this minor episode of moral grandstanding would not be worth the predictable uproar -- Washington uproar often is inversely proportional to the importance of the occasion for it. Besides, there would be something disproportionate about the president vetoing this feel-good bit of legislative fluff after not vetoing the absurdly expensive 2002 farm bill, or the 2005 highway bill larded with 6,371 earmarks or the anti-constitutional McCain-Feingold speech-rationing bill.

Democrats consider the minimum-wage increase a signature issue. So, consider what it says about them:

Most of the working poor earn more than the minimum wage, and most of the 0.6 percent (479,000 in 2005) of America's wage workers earning the minimum wage are not poor. Only one in five workers earning the federal minimum lives in families with earnings below the poverty line. Sixty percent work part time, and their average household income is well over \$40,000. (The average and median household incomes are \$63,344 and \$46,326, respectively.)

Forty percent of American workers are salaried. Of the 75.6 million paid by the hour, 1.9 million earn the federal minimum or less, and of these, more than half are under 25 and more than a quarter are between ages 16 and 19. Many are students or other part-time workers. Sixty percent of those earning the federal minimum or less work in restaurants and bars and earn tips -- often untaxed, perhaps -- in addition to wages. Two-thirds of those earning the federal minimum today will, a year from now, have been promoted and be earning 10 percent more. Raising the minimum wage predictably makes work more attractive relative to school for some teenagers and raises the dropout rate. Two scholars report that in states that allow people to leave school before 18, a 10 percent increase in the state minimum wage caused teenage school enrollment to drop 2 percent.

The federal minimum wage has not been raised since 1997, so 29 states with 70 percent of the nation's workforce have set minimum wages between \$6.15 and \$7.93 an hour. Because aging liberals, clinging to the moral clarities of their youth, also have Sixties Nostalgia, they are suspicious of states' rights. But regarding minimum wages, many have become Brandeisians, invoking Justice Louis Brandeis's thought about states being laboratories of democracy.

But wait. Ronald Blackwell, the AFL-CIO's chief economist, tells the New York Times that state minimum-wage differences entice companies to shift jobs to lower-wage states. So: States' rights are bad, after all, at least concerning -- let's use liberalism's highest encomium -- diversity of economic policies.

The problem is that demand for almost everything is elastic: When the price of something goes up, demand for it goes down. Obviously were the minimum wage to jump to, say, \$15 an hour, that would cause significant unemployment among persons just reaching for the bottom rung of the ladder of upward mobility. But suppose those scholars are correct who say that when the minimum wage is low and is increased slowly -- proposed legislation would take it to \$7.25 in three steps -- the negative impact on employment is negligible. Still, because there are large differences among states' costs of living and the nature of their economies, Sen. Jim DeMint (R-S.C.) sensibly suggests that each state be allowed to set a lower minimum.

But the minimum wage should be the same everywhere: \$0. Labor is a commodity; governments make messes when they decree commodities' prices. Washington, which has its hands full delivering the mail and defending the shores, should let the market do well what Washington does poorly. But that is a good idea whose time will never come again.

IN CASE YOU MISSED IT

The Washington Times

Price Negotiating's Hidden Costs

Op-Ed by Ranking Member McCrery, Committee on Ways and Means January 12, 2006

Everyone wants to make sure that America's seniors get the prescription drugs they need at the best possible price. But the proposal to have the government negotiate Medicare drug costs that the Democratic leadership hopes to ram through the House of Representatives this week will either be largely ineffective, or it will cause undesirable results: it will restrict seniors' choices, devastate local pharmacies, raise prescription drug costs for veterans and stifle innovation.

The Democratic proposal that was introduced last Friday would require the secretary of Health and Human Services to negotiate to reduce Medicare prescription-drug prices without limiting the prescription medications seniors can have access to. But allowing the HHS secretary to negotiate without being able to reduce the list of medications would be largely ineffective. As the nonpartisan Congressional Budget Office has found, government-negotiated prices for prescription drugs will not produce significant savings. Because the plans that Medicare already uses are successfully negotiating discounts for drugs, CBO found that "the Secretary would not be able to negotiate prices that further reduce federal spending to a significant degree."

It is clear, based on experience with other programs in which the government tries to negotiate discounts, that if there are savings, they will come from reduced choice for seniors and other Medicare beneficiaries. For example, the Veterans Administration -- frequently cited by supporters of Medicare negotiation as a model -- offers less than one-third of the medications that seniors can currently receive under Medicare plans. Similarly, several state Medicaid programs limit the number of prescriptions beneficiaries can get, and often make beneficiaries and their physicians go through difficult administrative procedures to get the drugs they need. The United Kingdom's National Health Service -- another example Democrats cite -- frequently denies patients access to new life-saving medicines, including, in one well-known recent case, the revolutionary new breast cancer drug Herceptin.

One other way that the government can hold down prices is by limiting patients' access to community pharmacies. The Veterans Administration distributes most of its medications through its network of VA hospitals and clinics, or by mail. As many as 80 percent of veterans currently get their drugs through mail order, compared with only 2 percent of Medicare beneficiaries. Since veterans are a relatively small part of the drug market, that doesn't have too much impact on our pharmacies. But shifting the 42 million Medicare beneficiaries to the VA model would destroy local pharmacies -- often

the center of small-town life in America, and a valuable resource for seniors to receive counseling from a local pharmacist.

There are a number of reasons that the Veterans Administration can now offer lower prescription drug prices than Medicare, but simple economics shows that if the VA model is expanded to include all Medicare beneficiaries, America's veterans will face higher prescription drug costs. Under current law, the Veterans Administration is guaranteed a substantial discount (24 percent) off the market price of brand-name medications, and then negotiates from there. Pharmaceutical manufacturers can offer the VA such discounts because veterans represent only about 2 percent of the market for prescription drugs.

If the tens of millions of Americans who receive Medicare -- who are responsible for over 40 percent of all spending on prescription drugs -- are added to the government-negotiated-price drug market, that arrangement will be untenable. Prices for our veterans -- the elderly survivors of the Greatest Generation who served in Europe and the Pacific, as well as young men and women returning from Afghanistan and Iraq, and everyone in between -- will rise substantially.

What does the Democratic government-price-control legislation mean for innovative treatments just being developed? Will Medicare beneficiaries be denied groundbreaking new medications in the future? According to one recent study, it costs over \$800 million to develop and get government approval for one new prescription drug. It is important to recognize that the modern American pharmaceutical industry is not organized like a Thomas Nast cartoon. It is not a gang of old men in pinstriped suits smoking cigars and plotting to exploit older Americans.

The profits that drug companies make on successful drugs pay for the research that creates new medicines. For each drug that successfully reaches the market, more than 500 don't pan out. If the government squeezes these companies by arbitrarily cutting payments, the sure and certain result will be less research and fewer new cures.

Changes in the system for Medicare prescription drugs affect practically every American — those in the Medicare system, those who receive their medication from the Veterans Administration, and every American who hopes to benefit from new medications that could hold the key to curing or treating Alzheimer's, breast cancer, or Parkinson's disease. These changes are far too important to be rushed through the House for political gain or a soundbite about the "100 Hours." The plan that is in place under Medicare Part D is working, and working well, for the benefit of seniors. The Democratic plan before the House offers nothing but the prospect of a diminished benefit due to heavy-handed government control of this important program.

Rep. Jim McCrery of Louisiana is the ranking Republican on the House Ways and Means Committee.

For the most up-to-date and comprehensive information throughout this debate, please visit: http://republicans.waysandmeans.house.gov/issues/medicare.aspx

IN CASE YOU MISSED IT

The New Hork Times nytimes.com

Democrats' Drug Plan Has Pitfalls, Critics Say

By ROBERT PEAR January 7, 2007

WASHINGTON, Jan. 6 — <u>Democrats</u> want the government to negotiate lower drug prices for Medicare beneficiaries, but insist that the government should not decide which drugs are covered.

Many economists and health policy experts see this as a paradox. The only way to get big savings and discounts, they say, is to steer patients to certain preferred drugs.

The debate on this issue, bubbling for several years, will come to a boil in Congress next week as the House votes on a Democratic proposal to require the secretary of health and human services to negotiate with drug manufacturers on behalf of Medicare beneficiaries.

On the one hand, the bill says the secretary "shall negotiate" lower prices. On the other hand, the drug benefit would still be delivered by private insurers. Each plan would establish its own list of covered drugs, known as a formulary, and the secretary could not "establish or require a particular formulary."

Under the 2003 Medicare law, passed by <u>a Republican</u> Congress, insurers and their agents negotiate prices with drug manufacturers. The law prohibits the secretary from interfering in those negotiations.

Democrats describe their proposal as a way to overcome the power of special interests — specifically, they say, the pharmaceutical and biotechnology industries, which would rather deal with dozens of private insurers than with one big federal agency.

"Direct negotiation for lower prescription drug prices is directly related to our lobbying and ethics reform legislation," said Representative Rahm Emanuel of Illinois, chairman of the House Democratic Caucus.

The purpose of both proposals, Mr. Emanuel said, is "to make sure that special interests do not control what happens in Congress."

Democrats often point to the <u>Department of Veterans Affairs</u> as a model, saying it negotiates much lower prices than Medicare gets. But the programs differ in significant ways.

Under federal law, the V.A. is guaranteed a substantial discount — about 24 percent off the average price paid to the manufacturer of a brand-name drug by commercial customers. Starting with this guarantee, officials negotiate deeper discounts.

The veterans agency, which filled more than 120 million prescriptions last year, has a national formulary. The agency decides which drugs or classes of drugs it needs to treat its patients. After those decisions are made, drug companies compete for the business, and the V.A. often encourages doctors to switch patients to the drugs that are selected, if it is medically appropriate to do so.

Dr. Alan M. Garber, director of the Center for Health Policy at <u>Stanford University</u>, said he did not see how Medicare officials could obtain big discounts unless they were able to establish a restrictive formulary.

"To obtain drugs at low prices, a purchaser must be able to say no to covering a particular drug," said Dr. Garber, who is an economist and a physician. "If you cannot walk away from a deal, there's no way you can be sure of obtaining a low price. That's true whether you are buying a car, a house or medications."

President Bush and the pharmaceutical industry adamantly oppose a requirement for Medicare to negotiate prices. But Congressional Democrats say it is worth a try.

"Republicans had their shot at making the drug bill work, and seniors are still not getting the prices they deserve," said Representative <u>John D. Dingell</u> of Michigan, the chief sponsor of the Democratic proposal.

"Republicans chose to take care of their friends in the drug industry," Mr. Dingell said. "It's our turn to prove that the bill can work for seniors."

<u>AARP</u>, the lobby for older Americans, supports the proposal. In a new advertising campaign, the group says: "Medicare has 43 million members. And zero bargaining power when it comes to prescription drug prices."

William D. Novelli, the chief executive of AARP, said that Medicare drug plans "currently have little choice but to accept the high prices set by manufacturers" for brand-name drugs if no competing products are available.

Under the Democrats' proposal, the secretary would negotiate the prices that could be charged to sponsors of Medicare drug plans, and those plans could try to obtain still lower prices on their own.

In a report this week, the <u>Congressional Budget Office</u> said that private purchasers had leverage in negotiating prices when they could "systematically favor one brand-name drug over another," thus increasing its share of the market. Nothing in the Democratic proposal allows the secretary to choose one drug over another, or to influence the choices made by Medicare drug plans.

House Republican Conference Recess Resource Kit

IN CASE YOU MISSED IT

The Washington Post

Experts Fault House Bill On Medicare Drug Prices

Comparison With VA Called Invalid By Christopher Lee Washington Post Staff Writer Thursday, January 11, 2007; A14

Democrats are fond of citing the Department of Veterans Affairs as evidence that Medicare officials could squeeze lower prices out of drugmakers if the government merely used its negotiating clout. But that comparison ignores important differences between the two systems, experts say.

Unlike Medicare, VA by law receives an automatic 24 percent discount from the average price that wholesalers pay. Its prices are also low because VA, which prescribes medications for 4.4 million veterans annually, has a relatively narrow formulary, or list of approved drugs. The agency secures big discounts from the manufacturers of a few drugs in each class by promising not to offer competing drugs. The Centers for Medicare and Medicaid Services (CMS) is prohibited by law from adopting such a list for the year-old Medicare drug benefit, in part because seniors enrolled in what is known as Part D want to have a wide range of drug choices.

The legislation that House Democrats hope to pass tomorrow to require the Bush administration to negotiate drug prices for Medicare would neither permit a formulary nor require an automatic discount. It would simply require the secretary of health and human services to pursue negotiations and report back to Congress in six months. That is part of the reason that many experts do not expect the measure to deliver significant savings even if it overcomes opposition in Congress and escapes a possible presidential veto.

In fact, the nonpartisan Congressional Budget Office said yesterday that the House bill would have a "negligible effect" on federal Medicare spending because without a formulary the HHS secretary probably could not obtain better drug prices than those negotiated by the many private insurers who offer Medicare drug plans.

"The federal government can get lower prices, but only if it's willing to exclude a certain number of drugs from the formulary," said Robert Laszewski, a nonpartisan health policy consultant in Washington. "And that's a huge political leap that I would be very surprised if this Congress took. I don't think they are going to give CMS any teeth."

"The VA is really a different animal than Medicare Part D," said Robert B. Helms of the American Enterprise Institute, who was an assistant secretary of health and human services in the Reagan administration.

But Democrats and their allies say that the gulf between drug prices under the VA system and those under Medicare is too large to ignore, and that requiring the government to negotiate prices for Medicare would help narrow the gap significantly.

On average, prices are 58 percent higher in Medicare than in the VA system for the 20 drugs most commonly prescribed for seniors, according to a study released Tuesday by the nonprofit advocacy group Families USA. The lowest price for a year's supply of 20-milligram pills of the cholesterol-lowering drug Lipitor, for instance, was \$1,120 in Medicare and \$782 in the VA system, the report said.

"These high prices are devastating seniors," said Ron Pollack, the group's executive director.

Rep. Frank Pallone Jr. (D-N.J.), chairman of the House Energy and Commerce subcommittee on health, called eliminating the current prohibition on government negotiations a "no-brainer."

"It makes absolutely no sense to say that the administration should not be able to negotiate prices for all these seniors," Pallone said. "There's no way it's not going to save a significant amount of money."

Pallone said Medicare could obtain prices similar to the VA system's even without a formulary. "I have every reason to believe that there is enough persuasion power, with different things that could be implemented by the secretary, that could get down to those levels," he said. He added that Democrats will consider further changes down the road.

Energy and Commerce Committee Chairman John D. Dingell (D-Mich.), lead sponsor of the House bill, discounted the importance of the CBO analysis. "Common sense tells you that negotiating with the purchasing power of 43 million Medicare beneficiaries behind you would result in lower drug prices," he said.

Critics of the VA comparison note that some of VA's costs are buried in overhead. The department employs the doctors and nurses who write the prescriptions, and it operates the mostly mail-order pharmacies through which 76 percent of veterans' prescriptions are distributed. Medicare does not have that kind of infrastructure, and seniors have demonstrated a preference for retail pharmacies, CMS officials say.

CMS officials also note that about a quarter of the 3.8 million Medicare beneficiaries who get VA health-care benefits are also enrolled in Part D, in which the choice of drugs is broader.

"It's apples to oranges," former CMS administrator Mark B. McClellan said of the comparison. "The VA is a closed health-care system relying on mail order and a tighter formulary than Medicare beneficiaries have shown they prefer."

IN CASE YOU MISSED IT



Educating Democrats

January 17, 2007; Page A18 Review & Outlook

House Democrats have scheduled a vote for today on a proposal that would reduce the interest rate on student loans. The ostensible goal is to make college more affordable, but such a move could well wind up having the opposite effect.

Democrats campaigned last fall on a pledge to lower the interest rate on subsidized student loans to 3.4% from the current 6.8%. "We will broaden college opportunity," says Nancy Pelosi, the new House Speaker, "and we will begin by cutting interest rates for student loans in half." It makes for a good sound bite, but on closer inspection the connection between lower interest rates and "college opportunity" is far from clear.

The interest rate doesn't affect whether a student can pay his or her tuition bill, which means that no one unable to afford college today will suddenly be able to do so because of a reduction in the rate. Rather, lowering the rate will simply boost the federal subsidy for loan repayments after graduation. That's because the financial institutions that handle these loans are guaranteed a rate of return, regardless of the interest rate. Halving the rate that lenders can charge borrowers means larger government (read: taxpayer) subsidies for the banks.

In other words, the Democratic loan proposal isn't really about making college more affordable for low-income families. It's about expanding federal subsidies for college grads, including millions of middle-class men and women who will go on to do very well in life and hardly need such a government handout.

"The average college graduate leaves school with a debt of \$17,500, which after consolidation and tax breaks comes to about \$102 a month," says Brian Riedl of the Heritage Foundation. "If a college degree adds about a million dollars to your lifetime income, 102 bucks a month is manageable." Democrats know that subsidizing college graduates doesn't sound all that great as a political theme, so instead they pretend that cutting student-loan interest rates will somehow make higher education more "accessible."

The Democrat proposal also has the potential to exacerbate perverse incentives already associated with the government student loan programs. Since 1992, tuition at public and private colleges has risen 86% and 52%, respectively. The only other segment of the

economy where costs have outpaced inflation by similar leaps and bounds is health care. And it's no coincidence that third parties foot the bill for big chunks of both higher ed and health care spending; this has predictably increased demand relative to supply and resulted in prices rising faster than they would otherwise.

Like any business, colleges will charge as much as their customers are willing to pay. And you can be sure that, as quickly as student aid increases, colleges will raise tuition to capture the additional funds. In the absence of all this subsidization, colleges would have to be more cautious about raising tuition because their customers would be affected more directly. So the biggest winners from this latest subsidy will be the relatively well off professors and administrators who run higher education.

Rather than scaling back these interest rate subsidies, Democrats want to make them more generous. This can only have the effect of further distorting the true cost of a college education by pushing more and more of that cost on to taxpayers. Ultimately, increasing the government's role is a recipe for making college less affordable.

IN CASE YOU MISSED IT

The Washington Post

Student Loan Scam

By Robert D. Novak Monday, January 22, 2007

House Democrats were extolling their student loan bill for opening college to Americans with moderate incomes on Wednesday when Rep. Tom Price, a second-term Republican from Georgia, took the floor. "If only this bill did what they say," Price declared. His admonition constituted more than the usual hyperbole of congressional debate.

The bill, passed by an overwhelming, bipartisan vote, was touted as reducing the interest on federally subsidized student loans, from the present 6.8 percent to 3.4 percent. Actually, it gradually reaches the 3.4 percent level on July 1, 2011. A student taking out a loan on July 1 of this year would pay 6.12 percent after graduation. Only 29 percent of all students getting loans would be eligible for this gradual reduction. Other student loan programs will be cut to help cover the \$7 billion cost over five years. And contrary to what the Democrats suggest, the bill does nothing to slow skyrocketing college tuition.

Such details are obscured, however, by the brilliant success of Speaker Nancy Pelosi's "first 100 hours." The student loan bill is one of the politically popular measures rushed through the opening days of the first Democratic-controlled House session in 12 years -- without hearings, without committee authorization and without meaningful debate. While Democratic support has been unanimous, Republicans are divided and listless.

In contrast to the ideologically diverse Democrats who controlled Congress in the past, today's House majority members are like automatons. The hand of Rep. Rahm Emanuel, chairman of the House Democratic Caucus, was apparent as Democrats newly elected under his leadership took the floor to deliver nearly identical speeches of how this bill will help poor students.

Rep. Ed Perlmutter, who won a previously Republican-held district in Colorado, used the now common anonymous anecdote in his floor speech. He told of seeing "a woman whose kids have gone to school with mine" at a swim meet in Arvada, Colo. "She told me that one of her kids is in college now, and she has another that will be going in a couple of years. She is a single mom, and her kids have done well in school, but the cost of college has become prohibitive for their entire family. She said her kids have been excellent students, but she was fearful they could not get into college and be able to pay for it."

Perlmutter added that this "single mom" thanked him for this bill changing "the cost of higher education." In fact, the bill has nothing to do with the prohibitive cost of college. It will have no effect whatsoever on her child now in college. If her second child is literally enrolling in a couple of years (in January 2009), the interest rate would be 4.76 percent, to be paid after the student leaves college. The mom may have thanked Perlmutter too soon.

Because Democrats are now committed to "pay-go" (offsetting all spending increases), this bill means cutting \$6 billion from other federally subsidized student loan programs, on top of a net \$12 billion cut by the last Republican-controlled Congress.

On the eve of Wednesday's debate, the Consumer Bankers Association and the Financial Services Roundtable sent a joint letter to members of Congress. The offset cuts in loan funding, the organizations warned, "cannot be absorbed by the nation's loan providers without compromising the kinds of benefits and services now provided to college students and their families."

This warning was not expected to effect heady Democrats, but it should have promoted caution among Republicans. It did not. While Democrats were 232 to 0 for the bill, only 71 Republicans followed their leadership and voted against it. The 124 Republicans voting aye included such erstwhile conservative stalwarts as Todd Akin (Mo.), Virgil Goode (Va.), Chip Pickering (Miss.), Joe Pitts (Pa.), Dana Rohrabacher (Calif.), Ed Royce (Calif.) and Todd Tiahrt (Kan.).

The once militant, united House Republicans are demoralized and on the run. They were battered in the last campaign for cutting school loans in the previous Congress and are willing to go along with a sham bill, hoping for Senate gridlock or a presidential veto.

IN CASE YOU MISSED IT

The Washington Times

Democrats' taxing energy policy

Washington Times Editorial Published January 18, 2007

As the 100-hour legislative blitz continues, the House will vote today on the Democrats' energy policy, which turns the economic laws of supply and demand on their collective heads, while hurling a dagger at contract law and scoring a direct hit. It will be quite a show.

Here's where the nation stands. Thirty-five years ago, in 1972 (the year before the Arab oil embargo, which Iran, America's ally at the time, helped to alleviate), the United States produced 9.4 million barrels of oil per day and imported 28 percent of the petroleum it consumed. Nearly half of those imports (12.6 percent of total consumption) came from OPEC. In 2005, the United States produced 5.1 million barrels of oil per day and imported 60 percent of the petroleum it consumed. Nearly half of those imports (26.6 percent of total consumption) came from OPEC. With Iran and Arab states controlling 70 percent of the world's proved oil reserves, the smart thing to do would be to reduce our dependence on these nations for oil by raising our own output.

Democrats say they agree that America should become less dependent on foreign sources for our energy. They just don't want to increase U.S. output of oil and gas. How do we know? Well, a decade ago President Clinton vetoed legislation that would have permitted oil and gas production in the promising Arctic National Wildlife Refuge (ANWR); overwhelming majorities of Democrats in Congress have consistently voted against oil and gas development in ANWR; and now House Democrats are poised to raise taxes and royalty fees on companies that have invested billions of dollars searching for oil and gas in the relatively small areas of the Outer Continental Shelf where Democrats have permitted exploration.

Compounding their aversion to domestic production, Democrats now want to add disincentives that will deter oil producers from searching for oil and gas in the future. A big item on the Democrats' energy agenda involves a "conservation fee" that will be imposed on oil and gas companies that signed contracts in 1998 and 1999 with the Clinton administration's Interior Department, which neglected (through no fault of the oil companies) to include a clause requiring royalty payments if prices rose above \$35 per barrel. Failure to pay the fee would bar the companies from future leases. Thus, Democrats want to subvert contract law by using strongarm tactics that would warm the heart of Russian President Vladimir Putin. At least Mr. Putin, in seizing resources from criminal oligarchs, could have argued that he was merely retrieving what had literally been stolen from the Russian state through fraud. The Democrats can make no such claim against the innocent businesses they are about to financially molest. And consumers will pay for it.

IN CASE YOU MISSED IT

The Washington Post

A Low-Watt Bill

The Democrats' 100-hour sprint is shortchanging policy.

Wednesday, January 17, 2007 Washington Post Editorial

THE HOUSE Democrats plan to pass an energy bill Thursday that combines the good, the bad and a large dose of missed opportunity. Thankfully, it faces an uncertain future in the Senate. Energy policy deserves more serious treatment.

The good part of the bill revokes tax breaks for oil and gas production in the United States that should never have been granted. In 2004, Congress reduced the tax rate on U.S. manufacturers and extended the definition of manufacturing to include oil and gas projects. This had the effect of subsidizing energy sources that contribute to global warming; Congress ought to be raising the carbon tax, not cutting it. The House bill would correct this error and use the proceeds to finance climate-friendly energy technology.

The bad part of the bill would effectively revoke lease contracts granted in 1998 and 1999 for offshore drilling. The leases mistakenly omitted a standard clause requiring energy companies to pay royalties to the Treasury if the price of oil rose above \$34 per barrel. Now this omission is costing the budget an estimated \$10 billion over the life of the leases. The administration, rightly, has tried to renegotiate the terms, and some leaseholders have cooperated. But Chevron and ExxonMobil, the companies with the most money at stake, feel that their responsibility to shareholders compels them to get something back if they are to give up large expected profits.

The House bill would break this deadlock by imposing heavy penalties on firms that do not renegotiate on terms imposed by the government. This heavy-handed attack on the stability of contracts would be welcomed in Russia, Bolivia and other countries that have been criticized for tearing up revenue-sharing agreements with private energy companies. Legitimizing that sort of behavior might be justified if it were the only way of fixing the leases. But Chevron, for example, says it would be willing to yield on the royalty payments if the duration of its leases could be extended.

The main problem with the House bill is that hitting up oil companies is a poor substitute for a real energy policy. The nation needs to accelerate the development of less-carbon-intensive fuels by capping or taxing carbon consumption. Members of Congress sometimes present half-measures such as the House bill as the most that can be achieved, given political constraints. But the oft-cited defeat of the BTU tax in Congress occurred more than a decade ago. The evidence on global warming has changed radically since then, and so, too, has the politics. Even ExxonMobil, traditionally the fiercest opponent of climate action, has cut funding to "research" groups that question global warming and is starting to engage in the debate about which sorts of carbon restrictions should be adopted.



REVIEW & OUTLOOK

The Current 'Depression'

February 3, 2007; Page A10

The good economic news keeps rolling in. Yesterday's new-jobs estimate for January, at 110,000, was below Wall Street expectations but it was accompanied by upward revisions of 81,000 jobs for the prior two months. Those revisions brought the 2006 monthly average up to 187,000 new jobs, or 2.2 million for the year.

Readers will recall that the current expansion was derided right through 2004 as a "jobless recovery." We now know the economy has created 7.4 million new jobs since mid-2003, as revisions by the Bureau of Labor Statistics have added hundreds of thousands to its original monthly estimates. Thus the hand-wringers have had no choice but to move on, turning their laments to allegedly "stagnant wages." Well, that's now vanishing too.

Let's look at the record of this expansion compared with that of the sainted 1990s. Economist Michael Darda has been looking at the numbers, and yesterday he put out a side-by-side employment comparison of the first five years of the 1991-2000 expansion with the current one that began in the fourth quarter of 2001.

Between 1991 and 1996, the unemployment rate averaged 6.4%, compared with 5.4% from 2001 to 2006. Today's jobless rate is now down to 4.6%. As for real (inflation-adjusted) wage growth, it averaged 0.6% annually for non-farm workers in the first half of the 1990s compared with 1.5% a year so far in this decade. "This cycle as a whole has witnessed twice the average real wage growth than the first 64 months of the previous expansion," Mr. Darda writes. For the last 12 months, real wages have risen even faster, at a 1.7% clip.

Anything else to worry about? Well, there's always the "trade deficit," though exports are now booming (up 10% last year), especially to the countries with which the U.S. has signed free-trade agreements. So moving right along, this week's bad news is said to be the U.S. "savings rate," which according to the official measure was "negative" for a whole calendar year for the first time "since the Great Depression," as Martin Crutsinger of the Associated Press helpfully put it. Hooverville, here we come!

As a statistic, however, the official "savings rate" is nearly as useless a guide to prosperity as the trade deficit. In the government accounts, what is called the savings rate is literally income less consumption. But the government defines income too narrowly and consumption broadly. For example, "income" doesn't measure capital gains (whether realized or not), the rising value of your home, or even increases in your retirement accounts.

Think about how you calculate your own personal "savings rate." Do you merely add up what you make in salary in a year minus what you spend? Or do you sneak a peak at whether your IRA increased in value, or check the sale price your neighbor got on his home to figure out what you might be able to get for yours? By any normal definition, "savings" should include your increase in total assets -- in other words, your gains in overall wealth.

For our part, these columns long ago began to watch a far more instructive figure known as "household net worth." That number, released by the Federal Reserve, includes all assets (tangible and financial) held by individuals less their liabilities (mortgage and other debt). At the end of last year's third quarter, U.S. household net worth had climbed to \$54.1 trillion. That was an increase of more than \$3 trillion over the previous four quarters. Rest assured, that's a much higher figure than during "the Great Depression," AP notwithstanding.

None of this means we should be complacent about economic growth. There are two genuine clouds on the horizon -- namely, inflation risk and political risk. Inflation remains somewhat higher than is comfortable, and we still expect the Fed will consider further interest-rate hikes if today's weak dollar and soaring commodity prices lead to a jump in the official inflation indicators later this year. As for politics, the Democrats now running Congress explicitly reject the tax cuts and freer trade that have helped to propel the current prosperity. If history is any guide, sooner or later this is a recipe for trouble.

From the White House:

On February 2, 2007, The Government Released New Jobs Figures – 111,000 Jobs Created In January. Since August 2003, more than 7.4 million jobs have been created - more jobs than the European Union and Japan combined. Over half a million jobs (513,000) have been added in the past three months alone. Our economy has now added jobs for 41 straight months, and the unemployment rate remains low at 4.6 percent.

American Workers Are Finding Jobs And Taking Home More Pay

- **Real Wages Rose 1.7 Percent In The Past 12 Months.** This means an extra \$1,030 in the past 12 months for the typical family of four with two wage earners.
- Real After-Tax Income Per Person Has Risen By 9.8 Percent More Than \$2,800 Since The President Took Office.
- The Economy Grew A Strong 3.5 Percent In The Fourth Quarter Of 2006. The economy grew 3.4 percent last year, up from 3.1 percent in 2005.
- Since The First Quarter Of 2001, Productivity Had Strong Average Annual Growth Of 3.1 Percent. This is well ahead of the average productivity growth in the 1990s, 1980s, and 1970s.

RECESS FOCUS: WAYS TO MAXIMIZE YOUR MEDIA OUTREACH

T	Tactics/Tool	~
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A.	Press Releases (bill introductions, grant announcements, letters, issues)
B.	Press Conferences on Issues (legislation, issue positions, awards, etc.)
C.	Press Conference on Constituent Services (check photo-ops, medals, casework)
D.	Event with Surrogates (roundtable with Cabinet member, etc.)
E.	Weekly Columns (op-eds submitted to papers, newsletters and trade mags)
F.	Town Hall Meetings/Issues Forums
G.	Tele-Town Halls (in lieu of town hall meetings when in Washington)
Н.	Cable access shows (taped in the Recording Studio or in district)
I.	Radio Actualities (taped radio news releases sent to district stations)
J.	Live Radio Appearances (in-studio or phone-in)
K.	House Website (blog, news updates, photos, services, email opt-in)
L.	Blogging your district events
M.	Franked Telephones (taped audio messages sent to constituents via phone)
N.	Editorial Board Meetings (newsroom meetings with local editors and reporters)
	Photo Releases (regular photo submissions of Member events – flag presentations, wsworthy constituent meetings, etc. – to local papers, websites)
P.	Podcasts, YouTube
Q.	Email Updates/Alerts (news items, press releases sent to constituent email)
R.	Sending "In Case You Missed It" clips around to district press

PRESIDENT'S DAY RECESS: WHAT DO YOU HAVE SCHEDULED?

	SCHEDULED?				
I.	District Checklist				

1.	Policy Picnic (focused policy luncheon w/ a targeted audience or organization)
2.	Town Hall Meeting/Issues Forum
3.	Editorial Board Meetings (newsroom meetings w/ local editors & reporters)
4.	Press Conference on Constituent Services (check photo-ops, medals, casework)
5.	Press Conference on Issues (legislation, issue positions, awards, etc.)
6.	Kitchen Cabinet Meeting with Business and Community Leaders
7.	Small Business Walk
8.	College Outreach
9.	Factory tour
10	. Meeting with a local elementary or high school

UPCOMING DATES TO REMEMBER:

March:

March is...

Women's History Month

March 3: Anniversary of the Star Spangled Banner becoming our National Anthem

March 8: International Women's Day

March 11-17: Girl Scout Week

March 11: Daylight Savings Begins
March 15: Democrats' Budget Due
March 15: NRCC Spring Gala

March 15: NCAA Men's Basketball Tournament Begins

March 17: St. Patrick's Day

March 17: NCAA Women's Basketball Tournament Begins

March 18-24: National Agriculture Week

March 20: Spring begins

March 26-29: District Director Fly-In (Tentative)

April:

April is...

Alcohol Awareness Month

National Child Abuse Prevention Month

National Parkinson's Awareness Month

National Poetry Month

National Sexual Assault Awareness Month

April 1-13: District Work Period

April 1: Palm Sunday

April 1: Major League Baseball Opening Day

April 2: Passover begins at sundown April 2-8: National Public Health Week

April 6: Good Friday
April 8: Easter Sunday

April 15-21: National Library Week

April 15: Tax Day

April 22-28: Jewish Heritage Week

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CHAIRMAN ADAM PUTNAM

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