



#### HOUSE REPUBLICAN CONFERENCE

# AUGUST RECESS Resource Kit

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#### DEAR COLLEAGUE

July 30, 2008

The unveiling of the American Energy Act last week represented a watershed moment in the national energy debate. By seizing on a historic opportunity to address this generational crisis, House Republicans laid down a marker that any and all purported solutions will be measured against. And we reminded the American people that Washington can be in the solutions business without running every reform through what Henry Hyde called the "greased chute" of government.

You don't have to look hard to find evidence of our momentum on the energy issue. Polls showing the public backs our solutions. Positive editorials cropping up all around the country. Senior Democrats tip-toeing in our direction. We've even got more protesters coming out to wish us not-so-well in our efforts.

Come August 1, however, it's a whole new ballgame.

With House Democrats planning a major August energy push to try and earn even the appearance of traction on this issue, we find ourselves in the rare position of playing the role of the hunted.

To sustain our momentum on a district-by-district level, there are four things every House Republican must do in August when talking energy:

- Emphasize the need for an "all of the above" strategy to lower gas prices and break our dependence on foreign oil.
- Highlight the American Energy Act's meaningful solutions to achieve these critical aims.
- Explain that only Congressional Democrats stand in the way of relief at the pump.
- Ask your constituents to join you in demanding an up-or down vote on the American Energy Act.

This recess pack is designed to aid you in completing these four tasks. It also contains materials on the other key issues and themes you should be driving in your town hall meetings, ed boards, and radio interviews. In addition to holding two Member conference calls next month, we will be arming you to the teeth with talking points and supporting materials as the need arises.

What you will not find in this recess pack is an excuse for complacency. Yes, we have already made remarkable progress, and the August calendar does include the Summer Olympic Games and two national party conventions.

But by anecdote and data we know that the American people have made the determination that energy is by far the #1 issue on their minds. Just as important, we cannot expect this crisis to recede quietly into the shadows and wait for its next appointment.

If we don't build on this momentum and lock it in now, we don't stand a snowball's chance of getting something done and regaining the trust of the American people.

Success has many fathers and mothers – in this case, 200 of them. With sheer relentlessness, you have vaulted House Republicans to the forefront of this debate. Congratulations on what you have accomplished.

We should also take a moment to thank our families for their patience and support. We couldn't do it without them.

I look forward to keeping in touch throughout the month. Don't hesitate to holler if you need anything.

Sincerely,

Adam Putnam

Chairman, House Republican Conference

#### Talking Energy with Your Constituents

The following suggested energy speech has been designed to aid you in carrying out the four tasks discussed in Chairman Putnam's letter.

Paying four bucks for a gallon of a gasoline is an acute symptom of a chronic ailment – our nation's failure to break its dependence on foreign oil.

Today, for every three barrels of oil our nation consumes, more than two are imported from other nations – much of it from regimes that don't share our values or our vision for the world's future.

So not only is our inability to set a national energy policy soaking your budgets and leaching the lifeblood out of our economy, it is undercutting our foreign policy. It's both costly and dangerous.

Just as there was no one cause for this crisis, there's no one silver bullet for getting us out of it. It's a matter of pulling several levers in moderation – what we call an "all of the above" approach.

- That means that as a nation we need to use less energy by implementing incentives to spur conservation. Government ought to reward innovation: companies, businesses, and manufacturers who find new ways to be energy efficient, devise new inventions to help us use less energy per capita.
- We need to unleash the potential of proven technologies – that includes nuclear, solar, wind, coal-to-liquid and hydroelectric. [PERSONALIZE: Talk about new technologies that are being developed in your district.]
- And we need to explore for more oil and natural gas in the Arctic coastal plain, in the Gulf of Mexico, and on the Outer Continental Shelf, and we have to do it in an environmentally sound way.

Any one of these pieces – just conservation, just renewable fuels, or just exploration – won't get us where we need to be. The choice we have before us is either continue the broken status quo of \$4 gasoline or implement an "all of the above" strategy that puts us in charge of our own energy future.

Now, House Republicans have distilled this "all of the above" approach into one bill: **the American Energy Act**. For those of you who like to keep track of this stuff, the bill number is H.R. 6566.

This legislation rejects the failed carousel of halfmeasures the Democratic Congress has tried to pass off as a comprehensive energy policy.

The **American Energy Act** creates new American-made energy through environmentally sound exploration. It

improves energy conservation and efficiency by, among other things, providing tax incentives for businesses and homeowners who improve their energy efficiency. And it will promote renewable and alternative energy technologies by untangling red tape and permanently extending critical tax credits. [PERSONALIZE: Talk about initiatives you have touted that were included in the American Energy Act.]

#### Here's what the American Energy Act will not do:

First, it will not raise your taxes. Because the last thing we should be doing right now when you're struggling to make ends meet and are making tough choices is squeeze the vise any tighter.

And second, this bill will not nationalize, bureaucratize, or socialize our energy policy. These are all market-oriented solutions that reward innovation and foster prosperity.

With this bill, we are one step, one vote away from sending a signal that the United States will no longer shirk its responsibility as the world's largest energy consumer.

Getting that vote is our challenge – the decider in the House of Representatives, Speaker Nancy Pelosi, is deadset against any legislation that will actually lower gas prices.

And though an increasing numbers of her own Democrat caucus disagree with her, not to mention a clear majority of the American people, it is she and her leadership team who stand between us and relief at the pump.

Now, this is a Speaker who has rightly described it as "the People's House", and in the spirit of that very democratic sentiment, if you want to do one thing today to help ease the pain at the pump, demand a vote on the American Energy Act. Here are a few ways you can do that:

- 202-224-3121 is the number for the House of Representatives switchboard. Get in touch with the Democrat leaders, ask them when they are going to schedule a vote on the American Energy Act.
- Send in your gas receipts either to me or directly to Democrat leaders.
- If you're more of a writer, dash off a letter to the editor expressing the need for a vote on the American Energy Act – it's those editors who write the editorial pieces in our local paper here that gain recognition on the regional and state-wide level and that builds to the national level.

Let me close by saying that the light at the end of the tunnel is closer than you might think – we have right here on and off our shores the tools, the resources, and most importantly, the can-do spirit to solve this energy crisis. Now what is required is leadership from Washington – that's why I need your help in demanding an up-or-down vote on the American Energy Act.

### REPUBLICAN ACCOMPLISHMENTS in the 110<sup>th</sup> Congress

**ENERGY:** House Republicans have dominated the energy debate, forcing Democrats to go to extreme lengths to avoid a pro-production vote. The American Energy Act – a comprehensive measure that will increase the supply of American-made energy, improve conservation and efficiency, and promote renewable and alternative energy technologies – has set a marker against which all future reforms will be measured.

#### SUPPORTING OUR TROOPS: House

Republicans have repeatedly fought for, and repeatedly won, troop funding bills that provide the resources our troops need to succeed without micromanaging their mission. Republican unity and resolve defeated the Democrats' plans to slow-bleed the troops, micromanage the generals and broadcast a surrender date to our enemy.

#### SUPPORTING OUR VETERANS: The

landmark troop funding measure the House passed last month provides for a long-overdue modernization of the Montgomery GI Bill by ensuring those who have served our country – or their families – receive the best education benefits this government can provide them. Additionally, Republicans fought for, and won, reforms that will allow veterans returning from Iraq and Afghanistan to transfer these benefits to his or her spouse or children.

#### TERRORIST SURVEILLANCE

REFORM: House Republicans closed the terrorist loophole, successfully passing a law to modernize our terrorist surveillance laws after Democrats shamefully allowed the Protect America Act to remain expired for 125 days. This legislation gives our intelligence community the tools it needs to do its job and protect the American people.

#### PROTECTING TERRORISM

TIPSTERS: Republicans successfully defeated a Democrat plan that kept Americans who report suspicious activity susceptible to retaliatory lawsuits. When airline passengers reported the suspicious behavior of a group of Muslim Imams last year, the Imams sued the witnesses. In response, Republicans offered legislation to shield innocent American tipsters from these frivolous lawsuits. Yet Democrats were determined to remove this provision from the 9/11 bill. Only in the face of strong Republican objections and a vast public outcry were Democrats embarrassed into reinstating this language in the final bill.

FISCAL RESPONSIBILITY: Try as they did to foist \$22 billion in new and unnecessary spending on the American people – which translates to at least \$204 billion in permanent government spending – Democrats were forced to give in to Republican pleas for restraint and accept a more sound fiscal blueprint.

#### PROTECTING MIDDLE CLASS

TAXPAYERS: Republican unity protected 23 million Americans from getting hit by an average \$2,000 tax increase as a result of the pernicious Alternative Minimum Tax.

#### GROUNDBREAKING EARMARK

REFORM: When House Republicans proposed an immediate moratorium on earmarks last January, it was by the far the most sweeping proposal ever made to reform the way tax dollars are spent. On top of this, House Republicans unilaterally began to follow a new set of standards by which all future earmark requests would be scrutinized. Additionally, if Democrat leaders had gotten their way in 2007, the chairman of the Appropriations Committee would have held the keys to the earmark factory. Republican resolve helped ensure that earmarks in last year's spending bills would be subject to proper scrutiny on the House floor.

#### PUTTING POOR KIDS FIRST: Republicans

have prevented Democrat efforts to expand the State Children's Health Insurance Program (SCHIP) to cover adults, illegal immigrants, and those who already have private health insurance. Republicans will continue fighting to ensure that SCHIP better serves its original purpose to guarantee that children of the working poor get access to the quality, affordable health care they need and deserve.

#### MOTIONS TO RECOMMIT: In the dozen

years House Democrats spent in the minority, they succeeded in passing 11 motions to recommit bills on initial passage, and 3 motions to recommit conference reports, for a total of 14. By contrast, in less than two years, Republicans have successfully passed such 24 motions.

#### HOLDING DEMOCRATS ACCOUNTABLE

#### NO COMPREHENSIVE PLAN FOR AMERICA'S ENERGY FUTURE

**Then:** "Democrats have a commonsense plan to help bring down skyrocketing gas prices" (Then-Minority Leader Nancy Pelosi, 4/24/06)

"Democrats promise to hit the ground running on energy issues if they win control of the House or Senate." (National Journal, 9/9/06)

"We'll make this Fourth of July energy independence day..." (Speaker Nancy Pelosi, 5/9/07)

**Now:** "Right now, our strategy on gas prices is 'Drive small cars and wait for the wind.'" (Democrat aide, The Hill, 7/7/08)

"Democrats have had a harder time unifying around a clear proposal or set of proposals. 'They've allowed the Republicans to drive the issue,' said Tyson Slocum, an energy analyst with the advocacy group Public Citizen." (CQ, 7/18/08)

"Republicans have an issue to exploit. And it's one on which Democrats are especially vulnerable because they promised in the 2006 campaign to offer a 'common sense' plan to curb gas prices. They have yet to produce one, and the price per gallon of gas has risen by more than \$1.60 since Democrats took control of Congress in January 2007." (The Weekly Standard, 6/16/08)

#### RECORD-LOW APPROVAL RATINGS

**Then:** "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 Chairman Rahm Emanuel, Election Night 2006)

Now: "Confidence in Congress: Lowest Ever for Any U.S. Institution. Gallup's annual update on confidence in institutions finds just 12% of Americans expressing confidence in Congress, the lowest of the 16 institutions tested this year, and the worst rating Gallup has measured for any institution in the 35-year history of this question." (Gallup, 6/20/08)

#### A DO-NOTHING DEMOCRAT CONGRESS

Then: "House's Hoyer: Democrats not waiting 'til next year. ...[T]he Maryland Democrat described a robust legislative agenda ... 'We're not sitting out the clock,' Hoyer said." (The Chicago Tribune, 2/26/08)

**Now:** "Sidestepping battles with Republicans over offshore oil drilling and pork barrel projects, Democrats controlling the House have called a halt to efforts to pass the 12 annual bills that fund Cabinet agency budgets." (AP, 7/9/08)

"House members have voted on a limited number of significant bills during the first four months of 2008, a frustrating situation... 'There is growing frustration that there is nothing on the floor,' said one senior Democratic leadership aide." (CongressDaily, 4/28/08)

#### DANGEROUS FOR OUR NATIONAL SECURITY

**Then:** "Democrats are committed to protecting our country with real security initiatives that are smart and tough." (Then-Minority Leader Nancy Pelosi, 10/25/06)

Now: "Congressional Democrats have sought to undermine crucial counterterrorism programs and the war in Iraq for political gain. Although the Democratic leadership was fully briefed and appeared to support tough counterterrorism efforts, such as the Terrorist Surveillance Program, they never hesitated to falsely attack and undermine these programs as threats to American civil liberties in order to win control of Congress. With the successes achieved by the surge, leading Democrats are now scrambling for a way to address the improved situation in Iraq and to find a new foreign policy issue with which to attack the administration." (Rep. Pete Hoekstra, top Republican on the House Intelligence Committee, The Politico, 7/29/08)

#### A RETURN TO THE FAILED TAX-AND-SPEND POLICIES OF THE PAST.

**Then:** "It is imperative to the future of our nation that we come together – Democrats and Republicans – and restore fiscal responsibility." (Majority Leader Steny Hoyer, 1/23/07)

**Now:** "Democrats in both House and Senate pressed ahead with budget plans that would saddle millions of Americans with higher tax bills..." (AP, 3/13/08)

"The House approved a budget blueprint that would raise taxes by \$683 billion over the next five years." (AP, 3/14/08)

"Two newly elected conservative Democrats have called the Democratic budget a tax increase on the middle class, giving even more election-year ammunition to grateful House Republicans." (The Hill, 7/9/08)

#### Democrat Promises Made, Promises Broken

#### ETHICS REFORM

**Then:** "This leadership team will create the most honest, most open, and most ethical Congress in history" (Speaker-designate Nancy Pelosi, 11/16/06)

"Pelosi any number of times declared herself 'proud' of the Democratic Congress... 'We have drained the swamp,' Pelosi said." (The Baltimore Sun, 10/9/07)

**Now:** "Democrats and Ethics: Swamp Not Drained Yet. House Democrats set some high expectations with their campaign promises to 'drain the swamp' of political corruption and run an ethical Congress. Their performance, though, has been a mixed bag." (CQ Today, 7/23/08)

#### **EARMARK REFORM**

**Then:** "Breaking with many Democrats, Ms. Pelosi also spoke out against earmarking billions of dollars for homestate projects, a practice she calls a 'monster' that hurts Congress. 'I'd get rid of all of them,' she says. 'None of them is worth the skepticism, the cynicism the public has . . . and the fiscal irresponsibility of it.'" (The Wall Street Journal, 6/13/06)

Now: "Democrats fall short on earmark reform. In 2007, when the Democrats were swept into majority positions in both houses of Congress, party leaders pledged to cut the number and cost of congressional earmarks in half. They failed. Instead, these costly pet projects are being tacked onto appropriation bills at a record rate, and House Speaker Nancy Pelosi, D-Calif., on Monday officially backed away from efforts to impose a one-year moratorium." (Nashua (NH) Telegraph editorial, 4/6/08)

#### LOBBYING REFORM

Then: "If we're ever going to have real change here, we must kill the K Street Project." (Speaker Pelosi, National Journal, 1/24/06) Now: "After 18 months in the majority and a series of unsuccessful outreach efforts to the business community, Senate Majority Leader Harry Reid (D-Nev.) has lost patience with Republican dominance on K Street and started a systematic campaign to force a dramatic realignment backed with threats of a hostile environment on Capitol Hill." (Roll Call, 6/26/08)

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#### AN INSTRUMENT OF BIG LABOR

**Then**: "'We made history and now we will make progress for the American people,' [Speaker-Elect Nancy Pelosi (D-CA)] said. 'We will not be dazzled by money and special interests.'" (Fox News, 11/16/06)

**Now:** "Big Labor flexes its muscles in Congress... The AFL-CIO "promised to remind the new rulers of Congress that labor put them there, and that unions would be back in 2007 looking for support. So far, all indications show Democrats in Congress have been happy to oblige one of their most loyal constituencies." (The Hill, 7/24/07)

"Big Labor's Hold On a Colombia Pact. Nancy Pelosi does not want to make her members cast votes on the Colombian free-trade agreement. It is unconditionally opposed by the AFL-CIO, which is uninterested in negotiating changes. ... There are enough Democratic politicians who are embarrassed by protectionist sloganeering that they would be inclined to support the Colombian free-trade agreement -- were it not for labor's intervention." (Bob Novak, The Washington Post, 4/4/08)

#### FAILURE TO HAVE AN OPEN AND BIPARTISAN LEGISLATIVE PROCESS

**Then:** "...Democrats will change the way business is done in Washington by enacting new rules to govern the House ... we will help bring civility back to the House by opening up the process and providing the minority a voice – we will also respect the rules already in place that provide for a bipartisan process." (Majority Leader Steny Hoyer, 1/3/07)

"I have a responsibility ... to make sure all of the voices of all of the members of Congress are heard out of respect for their constituents." (Speaker Pelosi, NPR's Morning Edition, 7/28/08)

**Now:** "And after promising fairness and open debate, Pelosi has resorted to hard-nosed parliamentary devices that effectively bar any chance for Republicans to offer policy alternatives." (The Politico, 7/29/08)

"Instead of dealing with the issue on the merits, House Speaker Nancy Pelosi (D-Calif.), a staunch opponent of offshore drilling, has simply decreed that she will not allow a drilling vote to take place on the House floor. Why not?" (The Washington Post editorial, 7/25/08)

"Democrats, worried about defections in the ranks, are scrambling to avoid votes on expanded drilling and this week canceled a series of Senate committee sessions that could have provided an opening for Republicans. In the House, Democrats are increasingly bringing legislation to the floor under rules that deny Republicans the chance to counter with a drilling proposal." (The New York Times, 7/24/08)

# ENERGY

#### **ENERGY**

#### FIGHTING FOR AN 'ALL-OF-THE-ABOVE' ENERGY STRATEGY

- We will increase the production of American-made energy in an environmentally-safe way.
- We will **promote new**, **clean**, **and reliable sources of energy** like advanced nuclear and next generation coal, while promoting clean power from renewable energy such as wind and hydroelectric power.
- We will cut red tape and increase the supply of American-made fuel and energy.
- We will **encourage greater energy efficiency by offering conservation tax incentives** to Americans who make their home, car, and business more energy efficient.

#### THE AMERICAN ENERGY ACT

House Republicans have transformed our "all-of-the-above" energy strategy into a single piece of legislation: the American Energy Act. The bill – a product made possible by energy policies proposed by Members throughout the House Republican Conference – will increase the supply of American-made energy, improve conservation and efficiency, and promote new and expanding energy technologies to help lower the price at the pump and reduce America's increasingly costly and dangerous dependence on foreign sources of energy.

#### Title I - American Energy

#### Outer Continental Shelf (Title I, Subtitle A)

The American Energy Act increases the supply of American-made energy by enabling the United States to responsibly explore its own deep ocean to produce American energy, which could provide an additional 3 million barrels of oil per day, as well as 76 trillion cubic feet of natural gas. The bill would give coastal states a say over whether or not to allow energy development within 100 miles of their coastlines, and give these states a share of the receipts from such development if they do allow it. A portion of the revenues created by OCS exploration would also go to a renewable energy trust fund to pay for a variety of renewable, alternative, and advanced energy programs.

#### ANWR (Title I, Subtitle B)

The American Energy Act increases the supply of American-made energy by opening the Arctic coastal plain to environmentally sensitive American energy exploration, which could provide an additional 1 million barrels of oil per day. The development footprint would be limited to 0.01% of the Refuge. A portion of the revenues created by exploration in the Arctic coastal plain would be invested in a renewable energy trust fund to pay for a variety of renewable, alternative, and advanced energy programs.

#### Oil Shale (Title I, Subtitle C)

H.R. 6566 would repeal Section 433 of the Consolidated Appropriations Act, 2008, which prohibits using funds to issue regulations for leasing oil shale resources. Our nation's shale oil resources could provide an additional 2.5 million barrels of oil per day.

#### Title II - Conservation and Efficiency

#### Tax Incentives for Fuel Efficiency (Title II, Subtitle A)

The bill creates a new tax credit for new plug-in hybrid vehicles. It also extends the tax credit for alternative fuel vehicles and the tax credit for costs associated with installing alternative fuel refueling property through the end of 2014.

#### Tapping America's Ingenuity and Creativity (Title II, Subtitle B)

The bill provides a \$500 million prize for the first U.S. automobile manufacturer to produce and sell 50,000 economically feasible, super-fuel-efficient vehicles reaching 100 miles-per-gallon.

#### Home and Business Tax Incentives (Title II, Subtitle C)

The American Energy Act provides tax incentives for businesses and homeowners who improve their energy efficiency through the end of 2013; including tax credits for energy efficient appliances and energy efficient upgrades to existing homes; a tax credit for solar electric property, solar water heating property, and qualified fuel cell property; a tax credit for individuals who purchase a new energy efficient home; a tax credit for energy efficient commercial buildings; and tax credits for home energy audits and smart meters.

#### Refinery Permit Process Schedule (Title II, Subtitle D)

The bill streamlines the regulatory process for refineries to obtain new permits and directs the President to appoint a federal coordinator to facilitate this process. The bill also requires the President to designate at least three closed military installations for the purpose of building new and reliable American refineries.

#### Title III - New and Expanding Technologies

#### Alternative Fuels (Title III, Subtitle A)

The American Energy Act allows the federal government to procure advanced alternative fuels derived from diverse sources like oil shale, tar sands and coal-to-liquid technology by repealing Section 526 of the Energy Independence and Security Act of 2007. The bill also encourages the use of clean coal-to-liquid technology by allowing the federal agencies to enter long-term contracts to buy coal-derived fuel and by authorizing the Secretary of Energy to enter into loan agreements with coal-to-liquid projects that produce innovative transportation fuel.

#### Tax Provisions for New and Expanding Technologies (Title III, Subtitle B)

The bill makes permanent the tax credit for the production of electricity from renewable sources, like wind, geothermal, and biomass. It also extends through 2013 the tax credit for investments in solar, fuel cell and microturbine property; the tax credit for clean renewable energy bonds; and the tax credits for biodiesel and renewable diesel.

#### Nuclear (Title III, Subtitle C)

The bill would eliminate barriers to the expansion of emission-free nuclear power production by promoting the recycling of spent nuclear fuel; facilitating the permitting process for nuclear waste disposal; and providing incentives for nuclear capacity development.

#### American Renewable and Alternative Energy Trust Fund (Title III, Section D)

The bill establishes the American Renewable and Alternative Energy Trust Fund to promote the development of renewable and alternative energy. Revenues for the Trust Fund are provided by receipts from new onshore and offshore oil and gas exploration. The bill provides the following framework for distribution of the revenues: 1) forest biomass development – 3%; 2) Hydroelectric production incentives – 2%; 3) oil shale, tar sands, and other strategic unconventional fuels – 3%; 4) clean coal – 7%; 5) solar and wind technologies – 7%; 6) renewable energy – 20%; 7) cellulosic biofuels incentives – 2.5%; 8) coal and related technologies production – 4%; 9) methane hydrate research – 2.5%; incentives for innovative technologies – 7%; 10) advanced biofuels production – 16%; 11) photovoltaic demonstration program – 2.5%; 12) geothermal energy – 4%; 13) marine and hydrokinetic technologies – 2.5%; 14) energy storage competitiveness – 10%; and 15) smart grid technology – 7%.

#### AMERICA LINES UP BEHIND REPUBLICAN ENERGY SOLUTIONS

- **75%**Fox News/Opinion Dynamics Poll: When all registered voters were asked whether they support increased exploration for oil in the United States immediately as a means to reducing our dependence on foreign oil, 75% responded in the affirmative, including 77% of independents and 66% of Democrats. (7/24/08)
- **73%** CNN/Opinion Research Poll: "73% of the more than 1,000 Americans surveyed from June 26 to 29 said they favored offshore drilling for oil and natural gas in U.S. waters." (7/3/08)
- **68%** Los Angeles Times/Bloomberg Poll: When all registered voters were asked whether they support increased exploration for oil and natural gas, 68% responded in the affirmative. (6/24/08)
- **Rasmussen Reports:** "According to Rasmussen, 67 percent of Americans support oil drilling off the nation's coasts and 64 percent think it will lower gas prices." (The Hill, "The Briefing Room," 6/17/08)
- 64% IBD/TIPP Poll: "Support for offshore drilling and oil shale development is also broad-based, with the former favored by 64% of respondents and the latter by 65%." (Investor's Business Daily, 7/15/08)
- **60%** Reuters/Zogby Poll: "Most Americans support more U.S. oil drilling ... Some 59.6 percent of Americans surveyed in the poll released on Wednesday said they would favor government efforts to boost domestic drilling and refinery construction to cool record prices." (Reuters, 6/18/08)

#### Ideas for Energy Events in Your District

With back-to school season upon us, families will shift from the struggle to afford the gas for family vacations to the struggle to afford the gas to drive to after-school sports and activities. Use the August district work period to remind your constituents that House Republicans have an "all of the above" energy plan to ease the pain at the pump.

**NOTE.** Several of the ideas that follow were included in a planning memo that was sent to district directors earlier in the month.

- ✓ Conduct an **in-studio radio interview**. Many of your constituents will be listening to the interview while using gas to get to work so you'll be catching them when they're most attentive.
- ✓ With reports of school districts nationwide considering switching over to four-day weeks as a result of record energy prices, meet with **school district administrators** to talk about the choices they are being forced to make.
- ✓ Begin a weekly op-ed series, with each one discussing a different plank of the GOP energy plan.
- ✓ Create a dedicated energy section on your website. Provide a forum where constituents can share their "energy saving" tips.
- ✓ Tape a radio actuality using the Conference radio actuality service. Send it around to all your local radio stations and reporters.
- ✓ Hold a press conference at your **local police or fire department** to discuss how gas prices have affected their day to day operations.
- ✓ Hold an energy roundtable where you hear from representatives of the different alternative and renewable fields, including nuclear, clean coal, solar, and wind power. Hold a press event afterwards reviewing the input you will be taking back to Washington after Labor Day.
- ✓ Hold a multi-day media tour focused on nuclear energy initiatives, such as the one Rep. Upton held.
- ✓ Hold a **reverse town hall meeting**, during which constituents have the opportunity to share their personal stories about how record gas prices affect their lives. **Follow up** on their stories.
- ✓ Reach out to the **local AARP** to let them know you are working to address the energy concerns of our seniors.
- ✓ One way to demonstrate concern about rising gas prices is to discuss your record on alternatives. Invite the public to take part in a public showcase on advanced vehicle technologies and prototypes; including hydrogen fuel cell, hybrid, plug-in hybrid, and flex fuel vehicles. Presentations would be given by auto makers, local auto dealers, scientists and engineers from local universities.





#### FACT-CHECKING DEMOCRAT ENERGY CLAIMS

**MYTH:** House Republicans are obstructing Democrat attempts to lower gas prices.

<u>FACT:</u> Only House Democrats stand in the way of lower gas prices – and they know it. That's why they have gone to extreme lengths – essentially shutting the government down – to avoid holding a pro-production vote. House Republicans are ready to sit down and talk about a comprehensive solution to our energy crisis – any place, any time.

**MYTH:** Democrats have pushed for "use-it-or-lose-it" legislation. This legislation would force American energy companies to produce on leases they are currently holding before they would be allowed to secure new permits.

**FACT:** Use it or lose is already the law of the land.

Earlier this month, **Randall Luthi**, director of the Minerals Management Service, told the AP: "If a company gets to the end of those terms and they're not making significant progress — and I do mean significant progress toward actually producing — those leases come back and we sell them again."

According to **FactCheck.org**, "there are a lot of steps and procedures involved in setting up a productive oil well on leased land, offshore or on, and a lot of activity on leased lands that does not qualify as 'production.'

"For 2006, the federal Bureau of Land Management reported there were 77,257 productive onshore well in the U.S., but also more than 15,000 holes that were being proposed, being started or being finished that don't count as "productive"—and that doesn't include exploratory holes."

Any number of independent – and Democrat – voices have debunked the "use-it-or-lose-it" canard.

For instance, **Rep. Gene Green (**D-TX), a member of the Energy and Commerce Committee, said last month: "You can't produce on every acre or even every 100 acres. I think those numbers come from people who don't understand this business."

Additionally, the **Charleston Daily Mail**, the home-state paper of the legislation's main sponsor, **Rep. Nick Rahall** (D-WV), stated in an editorial: "Rahall's bill is yet another pitiful attempt to avoid doing what clearly needs to be done – make more U.S. reserves available to U.S. companies."

<u>MYTH:</u> There's no reason to produce more hydrocarbons here at home. The real cause of high gas prices is the Wall Street speculators who are manipulating the markets.

**FACT:** Left, right, and center – economic and energy experts say insufficient supply is the cause of record energy prices, not so-called "speculators."

Federal Reserve Chairman Ben Bernanke said in congressional testimony earlier this month: "The most important cause is the global supply-and-demand balance. The fact that oil, for whatever reason, and there are a number of reasons, has not kept up with oil production, has not kept up with the growth and demand for oil, particularly in emerging market countries which are growing quickly and industrializing."

Liberal economist Paul Krugman calls the speculation argument "nonsense." He wrote last month that "the mysticism over how speculation is supposed to drive prices drives me crazy, professionally ... A futures contract is a bet about the future price. It has no, zero, nada direct effect on the spot price."

Oilman-turned-wind advocate T. Boone Pickens called a probe into whether speculators had manipulated oil prices a "waste of time," telling Bloomberg News last month: "There's nothing to it to start with. That's not what's happened. You have 85 million barrels a day of oil available in the global energy market and 86.5 million barrels a day of demand. So the price of oil is going to go up until you can kill demand."

**MYTH:** ANWR is a pristine area. We shouldn't disrupt the fragile environment by drilling there.

**FACT:** The 1002 Area of the Arctic Coastal Plain is not designated as wilderness; there are no trees, deepwater lakes, or mountain peaks. Winter temperatures are often as low as -30 degrees Fahrenheit. It is without sunlight for 56 days of the year. And above all, local Alaskans want section 1002 to be developed for oil and gas.

**MYTH:** Drilling in ANWR would save consumers less than 2 cents per gallon, and would take at least 10 years to come online.

<u>FACT:</u> This tired line of defense has been used by Democrats for years. Most notably, these same critics opposed opening ANWR in 1995. Ultimately, producing more American energy, while helping to control and reduce demand – policy that Republicans and the American people favor – will help drive down the price of gas.

Further, more domestic production would have a near immediate effect on long-term commodity speculation, even though the resources would not come to market for years (observe, for instance, the way prices have edged down since the President announced the lifting of the executive ban on OCS exploration.)

Most importantly, Republicans are not advocating a drillonly policy – we believe increasing America's energy security will require an 'all of the above' approach.

**MYTH:** If an American energy producer finds oil and gas, they can extract resources immediately, and get them to market.

<u>FACT:</u> The production process is incredibly burdensome and layered with red tape. Companies are forced to conduct lengthy environmental impact studies, expand infrastructure to move resources, and often face onerous legal action.

**MYTH**: Offshore oil and gas production will cause irreversible environmental damage to our nation's shores.

**FACT**: While many claim that drilling causes immense environmental harm, nearly all spills are the results of tankers moving oil from one country to another. Natural seepages play a major factor, as well. According to the U.S. Department of Interior, offshore operators produced 7 billion barrels of oil from 1985 to 2001 with a spill rate of only .001%.

<u>MYTH:</u> More domestic exploration and production will not have an affect on gas prices.

<u>FACT:</u> The principal cause of record high gas prices is because demand is outpacing supply. And with an ever growing demand in the global market for oil – with emerging nations, especially China and India, playing significant roles – the energy America traditionally had access to is no longer. Therefore, America will need more of all forms of energy to remain competitive. And while alternatives and renewables are slowly coming onto line, we must produce more of our traditional resources here at home.

### LOOKING AHEAD TO SEPTEMBER: A Pro-Production Vote in the House?

- On September 30, the congressional ban on exploration for oil and natural gas off the Outer Continental Shelf (OCS) will expire, as will the ban on funding the finalizing of oil shale program regulations.
- Because of Speaker Pelosi and House Democrats' continued refusal to consider legislation that will create
  new American-made energy, more than 85 percent of the OCS remains off-limits. Unlocking these
  potential resources is critical to easing the pain at the pump and breaking our dependence on foreign oil.
- Because the ban is usually included in the annual Interior spending bill and the do-nothing Democrat
  Congress has essentially shut down the Appropriations process a ban will have to be included in any
  continuing resolution (CR) to keep the government up and running in the new fiscal year.
- Of course, Democrats could opt not to include the congressional ban in the CR, which would mark a
  victory for the American people. Given the lengths Democrats have gone to in order to avoid a proproduction vote, this scenario is highly unlikely.
- The stakes for this debate could not be higher. One commentator recently wrote on National Review Online: "Democrats are sufficiently committed to maintaining the ban that they could even be willing to force a government shutdown in September, or dare the Republicans to force one."

# ECONOMY

### ECONOMY FIXING A BROKEN WASHINGTON

- We will lower gas prices
- We will cut the pork
- We will stop the tax hike
- We will fix Washington to ensure long-term economic growth

#### I. LOWERING GAS PRICES

We'll <u>lower gas prices</u> by increasing supply, expanding environmentally sound production of American energy, promoting new technologies to deliver new, cleaner energy and provide incentives to increase our energy efficiency – implementing energy reforms long delayed at America's expense by short-sighted Democratic politicians, including increasing environmentally-responsible production of oil and natural gas in areas such as the Alaskan coastal plain and deep ocean energy zones.

#### II. CUTTING THE PORK

- We will <u>restore fiscal responsibility</u> in Washington by reining in spending and balancing the federal budget by 2012 without raising taxes.
- We will enact <u>an immediate moratorium on</u> <u>congressional earmarks</u> and establish a bipartisan panel to fundamentally reform how Washington spends taxpayer dollars.
- We will <u>reduce the size of government</u> by making it more efficient and transparent while eliminating duplicative or wasteful programs.
- We will <u>limit the growth of federal spending</u> to a level families can afford by adopting a spending limit that would prohibit federal spending from growing faster than the economy except in time of war or national emergency.
- Instead of giving tax breaks to rich trial lawyers, we will <u>enact reforms to stop lawsuit abuse</u> and prevent American jobs from being destroyed by abuse of the legal system.

#### III. STOPPING THE TAX HIKE

- We will stop the largest tax increase in American history on workers, parents, married couples, small businesses, and those saving for retirement. We will offer new tax breaks for Americans including eliminating the unfair Alternative Minimum Tax and making the Internet permanently tax-free.
- We will end a tax code that is too long, too complex and too unfair by providing individuals an alternative, two-tier flat tax system that can be filed on one page. Taxpayers can choose the new, simplified system or

- stay with the current tax code—whichever option suits them.
- We will <u>make the tax code more family-friendly</u> by reforming the child tax credit and lowering taxes on retirement benefits.

#### IV. FIXING WASHINGTON TO ENSURE LONG-TERM ECONOMIC GROWTH

- To encourage a welfare safety net that fosters marriage and work, we will extend many of the current welfare work requirements to other programs namely food stamps and housing so that those who are not old, young, or disabled are either working in the private sector or serving in their community.
- We will <u>strengthen education</u> by supporting increased state and local control and flexibility, increasing parental options through school choice, and encouraging states to provide extra support for good teachers through teacher performance pay initiatives.
- We will tear down barriers that prevent U.S. products from being sold abroad. We will reject policies that retreat from world trade and segregate America from the rest of the world, in favor of policies that level the playing field for American employees and employers and give our workers the ability to go toe-to-toe with workers overseas.
- We will <u>level the playing field for American workers</u> and start importing jobs here by cutting taxes on those who create American jobs.
- We will <u>save Social Security and Medicare</u> by reforming these programs to put them on a fiscally responsible path, address their unfunded liabilities, and ensure they can continue to meet the needs of future generations of seniors.
- We will <u>strengthen homeownership</u> in America through a series of reforms that encourage home purchases and help needy homeowners who are truly victims.
- We will <u>reform and improve our current health care system</u>. The House GOP health care reform plan includes reforms that will help small businesses deal with skyrocketing health care costs and help patients by broadening the array of health insurance choices available to them by allowing them to purchase health plans available in other states.

#### Ideas for Economy Events in Your District

There's no question this is a challenging time financially for working families, small business owners, and Americans from all walks of life. Use the August district work period to talk about your pro-growth agenda of tax relief and fiscal restraint.

**NOTE.** Several of the ideas that follow were included in a planning memo that was sent to district directors earlier in the month.

- ✓ Hold a **housing foreclosure workshop**. Have experts on hand who can answer homeowners' questions, point them in the right direction, and most importantly, arm them with the tools needed to detect potential fraud.
- Dedicate a section of your web site to **housing resources**; this will help ensure that the information homeowners need is right at their fingertips.
- ✓ Hold a **roundtable with small business owners** helped by tax relief you have fought for.
- ✓ Hold a **job fair** in your district. Invite local businesses to recruit employees.
- ✓ Volunteer to help out on a Habitat for Humanity project.
- ✓ Host a seminar for future college freshmen and their parents on creating a budget for the school year invite local Republicans to offer their insights.
- ✓ Host an Employee Town Hall: Members can schedule a time to tour local businesses to see how their day-to-day operations work. This is a good opportunity to highlight the important role small businesses play in keeping America competitive in the global economy. After the tour, a meeting can be set up with the employer and employees to talk about their priorities and field some of their questions.
- ✓ Volunteer to **teach a civics class** at a local school, or simply arrange a meeting with students to discuss the job of being a Representative.
- ✓ Arrange **meetings with local PTA boards** to discuss the issues they face as the new school year kicks off.
- ✓ A Member can amplify their message on economic security by putting together an issue-based coalition of leaders concerned about the effects of a potential Democrat tax hike. This group would serve as an informal advisory board to the Member on the issue, and provide a constant flow of new information – primarily from the private sector.



#### Steadying the Housing Market

The Democrat housing bill was enacted into law on July 30, 2008, despite 149 House Republicans voting in opposition. Democrats ignored the opportunity to pass meaningful housing legislation to address the ongoing housing crunch, choosing instead to pass an expensive taxpayer-funded bailout for banks, lenders, and speculators. The bill included numerous other troubling provisions that will only induce more government involvement in the future.

The following talking points were put together by the Office of the Republican Whip:

#### The Government as the New Landlord

The Democrat housing bill includes a provision to grant \$4 billion for state and local governments to purchase, renovate, rebuild, and resell abandoned and foreclosed homes. State and local governments have neither the resources nor the experience to manage multiple single-family properties spread out over large areas.

Gives Irresponsible Homeowners and Speculators a Second Chance to Buy the Same Property that they Walked Away From Nothing in the Democrat housing bill prevents state and local governments from reselling foreclosed properties to prior owners who defaulted on their mortgages and walked away from their homes.

#### **House Republican Housing Principles**

- Support Homeownership. Homeownership is central to the American dream and a key part of our free economy. We need to keep the dream of homeownership within reach of middle-class families.
- Jump Start the Housing Market. The best way out of the housing crisis to get Americans purchasing homes again. The housing market needs a jump-start, not a bail-out.
- Lower Taxes on Middle-Class Families. Lower taxes on middle-class families will help increase homeownership. We cannot tax our way to a housing recovery, and higher taxes on American families will only add to the middle-class squeeze.
- Help Needy Homeowners Who Are Truly Victims. We must address the threat to our economy and help needy homeowners who are truly victims without a taxpayer bailout that rewards reckless behavior.
- Reform and Transparency. We must bring reform and transparency to the housing market and improve our overall economy, as well as ensure that this situation doesn't become a feeding frenzy of trial lawyers eager to profit from people's misfortune.
- Fairness for Responsible Homeowners. As a matter of fairness, we should stand up for Americans who saved and invested responsibly, not reward reckless behavior at the expense of those who did the right thing.
- Protection for Taxpayers. We should protect taxpayers from having to bail out speculators and scam artists.
- Stake in the Outcome. Anyone receiving government assistance should have to make a financial sacrifice and have a stake in the outcome.

#### **New Permanent Housing Trust Fund with Its Own Tax**

The Democrat bill imposes a new permanent tax on Fannie Mae and Freddie Mac, estimated to siphon more than \$700 million a year and \$9 billion over ten years to finance a big government liberal housing agenda. In the first three years these funds will pay for the Democrats' FHA "bailout" program.

#### A Handout for Left-Wing Groups

The funds handed out by the states and by the Secretary of the Treasury are supposed to go to groups with "demonstrated experience" in the authorized activities. A quick examination of current HUD grant recipients reveals that this group would include organizations like ACORN and LaRaza. In order to ensure that the new \$700 plus million a year housing trust fund wasn't used to subsidize political activities, House Republicans offered language to the Democrats this week to limit eligible recipients to those who would agree to forgo political activities and being affiliated with groups that do political work. We argued that groups receiving this money to help provide low-income and affordable housing should be focused on those activities, not politics. The Democrats rejected our language.

#### A Bailout for Banks, Lenders, and Investors

The Democrat bill unfairly bails out investors and real estate speculators who made risky investments and will now be able to dump foreclosed properties onto state and local governments. Risks of defaults that should be borne by lenders, investors and borrowers on these mortgages would be transferred to the government. This approach subsidizes risky investments and contributes to moral hazard by signaling to future market participants that their risks will be assumed by the government if their investments go bad.

#### The Democrat Tax Hike

The centerpiece of the Democrats' economic agenda is a massive tax hike on Americans from all walks of life – the poor, the middle class, families with children, families without children, family farmers, and Mom and Pop stores.

According to the Congressional Budget Office, the Democrat tax hike clocks in at \$683 billion over five years, to be exact. Here are some different ways to break down the breadth, depth, and impact of the Democrat tax hike:

#### What \$683 Billion Means

**Cutting the Child Tax Credit.** The Democrat budget would cut the child tax credit in half, from \$1,000 to \$500, after 2010. According to House Budget Committee Republicans, the Democrats' plan will burden American families an additional \$50.9 billion in taxes over the next 5 years.

**Return of the Marriage Penalty.** In 2001, the Republican Congress reduced the marriage penalty in the tax code, which arises because of the progressive rate structure of U.S. income taxes. The Democrats' budget proposal lets these tax cuts expire so that some married couples pay more taxes than if they had filed separately as singles. House Budget Committee Republicans estimate that the Democrat proposal will penalize married couples with an additional \$25.4 billion in taxes.

**Income Tax Hikes for All Americans, Including Low-Income Families.** Pro-growth GOP tax relief has lowered income tax rates for all Americans. These tax cuts include a reduced rate of 10 percent for over 100 million taxpayers in the lowest income brackets. According to the Tax Policy Center, failure to extend this tax cut will result in a \$472 billion tax increase on lower-income taxpayers over the next 10 years.

**Reducing Tax Incentives for Small Businesses.** The Democrat budget will dramatically reduce tax incentives for American small businesses, which saved an average of \$5,169 last year due to pro-growth Republican tax relief. According to the CBO, these taxes will cost small businesses an additional \$13 billion over the next 5 years.

**Death Tax.** Pro-growth policies put in place by the Republican Congress phase out the death tax by 2010. This tax penalizes families for handing down the family farm or small business to the next generation. According to the CBO, the Democrat budget will saddle these families and the American economy with a \$181 billion tax hike over the next five years.

#### Democrat Tax Hikes Affect Your Constituents

The Democrat tax hike puts the hammer to Americans from all walks of life

#### \$2,155

The amount by which a family of four with two children currently making \$50,000 annually will see their taxes go up under the Democrat tax plan. This represents a 191% increase in that family's tax bill.

#### \$1,901

The amount by which a family of four with two children currently making \$60,000 annually will see their taxes go up under the Democrat tax plan. This represents a 70% increase in that family's tax bill.

#### \$1,833

The average tax increase for 116 million Americans under the Democrat tax plan.

#### \$3,007

The average tax increase for 48 million married couples under the Democrat tax plan.

#### **\$**2,323

The average tax increase for 43 million families with children under the Democrat tax plan.

#### \$4,066

The average tax increase for 27 million small business owners under the Democrat tax plan.

#### 6 million+

More than six million taxpayers will become subject to the individual income tax under the Democrat tax plan.

### State-By-State Impact of Democrat Tax Hike

How Much Will The Democrats' Budget Raise

House Democrats' fiscally irresponsible budget will impose on American workers and businesses a \$683 billion tax hike – the largest in history. The table below illustrates how much more the average taxpayer will be paying on an annual basis under this budget.

State	Avg. Tax
	Hike
Alabama	\$2,556
_Alaska	\$2,896
Arizona	\$2,707
Arkansas	\$2,462
California	\$3,331
Colorado	\$3,093
Connecticut	\$4,311
Delaware	\$3,015
Florida	\$3,040
Georgia	\$2,743
Hawaii	\$2,716
_ldaho	\$2,598
Illinois	\$3,283
Indiana	\$2,730
Iowa	\$2,778
Kansas	\$2,863
Kentucky	\$2,563
Louisiana	\$2,642
Maine	\$2,701
Maryland	\$3,238
Massachusetts	\$3,652
Michigan	\$3,008
Minnesota	\$3,088
Mississippi	\$2,261
Missouri	\$2,825

Hike  Montana \$2,625  Nebraska \$2,802  Nevada \$2,924  New Hampshire \$3,202  New Jersey \$3,780  New Mexico \$2,345  New York \$3,658  North Carolina \$2,672  North Dakota \$2,614  Ohio \$2,716  Oklahoma \$2,561  Oregon \$2,752  Pennsylvania \$3,030  Rhode Island \$3,005  South Carolina \$2,483  South Dakota \$2,611  Texas \$2,755  Utah \$2,651  Vermont \$2,863  Virginia \$3,120  Washington \$3,065  West Virginia \$2,429  Wisconsin \$2,965  Wyoming \$3,189	State	Avg. Tax
Nebraska         \$2,802           New Ada         \$2,924           New Hampshire         \$3,202           New Jersey         \$3,780           New Mexico         \$2,345           New York         \$3,658           North Carolina         \$2,672           North Dakota         \$2,614           Ohio         \$2,716           Oklahoma         \$2,561           Oregon         \$2,752           Pennsylvania         \$3,030           Rhode Island         \$3,005           South Carolina         \$2,483           South Dakota         \$2,596           Tennessee         \$2,611           Texas         \$2,755           Utah         \$2,651           Vermont         \$2,863           Virginia         \$3,120           Washington         \$3,065           West Virginia         \$2,429           Wisconsin         \$2,965		Hike
Nevada         \$2,924           New Hampshire         \$3,202           New Jersey         \$3,780           New Mexico         \$2,345           New York         \$3,658           North Carolina         \$2,672           North Dakota         \$2,614           Ohio         \$2,716           Oklahoma         \$2,561           Oregon         \$2,752           Pennsylvania         \$3,030           Rhode Island         \$3,005           South Carolina         \$2,483           South Dakota         \$2,596           Tennessee         \$2,611           Texas         \$2,755           Utah         \$2,651           Vermont         \$2,863           Virginia         \$3,120           Washington         \$3,065           West Virginia         \$2,429           Wisconsin         \$2,965	Montana	\$2,625
New Hampshire         \$3,202           New Jersey         \$3,780           New Mexico         \$2,345           New York         \$3,658           North Carolina         \$2,672           North Dakota         \$2,614           Ohio         \$2,716           Oklahoma         \$2,561           Oregon         \$2,752           Pennsylvania         \$3,030           Rhode Island         \$3,005           South Carolina         \$2,483           South Dakota         \$2,596           Tennessee         \$2,611           Texas         \$2,755           Utah         \$2,863           Virginia         \$3,120           Washington         \$3,065           West Virginia         \$2,429           Wisconsin         \$2,965	Nebraska	\$2,802
New Jersey       \$3,780         New Mexico       \$2,345         New York       \$3,658         North Carolina       \$2,672         North Dakota       \$2,614         Ohio       \$2,716         Oklahoma       \$2,561         Oregon       \$2,752         Pennsylvania       \$3,030         Rhode Island       \$3,005         South Carolina       \$2,483         South Dakota       \$2,596         Tennessee       \$2,611         Texas       \$2,755         Utah       \$2,651         Vermont       \$2,863         Virginia       \$3,120         Washington       \$3,065         West Virginia       \$2,429         Wisconsin       \$2,965	Nevada	\$2,924
New Mexico         \$2,345           New York         \$3,658           North Carolina         \$2,672           North Dakota         \$2,614           Ohio         \$2,716           Oklahoma         \$2,561           Oregon         \$2,752           Pennsylvania         \$3,030           Rhode Island         \$3,005           South Carolina         \$2,483           South Dakota         \$2,596           Tennessee         \$2,611           Texas         \$2,755           Utah         \$2,651           Vermont         \$2,863           Virginia         \$3,120           Washington         \$3,065           West Virginia         \$2,429           Wisconsin         \$2,965	New Hampshire	\$3,202
New York         \$3,658           North Carolina         \$2,672           North Dakota         \$2,614           Ohio         \$2,716           Oklahoma         \$2,561           Oregon         \$2,752           Pennsylvania         \$3,030           Rhode Island         \$3,005           South Carolina         \$2,483           South Dakota         \$2,596           Tennessee         \$2,611           Texas         \$2,755           Utah         \$2,651           Vermont         \$2,863           Virginia         \$3,120           Washington         \$3,065           West Virginia         \$2,429           Wisconsin         \$2,965	New Jersey	\$3,780
North Carolina         \$2,672           North Dakota         \$2,614           Ohio         \$2,716           Oklahoma         \$2,561           Oregon         \$2,752           Pennsylvania         \$3,030           Rhode Island         \$3,005           South Carolina         \$2,483           South Dakota         \$2,596           Tennessee         \$2,611           Texas         \$2,755           Utah         \$2,863           Virginia         \$3,120           Washington         \$3,065           West Virginia         \$2,429           Wisconsin         \$2,965	New Mexico	\$2,345
North Dakota       \$2,614         Ohio       \$2,716         Oklahoma       \$2,561         Oregon       \$2,752         Pennsylvania       \$3,030         Rhode Island       \$3,005         South Carolina       \$2,483         South Dakota       \$2,596         Tennessee       \$2,611         Texas       \$2,755         Utah       \$2,651         Vermont       \$2,863         Virginia       \$3,120         Washington       \$3,065         West Virginia       \$2,429         Wisconsin       \$2,965	New York	\$3,658
Ohio         \$2,716           Oklahoma         \$2,561           Oregon         \$2,752           Pennsylvania         \$3,030           Rhode Island         \$3,005           South Carolina         \$2,483           South Dakota         \$2,596           Tennessee         \$2,611           Texas         \$2,755           Utah         \$2,651           Vermont         \$2,863           Virginia         \$3,120           Washington         \$3,065           West Virginia         \$2,429           Wisconsin         \$2,965	North Carolina	\$2,672
Oklahoma \$2,561 Oregon \$2,752 Pennsylvania \$3,030 Rhode Island \$3,005 South Carolina \$2,483 South Dakota \$2,596 Tennessee \$2,611 Texas \$2,755 Utah \$2,651 Vermont \$2,863 Virginia \$3,120 Washington \$3,065 West Virginia \$2,429 Wisconsin \$2,965	North Dakota	\$2,614
Oregon \$2,752 Pennsylvania \$3,030 Rhode Island \$3,005 South Carolina \$2,483 South Dakota \$2,596 Tennessee \$2,611 Texas \$2,755 Utah \$2,651 Vermont \$2,863 Virginia \$3,120 Washington \$3,065 West Virginia \$2,429 Wisconsin \$2,965	Ohio	\$2,716
Pennsylvania \$3,030 Rhode Island \$3,005 South Carolina \$2,483 South Dakota \$2,596 Tennessee \$2,611 Texas \$2,755 Utah \$2,651 Vermont \$2,863 Virginia \$3,120 Washington \$3,065 West Virginia \$2,429 Wisconsin \$2,965	Oklahoma	\$2,561
Rhode Island \$3,005 South Carolina \$2,483 South Dakota \$2,596 Tennessee \$2,611 Texas \$2,755 Utah \$2,651 Vermont \$2,863 Virginia \$3,120 Washington \$3,065 West Virginia \$2,429 Wisconsin \$2,965	_Oregon	\$2,752
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South Dakota \$2,596 Tennessee \$2,611 Texas \$2,755 Utah \$2,651 Vermont \$2,863 Virginia \$3,120 Washington \$3,065 West Virginia \$2,429 Wisconsin \$2,965	Rhode Island	\$3,005
Tennessee       \$2,611         Texas       \$2,755         Utah       \$2,651         Vermont       \$2,863         Virginia       \$3,120         Washington       \$3,065         West Virginia       \$2,429         Wisconsin       \$2,965	South Carolina	\$2,483
Texas       \$2,755         Utah       \$2,651         Vermont       \$2,863         Virginia       \$3,120         Washington       \$3,065         West Virginia       \$2,429         Wisconsin       \$2,965	South Dakota	\$2,596
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Washington \$3,065 West Virginia \$2,429 Wisconsin \$2,965	_Vermont	\$2,863
West Virginia \$2,429 Wisconsin \$2,965	Virginia	\$3,120
Wisconsin \$2,965	Washington	\$3,065
	West Virginia	\$2,429
Wyoming \$3,189	Wisconsin	\$2,965
	Wyoming	\$3,189



#### Republican Earmark Reform

House Republicans stood together in 2007 and won for taxpayers muchneeded transparency and accountability in the process by which federal dollars can be spent on Member-requested projects.

As a result of Republican efforts, earmarks in spending bills were made subject to challenge on the House floor. Democrats have refused, however, to lift the veil over wasteful earmarks in all other types of bills and bring sunshine to back-door budgeting.

This January, Republicans broke new ground in the earmark reform debate by calling for an immediate moratorium in order to allow a bipartisan commission to study ways the system could be fixed.

Though the Democrat majority instead chose to perpetuate the broken status quo and keep their earmark factory open for business, Republicans immediately instituted an unprecedented set of standards for GOP lawmakers seeking earmarks to follow, including:

- No more "monuments to me."
- No more "airdrops."
- No more "fronts" or "pass-through" entities.
- Members of Congress who request earmarks should put forth a plan detailing exactly how the money will be spent and why they believe the use of taxpayer funding is justified.
- Members of Congress should require outside earmark recipients to put up "matching funds" where applicable.

#### The Urgent Need for Entitlement Reform

Runaway entitlement spending is a generational crisis that will require a generational solution. Working families are feeling the pinch and growing increasingly restless in this challenging economic climate. If the Democrat majority in the House gets its way, middle class families will be saddled with massive tax increases while Washington punts on entitlement reform and passes the buck on fiscal restraint.

In the continued absence of reform, entitlement spending has run amok. The Congressional Budget Office has projected that, if left unchecked, federal spending on Social Security, Medicare, and Medicaid will jump from 18 percent of GDP in 2008 to 28 percent in 2050. According to the Heritage Foundation, without reform, covering the cost of providing for the retirement security of 77 million baby boomers will require raising income tax rates by at least 120 percent.

The latest Medicare Trustees' report makes clear that runaway entitlement spending is a generational crisis that will require a generational solution. While House Democrats are content to perpetuate a broken status quo in which punting is tantamount to policymaking, Republicans continue to promote and advance opportunities for reform.

- Treasury Secretary Henry Paulson's statement on the trustees' report: "If we do not take action soon to reform Social Security and Medicare, the coming demographic bulge will jeopardize the ability of these programs to support people who depend on them. Without change, rising costs will drive government spending to unprecedented levels, consume nearly all projected federal revenues, and threaten America's future prosperity. Our Nation needs a bipartisan effort to strengthen both programs for future retirees." (Statement, 3/25/08)
- Joint Report by The Brookings Institution and the Heritage Foundation: "Over the coming decades,
  maintaining current policy in the three big entitlement programs—Social Security, Medicare, and Medicaid—will
  drive federal spending up much faster than revenues, opening up a widening gap between the two. The rapid
  automatic growth in those programs is already absorbing more and more resources that could be allocated to
  other priorities. If present trends continue, the nation's deficit will reach unmanageable proportions, other vital
  public needs will be further squeezed, and/or taxes will have to rise continuously to levels that could restrict
  economic growth." (April 2008)

After punting on entitlements in their budget altogether, House Democrats voted nearly to a person against a Republican plan that provided for real entitlement reform. House Democrats passed a fiscally irresponsible budget that provides for a massive Washington spree and record tax increases, but not one iota of entitlement reform. As an alternative, Republicans offered a fiscal blueprint that called for measures to make major entitlements more sustainable while achieving savings by reducing waste, fraud, and abuse. Not even so much as a handful of House Democrats voted in favor of the responsible Republican plan. (Roll Call Vote 140, 3/13/08)

In July Democrats used a procedural stunt to shut off a legal mechanism requiring Congress to face the growing entitlement crisis: Under current law, when general taxpayer revenues provide more than 45 percent of Medicare funding for two consecutive years, Congress is required to expedite consideration of a proposal to address Medicare's financial difficulties. Democrats instead chose to ignore the entitlement crisis, leaving our children and grandchildren at risk.

# SECURITY

# SECURITY PROTECTING AMERICAN FAMILIES AT HOME AND ABROAD

American families today face an array of growing threats to their security. Because of flawed Washington policies that prohibit the production of American-made energy, gas prices are skyrocketing, and America's energy supply is vulnerable to manipulation and blackmail by foreign dictators. Illegal immigration continues and our borders are still open. In many communities, crime is on the rise. And our intelligence agencies still do not have all the tools they need to stay one step ahead of the terrorists who seek to kill innocent Americans here at home.

This has to change. Washington is broken. It will take a Republican Congress to fix it.

A Republican majority will work to lower gas prices and make America more energy independent, secure our borders once and for all, take on the rising criminal threats in our communities, and give terrorists plotting new attacks no place to hide. Here is how we will do it:

- We will <u>lower gas prices</u> and <u>move America away from its dangerous dependence on foreign oil</u> through an "all of the above" energy reform strategy.
- We will continue to fight for <u>a more democratic, stable, and secure</u> world by preemptively combating terrorism, preventing the proliferation of nuclear weapons, and isolating rogue nation states.
- We will <u>support our troops in harm's way</u>, take care of our veterans and make sure our reservists and National Guard receive the benefits they have earned through their service.
- We will <u>crack down on the gangs in our communities</u> by establishing anti-gang task forces across the country and impose tougher penalties on gang-related crimes.
- We will <u>protect our children</u> through new laws to stop sex predators before they harm kids, and ensure that a child cannot be transported across a state border for an abortion without the consent of a parent or legal guardian.
- We will combat cybercrime and help Americans protect their personal information from identity theft.
- We will continue to **combat the drug epidemic** in our country and impose tougher penalties for trafficking the drugs that are destroying our communities.
- We will bring state-of-the-art technologies and old-fashioned American might to bear in **securing our borders** and our ports.

#### Ideas for Security Events in Your District

**NOTE.** Some of the ideas that follow were included in the planning memo that was sent to district directors earlier this month.

- ✓ Hold an event with veterans groups to discuss the new GI benefits in the troop funding bill that Republicans pushed to have included.
- ✓ Visit with patients in **veterans hospitals** bring "get well" and "thank you" cards from constituents.
- ✓ Invite veterans to attend a **local baseball game** and host a pre-game cookout for veterans and their families.
- ✓ Host a roundtable on Internet safety and security for parents.
- ✓ Hold a "Military Academy Day" where you invite representatives from each military service branch, students, parents and guidance counselors who are interested in information about attending military service academies.
- ✓ Tape a video message to send to your local troops overseas.
- ✓ Present an **engraved Bible** to the families of soldiers who have fallen from the line in Irag or Afghanistan.
- ✓ Visit whatever point of entry you may have in your district whether it's a border crossing, an airport or a port to discuss your ongoing commitment to homeland security.

#### TERRORIST SURVEILLANCE LAW

#### a Victory for American People

<u>House Republicans closed the terrorist loophole.</u> The terrorist surveillance bill the President signed into law is the result of more than a year's work on the part of House Republicans. When the Administration called on Congress to modernize our terrorist surveillance laws, it was House Republicans who acted first, with one goal in mind: preventing the next planned terrorist attack on our homeland.

House Democrats finally allowed commonsense to prevail 125 days after they recklessly allowed the Protect America Act to expire. Make no mistake, this law is a victory for our intelligence community and the American people, but it should have come sooner, especially given the fact that the Senate passed a perfectly acceptable bipartisan bill in February.

This law gives our intelligence community the tools it needs to do its job and protect the American people. This law will make certain that our intelligence officials will have the ability to initiate foreign surveillance on foreign targets. At the same time, after-the-fact court review will be permitted.

This law does right by the telecommunications companies who have patriotically assisted the government in protecting the American people, just as any other American would if asked to help. This bill ensures that the process by which telecommunications companies receive liability protection is not subject to a feeding frenzy of trial lawyers. This legislation instructs federal district courts to dismiss civil suits filed against companies that may have provided or are believed to have provided this critical assistance after being directed to do so by the federal government after the Sept. 11, 2001 terrorist attacks.

<u>This law provides strong civil liberties protections.</u> Republicans and Democrats worked together to guarantee that constitutional rights would not be compromised. In fact, this law provides for FISA court review of future surveillance authorizations and federal district court review of civil liability determinations.

### Landmark Troop Funding Bill a Victory for Troops, Taxpayers and the American People

House Republicans fought for, and won, an emergency troop funding bill that provides the resources our troops need to succeed without micromanaging their mission. The emergency troop funding bill signed into law by the President includes funding for operations in Iraq and Afghanistan through next spring. This bill does NOT include any provisions that would force our commanders on the ground to adhere to policy restrictions that would endanger the success of their mission.

With their success on the battlefield, our troops have earned this vote of confidence from the Congress. By joining Republicans in supporting a troop funding bill without restrictions that would undermine our mission in Iraq and Afghanistan, Democrats have tacitly acknowledged the failure of their misguided slow-bleed strategy, and in turn, validated the progress our military has achieved on the ground in Iraq.

This supplemental provides for a long-overdue modernization of the Montgomery GI Bill by ensuring those who have served our country – or their families – receive the best education benefits this government can provide them. Republicans and Democrats agree on the need to enhance and modernize GI educational benefits. What Republicans fought for, and won, is a landmark reform that will allow veterans returning from Iraq and Afghanistan to transfer these benefits to his or her spouse and children.

House Republicans successfully kept Democrat tax increases and \$8 billion in unrelated Washington spending out of this funding bill for the troops. Because of House Republicans, this legislation does not include the Democrats' massive tax hike on small business owners – who are responsible for creating most of our economy's new jobs. The same goes for the new Washington spending Senate Democrats had been pursuing.

#### Afghanistan Status Report: JULY 2008

#### (Courtesy of the Department of Defense)

#### QUICK FACTS

#### U.S. Strategic Goals for Afghanistan:

- a moderate, democratic state, with a thriving private-sector economy;
- · capable of effectively governing its territory and borders;
- respectful of the rights of all its citizens, including minorities and women; and
- a reliable, stable, geo-strategically placed ally in the War on Terror.

#### **U.S. Troop Commitment:**

Currently, there are 30,700 U.S. troops in Afghanistan, of which:

- 16,500 serve in Operation Enduring Freedom (OEF)
- 14,200 serve in the NATO International Security Assistance Force (ISAF)

#### Non-U.S. Troop Contributions:

Non-U.S. nations contribute 30,500 troops.

#### Afghan National Security Forces:

Currently, there are 138,000 Afghan National Security Forces, of which:

- Afghan National Army: 63,200
- Afghan National Police: 74,800

#### Provincial Reconstruction Teams (PRTs)

26 PRTs have been established in 26 of Afghanistan's 34 provinces, of which:

- 12 are led by the U.S.
- 14 are led by other nations.

#### **DEVELOPMENTS IN AFGHANISTAN**

"Clearly we have a long way to go but we are making strides. We are forcing more contact with the enemy on our terms. And we are having a positive impact. Regardless of the difficulties ahead, and there will be difficulties, I fully expect to continue to make progress in Afghanistan." - Adm. Mike Mullen (7/16/08)

At the June 2008 Paris Conference on Afghanistan, the international community pledged more than \$20 billion for reconstruction and development.

Secretary Gates has extended deployment of the 24th Marine Expeditionary Unit (MEU) to November 2008. The 24th MEU is conducting counterinsurgency operations in the volatile southern region of Afghanistan.

On June 9, Afghan forces, with the help of DEA, ISAF, and others, seized over 260 tons of hashish -- the largest such seizure in history.

Other developments in Afghanistan include:

- Education: 98% of boys and 68% of girls in Regional Command East (which includes the provinces of Paktika, Ghazni, Bamyan, Maydan Wardak, Logar, Khowst, Nangahar, Kabul, Parwan, Laghman, Kunar, Nuristan and Panjsher) now attend school.
- *Economy:* The legitimate economy is growing faster than the narco-economy, and for the first time in 10 years, the grain harvest was sufficient to meet domestic consumption.

#### Iraq Status Report: JULY 2008

(Courtesy of the Department of Defense)

#### **SECURITY**

Security incidents are the lowest in more than four years. In just the last year, since June 2007:

- Overall attacks have decreased 82%
- Civilian deaths have decreased 78%
- Iraqi Security Forces (ISF) deaths have decreased 73%
- U.S. military deaths have decreased 72%
- IED explosions have decreased 75%

Iraqi Security Forces capability increasing as Coalition forces are being reduced

- Over 72% of Iraqi Army Combat Battalions are assessed by U.S. commanders as "in the lead" for operations
- Over 21,000 Sons of Iraq have transitioned to the ISF

#### **GOVERNANCE**

- 20 Laws approved so far by the Council of Representatives in 2008.
- Coalition Forces have transitioned <u>10</u> of <u>18</u> provinces to Provincial Iraqi Control (PIC) with the possibility of two
  more plus Al Anbar.
- Over 305,000 visitors since voter registration for Provincial Elections began on 15 JUL. with no significant issues
  or events.
- Government of Iraq (GoI) security operations in Basra, Mosul, Sadr City, and Amarah are expanding effective GoI control.

#### DIPLOMATIC

Gol domestic security successes have fostered international confidence in Irag.

- Jordan, UAE, Kuwait, and Bahrain have committed to reopening embassies in Iraq in the near term.
- Egypt ready to send fact-finding delegation to Baghdad to evaluate opening an embassy.
- · The UN is increasingly involved in Iraq.
- Turkish officials met with Iraqi President and Kurdish leaders.

#### **ECONOMIC**

Iraq is seeing improvements in infrastructure and agricultural, increased banking activity, record oil exports and government budget execution.

- · Iraq signed agreement to purchase \$5.5 billion in Boeing and Bombardier commercial aircraft.
- Irag's Ministry of Education announced \$5B allocated for schools and teaching posts.
- A new 5-Star hotel broke ground inside the International Zone in July.
- Fish farming has come back to life in Iskandariyah located in an area once called the "triangle of death," fish farming is revived.
- Oil production has risen 400,000 barrels per day since last September and recently surpassed pre-liberation levels; Ministry of Oil is pursing international oil deals.
- Gol committed \$270 million in Iraqi CERP funds for infrastructure and essential services projects.

### HEALTH CARE

#### **HEALTH CARE**

### LOWERING COSTS AND GUARANTEEING ACCESS

There are millions of Americans who want health insurance but cannot afford it, and hundreds of thousands of low-income children are still uninsured. Health care costs continue to rise far faster than inflation, causing wages to stagnate and squeezing the budgets of families also suffering from high gas prices. Instead of solutions, the Democratic Congress has offered more of what ails our health care system: more lawsuits, more bureaucracy, and diminishing choices for patients and their families. This has to change.

A House Republican majority <u>will work to guarantee access to affordable, high-quality, patient-centered health care for every American</u>. Instead of forcing Americans into a Washington-run health care program, we will pass reforms to <u>reduce costs and ensure personal healthcare decisions are made by patients, their families and their doctors</u>. Here is how we will do it:

- We will <u>reform the tax code so that all Americans can afford a quality health insurance plan and keep it</u>. By leveling the playing field between those who don't have employer-provided health insurance and those who do, we will make health coverage more affordable and <u>empower you to keep your own health insurance plan</u>, even if you decide to retire early or change your job.
- We will make health insurance more affordable by <u>allowing families to enroll in plans available in other states</u> if those plans better meet their needs.
- We will enhance Americans' control over their own health care by expanding the availability of <u>tax-free health</u> <u>savings accounts</u> so they can use their own money wisely on health care benefits they need today, save for their future health care needs, and spend more time seeking preventative care.
- We will fight to <u>reform frivolous lawsuits</u> that are driving up costs and reducing patient access to care, and <u>reverse the dangerous shortage of physicians in high-risk practices</u> like obstetrics and surgery by <u>reforming our medical liability system.</u>
- We will <u>help small business owners afford health insurance for their employees</u> by allowing them to purchase coverage at similar rates as large corporations and government agencies.
- We will <u>make medical bills more transparent and easier to understand</u> in order to increase competition and empower individuals to know they aren't being overcharged.
- We will improve health care quality in America by <u>expanding the use of health information technology and</u> <u>electronic medical records</u>.
- We will provide more effective care and more choices for our seniors.

#### Ideas for Health Care Events in Your District

Use this district work period to educate and inform your constituents on our health care initiatives.

**NOTE.** Some of the ideas that follow were included in the planning memo that was sent to district directors earlier this month.

- ✓ Put together a **health care media blitz** that encompasses the different facets of your plan.
- ✓ Visit **children's hospitals**; bring trained therapy animals if the hospital allows it.
- ✓ Conduct a tour of a community health center.
- ✓ Host a roundtable for health care professionals to discuss new healthcare initiatives.
- ✓ Host a cable access show dedicated to health care, invite various experts to join you as guests.

#### Health Care Update



#### **SCHIP**

Republicans remain committed to ensuring low-income children have access to top-quality, affordable health care. Although there were 700,000 low-income children already eligible for the State Children's Health Insurance Program but not enrolled, Democrats insisted on expanding SCHIP beyond its original scope, including extending coverage originally intended for low-income children to adults, illegal immigrants and families making more than \$80,000 a year. Because Republicans demanded that poor children be covered first, Congress passed an extension of the SCHIP program through March 31, 2009 to ensure children covered by this important program experience no gaps in coverage.

For fiscal year 2007, approximately 7.1 million children were enrolled in SCHIP and states reported enrolling 587,000 adults in the program.

#### MEDICARE ADVANTAGE

Medicare beneficiaries enrolled in Medicare Advantage have 58 percent less cost-sharing than those enrolled in traditional Medicare, resulting in \$800 of savings each year. According to results from a survey conducted by the Consumer Assessment of Healthcare Providers and Systems, more than 60 percent of Medicare beneficiaries are satisfied with their overall health care and Medicare Advantage plan. In addition, Medicare Advantage enrollment has surged to 9 million enrollees, which is 4.3 million above the 2004 enrollment level.

#### MEDICARE TRIGGER

Democrats held a vote on a resolution to abolish an important fiscal responsibility tool passed by the Republican led Congress to help keep the Medicare program financially sustainable. They voted to eliminate the so-called "Medicare trigger," which requires the President to submit legislation to Congress to improve Medicare's solvency if the program relies on general revenues to fund more than 45 percent of its costs. Republicans created this trigger to focus the Congress' attention on Medicare's troubling financial outlook.

According to Treasury Secretary Henry Paulson, "The 2008 Medicare Trustees Report shows that the Medicare program poses a far greater financial challenge than Social Security. Medicare faces the same demographic trends as Social Security, and, in addition, the system must cope with expected large increases in health care costs. Medicare's annual costs were 3.2 percent of GDP in 2007, or nearly three-quarters of Social Security's, but are projected to surpass Social Security expenditures in 2028 and reach nearly 11 percent of GDP in 2082, compared to 5.8 percent for Social Security.

"Cash flow for the Hospital Insurance (HI) Trust Fund is projected to be negative this year and for all subsequent years. The HI Trust Fund is projected to become insolvent in 2019, the same as projected in last year's Report.

"The Supplementary Medical Insurance (SMI) Trust Fund, which includes Part B for outpatient services and the new Part D prescription drug benefit, is financed in large part by general revenues as well as beneficiary premiums. SMI expenditures are projected to increase rapidly, resulting in growing pressures on future federal budgets and, in turn, the U.S. economy. General revenue financing for SMI is expected to increase from about 1.3 percent of GDP in 2007 to over 4 percent in 2082, with continued increases beyond 75 years."

#### Medicare Part D Update

#### MEDICARE PRESCRIPTION DRUG BENEFIT

Currently 25.4 million Medicare beneficiaries are enrolled in Part D and Medicare Advantage with Part D plans, of this amount 9.4 million are receiving low-income subsidy assistance. Nearly 90 percent of all Medicare beneficiaries receive some type of prescription drug coverage from either Medicare part D, former employer coverage, or other sources.

The cost of the Medicare Drug benefit over the next ten years is 40 percent lower than originally estimated.

Medicare beneficiaries on average have a part D premium of \$25 per month. The Democratic alternative to the Republican-passed bill would have set the cost of the monthly premium at \$35.

#### State-by-State Enrollment in Prescription Drug Plans

	Seniors Eligible for	Seniors Enrolled in Medicare	% Seniors with
State	Medicare Drug Coverage	Drug Coverage	Drug Coverage, including VA and other plans
Alabama	691,227	573,151	87.04%
Alaska	47,329	37,589	81.85%
Arizona	728,174	608,775	85.87%
Arkansas	426,352	348,331	85.34%
California	3,844,890	3,433,693	87.24%
Colorado	485,763	401,930	86.09%
Connecticut	459,427	401,041	85.05%
Delaware	117,749	100,790	85.83%
District Of Columbia	59,243	37,737	79.80%
Florida	2,712,095	2,269,854	86.05%
Georgia	949,579	782,704	84.50%
Hawaii	162,420	131,011	85.25%
Idaho	172,602	139,973	82.87%
Illinois	1,476,985	1,301,771	84.26%
Indiana	794,198	688,754	83.82%
lowa	431,847	368,807	86.11%
Kansas	344,839	280,452	83.54%
Kentucky	605,946	523,477	84.74%
Louisiana	546,618	473,927	84.86%
Maine	199,230	164,925	80.25%
Maryland	603,111	456,381	82.56%
Massachusetts	848,430	745,162	84.56%
Michigan	1,312,528	1,200,298	84.59%
Minnesota	645,715	564,504	87.76%
Mississippi	402,096	331,051	85.35%
Missouri	815,141	692,936	85.61%
Montana	130,059	103,771	82.70%
Nebraska	236,756	196,807	88.19%
Nevada	270,540	218,103	84.11%
New Hampshire	155,595	124,813	77.66%
New Jersey	1,059,578	928,259	83.69%
New Mexico	244,066	199,192	84.92%
New York	2,403,204	2,153,462	84.00%
North Carolina	1,176,841	1,010,397	86.02%
North Dakota	94,068	78,649	89.24%
Ohio	1,567,112	1,399,390	86.44%
Oklahoma	475,725	382,269	83.70%
Oregon	480,725	405,332	84.17%
Pennsylvania	1,873,667	1,630,966	85.34% 96.37%
Rhode Island South Carolina	151,725	128,008	86.27% 95.5004
	601,332	492,397	85.59% 88.73%
South Dakota Tennessee	115,323 847,357	92,102 726 764	88.73% 86.45%
Texas	847,357 2,336,223	726,764 1,946,791	86.45% 85.42%
Utah	214,500	168,328	83.62%
Vermont	87,488	74,080	85.23% Source: Centers for Medicare
Virginia	873,556	651,043	82.73% and Medicaid Services
Washington	705,150	571,777	80.03%
West Virginia	319,376	275,445	86.58% January 2008
Wisconsin	658,860	565,993	76.53%
Wyoming	61,795	48,195	82.74%
,	5.,700	10,100	<b>VE</b> .1.70

#### Medicare Physician Payment Reform

#### BACKGROUND

The Medicare Improvements for Patients and Providers Act (H.R. 6331) included a provision that prevented a 10.6% cut in Medicare physician reimbursements from taking place on July 1, 2008. Instead, physician payment rates will now be frozen for the last 6 months of this year and will be increased by 1.1% payment in 2009 (avoiding a 5% cut).

In order to pay for this payment increase, the Democrat bill cut Medicare Advantage (MA) plans by nearly \$50 billion over the next 10 years. MA plans provide beneficiaries with an alternative to the government-run program, often times offering additional benefits and lower cost sharing. This bill requires Private Fee-For-Service (PFFS) MA plans in 96% of counties to form provider networks like HMOs. Currently, PFFS plans generally allow enrollees to see the physician of their choice. More than 9 million beneficiaries have enrolled in an MA plan, including more than 2 million in a PFFS plan.

#### REASONS FOR MEMBERS TO VOTE NO:

- I have long supported preventing physician payment cuts in Medicare.
  - Cite the following votes: FY03 omnibus appropriations bill; Medicare Modernization Act of 2003 (fixed payments for 2004-05); Deficit Reduction Act of 2005 (fixed payments for 2006); Tax Relief and Health Care Act of 2006 (fixed payments for 2007); Medicare, Medicaid, and SCHIP Extension Act (fixed payments for the first 6 months of 2008).
- However, this time, we were given a false choice, increase physician payments by eliminating the health plans for more than 2 million Medicare beneficiaries (including XX in my district).
  - o Point to MA PFFS enrollment in your district/state (you can contact Ways and Means staff for this info)
- While this bill permanently repeals the current Medicare plan for more than 2 million Medicare beneficiaries (including XX in my district), this temporary patch does nothing to resolve the underlying physician payment problem. In fact, this bill will result in a 20% cut in physician payments in 2010.

#### REASONS FOR MEMBERS TO VOTE YES:

- Had Congress not acted to avert a 10.6% cut to physician payments, Medicare beneficiaries may have had a problem finding a doctor who was willing to treat them. If Medicare physicians had been hit with a 10.6 percent cut, they may have been forced to stop seeing Medicare beneficiaries, leaving many seniors without access to health care services.
- The Medicare physician payment formula is in need of real reform and it is my hope that this will buy us the time Congress needs to address the issue. The Medicare physician payment formula is in need of real reform, not patches each year. It is my hope that Congress will finally address this important issue and fix the physician payment formula to ensure doctors are adequately reimbursed.

#### FUNDING FOR VA HEALTH CARE INCREASED

(Courtesy of Veterans Affairs Republicans)

Republicans are committed to ensuring that the men and women serving in our armed forces are given the access to healthcare they deserve both while serving their country and after their service:

- Republican budgets enabled VA to care for a record number of high-priority patients, those veterans counting on us the most, including veterans of Operation Iraqi Freedom and Operation Enduring Freedom.
- Over 5.8 million veterans will receive health care services this year, almost double the amount of patients who
  received treatment in FY 1995 and one million more than just five years ago.
- VA leads the health care industry in computerized records, patient safety and standards for high-quality care.
- More than 90 percent of veterans receive primary care within 30 days of their desired date, and more than 90 percent of veterans seeking specialty care receive it within 30 days.

## APPENDIX

### FACT SHEET: Democrats Lead Appropriations Process to a Historic Failure

MAJORITY PUTS FUNDING FOR VITAL PROGRAMS AT RISK OVER FEARS OF DOMESTIC ENERGY VOTES

#### The following talking points were put together by Appropriations Committee Republicans:

The Democrat leadership in the House and Senate has put the annual Appropriations process on hold because of a lack of political courage in taking votes in Committee and on the floor on domestic energy production. This is an irresponsible and incompetent way to run our government and will have detrimental effects on critical federal programs nation-wide. Moreover, this stalling tactic will also prevent reasonable energy solutions to lower gas prices from even being considered by the Appropriations Committee or the House.

#### Stalled Appropriations Process is a Historic Failure

It has been 26 years since the House has been this far behind in the annual Appropriations process – with only one bill passed by the August recess.

The Democrat leadership has laid blame on the White House for these delays – citing veto threats as the excuse for not doing Appropriations bills. However, history has shown that objections by the White House have not prevented this work before. In fact, even with outstanding veto threats in 2000 and 1992 – final years of the Clinton and Bush Administrations, respectively – the House and Senate still managed to pass all Appropriations bills and have them signed into law before the end of the each Administration.

#### <u>People</u> – The Majority is Taking Exceptional Steps to Avoid Energy Votes

Despite the fact that energy prices are the most important issue to the American people today, the Democrat majority would rather scrap appropriations work altogether, effectively freezing alternative energy programs at current levels and maintaining the bans on domestic energy development both offshore and onshore.

These stalling tactics mean that critical provisions to lower gas prices – such as lifting the moratorium on energy exploration on the outer continental shelf, removing language that restricts domestic oil shale development, and opening of the Arctic National Wildlife Refuge (ANWR) to energy exploration and production – will not receive an up or down vote, nor even be debated and discussed in Committee or on the Floor.

It is unconscionable for this Democrat-controlled Congress to leave for the August recess without considering these Appropriations bills that represent opportunities to provide substantive solutions to address the skyrocketing cost of gas.

#### <u>Punting Appropriations Bills Until Next Year Puts Vital</u> <u>Programs At Risk</u>

Congress has the responsibility to allocate funds to the Federal Government each year. The American people need Congress to do its job - especially now when families across the nation are struggling with extraordinary financial and economic challenges.

The Democrat Majority is attempting to put off work on Appropriations bills until next year, when they believe they will have a more favorable White House. American families don't have the option of putting off their bills until next year, so why should Congress?

This is not only an irresponsible way to run government, but will have a catastrophic effect on federal programs and the people they serve across the country. The Democrats' failure to pass these funding bills will put critical programs at risk.

For example, the following items will not be funded this year if Appropriations bills do not pass:

- 10,000 new housing assistance vouchers targeted to recent veterans who cannot afford market rents;
- \$1 billion in new funding to help offset record-high food prices for the WIC program, which provides nutritious foods and other support to lower-income pregnant, postpartum, and breastfeeding women, and to infants and children;
- 2,200 Customs and Border Patrol agents and 1,000 new detention beds to bolster our nation's homeland security and anti-illegal immigration efforts:
- \$447 million in new funding for State and Local Law Enforcement and Crime Prevention Grants:
- \$5.2 million in new funding to track terrorist financing and support economic sanctions against terrorist networks – including in Iran and Sudan;
- \$100 million in loans to local governments in disaster areas in the Midwest that have suffered financial hardships due to recent flooding;
- \$796 million in new funding for energy efficiency and renewable energy programs;
- \$1 billion in new funding for public transit to state and local governments.

#### House Values Agenda

(Courtesy of Rep. Joe Pitts, Values Action Team Chairman)

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness"

Life: The most fundamental responsibility of government is the protection of human life. We must do everything in our power to defend this most basic right of every human being at every stage of life.

- Child Interstate Abortion Notification Act (Rep. Ileana Ros-Lehtinen) makes it illegal to transport a minor girl across state lines for the purpose of procuring an abortion or circumventing parental notification or consent laws in the girl's home state. (H.R. 1063)
- Unborn Child Pain Awareness Act (Rep. Chris Smith) requires abortion providers to notify women seeking an abortion after 20 weeks that their unborn child feels pain and that they may request anesthesia for their unborn child to reduce or eliminate the pain. (H.R. 3442)
- Human Cloning Prohibition Act (Rep. Dave Weldon) prohibits human cloning. (H.R. 2564)
- Patients First Act (Rep. Randy Forbes) prioritizes funding for ethical stem cell research that has the greatest potential for near-term clinical benefits. (H.R. 2807)
- Title X Provider Prohibition Act (Rep. Mike Pence) prohibits distribution of Title X family planning funds to any organization that performs abortion. (H.R. 4133)

Religious Liberty: Our nation was founded on the principle of religious liberty. Americans, first and foremost, should have the freedom to express and practice their religious convictions without fear of judicial activism.

- The Public Expression of Religion Act (Rep. Dan Burton) frees state and local officials from the fear of lawsuits arising from the public expression of religious by state and local officials. (H.R. 725)
- Public Prayer Protection Act (Rep. Gresham Barrett)
  denies court jurisdiction to review any matter related
  to the alleged establishment of religion involving the
  expression of public prayer by any federal state, or
  local government entity. (H.R. 2104)
- Pledge Protection Act (Rep. Todd Akin) bars federal district and circuit courts from ruling on cases pertaining to the pledge's standing under the Establishment Clause. (H.R. 699)

Marriage: Marriage has been a valuable and important social institution and a foundation for healthy families. Government should enact policies that promote, rather than punish, marriage and that protect it as a sacred institution.

- Marriage Tax Penalty Permanent Elimination Act (Rep. Jerry Weller) permanently eliminates the marriage tax penalty. (H.R. 834)
- Marriage Protection Amendment (Rep. Paul Broun) amends the Constitution to define marriage as between one man and one woman. (H,J.Res. 89)
- Definition of Marriage Amendment (Rep. Dan Lungren) amends the Constitution to prohibit any court from having jurisdiction to determine whether the U.S. Constitution or any state constitution requires the legal institution of marriage to be conferred upon any union other than a legal union between one man and one woman. (H,J.Res. 22)

Parental Rights: Children across the country rely on parents to protect, nurture, and prepare them for adulthood, but parental rights are being displaced by government regulation. Parents should be the primary decision makers when it comes to their children's health, education, and welfare.

- Parents' Right to Know Act (Rep. Todd Akin) requires parental notice before contraceptive drugs and devices are distributed to a minor child by a Title X clinic. (H.R.2134)
- Children's Hope Act (Rep. Trent Franks) encourages states to enact their own state educational scholarship tax credit. (H.R. 2706)
- Abstinence Education provides a holistic message that empowers teens to make informed and healthy decisions about their sexual behavior as an alternative to so-called "comprehensive" sex education programs that actually encourage sexual activity.

#### Protecting Children: Protecting the future of this country must be a priority.

- Protecting Children from Indecent Programming Act (Rep. Chip Pickering) affirms the FCC's ability to regulate indecent programming, including a single word or image. (H.R.3559)
- Deleting Online Predators Act (Rep. Mark Kirk)
  requires schools and libraries to prohibit access to
  chat rooms unless used for educational purposes
  with adult supervision and protect against access to
  visual depictions that are child pornography,
  obscene, or harmful to minors. (H.R. 1120)

#### Protecting the Second Amendment



Last month saw an enormous victory for individual liberty and Second Amendment rights. In a 5-4 decision in the case of District of Colombia vs. Heller, the Supreme Court affirmed that the Second Amendment protects an individual's right to keep and bear arms – not a collective right to a militia – and overturned D.C.'s strict ban on handgun possession.

The District has responded by creating a burdensome and mystifying handgun registration scheme that actually maintains the strict gun ban the Court ordered overturned.

According to the Washington Post, "The District's handgun registration is limited almost entirely to revolvers," and that magazine-loaded semiautomatic pistols – the most commonly used handgun on the market – are considered machine guns and still banned. Furthermore, "the city requires that legally registered revolvers be kept unloaded and either disassembled or secured with trigger locks, unless the owner reasonably fears immediate harm by an intruder in the home" – making it impossible to be kept ready for self-defense against an intruder in one's home.

In response to the District's flouting of the Supreme Court ruling, Rep. Mark Souder (R-IN) has submitted a discharge petition on H.R. 1399 – the District of Columbia Personal Protection Act – which aims to enforce the recent

Supreme Court ruling and block District efforts to make constitutionally protected handgun ownership impossible. The underlying measure is sponsored by Democratic Rep. Mike Ross (D-AR) and a bipartisan group of 248 other cosponsors.

Specifically, Rep. Ross's bill would:

- Repeal the D.C. handgun ban and the storage requirement that prohibits keeping a firearm ready for self-defense in the home:
- Repeal the D.C. registration system, which serves as the vehicle for even more restrictions; and
- Restrict the D.C. City Council's authority to impose new burdens on residents' Second Amendment rights.

As of press time, 151 House members – all Republicans – have signed Rep. Souder's discharge petition to hold a vote protecting Americans' Second Amendment rights. House Democrats who cherish individual liberty and Second Amendment rights protected by the U.S. Constitution must join with Republicans, sign Rep. Souder's petition and force Democrat leaders to hold a vote on this overwhelmingly bipartisan bill.

#### Democrat Ethics Hypocrisy

RHETORIC: "This leadership team will create the most honest, most open, and most ethical Congress in history" (Speaker-designate Nancy Pelosi, 11/16/06)

"Pelosi any number of times declared herself 'proud' of the Democratic Congress... 'We have drained the swamp,' Pelosi said." (The Baltimore Sun, 10/9/07)

REALITY: "Democrats and Ethics: Swamp Not Drained Yet. House Democrats set some high expectations with their campaign promises to 'drain the swamp' of political corruption and run an ethical Congress. Their performance, though, has been a mixed bag." (CQ Today, 7/23/08)

#### THE SWAMP LIST

Courtesy of the Office of the Republican Leader, a small snippet of the headlines that House Democrats have generated with their ethics hypocrisy:

Rangel to Ethics Panel: Probe Me, Please! New York Post July 26, 2008

Rangel Seeks Ethics Probe Of His Efforts For College CongressDaily AM, July 24, 2008

**Democrats and Ethics: Swamp Not Drained Yet** CQ Today, July 24, 2008

Rangel Defends Actions On College Center In Complaint He Filed With Ethics Officials The Hill, July 24, 2008

Rangel Acknowledges Seeking Gifts The Washington Post, July 24, 2008

Rangel Asks For Probe Into Charity Solicitation Roll Call, July 24, 2008

**Residential Fraud?** 

Fox News Channel's "The O'Reilly Factor", July 22, 2008

Wexler's Delray residency disputed by opponent Palm Beach Post Staff Writer, July 22, 2008

Rep. Rangel Files Ethics Charges Against Himself Associated Press, July 23, 2008

Rangel Says He Welcomes Ethics Inquiry on Fundraising

The Washington Post, July 17, 2008

Probe Is Urged of Rangel's Fundraising for N.Y. Center

The Washington Post, July 16, 2008

Ethics Panel's Staff Said to be in Turmoil

CongressDaily, July 15, 2008

Rangel's Pet Cause Bears His Own Name

The Washington Post, July 15, 2008

**Staffers Join Money Chase** 

Roll Call, July 14, 2008

Mr. Rangel's Very Good Deal

The New York Times, July 12, 2008

For Rangel, Four Rent-Stabilized Apartments

The New York Times, July 11, 2008

Judge Denies Dismissal of Wire Fraud Charges in Jefferson Case

Roll Call, July 10, 2008

Big Earmark Headache for Rep. Kanjorski

The Hill, July 8, 2008

Moore Staffers Used Office E-mail for Slattery

Roll Call, July 7, 2008

**Cooper Download Questioned** 

Roll Call, June 30, 2008

Jefferson Trial Date Set for Dec. 2

Roll Call, June 16, 2008

**Richardson Disclosure Form Lists No Defaults** 

Associated Press, June 16, 2008

**Editorial: Murtha's Money** 

Roll Call, June 11, 2008

Colleges Paid Davis Aide's Salary

The Hill, June 10, 2008

Murtha's Cash for Students

Roll Call, June 9, 2008

37th District Rep. Laura Richardson Left Car Bills Unpaid

(Long Beach, CA) Press-Telegram, June 6, 2008

Jefferson Linked to Charges Against Brother

Roll Call, June 5, 2008

**Jefferson Loses Bid to Dismiss Bribery Charges** 

Roll Call, May 27, 2008

**Illinois Aide Claims Earmarks Credit** 

Roll Call, March 24, 2008

**Ortiz Bet on China Deal** 

Roll Call, February 27, 2008

Editorial: Oink! Oink! Murtha's Porkfest

The Washington Examiner, February 27, 2007

Critics Believe Murtha-Backed Defense Center a Waste

WTAE-TV ABC 4, February 15, 2008

Meeks to Pay \$63,000 in FEC fines for Financial Improprieties

The Hill, Februrary 5, 2008

**Even Cut 50 Percent, Earmarks Clog Military Bill** 

The New York Times, November 4, 2007

A Lucrative Center for Visclosky, PMA

Roll Call, October 3, 2007

**Reyes PAC Gets PMA Cash** 

Roll Call, October 1, 2007

Mud Thrown at Murtha Stains All of Us

The (Johnstown, PA) Tribune-Democrat, September 21,

2007

**Watchdog Group Ranks Murtha Among Most Corrupt** 

The (Johnstown, PA) Tribune-Democrat, September 18, 2007

**Ample Earmarks Aid PMA Clients** 

Roll Call, September 17, 2007

Rep. Bob Filner Charged With Assault on Virginia Airport Worker Mollohan Cast Votes Despite Recusal

Fox News, August 20, 2007

**Defense Firms Like Murtha's District** 

Pittsburgh Post-Gazette, July 15, 2007

Scott Aide Cries Foul, Gets Fired

The Politico, July 9, 2007

**Mollohan Earmarks Nearby Land** 

Roll Call, June 28, 2007

**Jack Murtha, Venture Capitalist** 

The Washington Times, June 26, 2007

Companies Follow Murtha's Earmark Trail

Roll Call, June 25, 2007

Murtha's Technology Show is a Showcase for

**Contractors** 

The Hill, May 23, 2007

**Rep. Scott's Finances Questioned** 

The Politico, May 23, 2007

**Dems Save Murtha a Slap** 

The Hill, May 23, 2007

Mollohan, Town Do Battle Over Earmark

Roll Call, May 22, 2007

Murtha Sent Earmark Letter Five Weeks After Deadline

The Hill, May 22, 2007

**Murtha Accused of Rules Violation** 

The Politico, May 17, 2007

**Money Rolls for Approps Democrats** 

Roll Call, April 23, 2007

# August 2008

Thursday Friday Saturday	First U.S. Census (1970)	Gulf of Tonkin XXIX Summer Atomic Bomb dropped Resolution Anniversary Olympics begin in (1964) Beijing, China House primary in TN	Social Security Act Anniversary (1935) Atlantic Charter Signing Anniversary (1941) 2:00 p.m. EST – GOP Conference Call	American Bar Association Founded (1878)	28 29 30	Shay's Rebellion versary of Anniversary (1786)
Wednesday		Atomic Bomb dropped on Hiroshima, Japan (1945) (1965) World Wide Web House primary Anniversary (1990)	Social Security Act Anniversary (1935) Atlantic Charter Sig Anniversary (1941) 2:00 p.m. EST – ( Conference Call	FEC Monthly Report American Bar Association F (1878)	27	45th Anniversary of MLK's "I have a dream
Tuesday	National Inventors' Month	Congress enacts first income tax via the Internal Revenue Act (1861) VAHOUSE primaries in AS, MI, MO	House primaries in CO, CT, NV	House primaries in WA, WY	26	rention in Denver, CO
Monday	National Immunization Awareness Month	4	<del></del>	<del>0</del>	25	Democratic National Convention in Denver, CO
Sunday	Month: National Back to School Month	n	Signing of the Civil Liberties Act (1988) Smithsonian Institute Founded (1846) National Health Center Week	17 National Aviation Week	24	British burn the Capitol (1814)