U.S. REPRESENTATIVE 4TH DISTRICT • OREGON



Rep. Peter A. DeFazio 151 West 7th, #400 Eugene, OR 97401

Official Business

Peter De,

Presorted Standard

This mailing was prepared, published and mailed at taxpayer expense.



Dear Friend:

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PETER

DEFAZIO

REPORTS

It's been a long, hot summer in D.C. as Congress battles over federal spending priorities under the shadow of a huge and growing national debt. Over \$200 billion has been designated for military action in Iraq and Afghanistan, yet our troops still lack essential equipment, and returning soldiers and vets face an underfunded VA (p. 2).

The national highway and transit bill is long overdue and I've been working to hammer out an agreement for this needed investment (p. 3). A decade of failed U.S. trade policies are threatening our economic stability and national security (below). As gas prices skyrocket, we need a new, long-term energy plan and short-term solutions to reduce our dependence on foreign oil and protect consumers (p. 3). Also, vital "county payments" funding expires soon, yet the president hasn't backed renewal of the program (p. 2).

I would like to hear from you on these and other issues. There is a list of town hall meetings on page 4, please come. You can also express your opinions on federal issues by filling out and returning the enclosed survey. It is important to hear your views so I can better represent you in Washington, D.C.



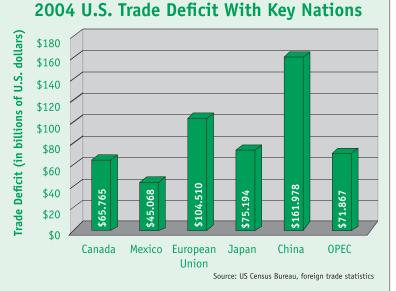
Member of Congress

# Trading Away the U.S.A.

U.S. free trade policies over the last two decades have been a bipartisan failure. Failed trade policies have led to the export of millions of high-paying American jobs, a decline in U.S. living standards, soaring trade deficits, a hollowing out of our nation's manufacturing capacity, and the dumping of subsidized foreign goods. The U.S. has ceded sovereignty to international trade bureaucrats, who can force the U.S. to change laws that conflict with global trade rules or mandate huge fines if we want to keep our own laws.

While the American people "get it," the president and much of Congress continue to lag behind, ignoring the obvious reality that U.S. trade policies are a failure. The president's former chief economic advisor even argued that the exporting of American jobs is actually a good thing.

The trade deficit in 2004 hit a record \$617 billion. **This deficit poses a threat to our economic security.** At the low end, economists estimate that every \$1 billion added



to the trade deficit results in the loss of 10,000 jobs. This year's deficit will result in seven million fewer jobs here at home.

According to the Oregon Blue Book, by 2000, work at 57 Oregon plants had been shifted to Mexico or Canada in response to NAFTA. Since 1994, Oregon has lost more than 40,000 jobs due to failed trade policies.

Trade continued on page 2

#### *Trade* continued from page 1

The trade deficit also poses a threat to our national security. The U.S. must borrow nearly \$2 billion every day from foreigners, including China, Japan and OPEC members, to finance the trade deficit. With an international debt of \$5.7 trillion, our economy is becoming more vulnerable to foreign debt holders. Our trade deficit has positioned foreign governments and investors to attempt takeovers of critical U.S. businesses like the oil company Unocal or icons like Maytag.

I have voted against the free trade agenda of presidents from both parties including the North American Free Trade Agreement (NAFTA), most-favored nation status for China and U.S. participation in the World Trade Organization, among other trade failures. Now the president wants to expand NAFTA to Central America (CAFTA). I will vote no.

I have also supported several bills to fix U.S. trade policies:

H.J.Res. 27 - withdraws the U.S. from the WTO;

H.R. 728 - pulls China's special access to the U.S. market;

H.R. 1216 - allows tariffs to be imposed against subsidized goods from non-market economies like China;

H.R. 1498 - allows tariffs to be imposed in response to China's manipulation of its currency (which artificially lowers the cost of its goods on world markets).

We cannot continue to expand these failed trade policies. We must go back to the drawing board and create a trade policy that actually improves prospects for American workers and strengthens the American economy. I'd like to be able to once again buy products with a "Made in the U.S.A." label.

# Sustaining Rural Oregon

Due to a decline in the timber industry in the late 1980s, heavily timber-dependent counties across the country suffered depleted local budgets. The "county payments" program was created to provide a guaranteed level of funding based on an annual average of timber sale receipts. Thirty-two Oregon counties and dozens of school districts received payments through the program totaling over \$273 million last year. **This program is the lifeblood of rural counties and schools across America, and must be renewed by 2006, when the current program expires**. But the bill is currently stalled in the Agriculture Committee.

This spring, Rep. Greg Walden and I worked together in the Resources Committee to usher through the county payments bill. The Secure Rural Schools and Community Self Determination Reauthorization Act would reauthorize the successful "county payments" law for seven more years.

When Congress created the county payments program in 2000, we faced the challenge of bringing together groups on far ends of the political spectrum. This time our challenge is not partisanship, but a tight budget and growing federal deficit. The White House has stopped short of fully endorsing this vital legislation, and passage will not become a reality without the full backing of President Bush.

## Supporting Our Troops...

More than 600 members of the Oregon National Guard returned from Iraq in March. These soldiers and the hundreds more still deployed in Iraq and Afghanistan, have answered the call to duty.

But too often, the president and Congress have been missing in action when it comes to fulfilling the government's obligation to them. That's why I voted repeatedly for billions of dollars for protective equipment like body armor and armored vehicles and to increase the size of the active duty all-volunteer military by 39,000 troops to reduce our overdeployment of Guard and Reserve units.

I have been pushing the president and secretary of defense to accelerate the training and equipping of the Iraqi military and police forces so we can get our troops off the front lines and bring them home as soon as possible.

To learn about resources for returning troops, please visit my Web site or call my office at 1-800-944-9603.



*Rep. DeFazio discusses veterans issues with Del Pitzer and Dallas McLaren, in Cottage Grove on Armed Forces Day.* 

## ...And Honoring Our Veterans

The president and Congress continue to short-change veterans. National veterans groups vigorously criticized the budget that President Bush submitted for the Veterans Administration, which fell \$2.6 billion short of the funding necessary to meet the needs of current veterans and those returning from the wars in Iraq and Afghanistan. Their statements can be seen at the veterans section of my Web site: http://defazio.house.gov/Veterans.shtml.

I supported an amendment to increase funding for vets programs by \$2.6 billion by reducing the tax cut for millionaires in 2006 from \$140,000 to \$129,000. Congress defeated the amendment, prioritizing the wallets of millionaires over adequate care for veterans.

In June, the administration finally admitted that the VA faces a shortfall of at least \$1 billion this year and \$2.6 billion next year. Belatedly, on June 30, the House approved, and I supported, adding \$1 billion to the VA budget for this year. But more needs to be done, which is why I am supporting H.R. 515, the Assured Funding for Veterans Act.

# A Real Jobs Bill

It has been nearly a decade since an Oregon lawmaker has been in a prime position in Congress to help bring longterm economic viability and job creation to Oregon. I had an opportunity this year to play a leading role in crafting the Transportation Equity Act: a Legacy for Users (TEA LU)—a multi-year, nearly \$300 billion highway and transit spending bill.

For every billion dollars of investment in transportation infrastructure, the Department of Transportation estimates that 47,500 jobs are created and \$6.1 billion in economic activity is generated. Funding road, bridge and transit improvements is an investment that will pay dividends for years to come. Unlike most other government programs, the funding for TEA LU does not add to the federal deficit. **TEA LU is fully paid**for through the Federal Highway Trust Fund, which is sustained with gas tax receipts.

Oregon is facing a major transportation problem. I-5 is a critical commercial route, and is recognized by Congress as a high priority corridor. Safe and efficient travel on I-5 is crucial to the

economic vitality of the state and nation. But the roads and bridges along the I-5 corridor are beginning to wear out, and the state faces a \$4 billion-plus backlog in repairs and reconstruction.



Rep. DeFazio and Lane County officials discuss the importance of investing in our infrastructure to create jobs and stimulate the economy, during a press conference at the site of the new federal courthouse in Eugene.

Oregon has done its part to raise revenue for infrastructure investment. It's time for the federal government to put our gas tax money to work rebuilding bridges on I-5, mitigating traffic congestion and improving transit.

# **Protecting Private Property Rights**

The Supreme Court recently ruled that a state or local government can seize an individual's property to benefit private economic development interests. This ruling greatly expands the extraordinary power of governments to take property under eminent domain. Groups ranging from the NAACP to the American Farm Bureau oppose this ruling.

This ruling could also have alarming implications for local elections as corporate developers could seek out candidates willing to condemn private property to promote their economic development plans.

Congress failed to take a stand on this very case two years ago. I offered an amendment to the Coast Guard and Maritime Transportation Act of 2003, to prevent the siting of a Coast Guard museum on property taken by eminent domain. The amendment would have blocked the siting of the museum in New London, Connecticut and protected private homes from being seized by the local government. With a Republican majority in the House, the amendment failed 199-221.

But Congress still has a chance to act. That's why I joined the Chairman of the House Judiciary Committee, Rep. James Sensenbrenner (R-Wis.) to introduce legislation to protect private property rights. HR 3135, would deny the use of federal economic development funds for private development projects on land seized by eminent domain.

## **Stop Skyrocketing Gas Prices**

This summer, **the price of a barrel of oil soared over \$60, adding nearly \$20 billion every month to the trade deficit.** Gas prices also hit new highs in tandem with record oil company profits.

The response of Congress has been to push a pathetic excuse for an energy bill that wouldn't have been good policy in the 1950s, let alone meet the challenges of the 21st Century. We need a new energy policy with a goal of U.S. energy independence, based on efficiency and domestic energy with new technologies.

We also need relief in the short-term: 1) put a moratorium on oil company mergers; 2) mandate increased fuel efficiency standards; 3) file a complaint with the WTO against OPEC for illegally colluding to raise oil prices; 4) develop a "Manhattan" program to develop new efficient sustainable technologies.

## Seniors' Privacy at Risk

My staff recently discovered an unknown provision included in the complex, more than \$700 billion-over-budget Medicare prescription drug law passed by Congress in 2003, which puts seniors' privacy at risk.

Under the Medicare Modernization Act of 2003, insurance companies will have access to the names, phone numbers and addresses of millions of Medicare and Medicaid beneficiaries. **The law circumvents the Do Not Call registry, allowing private insurance companies to call seniors directly to sell their complicated new plans.** 

I offered an amendment to prevent this direct violation of privacy, but it was struck down in favor of the profits of private insurance companies. I plan to encourage my colleagues in the Senate to offer similar legislation to protect the privacy of our parents and grandparents.

# Join Me at a Town Hall Meeting

I have held 352 town hall meetings across southwest Oregon, since I came to Congress. I have developed many legislative initiatives based on my conversations with Oregonians at these meetings. Please check the dates and times below for a meeting near you. I look forward to speaking with you and your neighbors about current federal issues.

#### **Benton County**

#### Corvallis

Wednesday, August 24 12:00 - 1:00 PM *Corvallis Public Library* 645 NW Monroe Avenue

#### Corvallis

Wednesday, August 24 5:30 - 6:30 PM Construction and Engineering Hall Oregon State University 100 LaSells Stewart Center

## **Curry County**

#### **Brookings**

**Tuesday, August 23** 9:30 - 10:30 AM *Chetco Community Public Library* 405 Alder Street

#### Gold Beach

**Tuesday, August 23** 12:00 - 1:00 PM *Gold Beach City Council Chambers* 29592 Ellensburg Avenue

#### **Coos County**

Coos Bay Monday, August 22 10:00 - 11:00 AM Coos Bay City Library 525 Anderson Avenue

Bandon Monday, August 22 1:30 - 2:30 PM Bandon Public Library City Park

## **Douglas County**

1204 11th Street, SW

#### Roseburg

**Tuesday, August 16** 5:15 - 6:15 PM *Douglas County Church Annex Building* 1134 SE Douglas Avenue

#### **Josephine County**

#### **Grants Pass**

**Monday, August 15** 5:15 - 6:15 PM *Anne Basker Auditorium* 604 NW 6th Street

## Lane County

#### Cottage Grove

**Wenesday, August 17** 5:15 - 6:15 PM *Cottage Grove Community Center* 700 Gibbs Avenue

#### Eugene

Monday, September 19 11:00 AM - 12:00 PM *Campbell Senior Center* 155 High Street

#### Eugene

**Monday, September 19** 5:30 - 6:30 PM *Eugene City Council Chambers* 777 Pearl Street

#### Springfield

Monday, September 19 1:30 - 2:30 PM *Willamalane Adult Activity Center McKenzie Room* 215 West C Street

#### Springfield

Monday, September 19 7:00 - 8:00 PM Springfield Chamber of Commerce Freight Room 101 South A Street

#### **Linn County**

#### Brownsville

**Thursday, August 18** 9:00 - 10:00 AM *Brownsville City Council Chambers* 255 North Main Street

#### Albany

**Thursday, August 18** 5:15 - 6:15 PM *Albany City Council Chambers* 333 Broadalbin Street, SW

# Social Security Update

After dozens of staged town hall meetings, a blue ribbon commission, and a handful of high profile hearings in Congress, the president has yet to convince Americans that partial-privatization is a viable option to address the possible future financial shortfall facing Social Security. Americans understand that privatization of Social Security means a severe cut in benefits, a tax hike or debt increase, in addition to high administrative costs and risk with individual private accounts.

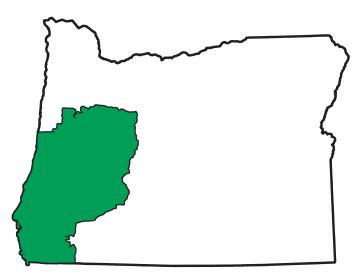
Rather than replace the program with a private system, I have a plan to address the potential financial challenges facing Social Security, sustain the guaranteed earned benefits under the popular program and provide a tax cut for most Americans. My plan would exempt the first \$4,000 in wages from the payroll tax (providing a tax cut for those who earn less than \$94,000 a year); remove the \$90,000 limit on earnings subject to the FICA tax; protect Social Security surpluses; and diversify Social Security investments, among other improvements.

For more information, please visit the special section on my website devoted to Social Security.

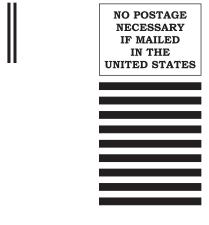
# My offices are here to serve you.

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VISIT MY WEB SITE AT: http://defazio.house.gov



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#### **CONGRESSMAN PETER DEFAZIO** 151 W 7TH AVE STE 400 EUGENE OR 97401-9778

# Please take a few minutes to fill out this survey. When you're done, fold it, tape it shut and mail it back. Postage is already paid.

Congressional Issues Survey
1. Do you support expanding free trade policies like NAFTA, WTO and CAFTA?
Yes No
2. Do you support using taxpayer funded vouchers to pay for education at private schools?
Yes No
3. Do you think it is more important to ensure that promised Social Security benefits are guaranteed before allowing the creation of private accounts?
Yes No
4. Do you support a woman's right to make her own reproductive health care decisions?
Yes No
5. Do you support salvage logging and reforestation after a fire, or should a forest recover through a natural process?
Salvage Logging and Reforestation Natural Process Mix of Both
6. Do you support broad based immigration amnesty for people who have lived, worked and paid taxes in the U.S. for more than 10 years?
Yes No
7. Do you support rolling back tax cuts for those earning \$311,000 a year or more to cut the deficit and fund crucial programs?

Yes No No

Turn over for more questions...

8. Last year, the major oil companies reported record profits of \$100 billion. Do you support federal price controls in order to bring down the price of gas?
Yes No
9. Do you support legislation to increase the federal minimum wage?
Yes No
10. Do you believe that the federal budget should be balanced by cutting spending, raising taxes, or a combination of both?
🗌 Cutting Spending 🔲 Raising Taxes 🗌 Both 🔲 Balanced Budgets Don't Matter
11. Do you believe all Americans should have access to government sponsored universal health care?
Yes No
12. Do you believe the U.S. should set a firm timeline for withdrawing troops from Iraq?
Yes No Undecided
13. Do you support a national energy policy focused on investing in clean, renewable energy, improving energy efficiency and reducing our reliance on oil or an energy policy that depends upon further development of the oil, gas, coal and nuclear industries?
Renewable Energy Fossil Fuels and Nuclear
14. Do you support the permanent extension of the government's powers under the Patriot Act to search through all citizens' financial, medical and library records?
Yes No
15. Would you support a five-cent increase in the federal gas tax dedicated to projects like rebuilding bridges and maintaining I-5 and other major routes?
Yes No
16. If you are a small business owner and would like periodic updates on legislative activity affecting small businesses, please check this box:
17. If you are an active duty member of the Armed Forces, a veteran, or Oregon National Guard member and want to receive updates on legislative issues affecting pay and benefits, retiree health and benefits, and veterans programs, please check this box:
If you would like to receive periodic updates on the issues mentioned above, please check the appropriate box below:
Yes, I want to receive periodic updates by e-mail.
Yes, I want to receive periodic updates by regular mail.
Name:
Mailing Address:
City:
ZIP Code:
E-mail: