



Rep. Petri's E-Newsletter October 19, 2010

- * One Out of Every Three Dollars**
- * Awards**
- * What I've Been Up To**
- * What's Coming Up**
- * Legislative Update**

One Out of Every Three Dollars

Economics professors Nicole and Mark Crain had a stunning column in *The Wall Street Journal* September 27. Every American who wonders "Where are the jobs?" and worries about the economic opportunities their kids will have should ponder the Crains' first paragraph:

The annual cost of federal regulations in the United States increased to more than \$1.75 trillion in 2008, a 3% real increase over five years, to about 14% of U.S. national income. This cost is in addition to the federal tax burden of 21%, for a combined cost of 35% of national income. One out of every three dollars earned in the U.S. goes to pay for or comply with federal laws and regulations, and new policies enacted in 2010 for health care and financial services will increase this burden.

Of course, much regulation is necessary for the health and safety of the public. Unfortunately, many in public life take advantage of this to promote a "there ought to be a law" attitude. Clearly, we need to do a better job of distinguishing between necessary and unnecessary regulation since the burdens of paperwork, red tape and other interventions in the workplace reduce America's competitiveness, slow economic growth, stymie the creation of jobs and make us all poorer.

Consider, for instance, that the new health care law includes a provision requiring businesses to file a 1099 form with the IRS for each transaction of \$600 or more. This regulation was included because it was said to increase revenues by \$19 billion over the next ten years. There is no telling how much compliance with this new burden will cost business over that time.

Regulations are also a potential source of preferential treatment.

McDonald's offers a mini-med health care plan to its employees which covers about 30,000 hourly fast-food workers. Ordinarily, the plan would run afoul of the regulations in the new health care law, and the company warned that it would have to drop it if it couldn't get a waiver from Health and Human Services Secretary Kathleen Sebelius.

Secretary Sebelius quickly issued the waiver. That's good for McDonald's and its workers, but what happens when other companies ask to be excused from ObamaCare requirements? Is the HHS Secretary going to rule "McDonald's gets the waiver, Burger King doesn't; Hardees gets the waiver, Wendy's doesn't" and so on?

How will these decisions be made? I'm not suggesting any impropriety in the decision to give McDonald's its waiver, but regulatory choices of this type have considerable potential to be made either arbitrarily or else as the result of political pull - another unfortunate legacy of the unwise and unaffordable ObamaCare law.

Awards

I am pleased to report that last month I received the **Tax Fighter** award from National Tax Limitation Committee and the National Federation of Independent Business's **Guardian of Small Business** award.

What I've Been Up To

Since this newsletter is put together and distributed through my congressional office, I am not allowed to discuss campaign activities. Among my official activities since my last newsletter:

* In my role as Ranking Republican on the **Aviation Subcommittee** I participated in a subcommittee hearing on the rules governing how long commercial pilots are allowed to work and how much down-time they need in order to operate safely. In the full **Transportation and Infrastructure Committee** I participated in a hearing on "Residential Through-the-Fence Agreements at Public Airports" - some people (principally general aviation pilots) who live next to airfields have agreements which give them direct access to the airfields. The Federal Aviation Administration wants to prohibit new agreements.

* I joined with other members of Wisconsin's congressional delegation to host an **Academy Day** at the Experimental Aircraft Association's Aviation Center in Oshkosh. This was an opportunity for high school students to learn about the U.S. military academies. We got a standing-room-only crowd.

* I attended the Third Annual **Welcome Home** event for Operation Enduring Freedom and Operation Iraqi Freedom service members. This was also at the EAA.

* I was a featured speaker at the Wisconsin **Freight Rail Day 2010** Conference in Milwaukee.

Walking with students to Omro Middle School

* I met with American Government students at **Kiel High School**, participated in a **Walk and Bike to School** event in Omro, and visited **Lake County Academy** in Sheboygan and **Maranatha Baptist Bible College** in Watertown.

* I attended the **UW Oshkosh Foundation's** 5th Annual Community Breakfast and toured the newly refurbished Grand Opera House in Oshkosh.

* I attended the 9th Annual **Sheboygan County Employer Recognition Luncheon** recognizing the many area employers who have hired people with disabilities. I participated in the 50th anniversary celebration for **Pemco Inc.** of Sheboygan and visited **Spuncast, Inc.** in Watertown, **Vern's Cheese** in Chilton, **Briess Malt & Ingredients Co.** in Chilton, and **SCA Tissue's** Menasha mill. Plant tours give me an opportunity to keep current with the concerns of employers and employees.

* I participated in a **Chilton Senior Club** meeting and visited the **Bella Vista Manor** assisted living facility in Oshkosh to keep current with the concerns of older Americans.

* I attended the **Watertown Area Chamber of Commerce** Annual State of the Community luncheon and a **Plymouth Chamber of Commerce** luncheon.

What's Coming Up

In terms of official business, the most important upcoming event will be the post-election lame-duck session now scheduled to begin November 15. During the session we will need to pass a bill to keep the government funded since the congressional leadership failed to approve a budget this year. Hopefully, we will also extend the Bush tax cuts.

Legislative Update

September 29, 2010:

* The House considered a Senate amendment to **H.R. 3081**. The Senate's amendment provides for a "continuing resolution" to keep the federal government's agencies funded through December 3, 2010. The 2010 budget year ended on September 30, and none of the 12 regular appropriations bills have been approved, thus requiring this stop-gap legislation.

The House voted to concur in the Senate amendment by a vote of 228 - 194. I voted in opposition to this amendment because it failed to anticipate the spending reductions necessary if we are to begin addressing federal deficits well in excess of \$1 trillion. President Obama signed H.R. 3081 into law on the day after the House vote.

* The House considered a Senate amendment to **H.R. 2701**, the Intelligence Authorization Act for Fiscal Year 2010. This legislation would authorize Fiscal Year 2010 programs for the 16 agencies within the intelligence community.

The House voted to accept the Senate amendment by a vote of 244 - 188. I voted in opposition to this bill because it did not sufficiently address intelligence failures revealed in the Fort Hood shooting or provide greater coordination of intelligence activities. The legislation also did not prohibit bringing Guantanamo Bay detainees into the United States, despite the bipartisan vote earlier in the year to prohibit the transfers. President Obama has signed the bill into law.

* The House considered **H.R. 847**, the James Zadroga 9/11 Health and Compensation Act of 2010. This legislation would expand eligibility for the 9/11 Victims Compensation Fund as well as the Medical Monitoring and Treatment Program, both of which provide benefits to 9/11 first responders and ground-zero community members.

The House passed H.R. 847 by a vote of 268-160. I understand the sensitivity and personal passion surrounding this issue, and while I agreed with proponents of this bill that we must ensure that first responders and community members impacted by 9/11 receive appropriate treatment and benefits, I was concerned that the bill did not include enough checks to prevent rampant fraud and abuse. Therefore, I voted against the bill, which is now pending in the Senate.

* The House considered **S. 3729**, the National Aeronautics and Space Administration Authorization Act of 2010. This legislation authorizes appropriations for fiscal years 2011 through 2013 for the National Aeronautics and Space Administration (NASA).

S. 3729 was considered under the "Suspension of the Rules" procedure requiring a two-thirds vote, and passed by a vote of 304 - 118. I voted in opposition to this bill because I was concerned about the increase of more than \$270 million in government spending for 2011, which is in addition to the significant increase in funding for 2010 and the stimulus funding provided for NASA. President Obama has signed the bill into law.

* The House considered **H.R. 2378**, the Currency Reform for Fair Trade Act. This legislation would increase the ability of the U.S. Department of Commerce to consider currency manipulation when calculating countervailing duties in unfair trade cases. It is widely believed that China, in particular, acts to keep its currency undervalued.

The House adopted H.R. 2378 by a vote of 348 - 79. I voted in favor of passage of the Currency Reform for Fair Trade Act, which is now pending in the Senate.

September 23, 2010:

* The House considered a Senate amendment to **H.R. 5297**, the Small Business Tax and Lending Act. The amendment provides for a variety of efforts designed to promote hiring by small businesses. Its primary feature is a \$30 billion fund to finance capital loans to banks with less than \$10 billion in assets in order to encourage small business lending.

The House voted to accept the Senate amendment, thus sending the legislation to President Obama, by a vote of 237 - 187. I voted in opposition to this bill because it balanced its tax benefits for some businesses with tax increases on others. Additionally, loans financed by the \$30 billion fund feature below-market interest rates but carry no explicit requirement that banks receiving such support increase small business lending. President Obama has signed the bill into law.

September 16, 2010:

* The House considered **H.R. 4785**, the Rural Energy Savings Program Act. This bill would create two new energy efficiency programs to provide low-interest federal loans to consumers to finance energy efficiency upgrades. The bill would authorize a total of \$5 billion in spending over five years.

The House passed H.R. 4785 by a vote of 240 - 172. I voted against the bill out of concern that it authorizes new spending at a time when the federal government is facing enormous deficits and, additionally, that the programs partially duplicate existing federal programs to promote energy efficiency. The bill is now pending in the Senate.

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