



Representative
Tom Petri
Reports
to The Sixth District

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The Economy is Back on Track

BY REPRESENTATIVE TOM PETRI

We all know that manufacturing jobs have been scarce since the start of the last recession in late 2000/early 2001. We are currently enjoying strong economic growth - but it hasn't felt like growth to unemployed workers as many companies have relied on increased efficiency and new technologies to increase production without creating new jobs.

Fortunately, the jobs picture is improving. Payroll employment increased by 288,000 jobs in April and is up by over 1.1 million jobs during the past eight months.

As of this writing, unemployment insurance claims have been below the 400,000 level for 31 straight weeks. A level of claims below 400,000 indicates continued improvement in labor markets.

The unemployment rate was 5.6% in April, which is down from 6.3% last June. At 5.6%, the unemployment rate is lower than the decade averages for the 1970s (6.2%), the 1980s (7.3%), and the 1990s (5.8%).

Private business forecasters expect payroll jobs growth of about 1.8 million by the end of this year - monthly jobs gains averaging about 150,000 per month. The Manpower survey shows that the business outlook for hiring is the best it has been in more than three years, equivalent to that of the second half of the 1990s.

Underlying the improved jobs picture is Ameri-

ca's current strong economic performance. In the third quarter of 2003, the economy spurred ahead by 8.2%. Gross Domestic Product growth continued well above the historical average at 4.1% in the fourth quarter and at 4.2% in the first quarter of this year.

Manufacturing activity soared at the end of 2003 and into the beginning of 2004, registering the highest pace of activity in 20 years according to the Institute for Supply Management PMI index. Industrial production (the output of the nation's factories, mines and utilities) is up 5.5% at an annual rate since June 2003. This is the best sustained performance in four years.

Real business equipment investment rose at a 16% annual rate over the second half of 2003, its fastest rate of growth in six years.

Exports of goods and services rose at a 21% rate in the fourth quarter, the fastest pace in seven years.

Inflation has been extraordinarily low over the past few years, allowing the Federal Reserve to keep interest rates extraordinarily low in order to boost the economy. Unfortunately, we are seeing some worrying signs now, led by outrageous gasoline prices. At some point in the not-too-distant future, the Federal Reserve will doubtless increase interest rates in order to slow the economy a bit, which will ease inflationary pressures.

All in all, it's obvious that we have finished cor-



Rep. Petri with Dr. Glenn R. Bower of the University of WI at Madison with a "Moolander 2003" hybrid vehicle which was at the U.S. Capitol on March 24, 2004 as part of a Future Truck Challenge competition sponsored by Ford Motor Company and the U.S. Department of Energy.

recting the economic excesses of the late '90s and are back on track. Many Americans are still struggling to make ends meet, but the overall outlook shows considerable opportunities ahead.

PETRI BILL TO SAVE DIRECT STUDENT LOANS

The federal government maintains two student loan programs: the Federal Family Education Loan program (FFEL) which underwrites private loans to students and the Direct Loan program (DL) which provides loans to students using Treasury funds.

The federal government's Office of Management and Budget recently reported that, "Significantly lower Direct Loan subsidy rates call into question the cost effectiveness of the FFEL program structure, including the appropriate level of lender subsidies."

In other words, direct loans - which I have championed for over 20 years - are a better deal for taxpayers.

Both programs compete for business from individual schools, and this competition has become a cen-

tral part of our student loan system, ensuring both programs are responsive to school and student needs.

Unfortunately, the two programs do not compete on a level playing field. Many schools are choosing to participate in the FFEL program because of incentives and other services private lenders are able to provide, thanks to the government's generous subsidy. This puts the direct loan program at a competitive disadvantage.

While the extra incentives and services private lenders provide are good for the schools and students able to get them, in the long-term, they threaten the viability of the more taxpayer-efficient direct loan program.

To save the direct loan program, I recently introduced a bill to provide an incentive for schools to

choose direct loans. This incentive will be at no cost to taxpayers or students.

Currently, schools do not directly benefit from the taxpayer savings the direct loan program has over the subsidized private program. My legislation, the Direct Loan Rewards Program, would allow schools that choose to participate in the direct loan program to receive up to half of the federal savings direct loans generate. Schools would use these new funds to provide additional financial aid to students.

This program would lower federal student loan costs and generate more financial aid for students. Schools, students and taxpayers would all win.



Cancer survivors Christy Zimmerman of Sheboygan and AJ Wheeler of Hartland met with Rep. Petri March 28. Both were in Washington to discuss issues facing child cancer survivors. Wheeler gave testimony before the House Rules Committee on the issue.

Sign Up for E-Mail Newsletter

I have started to produce an e-mail newsletter, generally published weekly when the House is in session and monthly at other times. To avoid sending spam, the e-mail newsletter goes only to those who specifically ask for it.

If you would like to give it a try, you will need to "opt in" by going to the following Web page:

www.house.gov/petri/subscribe.htm



The New Medicare Drug Card

Today, Medicare beneficiaries without outpatient drug coverage pay among the highest prices for prescription drugs - as much as 20 percent more than people who have drug coverage

On May 3, Medicare started helping seniors sign up for the new federally-sponsored drug discount card. Despite some initial confusion and missteps you can expect with the initiation of any big project, the discount cards promise to provide significant help for older Americans.

The Drug Discount Card Program is an interim effort to help people with Medicare save on prescriptions until the full Medicare prescription drug benefit becomes available in January 2006. All Medicare beneficiaries, except those whose drugs are covered by Medicaid, are eligible for the cards.

Medicare is contracting with private companies to offer the new discount cards. Private companies will be able to get benefits out to seniors more quickly than would be possible with an entirely new (and temporary) government program. Congress is requiring participating companies to meet certain requirements to make sure that seniors will be able to use the cards and receive savings.

Among these, card sponsors are required to contract with a sufficient number of pharmacies in their service areas, as well as with mail-order pharmacies, to ensure that enrollees have sufficient access. Card sponsors are required to provide beneficiaries access to negotiated prices. As a condition of Medicare endorsement, sponsors must obtain discounts, rebates, subsidies or other price concessions on at least some covered drugs. Plans will compete to enroll seniors and should be motivated to offer the best prices possible.

Seniors' participation in the program is totally voluntary. Health and Human

Services Secretary Tommy Thompson predicts that card holders will be able to save an average 17% off their drug bills. That may not be enough to impress those who are particularly good at comparison shopping or who have employer-paid private plans, but it will plainly help the average senior citizen.

The people who need help the most will get the most. Seniors with incomes of less than \$12,569 (or \$16,862 for a couple) will get a government cash subsidy of \$600 this year and next toward their drug purchases. The neediest seniors will have easier access to the patient assistance programs run by many major drug companies which provide deep discounts to those who would otherwise have to go without.

As of early May there were 73 general cards competing for enrollees, including 39 national cards, 33 regional cards, and one national card for long-term care pharmacies. Annual enrollment fees cannot exceed \$30, and Medicare pays the fee for people who qualify for the \$600 credit.

The Medicare Web site (www.Medicare.gov) is designed to help seniors compare plans in order to find the best fit based on where you live, what kinds of medications you use, whether you prefer to use the mail or go to a participating pharmacy and the like. During its first days, the Web site was criticized over issues of clarity and accuracy, but the situation has improved after the initial start-up period.

Many, however, will feel more comfortable dealing with a live person. For that, just call 1-800-Medicare.

While on the subject of Medicare, I want to mention an important result of the new Medicare law for our area.

For years I have fought to get a better deal for rural hospitals which have been shortchanged under the old Medicare funding formulas. The new law includes non-drug provisions which significantly improve the situation, and this means that it will be easier for Medicare recipients to find high quality, up-to-date medical services in the 6th District.

Many formulas have been improved, but to take a single example, the Wild Rose Community Hospital, the Adams County Memorial Hospital, the Calumet Medical Center, the Ripon Medical Center, and the Waupun Memorial Hospital stand to receive a total of \$25 million over 10 years in additional reimbursements because they are our designated "critical access" facilities.

Those health care providers and others in central Wisconsin will also receive considerably more funding based on changes in payments for labor, geographic adjustments, incentive payments and more.



Rep. Tom Petri received the Sockeye Leadership Award at a Washington event on March 24 for his efforts in support of the Salmon Recovery Act. The award was presented jointly by Taxpayers for Common Sense and Save Our Wild Salmon.

Fox Locks Progress Good for Wisconsin

Nobody said it would be easy, but after 20 years of effort, we are finally on track to re-open the Fox River locks system - an historical treasure with important tourism potential.

The 17-lock system was built between 1849 and 1869 to allow boats to navigate the river's changing levels between Green Bay and Lake Winnebago. At the time, it was far easier to transport goods by water than by bushwacking through the wilderness or carting over primitive roads.

The federal government has owned the locks since 1872, and they continued to be useful for several decades, especially for transporting coal. However, with the rise of our modern road system the direct commercial value of the locks declined, and in the early 1980s the Army Corps of Engineers started to shut the system down.

The Corps did manage to close most of the locks, but we in Congress prevented the permanent dismantling of the system, arguing that the state should take over and restore the locks due to their historical importance, their value to recreational boaters and their potential for our tourism industry. Wisconsin is known for its quality of life, and our recreational resources are an important part of that and must be protected.

For year after year then-Congressman Toby Roth of Green Bay and I would appear before congressional hearings pleading for funds and for more time

to arrange the state takeover of the locks. Funding was always a concern for the state, and it took a very long time for state lawmakers to organize its participation in the project.

In 1992, I was successful in including a provision in federal law authorizing the Corps to transfer the locks to the state, subject to a federal-state agreement.

Now that Toby Roth has retired, his role has been taken on by Rep. Mark Green. In the Senate, Sen. Herb Kohl has been especially helpful.

Finally, in mid-April Gov. Jim Doyle announced that the state has concluded an agreement with the federal government to assume ownership of the locks on September 1. The transfer will allow the state to leverage \$22 million in federal, state, and local funds to help repair, operate and maintain the system.

Currently, only three of the locks are in operation, and it could take five years before the first of the remaining 14 locks is ready for use - but, however slowly, we are clearly moving forward.

Of course, some people have raised concerns about our plans for the locks. \$22 million is a lot of money, after all. But closing the locks permanently in an environmentally sound way would cost an estimated \$35 million, so restoring the locks turns out to be cost-efficient.

Others are concerned about the possibility that

reopening the locks will make Lake Winnebago and connected waterways vulnerable to invasive foreign species such as the zebra mussel. However, the plan is to keep the Rapide Croche Lock barrier near Wrightstown closed, and ultimately create a system of lifting and cleaning boats to make sure that nothing objectionable hitches a ride from Lake Michigan to Lake Winnebago.

Would you like your own personal copy of the U.S. Constitution?

Could you use a resource guide for resolving consumer problems?

Have you ever wondered about the proper display of Old Glory?

My office has a limited supply of the following publications which are available for the asking. Please call one of my district offices or e-mail me via www.house.gov/petri:

- ❖ *U.S. Constitution*
- ❖ *U.S. Constitution (pocket size)*
- ❖ *How our Laws Are Made*
- ❖ *Our American Government*
- ❖ *Our Flag*
- ❖ *Consumer Action Handbook*

ACTION IN THE HOUSE

Here are some of the bills the House has passed during the first five months of 2004:

Permanent fix to the marriage penalty: On April 28, the House passed H.R. 4181 to ensure that marriage penalty relief is not reduced next year and that the relief stays in the law permanently. Pending in Senate.

Permanent Relief for Low-Income Taxpayers: On May 13, the House passed H.R. 4275 to make permanent the 10% bracket at \$7,000 for singles and \$14,000 for married couples. These amounts are adjusted for inflation. Pending in Senate.

Relief for Middle-Income Taxpayers: The House passed H.R. 4227 on May 5 to extend through 2005 the higher Alternative Minimum Tax (AMT) exemption amounts enacted in 2003 and adjust these amounts for inflation. Pending in Senate.

Recognizing our Guardsmen and Reservists: H.R. 1779, passed by the House on April 21, would allow guardsmen or reservists who are activated for more than 179 days to make penalty-free early withdrawals from their IRA or pension fund and includes other reforms. Pending in Senate.

Iraqi Prisoner Abuse: The House on May 6 passed a resolution by a vote of 365-50 deploring and condemning the abuse of persons in United States custody in Iraq, regardless of the circumstances of their detention.

Highway Bill reauthorization: The House on April 2, passed by a vote of 357-65 legislation reauthorizing the federal highway and transit programs for six years. Under the bill, Wisconsin would continue to receive back its fair share of federal gas taxes paid by our motorists. The bill must now go to conference to be reconciled with Senate-passed version.

Unborn Victims of Violence: The House passed H.R. 1997 which fills gaps in federal law by providing that if an unborn child is injured or killed during the commission of crimes of violence already defined under federal law, prosecutors can bring two charges: one on behalf of the mother, the other on behalf of the unborn victim. President Bush signed into law on April 1.

Encouraging Personal Responsibility: H.R. 339, which passed the House on March 10 by a vote of 276-139, would generally prohibit obesity or weight gain-related claims against the food industry, with certain exceptions such as if a state or federal law was broken. Pending in Senate.

Human Rights in Laos: The House went on record on May 6, expressing concern about human rights violations and lack of civic and personal freedoms in Laos, referencing specifically the Hmong people.

Health Care: During the week of May 10, the House passed various bills dealing with health care - including allowing trade associations to offer health insurance to member organizations, setting procedures for resolution of medical malpractice claims (which currently drive up costs), and improving flexible spending accounts.

Continuity in Representation Act: H.R. 2844, passed April 22, provides for expedited special elections in the states to fill vacant House seats in extraordinary emergency situations such as a terrorist attack. Pending in Senate.



At a Capitol Hill event March 4, Rep. Petri received recognition from the League of American Bicyclists for his successful effort last September to protect funding for transportation enhancements such as bicycle and pedestrian paths, downtown streetscapes, scenic highways, tourist welcome centers, historic preservation and wildlife crossings.

World War II Memorial Dedicated

The National World War II Memorial on the Washington Mall was opened to the public on April 29 and officially dedicated on May 29. While it is a tribute to the American men and women who defended freedom in 1941 through 1945, it reminds us of the debt we owe those who have defended us in all wars, including the current war.

Funding for veterans programs helps to pay a small portion of that debt.

Accordingly, over the past three years Congress has increased the GI Bill education program by 46%, increased funding for the VA health care system by 30%, authorized more generous health care and pension benefits for the surviving spouses of those who die of a service-related cause, taken further steps to address the concurrent receipt issue, and more.

Let Me Help

Has the Social Security Administration or the Department of Veterans Affairs lost track of your benefits? Are you interested in attending one of the U.S. service academies? Are you having problems with red tape? If you need help with an issue of federal concern, I'd like to hear about it. Here are two recent examples of ways that I can help.

Problem: An elderly woman recently contacted my office after a man claiming to work for the Commerce Department showed up at her house demanding to be let in and ask her questions. Since it was four years after the most recent census was conducted she was skeptical about his identity and scared by his aggressive attitude so she refused to admit him.

She told my staff that he banged on all the doors of her home before finally leaving a note. He was adamant that the survey must be done in person and indicated that he would keep coming to her house until she cooperated.

Solution: One of my assistants verified the man's identity with the Census Bureau and learned that the woman had been selected as a participant

in a voluntary follow up program. However, the forceful tactics of this particular census employee were not in accordance with established government policy.

The survey could be conducted by phone and the Census official who was contacted called the frightened woman to assure her that she would have no further visits from this census taker and that he would be admonished for his actions.

Problem: A constituent wrote to me expressing her frustrations with trying to collect child support from her daughter's father who did not live in Wisconsin. For three years she did everything in her power to obtain the financial assistance that her daughter was entitled to, but to no avail. Although a court order had been issued, the

required wage garnishment had not been initiated from the father's military pay.

Solution: My staff contacted child support officials in both states to find the garnishment paperwork. After it was located my assistant arranged for it to be forwarded to the military finance office and ensured that it was processed in a timely fashion. Finally, mother and child received the money they were due.

Many people contact me through my toll-free number: 1-800-242-4883. Others write to me at this address: Rep. Tom Petri, 490 West Rolling Meadows Dr., Suite B, Fond du Lac, WI 54937. Or use e-mail by going to my Web site and clicking on the "E-Mail Rep. Petri" link. My Web address is: www.house.gov/petri

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This form filters out "spam" e-mail, which can number in the hundreds or thousands on any given day. When writing by e-mail, please include your name and postal address to guarantee a response.

www.house.gov/petri

If you have any questions or comments, please feel free to call or write. In addition to the usual "old fashioned" addresses and numbers on page 1, you can contact me by e-mail. Due to the high volume of messages which I have received from all over the country, I am asking everybody from the 6th District to use the form linked to the front page of my web site found at:

Keeping in Touch

Representative Tom Petri's July/August 2004

TOWN MEETINGS SCHEDULED

During the 107th Congress I spent 190 days working in Wisconsin, held 42 Citizen Hours in 21 cities, hosted 42 Town Meetings in 21 locations, and made 498 stops in 90 cities and towns.

My most recent series of Citizen Hours was held in May at 11 locations. As always, if it is more convenient for you or if your concerns are pressing, feel free to contact my Fond du Lac, Oshkosh or Washington offices.

Town Meetings, as opposed to Citizen Hours, provide opportunities to discuss national issues in a group setting. My next round of Town Meetings will take place from July 28th through August 3rd at 12 locations throughout central Wisconsin. Please come and express your opinions!

WEDNESDAY, JULY 28

2:30 - 3:30 p.m. - WATERTOWN
Municipal Building
106 Jones Street
Room 2044

4:00 - 5:00 p.m. - JUNEAU

Juneau Public Library
250 North Fairfield Avenue
Meeting Room

THURSDAY, JULY 29

2:00 - 3:00 p.m. - NEENAH
City Hall, 211 Walnut Street
City Council Chambers

4:00 - 5:00 p.m. - OSHKOSH

City Hall, 215 Church Avenue
Room 406

FRIDAY, JULY 30

11:00 - 12:00 noon - ADAMS
Municipal Building
101 North Main Street
Council Chambers

1:30 - 2:30 p.m. - WAUTOMA

CAPsell Center
205 East Main Street
Conference Room C

3:15 - 4:15 p.m. - MONTELLO

Marquette County Courthouse
77 West Park Street
County Board Room

MONDAY, AUGUST 2

10:00 - 11:00 a.m. - MARKESAN

Municipal Building
150 South Bridge Street
Community Room

2:00 - 3:00 p.m. - FOND DU LAC

City-County Government Center
160 South Macy Street
Legislative Chambers

4:00 - 5:00 p.m. - NEW HOLSTEIN

New Holstein Public Library
2115 Washington Street
Arps Room

TUESDAY, AUGUST 3

10:00 - 11:00 a.m. - MANITOWOC

City Hall, 900 Quay Street
First Floor West Conference Room

3:30 - 4:30 p.m. - SHEBOYGAN

Mead Public Library
710 North 8th Street
Rocca Meeting Room