



U.S. REPRESENTATIVE · 4TH CONGRESSIONAL DISTRICT · OREGON

PETER DEFAZIO

REPORTS

Congress of the United States
House of Representatives

August, 2009

Moving Towards Real Health Reform

Every American should have comprehensive health insurance they can keep if they lose their job or get sick. Instead, millions of Americans are one catastrophic illness away from losing everything. I get letters, e-mails, and phone calls every day from people who lost their job and their health insurance. Others find that fine print in their policy excludes treatment of their illness. Some are denied renewal at affordable rates because they got sick. Many are forced deep into debt or bankruptcy.

That is why I share President Obama's commitment to health care reform. Without action, health care costs in America will double in less than ten years, hurting millions more families and crippling businesses that offer health insurance to their employees. However, for reform to be effective, it must make real and significant changes to the status quo.

A critical reform would be to make insurance companies play by the same rules as every other industry in this country. The insurance industry is currently exempt from federal anti-trust laws. This exemption allows insurance companies to collude, fix prices, and exclude people

considered high-risk or who have pre-existing conditions. I have introduced **H.R. 1583, the Insurance Industry Competition Act, legislation to repeal the anti-trust exemption and stop anti-competitive behavior by insurance companies.**

Another key to affordable and sustainable health care is a public insurance option. This plan would be open to all Americans, compete with private insurance, and allow people to choose a plan that best suits their needs. Many insurance plans hold virtual monopolies in thousands of communities throughout the country. Adding a public plan in these markets would increase competition resulting in better care at a more affordable price.

Congress also needs to make sure the priority for the health care system is

Congressman DeFazio discusses needed health care reforms at Sacred Heart Hospital at Riverbend

Photo Credit: Mandy Sloan

patients, not shareholders. Over the past decade, the profits of the health insurance industry have risen over 400%. At the same time, the average consumer's premium has doubled and their health care benefits have diminished.

In 2004, the Republican-led Congress and the Bush administration passed the Medicare Part D prescription drug plan, which I voted against. This trillion dollar giveaway was designed to subsidize private insurance and left seniors with the dreaded "donut hole." (The first \$2,000 of prescriptions is covered, but the next \$2,800 is not.) **The House health care reform plan will eliminate the donut hole, making prescription drugs more affordable.**

The U.S. Senate has proposed taxing employer health benefits to pay for health reform. I don't agree. We should not tax people with health care to provide health care to those who do not have coverage.

In June, the House of Representatives released the "Tri-committee Health Reform Draft," the work of the three major House committees with jurisdiction over health policy--Education and Labor, Energy and Commerce, and Ways and Means. The draft includes a public option to compete with private insurers, eliminates the donut hole, stops insurance companies from denying coverage to people with pre-existing conditions, and guarantees access to quality, affordable health care for all Americans. I expect that a final bill will be brought to the floor for a vote by the end of July. Then it is off to the Senate, with the expectation that President Obama will have a bill on his desk by the fall.

As health reform moves through Congress, I will continue to fight for affordable health care at a reasonable cost for all Americans. Providing health care is essential to our economic competitiveness and to protecting the middle class.

Dear Friend-

The American economy continues to struggle from eight years of failed Bush administration policies - an unnecessary war fought with borrowed money, financial deregulation, crippling trade deficits, and huge tax cuts for those at the top. There are no quick fixes, but I am working hard to turn our economy around, create jobs, and improve the lives of hard working Americans. Over the next few months, I will be tackling several key issues:

Ensuring people have access to **affordable health insurance** they cannot lose, even if they become unemployed or get sick (pg.1)

Rebuilding our nation's **infrastructure**, which will create jobs, improve our economic competitiveness, and reduce congestion and fuel wasted in traffic (pg.2)

Achieving **energy independence** with new domestic technologies, clean, sustainable fuels including biomass and the millions of jobs that it could save or create (pg. 2)

Cutting the federal **budget deficit** and getting our fiscal house in order (pg. 3)

Protecting some of Oregon's most beautiful, wild, and **treasured places** (pg. 3)

I held town hall meetings in the northern part of the district this spring. Now I will hold town hall meetings in the southern part of the district in August (pg. 4). I hope you will attend one in your area.

As always, if you have a problem with a federal agency, my staff and I are ready to help. Please call 1-800-944-9603 for assistance.

Cutting Deficits with Responsible Fiscal Policies

The erosion of fiscal responsibility in Washington, DC., simply put, is a disaster. In the late 1990s, the federal budget was running surpluses. We even began to pay down our federal debt. Then President Bush quickly pushed the federal government back into record deficits with dramatically increased spending and tax cuts for the wealthy. In 2008, he left us with a deficit of \$407 billion. The real deficit was \$592 billion if you account for the funds borrowed from Social Security and spent on general government.

I am alarmed by the rapid growth of the deficit to \$1.8 trillion this year. A big chunk is a result of the \$700 billion bailout for Wall Street. I led the opposition and voted against this proposal. I voted against the \$787 billion stimulus bill. This debt load is not sustainable, and is unfairly burdening our children and grandchildren with our debt, putting our country in hock to foreign investors, threatening our financial and national security. Foreign investors currently own approximately \$3.3 trillion of the total \$7.7 trillion in U.S. government debt. Of that, China owns \$764 billion, Japan owns \$686 billion, and OPEC nations own \$190 billion.

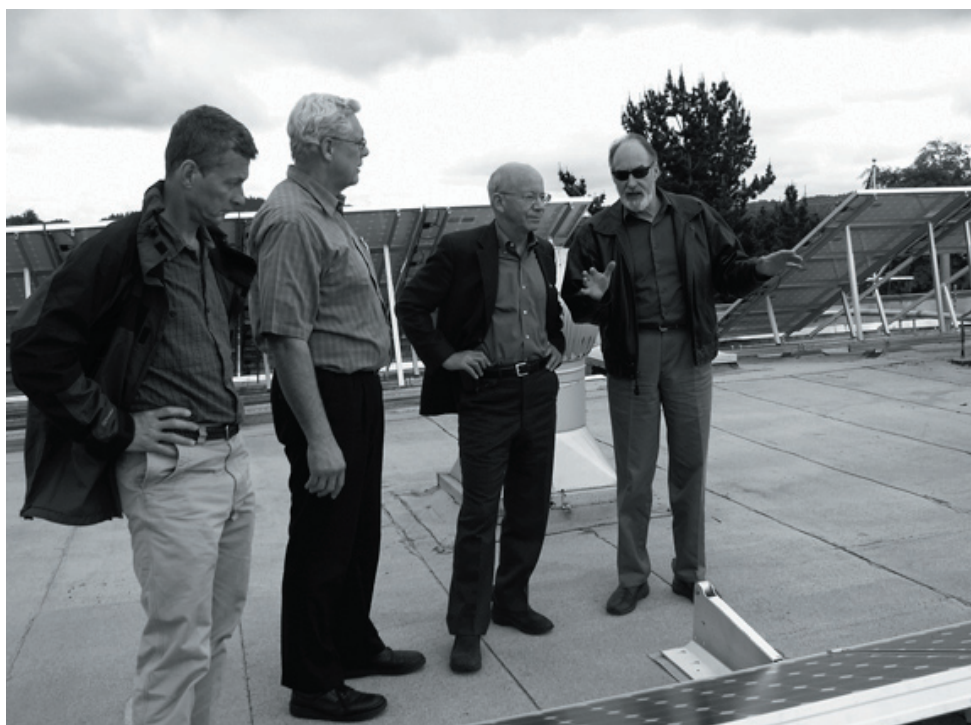
One solution I have supported is restoring the pay-as-you go rule, or “pay-go,” for the federal budget. Any future spending increase or tax cuts would have to be paid for so we don’t add to the deficit. During the 1990s, this rule played an important role in bringing the federal deficit under control.

The pay-go rule expired in 2002 and was not renewed by the Republican Congress. **The expiration of pay-go coincided with an explosion in the national debt from \$5.7 trillion in 2000 to \$11.3 trillion today.**

I recently cosponsored H.R. 2920, the Statutory Pay-As-You-Go Act of 2009, which would reinstate the pay-as-you-go rules. This bill would rein in new entitlement spending and new tax cuts, and it codifies the common sense notion that **when you are in a hole, you stop digging.**

Cap-And-Trade and Why it is Wrong for America

Congress is rushing to implement a cap-and-trade system to reduce greenhouse gas emissions. I fear this approach is flawed. I doubt cap-and-trade will reduce emissions. I know it will create a new complex and expensive unregulated carbon market with the potential for massive manipulation. It could gouge consumers and businesses worse than the Enron led energy deregulation earlier this decade.



Congressman DeFazio visits the Industrial Finishes Solar Array in Eugene to discuss renewable energy jobs

restrictions and weak oversight. **We can look forward to carbon offset derivatives futures tranced into collateralized debt obligation insured by credit default swaps mimicking the recent mortgage trading by AIG and others.** That is a dangerous prospect.

The cap-and-trade legislation recently passed by the House fails to adequately protect consumers against rising energy costs. I voted against the bill in part because it gave away allowances. If the bill had auctioned allowances, a U.S. cap-and-trade market could have raised \$846 billion by 2020. We could have used this revenue to protect consumers and small businesses, invest in clean energy technology, and move toward energy independence.

I believe we must take immediate and meaningful action to reduce greenhouse gas emissions or face the impact of climate change in Oregon, the U.S., and the world. Instead of a cap-and-trade system, we should set a strong cap on emissions, inventory our pollution sources, issue permits, and fine polluters who don’t meet their targets. We have used a similar approach since the 1970’s under the Clean Water Act to clean up our waterways and rivers and it has been phenomenally successful.

If you would like more information on cap-and-trade and climate change, please visit my website at www.defazio.house.gov/climatechange

In theory, a cap-and-trade system sets pollution limits (the “cap”) and doles out allowances through offsets that can be bought and sold to meet the targets (the “trade”). However, any polluter can indefinitely avoid this cap by spending allowances and buying overseas offsets. **Wall Street is wildly enthusiastic about cap-and-trade and projects the biggest speculative market in history.** I fear it will create a carbon bubble that will dwarf the recent financial services bubble. This approach will put the American economy and taxpayers at risk.

The recent Wall Street-led financial crisis should have been a clear lesson to Congress. Yet, cap-and-trade would again create a market that Wall Street could manipulate with few

Biomass Victory

Forest thinning projects designed to reduce fuel loads and improve forest health on federal lands generate thousands of tons of slash and brush every year. Traditionally, this material has been piled up and burned out in the open air. This material, called woody biomass, can be transported to local facilities and processed in an environmentally-friendly way to create clean, renewable energy. Forest thinning projects combined with biomass will create jobs and stimulate rural economies.

I worked to get a provision authorizing woody biomass from federal lands for all fuel production included in the recent energy bill. This inclusion is a positive step to help put Oregonians back to work, move us closer to energy independence, and improve rural economies.

A New Future for Transportation



Congressman DeFazio in Portland with members of Oregon Ironworks at the opening of the the first domestically manufactured streetcar in 70 years. DeFazio legislation helped create the project, which could generate hundreds of jobs in Oregon.

A robust economic recovery is threatened by a deteriorating highway network and congestion in our urban cities and ports. Decades of under-investment in our transportation infrastructure have taken a toll. Almost 61,000 miles on the National Highway System are in poor or only fair condition. More than 152,000 bridges are structurally deficient or functionally obsolete. The nation's transit agencies have billions of dollars in deferred maintenance putting lives at risk. As a result, America is falling behind. Investing in a vibrant and modern infrastructure would make America more competitive and is a proven way to put millions to work helping to jump-start our lagging economy.

I chair the Highways and Transit Subcommittee. After three years of preparation, my subcommittee recently approved the Surface Transportation Authorization Act of 2009. This legislation provides clear national transportation objectives to help move the country's transportation system into the 21st Century. **The bill will create needed jobs, reduce congestion and greenhouse gas emissions, improve quality of life, allow goods to get to market quickly and efficiently, and improve our long-term economic viability.** The full committee is expected to approve the bill in September and the House shortly thereafter.

Unfortunately, the Obama administration recently proposed an 18 month extension of our current outmoded transportation policies. An extension won't begin to address the backlog of needed maintenance on the existing system or move us toward a new transportation system. The 18 month delay would be an incredible disservice to the nation that will cost millions of jobs and keep us locked into the ineffective policies of the past.

We have a chance to partner with states and local governments for real reform that reduces sprawl and builds more livable communities. We must seize this opportunity. I am committed to moving forward with a transportation infrastructure bill this year that will substantially increase our investment in transportation and infrastructure so we can move beyond the broken policies of the past toward a safer, cleaner, more efficient transportation system for the 21st Century.

Wilderness Victories

In March 2009, Congress passed the historic "Omnibus Public Land Management Act" with the support of the entire Oregon delegation. The bill preserves many treasured landscapes significant to America's natural heritage. It also provided important economic benefits to struggling local economies.

The landmark bill included five measures that protect Oregon treasures including a new wilderness designation called "Copper Salmon Wilderness," on the South Coast.

Copper Salmon is one of the wildest and most beautiful places in southwest Oregon. The protected area contains one of the nation's largest remaining stands of low-elevation old-growth forest, and one of the healthiest salmon, Steelhead, and Cutthroat trout runs in the continental United States. It features Douglas firs as large as 10 feet in diameter and up to 300 feet in height.

Other legislation also protected as part of the Omnibus Public Land Management Act include the following:

Lewis and Clark Mount Hood Wilderness Act

The Oregon Badlands Wilderness Act

The Spring Basin Wilderness Act

The Cascade Siskiyou National Monument Voluntary and Equitable Grazing Conflict Resolution Act

I am pleased that these wild places in Oregon and around the country, will be protected and preserved for future generations. However, there is more to be done. This year I will work to expand the Oregon Caves National Monument (H.R. 2889), add to the Rogue River Wild & Scenic designations (H.R. 2890), and protect Wasson Creek and Devil's Staircase (H.R. 2888), one of the wildest areas left in the Oregon Coast Range.



Congressman DeFazio tours Devil's Staircase with Chris McCafferty of OSU and Eric Forsman of the U.S. Forest Service. He is pushing for additional protection of the area.

Photo Credit: Andy Stahl

What's On Your Mind? Come To A Town Hall Meeting

Since I came to Congress, I have held over 300 town hall meetings across southwest Oregon. I have developed many legislative initiatives based on my conversations with Oregonians at these meetings. This spring I held town hall meetings in the northern part of the district. I will hold meetings in the southern part of the district this month. The dates and locations of my upcoming town hall meetings are listed below. I hope you will attend one in your area. I look forward to discussing current issues before congress and to hearing your ideas and opinions.

Cottage Grove

Wednesday, August 12

9:30 – 10:30 AM

Shepherd Room

Cottage Grove Community Center

700 Gibbs Avenue

Gold Beach

Thursday, August 13

12:00 - 1:00 PM

City Council Chambers

Gold Beach City Hall

29592 Ellensburg Avenue

Eugene

Tuesday, August 18

5:15 - 6:15 PM

City Council Chambers

Eugene City Hall

777 Pearl Street

Canyonville

Wednesday, August 19

2:00 - 3:00 PM

Room A

Seven Feathers Convention Center

146 Chief Miwaleta Lane

Drain

Wednesday, August 12

12:00 – 1:00 PM

Drain Civic Center

205 West A Street

Port Orford

Thursday, August 13

2:00 - 3:00 PM

City Council Chambers

Port Orford City Hall

555 W 20th Street

Springfield

Tuesday, August 18

7:00 - 8:00 PM

City Council Chambers

Springfield City Hall

225 5th Street

Roseburg

Wednesday, August 19

5:15 - 6:15 PM

Ford Community Meeting Room

Douglas County Library

1409 NW Diamond Lake Boulevard

Grants Pass

Wednesday, August 12

5:15 - 6:15 PM

Anne G Basker Auditorium

604 NW Sixth Street

North Bend

Thursday, August 13

5:15 - 6:15 PM

City Council Chambers

North Bend City Hall

835 California Street

Oakland

Wednesday, August 19

10:00 - 11:00 AM

City Council Chambers

Oakland City Hall

637 NE Locust Street

Cave Junction

Wednesday, August 12

7:00 - 8:00 PM

City Council Chambers

Cave Junction City Hall

222 W Lister Street

Junction City

Tuesday, August 18

9:00 - 10:00 AM

City Council Chambers

Junction City Hall

680 Greenwood

Brookings

Thursday, August 13

10:00 - 11:00 AM

Room A and B

Chetco Activity Center

550 Chetco Lane

*I hope you can attend
a townhall meeting near you!*
Pet

Feel free subscribe to my e-newsletter. By subscribing to the e-newsletter, you will receive occasional e-mail updates regarding current legislation and issues before Congress that are important to residents of the 4th Congressional District and which will save postage on future mailings. To subscribe, please visit my website at www.defazio.house.gov.

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