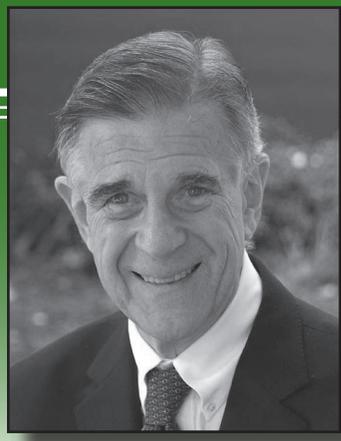


JULY 2011



# PETE STARK'S LEGISLATIVE REPORT



## MEDICARE ALERT: PROGRAM'S FUTURE AT RISK

### HOUSE MAJORITY BUDGET WOULD END MEDICARE AS WE KNOW IT

This spring, the Republican Majority in the House of Representatives put forth their vision for our country's future in their budget. It represents an extreme departure from the values you sent me to Congress to protect and promote.

While there are many areas of the Majority's budget with which I disagree, one of my primary concerns is their proposal to end Medicare as we know it. Today, Medicare guarantees health care benefits for seniors and people with disabilities. The House Republican Budget would end that guarantee and convert Medicare into an underfunded voucher.

This would place beneficiaries at the mercy of private insurance companies and leave them to find

coverage that may or may not meet their medical needs or be affordable.

If the Majority Budget were to become law, the non-partisan Congressional Budget Office estimates that senior citizens would see their yearly out-of-pocket costs double. In 2022, CBO predicts senior citizens would spend \$12,500 annually on health expenditures – up from the \$6,150 projected for the current Medicare program.

The Majority's budget would also repeal important Medicare improvements enacted in the new health reform law. It would end free preventive benefits under Medicare, including cancer screening and a new annual wellness checkup that became available in January. Their plan would

also reinstate the Medicare prescription drug donut hole. Already this year, Californians who hit this gap in prescription drug coverage have saved an average of \$800 because of health reform. The Majority's budget would turn the clock back on all of that.

Medicare is an essential commitment our nation has made to our senior citizens and people with disabilities. While I agree it is important that we reduce our deficit, I do NOT agree that slashing Medicare and other vital domestic initiatives is the right way to achieve that goal.

As those in the Majority seek to renege on the promise of Medicare in the name of reducing the deficit, they refuse to take more obvious

steps – strongly supported by the public – to reduce our nation's debt. For example, the Majority party steadfastly refuses to end tax breaks for Big Oil – even as the industry rakes in record profits while gas prices skyrocket. Similarly, they refuse to eliminate tax handouts for millionaires. In fact, they are pursuing changes in tax policy to reduce tax rates for the richest Americans and significantly lower the corporate tax rate – even though companies like Boeing and GE were able to game the existing tax code and paid no taxes last year.

Protecting special interests and ending Medicare is the wrong way to reduce our deficit. We could best achieve deficit reduction by pursuing sensible tax policy, cutting our bloated defense bud-

### Medicare Costs for a 65-year-old

#### Under the House Majority's Plan for Medicare

\$12,513

#### Under the Current Medicare Program

\$6,154

*Dollars Per Year in 2022*

*Calculations based on CBO estimates*

## THE ENERGY CHALLENGE

**G**as prices have been painfully high, especially in California, where the state average has hovered near or above \$4 a gallon in recent months. In late June, the President ordered 30 million barrels of oil to be released from our country's emergency stockpile, the Strategic Petroleum Reserve. This should alleviate some of the pain at the pump as unrest in the Middle East contributes to even higher gas prices.

The President made the right decision. Tapping our emergency reserves, however, is not a long-term solution. The only way to develop a sustainable energy future in this country is to invest in more efficient cars, better public transportation, and renewable energy so we can free ourselves of our reliance on fossil fuels and foreign oil.

Unfortunately, the House Majority has the wrong approach. I strongly oppose the energy legislation they've introduced this Congress, which would allow drilling off the California Coast and dismantle basic oil drilling safeguards.

Barely a year after the BP oil spill, Republicans passed several bills (HR 1231, HR 1229, and HR 1230) that would mandate vast swaths of the East and West Coasts be opened to drilling while fast-tracking new leases without proper safety or environmental reviews.

Under HR 1231, the Interior Department would have to make at least half of the Outer Continental Shelf (OCS) available to leasing, including the California Coast, regardless of state objections or safety, economic, or environmental concerns. HR 1229 and HR 1230 would make drilling safeguards weaker than they were before the BP Spill while destroying judicial review of leasing decisions. I voted against all three.

In addition to putting our environment at risk, these bills do nothing to bring down gas prices. The Energy Information Agency estimated that even if the entire OCS were exploited, gas prices would drop by only three cents – and not until 2030. The U.S. consumes 25% of the world's oil, yet we have only 3% of the world's reserves. We can't drill our way out of high gas prices.

In the first quarter of this year alone, the oil industry raked in \$38 billion in profits. Yet, they benefit from more than \$4 billion in annual taxpayer subsidies. We need to end this corporate welfare. As we seek to reduce the deficit, the Majority refuses to consider ending tax breaks for Big Oil. Instead, they are focused on ending Medicare, undercutting Medicaid, and defunding education. I disagree with them. Ending subsidies to the oil industry should be included in deficit reduction.

## RECENT KEY VOTES IN THE HOUSE

**War Powers Resolution Authority, War in Libya (H Con Res 51)** – Would require the President, pursuant to the War Powers Act, to remove our troops from Libya within 15 days until Congress is able to review how our nation should move forward.

*Voted YES, failed in the House 148-265.*

**FY 2012 Agriculture Appropriations Act (HR 2112)** – Would make cuts to the Women, Infants, and Children (WIC) program, meaning 350,000 families would lose access to nutritious food. Would cut the food safety budget by \$205 million, increasing the chance of tainted food entering our food

supply. Would cut the Commodity Futures Trading Commission (CFTC), the agency that polices the speculation on Wall Street that drives up gas prices, by 44%.

*Voted NO, passed the House 217-203, pending in the Senate.*

**No Taxpayer Funding for Abortion Act (HR 3)** – Would deny a woman an abortion when her pregnancy endangers her life, let IRS agents decide whether tax benefits have been improperly claimed for abortion services, prevent low-income families from using premium tax credits if their plan covers abortion, and deny employers use of new tax credits to help them offer

comprehensive health coverage.

*Voted NO, passed in the House 251-175, pending in the Senate.*

**The People's Budget (Substitute for H Con Res 34)** – An alternative to the Republican Budget put forth by the Progressive Caucus. It would balance the budget in 10 years, preserve Medicare and Medicaid, improve health reform, and maintain our commitment to education. It would end the wars in Afghanistan and Iraq, trim our bloated defense budget, and ensure the wealthiest Americans and Wall Street pay their fair share of taxes.

*Voted YES, failed in the House 77-347.*

## CONGRESSIONAL ART COMPETITION

**H**ayward's Jared Gochuico is the winner of this year's 30th Annual Congressional Arts Competition. His piece, "Examination," is now hanging in the U.S. Capitol along with winning artwork from Congressional Districts across the country.

In June, I met with the rising Mt. Eden High School senior when he came to Washington with other competition winners.

Gochuico has taken advantage of the resources at his school, even lobbying a teacher to let him enroll in a senior-level AP Studio Art class as a junior. It was this teacher, Ms. King, who encouraged him to submit "Examination" to the Congressional Arts Competition.



*Jared Gochuico stands with his winning artwork, "Examination," in the U.S. Capitol in Washington, D.C.*

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## DOING RIGHT BY CHILDREN AND FAMILIES

**I** recently introduced two bills that are both important to the welfare of our children and to the health of our families: the Recovering Missing Children Act, HR 1978, and the Every Child Deserves a Family Act (ECDF), HR 1681.

The Recovering Missing Children Act would create a cost-free fix for a roadblock in certain cases where a family member abducts a child.

Every year, about 200,000 children are victims of such abductions. In up to one-third of these cases, an abducting parent files a tax return with the IRS using the Social Security number of the child, including a new address that could be critical in locating the child. Currently, local and state law enforcement do not have access to that information.

My bill would allow for the court ordered release of tax return information to state and local law enforce-

ment who are directly involved in the investigation.

The Every Child Deserves a Family Act would address a critical challenge faced by children in our foster care system: far too few potential homes. Nearly 500,000 children are in the system. Some 120,000 foster kids are available for adoption each year while 25,000 "age out" of the system without being placed permanently with good, caring families.

My bill would provide a federal fix to a flaw in our foster care and adoption systems, which too often serves as a barrier between kids and the loving homes they need: discrimination against prospective parents based on their sexual orientation, marital status, or gender identity. My bill would ban such discrimination, as well as discrimination against kids based on their sexual orientation or gender identity.

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## TAX FAIRNESS: "INNOCENT SPOUSE" RULE

**M**ore than ten years ago, Congress created rules to help taxpayers who were being wrongly prosecuted by the IRS for their spouse's misdeeds, now known as the "innocent spouse" rule. The IRS later put a two-year limit on this rule, which has the effect of prohibiting over 1,000 taxpayers annually from using the innocent spouse rule to defend themselves.

This policy primarily hurts women, many of whom

are low-income and escaping abusive marriages. While the Tax Court has issued rulings that invalidate the regulation, the IRS continues to enforce it.

I recently lead 49 of our Democratic colleagues in calling on IRS Commissioner Douglas H. Shulman to rescind this harmful regulation. The Commissioner is now reviewing the "innocent spouse" rule and I expect a decision this summer.



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*Pete Stark*  
M.C.  
PRESORTED STANDARD

# JULY TOWN MEETINGS

**SATURDAY**  
**July 23, 2011**

## FREMONT

**9:00 — 10:30 AM**

Fremont Senior Center  
40086 Paseo Padre Pkwy, Wing A

## ALAMEDA

**11:00 AM — 12:30 PM**

Alameda City Hall  
City Council Chambers  
2263 Santa Clara Avenue

*MEDICARE continued from front page*

get, bringing home our troops from Afghanistan and Iraq, and ending our military involvement in Libya.

I'll continue working to protect and improve Medicare and seek responsible ways to reduce our deficit without lining the pockets of corporate America or endangering the health and well being of our citizens.

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