

**OPENING STATEMENT
OF
CONGRESSMAN ELIJA H E. CUMMINGS**

**“GAMING THE TAX CODE: PUBLIC SUBSIDIES, PRIVATE
PROFITS, AND BIG LEAGUE SPORTS IN NEW YORK”
DOMESTIC POLICY SUBCOMMITTEE
OVERSIGHT AND GOVERNMENT REFORM COMMITTEE
FRIDAY, OCTOBER 24, 2008
2154 RAYBURN HOB
10:00 A.M.**

Mr. Chairman,

Thank you for holding this vitally important hearing to examine the alleged misuse of taxpayer dollars to build stadiums in New York City.

As we hold this hearing, our national economy is crumbling.

The subprime mortgage crisis, which this Subcommittee was one of the first to investigate, has caused countless families to watch the American Dream slip through their fingers right in front of their eyes.

Unemployment is on the rise—there have been job losses each month of the year totaling 760,000, 159,000 just in September alone.

And, for those who do have a job, the cost of gasoline has made it nearly impossible to get to work.

As if that were not enough, prohibitively high gas prices have led to increased prices for everyday commodities such as eggs, bread and milk.

Americans on Main Street have long felt the pinch of this weakened economy—and with the news of the past month, we know that Wall Street is feeling it too.

This Administration's across-the-board policy of favoring Big Business over the American taxpayer is catching up with us—and today's issue of whether taxpayers should be footing the bill for the private enterprise of baseball is just more of the same.

Now, Mr. Chairman, I enjoy a good Baseball game just like any other American.

When seven-time Cy Young award winner Roger Clemens came before our Committee to answer questions about his alleged steroid abuse, I told him he was one of my heroes—and I meant it.

I also told him, when he met with me in my office prior to the hearing, that I am not one of those politicians who believe that star athletes do not deserve the millions of dollars that they receive.

Baseball is big business, I get that.

And for the entertainment, joy and pride that the game brings so many Americans, it is worth every dime.

But again, American taxpayers should not be forced to pay.

What we are seeing in New York with the development of the new Mets and Yankee stadiums is a situation where the federal government was simply taken to the bank.

We are essentially offering these teams interest-free loans by issuing tax-exempt federal bonds for the construction of the stadiums—and allowing them to pay them back in place of taxes.

The IRS and the Treasury Department, after approving the deals, recognized that this practice is problematic—and they have revised their regulations, effective today, to ensure that future deals are not similarly made.

My problem with the whole situation is that the IRS probably should not have approved the tax exempt status in the first place, given that the stadium projects present a clear concern.

However, we are here this morning to discuss among other issues the alleged misrepresentations made to the IRS and investors regarding the assessment value of the New Yankees Stadium, and whether these alleged misrepresentations are an outgrowth of insufficient independence, transparency and accountability at the New York City Department of Finance (DOF).

Mr. Chairman, I look forward to learning more about these topics from our witnesses and look forward to hearing their testimonies.

Thank you and I yield back the balance of my time.

Elijah E. Cummings
Member of Congress

