

HOUSE REPUBLICAN CONFERENCE

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Dear Colleague

As we enter the fall season, we are reminded of the ancient proverb, “may you live in interesting times.” I appreciate your patience, persistence, and leadership throughout this extraordinary period – your constituents have plenty to be proud of.

When we went about putting this recess pack together, we began with the guiding principles House Republicans laid out at the start of the 110th Congress:

- Protecting Americans by pursuing terrorists must remain our top priority.
- Taxpayers expect House Republicans to protect their hard-earned money.
- We will hold Democrats accountable for the promises they have made.
- Real reform necessitates open debate.
- We will work with Democrats when it is in the best interests of the country.

By any standard, House Republicans have made good on these pledges, scoring important victories for the American people – on protecting taxpayers, on new American-made energy, on national security, on intelligence reform, on fiscal responsibility, on health care, on good government, on tax relief, on veterans’ benefits.

Along the way, we added an important principle to the list: Washington is broken. That’s why we’ve laid out an agenda to address how we achieve energy independence, get our economy back on track, protect Americans at home and abroad from jihadist terrorists, and build a health care system that lowers costs and expands access.

For proof of just how much we have accomplished as a minority, look no further than the energy issue. Well before \$4 gas became a harsh reality for working families, House Republicans were fighting tooth-and-nail to unleash our nation’s vast domestic energy resources. And when the American people demanded action from Washington, House Republicans answered the call and forced the debate.

Even with formidable grassroots support on our side, no objective observer could have predicted that the House Democratic Caucus – home to a coterie of anti-energy activists, including the Speaker of the House herself – would be pushed into allowing a pro-production vote on the floor one week, and then have no choice but to let America’s outdated energy exploration bans expire the next.

Make no mistake, your all-out-hustle on behalf of the American people made this tectonic shift possible. Awesome job!

Finally, thank you for all you do. In the weeks ahead, please don’t hesitate to get in touch and let me know if there’s any way in which the Conference can be of assistance to you.

Sincerely,

Adam Putnam
Chairman, House Republican Conference

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ECONOMY

ECONOMY

Protecting Main Street

ACCOMPLISHMENTS

House Republicans successfully fought to ensure Wall Street rescues itself and taxpayers have maximum protections in a significantly improved economic rescue package.

Try as they did to foist \$22 billion in new and unnecessary spending on the American people – which translates to at least \$204 billion in permanent government spending – **Democrats were forced to give in to Republican pleas for restraint and accept a more sound fiscal blueprint for fiscal year 2008.**

Republican unity has protected millions of Americans from getting hit by an average \$2,000 tax increase as a result of the pernicious Alternative Minimum Tax.

When House Republicans proposed an immediate moratorium on earmarks last January, it was **by far the most sweeping proposal ever made to reform the way tax dollars are spent.** On top of this, House Republicans unilaterally began to follow a new set of standards by which all future earmark requests would be scrutinized.

LOOKING AHEAD

It is clear that our economy faces extraordinary and unprecedented challenges. Congress has taken action to protect taxpayers and their savings by restoring confidence in our markets and getting our economy back on a sound footing.

House Republicans have released an economic agenda that will create jobs and protect families. We will put our nation on a path to permanent energy independence and security. We will also stop the Democrats' tax increase, cut the pork, and put America's economy back on track.

AGENDA

- **Lower gas prices** by increasing supply, expanding environmentally sound production of American energy, promoting new technologies to deliver new, cleaner energy and provide incentives to increase our energy efficiency.
- **Restore fiscal responsibility** in Washington by reining in spending and balancing the federal budget by 2012 without raising taxes.
- **Save Social Security and Medicare** by reforming these programs to put them on a fiscally responsible path, address their unfunded liabilities, and ensure they can continue to meet the needs of future generations of seniors.
- **Strengthen homeownership** in America through a series of reforms that encourage home purchases and help needy homeowners who are truly victims.
- **Tear down barriers** that prevent U.S. products from being sold abroad.
- **Reduce the size of government** by making it more efficient and transparent while eliminating duplicative or wasteful programs.
- **Limit the growth of federal spending** to a level families can afford by adopting a spending limit that would prohibit federal spending from growing faster than the economy except in time of war or national emergency.
- **Enact an immediate moratorium on congressional earmarks** and establish a bipartisan panel to fundamentally reform how Washington spends taxpayer dollars.
- **Enact reforms to stop lawsuit abuse** and prevent American jobs from being destroyed by abuse of the legal system.
- **Stop the largest tax increase in American history** on workers, parents, married couples, small businesses, and those saving for retirement. We will offer new tax breaks for Americans – including eliminating the unfair Alternative Minimum Tax and making the Internet permanently tax-free.
- **End a tax code that is too long, too complex and too unfair** by providing individuals an alternative, two-tier flat tax system that can be filed on one page.
- **Make the tax code more family-friendly** by reforming the child tax credit and lowering taxes on retirement benefits.
- **Extend many of the current welfare work requirements to other programs** – namely food stamps and housing – so that those who are not old, young, or disabled are either working in the private sector or serving in their community.
- **Strengthen education** by supporting increased state and local control and flexibility, increasing parental options

House Republicans Secure Maximum Protections for Taxpayers in Economic Rescue Plan

Just the facts on how House Republicans ensured Wall Street rescues itself and taxpayers have the maximum protections in a significantly improved economic rescue package:

Economic assistance will be financed by Wall Street, not Main Street: Republicans successfully included measures to ensure Wall Street pays its fair share and secured maximum taxpayer protections for Main Street.

- **Federal insurance program protects taxpayers, forces Wall Street to share the burden:** Requires the establishment of an insurance guarantee program that in lieu of purchasing assets with taxpayer funds is available to insure assets at no cost to the taxpayer. Costs would be fully paid for by participating companies (i.e. those receiving the assistance). Assets insured by the program would count against the total funds the Secretary would otherwise have available to make purchases.
- **Up-front Treasury authority cut in half:** Secretary Paulson's original proposal sought \$700 billion in up-front, immediate authority. The new economic rescue plan cuts this up-front authority in half. The Treasury would have \$250 billion in immediate authority, with another \$100 billion available after the Secretary reports to Congress. Congress has the authority to withhold the remaining \$350 billion.
- **Taxpayers protected against losses:** Taxpayers would be first in line to recoup losses from participating financial institutions in the event they fail or lose money – not shareholders and certainly not corporate executives.
- **No golden parachutes for Wall Street:** Irresponsible corporate executives at participating institutions will not be rewarded with golden parachutes or severance pay.

No liberal slush funds: Democrats wanted to direct 20 percent of the revenues from the program into a slush fund for ultraliberal allies like ACORN. **Republicans successfully demanded it be dropped.**

No trial lawyer giveaways: Democrats wanted trial lawyer giveaways that would punish responsible borrowers and help their political allies by allowing bankruptcy judges to unilaterally rewrite mortgage terms. **Republicans successfully demanded it be dropped.**

No Big Labor paybacks: Democrats wanted to continue their two-years-long Big Labor payback by giving union bosses seats on the boards of participating financial companies. **Republicans successfully demanded it be dropped.**

Bipartisan oversight and accountability: Democrats wanted to stock a seven member oversight board with five Democrats and only two Republicans. **House Republicans successfully demanded the panel be truly bipartisan** with an equal number of Democrats and Republicans.

No more harmful “mark-to-market” accounting rules: **At the insistence of House Republicans,** the Securities and Exchange Commission would have the authority to suspend “mark-to-market” accounting rules – outdated regulations that artificially undervalue good mortgage assets and have helped exacerbate this economic crisis.

Protection for community banks from Wall Street excess: The rescue plan helps local community banks across the country by allowing them to write off losses on Fannie and Freddie mortgage assets they hold.



Protecting Taxpayers: Forcing Wall Street to Share the Burden

(Courtesy of Chief Deputy Whip Eric Cantor)

Stabilizing Financial Markets through Mortgage Insurance

- The bill requires the Department of the Treasury to create an insurance program that guarantees against losses to mortgage-backed securities (MBS) issued or originated prior to March 14, 2008.
- Directs the Treasury to assess risk-based premiums on MBS to finance this insurance.
- The Treasury insurance program ability to issue insurance will sunset within 2 years.

Under This Program Treasury Will be Able To

- Insure securities that contain easily identifiable whole mortgages and not the “sliced and diced” toxic securities.
- The assets that will be insured by Treasury are the performing assets that have real value but are victims of the greater financial crisis and alarm.
- The Government insured securities will have an immediate value in the financial markets helping create economic liquidity and stability.

Saving Taxpayer Dollars

- Holders of MBS must pay a premium to have a government guarantee, rather than be bought by Treasury.
- This plan will directly reduce the \$700 billion dollar taxpayer liability. Every taxpayer dollar used to insure assets reduces the need to spend taxpayer money to purchase MBS.
- An insurance program saves taxpayers dollars by having Wall Street pay for a government guarantee instead of the government outright buying performing MBS.

“...an excellent idea for a federal bond insurance guarantee for straight mortgage-backed paper financed by private-sector insurance premiums. That will improve investor confidence in mortgage bonds and will make those bonds highly marketable.” (Lawrence Kudlow 9/27/2008)

What They're Saying on the Economic Rescue Plan

Newt Gingrich on ABC's "This Week": "Sure, look, something has to be done. The question is whether it has to be this and whether it has to be in the next 48 hours. ... I suspect were I still in Congress, in the end George [Will] is right, and I probably would end up voting reluctantly yes, because I think when you're given no choice." (9/28/08)

National Review Online: "Five Things to Like About the Republican Effect on the Deal ... 1. No ACORN money: All money goes to debt reduction. 2. No blank check: Treasury is required to develop an insurance program. 3. No union power grab: Dodd-Frank permitted unions to force themselves into the board room. This proposed compromise eliminates that. 4. No "cram down" bankruptcy provision (aka, trial bar giveaway). 5. No tax hikes: The proposed compromise simply requires a proposal to Congress to recoup any potential losses." (9/28/08)

The Washington Post: "House Republicans won a major victory, persuading negotiators to include a provision that would require the Treasury Department to create a federal insurance program that would guarantee banks and other firms against loss from any troubled asset..." (9/28/08)

Bill Kristol, Editor of The Weekly Standard: "I wasn't a big fan of the Paulson deal, but it's been improved, and obviously they have to pass it now. It would be totally irresponsible not to pass it as soon as possible." (Fox News Sunday, 9/28/08)

The Wall Street Journal: "Protections against golden-parachute awards had made it into the final deal, along with an insurance component sought by House Republicans as an option for the Treasury to use if necessary and requirements that Treasury is seeking to mitigate and reduce foreclosures where possible." (9/28/08)

The Chicago Tribune: "House Republicans also have won a federal insurance plan as part of the deal, enabling financial institutions to purchase insurance for troubled assets - at their cost." (9/28/08)

Associated Press: "At the insistence of House Republicans, some money would be devoted to a program that would encourage holders of distressed mortgage-backed securities to keep them and buy government insurance to cover defaults." (9/28/08)

CongressDaily: "At the insistence of the House Republicans, the agreement would allow an option for Treasury to create a program to insure the half of all mortgage-backed securities that the federal government

does not already guarantee... The insurance would be available based on Treasury coming up with a plan to ensure taxpayers would not suffer losses and that the premiums would be paid by participating firms." (9/28/08)

The Hill: "House Republicans' idea for an insurance pool to protect mortgage-backed securities — expanded to include other troubled assets — and funded by premiums on financial institutions is in the plan, supervised by Treasury officials who will set premiums." (9/28/08)

The Politico: "The ACORN issue is off the table. After several days of rage from conservative activists regarding a provision in the bailout bill that would send some of the profits from the sale of distressed assets the government buys into an affordable housing trust fund, congressional negotiators have removed section 105(d) of the bailout proposal." (9/28/08)

Gateway Pundit Blog: "House GOP Removes Pelosi Pork to ACORN From Bailout Plan. ... The House GOP members were able to remove the Pelosi pork going to the Far Left group ACORN from the bailout bill during negotiations last night." (9/28/08)

TIME Magazine: "To the three-page outline Paulson delivered over a week ago, the Hill added provisions to help American homeowners avoid foreclosure by reducing principals or interest rates and giving people more time to pay back their mortgage. Congress also got a guarantee that taxpayers will get their \$700 billion back, and ensured Congressional oversight and transparency of Paulson's transactions." (9/28/08)

The New York Times: "Officials said they had also agreed to include a proposal by House Republicans that gives the Treasury secretary an additional option of issuing government insurance for troubled financial instruments as a way of reducing the amount of taxpayer money spent up front on the rescue effort." (9/28/08)

Bloomberg: The plan "includes a proposal by House Republicans, whose objections scuttled an earlier agreement in principle, that provides for government insurance of mortgage-backed securities." (9/28/08)

Reuters: "In the end, House Republicans won support for a provision that would create a privately funded insurance program for mortgage-backed securities." (9/28/08)

Roll Call: "Republicans were able to attach several of the provisions that they sought in a final bailout package. These include requiring an insurance guarantee program in lieu of spending taxpayer dollars outright, making only \$350 billion of \$700 billion available until Congress has an opportunity to rescind the funds and authorizing the Securities and Exchange Commission to suspend mark-to-market rules." (9/28/08)

Q&A: How Did We Get Here?

Q: What is the root cause of this economic crisis?

A: Credit and the ability to obtain it – both by individual borrowers and by financial institutions of all sizes – is the oil in America’s economic engine, not to mention the global market. Without credit, Americans cannot buy a house or a car. Credit cards, of course, rely on it. Banks ensure they have money to cover withdrawals by lending to each other. Businesses of all sizes rely on credit to cover payrolls, and invest in new products, new locations and new equipment, which all translate into business growth and new jobs.

The oil has run out of that engine, and the engine has seized up. As anyone who’s had an engine seize up on them knows, when that happens, drastic, expensive and painful measures are required.

Q: Where did this credit crisis originate?

A: This goes back to the challenges we’re facing in our housing market. Easy credit led to a housing bubble where mortgages were issued to borrowers who could not afford the homes they were buying or were not credit worthy in the first place. Foreclosures increased dramatically. Many loans were granted with no down payment. Without equity invested in the property, it was all too easy to simply walk away from the mortgage, leaving the lender with bad debt. For others, adjustable rate mortgages adjusted too fast. As monthly payments rose, borrowers could not make payments on the home they could not afford in the first place.

As the housing bubble grew, mortgages were bundled and sold as mortgage-backed securities. In general, banking institutions the world over used complex financial instruments called default credit swaps to hedge against losses on those securities. These swaps occurred literally countless times on all sorts of mortgage-backed securities across the global financial markets, and in many cases the securities holders were both purchasers and sellers of default credit swaps.

Thus, when the housing bubble burst, flooding the market with bad debt and bad mortgage securities, those who sold credit swaps could not pay off the buyers – hurting both the insurer and the insured. This started a domino effect that started piling up bad debt on the books of financial institutions big and small and creating an enormous liquidity crisis. Freddie Mac, Fannie Mae and A.I.G. among others became casualties of this situation.

Q: What is “mark-to-market” accounting?

A: Accounting rules called “mark-to-market” are adding to the strain on our economy. These rules mandate that the mortgage-backed securities still on financial institutions’ books be valued in present time, as the current market would value them, without considering the equity the good mortgages still carry and the likelihood that most borrowers would continue to pay them off on-time. This makes it nearly impossible to accurately place a value on these assets. As a result, the balance sheets of America’s financial institutions have a glut of “illiquid assets” that has paralyzed their ability to work themselves out of this crisis.

Q: What was the flash point that led to the need for Congress to act swiftly?

A: With insurmountable bad debt and a deep liquidity crisis, foreign financial institutions began pulling money out of American markets, jeopardizing what have always been considered safe investments in money-market accounts (the government was forced to step in to back up those investments to stanch the exodus of foreign capital). In addition, banks refused to make overnight loans to each other – a critical method to maintain market liquidity, right down to the cash in the ATM.

In sum, there is zero confidence in our credit markets. This is where our economy stands right now. The only solution is to restore confidence to the markets and fast. The bad debt clogging up the balance sheets of America’s economy must be removed so that its credit can be restored and liquidity injected

Q: Why does all this matter to my constituents?

A: This is from the President’s address to the nation on Sept. 24:

“The government’s top economic experts warn that without immediate action by Congress, America could slip into a financial panic, and a distressing scenario would unfold:

“More banks could fail, including some in your community. The stock market would drop even more, which would reduce the value of your retirement account. The value of your home could plummet. Foreclosures would rise dramatically. And if you own a business or a farm, you would find it harder and more expensive to get credit. More businesses would close their doors, and millions of Americans could lose their jobs. Even if you have good credit history, it would be more difficult for you to get the loans you need to buy a car or send your children to college. And ultimately, our country could experience a long and painful recession.”

The Consequences of Inaction

- **Berkshire Hathaway Chairman & CEO Warren Buffett:** “We are looking over a precipice in terms of the economic condition of the country for the next few years. If Congress doesn’t help us on this, then Heaven help us.” (Fox Business Network, 9/24/08)

The crisis of confidence in the markets could lead to an economic depression.

- **Federal Reserve Chairman Ben Bernanke:** “My interest is solely for the strength and the recovery of the U.S. economy. I believe if the credit markets are not functioning, that jobs will be lost; the unemployment rate will rise; more houses will be foreclosed upon; GDP will contract; that the economy will just not be able to recover in a normal, healthy way, no matter what other policies are taken.” (The Washington Post, 9/24/08)
- **US News & World Report:** “**What would be the dollar cost of not bailing out Wall Street? Try a number north of \$30 trillion** ... What would doing nothing cost? ... Great Depression 2.0. The economy shrinks by 25 percent over four years, or \$3.2 trillion, plus \$1.1 trillion in lost opportunity growth. Economic cost: \$4.3 trillion. The market falls two thirds from its peak, losing \$7 trillion in value from its current level, plus \$3 trillion from not getting a rebound. Stock market cost: \$10 trillion. Housing falls an additional \$10 trillion from current levels, plus the lost opportunity of \$2.5 trillion from a rebound. Housing cost: \$12.5 trillion. Total four-year financial and economic cost of doing nothing: \$26.8 trillion.” (U.S. News & World Report, 9/22/08)

Americans with good credit would have difficulty accessing home or auto loans.

- **CNNMoney.com:** Without action, “the credit crunch would undoubtedly continue, making it even **more difficult for financially responsible borrowers to get mortgages.**” (9/22/08)
- **Kansas City’s KMBC-TV:** “The recent financial crisis is going to make it harder for consumers to get loans, credit experts said. ‘It’s not going to be as easy as it was. The last 10 to 15 years, we’ve had pretty easy credit. It’s going to be tougher than that,’ said Max Cook, president of the Missouri Bankers Association. **That means it’s going to more difficult to buy a house, buy a car or get a new credit card.**” (KMBC-TV, 9/19/08)

American jobs would be in jeopardy; small businesses would face difficulty financing growth, creating and retaining jobs.

- **CNNMoney.com:** “Last week, the commercial paper market - the place businesses go to get very short-term loans to fund their daily business operations - froze. The money spigot, in essence, shut off. More episodes of that would **mean companies could come very close to not being able to meet payroll** or pay their bills within a few weeks or months, said economist Mark Zandi.” (9/22/08)
- **Los Angeles Times:** “‘Main Street is as much at risk as Wall Street,’ said Eugene A. Ludwig, a former [Clinton administration] U.S. comptroller of the currency. **‘If we failed to act, the resulting loss of jobs,** malaise in growth, damage to the engines of our economy and harm to the American taxpayer would be far more costly.’” (9/22/08)
- **Bloomberg:** “**McDonald’s Corp., the world’s largest restaurant company, told some U.S. franchisees to seek other ways to finance store improvements after Bank of America Corp. declined to increase lending.** Store owners have exhausted financing used to pay for upgrades and equipment to make lattes and espressos, and Bank of America won’t provide more money as it works on the planned purchase of Merrill Lynch & Co., McDonald’s said in a memo that was obtained by Bloomberg News ... McDonald’s memo coincided with last week’s efforts by Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben S. Bernanke to stabilize U.S. financial markets.” (9/22/08)

Americans’ life savings and retirement security would be put at risk.

- **The Boston Globe:** “Money market funds battered; Some losing money. **Several money market funds are losing money as the \$3.5 trillion sector that long had been considered as safe as cash** is buffeted by the turmoil on Wall Street.” (9/18/08)
- **Los Angeles Times:** “‘But the basic thing that needs to be done is to provide liquidity to the banking system and markets **so we don’t have bank runs going on,**’ said James R. Lothian, a professor of finance at Fordham University and a former executive at Citicorp.” (9/22/08)

TALKING POINTS: Democrats' Record of Blocking Housing Reform, Enabling Current Economic Crisis

The record shows Democrats have a long history of blocking Republican efforts to reform Fannie Mae and Freddie Mac,

the root of the current crisis, despite Democrat claims that they bear no responsibility at all. There is widespread acknowledgment that the current credit crisis stems from the housing meltdown, and the excesses of Fannie Mae and Freddie Mac lie at the center of the storm. At the time of their collapse, Fannie Mae and Freddie Mac accounted for nearly half of all U.S. mortgage loans, and of the \$5.4 trillion in loans on its books, \$1.4 were sub-prime. Yet over the course of a decade and a half, Washington Democrats blocked attempt after Republican attempt at reform that could have prevented the current crisis.

- **President Clinton: Democrats “resisting any efforts by Republicans” to reform the housing market.** “As early as 1992, alarm bells were going off on the threat Fannie and Freddie posed to our financial system and our economy. Intervention at any point could have staved off today's crisis. But Democrats in Congress stood in the way. As the president recently said, Democrats have been ‘resisting any efforts by Republicans in the Congress or by me ... to put some standards and tighten up a little on Fannie Mae and Freddie Mac.’ No, it wasn't President Bush who said that; it was President Clinton, Democrat, speaking just last week.” (Investor's Business Daily op-ed, 9/26/08)
- **Democrat leaders say they bear no responsibility for the current economic crisis.** “House Speaker Nancy Pelosi, when asked Tuesday whether Democrats bear some of the responsibility regarding the current crisis on Wall Street, had a one-word answer: ‘No.’” (The Hill, 9/16/08)

House Democrats' leading voice on banking issues has a long record of blocking Republican efforts to reform Fannie and Freddie.

- **Chairman Frank's record blocking Fannie and Freddie reform “as far back as 1992” has been described as “close to perfect.”** “At least the Massachusetts Democrat is consistent. His record is close to perfect as a stalwart opponent of reforming the two companies, going back more than a decade. The first concerted push to rein in Fan and Fred in Congress came as far back as 1992, and Mr. Frank was right there, standing athwart.” (Wall Street Journal Editorial, 9/10/08)

- **Chairman Frank opposed House Republicans' GSE reform in 2000, calling concerns about the need for oversight “overblown.”** “In 2000, then-Rep. Richard Baker proposed a bill to reform Fannie and Freddie's oversight. Mr. Frank dismissed the idea, saying concerns about the two were ‘overblown’ and that there was ‘no federal liability there whatsoever.’” (Wall Street Journal Editorial, 9/10/08)
- **In 2003, Chairman Frank said Fannie Mae and Freddie Mac “are not facing any kind of financial crisis.”** In response to an Administration proposal recommending “the most significant regulatory overhaul in the housing finance industry,” Rep. Frank was quoted saying: “These two entities -- Fannie Mae and Freddie Mac -- are not facing any kind of financial crisis. The more people exaggerate these problems, the more pressure there is on these companies, the less we will see in terms of affordable housing.” (The New York Times, 9/11/03)
- **Chairman Frank voted against GSE reform legislation a little less than three years ago,** despite the fact that it was supported by a majority of House Democrats. As Ranking Member on Financial Services, Rep. Frank sought to hold up H.R. 1461, in order to add more pork to it, including a new government housing trust fund. In other words, Chairman Frank was for it before he was against it. (Vote 547, 10/26/05)
- **In 2007, Chairman Frank brushed off the Administration's call for a strong, independent regulator of Fannie and Freddie as “inane.”** “[President Bush] said that both Fannie Mae and Freddie Mac needed to complete a ‘robust reform package’ before they expanded their mortgage portfolios. ... In an interview yesterday, Barney Frank, the chairman of the House Financial Services Committee, said that the president's comments were ‘inane’.” (The New York Times, 8/11/07)

Leading Senate Democrats have blocked Republican efforts to reform Fannie and Freddie.

- **Leading Senate Democrats, including Barack Obama, worked to block Republican efforts to reform Fannie and Freddie during the 109th Congress.** In 2005, “Sen. Richard Shelby led a small group of legislators favoring reform, including fellow Republican Sens. John Sununu, Chuck Hagel and

Elizabeth Dole. Meanwhile, Dodd -- who along with Democratic Sens. John Kerry, Barack Obama and Hillary Clinton were the top four recipients of Fannie and Freddie campaign contributions from 1988 to 2008 -- actively opposed such measures and further weakened existing regulation." (Washington Post op-ed, 9/12/08)

- **When the Administration called for a strong, independent regulator of Fannie and Freddie, Banking Chairman Chris Dodd called on the President to "immediately reconsider his ill-advised" position.** "[President Bush] said that both Fannie Mae and Freddie Mac needed to complete a 'robust reform package' before they expanded their mortgage portfolios. ... Christopher J. Dodd, the chairman of the Senate Banking Committee, called upon President Bush to 'immediately reconsider his ill-advised' position..." (The New York Times, 8/11/07)
- **Even after the subprime crisis began, Sen. Charles Schumer called for raising the cap on what Fannie and Freddie could lend.** "Even last September, as the subprime housing crisis began to metastasize and the market was expressing concerns about the pair, Sen. Charles Schumer (D-N.Y.), the powerful chair of the Senate banking subcommittee on housing, had the very bad (and ultimately rejected) idea of raising the cap on what Fannie and Freddie could lend by 10 percent. Since then the companies have reported losses of \$11 billion, and there's uncertainty about just how much more damage there will be from future defaults." (Newsday Editorial, 9/20/07)

Democrats installed key Democratic allies in lucrative top jobs at Fannie and Freddie, who fleeced the mortgage giants, ran them into the ground and ensured allies in Congress benefitted from generous political contributions.

- **Democrats at Fannie and Freddie "cooked" the books "Enron-style" for the bargain price of \$100 million.** "The Clinton White House used Fannie and Freddie as a patronage job bank. Former executives and board members read like a who's who of the Clinton-era Democratic Party, including Franklin Raines, Jamie Gorelick, Jim Johnson and current Rep. Rahm Emanuel. Collectively, they and others made well more than \$100 million from Fannie and Freddie, whose books were cooked Enron-style during the late 1990s and early 2000s to ensure executives got their massive bonuses." (Investor's Business Daily op-ed, 9/18/08)
- **Democratic Fannie and Freddie Executives "wield enormous clout," "guilty of "Andrew Fastow School of Accounting."** "Mr. Raines seems to be under the impression that if something is recorded as an off-balance sheet liability, it doesn't count. He claims that the only liability that counts is Fan's on-balance record

in 2000 of \$643 billion. That leaves \$707 billion in liabilities residing off-balance sheet. Hmm. Perhaps Mr. Raines is a graduate of the Andrew Fastow School of Accounting: outta sight is outta mind. Fannie and Fred's shrieking response to us, we should add, isn't unusual. They wield enormous clout on Wall Street and Washington, and they take no prisoners. Louisiana Republican Richard Baker learned this when he tried to rein in Fran and Fred from his House subcommittee chair in 2000. Fan and Fred responded with a huge lobbying campaign that bathed his committee in campaign contributions, donating during the 2000 election cycle to 21 of 27 other members. Texas Democrat Ken Bentsen alone cashed checks for \$17,000. Mr. Baker's probe lost steam after he saw how many political allies the companies had rented." (Wall Street Journal editorial, 2/28/02)

- **Fannie and Freddie "contributed millions to politicians, mostly Democrats."** "Since 1989, Fannie and Freddie have spent an estimated \$140 million on lobbying Washington. They contributed millions to politicians, mostly Democrats, including Senator Chris Dodd (No. 1 recipient) and Barack Obama (No. 3 recipient, despite only three years in office)." (Investor's Business Daily op-ed, 9/18/08)

In the majority, House Republicans proposed sweeping GSE reform on several occasions, including the "first bill to alter the charter of the GSEs."

- **2000:** "The bill, sponsored by committee chairman Richard Baker (R., La.) would strengthen the oversight of the GSEs by placing Fannie Mae, Freddie Mac and the Federal Home Loan Banks under one regulator and strip their lines of credit to the U.S. Treasury. It is the first bill to alter the charters of the GSEs since the Office of Federal Housing Enterprise Oversight was created in 1992 to oversee Fannie and Freddie Mac." (Mortgage-Backed Securities Letter, 5/22/00)
- **2005:** "H.R. 1461, the Federal Housing Finance Reform Act of 2005, would abolish OFHEO and establish an independent agency to oversee the housing GSEs and the Federal Home Loan Banks; enhance the safety and soundness, disclosure, and enforcement tools available to the new regulator; and increase the budget autonomy of the new agency by exempting its assessments from the annual appropriations process. The bill passed the House with 331 votes. 74 House Democrats voting against it." (Vote 547, 10/26/05)

The Urgent Need for Entitlement Reform

OUR PRINCIPLE: Both parties have spoken to the urgent need to address runaway entitlement spending, but only Republicans have offered meaningful reforms that will ensure these programs are able to serve the needs of current and future recipients.

Runaway entitlement spending is a generational crisis that will require a generational solution. In the absence of reform, entitlement spending has run amok. With America's 78 million baby boomers just beginning to retire, this crisis will only deepen.

- The Congressional Budget Office has projected that, if left unchecked, federal spending on Social Security, Medicare, and Medicaid will jump from 18 percent of GDP in 2008 to 28 percent in 2050.
- According to the Heritage Foundation, without reform, covering the cost of providing for the retirement security of America's baby boomers will require raising income tax rates by at least 120 percent.

The latest Medicare Trustees' report makes clear the need to reform these programs. While House Democrats are content to perpetuate a broken status quo, Republicans continue to promote and advance opportunities for reform.

- **Joint Report by the Brookings Institution and the Heritage Foundation:** "Over the coming decades, maintaining current policy in the three big entitlement programs—Social Security, Medicare, and Medicaid—will drive federal spending up much faster than revenues, opening up a widening gap between the two. The rapid automatic growth in those programs is already absorbing more and more resources that could be allocated to other priorities. If present trends continue, the nation's deficit will reach unmanageable proportions, other vital public needs will be further squeezed, and/or taxes will have to rise continuously to levels that could restrict economic growth." (April 2008)

Earlier this year, House Democrats passed a fiscally irresponsible budget that provides for a massive Washington spending spree and record tax increases, but not so much as a penny of entitlement reform.

- **As an alternative, Republicans offered a fiscal blueprint that called for measures to make major entitlements more sustainable while achieving savings by reducing waste, fraud, and abuse.** Not even so much as a handful of House Democrats voted in favor of the responsible Republican plan. (Roll Call Vote 140, 3/13/08)
- **In July, Democrats used a procedural stunt to shut off a legal mechanism requiring Congress to face the growing entitlement crisis.** Under current law, when general taxpayer revenues provide more than 45 percent of Medicare funding for two consecutive years, Congress is required to expedite consideration of a proposal to address Medicare's financial difficulties. Democrats instead chose to ignore the entitlement crisis, leaving our children and grandchildren at risk.

Democrat Tax Hikes Affect Your Constituents

The Democrat tax hike puts the hammer to Americans from all walks of life

\$2,155

The amount by which a family of four with two children currently making \$50,000 annually will see their taxes go up under the Democrat tax plan. This represents a 191% increase in that family's tax bill.

\$1,901

The amount by which a family of four with two children currently making \$60,000 annually will see their taxes go up under the Democrat tax plan. This represents a 70% increase in that family's tax bill.

\$1,833

The average tax increase for 116 million Americans under the Democrat tax plan.

\$3,007

The average tax increase for 48 million married couples under the Democrat tax plan.

\$2,323

The average tax increase for 43 million families with children under the Democrat tax plan.

\$4,066

The average tax increase for 27 million small business owners under the Democrat tax plan.

6 million+

More than six million taxpayers will become subject to the individual income tax under the Democrat tax plan.

The Democrat Tax Hike

The centerpiece of the Democrats' economic agenda is a massive tax hike on Americans from all walks of life –the poor, the middle class, families with children, families without children, family farmers, and Mom and Pop stores.

According to the Congressional Budget Office, the Democrat tax hike clocks in at \$683 billion over five years, to be exact. Here are some different ways to break down the breadth, depth, and impact of the Democrat tax hike:

What \$683 Billion Means

Cutting the Child Tax Credit. The Democrat budget would cut the child tax credit in half, from \$1,000 to \$500, after 2010. According to House Budget Committee Republicans, the Democrats' plan will burden American families an additional \$50.9 billion in taxes over the next 5 years.

Return of the Marriage Penalty. In 2001, the Republican Congress reduced the marriage penalty in the tax code, which arises because of the progressive rate structure of U.S. income taxes. The Democrats' budget proposal lets these tax cuts expire so that some married couples pay more taxes than if they had filed separately as singles. House Budget Committee Republicans estimate that the Democrat proposal will penalize married couples with an additional \$25.4 billion in taxes.

Income Tax Hikes for All Americans, Including Low-Income Families. Pro-growth GOP tax relief has lowered income tax rates for all Americans. These tax cuts include a reduced rate of 10 percent for over 100 million taxpayers in the lowest income brackets. According to the Tax Policy Center, failure to extend this tax cut will result in a \$472 billion tax increase on lower-income taxpayers over the next 10 years.

Reducing Tax Incentives for Small Businesses. The Democrat budget will dramatically reduce tax incentives for American small businesses, which saved an average of \$5,169 last year due to pro-growth Republican tax relief. According to the CBO, these taxes will cost small businesses an additional \$13 billion over the next 5 years.

Death Tax. Pro-growth policies put in place by the Republican Congress phase out the death tax by 2010. This tax penalizes families for handing down the family farm or small business to the next generation. According to the CBO, the Democrat budget will saddle these families and the American economy with a \$181 billion tax hike over the next five years.

State-By-State Impact of The Democrat Tax Hike

House Democrats' fiscally irresponsible budget will impose on American workers and businesses a \$683 billion tax hike – the largest in history. The table below illustrates how much more the average taxpayer will be paying under this budget. (Courtesy Budget Committee Republicans)

State	Avg. Tax Hike	State	Avg. Tax Hike
Alabama	\$2,556	Montana	\$2,625
Alaska	\$2,896	Nebraska	\$2,802
Arizona	\$2,707	Nevada	\$2,924
Arkansas	\$2,462	New Hampshire	\$3,202
California	\$3,331	New Jersey	\$3,780
Colorado	\$3,093	New Mexico	\$2,345
Connecticut	\$4,311	New York	\$3,658
Delaware	\$3,015	North Carolina	\$2,672
Florida	\$3,040	North Dakota	\$2,614
Georgia	\$2,743	Ohio	\$2,716
Hawaii	\$2,716	Oklahoma	\$2,561
Idaho	\$2,598	Oregon	\$2,752
Illinois	\$3,283	Pennsylvania	\$3,030
Indiana	\$2,730	Rhode Island	\$3,005
Iowa	\$2,778	South Carolina	\$2,483
Kansas	\$2,863	South Dakota	\$2,596
Kentucky	\$2,563	Tennessee	\$2,611
Louisiana	\$2,642	Texas	\$2,755
Maine	\$2,701	Utah	\$2,651
Maryland	\$3,238	Vermont	\$2,863
Massachusetts	\$3,652	Virginia	\$3,120
Michigan	\$3,008	Washington	\$3,065
Minnesota	\$3,088	West Virginia	\$2,429
Mississippi	\$2,261	Wisconsin	\$2,965
Missouri	\$2,825	Wyoming	\$3,189

House-Passed Tax Hikes: 110th Congress

(Courtesy of Committee on Ways and Means Republicans)

Bills Passed by the House	Date Passed	Tax Increase Over Ten Years
CLEAN Energy Act of 2007 (H.R. 6)	Jan. 18, 2007	\$7.7 billion
Small Business and Work Opportunity Act of 2007 (H.R. 976)	Feb. 16, 2007	\$1.4 billion
Katrina Housing Relief Act of 2007 (H.R. 1562)	Mar. 27, 2007	\$241 million
Taxpayer Protection Act of 2007 (H.R. 1677)	Apr. 17, 2007	\$23 million
Estimated Tax Safe Harbor Act of 2007 (H.R. 1906)	Apr. 19, 2007	\$14 million
U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (H.R. 1591)	Apr. 25, 2007	\$4.4 billion
U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (H.R. 2206)	May 10, 2007	\$4.9 billion
Andean Trade Preferences Act of 2007 (H.R. 1830)	Jun. 27, 2007	\$105 million
Farm Nutrition and Bioenergy Act of 2007 (H.R. 2419)	Jul. 27, 2007	\$7.5 billion
Children's Health and Medicare Protection Act of 2007 (H.R. 3162)	Aug. 1, 2007	\$54.8 billion
The Renewable Energy and Energy Conservation Tax Act of 2007 (H.R. 2776)	Aug. 4, 2007	\$15.3 billion
The Airport and Airway Trust Fund Financing Act of 2007 (H.R. 3540)	Sept. 24, 2007	\$1.8 billion
State Children's Health Insurance Act As Amended by the Senate (H.R. 976)	Sept. 25, 2007	\$71.7 billion
H.R. 3648 Mortgage Forgiveness Debt Relief Act of 2007 (H.R. 3648)	Oct. 4, 2007	\$2.0 billion
The Tax Collection Responsibility Act of 2007 (H.R. 3056)	Oct. 10, 2007	\$1.0 billion
H.R. 3997 Heroes Earnings Assistance and Tax Relief Act of 2007 (H.R. 3997)	Nov. 6, 2007	\$2.0 billion
Temporary Tax Relief Act of 2007 (H.R. 3996)	Nov. 9, 2007	\$77.9 billion
CLEAN Energy Act of 2007 (H.R. 6)	Dec. 6, 2007	\$19.7 billion
AMT Relief Act of 2007 (H.R. 4351)	Dec. 12, 2007	\$55.7 billion
The Renewable Energy and Energy Conservation Tax Act of 2008 (H.R. 5351)	Feb. 27, 2008	\$17.6 billion
The Taxpayer Assistance and Simplification Act of 2008 (H.R. 5719)	Apr. 15, 2008	\$1.2 billion
Foreclosure Prevention Act of 2008 (H.R. 3221)	May 8, 2008	\$11.7 billion
Mental Health Parity and Addiction Equity Act of 2008 (H.R. 6983)	Sept. 23, 2008	\$4.0 billion
Renewable Energy and Job Creation Tax Act of 2008 (H.R. 7060)	Sept. 26, 2008	\$41.8 billion
	TOTAL	\$404.5 billion



ENERGY

ENERGY

An All of the Above Plan to Lower Gas Prices and Achieve Energy Independence

ACCOMPLISHMENTS

- **House Republicans scored a major victory for the American people by pressuring Congressional Democrats** to allow the outdated bans on offshore energy production to expire. Lifting the bans on energy production far off our shores and in the Inter-Mountain West's oil shale reserves are critical first steps towards America's energy independence.
- **With an all-hands-on-deck effort, House Republicans succeeded in preventing Democrats from advancing their sham no-energy bill.** Shortly after Democrats rammed through their no-energy energy bill in mid-September, House Republicans launched a national and regional media assault, taking the case against the bill directly to the American people. The result: countless editorials coast-to-coast exposing the measure's serious flaws.
- A pivotal moment for this historic grassroots effort came at the beginning of August, when do-nothing Democrats decided to take a five-week vacation without taking action to solve our energy crisis. **That prompted House Republicans to take to the floor, speaking out about the need for meaningful energy solutions, without the benefit of lights, cameras, or microphones.**

LOOKING AHEAD

- Our work is not yet done. House Republicans will continue to fight for a comprehensive, 'all-of-the-above' strategy: more conservation, more renewables and alternatives, and more production of American-made energy.
- The expiration of the offshore energy ban is certainly a victory for the American people, but it is easily reversible – either by act of Congress or an executive order by the next president. It is up to House Republicans to remain vigilant in fighting for the moratoria to stay off the books.

AGENDA

House Republicans' American Energy Act offers a truly comprehensive, "all of the above" solution that would considerably reduce our dependence on foreign nations for the lifeblood of our economy and help lower gas prices. The bill would:

- **Increase the production of American-made energy** in an environmentally-safe way.
- **Promote new, clean, and reliable sources of energy** like advanced nuclear and next generation coal, while promoting clean power from renewable energy such as wind and hydroelectric power.
- **Cut red tape** and increase the supply of American-made fuel and energy.
- **Encourage greater energy efficiency** by offering conservation tax incentives to Americans who make their home, car, and business more energy efficient.

Charting House Democrats' Tectonic Shift on Energy

The expiration of the American offshore energy exploration ban marks a major victory for the American people, and a “striking defeat” for Speaker Pelosi, who as recently as July was adamantly opposed to a pro-American energy vote.

- AP Analysis: “For Democratic leaders, it’s a striking defeat as they agree to allow expanded offshore drilling in waters they once called sacrosanct, giving Republicans a rare victory on energy policy six weeks before the election. ... In a matter of months, Republicans turned offshore oil drilling from a non-issue — even one feared as a political liability by many Republicans in Congress — into political gold as anger over high gasoline prices made voters receptive to calls for more domestic energy production.” (9/24/08)
- San Francisco Chronicle: “Dems Cave In on Offshore Drilling Ban. ... Democrats have decided to allow a quarter-century ban on drilling for oil off the Atlantic and Pacific coasts to expire next week, conceding defeat in a months-long battle with the White House and Republicans set off by \$4-a-gallon gasoline prices this summer.” (9/23/08)
- The Washington Times: “Democrats Abandon Drilling Ban. ... Democrats will let the offshore drilling moratorium expire next week, caving in to Republicans weeks before the election and potentially opening the outer continental shelf to expanded oil and gas exploration for the first time in a generation.” (9/23/08)
- The Washington Post: “Democrats Abandon Drilling Ban. ... Congressional Democrats bowed to political pressure yesterday and agreed to let the ban on offshore oil drilling expire, a decision that would allow exploration just three miles off the Atlantic and Pacific coastlines unless the next president reinstates an executive branch order that prohibits drilling.” (9/23/08)
- The New York Times: “Bill Would End Coastal Oil Drilling Ban. ... Republicans have challenged Democrats for months over their opposition to opening up more of the coastline to drilling given rising gasoline prices, and the decision to drop the drilling ban represents a Republican victory.” (9/23/08)

Speaker Pelosi has a long record of opposing efforts to expand offshore energy exploration. “Upon entering Congress in 1987, Representative Nancy Pelosi quickly became part of the solid California front against oil drilling along much of the nation’s coast. ... She repeatedly resisted oil drilling in marine sanctuaries near her San Francisco district and, after joining the Appropriations Committee, was an advocate of reinstating the ban on coastal drilling through spending restrictions each year.” (The New York Times, 7/11/08)

July 2008. Speaker Pelosi repeatedly stated her firm opposition to holding a vote to expand offshore energy exploration, calling it a “hoax.”

- “After promising fairness and open debate, Pelosi has resorted to hard-nosed parliamentary devices that effectively bar any chance for Republicans to offer policy alternatives. ‘I’m trying to save the planet; I’m trying to save the planet,’ she says impatiently when questioned.” (The Politico, 7/29/08)
- **BLITZER:** “Will you allow this issue – offshore drilling – to come to a vote on the floor of the House?”
PELOSI: “We’re going to exhaust our other remedies in terms of increasing supply in America...”
BLITZER: “So the answer is no?”
PELOSI: “I have no plans to do so.” (CNN’s The Situation Room, 7/18/08)
- **STEPHANOPOULOS:** “If they want to offer a drilling proposal, why can’t they have a vote?”
PELOSI: “They’ll have to use their imagination as to how they can get a vote and then they may get a vote.” (ABC’s This Week, 8/3/08)
- “**Pelosi: Drilling in protected areas ‘a hoax.’** House Speaker Nancy Pelosi (D-Calif.) on Thursday shut the door on expanding oil and gas drilling beyond areas that have already been approved for energy exploration, drawing a clear distinction from her counterparts in charge of the Senate.” (The Hill, 7/10/08)

August 2008. Only in response to pressure from House Republicans did Speaker Pelosi open the door to a vote on offshore energy exploration.

- “U.S. House Speaker Nancy Pelosi reversed her opposition to a vote on offshore drilling on ‘Larry King Live’ on Monday night, saying she would consider a vote if it were part of a larger energy package.” (CNN, 8/12/08)

September 2008. House Republicans’ historic floor protest of the do-nothing Democratic Congress pushes Speaker Pelosi to allow legislation to come to the floor expanding offshore energy exploration.

- “House Democrats, some chanting ‘drill, drill,’ embraced a plan to open the door for more oil and natural-gas exploration along the entire U.S. coastline, in a shift showing the power of the energy issue... ... The Democrats’ turnabout marks a victory for ... Republicans, who have seized on the drilling issue in recent months.” (The Wall Street Journal, 9/10/08)



WHAT NOW?

What the Expiration of the Offshore Energy Ban Really Means

Congressional Democrats, who have long opposed the American people's call to open our vast deep ocean resources, have finally capitulated. In a major victory for the American people, House Democrats have allowed an outdated offshore energy ban to expire.

How lasting a victory this is remains to be seen.

The stop-gap measure recently passed will fund the federal government until March, 2009. **Liberal Democrats have already stated their intent to reinstate a partial, or all-out, ban in the 111th Congress.** However, even if they do not reestablish this outdated ban, it does not mean that energy will be produced offshore in the next 6 months, or even years after that. There are an overwhelming amount of bureaucratic barriers and layers of red tape that stand in the way of more energy production at the federal and state level:

- The Outer Continental Shelf Lands Act (OCSLA) of 1953 requires the administration to meet several highly specific goals throughout a lengthy regulatory leasing process. As Roll Call recently reported, "The [OCSLA] requires the Department of the Interior to examine the environmental and economic impact of drilling in potential areas. **July 1, 2010, is the next scheduled date that the Interior can approve leases.** After a lease is approved, the Interior must examine an applicant's exploration plan, and then its drilling plan."
- It is important to add that **the congressional ban – like the executive ban – could be reinstated at any point.** In fact, the next president could pick up his pen on January 20, 2009 and reinstate the presidential ban on offshore exploration, thus making null and void anything Congress could do legislatively to make more energy available to the American people.
- **There is also the very real threat of having the process derailed – or considerably impeded – by extreme environmental organizations through frivolous litigation and junk lawsuits.** As laid out by Rep. John Shadegg in his "*Environmentalist Block 100% of Leasing on Outer Continental Shelf*" memo, rabidly anti-domestic offshore energy groups have had great success in obstructing more American energy production, which has hurt American families and our economy.

Editorials Slam Democrats' No-Energy Bill

Los Angeles Times Editorial: “Wasted energy bill. ... House Democrats' push for expanded offshore oil and gas drilling was more about electoral positioning than drilling, aimed at convincing voters that the party shares their pain at the pump.” (9/17/08)

Charleston (WV) Daily Mail Editorial: “A drilling bill that does nothing. ... Pelosi's plan is a slap in the faces of Americans. ... Democrats refuse to pursue policies that will increase American oil production.” (9/18/08)

Buffalo News Editorial: “Drilling bill lacks substance. ... This way, Democrats can claim to be opening the way to offshore drilling...under the restrictions included in the bill, no real drilling is likely to happen.” (9/22/08)

Augusta Chronicle Editorial: “They've Blown a Ruse; [The Democrat] Congress Fails Yet Again. ... After months of high fuel costs and concern over our dependence on foreign oil, and after a summer recess in which senators and representatives could have listened to the American people but did not. Congress came up with nothing -- a fake energy exploration bill that would only weaken America. House Speaker Nancy Pelosi, who is devoting her career to blocking new energy for America, allowed a bill that would permit drilling for oil 100 miles offshore, which is prohibitive.” (9/21/08)

Reading Eagle Editorial: “Energy Legislation Less Than Half a Loaf. ... If House Democrats were looking to give Americans relief at the gas pump in the energy legislation passed on Sept. 16, they failed. In a jarring twist, the legislation offers a solution and then negates it. If Americans were hoping for at least half a loaf from this legislation, they were disappointed.” (9/20/08)

Roanoke Times Editorial: “Democrats Drill for Political Cover. ... On Tuesday, House Democrats made an embarrassingly weak attempt to protect themselves. ... Therefore, House leaders produced a ‘compromise bill’ and quickly moved it to a vote. It passed along largely party lines, and Democratic incumbents in tight races can claim they voted for drilling. Voters should not fall for that old trick.” (9/18/08)

The Wall Street Journal Editorial: “Pelosi's Drilling Ruse. ... The sudden pro-drilling makeover of the Pelosi Democrats has always had an air – a gale, really – of election-year convenience, and the House proved it Tuesday by passing an energy bill that would put any bunko man to shame. This confidence trick won't expand domestic oil-and-gas supplies even a bit.” (9/19/08)

Fort-Worth Star-Telegram Editorial: “A Democratic-backed House bill doesn't allow for a sufficient expansion of offshore drilling. ... It would very moderately expand offshore drilling, but not to a sufficient degree. ... What's needed is a bill that allows a substantial expansion of offshore drilling and provides incentives to states for allowing it.” (9/19/08)

Kerrville (TX) Daily Times Editorial: “Energy bill attempts to trick Americans. ... The [Democrats'] bill was nothing more than a pathetic attempt to pull the wool over Americans' eyes. The House bill barely is a baby step in a path toward the mythical land of energy independence and is predicted to go nowhere in the Senate ... the bill does little other than to provide talking points in the upcoming election.” (9/18/08)

New Hampshire Union Leader Editorial: “Drilling for cover: Pelosi & Co.'s phony bill. ... Democrats in the U.S. House want you to think that they support expanded drilling for oil and natural gas. They don't. Their vote on Tuesday proved it. ... This bill is a total fraud. This is gamesmanship, not leadership. And the people can tell the difference.” (9/18/08)

Honolulu (HI) Star-Bulletin Editorial: “Rep. Neil Abercrombie's admirable effort to craft a comprehensive energy plan worthy of bipartisan support has been cast aside. Instead, the Democratic House leadership has pushed through a surrogate measure on a party-line vote that is doomed either in the Senate or by presidential veto, while providing Democrats political cover from voters angry about high gasoline prices.” (9/18/08)

Washington Examiner Editorial: “Pelosi's sham energy bill is an oily dodge. ... Pelosi's bill leaves in place the endless delays created via lawsuits filed by rabid environmentalists.” (9/18/08)

The Waynesboro News Virginian Editorial: “Dems offer crude plans. ... Proving that both the gods and Congress are against us, Democrats step forward this week in the wake of Ike's battering of Texas with proposals to lift offshore drilling bans while leaving the shackles in place.” (9/18/08)

Newark (OH) Advocate Editorial: “Oil drilling bill is short of a full tank. ... Too bad the [Democrats'] bill has so many other stipulations on it that even if it became law it seems like it would do little good. ... until a bill that is actually helpful in cutting the price of a gallon of gas gets support in Washington, the only thing that Congress will lower is the estimation it has in the eyes of the public.” (9/18/08)

TRUTH SHEET: Debunking Democrat Energy Myths

DEMOCRAT CLAIM: House Republicans are obstructing Democrat attempts to lower gas prices.

THE TRUTH: During the debate on House Democrats' sham no-energy bill, Rep. John Peterson (R-PA) and House Republicans gave Democrats an opportunity to vote on a bipartisan proposal – the **National Conservation, Environment, and Energy Independence Act** (H.R. 6709) – to help our nation take the critical first steps toward lower gas prices and energy independence.

Co-authored by Reps. Peterson and Neil Abercrombie (D-HI) and drafted by a bipartisan energy working group, the bill expands American energy production, encourages cleaner energy production, and dedicates new funding – without tax hikes – for conservation and energy research programs.

Not only did House Democrats vote against the bipartisan measure in large numbers, but 24 of those who did were co-sponsors of the Peterson-Abercrombie bill. That's 24 House Democrats who signed their name to the bill before they voted against it. By rejecting this common-sense legislation, Democrats stayed true to the politics-first, solutions-last approach they have followed throughout this critical energy debate.

DEMOCRAT CLAIM: Democrats' "use-it-or-lose-it" legislation would force American energy companies to produce on leases they are currently holding before they would be allowed to secure new permits.

THE TRUTH: Use it or lose it is already the law of the land. **Randall Luthi**, director of the Minerals Management Service (MMS), told the AP: "If a company gets to the end of those terms and they're not making significant progress – and I do mean significant progress toward actually producing – those leases come back and we sell them again."

According to **FactCheck.org**, "there are a lot of steps and procedures involved in setting up a productive oil well on leased land, offshore or on, and a lot of activity on leased lands that does not qualify as 'production.' "For 2006, the federal Bureau of Land Management reported there were 77,257 productive onshore wells in the U.S., but also more than 15,000 holes that were being proposed, being started or being finished that don't count as 'productive' – and that doesn't include exploratory holes."

Any number of independent – and Democrat – voices have debunked the "use-it-or-lose-it" canard. For instance, **Rep. Gene Green** (D-TX), a member of the Energy and Commerce Committee, said in July: "You can't produce on every acre or even every 100 acres. I think those numbers come from people who don't understand this business."

DEMOCRAT CLAIM: There's no reason to produce more hydrocarbons here at home. The real cause of high gas prices is speculators who are manipulating the markets.

THE TRUTH: Left, right, and center – economic and energy experts say insufficient supply is the cause of record energy prices, not so-called "speculators."

Federal Reserve Chairman Ben Bernanke said in congressional testimony on July 16: "The most important cause is the global supply-and-demand balance. The fact that oil, for whatever reason, and there are a number of reasons, has not kept up with oil production, has not kept up with the growth and demand for oil, particularly in emerging market countries which are growing quickly and industrializing."

Liberal economist Paul Krugman calls the speculation argument "nonsense." He wrote on June 23 that "the mysticism over how speculation is supposed to drive prices drives me crazy, professionally ... A futures contract is a bet about the future price. It has no, zero, nada direct effect on the spot price."

Oilman-turned-wind advocate T. Boone Pickens called a probe into whether speculators had manipulated oil prices a "waste of time." On June 3, he told Bloomberg News, "There's nothing to it to start with. That's not what's happened. You have 85 million barrels a day of oil available in the global energy market and 86.5 million barrels a day of demand. So the price of oil is going to go up until you can kill demand."

DEMOCRAT CLAIM: ANWR is a pristine area. We shouldn't disrupt the fragile environment by exploring for oil and gas there.

THE TRUTH: The 1002 Area of the Arctic Coastal Plain is not designated as wilderness; there are no trees, deepwater lakes, or mountain peaks. Winter temperatures are often as low as -30 degrees Fahrenheit. It is without sunlight for 56 days of the year. And above all, local Alaskans want section 1002 to be developed for oil and gas.

DEMOCRAT CLAIM: Drilling in ANWR would save consumers less than 2 cents per gallon, and would take at least 10 years to come online.

THE TRUTH: This tired line of defense has been used by Democrats for years. Most notably, these same critics opposed opening ANWR in 1995.

Ultimately, producing more American energy, while helping to control and reduce demand – policy that Republicans and the American people favor – will help drive down the price of gas.

Further, more domestic production would have a near immediate effect on long-term commodity speculation, even though the resources would not come to market for years (observe, for instance, the way prices edged down after the President announced the lifting of the executive ban on OCS exploration.)

Most importantly, Republicans are not advocating a drill-only policy – we believe increasing America's energy security will require an 'all of the above' approach.

DEMOCRAT CLAIM: If an American energy producer finds oil and gas, they can extract resources immediately, and get them to market.

THE TRUTH: The production process is incredibly burdensome and layered with red tape. Companies are forced to conduct lengthy environmental impact studies, expand infrastructure to move resources, and often face onerous legal action.

DEMOCRAT CLAIM: Offshore oil and gas production will cause irreversible environmental damage to our nation's shores.

THE TRUTH: While many claim that drilling causes immense environmental harm, nearly all spills are the result of tankers moving oil from one country to another. Natural seepages play a major factor, as well. According to the U.S. Department of Interior, offshore operators produced 7 billion barrels of oil from 1985 to 2001 with a spill rate of only .001%.

DEMOCRAT CLAIM: More domestic exploration and production will not have an effect on gas prices.

THE TRUTH: The principal cause of record high gas prices is that demand is outpacing supply. And with an ever growing demand in the global market for oil – with emerging nations, especially China and India, playing significant roles – the energy America traditionally had access to is no longer available. Therefore, America will need more of all forms of energy to remain competitive. And with alternatives and renewables slowly coming online, we must produce more of our traditional resources here at home.

DEMOCRAT CLAIM: Coastal communities oppose offshore energy exploration off their coasts.

THE TRUTH: Local supervisors and county commissioners from Santa Barbara to North Carolina's Carteret County, have demonstrated that coastal communities – like House Republicans – believe increased offshore energy exploration – where known resources actually are – must be part of a comprehensive energy policy to help lower gas prices.

Environmentalists Block 100% Of Leasing On Outer Continental Shelf

(Courtesy of Rep. John Shadegg)

Radical environmentalists challenged every lease in the Chukchi Sea:

- The Administration issued 487 leases in the Chukchi Sea Sale 193 in February 2008.
- The Center for Biological Diversity, the Natural Resources Defense Council, the Sierra Club, and other radical environmental organizations, in January 2008, filed a pre-emptive suit challenging all 487 leases under the National Environmental Policy Act and the Endangered Species Act.
- Status: Currently pending

Radical environmentalists challenged the entire 2007-2012 five-year national OCS leasing program:

- The Administration, in July 2007, proposed a national schedule to issue oil leases over a 5-year period (2007-2012) in the outer continental shelf, including Alaska.
- The Center for Biological Diversity and other radical environmental organizations immediately filed suit challenging all existing leases and all future leases under the Endangered Species Act, the National Environmental Policy Act, and various other laws.
- Status: Currently pending.

Radical environmentalists challenged exploration activities of every lease in the Chukchi and Beaufort Seas:

- There are 748 leases which lie in the Chukchi and Beaufort Seas.
- The Center for Biological Diversity, the Natural Resources Defense Council, and other radical environmental organizations, in May 2008, sued, challenging all seismic activity at all 748 leases in the Chukchi and Beaufort Seas under the National Environmental Policy Act and the Marine Mammals Protection Act.
- Status: Currently pending.

Radical environmentalists block proposed drilling plans:

- On February 15, 2007, the Minerals Management Service approved the proposed exploration plan for 12 leases in the Beaufort Sea.
- The Center for Biological Diversity, the Natural Resources Defense Council, the Sierra Club, and other radical environmental organizations sued in April 2007 and obtained a court order halting drilling on all 12 leases. This order has already stopped activity for two years.
- Status: Currently pending.

Radical environmentalists sue under FOIA seeking evidence for use in future litigation to block all leases:

- The Administration issued 487 leases in the Chukchi Sea Sale 193 in February 2008.
- The Center for Biological Diversity and the Natural Resources Defense Council in January 2008, sued under the Freedom of Information Act (FOIA), seeking documents for their effort to stop all oil exploration and production.
- Status: Currently pending.

Radical environmentalists protest every lease in BLM New Mexico State Office lease sale:

- On July 16, 2008, the BLM New Mexico State Office auctioned 78 leases in New Mexico, Kansas, Oklahoma, and Texas.
- The Western Environmental Law Center and the Wild Earth Guardians preemptively, on July 1, 2008, administratively challenged all 78 leases under the Federal Land Policy and Management Act.
- Status: Currently pending.

Radical environmentalists block a majority of oil and gas leases in the Rocky Mountain States:

- In 2007, approximately 50% of the oil and gas leases in the Rocky Mountain States were administratively challenged.
- In Utah alone, oil and gas development on millions of acres is being held up by environmental groups.

House GOP Education/Energy Survey Results

House Republicans released a report last month detailing education stakeholders' growing impatience with the Democratic Congress' refusal to act on real energy reform. The report follows a six-week online survey in which Republican Leader John Boehner (R-OH) and top Education and Labor Committee Republican Howard "Buck" McKeon (R-CA) collected input from school officials, teachers, and parents impacted by surging prices for gasoline and other energy costs.

Key findings of the survey:

- 90 percent of the survey's nearly 1,000 respondents indicated that high gas prices are having an impact on schools in their community.
- 96 percent of respondents demand that Congress do more to address the energy crisis.
- Nearly half of respondents reported that high fuel costs have forced schools in their community to cut field trips and after-school activities.
- One-third of respondents reported that high costs forced schools to limit bus routes.
- Nearly a quarter of respondents reported that rising energy costs have led to higher school lunch prices.

Key Energy Votes Taken: 110th Congress

House Republicans have attempted to force a vote on a comprehensive "all-of-the-above" energy bill, the American Energy Act (H.R. 6566), nine times this year.

In each instance, Democrats voted against allowing consideration and a vote on the American Energy Act. Furthermore, Republicans have pushed for a vote six times on a concurrent resolution demanding Congress stay in session until a comprehensive energy bill is enacted into law. Democrats prevented that vote each time.

Additionally, Republicans offered the truly bipartisan Abercrombie-Peterson energy bill that contains meaningful steps to increase the supply of American-made energy, but Democrats voted it down. (Failed by a vote of 191 to 226, Roll Call Vote #598)

Strategic Petroleum Reserve Fill Suspension and Consumer Protection Act of 2008 (H.R. 6022): Would suspend petroleum acquisition for the Strategic Petroleum Reserve (SPR) through the royalty-in-kind program during the period between enactment of this Act and December 31, 2008. (Passed by a vote of 385 to 25, Roll Call Vote #387)

Saving Energy Through Public Transportation Act of 2008 (H.R. 6052): Would authorize appropriations for grants for public transit systems to improve transportation services. Also requires all federal agencies in areas that have fixed route public transportation to offer employees subsidies to take such public transportation to and from work. (Passed by a vote of 322 to 98, Roll Call Vote #467)

Energy Markets Emergency Act of 2008 (H.R. 6377): Directs the Commodity Futures Trading Commission (CFTC) to curb the role of excessive speculation in any contract market within its jurisdiction and control, or through which energy futures or swaps are traded. This

legislation also directs the CFTC to eliminate excessive speculation, price distortion, as well as any other unlawful activity that causes market disturbances, which prevent the market from accurately reflecting the forces of supply and demand for energy commodities. (Passed by a vote of 402 to 19, Roll Call Vote #468)

Gas Price Relief for Consumers Act of 2008 (H.R. 6074): Prohibits foreign states from forming cartels or other associations to affect the market, supply, price, or distribution of oil, natural gas or other petroleum product in the United States. Under this legislation, the U.S. Attorney General is authorized to enforce this under antitrust laws. (Passed by a vote of 324 to 84, Roll Call Vote #332)

Renewable Energy and Job Creation Act of 2008 (H.R. 6049): Would modify and extend a number of energy-related tax incentives including the residential property credit, renewable diesel tax credit, and tax deduction for energy-efficient buildings. The bill, however, failed to patch the AMT for 2008. It also includes questionable new "green pork" tax credit bonds and a new \$1.6 billion tax break for trial lawyers. (Passed by a vote of 263 to 160, Roll Call Vote #344)

Federal Price Gouging Prevention Act (H.R. 6346): Prohibits the sale of gasoline or other petroleum distillates during a period of emergency at a price that is excessive and indicates that the seller is unfairly exploiting the emergency period by increasing the price of gas. (Failed under suspension of the rules by a vote of 276 to 146, Roll Call Vote #448)

Responsible Federal Oil and Gas Lease Act (H.R. 6251): Prohibits issuing any new oil or gas leases on onshore or offshore federal lands unless the person (or entity) certifies that they are "diligently developing" the existing lease areas to produce oil or natural gas (or already producing oil or natural gas), or have given up all existing federal oil and natural gas leases. Federal energy lease holders already must produce oil

and natural gas leases within 5-10 years under current law. Additionally, under this provision, a company could be penalized if it does not produce oil or gas from areas that do not actually have oil or gas in paying quantities, or from areas that may not be developed because required environmental studies, permits, and other procedural and construction factors are incomplete. (Failed under suspension of the rules by a vote of 223 to 195, Roll Call Vote #469)

Drill Responsibly in Leased Lands Act of 2008 (H.R. 6515): Directs the Secretary of Transportation to expedite environmentally responsible oil and gas leases in the National Petroleum Reserve in Alaska (NPR-A). Prohibits issuing any new oil or gas leases on onshore or offshore federal lands unless the person (or entity) certifies that they are “diligently developing” the existing lease areas to produce oil or natural gas (or already producing oil or natural gas), or have given up all existing federal oil and natural gas leases. (Failed under suspension of the rules by a vote of 244 to 173, Roll Call Vote #511)

Consumer Energy Supply Act of 2008 (H.R. 6578): Requires the Secretary of Energy to publish a plan for the sale of 70 million barrels of light grade petroleum held in the Strategic Petroleum Reserve (SPR) and to replace it with an equivalent amount of heavy grade petroleum. (Failed under suspension of the rules by a vote of 268 to 157, Roll Call Vote #527)

Commodity Markets Transparency and Accountability Act of 2008 (H.R. 6604): Establishes trading limits to crack down on “excessive speculation,” and grants the Commodity Futures Trade Commission several other new authorities. (Passed by a vote of 283 to 133, Roll Call Vote #608)

Comprehensive American Energy Security and Consumer Protection Act (H.R. 6899): Would allow states to “opt-in” to drill in the Outer Continental Shelf 50 to 100 miles off of their coast, as well as explore for oil shale on federal lands, but provides no incentives. Allows for lease sales in the National Petroleum Reserve in Alaska (NPR-A), but does not include any provisions regarding the Arctic National Wildlife Refuge (ANWR). Extends current and creates new tax credits and other incentives with the stated goal of promoting energy efficiency and conservation. The bill does not include lawsuit reform, nuclear energy, clean coal, or refinery provisions. (Passed by a vote of 236 to 189, Roll Call Vote #599)

Republican Energy Discharge Petitions:

No More Excuses Energy Act of 2007 (H.R. 3089): Reduces the price of gasoline by opening new American oil refineries, investing in clean energy sources such as wind, nuclear, and captured carbon dioxide; and making available more homegrown energy through environmentally sensitive exploration of the Arctic Energy Slope and America's Deep-Sea Energy Reserves. (155 signatures, as of Sept. 26, 2008)

Expand American Refining Capacity on Closed Military Installations (H.R. 2279): Reduces the price of gasoline by streamlining the refinery application process and by requiring the President to open at least three closed military installations for the purpose of siting new and reliable American refineries. (146 signatures, as of Sept. 26, 2008)

To Repeal the Ban on Acquiring Alternative Fuels (H.R. 5656): Reduces the price of gasoline by allowing the federal government to procure advanced alternative fuels derived from diverse sources like oil shale, tar sands and coal-to-liquid technology. (142 signatures, as of Sept. 26, 2008)

Coal-Liquid Fuel Act (H.R. 2208): Reduces the price of gasoline by encouraging the use of clean coal-to-liquid technology authorizing the Secretary of Energy to enter into loan agreements with coal-to-liquid projects that produce innovative transportation fuel. (141 signatures, as of Sept. 26, 2008)

Fuel Mandate Reduction Act of 2007 (H.R. 2493): Reduces the price of gasoline by removing fuel blend requirements and onerous government mandates if they contribute to unaffordable gas prices. (138 signatures, as of Sept. 26, 2008)

American Energy Independence and Price Reduction Act (H.R. 6107): Reduces the price of gasoline by opening the Arctic Energy Slope to environmentally sensitive American energy exploration. Development footprint would be limited to 0.01% of the Refuge, and revenue received from the new leases would be invested in a long-term alternative energy trust fund. (110 signatures, as of Sept. 26, 2008)

Deep Ocean Energy Resources Act of 2008 (H.R. 6108): Reduces the price of gasoline by enabling the United States to responsibly explore its own deep ocean to produce American Energy. The bill would grant coastal states the authority to keep exploration 100 miles from their coastlines and it would also allow states to share in the revenues received. (107 signatures, as of Sept. 26, 2008)



SECURITY

SECURITY

Protecting Americans at Home and Abroad

ACCOMPLISHMENTS

House Republicans closed the terrorist loophole. The terrorist surveillance bill signed into law earlier this year was the result of more than a year's work on the part of House Republicans, led by top Intelligence Committee Republican Pete Hoekstra (R-MI). When the Administration called on Congress to modernize our terrorist surveillance laws, House Republicans acted first with one goal in mind: preventing the next planned terrorist attack on our homeland.

House Republicans have repeatedly fought for, and repeatedly won, troop funding bills that provide the resources our troops need in order to succeed in their missions. Republican unity and resolve defeated the Democrats' plans to slow-bleed our troops, micromanage our generals on the ground, and broadcast a surrender date to our enemies.

House Republicans fought for a long-overdue modernization of the Montgomery GI bill. The landmark troop funding bill passed by the House this summer ensures that those who have served our country – or their families – receive the best education benefits this government can provide them. Additionally, Republicans fought for, and won, reforms that will allow veterans returning from Iraq and Afghanistan to transfer these benefits to spouses or children.

LOOKING AHEAD

The recent terrorist attacks in Pakistan and Yemen are reminders that Americans, and Americans abroad, remain top targets for jihadist terrorists. These attacks demonstrate how important it is for the United States to maintain its aggressive counterterrorism programs aimed at fighting the jihadist threat.

House Republicans have stood shoulder-to-shoulder with our troops, commanders, and intelligence officials to ensure they have the resources needed to protect the American people and their interests.

House Republicans have proposed a security agenda that will make America more energy independent, secure our borders once and for all, take on the rising criminal threats in our communities, and give terrorists plotting new attacks no place to hide.

AGENDA

- **Lower gas prices and move America away from its dangerous dependence on foreign oil** through an “all of the above” energy reform strategy.
- Continue to fight for **a more democratic, stable, and secure** world by preemptively combating terrorism, preventing the proliferation of nuclear weapons, and isolating rogue nation states.
- **Support our troops in harm's way**, take care of our veterans and make sure our reservists and National Guard receive the benefits they have earned through their service.
- **Crack down on the gangs in our communities** by establishing anti-gang task forces across the country and impose tougher penalties on gang-related crimes.
- **Protect our children** through new laws to stop sex predators before they harm kids, and ensure that a child cannot be transported across a state border for an abortion without the consent of a parent or legal guardian.
- **Combat cybercrime** and help Americans protect their personal information from identity theft.
- **Combat the drug epidemic** in our country and impose tougher penalties for trafficking the drugs that are destroying our communities.
- **Secure our borders and our ports** by bringing state-of-the-art technologies and old-fashioned American might to bear.



Iraq Status Report: September 2008

(Courtesy of Armed Services Committee Republicans)

America's presence in Iraq has experienced a remarkable turnaround during the last two years. In January 2007, American success in Iraq was in doubt. The country was mired in horrific violence—with ethno-sectarian violence threatening to destroy the very fabric of Iraqi society. Today, America is capitalizing on the success of the counterinsurgency strategy that was designed and led by General David Petraeus and General Ray Odierno. As a result of this successful strategy, 8,000 additional U.S. troops will leave Iraq between now and February 2008. Below are some highlights of the current situation in Iraq:

World's Preeminent Counterinsurgency Force. The brave men and women of the United States military have developed into the “world's preeminent counterinsurgency force,” according to the coalition's new top military commander in Iraq, General Ray Odierno. These courageous service members have achieved a remarkable level of success, including:

- Attacks have declined from a high of 180 per day in June 2007 to approximately 25 per day in recent weeks.
- Deaths from ethno-sectarian violence have dropped over 90 percent since June 2007.
- Events involving improvised explosive devices have decreased by more than 70 percent.
- Coalition forces found 85 percent more weapon caches in early 2008 than during that same timeframe in 2007.

Mission Transition—Shifting from Surge to Overwatch. While traveling to Iraq for the change of command ceremony for Multi-National Force-Iraq on September 15, Secretary of Defense Robert Gates noted that the change of command signals a “mission transition” for coalition forces in Iraq. Specifically, he pointed to an ongoing shift from the surge strategy to one of oversight as U.S. and coalition forces pull back in certain areas while standing by to provide any necessary emergency support and allowing more Iraqi military and police units to take the lead in conducting security and stability operations. As a result, more and more Iraqi forces are planning and conducting such operations independently in their areas of responsibility.

- Iraqi Security Forces now have the security lead in 11 of Iraq's 18 provinces and total more than 531,000 personnel.
- Earlier this month, Marine Major General John Kelly—commander of coalition forces in western Iraq—officially turned over the security reins of al-Anbar to that province's governor. The Marines in al-Anbar will now shift to a strategic overwatch posture.
- It's also important to note that as part of their responsibilities, U.S. and coalition forces will continue to advise and train the Iraqi police and army.

Work in Iraq is Far from Complete. In his first open letter to military and civilian personnel assigned to Multi-National Force-Iraq under his command, General Ray Odierno cautioned that America's mission in Iraq is far from complete. Specifically, General Odierno pointed to the following tasks: “continue to assist Iraqi security forces as they provide the

security necessary for the people to resume their normal lives”; “continue to foster local governance, facilitate the provision of essential services, and support economic development”; and “encourage Iraqi leaders to work toward political reconciliation and an inclusive government that gives all Iraqis a voice.”

- Even as the security situation has improved throughout much of Iraq, al-Qaeda, Iranian-backed militias, and criminal elements continue to plan and attack coalition military and civilian personnel, Iraqi Security Forces, and innocent Iraqi civilians in an attempt to foment violence and undermine the Iraqi government.

Normalcy is Returning to Iraq. Following a congressional fact-finding trip to Iraq in August, Rep. John McHugh (R-NY) pointed to traffic jams as a sign of the “impressive” return to normalcy in Iraq: “Last time I was here they were stopping all the cars. Now you still go through the checkpoints. But there are vehicles all over the place. Traffic jams are becoming more and more common. In fact, that's a good sign. You can feel the vibrancy on the streets.”

- Well-known journalist Dexter Filkins—writing in the September 20th edition of the *New York Times*—echoed Rep. McHugh’s observations: “Abu Nawas Park — I didn’t recognize that, either. By the time I had left the country in August 2006, the two-mile stretch of riverside park was a grim, spooky, deserted place, a symbol for the dying city that Baghdad had become. These days, the same park is filled with people: families with children, women in jeans, women walking alone. Even the nighttime, when Iraqis used to cower inside their homes, no longer scares them. I can hear their laughter wafting from the park. At sundown the other day, I had to weave my way through perhaps 2,000 people. It was an astonishing, beautiful scene—impossible, incomprehensible, only months ago.”

Iraq's Council of Representatives has passed several major pieces of legislation this year. Iraq’s parliament overwhelmingly approved a provincial election law on September 24, the latest in a series of major pieces of legislation passed this year, including:

- A pension law. ("Iraqi Lawmakers Pass Key Benchmark De-Baathification Law," The Associated Press, 1/12/08)
- Accountability and Justice Act for de-Ba’athification Reform ("Iraqi Lawmakers Pass Key Benchmark De-Baathification Law," The Associated Press, 1/12/08)
- An amnesty law. (Ahmed Rasheed, "Iraq Lawmakers Pass Key Budget And Amnesty Laws", Reuters, 2/13/08)
- A provincial powers law that helps define the federal-provincial relationship. (Ahmed Rasheed, "Iraq Lawmakers Pass Key Budget And Amnesty Laws", Reuters, 2/13/08)
- A 2008 budget that includes a record amount of Iraqi funds for capital expenditures. (Ahmed Rasheed, "Iraq Lawmakers Pass Key Budget And Amnesty Laws", Reuters, 2/13/08)

Neighboring countries are re-establishing diplomatic relations with Iraq.

- Kuwait has named an Ambassador to Iraq. (President Bush Meets and Prime Minister Nasser Al-Sabah, Press Conference, 9/19/08)
- The United Arab Emirates’ (U.A.E.) Ambassador, Abdullah Ibrahim al-Shehhi, presented his credentials to the Iraqi Government, becoming first Arab ambassador to return to Baghdad since 2005. (Waleed Ibrahim, "UAE Ambassador Takes Up Baghdad Post," Reuters, 9/9/08)
- Bahrain recently named Salah al-Maliki as the next Ambassador to Iraq. Bahrain's delegation visited Baghdad in September to determine the location for its embassy. ("Bahrain Names Envoy To Iraq Amid Warming Gulf Ties," Reuters [UK], 8/31/08)
- Syria named an Ambassador to Iraq for the first time since the 1980s. (Robert Worth, "Syria: New Ambassador to Iraq," The New York Times, 9/17/08)
- Jordan has also named an Ambassador to Iraq. ("Jordan Ambassador To Iraq Sworn In" Jordan Times, 7/1/08)
- The U.A.E. became the first Arab nation to give 100% debt relief to Iraq of approximately \$7 billion. ("United Arab Emirates Cancels Iraq Debt," Associated Press, 7/6/08)

Afghanistan Status Report: September 2008

(Courtesy of Armed Services Committee Republicans)

Since the United States and its NATO partners drove the Taliban regime out of Kabul in 2001, our efforts to help the Afghan people and build stable government institutions in Afghanistan have been positive and are turning around a nation that was once the world's leading example of a failed state. However, increased attacks this year have reminded us that significant challenges still exist. Below are some highlights of the current situation in Afghanistan:

American successes in Afghanistan have denied al-Qaeda the opportunity to attack the United States homeland.

For those who say that Afghanistan is the "forgotten war", it is important to note that our coalition troops have been actively engaged in Afghanistan since 2001 and that our efforts have prevented Osama bin-Laden and his terrorist network from successfully planning and executing an attack on the United States homeland.

U.S. troops deserve considerable credit for improving the lives of Afghanistan's citizens. The selfless service and sacrifice of the U.S. soldiers, sailors, airmen, and Marines should be acknowledged and commended. Those troops who have served in Afghanistan have committed themselves to defeating the Taliban, improving governance in the country, and helping Afghan citizens improve their lives.

- Since 2001, U.S. troops and their allies have trained more than 138,000 Afghanistan National Security Forces, including 63,200 National Army soldiers and 74,000 National Police.
- More than 16 Provincial Reconstruction Teams (PRTs) are working to improve the lives of local citizens in 26 of Afghanistan's 34 provinces. Fourteen of the PRTs are being led by our coalition partners, while the U.S. has the lead for 12.
- More than 80 percent of the Afghan population now has access to health care—a dramatic increase from eight percent in 2001.
- The infant mortality rate has decline by 26 percent over the last five years.
- For the first time in ten years, the grain harvest met domestic needs. Additionally, the legitimate economy is growing faster than the narco-economy, which has been used to fuel terrorist and insurgent attacks on the Afghan people and coalition forces.
- Approximately 98 percent of Afghan boys and 68 percent of Afghan girls in Regional Command—East, which is currently served by elements of the 101st Airborne Division and covers more than one-third of Afghanistan's 34 provinces, now attend school.

Despite hard-won progress, the coalition effort in Afghanistan remains plagued by serious and evolving challenges. American, coalition, and Afghan forces are facing a more sophisticated and determined Taliban terrorist threat, particularly in the eastern and southern parts of the country.

- Taliban and al-Qaeda fighters continue to take refuge in Pakistan's Federally Administered Tribal Area (FATA) and have an unacceptable level of freedom of movement along the rugged Afghanistan-Pakistan border. In the Pashtun tribal area along this border, the enemy could reconstitute and launch attacks on U.S., coalition, and Afghan forces.
- Factions within Afghanistan continue to cultivate poppy, producing 93 percent of the world's opium. This destabilizing activity threatens the country's efforts to move toward legitimate economic self-sufficiency.
- U.S. forces and the NATO-led International Security Assistance Force (ISAF) lack comprehensive strategy. For far too long, the division of labor and organization of our forces have violated the fundamental rules of military operations—unity of command and unity of effort.
- While we must recognize the efforts and sacrifices of our NATO allies, some of our partners, due to their national politics, continue to restrict "where" and "how" their forces operate, resulting in uneven efforts across regions and commands.

Now is the time for realistic solutions. During an Armed Services Committee earlier this month, Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, made news when he said that he's "convinced we can win" in Afghanistan. During a September 16th trip to Afghanistan, Secretary of Defense Robert Gates confirmed that our top civilian and military leaders are reviewing "several aspects of U.S. military policy and strategy in Afghanistan." The first step in this process was the announcement that additional combat power and combat-support units will be deployed to Afghanistan. Below are some factors that could be considered:

- The counterinsurgency strategies that have been successfully implemented in Iraq cannot be carbon-copied to work in Afghanistan, but we can apply some of the lessons learned from Iraq to our approach in Afghanistan.
- Under the leadership of the United States, our military leaders must devise a comprehensive strategy specific to the terrorist and insurgency challenges of Afghanistan, which can be translated into an integrated joint campaign plan and used to determine the types and levels of resources needed to implement an interagency "clear, hold, and build" plan.
- Our commanders and war fighters must have the right 21st century enablers at the right levels. For example, we need to think about "curtaining" the Afghanistan-Pakistan border with persistent intelligence, surveillance, and reconnaissance (ISR) coverage and linking a quick reaction force with those ISR capabilities. Such tactical surveillance, with the support of Congress, has successfully aided the U.S. in devastating road-side bomb placers in Iraq.
- America and its allies must continue to build the size and capabilities of the Afghan National Security Forces—troops who have shown the will and courage to fight the enemy that threatens their futures.

America and its allies must encourage Pakistan to put on a "full court press" on its side of the border. Although the country is in a time of political transition and its people are under siege from Taliban and al-Qaeda terrorists, Pakistan must do all it can to deny sanctuary to dangerous and subversive elements and thwart cross border movement of those elements between Pakistan and Afghanistan. Despite this weekend's horrific terrorist attack on the Marriot Hotel in Islamabad—Pakistan, Afghanistan, the United States, and our other allies must work together to address the challenges within the tribal region.

Update: Veterans' Funding and Wounded Warriors

(Courtesy of Veterans Affairs Committee Republicans)

To address the problems being encountered by wounded service members and their families, Congress included 'Wounded Warrior Provisions' in the National Defense Authorization Act for Fiscal Year 2008, (Public Law 110-181). Among its numerous provisions, the Act:

- Requires the DoD and VA to jointly develop a comprehensive policy on the care and management of members of the armed forces, including the development of a system that allows for fully interoperable electronic exchange of personnel health information.
- Mandates the establishment of new DoD-wide standards for processing disability evaluations to reduce discrepancies between DoD and VA assessments, and to ensure consistent decisions among military departments.
- Requires a comprehensive policy to address traumatic brain injury, post traumatic stress disorder, other mental health conditions and eye injuries, as well as the creation of centers of excellence focused on these conditions.
- Requires VA to develop an individualized plan for the rehabilitation and reintegration of each veteran who receives inpatient or outpatient rehabilitation care for a traumatic brain injury.

Republicans are committed to ensuring that the men and women serving in our armed forces are given access to the quality healthcare they need both during and after their service:

- Total funding for Department of Veterans (VA) programs increased 111% percent during the eleven-year period from FY1995-FY2007 while Republicans were in the majority.
- Republican budgets enabled VA to care for a record number of high-priority patients, those veterans counting on us the most, including veterans of Operation Iraqi Freedom and Operation Enduring Freedom.
- More than 5.8 million veterans will receive health care services this year, almost double the amount of patients who received treatment in FY 1995 and one million more than just five years ago.
- VA leads the health care industry in computerized records, patient safety and standards for high-quality care.
- More than 90 percent of veterans receive primary care within 30 days of their desired date, and more than 90 percent of veterans seeking specialty care receive it within 30 days.



Key Immigration Votes Taken: 110th Congress

1st Session

Employee Union Card Check (H.R. 800): Republican Motion to Recommit would have required certification that an employee was a legal resident or citizen prior to returning a card. (Failed by a vote of 202 to 225, Roll Call Vote #117)

Federal Housing Finance Reform Act of 2007 (H.R. 1427): Rep. Price (R-GA) amendment requires adults to prove their legal residency through secure forms of identification in order to be eligible for housing from the affordable housing fund. (Passed by a vote of 235 to 188, Roll Call Vote #387)

Alien Smuggling and Terrorism Prevention Act of 2007 (H.R. 2399): The bill increases penalties for alien smuggling. (Passed by a vote of 412 to 0, Roll Call Vote #400)

FY2008 Homeland Security Appropriations (H.R. 2638):

- **Rep. Drake (R-VA) amendment** increases funding for Immigration and Customs Enforcement by \$9 million. (Passed by a vote of 286 to 187, Roll Call Vote #469)
- **Rep. McHenry (R-NC) amendment** would have increased funding for Citizenship and Immigration Services by \$30 million. (Failed by a vote of 207 to 214, Roll Call Vote #474)
- **Rep. Carter (R-TX) amendment** would have removed several provisions that pose obstacles to border security fencing. (Failed by a vote of 190 to 233, Roll Call Vote #476)
- **Rep. McCaul (R-TX) amendment** would have removed a provision that prevents the procurement of unmanned aerial vehicles for use by Customs and Border Protection. (Failed by a vote of 192 to 232, Roll Call Vote #477)
- **Rep. King (R-IA) amendment** promotes the use of the Employment Eligibility Verification basic pilot program. (Passed by a vote of 228 to 195, Roll Call Vote #478)
- **Rep. Tancredo (R-CO) amendment** would have prohibited funds from being used to implement the visa waiver program. (Failed by a vote of 76 to 347, Roll Call Vote #484)
- **Rep. Tancredo (R-CO) amendment** prohibits funds from being used to assist state or local governments that refuse to share citizenship and immigration status of individual's with ICE. (Passed by a vote of 234 to 189, Roll Call Vote #485)
- **Rep. Royce (R-CA) amendment** would have required two layers of reinforced fencing and roads for a border fence along the U.S. – Mexican border. (Failed by a vote of 149 to 272, Roll Call Vote #486)
- **Republican Motion to Recommit** would have provided funds necessary for the construction of a two layered fence, barriers and technology along the U.S. – Mexican barrier. (Failed by a vote of 200 to 217, Roll Call Vote #490)

The Section 8 Voucher Reform Act of 2007 (H.R. 1851): Republican Motion to Recommit requires appropriate identification to determine legal status prior to receiving rental assistance. (Passed by a vote of 333 to 93, Roll Call Vote #629)

FY 2008 Commerce-Justice-Science Appropriations (H.R. 3093):

- **Rep. Lofgren (D-CA) amendment** increases State Criminal Alien Assistance Program funding by \$55 million. (Passed by a vote of 388 to 39, Roll Call Vote #725)
- **Rep. Stearns (R-FL) amendment** would have prohibited funds from being used by the EEOC to litigate against employers that require employees to speak English. (Failed by a vote of 202 to 212, Roll Call Vote #734)
- **Republican Motion to Instruct Conferees** prevents the Equal Employment Opportunity Commission from using funds to initiate civil action against an organization which requires its employees to speak English at work. (Passed by a vote of 218 to 186, Roll Call Vote #1076)

Children's Health and Medicare Protection Act of 2007 (H.R. 3162): Republican Motion to Recommit would have restored current law requirements for immigrants---requiring citizenship documentation verification for eligibility; and restoring the 5 year waiting period for certain legal immigrants to participate in welfare programs. (Failed by a vote of 202 to 226, Roll Call Vote #786)

FY 2008 Agriculture Appropriations (H.R. 3161): Republican Motion to Recommit would have prohibited funds from being used to employ illegal immigrants or to provide rental assistance to illegal immigrants. (Failed by a vote of 212 to 216, Roll Call Vote #814)

Expanding American Homeownership Act of 2007 (H.R. 1852): Republican Motion to Recommit would have required an individual, or all adult members of a household, to provide valid personal identification--such as a social security card, driver's license, passport, or photo identification card issued by the Department of Homeland Security--to confirm the eligibility of the individual/household to receive assistance through the newly created affordable housing fund. (Failed by a vote of 209 to 216, Roll Call Vote #875)

2nd Session

Assistance for States Incarcerating Undocumented Aliens Charged with Certain Crimes (H.R. 1512): The bill provides compensation for states incarcerating undocumented immigrants who have been charged with a felony or two or more misdemeanors. (Passed by voice vote, May 8, 2008)

The Taxpayer Assistance and Simplification Act (H.R. 5719): Republican Motion to Recommit would have prohibited sanctuary cities from receiving financing through tax exempt bonds and would direct the IRS to increase its efforts to ensure that illegal aliens do not receive benefits under the earned income tax credit (Failed by a vote of 210 to 210, Roll Call Vote #189).

Bipartisan Border Security Discharge Petition: Republicans filed a discharge petition to force a vote on H.R. 4088, a bipartisan bill that would address this critical security priority. If 218 Members sign the petition, House Democrat leaders will be forced to hold a vote on this bill. But Republicans cannot do it alone. Democrat leaders must stop obstructing a vote on bipartisan immigration enforcement legislation that will improve border security and reduce magnets for illegal immigration. (Discharge Petition currently has 190 signatures)



HEALTH CARE

HEALTH CARE

Lowering Costs And Guaranteeing Access

ACCOMPLISHMENTS

Republicans have put **poor kids first** by preventing Democrat efforts to expand the State Children's Health Insurance Program (SCHIP) to cover adults, illegal immigrants, and those who already have private health insurance. Republicans will continue fighting to ensure that SCHIP better serves its original purpose to guarantee that children of the working poor get access to the quality, affordable health care they need and deserve.

LOOKING AHEAD

There are millions of Americans who want health insurance but cannot afford it, and hundreds of thousands of low-income children are still uninsured. Health care costs continue to rise far faster than inflation, causing wages to stagnate and squeezing the budgets of families also suffering from high gas prices.

Instead of solutions, the Democratic Congress has offered more of what ails our health care system: more lawsuits, more bureaucracy, and diminishing choices for patients and their families.

House Republicans have proposed a health care agenda that will work to guarantee access to affordable, high-quality, patient-centered health care for every American and enact reforms to reduce costs and ensure personal healthcare decisions are made by patients, their families and their doctors.

AGENDA

- **Reform the tax code so that all Americans can afford a quality health insurance plan and *keep* it.**
- Make health coverage more affordable and **empower you to keep your own health insurance plan, even if you decide to retire early or change your job** by leveling the playing field between those who don't have employer-provided health insurance and those who do.
- Make health insurance more affordable by **allowing families to enroll in plans available in other states** if those plans better meet their needs.
- Enhance Americans' control over their own health care by expanding the availability of **tax-free health savings accounts** so they can use their own money wisely on health care benefits they need today, save for their future health care needs, and spend more time seeking preventative care.
- **Reform frivolous lawsuits** that are driving up costs and reducing patient access to care, and **reverse the dangerous shortage of physicians in high-risk practices** like obstetrics and surgery by **reforming our medical liability system**.
- **Help small business owners afford health insurance for their employees** by allowing them to purchase coverage at rates similar to those paid by large corporations and government agencies.
- **Make medical bills more transparent and easier to understand** in order to increase competition and empower individuals to know they aren't being overcharged.
- Improve health care quality in America by **expanding the use of health information technology and electronic medical records**.
- Provide **more effective care and more choices for our seniors**.

TALKING POINTS:

On SCHIP, House Republicans Put Poor Kids First

WHERE WE STAND

- Republicans remain committed to ensuring low-income children have access to top-quality, affordable health care.
- Although there were 700,000 low-income children already eligible for the State Children's Health Insurance Program but not enrolled, Democrats insisted on expanding SCHIP beyond its original scope, including extending coverage originally intended for low-income children to adults, illegal immigrants and families making more than \$80,000 a year.
- Because Republicans demanded that poor children be covered first, Congress passed an extension of the SCHIP program through March 31, 2009 to ensure children covered by this important program experience no gaps in coverage.
- For fiscal year 2007, approximately 7.1 million children were enrolled in SCHIP and states reported enrolling 587,000 adults in the program.

The last SCHIP bill Democrats tried to pass (H.R. 3963, October 2007) violated key House Republican principles for the program's reauthorization:

Republican Principle: Lower-income children with private health insurance should not be "crowded out" of the coverage they already have and transitioned to taxpayer-funded plans.

- Under the Democrats' SCHIP bill, two million children would have been crowded out of coverage they already had and onto the public dole. *(Congressional Budget Office)*

Republican Principle: Illegal immigrants should not receive taxpayer-funded SCHIP benefits, and a reauthorization of the program should not water-down citizenship documentation requirements or make it easier for illegal aliens to sign-up for benefits.

- The Democrats' SCHIP bill watered down citizenship documentation requirements and made it easier for illegal immigrants to sign up. *(Sec. 211 of bill substantially weakened citizenship documentation requirements for SCHIP by allowing states to verify citizenship through the presentation of an easily falsified or stolen Social Security number.)*

Republican Principle: Poor children should be covered first, not wealthier families, including those earning 300 percent of the federal poverty level or more.

- The Democrat SCHIP bill did not ensure poor children were covered first. *(The Democrats' SCHIP bill failed to close a loophole that allows states to artificially "disregard" portions of the income of wealthier families in order to make them seem low-income. The bill also did not require states to take all assets into account when judging a family's need for taxpayer-funded health coverage.)*

Republican Principle: Poor children should be covered under SCHIP first before we consider extending coverage to adults under a taxpayer-funded health plan meant to help lower-income children.

Under the Democrat SCHIP bill, while childless adults were transitioned out of SCHIP in the new bill, adults with children were not. *(Sec. 2111)*



Medicare Part D Update

State-by-State Enrollment in Prescription Drug Plans

State	Seniors Eligible for Medicare Drug Coverage	Seniors Enrolled in Medicare Drug Coverage	% Seniors with Drug Coverage, including VA and other plans
Alabama	691,227	573,151	87.04%
Alaska	47,329	37,589	81.85%
Arizona	728,174	608,775	85.87%
Arkansas	426,352	348,331	85.34%
California	3,844,890	3,433,693	87.24%
Colorado	485,763	401,930	86.09%
Connecticut	459,427	401,041	85.05%
Delaware	117,749	100,790	85.83%
D. Of Columbia	59,243	37,737	79.80%
Florida	2,712,095	2,269,854	86.05%
Georgia	949,579	782,704	84.50%
Hawaii	162,420	131,011	85.25%
Idaho	172,602	139,973	82.87%
Illinois	1,476,985	1,301,771	84.26%
Indiana	794,198	688,754	83.82%
Iowa	431,847	368,807	86.11%
Kansas	344,839	280,452	83.54%
Kentucky	605,946	523,477	84.74%
Louisiana	546,618	473,927	84.86%
Maine	199,230	164,925	80.25%
Maryland	603,111	456,381	82.56%
Massachusetts	848,430	745,162	84.56%
Michigan	1,312,528	1,200,298	84.59%
Minnesota	645,715	564,504	87.76%
Mississippi	402,096	331,051	85.35%
Missouri	815,141	692,936	85.61%
Montana	130,059	103,771	82.70%
Nebraska	236,756	196,807	88.19%
Nevada	270,540	218,103	84.11%
New Hampshire	155,595	124,813	77.66%
New Jersey	1,059,578	928,259	83.69%
New Mexico	244,066	199,192	84.92%
New York	2,403,204	2,153,462	84.00%
North Carolina	1,176,841	1,010,397	86.02%
North Dakota	94,068	78,649	89.24%
Ohio	1,567,112	1,399,390	86.44%
Oklahoma	475,725	382,269	83.70%
Oregon	480,725	405,332	84.17%
Pennsylvania	1,873,667	1,630,966	85.34%
Rhode Island	151,725	128,008	86.27%
South Carolina	601,332	492,397	85.59%
South Dakota	115,323	92,102	88.73%
Tennessee	847,357	726,764	86.45%
Texas	2,336,223	1,946,791	85.42%
Utah	214,500	168,328	83.62%
Vermont	87,488	74,080	85.23%
Virginia	873,556	651,043	82.73%
Washington	705,150	571,777	80.03%
West Virginia	319,376	275,445	86.58%
Wisconsin	658,860	565,993	76.53%
Wyoming	61,795	48,195	82.74%

Currently 25.4 million Medicare beneficiaries are enrolled in Part D and Medicare Advantage with Part D plans; of this amount, 9.4 million are receiving low-income subsidy assistance. Nearly 90 percent of all Medicare beneficiaries receive some type of prescription drug coverage from either Medicare part D, former employer coverage, or other sources.

The Centers for Medicare & Medicaid Services announced last month that the average monthly premium for Medicare Part D will increase from \$25 this year to \$28 in 2009. The premium will be nearly 40 percent lower than originally projected when coverage was introduced in 2003. The Democratic alternative to the Republican-passed bill would have set the cost of the monthly premium at \$35.

Potential beneficiaries of Medicare Part D may sign up when they first become eligible for Medicare (three months before the month they turn age 65 until three months after they turn age 65). If they don't sign up when they are first eligible, they may pay a penalty. If they didn't join when they were first eligible, their next opportunity to join will be from November 15, 2008 to December 31, 2008.

Source: Centers for Medicare and Medicaid Services
January 2008



A BROKEN WASHINGTON

A Broken Washington

ETHICS HYPOCRISY

Despite pledging to “drain the swamp” and lead the “most ethical” Congress in history, Speaker Pelosi refuses to hold the top tax-writer in the House of Representatives accountable for running afoul of federal tax law.

After reportedly using official congressional letterhead to solicit donations for a shrine to himself at City College, failing to report nearly \$75,000 in income from a Dominican Republic vacation home, improperly occupying four rent-controlled apartments in New York City for below-market rates, and treating the House parking facilities like his own private garage, Rep. Charles Rangel – Chairman of the powerful, tax-writing Ways & Means Committee – is now being investigated by the House Ethics Committee.

Since his laundry list of ethical charges has mounted, Rangel has paid nearly \$10,000 in back-taxes to the IRS and to the state of New York. After publicly admitting to what could be decades of personal tax discrepancies, he has also hired a forensic accountant.

Newspapers Call on Rangel to Relinquish Chairmanship

- **The New York Times:** “Mounting embarrassment for taxpayers and Congress makes it imperative that Representative Charles Rangel step aside as chairman of the Ways and Means Committee while his ethical problems are investigated. ... Committee posts are not bestowed by voters. They are partisan privileges granted by leaders in Congress, and Ms. Pelosi must not cut slack for an ally. If Mr. Rangel refuses a temporary hiatus from his chairmanship, Ms. Pelosi should remove him permanently.” (9/15/08)
- **The New York Post Editorial: “Step Down, Charlie.** ... Obviously, life in Congress has been very, very good to Charlie Rangel. Problem is, no one can tell for sure just how good. And that's a big problem. Which is why it's imperative that Speaker Pelosi force Rangel out of the Ways and Means chairmanship.” (9/17/08)
- **The Buffalo News: “Rangel should step down.** ... Charlie Rangel says he won't step down as chairman of a powerful congressional committee, but he needs to. ...there are too many skeletons rattling around in his closet just now for him to continue as chairman of the House Ways and Means Committee” They add: “he should do the right thing and step aside pending the outcome of the review.” (9/19/08)
- **Long Island's Newsday: “Step Aside.** ... Until that probe is completed, House Speaker Nancy Pelosi should ask the recalcitrant Rangel to step away from his committee chair.” (9/19/08)
- **The Albany Times-Union: “Enough, Mr. Rangel.** ... Mr. Rangel: You should step down as Ways and Means chairman. ... He should resign his top committee spot and reconsider his oath of office.” (9/15/08)
- **The Philadelphia Inquirer: “Rangel's Tax Problems.** ... Speaker Nancy E. Pelosi (D., Calif.) should remove Rep. Charles Rangel (D., N.Y.) as chairman of the House Ways and Means Committee. ... Pelosi said she won't remove Rangel. She should reconsider.” (9/15/08)
- **The Milwaukee Journal Sentinel:** [Rangel] “should step down or be removed as chairman of the powerful House Ways and Means Committee. Rangel has displayed, at the very least, glaring ineptitude in the conduct of his own affairs, financial and otherwise.” (9/16/08)

RECORD-LOW APPROVAL RATINGS

Rep. Rahm Emanuel (D-IL) pledged that Democrats would give the American people a “government that no longer lets you down,” but this Democratic Congress has garnered record-low approval ratings.

- Gallup's annual survey of confidence in U.S. institutions found just 12% of Americans expressing confidence in the Congress, “the lowest of the 16 institutions tested this year, and the worst rating Gallup has measured for any institution in the 35-year history of this question.” (6/20/08)
- “A major tracking poll for the first time shows Americans' approval of Congress has dipped below 10 percent. The most recent Rasmussen Reports survey calculates a mere 9 percent say Congress is doing a good or

excellent job, while a majority of Americans, 52 percent, believe it is doing a poor job, which also ties a record high.” (7/8/08)

A DO-NOTHING DEMOCRATIC CONGRESS

Asked in February whether Democrats would punt on major legislative business until 2009, Majority Leader Steny Hoyer (D-MD) said, “We’re not sitting out the clock.” This Democratic Congress, however, has been the least accomplished in our nation’s history.

- As of September 27, 325 public laws have been enacted during the 110th Congress. That is the lowest amount in two decades of record-keeping. This Democratic Congress has had the time, however, to propose a record amount of resolutions – nearly 2,000 in all.
- Democrats were forced to pass a continuing resolution after failing to enact a single one of the dozen annual spending bills – a record unmatched since the fiscal year was switched from July to October in 1977.
- Through effective use of the motion to recommit, House Republicans have strengthened good bills and prevented bad ones from becoming law. In less than 20 months in the minority, Republicans have passed 24 motions to recommit. Compare that to House Democrats, who in their dozen years in the minority, succeeded in passing just 14 such motions.

BIG LABOR PAYBACKS

After being named her party’s nominee for Speaker of the House, Rep. Nancy Pelosi (D-CA) said Democrats would “not be dazzled by money and special interests,” but from the beginning, the Democrat majority has been an instrument for Big Labor bosses.

- **“Big Labor flexes its muscles in Congress...** The AFL-CIO “promised to remind the new rulers of Congress that labor put them there, and that unions would be back in 2007 looking for support. So far, all indications show Democrats in Congress have been happy to oblige one of their most loyal constituencies.” (The Hill, 7/24/07)
- **“Big Labor's Hold On a Colombia Pact.** Nancy Pelosi does not want to make her members cast votes on the Colombian free-trade agreement. It is unconditionally opposed by the AFL-CIO, which is uninterested in negotiating changes. ... There are enough Democratic politicians who are embarrassed by protectionist sloganeering that they would be inclined to support the Colombian free-trade agreement -- were it not for labor's intervention.” (Bob Novak, The Washington Post, 4/4/08)

A RETURN TO THE FAILED TAX-AND-SPEND POLICIES OF THE PAST

This Democrat majority looks a lot like the one that ruled Washington in the 1970s, putting the hammer to working families with a record tax hike and massive spending increases.

- The effect of the Democrat budget “will be a massive, rapid and sustained increase in the federal tax burden. It will begin from already historically high levels and break most previous taxation records in the near term and shatter them over the longer term. If not reduced, it will take roughly double the current stimulus out of the economy and, even if significantly reduced, will certainly equal it annually, while continuing indefinitely.” (Investor’s Business Daily, 4/4/08)

RESTRICTIONS ON ESSENTIAL FREEDOMS

Speaker Pelosi refuses to bring to the floor a measure proposed by **Rep. Mike Pence** (R-IN) that would prevent the FCC or any future President from reinstating the Fairness Doctrine. This legislation would ensure true freedom and fairness will remain on our radio airwaves. Congress must take action to ensure that this archaic remnant of a bygone era of American radio does not return. There is nothing fair about the Fairness Doctrine.



Broken Promises

AN OPEN AND BIPARTISAN LEGISLATIVE PROCESS

Despite promising to make this the “most open” Congress in history, Democrats have had a record number of closed rules – 65, as of Sept. 26. To put it in perspective, there were 49 closed rules in the 109th Congress.

- **Stolen Immigration Vote.** “House panel says Democrats messed up 2007 vote. Democrats messed up. Republicans were robbed. [A special panel] validated GOP claims that majority Democrats made the wrong call on a contested vote one late night in the summer of 2007. ... The Aug. 2, 2007, vote was on a Republican motion to ensure that illegal immigrants would not get certain benefits from an agriculture spending bill. ... A ‘black eye’ for Democrats, said Republican leader John Boehner of Ohio after the report was released.” (Associated Press, 9/25/08)
- The lead Republican on the special panel, **Rep. Mike Pence** (R-IN), said in a statement, “This Congress can learn from the lessons of August 2nd, move beyond that dark moment and restore the confidence of the American people that this is not a Democratic House, this is not a Republican House, this is the People’s House and their will is worked every time a vote is called.”

LOBBYING REFORM


Despite pledging to “kill the K Street Project,” Democrats have created one of their own.

- “After 18 months in the majority and a series of unsuccessful outreach efforts to the business community, Senate Majority Leader Harry Reid (D-Nev.) has lost patience with Republican dominance on K Street and started a systematic campaign to force a dramatic realignment backed with threats of a hostile environment on Capitol Hill.” (Roll Call, 6/26/08)

EARMARK REFORM

Despite once saying it was her personal preference to “get rid of all” earmarks, under Speaker Pelosi, the Democratic Congress has extended the broken status quo that allows taxpayer dollars to be spent without proper scrutiny.

- **“Democrats fall short on earmark reform.** In 2007, when the Democrats were swept into majority positions in both houses of Congress, party leaders pledged to cut the number and cost of congressional earmarks in half. They failed. Instead, these costly pet projects are being tacked onto appropriation bills at a record rate, and House Speaker Nancy Pelosi, D-Calif., on Monday officially backed away from efforts to impose a one-year moratorium.” (Nashua (NH) Telegraph editorial, 4/6/08)



APPENDIX

House Values Agenda

(Courtesy of Rep. Joe Pitts, Values Action Team Chairman)

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness"

Life: The most fundamental responsibility of government is the protection of human life. We must do everything in our power to defend this most basic right of every human being at every stage of life.

- Child Interstate Abortion Notification Act (Rep. Ileana Ros-Lehtinen) makes it illegal to transport a minor girl across state lines for the purpose of procuring an abortion or circumventing parental notification or consent laws in the girl's home state. (H.R. 1063)
- Unborn Child Pain Awareness Act (Rep. Chris Smith) requires abortion providers to notify women seeking an abortion after 20 weeks that their unborn child feels pain and that they may request anesthesia for their unborn child to reduce or eliminate the pain. (H.R. 3442)
- Human Cloning Prohibition Act (Rep. Dave Weldon) prohibits human cloning. (H.R. 2564)
- Patients First Act (Rep. Randy Forbes) prioritizes funding for ethical stem cell research that has the greatest potential for near-term clinical benefits. (H.R. 2807)
- Title X Provider Prohibition Act (Rep. Mike Pence) prohibits distribution of Title X family planning funds to any organization that performs abortion. (H.R. 4133)

Religious Liberty: Our nation was founded on the principle of religious liberty. Americans, first and foremost, should have the freedom to express and practice their religious convictions without fear of judicial activism.

- The Public Expression of Religion Act (Rep. Dan Burton) frees state and local officials from the fear of lawsuits arising from the public expression of religious by state and local officials. (H.R. 725)
- Public Prayer Protection Act (Rep. Gresham Barrett) denies court jurisdiction to review any matter related to the alleged establishment of religion involving the expression of public prayer by any federal state, or local government entity. (H.R. 2104)
- Pledge Protection Act (Rep. Todd Akin) bars federal district and circuit courts from ruling on cases pertaining to the pledge's standing under the Establishment Clause. (H.R. 699)

Marriage: Marriage has been a valuable and important social institution and a foundation for healthy families. Government should enact policies that promote, rather than punish, marriage and that protect it as a sacred institution.

- Marriage Tax Penalty Permanent Elimination Act (Rep. Jerry Weller) permanently eliminates the marriage tax penalty. (H.R. 834)
- Marriage Protection Amendment (Rep. Paul Broun) amends the Constitution to define marriage as between one man and one woman. (H.J.Res. 89)
- Definition of Marriage Amendment (Rep. Dan Lungren) amends the Constitution to prohibit any court from having jurisdiction to determine whether the U.S. Constitution or any state constitution requires the legal institution of marriage to be conferred upon any union other than a legal union between one man and one woman. (H.J.Res. 22)

Parental Rights: Children across the country rely on parents to protect, nurture, and prepare them for adulthood, but parental rights are being displaced by government regulation. Parents should be the primary decision makers when it comes to their children's health, education, and welfare.

- Parents' Right to Know Act (Rep. Todd Akin) requires parental notice before contraceptive drugs and devices are distributed to a minor child by a Title X clinic. (H.R.2134)
- Children's Hope Act (Rep. Trent Franks) encourages states to enact their own state educational scholarship tax credit. (H.R. 2706)
- Abstinence Education provides a holistic message that empowers teens to make informed and healthy decisions about their sexual behavior as an alternative to so-called "comprehensive" sex education programs that actually encourage sexual activity.

Protecting Children: Protecting the future of this country must be a priority.

- Protecting Children from Indecent Programming Act (Rep. Chip Pickering) affirms the FCC's ability to regulate indecent programming, including a single word or image. (H.R.3559)
- Deleting Online Predators Act (Rep. Mark Kirk) requires schools and libraries to prohibit access to chat rooms unless used for educational purposes with adult supervision and protect against access to visual depictions that are child pornography, obscene, or harmful to minors. (H.R. 1120)
- Child Pornography Elimination Act (Rep. Marilyn Musgrave) expands penalties for child pornography. (H.R. 3148)
- SAFE Act (Rep. Steve Chabot) expands reporting requirements with respect to violations of child sexual exploitation and pornography laws. (H.R. 876)

Communications Checklist

As we near the close of this congressional session, run through this checklist to ensure you're fully prepared for the weeks to come. If you have any questions or need assistance, please don't hesitate to contact the Conference Press Office.

Have you identified and enrolled surrogates? First-hand testimonials that speak to your record of accomplishments – whether it's seniors on healthcare or veterans on national security – will enhance and strengthen your message.

Do you have your vote justifications ready? Vote justifications are helpful documents to support and defend your positions on key issues. Having them on hand, with supporting clips and research attached, will allow you to address press inquiries effectively and efficiently.

Have you put issue one-pagers together? Having highlights of your record on key issues (energy, economy, national security, and health care) on one page will prove to be an invaluable tool in a pinch. References to key votes should always be accompanied by citations, and where possible, include positive clips to back up your record.

Are your clip books complete and well-organized? The minutes following a 5 o'clock phone call from a local reporter is not the time to be searching for that one clip from five months ago that proves your point. Clips should be well-organized, clean, and complete. To the extent possible, use a mock-up of the clip as it appeared in the local paper, with both the article and the front-page banner.

Have you cataloged the contents of your website? In the last two years, Congressional websites have made great strides – they are now frequently updated with releases, reports, and all kinds of materials relating to your priorities. It's important you be aware at all times of exactly what is and what is not on your website, and what may have been edited. You should apply this practice to the Internet at large – know what's being written, especially on blogs. There's no excuse for being caught flat-footed when a reporter calls about something they read on your website, especially if it's something you can easily discredit.

Are you still looking for effective earned media ideas? Your colleagues continue to be the best resources for earned media that works, whether through the weekly Best Practices or the daily Energy Update. For your convenience, a complete Best Practices archive can be found on GOP.gov.

ONLINE RESOURCES

GOP.gov is a one-stop shop for:

- Talking points
- Press releases
- Legislative digests
- Event calendars
- "In Case You Missed It" updates
- "Conference Call" updates
- Recess Kits

House Republicans have also created a stand-alone site dedicated to meaningful energy solutions: GOP.gov/energy. The site includes:

- GOP Energy Solutions
- American Energy Act Information
- Multimedia Resources
- Energy Fact Sheets
- Latest Energy News

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CALENDAR

OCTOBER 2008

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p>Month:</p> <p>Animal Safety and Protection Month</p> <p>Communicate With Your Kids Month</p> <p>Computer Learning Month</p>	<p>Family History Month</p> <p>Diversity Awareness Month</p> <p>National Breast Cancer Awareness Month</p> <p>Polish American Heritage Month</p>	<p>National Book Month</p> <p>National Crime Prevention Month</p> <p>National Domestic Violence Awareness Month</p>	<p>1</p> <p>New Fiscal Year begins</p>	<p>2</p> <p>Vice Presidential Debate – Washington University (9 p.m. EST)</p> <p>Eid-al-Fitr (Islamic holiday)</p>	<p>3</p>	<p>4</p>
<p>5</p> <p>National Fire Prevention Week</p> <p>National Mental Illness Awareness Week</p>	<p>6</p> <p>Supreme Court October 2008 term begins</p> <p>National Child Health Day</p>	<p>7</p> <p>2nd Presidential Debate – Nashville, TN (9 p.m. EST)</p>	<p>8</p>	<p>9</p> <p>Yom Kippur (begins at sundown on the 8th)</p> <p>Anniversary of Afghanistan's first elections (2004)</p>	<p>10</p> <p>Anniversary of the U.S. Naval Academy (1845)</p>	<p>11</p> <p>Congress approved use of force in Iraq (2002)</p>
<p>12</p> <p>National Quality Health Care Week</p>	<p>13</p> <p>Columbus Day</p> <p>National School Lunch Week</p>	<p>14</p> <p>First day of Sukkot</p>	<p>15</p> <p>FEC Quarterly Report Due</p> <p>3rd Presidential Debate Hofstra University (9 p.m. EST)</p>	<p>16</p> <p>World Food Day</p>	<p>17</p> <p>National Mammography Day</p>	<p>18</p>
<p>19</p> <p>National Pharmacy Week</p> <p>National Chemistry Week</p>	<p>20</p> <p>FEC Monthly Report Due</p> <p>National Health Education Week</p>	<p>21</p> <p>Last day of Sukkot</p>	<p>22</p>	<p>23</p>	<p>24</p> <p>United Nations Day: Anniversary of Founding (1945)</p>	<p>25</p>
<p>26</p>	<p>27</p>	<p>28</p>	<p>29</p> <p>Anniversary of the stock market crash (1929)</p>	<p>30</p>	<p>31</p> <p>Halloween</p>	

NOVEMBER 2008

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Month: National American Indian Heritage Month National Scholarship Month	National Diabetes Month National AIDS Awareness Month					1 All Saints' Day
2 Daylight Savings Time Ends	3 Election Day	4	5	6	7	8
9 Fall of the Berlin Wall (1989)	10 Marine Corps established (1775) Veterans Day End of WWI (1918)	11	12	13	14	15
16 American Education Week	17 111th Congress New Member Orientation (Washington, DC) (17th to 21st)	18	19 GOP Organizational Conferences Lincoln Delivers Gettysburg Address (1863)	20 GOP Organizational Conferences FEC Monthly Report Due	21 GOP Organizational Conferences (if necessary) Congress first meets in Washington (1800)	22 45th Anniversary of President JFK's Assassination (1963)
23 National Family Week	24	25	26	27 Thanksgiving Day	28	29 First Sunday in Advent Computer Security Day
						30

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