

CHECK FOR
TOWN HALL MEETINGS

PETER DeFAZIO

REPORTS

U.S. REPRESENTATIVE
4TH DISTRICT • OREGON



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Congress of the United States
House of Representatives

February 2003

Dear Friend:

The decennial census and redistricting have moved you into Oregon's Fourth Congressional District. I'm pleased to have the opportunity to represent you in Congress.

Two to three times a year I'll send you a newsletter with legislative updates. But in this edition, I'd like to introduce myself, tell you about some issues I am working on, and explain the best way to contact me to express your opinion or get help with a federal agency.

Every day my office receives scores of phone calls ranging from requests for help with Social Security to opinions on federal legislation. Information about how my staff can help you is provided on page 4.

There are a number of issues important to Oregonians that I plan to focus on in the 108th Congress (see p. 2 & 3). At the top of this list is an effective economic stimulus package to help lift Oregon and the U.S. out of recession. It's a fiscally responsible package that invests in worker retraining; infrastructure improvements; tax relief for small businesses, and middle and lower-income families; and assistance for the unemployed and cash-strapped state budgets.

I will also continue to work against attempts to further deregulate and undermine our low-cost, efficient BPA-provided electricity in the northwest, as well as defend against bad trade policies like NAFTA and the WTO that threaten U.S. sovereignty and export well-paying American jobs. I plan to reintroduce legislation that preserves Social Security for future generations but reduces the FICA burden for 95 percent of Americans, and I will work to rein in the cost of pharmaceuticals for all Americans and provide an affordable prescription drug benefit for Medicare recipients.

I look forward to hearing about issues that are important to you and meeting you at one of the several town hall meetings scheduled in your area in February (see right). Until then, please contact my offices if you need help with a federal agency or would like to share your thoughts on a federal issue.

Sincerely,

PETER DeFAZIO
Member of Congress

Upcoming Town Hall Meetings

Grants Pass

Tuesday, February 18

5:15 - 6:15 pm

Anne Basker Auditorium

604 NW 6th Street

Williams

Tuesday, February 18

7:30 - 8:30 pm

Gymnasium

Williams Elementary School

20691 Williams Highway

Cave Junction

Wednesday, February 19

10:00 - 11:00 am

Band Room

Illinois Valley High School

625 E River Street

Merlin

Wednesday, February 19

12:00 - 1:00 pm

Merlin Community Center

100 Acorn Street

Corvallis

Thursday, February 20

12:00 - 1:00 pm

Council Meeting Room

Fire Hall

400 NW Harrison Boulevard

Corvallis

Thursday, February 20

5:30 - 6:30 pm

Auditorium

Corvallis High School

836 NW 11th Street

Wanted: Effective Economic Stimulus

The insistence of so-called “experts” that the U.S. economy is recovering from recession doesn’t resonate with Oregonians who are struggling with one of the highest unemployment rates in the country. Demand for food assistance is skyrocketing. Layoffs continue. Families are losing health insurance. Small businesses are teetering on the edge of bankruptcy. Despite this grim outlook, Congress skipped out of town in November without approving a plan to help get the economy on the right track.

There’s a debate in Washington, D.C. among those who believe the economy doesn’t need any stimulus; those who propose to help the economy with generous tax breaks for profitable corporations and for people who earn more than \$373,000 a year; and those, like me, who think **the key to jump-starting the economy is investing in 1) worker retraining, infrastructure, 2) tax relief for small businesses and middle and lower-income families, and 3) assistance for the unemployed and cash-strapped state budgets.**

Assistance for the Unemployed

Although there is a large balance in the unemployment trust fund, Congress waited two months to approve a much needed extension of unemployment insurance ben-

efits. While I’m pleased that Congress finally acted in early January, it’s unconscionable that the package left out assistance for the 18,000 Oregonians who have exhausted their 26 weeks of federal assistance and are struggling to feed and clothe their families. An adequate stimulus package must include additional assistance for the long-term unemployed (especially those who have exhausted federal benefits), an expanded program to include workers who are currently ineligible for unemployment insurance because they could only find part-time work or didn’t work enough hours, and health care assistance for the unemployed, either through COBRA or state Medicaid programs. In addition to helping families, this type of assistance injects money into the economy immediately.

Investment in Infrastructure

Last year, I authored the “Water Quality Financing Act,” to invest \$20 billion in rebuilding and updating deteriorating water systems in towns like Albany, Lakeside, and Port Orford. I also support legislation to allocate billions of dollars for road and bridge maintenance, high-speed rail, and school construction, among other public works programs. As a senior member of the House Transportation and Infrastructure Committee, it is clear that repairing our crumbling infrastructure will help put Oregonians to work in the short-term and improve pros-



Oregon needs federal assistance to repair its crumbling infrastructure like this failing I-5 bridge which DeFazio is inspecting with ODOT workers.

pects for sustained economic growth over the long-term.

Payroll Tax Relief

Tax relief provided under the guise of an economic stimulus package must put money directly into the pockets of those who need it most— middle and lower-income workers. I’ve proposed exempting the first \$10,000 in wages for one year from the employer and employee share of the Social Security payroll tax, providing every worker and employer with a \$620 tax cut. The tax relief would come from the general fund, not the Social Security Trust Fund, and would be repaid over the next decade by freezing a portion of last year’s tax cut for the wealthiest one percent (those making more than \$373,000 per year). Unlike tax relief for profitable corporations or wealthy Americans, tax relief for working Americans provides an immediate stimulus for the economy.

Assistance for States

Because many states are being forced to raise taxes or drastically cut programs (exactly the opposite of what should be done to combat a recession), the federal government should create a revenue sharing program to **help meet federal mandates and plug the holes in state budgets.** Distributing federal tax dollars to states would provide critical resources for state health care, education, nutrition, seniors, and similar programs that have been severely short-changed at a time when the demand for services is ballooning.

No More Deregulation Scams

More than \$30 billion have been drained from the economies of Oregon, Washington, and California because Enron and other companies manipulated the energy markets during the Western energy crisis of 2000 and 2001.

Energy rates jumped by nearly 40 percent in Oregon after the energy fiasco, putting thousands out of work, stretching household budgets, and hampering our economic recovery.

I’ve been fighting electricity deregulation for more than a decade, and was one of only 60 Members of the House to vote against wholesale deregulation in 1992. I introduced legislation to repeal deregulation and return to the mandate that generators serve the public and provide stable, affordable energy. In addition, I have been urging the Bush Administration to release emergency energy assistance to help struggling consumers pay for sky-high electric bills this winter.

Fair Trade

Current U.S. trade policy is a failure. The U.S. Business and Industry Council reports that U.S. trade policies have reduced our economic growth by 14.8 percent over the last decade, exported jobs and capital overseas and contributed to a huge and rising trade deficit.

Last Congress, the U.S. trade deficit reached a record \$435 billion. According to the Economic Policy Institute, the U.S. lost 3 million jobs from 1994-2000, due to U.S. trade policies. Oregon lost more than 41,000 jobs, due mostly to the North American Free Trade Agreement (NAFTA).

Last Congress, I led the bipartisan effort to withdraw the U.S. from the World Trade Organization. We lost, but will continue to fight job killing, anti-consumer trade bills that threaten U.S. sovereignty.

I voted against granting both President Bush and President Clinton fast track trading authority. Although President Bush won fast track trading authority, I will continue the bipartisan effort against his plans to use fast track to dramatically expand NAFTA to the entire Western Hemisphere.

three times the rate of inflation while pharmaceutical companies turn huge profits at our expense. Our country's senior citizens are the hardest hit by the exorbitant price of prescription drugs—over half of America's seniors spend 10 percent or more of their income on pharmaceutical products. But **all Americans need relief from overpriced pharmaceuticals.**

I support a prescription drug benefit that seniors can afford and that serves the needs of all Americans. Using buying power of Medicare, like HMO's and some insurance companies, would allow the government to negotiate the "best price" for pharmaceuticals and substantially reduce prescription drug costs for Medicare recipients.

Prescription drug distributors and pharmacies should be allowed to purchase FDA-approved prescription drugs from countries where the price is substantially lower than in the U.S. This would lower the cost of prescription drugs for everyone by 35-50 percent.

Furthermore, pharmaceutical companies should be required to offer prescription drugs that have been researched and developed by the taxpayers, at a fair and reasonable price.

Protecting Social Security

The battle over privatizing Social Security promises to heat up this year. Because of changing demographics and the retirement of the Baby Boom generation, Social Security faces a long-term financial challenge. By 2040, Social Security will be able to honor only 75 percent of its commitment to beneficiaries, according to current projections.

Privatizing Social Security or diverting two percent of everyone's payroll taxes into private accounts, would create an additional \$2 trillion financing gap. A better way to fix Social Security's long-term projected financial shortfall would be to lift the cap on earnings subject to the payroll tax. Currently, wages above \$87,000 are exempt from the Social Security payroll tax. Eliminating this exemption would put the Social Security payroll tax on equal footing with the Medicare payroll tax, which already applies to all income. In addition, lifting the cap provides enough resources to also exempt the first \$4,000 of a person's income from this tax and still keep the program solvent for 75 years. That would give every American who earns \$91,000 or less, in 2003, a payroll tax cut. I plan to re-introduce legislation which makes these changes to Social Security.

Social Security is a fundamentally sound program that offers guaranteed, inflation-protected, annuitized benefits for over 44 million retirees, disabled, and survivors (over 467,000 Oregonians). These benefits simply cannot be duplicated by private insurance companies or financial institutions. While the program faces financial challenges decades in the future, those challenges can be managed without dismantling the current system through privatization.

A Prescription Drug Plan for All Americans

Canadians pay, on average, 40 percent less than Americans for the same prescription drugs. Prescription drug prices, the biggest factor in increasing health care costs, are rising two to



DeFazio spoke to Oregonians at the Douglas County Fair about the rising cost of prescription drugs.

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Retraining Displaced Workers

In tough economic times, budget balancing cuts should start at the top. Despite an ever-tightening budget, Congress gave itself a 3.1 percent COLA (cost-of-living) increase, much larger than the 1.4 percent increase Social Security recipients received. I voted against the congressional pay raise and will add the difference to a scholarship for displaced Oregon

workers. To date, I've turned back over \$204,000 from payraises to fund scholarships and pay down the debt.

I plan to introduce legislation which, if Congress decides to give itself a pay raise, would link the salary increase to the Social Security COLA. Members of Congress should be willing to make a shared-sacrifice to balance the budget.



Peter DeFazio meets with scholarship recipients to discuss federal support for education.

Constituent Services

My staff and I are always available to help you answer questions and try to solve problems concerning federal agencies and programs. We try to assist Oregonians with access to Veteran's health care, Social Security and Medicare claims, and IRS problems, to name a few.

The best way for you to contact me or my staff is to send a letter by post or e-mail, or contact my Eugene office at the toll free number listed below. Federal agencies need to have all your information to respond to your request, so when you contact my office, please be prepared to provide: Social Security numbers, case numbers, complaint numbers, file numbers, and your current mailing address and phone number. My staff will need to know the who, what, when, where, and why of your situation.

If you have thoughts, comments or suggestions about federal legislation or federal programs, my contact information is listed below— please e-mail, call or write me. Mail sent to my D.C. office takes extra time to go through a security screening process, so if you need help with a time sensitive issue, please use my toll free number to contact the Eugene office.

I count on input from those I represent, and look forward to hearing from you.

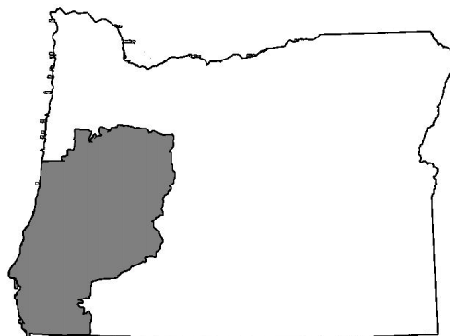
U.S. Flags and D.C. Tours

Flags that have been flown over the Capitol may be ordered through my website or by contacting my Washington, D.C. office. You may also contact my D.C. office to make reservations to tour the Nation's Capitol. Please know that many of the organized D.C. tours have been suspended until further notice, in response to the events of September 11. My staff can provide the most current information on tour availability.

My Offices Are Here to Serve You

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