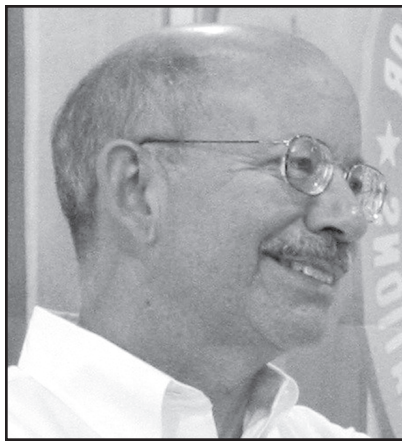


# PETER DeFAZIO

## REPORTS



### Memo

Date: August 2006

To: Oregonians in the 4th Congressional District

From: Peter DeFazio

The president and leaders in Congress say the country is heading in the right direction, and that we should stay the course.

I disagree. Things are not going well in Iraq, where our troops are stuck in the middle of civil war. We've cut funding for vital services like education, health care and veterans' services in order to keep cutting taxes for millionaires. We have a failed energy policy that has resulted in surging gas prices and record profits for oil companies. We are not adequately funding needed Homeland Security programs. Our forest policies have failed to provide a certain and sustainable supply of timber and have not protected the environment.

Congress must reexamine its priorities. We must negotiate a timeline for the drawdown of troops in Iraq (page 2). Funding for education should be a priority, not extending expensive tax cuts for millionaires (page 2). Our nation needs a sensible energy policy that addresses the cause of high gas prices (this page). Congress needs to do more to implement strong border and port security measures (page 3). We can improve our forest policy so that it provides a sustainable supply of timber, protects the last stands of old growth, and works for our communities (page 3).

Whether you agree or disagree with me on the above issues, I hope you will attend one of the nearly two dozen town hall meetings I will hold in August (page 4). As always, don't hesitate to contact me if you are having problems with a federal agency.

### Your Pay v. CEO Pay

The average CEO makes 279 times what the average worker makes—up from 185 times in just two years. The compensation paid to the top five executives of U.S. public companies represents 10.3 percent of the entire company's profits.

Republicans in Congress are doing their part to widen that gap, pushing through more tax cuts for the rich while denying a vote to raise the minimum wage, stalling legislation to protect pensions and pushing more "free" trade agreements.

We need to get back to sensible tax policies, where everyone pays their fair share, including the rich. We should raise the federal minimum wage, so working families can live above the poverty line, protect pensions, and adopt fair trade policies.

### Real Solutions to Bring Down Gas Prices

With the summer vacation season in full swing, high gas prices continue to be a top concern for Oregonians.

Oil companies have reaped record profits from these high prices. Last year, Exxon Mobil reported the highest corporate profits in history—more than \$100 million dollars a day. The company paid its CEO a \$400 million retirement package.

It's clear that oil companies, the OPEC cartel, and financial speculators are fixing prices, manipulating the market, and gouging customers at will. Congress has taken few steps to combat this problem. We must do more to bring relief to American consumers.

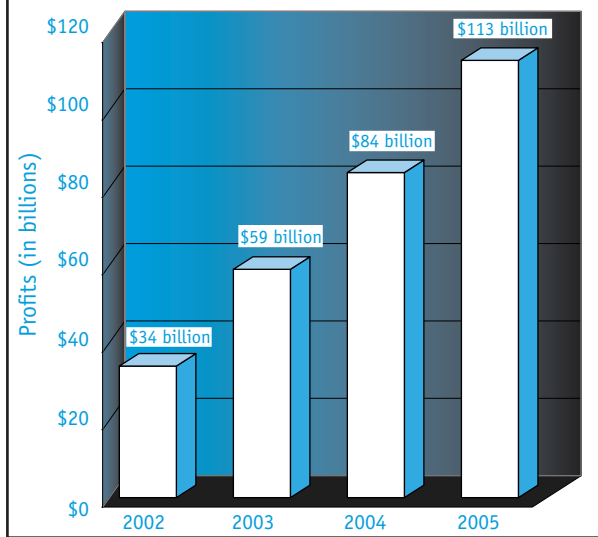
In May, Congress passed legislation to ban price gouging, increase penalties, and permit states to bring lawsuits against wholesalers or retailers for price gouging.

In addition, I propose to:

- Regulate oil trading like other commodities. Seventy-five percent of the oil supply is traded off the books. **Commodity experts say regulating these markets could lower prices by 25 percent. That would mean regular unleaded at \$2.25 a gallon instead of \$3.00.**
- Impose a windfall profits tax on oil producers and refiners, except on excess profits that are invested in expanding refinery capacity or producing new resources.
- Break up the OPEC cartel by mandating the president file a restraint of trade action through the World Trade Organization.
- Impose a merger moratorium and take anti-trust action to foster competition in the oil industry.

We also need long-term solutions. I support H.R. 4409 and other legislation to put us on a path to sustainable energy independence. H.R. 4409 would require a reduction in U.S. oil consumption by 2.5 million barrels a day within 10 years. This would be accomplished by expanding federal research into alternative fuels, providing incentives for American automakers to speed commercialization of more efficient and alternative fuel vehicles, providing farmers with support to grow crops for use as fuel, increasing support for public transit, increasing the number of flexible fuel vehicles on the road, and increasing tax incentives for consumers who purchase fuel-efficient vehicles.

Oil Companies Reap Record Profits



### A Good Start For County and School Payments Funding

Reauthorizing the Secure Rural Schools and Community Self-Determination Act is a high legislative priority this year. The program is just six years old, but the relationship it honors extends back nearly a century. When federal forest lands were first established, the federal government committed to sharing timber revenue with counties as compensation for not developing the land. Societal demands on our national forests have changed over time, particularly since the late 1980s, causing a drastic decline in the amount of funding counties receive.

In 2000, Congress passed "county payments" legislation to stabilize these payments to forested counties. Southwest Oregon receives more than \$150 million annually. The payments make up about half of Lane and Douglas counties' revenue. It is essential that this program be extended to ensure funding for rural schools, road maintenance, search and rescue, and other government services.

Chairman Greg Walden and I recently got partial funding for the program, and we continue to work to identify additional revenue sources. It would be unconscionable for Congress to break its century-old obligation to support rural schools and counties.

## Iraqi Solutions For Iraqi Problems

When the Iraq war began, Vice President Dick Cheney and Defense Secretary Donald Rumsfeld expected U.S. troops would be in and out of Iraq in 90 days. Administration officials said that Iraq would be able to pay for much of the reconstruction itself. Rumsfeld claimed that the U.S. military knew where the weapons of destruction were. Three years and three months after the president proclaimed "Mission Accomplished," the U.S. still has 130,000 troops in Iraq stuck navigating a Sunni-Shia civil war.

There have been more than 2,500 American casualties and more than 18,000 wounded since the war in Iraq began. The war has cost us almost \$300 billion. There are many who argue we need an open-ended commitment in Iraq. I couldn't disagree more.

I wrote to the president in February 2005 with a plan to create a timeline to bring the bulk of our troops home from Iraq beginning this year, and cede more control of Iraq to Iraqis. I also argued that front-line combat positions in Iraqi cities and towns should be manned by Iraqis, not U.S. troops. The training and equipping of Iraqi security forces should be accelerated. The U.S. must not construct permanent U.S. military bases in Iraq. It is also important to accelerate reconstruction spending and grant the bulk of reconstruction contracts to local companies employing Iraqis.



*DeFazio speaks with members of the 41st Brigade Combat Team of the Oregon National Guard, who were headed to Afghanistan to train the Afghan National Army.*

**Establishing a timeline to bring the bulk of our troops home and the redeployment of others to fight al-Qaeda in Afghanistan would force the Iraqi people, politicians, and security forces to resolve their political differences, establish an effective and inclusive government, end sectarian violence, and create a secure society. Ninety-five percent of the violence in Iraq is the result of Iraqis fighting Iraqis, not foreign terrorist elements like al-Qaeda fighting U.S. troops or the Iraqi government.**

Bringing U.S. troops home from Iraq could help the United States in our broader fight against Islamic extremists worldwide since even the former head of the CIA has said that Islamic extremists are using Iraq as a training ground and recruitment drive. It would also free up intelligence and defense assets to fight al-Qaeda in Afghanistan.

A timeline to bring U.S. troops home from Iraq beginning this year is essential to stabilizing Iraq. A number of former administration officials, retired generals, and Iraq's National Security Adviser agree.

I believe the U.S. military has done all that has been asked of them. Saddam Hussein is on trial. The alleged weapons programs do not exist, and didn't before the war, for that matter. The Iraqi people have written and adopted a new constitution and elected a new government. It is time to turn over control of the country to the Iraqis to build their own future.

For more information, please visit my website:

<http://defazio.house.gov/iraq.shtml>

## Tax Cuts for Wealthy Leave Middle Class Behind

Congress and the president have cut taxes every year since 2001. Yet the take-home pay of working families has barely budged.

In 2001, Congress approved a tax cut package that included only modest relief for working families, but heaped tax relief on those making more than \$300,000 per year. The average Oregonian earning \$40,000 annually received around \$500 in tax cuts while a millionaire received an annual tax cut of \$100,000.

In May 2006, Congress slashed taxes on dividends and capital gains, providing the average Oregonian with \$16 in tax relief while the average millionaire will get \$42,000 a year.

And in June, the House approved a top priority of the president's—a permanent reduction in the estate tax. This cut will cost \$762 billion over 10 years and half will go to estates worth \$20 million or more. In Oregon, fewer than 100 estates benefit from this tax reduction.

These tax cuts have contributed dramatically to the budget deficit. The federal budget went from a 10-year projected surplus of \$5.6 trillion in 2001 to a 10-year deficit of \$3.3 trillion, the worst reversal in history. **The average Oregonian will actually pay more in increased interest on the debt than he or she will receive in tax relief.**

Many of the tax cuts have also been partially funded by cutting programs that many Americans rely on, like the recent cut of \$40 billion from student financial aid and health care for low-income seniors. These tax cuts have been a part of a strategy by the president to shift the tax burden away from those who invest for a living and onto the backs of individuals who work for wages. Under the president's policies, the former CEO of Exxon Mobil with his \$400 million compensation package would save tens of millions in taxes while middle class workers shoulder the entire burden of financing the government.

These policies do not reflect the priorities of most Americans. Instead, I support (1) restoring the tax rates for those with salaries of more than \$300,000 to pre-2001 levels; (2) exempting the first \$4,000 of wages from the Social Security payroll tax and requiring those who make more than \$94,200 to pay the same rate as those earning less; (3) closing corporate tax loopholes that subsidize the export of American jobs; (4) blocking corporations from dodging taxes by setting up paper headquarters in tax havens like Bermuda; and (5) prohibiting government contracts for corporations that move offshore to avoid U.S. taxes.

We shouldn't saddle our children with a huge debt in order to give tax cuts to the rich. I supported an alternative budget that would have restored fiscal responsibility and balanced the budget by 2012 by restricting tax cuts for the wealthy and making selected budget cuts while still adequately funding education, health care, veterans' services, and other important programs.

## Five Years After 9-11, Homeland Security Still Has Gaps

This fall will mark the five-year anniversary of the attacks of September 11, 2001. This tragic anniversary serves as a reminder of the lives lost and the devastation wrought by the terrorist attacks. It also serves to remind us what makes America great—the bravery of emergency responders who put their lives on the line to protect others. We continue to see that in the men and women in the armed forces, like Oregon National Guard's 41st Brigade, who left for Afghanistan in May.

We must also take stock of the progress we've made and remaining steps necessary to better secure our nation against terrorism.

Two years ago, the 9-11 Commission published a report detailing the failures of intelligence agencies, the FBI, and border security that contributed to the inability to prevent the events of September 11th.

Despite some improvements, key vulnerabilities identified by the 9-11 Commission remain.

### **PORT SECURITY:**

The 9-11 Commission warned of the danger of a terrorist attack through a container shipped to a U.S. port. Currently, we only inspect about 5 percent of containers entering the U.S. I supported legislation to require 100 percent scanning of cargo before it enters U.S. ports.

### **AVIATION SECURITY:**

We must improve screening at airport security checkpoints. We need to install equipment to detect explosives on individuals and in carry-on baggage as well as cargo put on passenger and cargo planes. I've cosponsored and introduced legislation that would fund both these initiatives.

### **BORDER SECURITY:**

I voted in favor of two bills intended to drastically improve border security. The first would increase the number of border patrol agents and investigators and provide state of the art detection equipment to monitor the Mexican and Canadian borders. The second would end the "catch and release" program, expedite removal of illegal aliens, and increase penalties for document fraud and alien smuggling.

### **INTELLIGENCE COMMUNITY:**

I supported legislation to establish a national intelligence director, a key recommendation of the 9-11 Commission. The NID was created to centralize coordination and oversight of the disparate, and often competing, branches of our intelligence community. The NID will break down the walls between intelligence, border control, and the FBI that contributed to the success of the 9-11 attacks.

### **DISASTER RESPONSE:**

Instead of dealing thoughtfully with the known failures of intelligence, border security, and the FBI, Republican leaders, under pressure from the White House, rushed through legislation that created the largest new bureaucracy since World War II. I voted against this Department because it merged functional agencies like FEMA and the Coast Guard with dysfunctional ones and did not address the fundamental failures leading up to 9-11. Unfortunately, my concerns proved correct as demonstrated by the miserable failures of FEMA in the wake of Hurricane Katrina.

Interoperable communication is key to effective disaster response and was the top concern among emergency responders when I joined the newly created Homeland Security Committee. The absence of compatible radios among emergency responders slowed rescue efforts on September 11th. It also caused the tragic loss of life among fire fighters, police and other rescue workers. Since the president zeroed out funding in his budget, we've been fighting an uphill battle to help fund this vital equipment for our first responders. I was able to secure \$9 million in the highway and transit funding bill, SAFETEA-LU, for interoperable communications equipment for emergency and incident response in Benton, Coos, Curry, Douglas, Lane, Linn, and Josephine Counties.

We have a long way to go to improve our security. We cannot fill these security gaps unless the House leadership prioritizes security, not tax cuts for the rich. I supported an amendment that would have added \$4.5 billion for Homeland Security programs by reducing the tax cut for millionaires from \$114,200 to \$102,400. Even this modest rollback of tax cuts for millionaires to improve U.S. security was rejected by Republican leaders.



*DeFazio, a senior member of the Homeland Security Committee, participates in an exercise at National Defense University to strategize a response to a terrorist attack on U.S. port infrastructure.*

## DeFazio Plan: 3,000 New, Sustainable Jobs In Forests And Mills

It has now been more than a decade since President Clinton imposed his ill-conceived Northwest Forest Plan on Oregon and Washington. I opposed the plan because I didn't believe it would deliver a predictable, sustainable supply of timber necessary to support the industry and timber-dependent communities, nor adequate protection of large stands of remaining old growth and vital ecosystems. My concerns were realized.

The plan was destined to fail because it virtually locked up millions of acres of young tree plantations in wildlife reserves, while it relied on old growth to generate a large amount of its projected timber volume.

There is a better way. Last month I introduced the Rural Employment and Forest Restoration Act. My bill will protect the remaining old growth and direct the Forest Service and Bureau of Land Management to reduce the backlog of second growth thinning and improve the health of drier forests.

The Forest Service estimates that this nearly controversy-free young stand thinning could yield more than 6 billion board-feet of commercial timber for Northwest mills. My bill could nearly triple current federal harvest levels and avoid the appeals and litigation associated with old-growth logging. According to many forest scientists, restoring forest ecosystems can produce substantial amounts of larger-diameter timber as well. My bill provides for the management of drier forests where many large trees are not part of the historic landscape and need to be removed for forest health. It also allows management in late-successional reserves up to 120 years old. Based on estimates from a variety of forestry economists, my plan could create 3,000 sustainable, new family-wage jobs in the wood products industry.

My plan would produce more timber volume, generate less controversy, create more jobs, and result in healthier forests for all of us to enjoy.

# What's On Your Mind? Let Me Know at a Town Hall Meeting

Since I came to Congress, I have held hundreds of town hall meetings across Southwest Oregon. I have developed many legislative initiatives based on my conversations with Oregonians at these meetings. Please note the dates and locations of my upcoming town hall meetings below. I look forward to meeting with you and your neighbors to discuss current issues before Congress and to hear your ideas and opinions. Hope to see you there!

## Coos County

### Coos Bay

**Tuesday, August 22**

12:00 - 1:00 PM

*Coos Bay City Library*

525 Anderson Avenue

### Bandon

**Tuesday, August 22**

2:00 - 3:00 PM

*Sprague Community Room*

*Bandon Public Library*

1204 11th Street, SW

## Curry County

### Brookings

**Wednesday, August 23**

10:30 - 11:30 AM

*Cbetco Community Library*

405 Alder Street

### Gold Beach

**Wednesday, August 23**

1:30 - 2:30 PM

*Gold Beach City Council*

*Chambers*

29592 Ellensburg Avenue

### Port Orford

**Wednesday, August 23**

3:30 - 4:30 PM

*Port Orford City Council*

*Chambers*

555 W. 20th Street

## Benton County

### Corvallis

**Thursday, August 17**

1:30 - 2:30 PM

*Corvallis Senior Center*

2601 NW Tyler Avenue

### Corvallis

**Thursday, August 17**

5:30 - 6:30 PM

*Main Meeting Room*

*Corvallis-Benton Public Library*

645 NW Monroe Avenue

## Linn County

### Sweet Home

**Thursday, August 24**

9:00 - 10:00 AM

*Sweet Home Fire Department*

1099 Long Street

### Lebanon

**Thursday, August 24**

12:00 - 1:00 PM

*Lebanon Boys and Girls Club*

205 S. 5th Street

### Albany

**Thursday, August 24**

5:30 - 6:30 PM

*Albany City Council Chambers*

333 Broadalbin Street, SW

## Josephine County

### Grants Pass

**Monday, August 14**

5:30 - 6:30 PM

*Anne Basker Auditorium*

604 NW 6th Street

## Lane County

### Eugene

**Monday, August 21**

10:30 - 11:30 AM

*Campbell Senior Center*

155 High Street

### Eugene

**Monday, August 21**

7:00 - 8:00 PM

*Harris Hall*

*Lane County Courthouse*

125 E. 8th Avenue

### Springfield

**Monday, August 21**

12:00 - 1:00 PM

*Springfield Chamber*

*Depot Freight Room*

101 S. A Street

### Springfield

**Monday, August 21**

5:30 - 6:30 PM

*Springfield City Council*

*Chambers*

225 5th Street

### Florence

**Wednesday, August 30**

6:00 - 7:00 PM

*Florence Events Center*

715 Quince Street

## Douglas County

### Sutherlin

**Monday, August 14**

10:00 - 11:00 AM

*Sutherlin Community Center*

151 S. Willamette Street

### Myrtle Creek

**Monday, August 14**

1:30 - 2:30 PM

*Myrtle Creek Grange*

661 Riverside Drive

### Glendale

**Tuesday, August 15**

2:00 - 3:00 PM

*Special People's Depot*

Glendale Town Road

### Roseburg

**Tuesday, August 15**

5:30 - 6:30 PM

*Roseburg City Council*

*Chambers*

900 SE Douglas Avenue

### Reedsport

**Wednesday, August 30**

2:00 - 3:00 PM

*Port of Umpqua Building*

364 N. 4th Street

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

If you are interested in receiving periodic e-mail updates from me, please sign up at my website: <http://defazio.house.gov>.

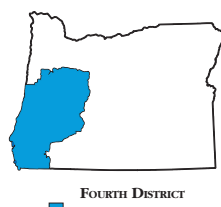
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FOURTH DISTRICT

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