

PETER DEFAZIO REPORTS

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House of Representatives

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M.C.
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The New Tax Plan: Putting the Wrong Priorities First

This past December, House Republican leadership passed their tax bill, which I believe was nothing more than a sweeping, partisan overhaul of the American tax code. It was promised that this massive reform would help working Americans by increasing wages and creating hundreds of thousands of new jobs.

I believe the reality has been minimal benefits for working families and huge windfalls for big banks, large corporations, investors, and those earning more than \$400,000 a year.

According to the non-partisan Congressional Budget Office (CBO) the price tag on the new tax plan is at least \$1.5 trillion. The CBO predicts our **annual deficits will exceed \$1 trillion by 2020**. Our national debt has ballooned to more than \$21 trillion dollars, and **raising our debt will increase interest rates and further hurt working Americans that have to borrow for mortgages, cars, and education.**

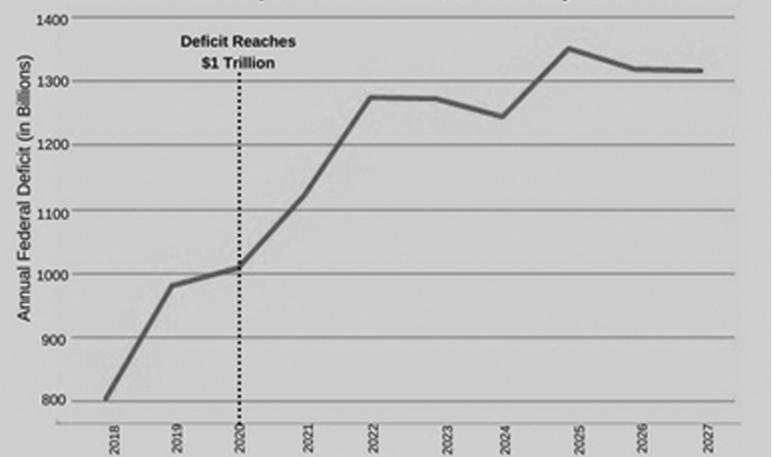
Conservatives believe the cause of our national deficit is Social Security and Medicare. In reality, the main cause for the ballooning deficit is the decrease in expected revenue because of the massive tax cuts.

Rigged for the Rich

Supporters of the tax plan say there isn't enough money to pay for programs and priorities Americans care most about. It's difficult to take their claims seriously when they can find the room in the budget to reward the highest earners.

House Republicans have introduced a budget which cuts Social Security, Medicare, and Medicaid. These cuts were suggested in order to pay for the massive debt created by the tax plan. Medicare is now estimated to become insolvent three years earlier than previously anticipated because of the tax cuts. Cutting taxes for the wealthy and already-profitable megabanks and other large corporations at the expense of programs millions of seniors and working fami-

New Tax Bill has Exploded the Annual Deficit Deficit expected to reach \$1 trillion by 2020



Source: Congressional Budget Office

lies depend on to survive is unacceptable.

I believe there are better ways to spend \$1.5 trillion of our hard-earned tax dollars:

- \$1.5 trillion—the cost of lowering the corporate tax rate, according to the Tax Foundation—could be used to fully fund federally-mandated special education in public schools and provide every high school senior in America with \$25,000 in community college, vocational training, or four-year degree tuition assistance over the next decade.

- \$207 billion—the cost of tax cuts for huge multinational corporations like Google, Apple, and Pfizer, according to the Tax Foundation—could be used to create three million jobs over the next decade to rebuild our nation's crumbling infrastructure.

- \$130 billion—the cost of reducing taxes on income over \$500,000, according to the Joint Committee on Taxation—could fund a fair and realistic cost-of-living adjustment (COLA) for Social Security that

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VETERANS

Rep. DeFazio is working tirelessly to address mismanagement and poor patient care at the Roseburg and Eugene VA Centers.

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SENIORS

Read about Rep. DeFazio's legislation aimed at protecting seniors' benefits.

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INFRASTRUCTURE

Rep. DeFazio is working to improve our nation's roads, bridges, highways and waterways.

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PAYING FOR COLLEGE

Rep. DeFazio has introduced legislation that will make a college education more affordable.

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Investing in American Infrastructure

If anything should be bipartisan in Congress, it is rebuilding our nation's crumbling infrastructure. Why? Because investment in rebuilding our roads, bridges, transit systems, airports, and water infrastructure creates good-paying jobs, strengthens the economy, reduces congestion, improves quality of life, and boosts commerce.

President Trump has repeatedly promised a trillion-dollar infrastructure plan that would finally address these problems. I was hopeful that the administration would put forward a comprehensive plan that prioritized federal investment and creating jobs; however, his advisers crafted a plan that I believe tolls our interstate system and sells off our nation's infrastructure to Wall Street and foreign corporations.

Meanwhile, leadership in Congress—in the wake of what I believe to be a massive tax cut package that benefits billionaires and corporations and added \$1.5 trillion to the national debt—has not brought forward an infrastructure package.

Instead of creating massive tax breaks for wealthy Americans and big corporations, Congress should invest in transportation projects that would actually create jobs and keep our economy moving.

The tax bill, which cuts revenue by up to \$3 trillion, according to the Tax Foundation, would create a mere 339,000 jobs over a decade. In comparison, based on calculations by the White House Council of Economic Advisers, \$3 trillion spent on federal highway and transit investment, school construction, and drinking water and waste-

water systems would create or support 390 million jobs over a decade. If we break it down, **the new tax bill would spend hundreds of thousands more to support just one job than a transportation investment package that would improve bridges, roads, and transit.**

House leadership won't allow Congress to consider a major infrastructure jobs plan this year. Despite that, as the top Democrat on the House Transportation and Infrastructure Committee, **I have worked with Chairman Shuster to pass bipartisan bills that invest in our aviation system, prepare Oregon communities for natural disasters, and rebuild our water infrastructure.**

I have been a lead negotiator on each of these bills and helped pass them in the House of Representatives

by wide bipartisan margins.

Rebuilding our Airports and Protecting Passengers

In April, the House overwhelmingly passed the bipartisan Federal Aviation Administration Reauthorization Act of 2018. This legislation improves aviation safety, will lead to fewer delays, and boosts job creation and innovation in aviation technology. The legislation

includes funding for investments in airport infrastructure across the country, including large and small airports in Oregon.

As part of this legislation, I secured critical consumer protection and safety provisions, including prohibiting an airline from

involuntarily bumping a passenger after the passenger has boarded, prohibiting the use of cell phones for voice communications during flight, and requiring FAA to reevaluate whether or not passengers can evacuate an aircraft within the required 90 seconds during an emergency, given the fact airlines are

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Rep. DeFazio secured funding for the Precision Approach Path Indicator System at the Roseburg Airport, which helps planes land safely at night.

Making College a Reality

For millions of American students, the financial barriers to obtaining a higher education—whether from a community college, four-year university, or a vocational school—are insurmountable.

In fact, a recent *Oregonian* article reported that the state of Oregon gave need-based college scholarships to just 31 percent of eligible students in 2015, turning down the rest—over 45,000 Oregonians—because it ran out of money.

Skyrocketing interest rates and rising student loan costs are getting in the way of far too many people in our country.

I've introduced two bills that would expand options for students and make it easier for students to obtain and

pay for a higher education. The **HIGHER ED** (Helping Individuals Get a Higher Education while Reducing Education Debt) Act, H.R. 5549, would raise the minimum salary threshold for income-driven repayment plans from 150 percent of the federal poverty level—only \$18,210 in today's dollars—to 225 percent of the federal poverty level, so that low-income borrowers can focus on starting their careers rather than being overwhelmed by crippling monthly loan payments.

The **AID** (Achieving Independence through Degrees) Act, H.R. 5550, would increase and improve access to Pell Grants, raising the maximum award from \$5,920 to \$9,970 and index the grant to inflation so that it won't lose its purchasing

power over time. The bill would also expand Supplemental Nutrition Assistance Program (SNAP) benefits to students, improve the Free Application for Federal Student Aid (FAFSA) application process, and increase student financial literacy by enhancing borrowers' understanding of the loan process.

Recent graduates ought to be able to focus on starting their careers without the added pressure of sky-high monthly loan payments and rapidly-accurring interest. My legislation will lessen the debt associated with student loans and make a higher education a reality for more young Americans.

Improving Veterans' Care

Last fall, my office received dozens of messages from VA Roseburg Healthcare System (VARHS) employees expressing concerns that management had created a culture of fear and retaliation that was driving away top-notch medical providers and were prioritizing ratings over high-quality care for veterans.

As a result, I called for an immediate investigation into these serious allegations. When my requests for an investigation went ignored by local, regional, and national VA officials, I went directly to VA Secretary Shulkin to tell him about the conditions that Southwest Oregon's veterans and VA employees

were facing. Only then did the VA finally agree to send teams from the VA's Office of the Medical Inspector (OMI) as well as the Office of Accountability and Whistleblower Protection (OAWP) to conduct in-depth investigations into these allegations.

After interviewing more than 130 current and former VARHS employees and conducting on-site investigations, the VA announced that they had found evidence to substantiate a significant number of the claims and would implement substantial changes. As a result, the former senior leadership has been removed or has resigned from their roles.



Rep. DeFazio visits with Glen Kuskie, a World War II veteran from Roseburg, at the Roseburg VA. Rep. DeFazio helped to secure Mr. Kuskie's Congressional Gold Medal.

Since then, my office has been working closely with interim VARHS Director David Whitmer as more positive changes are made throughout the healthcare system. In four short months, the facility's rating

has moved from one to two stars, and it is expected to earn a three-star rating by the year's end, with plans to one day earn four or five stars.

While a great deal of progress has been made, there is a lot of work still to be done.

As the VA searches for a permanent Director, I have urged them to look for a candidate with strong leadership qualities, a history of working in veterans' healthcare, a proven track record of success in management, and a commitment to working closely with our active local veterans' service organizations.

I have also called on the VA to vastly improve its regional oversight authorities, also known as Veterans Integrated Service Networks (VISN), in order to establish oversight structures that will prevent situations like this from happening in the future.

No veteran should be asked to accept the status quo as 'good enough.' I will continue to press the VA for lasting, long-term change at VARHS and fight to ensure that the men and women who served our country receive the services and benefits they deserve.

Protecting Benefits for Seniors

According to the Social Security and Medicare Board of Trustees, it's estimated that the Social Security Trust Fund will be insolvent by 2034. That means benefits will be paid through cash flow and beneficiaries will receive only 75 percent of their promised benefits starting in 16 years. It's unacceptable that seniors who have paid into Social Security their whole lives may not receive the full benefits they are entitled to because of government mismanagement. More than 200,000 seniors in Oregon's 4th Congressional district alone depend on these benefits. I've introduced legislation to ensure these funds remain available for today's seniors and future generations.

The Social Security Expansion Act

If all working Americans paid the same percentage of their income into Social Security, the fund would fully cover benefits for the next 75 years. Today, income over \$128,400 is currently exempt from Social Security taxes, meaning a corporate executive making \$1.3 million pays Social Security tax at one tenth the rate of a police officer or supermarket checkout clerk. My legislation would close this loophole and require millionaires to pay Social Security taxes at the same rate as middle-income earners or minimum-wage workers.

Every year, beneficiaries receive a cost-of-living adjustment (COLA) based on a flawed formula that short-changes seniors. The current Social Security COLA formula is based on the price index of goods the average consumer purchases, such as technology, groceries, and childcare. The Social Security Expansion Act would replace this formula with a new Consumer Price Index for the Elderly (CPI-E) to factor in costs seniors traditionally face such as prescription drug costs, utility bills and property taxes. My legislation would ensure COLA payments reflect the true cost of living for seniors. Seniors should not have to live in fear of not receiving a COLA every year.

Social Security Protection and Truth in Budgeting Act

I've introduced the Social Security Protection and Truth in Budgeting Act to safeguard the Social Security Trust Fund from being raided by the federal government to pay for its budgetary mistakes. My bill would protect trust fund dollars from acting as a federal piggybank and will ensure that they are only used to pay benefits to workers with disabilities and retired Americans who have paid into the fund their whole lives.

TAX

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actually reflects the high cost of living that seniors face—and still leave \$40 billion left over to help lower the costs of prescription drugs for all Americans.

- \$72 billion—the cost of a new tax break for heirs of estates worth more than \$11 million, according to the Tax Foundation—is enough to fully cover the cost of both the Children's Health Insurance Program (CHIP), which serves 28,516 children in my district each year, and community health centers—which serve 63,638 adults in my district each year.

The Myth of Job Creation

Not only does the tax plan divert much-needed resources from vital programs and create massive deficits, the congressional majority's claims that the bill will create jobs are suspect at best.

According to reports from JP Morgan, public companies spent over \$800 billion last year buying back their own shares using the cash from the tax bill. Stock buybacks solely benefit investors, and boost the pay of top corporate executives. Corporations have spent 39 times more on stock

buybacks than worker bonuses or raises since the law was enacted, according to Americans for Tax Fairness.

Meanwhile, according to Americans for Tax Fairness, of the 155.2-million-person U.S. workforce, only 6.3 million workers, or 4 percent, have received a one-time bonus or pay hike.

Reports from the Associated Press show the nation's six largest already-profitable banks will receive an estimated \$20 billion in tax cuts this year, thanks to the Trump tax plan. That means U.S. taxpayers will be forced to *borrow* that money in order to pay for these tax breaks, which will go towards executive pay and stock buybacks. According to Morgan Stanley, businesses are spending the lion's share of tax breaks on investors, debt, and buying other companies, **while only spending 13 percent on improving the livelihoods of their workers.**

Republicans promised their tax plan would bring jobs home to the U.S. Instead, it is encouraging multi-billion dollar corporations to move jobs and ship profits overseas to avoid paying U.S. taxes. I introduced legislation to close loopholes I believe congressional Republican leadership left open for multinational corporations and to eliminate incentives luring American jobs and American dollars to other countries.

INFRASTRUCTURE

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cramming more and smaller seats into existing aircraft.

Protecting Oregon Communities from Natural Disasters

The bipartisan Disaster Recovery Reform Act (DRRA) also passed the House in April.

The DRRA includes my provisions to encourage the federal government to help install an earthquake early-warning system off the Oregon coast, and give the state of Oregon flexibility to use federal disaster funds to prevent catastrophic wildfires on state and private lands.

The DRRA also includes my provision to protect Oregon communities from new, restrictive federal regulations that will supersede our strong land-use laws and likely prohibit economic and residential development or redevelopment on private property within city limits that are designated as critical habitat.

These new federal rules will require most Oregon cities to rewrite their land-use plans and expand urban growth boundaries, stalling economic growth and job creation throughout the state. My provision strikes a balance between protecting threatened and endangered species and allowing rea-

sonable residential and economic development.

Investing in Oregon Ports, Harbors and Water Infrastructure

In June, the House of Representatives passed the bipartisan Water Resources Development Act of 2018 (WRDA), which authorizes federal dollars for our nation's water infrastructure, including dredging for our large and small ports, flood damage reduction, environmental restoration, and jetty restoration.

Oregon's ports and harbors are the lifeblood of the communities they serve. That's why I fought to maintain a provision in WRDA 2018 that ensures our nation's small ports, including the Ports of Bandon, Brookings Harbor, Gold Beach, Siuslaw, Umpqua, and Port Orford, continue to receive a fair share of annual funding provided for dredging.

In addition, I secured a provision that will help clear one unnecessary bureaucratic hurdle in any future highway construction project along 126W near the Fern Ridge Reservoir. Improving this stretch of Highway 126W has long been a priority for Lane County, and will reduce traffic congestion and increase safety.

For my town hall meeting schedule,

visit www.defazio.house.gov,

follow me on Twitter @RepPeterDeFazio, or

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