

PETER DEFAZIO REPORTS

Congress of the United States
House of Representatives
August 2012

U.S. REPRESENTATIVE · 4TH DISTRICT · OREGON

Rep. Peter A. DeFazio
405 East 8th Ave #2030
Eugene, OR 97401

M.C.
Presorted Standard

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Creating Jobs Here at Home
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Rep. DeFazio discusses budget issues with constituents

What's on your mind? Come to a town hall meeting.
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Creating Jobs Here at Home

We've been trying to jumpstart the economy with tax cuts for eleven years. It's not working.

That's why I opposed President Obama's 2009 Stimulus Bill. Over 36 percent of the stimulus was dedicated to ineffective and expensive tax cuts that failed to create meaningful jobs. Only four percent of that bill was dedicated toward transportation projects that would rebuild America, yet according to Department of Transportation it created or sustained over 165,000 jobs. **Had the stimulus contained significant investment in transportation, millions of Americans would be employed and we would be on our way toward building a 21st century transportation system.**

Throughout my time in Congress, I have worked hard to rein in federal waste but make the investments necessary to put people back to work and rebuild our roads, bridges, highways, transit systems, and other critical infrastructure like water and sewer systems. In June, Congress was finally able to come together and pass a highway reauthorization bill.

This bill maintains the formula I negotiated six-years ago in the last major transportation bill. This formula guarantees Oregon will receive more dollars back in federal gas taxes than we send to Washington, D.C. **That translates to over \$1.1 billion for Oregon's roads, bridges, highways, and transit projects over the next two years.**

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Getting the Economy Back on Track

The tremendous \$15.7 trillion debt accumulated by the federal government is a drag on our economy and threatens our long-term economic health. **We cannot continue to mortgage the future of our kids and grandkids.** Here are a few ways we can rein in spending with responsible federal budgeting, smart cuts and revenue raisers, and government that's accountable to the public.

Congress Must Balance Its Budget

I was one of only 72 Democrats to vote for a balanced budget amendment (BBA) to the Constitution in 1995. While it passed the House, the effort failed by only one vote in the Senate. I supported this common sense amendment because it was clear my colleagues were not willing to make tough budget decisions.

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Protecting American Jobs

In 2010, the *Bend Bulletin* reported that federal stimulus funds were awarded to private contractors in Oregon who underbid their competition by using foreign laborers. As a result of this reporting, I asked the Inspector General (IG) investigate these contracts.

The IG investigation found that these companies exploited federal loopholes and hired foreign workers over out of work Oregonians and that federal and state agencies failed to properly oversee the contracts.

I demanded the Department of Labor (DOL) close these loopholes so businesses can't skirt the law and hire foreign workers on federal contracts at the expense of American workers. The DOL agreed and acted to close the loopholes and overhaul the system.

Now, big corporations and special interests who pad their pockets by exploiting the law are fighting this change. They filed a lawsuit against the federal government to stop the DOL from closing these egregious loopholes.

Last month, Senator Merkley and I joined forces to lead the fight to push back on this frivolous lawsuit.

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JOB: American Workers and Companies First

The need for this investment in Oregon is real:

Over 1500 of Oregon's bridges are structurally deficient or functionally obsolete and in need of serious repair or replacement as of 2011.

Cuts in a tight state budget will mean a rapid degradation in Oregon's pavement quality. Over the last decade, 85 percent of Oregon's pavement rated fair or better condition – but this will fall to 40 percent in poor or worse condition by 2025 with current resources.

Our transit systems are running on borrowed time, operating buses that will soon need to be replaced.

This bill will begin to address these critical needs. **According to the Federal Highways Administration, it will create or sustain an estimated 17,500 private sector jobs in Oregon alone and create jobs for steel and ironworkers, laborers, machinists, engineers, and architects. Hundreds of small businesses in construction, design, manufacturing, and others that supply base materials like sand and gravel will receive new contracts, providing a much needed boost for our economy.**

This bill partially closed a loophole that allowed states to avoid Buy America requirements

and outsource taxpayer financed transportation projects to foreign countries like China.

I fought to close this loophole for all transportation projects to ensure American businesses can fairly compete for federally funded projects and that taxpayer dollars hire American workers. While the final bill eliminated this loophole for highway and bridge projects only, it failed to include strong provisions for rail and transit projects.



Rep. DeFazio secured funding to help build the I-5 bridge over the Willamette River in Eugene, creating needed jobs for local workers.

I have cosponsored separate Buy America legislation (H.R. 3533) that will close this loophole for all transportation projects. I will continue to fight for stronger Buy America provisions because taxpayer dollars should strengthen the backbone of our economy, create American jobs, and support American products first.

Overall, this bill creates certainty for states with critical transportation needs, contracts for private

sector firms, and needed work for Americans. Greater investment is needed over a longer period of time if we want a 21st century transportation system that can compete with our international competitors. But for now, this is a step in the right direction.

ONE-YEAR EXTENSION OF COUNTY PAYMENTS

The transportation bill also contained a critical one-year extension of county payments. That's \$100 million to counties in Southwest Oregon and rural schools, to help them deal with their financial difficulties. This means counties may be able to restore critical services like jail beds and sheriff's patrols.

Our counties and rural communities need a long term solution – and this extension gives us the time we need to pass comprehensive federal legislation.

I have proposed a bipartisan agreement with Rep. Walden and Rep. Schrader that can break us out of the decades-long logjam on federal forest policy, put Oregonians back to work, improve forest health, and disentangle the health of rural counties from unpredictable federal support payments.

We will continue to work with the House Resources Committee to move this long-term solution for Oregon's forested communities.

Lowering Health Care Costs

Now that the Supreme Court has ruled on the Affordable Care Act, it's time for Congress to get serious about making needed improvements to the law and to lower health care costs.

We can't address the overall cost of health care as long as insurance companies don't play by the same rules as virtually every other industry in the United States. The health insurance industry is exempt from anti-trust law, which allows them to collude to drive up prices and exclude people from coverage. **The Consumer Federation of America has said that repealing this anti-competitive exemption could save consumers 10% to 25% in insurance premiums.** I have fought for years to repeal this exemption, and will push my colleagues to take that up as one of the first steps Congress takes to lower costs and improve the law.

Meanwhile, there are provisions of the law that have already gone into effect which are extremely beneficial to Oregonians. Here are some ways the Affordable Care Act is now helping residents in Oregon's Fourth Congressional District:

- 10,500 seniors in Southwest Oregon who fell into the 'donut hole' are now getting a 50% discount on their prescription drugs
- Every senior on Medicare and any individual on a new private insurance plan can now receive preventative care at no cost
- As many as 36,000 children in Southwest Oregon with pre-existing conditions can't be denied coverage
- 7,400 young people, up to age 26, are on their parent's insurance now in Southwest Oregon
- Prohibits insurance companies from charging women higher premiums than men
- Insurance companies can no longer refuse to renew policies or take away coverage because of technicalities when Americans face major illness or injury

BUDGET: Getting the Economy Back on Track

If the Senate had passed the BBA, we would not be struggling now with a trillion dollar deficit or owe trillions in debt to China. We would not have had ten years of unfunded tax cuts that favored millionaires and billionaires and added trillions to the deficit. We would not have a prescription drug benefit that added \$500 billion to the deficit while subsidizing the pharmaceutical industry at the expense of millions of seniors struggling to pay for prescription drugs. We would have forced Congress to vote annually before putting the wars in Iraq and Afghanistan on the credit card.

If the BBA had passed, we would be retiring the last of our national debt in the next few years. Congress must deal with our deficit.

That's why I worked with Republicans to offer a fair BBA in the House last November. This BBA would have forced Congress to put ideology aside on both sides of the aisle and deal meaningfully with the financial problems in this country. Though the amendment failed, I will keep pushing to rein in this reckless accumulation of spending and debt in Washington, D.C. A BBA would force Congress to take a balanced approach to deficit reduction, using a combination of both cuts and revenues.

A Combination of Smart Budget Cuts and Revenue Raisers

Credible economists agree, Congress needs to cut wasteful spending, make needed investments, and raise revenues fairly to reduce our deficit. Here are some actions Congress could take right now to balance the budget.

Put America Back to Work
Millions of American families struggling with long-term unemployment have relied on federal extended unemployment benefits and food stamps to get by. Reliable economists estimate that a quarter of the deficit can be attributed to our high unemployment rate. Investment in our transportation infrastructure system will reduce the deficit and put millions of people back to work. See page 2 to learn more about my efforts to create jobs.

End Ineffective Tax Cuts That Add to the Deficit

Returning to the Clinton-era tax rates by ending the Bush tax cuts and Obama payroll tax cut would slash the deficit by more than half

over the next 10 years, according to the Joint Committee on Taxation.

End Wasteful Tax Breaks and Subsidies

Big corporations making record profits shouldn't receive subsidies and tax loopholes that add to the deficit. Ending these tax loopholes and subsidies for profitable corporations like GE and Exxon would generate \$159 billion a year, according to Citizens for Tax Justice. Ending subsidies to big agriculture conglomerates would save \$20 billion a year according to the Office of Management and Budget.

Bring Our Troops Home

The U.S. cannot afford to be the cops of the world. The Cold War ended 20 years ago, and we do not need enormous military bases and thousands of troops stationed in Europe. **We need to end the war in Afghanistan.** U.S. troops should not be responsible for settling centuries-long intertribal and intratribal Afghani conflicts. If we ended this war and reduced overseas Cold War era troop levels, we would save U.S. taxpayers over \$125 billion per year.

Holding Government Accountable

The Need To Audit the Pentagon
Federal law requires all federal agencies to produce annual auditable financial statements. The Pentagon, however, is exempted from producing any audits. **Military spending accounts for 60 percent of the money Congress budgets each year, but this special exemption allows the Pentagon to hide their financial books from public and congressional scrutiny.**

Over the last 30 years, federal investigations have found serious errors in the Pentagon's bookkeeping. A 2000 Inspector General report found nearly one-third of the accounting entries in the Pentagon's \$600 billion budget were untraceable. **This is unacceptable.**

The largest and most expensive agency in the federal government shouldn't be allowed to hide its books from scrutiny. Last July, the House passed my amendment to force the Pentagon to complete its first audit in years, but it was blocked in the Senate. When I offered this same amendment in the House this year, the Republican leadership refused to allow it to come up for a vote.

I'll keep pushing to make this department accountable to the taxpayers.

The Need To Audit the Fed

The Federal Reserve (Fed) was created in 1912 to safeguard our financial system, protect consumers, and oversee the regulation of banks. Over the last 20 years, however, the Fed has seemed more concerned with protecting its own secrecy and Wall Street over the American public.

Throughout my time in Congress I have fought for an independent audit of the Fed to ensure transparency, and I was an early cosponsor of Rep. Ron Paul's Federal Reserve Transparency Act. I have cosponsored other bills to rein in the Fed.

In 2008, Wall Street gambled with our economy, lost big, and then asked taxpayers for a bailout. **Today, the CEOs in charge of the same banks that nearly destroyed the economy remain on the Fed's Board of Directors and are charged with regulating their own industry.** This outrageous conflict of interest jeopardizes the health of our financial system.

I introduced H.R. 2304 to eliminate this gross conflict of interest and prohibit banks that receive money from the Fed from stacking these boards with their employees.

I will continue to fight to make the Fed transparent and accountable to the American people.

H-2B: Closing Egregious Loopholes

It is obscene that U.S. companies who abused immigration laws to squeeze unearned profits out of contracts are using our legal system to prevent the changes that protect American workers.

I will continue to fight this frivolous lawsuit and fix these immigration loopholes.

It's the right thing to do for taxpayers and it's the right thing to do for American workers.

What's On Your Mind? Come To A Town Hall Meeting

Since I came to Congress, I have held over 300 town hall meetings across Southwest Oregon. I have developed many legislative initiatives based on my conversations with Oregonians at these meetings. The dates and locations of my upcoming town hall meetings are listed below. I hope you will attend one in your area. I look forward to discussing current issues before Congress, and to hearing your ideas and opinions.

Tuesday, August 14

Florence

9:30 - 10:30 AM
Siuslaw Public Library
Bromley Room
1460 9th St.

Bandon

12:30 - 1:30 PM
Bandon Public Library
Sprague Room
1204 11th St. SW

Port Orford

2:30 - 3:30 PM
Port Orford City Hall
City Council Chambers
555 W 20th St.

Wednesday, August 15

Brookings

9:00 - 10:00 AM
Chetco Activity Center
Room A and B
550 Chetco Lane

Gold Beach

12:00 - 1:00 PM
Gold Beach Council Chambers
29592 Ellensburg Ave.

Coos Bay

5:15 - 6:15 PM
Coos Bay Public Library
525 Anderson Ave.

Thursday August 16

Eugene

5:15 - 6:15 PM
Eugene City Council
Chambers
777 Pearl St.

Springfield

7:00 - 8:00 PM
Springfield City Hall
City Council Chambers
225 5th St.

Monday August 20

Cottage Grove

12:00 - 1:00 PM
Cottage Grove City Council
Chambers
443 S 3rd St.

Drain

2:00 - 3:00 PM
Drain Civic Center
205 W A Ave.

Grants Pass

5:15 - 6:15 PM
Anne Basker Auditorium
604 NW 6th St.

Tuesday, August 21

Cave Junction

10:00 - 11:00 AM
Josephine County Building
102 S Redwood Hwy

Canyonville

2:00 - 3:00 PM
Seven Feathers Convention Center
Azalea Room
146 Chief Miwaleta Ln.

Roseburg

5:15 - 6:15 PM
Douglas County Library
Ford Community Room
1409 NE Diamond Lake Blvd.

Thursday August 23

Albany

2:30 - 3:30 PM
Albany Public Library
2450 14th Ave. SE

Corvallis

5:30 - 6:30 PM
Boys and Girls Club of Corvallis
Large Gym
1112 NW Circle Blvd.

**Want up to date
information? Go to my
website:
www.defazio.house.gov.**

My website has a number of resources to help constituents looking for information about federal agencies, my voting record, and critical national issues. Visitors can also sign up for periodic on-line updates.

Up-to-date information on budget negotiations, Medicare, and federal infrastructure investments is available on the issues pages.

Scroll to the bottom of the home page for my voting record, and to search for specific bills using the Thomas search tool.

Check out the Tours and Flags section under Constituent Services if you would like to order a flag or if you need help scheduling tours for an upcoming trip to Washington, D.C.

Please contact one of my offices if you would like to suggest a helpful addition to my webpage.

Join My Telephone Town Hall

Telephone Town Halls give you a chance to join thousands of other Oregonians to ask me questions and hear more about issues before Congress.

If you are on Oregon's Do-Not Call list, and want to participate please contact my office at 1-800-944-9603 or via email by going to www.defazio.house.gov and leave your name and phone number so you can be included on the call.

I hope you can attend a townhall meeting near you!
Pete

My offices are here to serve you

405 East 8th Ave. #2030
EUGENE, OR 97401
(541) 465-6732
1-800-944-9603

612 SE Jackson St. #9
ROSEBURG, OR 97470
(541) 440-3523

125 W Central Ave. #350
COOS BAY, OR 97420
(541) 269-2609

2134 Rayburn HOB
WASHINGTON, DC 20515
(202) 225-6416