

Legislative Updates

Majority Party Proposes Alarming Tax Hike

The majority party recently [proposed legislation](#) to repeal something called the alternative minimum tax (AMT), but unfortunately it envisions raising taxes elsewhere on the American people by \$3.5 trillion over the next 10 years. Ten years ago, most Americans had never heard of the AMT. Today, however, this tax is unfortunately entering the vocabulary of more and more middle class families as they fall victim to this onerous tax. The AMT was created in 1969 to make 155 of the nation's wealthiest individuals, who were escaping tax liability through various deductions and other exclusions, pay at least some level of tax. Yet the income entry levels for the tax were never set to adjust with inflation, and as a result, if Congress doesn't act soon, the number of taxpayers paying the AMT will rise from 4 million to 23 million this year alone.

Because this tax was never intended to affect these individuals, [I believe](#) we should repeal it outright before it takes effect. However, the House majority has proposed to raise taxes on other Americans in order to "pay for" the "costs" of the lost revenue. In fact the nonpartisan Joint Tax Committee [foun](#)
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that 113 million Americans--90 percent of all taxpayers--would face a tax increase under the plan. This proposal would bring the government's share of our economy to near record levels. I believe this "tax Peter to pay Paul" approach is wrong. We should not raise taxes on others to prevent a tax increase on Americans the AMT was never intended to capture. To the contrary, we should be embracing policies that reduce the tax burden on all Americans. I will adamantly oppose the proposed tax increase and the "Washington knows best" mentality that it reflects.

[Share your thoughts](#)

Critical Intelligence Bill Stalled

The Foreign Intelligence Surveillance Act (FISA) was originally passed in 1978 and defines the procedures and requirements our nation's intelligence community must follow when conducting surveillance of "foreign powers," including suspected foreign terrorists. Earlier this year, it became clear that the original FISA did not take into account 21st century communications. In response, Congress passed the [Protect America Act](#) which modernized FISA. This law gave our intelligence officials the tools and resources they want and need to monitor foreign jihadists.

Unfortunately, congressional leaders set the law to expire in six months, or February 2008.

With only a few months until the Protect America Act expires, I believe it is now time for Congress to pass a long-term FISA modernization bill. Recently, House leaders proposed a [bill](#) that would have rolled back key provisions of the Protect America Act by requiring the intelligence community to seek a court order to collect intelligence on foreign targets. It would also fail to provide legal protections to patriotic American phone companies who cooperated during surveillance activities after the 9/11 attacks. Fortunately, this proposal was ultimately pulled off the House floor. It's my hope that the majority party will allow a strong, long-term FISA modernization bill to receive consideration in the near future.

I firmly believe the constitutional rights of U.S. citizens must be fully protected as we fight the war against radical jihadists. But one of the central debates in Washington is whether foreign jihadists should be given these same protections. During recent telephone town hall meetings that I held, I asked North State residents whether they believed foreign terrorist suspects should be granted U.S. Constitutional protections. Although unscientific, the [results](#) clearly suggest that most Northern Californians believe foreign jihadists should not be entitled to these cherished rights.

[Read more](#)

U.S.-Peru Trade Agreement Advances

Roughly one-third of California's total agricultural production, \$10.5 billion worth of home grown produce, is exported to various points in the world. Our state's agriculture industry clearly relies on these exports and our ability to increase market share abroad so we can reach the roughly 95 percent of the world's consumers who live outside the U.S.

The House recently [approved](#) the Peru Trade Promotion Agreement (PTPA), which is the next step in our push for market access abroad for U.S. businesses, farmers, ranchers and consumers. As the leading Republican on the Ways and Means Trade Subcommittee, I was actively involved in efforts to move the Peru trade legislation through the committee process and [spoke](#) in strong support of the agreement during its consideration on the House floor. Peru currently receives preferential treatment on its products coming into America. Meanwhile, our crop and goods exports face tariffs - or border taxes - of

12 to 25 percent. The agreement with Peru would end this unfair treatment by eliminating nearly all tariffs immediately, allowing U.S. manufactured goods and agricultural goods substantial new access to Peru's market. The Peru TPA is also estimated to increase U.S. exports by more than one billion dollars, helping to expand our economy - which means new jobs for workers - by more than \$2 billion.

The geopolitical advantages of the agreement are critical as well. Venezuela's authoritarian leader Hugo Chavez is waging a war of words against the U.S. in Latin America. But rather than embrace his anti-democratic, anti-free market rhetoric, Peru's leaders have embraced market-oriented policies that are helping to bolster Peru as one of the fastest growing emerging economies. This is just the kind of friend we want in Latin America. For this reason, Congress must also take action to approve our pending agreements with Colombia and Panama.

Now the legislation will be considered in the Senate, where it is expected to be approved, and sent to the President for final approval. [Share your thoughts](#)

[Benefits for California](#)

[Benefits for California Agriculture](#)

[Summary of the Agreement/Additional Facts](#)

Internet Tax Ban Extended

Congress recently passed [a bill](#) to extend the ban on Internet taxes for another seven years. Although I believe the tax moratorium should be made permanent, I was pleased that the final version of the bill included a seven-year extension, rather than a four-year extension as originally proposed. Americans living in rural areas like Northern California often lack access to broadband, despite its increasing importance to our economy. A critical element of our national broadband policy must be maintaining the tax-free status of Internet access. The seven-year

extension will create a favorable climate for investors and incentivize high-speed Internet providers to build out their networks to more rural communities.

[Read more](#)

Southern CA Fires Latest Reminder of Fire Threat

The recent Southern California firestorm is yet another reminder of the brutal consequences of natural disasters in our home state. With eight fatalities and more than 2,000 homes destroyed the fire complex ranks as one of California's most tragic catastrophes. My thoughts and prayers go out to those who've lost a loved one or a home.

Like many Northern Californians, I couldn't help but draw a comparison between the destruction that occurred in Southern California with what could happen here. Wildfires are a factor of fuel, weather, and terrain. While we don't have the same home density as Southern California, drought and gusty winds can be the norm throughout our state - and fuel conditions in our area are much, much worse. [Dozens of North State communities](#) have been formally classified by CAL FIRE as "at-risk" from catastrophic wildfire because of high levels of hazardous fuels in nearby forests. Our National Forests are as much as 10 times denser than they were historically. When these unnaturally dense forest stands ignite, it results in devastating wildfires that are larger, more destructive and dangerous than ever before.

Fortunately, we've identified the solution: strategic fuel reduction and forest restoration projects which "thin out" the forests to make them more fire resilient. When a forest has been thinned, fires burn low to the ground - something that is healthy for a forest. But if it hasn't been thinned, fires burn through the treetops and can destroy entire forests and threaten nearby communities.

I sponsored legislation with Senator Dianne Feinstein - the [Quincy Library Group Forest Recovery Act \(QLG\)](#) - to strategically thin the Plumas, Lassen, and Tahoe National Forests in order to protect "at-risk" communities. The project was created cooperatively by local environmentalists and loggers. Unfortunately, it has been repeatedly blocked by a handful of fringe environmental activists. I pledge to continue to push for commonsense and collaborative forest management projects designed to protect Northern California's forested communities and watersheds.

[Share your thoughts](#)

Compromise Needed on Healthy Kids Bill

Last month, I [discussed](#) legislation in Congress that would reauthorize the State Children's Health Insurance Program (SCHIP), known as "Healthy Families" in California. I supported the creation of this program in 1997, and continue to support extending it today. But I remain concerned about expanding the program to families making more than \$60,000 a year. That represents more than half of all American families. Instead of taking this step toward government-run health care, I believe Congress should put children from lower-income families first.

I recently voted to sustain the presidential veto of the SCHIP expansion legislation. You may have [read](#) about the reasons for my vote in your local paper. Unfortunately, just days after the House sustained the veto, House leaders pushed a slightly changed SCHIP bill before Congress, even as several southern California representatives were at home attending to the devastating fires. The measure passed, but not with enough support to override another likely veto.

I believe the time for political games is over. We need to come together across party lines to reauthorize the Healthy Families program for California's low-income children. [Share your thoughts](#)

Pending Legislation and Issues Important to Northern CA

Honest Accounting for Federal Gov't

Five years ago, a series of scandals involving Enron and other major corporations drew

attention to so-called "creative accounting," a practice by which some corporations sought to mask their true financial position. In response, Congress passed the Sarbanes-Oxley Act and other laws intended to require more open and honest accounting practices in the private sector. Yet in spite of these reforms, the federal government itself continues to produce financial statements that do not accurately reflect the present value of its future liabilities.

Over the next 75 years, the unfunded liabilities of Social Security and Medicare are estimated at \$32 trillion - a truly staggering sum. The first step toward confronting this challenge is to fully understand the scope of the problem. To that end, I have joined a bipartisan group of my fellow representatives as an original cosponsor of [H.R. 3958](#), the Truth in Accounting Act. This measure would require the federal government to prepare an annual financial statement using the same accounting practices that the private sector is required to employ.

[Share your thoughts](#)

Congress Fails to Pass Appropriations Bills

Although fiscal year 2008 began on October 1, as of today Congress has completed work on only one of twelve annual appropriations bills that fund the federal government. The House approved all twelve bills by August 5, but most of the measures, including the veterans funding bill, have yet to receive final passage largely due to political considerations. I am concerned that if this situation is not resolved soon, the result could be another devastating government shutdown like the ones that occurred in 1995 and 1996. In the hope of preventing this outcome, I recently cosponsored [H.R. 3508](#), the Preventing Government Shutdown Act. This legislation would provide automatic funding to keep essential federal services running if Congress and the President fail to agree on appropriations bills.

[Share your thoughts](#)

"God" Allowed Back into Flag Certificates

The Architect of the Capitol is a non-partisan official responsible for the preservation of the Capitol. One of his duties is flying flags over the Capitol for members of Congress at the request of their constituents. Recently, the Architect decided that the term "God" could no longer be

used in the certificates that accompanied the flags. This outrageous decision was met with a strong backlash among Americans across the country. I joined over one-hundred representatives in [urging](#) the Speaker of the House to reverse the Architect's decision.

I'm pleased to report that the Architect quickly reversed course, and that Americans are once again allowed to reference "God" in their flag certificates. This [small but important victory](#) will hopefully send a loud message that government should embrace expressions of spiritual beliefs, rather than foster an atmosphere of hostility toward them.

[Share your thoughts](#)

District News

Tele Town Hall Recap

I recently conducted three telephone town hall meetings covering California's Second Congressional District. I want to thank everyone who participated in one of these in-home conversations. I appreciate hearing your questions and opinions, and I'm pleased that the technology has been well received. It is extremely helpful for me to be able to speak directly with you about important issues and how I can best represent you in our nation's capital. I look forward to doing more tele town halls in the future. [Share your thoughts](#)



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