

OPPOSING THE FISCALLY IRRESPONSIBLE REPUBLICAN BUDGET PROCESS LEGISLATION

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 25, 2004*

Mr. STARK. Mr. Speaker, I rise in strong opposition to H.R. 4663, the so-called Spending Control Act of 2004. This bill is another shameless attempt by the Republican majority to shove their radical, right wing agenda down the throats of the American people. What are they going after this time? Medicare and Social Security. And what are they trying to protect? Tax cuts.

What a surprise. What a surprise that the Republicans would put tax cuts over Medicare and Social Security. I guess it shouldn't surprise us anymore.

This bill purports to be a budget bill. It is supposed to set up rules to restrain spending and reduce the national budget deficit. That's a worthy goal. Too bad the bill doesn't advance us toward that goal. One provision which purports to advance this goal is the pay-as-you go (PAYGO) rule. Under such a plan, any new spending on one program must be paid for by a reduction in spending from another. Such a rule is problematic. Under this plan, if I want to add an important benefit to the Medicare program, I must cut spending elsewhere in the Medicare, or in some other vital program like Medicaid or the State Children's Health Insurance Program. In this time of huge budget deficits, I know we must control our spending habits. But robbing Peter to pay Paul makes no sense when we are talking about the health and well being of our fellow citizens.

That said, I would have no problem supporting PAYGO rules for mandatory spending if the Republicans made them apply to tax cuts as well. But guess what? Under this proposal, tax cuts would be exempt from the PAYGO rules! In other words, we have to eliminate programs to add something to Medicare, but the Republicans can cut taxes until the cows come home! The Republicans could therefore pass another huge tax cut for millionaires without replacing the lost revenue with spending cuts. This then leads to huge deficits because of the exponentially widening gap between spending and revenue. Does this make any sense at all? Of course not!

What makes this bill worse is the fact that increasing mandatory spending for programs like Medicare cannot be paid for by closing tax loopholes and increasing revenue by charging taxpayers what they really owe. For example, if I proposed legislation to fill in the doughnut hole in the Republican prescription drug benefit, I could not pay for that expanded benefit by closing corporate tax loopholes that effectively allow most corporations to go untaxed. In fact, a report by the General Accounting Office found that, on average, 61 percent of all U.S. corporations reported no tax liability between 1996 and 2000. But under this budget legislation we couldn't make a single one of those corporations pay the taxes they owe so that I could provide Medicare beneficiaries the prescription drug benefit they deserve.

Not so many years ago we enjoyed a projected \$5.6 trillion surplus that could have put a huge dent in our national debt, or paid for

health insurance for the 44 million uninsured in this country. Since the original PAYGO rules expired and the Republicans started cutting taxes for their wealthy friends, that surplus has turned into a \$2.9 trillion deficit, which will push our total debt over \$9 trillion. Who do you think is going to pay for that debt if we fail to reinstate PAYGO rules that work? You and I will not foot the bill for this irresponsible policy. Our children, grandchildren and great grandchildren will.

This bill is another colossal mistake which the Republicans want to inflict on our country. I urge my colleagues to support the Spratt substitute, which applies PAYGO to both spending and tax cuts, and to vote against this one-sided Republican bill.

SMALL COMMUNITY OPTIONS FOR REGULATORY EQUITY ACT

**HON. C. L. "BUTCH" OTTER**

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 25, 2004*

Mr. OTTER. Mr. Speaker, I rise today to introduce the Small Community Options for Regulatory Equity Act. Rural communities across my state and elsewhere are being unfairly burdened by Environmental Protection Agency regulations that have questionable benefit.

While we all want to ensure a clean, safe drinking water supply for our communities, we must remember that fiscal restraints sometimes require tradeoffs and accommodations. Many small communities believe that EPA regulations will do more harm than good by wasting limited public health funds complying with standards that do little to advance the interests of public health.

For those of you who may have forgotten the arsenic debate of just a few years ago, let me refresh your memory. The Safe Drinking Water Act was used in the past to clean up pollution caused by previous business practices. Now the EPA is using the act to clean up Mother Nature herself. Arsenic is a naturally occurring component in the soil and water of many Western states, including Idaho. Using questionable science, the EPA has committed to ensuring all domestic water systems meet the arbitrary 10 parts-per-billion standard for arsenic—no matter how small those systems are. This is down from the 50 parts-per-billion standard set in 1975.

When the Safe Drinking Water Act was passed, Congress provided flexibility for EPA to determine whether it is economically or technologically feasible to obtain a certain level of reduced contamination. Essentially, the act states that if it's too expensive, smaller systems simply need to get as close to the standard as they reasonably can. Unfortunately EPA has decided not to use that flexibility. EPA has determined that paying \$1,000 per year per user for the smaller water systems to meet the arsenic standard is affordable.

We know that many of our rural communities have low-income residents who make difficult decisions each month. They must choose which bills to pay and which to put off. These folks aren't worried about the cable bill; they're worried about being able to cover their heat, food, power and even prescription drug

costs every month. And when faced with those choices, they'll choose to pay their water bill first. But the EPA—in its infinite wisdom—has decided to place a higher priority on marginal reductions in arsenic level than such basic needs as food and shelter.

That is unacceptable, which is why I am introducing legislation today to allow small and rural communities, those under 10,000 in population, to choose whether they want EPA to enforce regulations on naturally occurring contaminants. If the eligible community determines it is too costly to comply with the rule it can request an exemption from the regulation, which EPA must grant.

No one is talking about removing all the arsenic from the water. We are talking about removing parts per billion, which is removing a very small amount of something that is barely even there. There is no bright line of concentration at the parts-per-billion level beyond which arsenic becomes unsafe. EPA views 9.9 parts-per-billion as safe and 10.1 as unsafe, despite the fact that there is little health difference between such small differences. EPA can't determine how much arsenic ingestion above the federal standard is harmful. While EPA has said that arsenic concentrations above its standard don't necessarily present an unreasonable risk to health, concentrations above 10 parts-per-billion do create a significant financial burden for small communities.

This mandate doesn't consider the unintended consequences and it can't balance competing local priorities. Local communities are in the best position to determine where their scarce resources need to go. EPA is not going to the communities and suggesting ways they can comply or technology they can use. Rather than being a good partner, EPA is once again just an enforcer, and is waiting until 2006 to impose fines on communities that are not in compliance. Such one-size-fits-all government "solutions" do nothing to make the water cleaner. They only provoke bitterness and stifle cooperation.

One small community in Idaho already has had to lay off its only police officer in order to afford studies and other requirements related to complying with the arsenic regulation. Now we are asking people to choose between real public safety and a theoretical health benefit. Further compounding the problem for this rural community, the EPA recently denied its request for a compliance extension, as provided for in the agency's own regulation. Community leaders know they can't comply by 2006 and are trying to do the right thing—but EPA refuses to help them.

We are supposed to have a democratic process here in the United States. In this case, the EPA is overriding the will of local citizens. I believe it's time to put the power back into the hands of those most impacted to determine what truly is best for them.

I remain concerned that this regulation will have very adverse economic impacts on thousands of rural communities across the nation, without addressing legitimate human health concerns. Since there is no economically feasible way for small communities to meet this standard and the standard may result in no health benefits, I support allowing each eligible rural community to decide whether to comply. I encourage you to join me in cosponsoring the Small Community Options for Regulatory Equity Act