

The NUNES Report

Inside this issue:

Nunes seeks Valley raisins for Iraq 2

Fresno fighter wing wants more air power 3

Nunes brings needed attention to issues 4-5

Legislative work = variety 6-7

Wall Street Journal on child tax credit 8

Quick Facts

In the month of May, 1,857 web surfers visited Rep. Nunes' website at www.nunes.house.gov

On average, each visitor spent more than 14 minutes reviewing Mr. Nunes' work in Congress.

Health summit builds momentum

Well-attended summit helps generate creative fixes for health care challenges

Rep. Devin Nunes is working to ensure that health care challenges facing Central Valley residents are addressed in upcoming Medicare reform legislation.

Health care leaders from around the valley converged in Visalia in late May to develop proposals that could be included in the legislation.

"While I fully support prescription drug benefits for seniors and other improvements to Medicare, one of the bigger concerns in my district is to keep the hospitals open and enable physicians to meet the needs of their patients," Mr. Nunes said. "That's why it was important for me to hear directly from the people affected."

More than 150 community and health care leaders attended the summit, participating in one of four workshops. Two workshops focused on developing ideas to recruit and retain physicians, particularly specialists. Other workshops dealt with crowding of emergency departments and ways to



Physicians, health care administrators, community members and other professionals filled the May luncheon of the Rural Health Care Delivery Summit in Visalia.

Through workshops, participants developed practical solutions to key challenges facing health care in the Central Valley. Rep. Devin Nunes is working to get those proposals passed into legislation.

increase the rate at which hospitals and physicians are reimbursed when serving patients on low-paying government insurance.

As a tie-in to the Medicare legislation, the Bush Administration sent Dr. Cristina Beato, principal deputy

assistant secretary of Health and Human Services to be the keynote speaker.

After the summit, Mr. Nunes began crafting some of the Medicare recommendations into legislative language and advising lawmakers

See Summit page 3

Nunes wants raisins for Iraq

Rep. Devin Nunes has delivered a bipartisan letter to President George Bush, urging him to include California raisins in food aid sent to the recently liberated people of Iraq.

"I believe that it is impor-



tant for U.S. food aid not only to bear the flag of our nation, but also to consist of commodities produced on American farms," said Mr. Nunes, a member of the

Committee of Agriculture. "Raisins are ready to eat food, with no preparation required - making them ideal for humanitarian relief operations that depend on quick distribution. Raisins are also an integral part of the culinary traditions of the Iraqi people."

Congress earmarked \$250 million in funding for food aid programs in the current year, including relief operations in Iraq and other nations.

The letter was signed by several California congressman. The lawmakers noted that California raisins are virtually non-perishable, do not require refrigeration, and are easy to store and transport.

"They are an excellent source of energy and are high in caloric value," Mr. Nunes said.

The purchase of surplus raisins from California farm-

ers would serve the nutritional needs of people in Iraq, as well as provide relief to farmers suffering from the worst agriculture economy since the Great Depression. This dual benefit represents the best possible investment of tax dollars and would extend the benefits of our humanitarian relief operations to farmers in the United States, the letter states.

"This is a relief effort for not only countries like Iraq but domestically it will help Fresno growers. Raisins are the largest crop grown in this area and this could have a tremendous, positive economic impact," said John Beck, president of the California Raisin Marketing Board. "We are certainly grateful for Congressman Nunes' leadership on this issue."

Quick Facts

In May, Rep. Nunes wrote to 1,137 constituents in response to their inquiries. Year to date, Rep. Nunes has responded to 4,575 constituents via the U.S. Mail.

Grant funding for libraries

A library services bill co-sponsored by Rep. Devin Nunes is paying off for libraries in Fresno and Tulare counties.

In March, the congressman signed on to a bill that reauthorizes funding for the Library Services and Technology Act. It overwhelmingly passed the House of Representatives on a 416-2 vote.

"I'm happy to see federal tax dollars returned to the district to help stimulate excellence in library services and promote access to learning resources for children and adults," said Mr. Nunes, an assistant Majority Whip.

Among the grants

awarded to libraries in the 21st Congressional District:

The Fresno County Free Library will receive from \$20,000-\$50,000 under the Public Library Services for People with Disabilities program.

The Fresno County Free Library, the Tulare City Library and the Tulare County Library will get amounts matching funds it receives from the California Council for the Humanities, which is sponsoring the "Reading *The Grapes of Wrath*" program in libraries throughout the state.

Funding will also go to the Live Homework Help program offered by the Fresno

County Free Library at the Cedar-Clinton Branch Library, the Clovis Regional Library and the Sunnyside Regional Library.

The Fresno County Free Library will get \$8,195 for the Public Library Staff Education Program that provides tuition reimbursement for public and county law library staff who are pursuing a Master's degree to upgrade their skills.

Other funds will be more generally distributed to libraries statewide, including libraries in the 21st Congressional District.

Congressman seeks better planes for Fresno fighter wing

Rep. Devin Nunes is asking Air Force officials to put more muscle in the skies above the Pacific Coast and the southwestern United



F-15

States.

Mr. Nunes and other members of Congress want the Air Force to supply the California Air National Guard's 144th Fighter Wing located at the Fresno Yosemite International Airport with a squadron of F-15C's. Currently, the Guard flies F-16's.

"I think everyone agrees that the F-15C is better suited to accomplish the

Guard's Homeland Defense mission," said Mr. Nunes, whose district includes the fighter wing.

The 144th Fighter Wing's Homeland Defense mission area extends from the California/Oregon border to the New Mexico/Texas border – encompassing much of the West Coast. This area includes some of the largest population centers in the nation and many of the important new technology companies in America.

The 144th FW mission is focused on coastal defense, which includes cruise missile intercept, air-to-air superiority and extended over-water patrol missions. Yet, for the past 10 years the 144th FW has been flying F-16s which have shorter flying ranges, only one engine (a crucial factor on over water flights), less powerful radar dishes, and carry less missiles than the more capa-

ble and well-suited F-15C.

Currently, the 144th FW is the only Homeland Defense unit – in fact the only air-to-air unit in the U.S. Air Force – not flying the F-15.

"Why would we ask the 144th FW to provide air superiority and Homeland Defense with an aircraft that is not designed for the mission?" Mr. Nunes said. "We think it is time that the 144th FW is given the right equipment for the assigned mission."

The F-15C would not only improve the 144th FW's ability to perform its mission, but also improve the pilots' chances of coming home alive from conflicts. For example, the longer-range radars on F-15Cs allow pilots to fire missiles at enemy planes without having to get as close as they would in F-16s.

The 144th FW has proven its excellence time and time

again. In 2000 alone, the unit for the eighth time received the Air Force Outstanding Unit Award, was named the California Air



F-16

Force Association Unit of the Year and received the Governor's Outstanding Unit Citation.

The switch from F-16 to the F-15C is overwhelmingly supported by Lt. Governor Cruz Bustamante, The Adjutant General Paul Monroe, Fresno Mayor Alan Autry, Fresno City Council and the Fresno Board of Supervisors.

Summit cont.'d from page one



Left, Dena Cochran, vice president of the Kaweah Delta Hospital Foundation participates in a summit workshop. Above, Dr. Cristina Beato, principal deputy assistant secretary for U.S. Health and Human Services.

ers on the House Committee on Ways and Means.

Some of the recommendations he is working on include:

Helping physicians in rural counties pay off their school loan by: 1) Giving a one-year suspension of educational loan re-payments once the physicians permanent practice to a rural county is verified; 2) Forgiving all interest dollars (accrued & future) associated with the loan; 3) Forgiving the loan on an inverted scale based on continued residence (i.e., 35% - 1st year; 25% - 2nd year, etc.)

Other recommendations included creating more flexibility in the Federal Emer-

gency Medical Treatment and Active Labor Act (EMTALA) to allow: 1) Health Clinic co-location with a hospital Emergency Department; 2) Patient pre-screening by a clinic-based medical triage; 3) The extension of health clinic business hours to 10:00 PM to coincide with the busiest times in emergency departments.

To deal with reimbursement rate disparities, some suggestions included providing a federal income tax credit for employers of agricultural workers who provide basic family health care insurance. Also, simply to increase the reimbursement rate.

Nunes keeps spotlight on Valley issues

Agriculture

Dairy

Congressman Nunes asked Agriculture Secretary Ann Veneman to adjust the support program purchase price levels for cheese, butter and non-fat dry milk to reflect the significant additional costs manufacturers face when selling products to the Commodity Credit Corporation (CCC). The current CCC purchase price for dairy products does not reflect costs beyond those incurred for commercial sales. As a result, market prices for individual products have fallen below support levels, allowing the price of milk used to produce them to fall below the statutory support level for milk of \$9.90 per hundredweight.

Farm and Conservation Service Offices

Congressman Nunes asked Secretary Veneman to support current staffing levels at Farm Service Agency and Natural Resource Conservation Service offices in California. Statutory reductions in these offices has disproportionately impacted California. The state had 64 offices throughout the state in 1994. Today, 22 offices are required to serve the same area.

USDA Peach Purchases

Congressman Nunes signed a letter to Secretary Veneman in support of the California Canning Peach Association's requests for USDA purchases of



surplus peaches in the amount of 3 million cases.

As imports of peaches continue to grow, no improvement has occurred in export markets. Due to the unique challenges facing the domestic peach industry, it is important to provide market relief to growers by moving surplus supply off farms.

Concurrently with USDA purchases, industry initiatives and trade negotiations seek to address the underlying oversupply of peaches.

Diesel-Fueled Engines

Congressman Nunes, along with a number of his colleagues, sent a letter to Secretary Veneman about the Environmental Protection Agency's (EPA) issued rule requiring the agriculture industry to comply with Title V under the Clean Air Act. The agricultural operations primarily affected in the first round of the rule involve the use of stationary diesel-powered engines, such as agricultural irrigation pumps. Specifically, he strongly encouraged the Department of Agriculture to allocate \$15 million in FY 2003 funds and \$14 million in FY 2004 funds from the Environmental Quality Incentives Program (EQIP) to provide funding for the replacement of diesel-fueled engines used for agricultural irrigation pumping.

Transportation

Congressman Nunes co-sponsored H.R. 871, which will provide a comprehensive definition of the term "agricultural commodity" in the National Highway Safety Designation Act. Currently, this term is not clearly defined and has been subject

to varying interpretations. This bill will also provide exemptions from the federal hours of service regulations for truck drivers who are engaged in the transportation of agricultural commodities and supplies.

Crime

Congressman Nunes co-sponsored the Unborn Victims of Violence Act. Under current federal law, an individual who commits a federal crime of violence against a pregnant woman receives no additional punishment for killing or injuring the woman's unborn child.

The Unborn Victims of Violence Act narrows this gap in the law by providing that an individual who injures or kills an unborn child during the commission of certain federal crimes of violence will be guilty of a separate offense. The punishment will be the same as the punishment had the same injury or death resulted to the pregnant woman.



Environment

Congressman Nunes wrote a letter expressing his support for a grant request submitted by the Great Valley Center to the Department of Agriculture and the Department of Energy. The grant seeks \$1.85 million to develop a biomass research and development program in the San Joaquin Valley that will be administered by the Great Valley Center.

Legislative work—cont.'d

The regional Energy Advisory Board will create a biomass cluster that will develop a comprehensive map of the regional biomass assets, capitalize on opportunities to promote existing biomass efforts, and organize around specific actions to develop organization capacity to transform the Valley into a national leader in biomass expertise, research, and development.

Fire Fighting

Congressman Nunes expressed his concerns to House Speaker Dennis Hastert about an amendment to H.R. 1588, the National Defense Authorization Act for Fiscal Year 2004.

The amendment would establish a 2-year pilot program providing for the use of Air Force Reserve and Air National Guard Modular Airborne Fire-Fighting Systems to fight wildfires by waiving the Economy Act of 1934. This provision, if enacted, could negatively affect the business interests of private contract aerial fire fighting operations in the San Joaquin Valley. Waiving the provisions that require land managers to exhaust all private and commercial sources, prior to accessing military equipment or personnel for use in fighting forest wildfires, removes any free-enterprise protections and clearly places private business in a precarious position – potential bankruptcy.

General

Congressman Nunes honored the Space Shuttle Columbia crew by cospon-



Rep. Devin Nunes is concerned a proposal could negatively affect private contract aerial firefighting businesses that have been so valuable to the region.

soring legislation that will name the Downey Space Learning Center after the doomed spacecraft.

The City of Downey is home to the site of the former Rockwell International aerospace plant. It was at this site that the space shuttle fleet was manufactured, including both the Challenger and the Columbia. City residents and former Rockwell employees are proud of their accomplishments in building the shuttles and remain very committed to the shuttle program. This bill would designate the science learning center in Downey as the Columbia Memorial Space Learning Center as a living memorial to the seven Columbia astronauts who died serving their country in the name of science and research.

Government Waste

Congressman Nunes joined the Congressional Working Group to Eliminate Government Waste. This working group aims to find legislative solutions to the growing problem of waste, fraud and abuse in the federal government. Additionally, the working group will focus on educating other members and staff about the vast abuse of taxpayer money in the federal government.

Healthcare

Rural Healthcare

Congressman Nunes became a cosponsor of H.R. 1675, the *Health Care Access and Rural Equity Act of 2003*. Major provisions of the bill include:

See next page

Legislative work—cont.'d

Reducing the difference in reimbursements between rural and urban facilities. Rural hospitals receive less federal funding than hospitals in urban areas for providing the same services. This legislation would raise base payments to rural hospitals to the same level as those in urban areas.

Improving opportunities for rural facilities to recruit and retain health care professionals. Payments to hospitals would be improved in order to recruit more health care professionals to rural hospitals. A shortage of trained health care professionals is hurting the delivery of quality health care in rural communities.

Providing opportunities for infrastructure improvements. Programs to provide funding for important improvement projects to rural health care facilities are reauthorized under this legislation. Funds can be used for infrastructure needs, as well as rural health planning, network development and rural emergency medical services.

Children's Hospital

Congressman Nunes signed a letter to Congressman Ralph Regula (R-OH), Chairman of the Appropriations Subcommittee on Labor, Health and Human Services, supporting equitable graduate medical education funding for our nation's independent children's hospitals. The children's hospital Graduate Medical Education (GME) program was funded at \$292 million for fiscal year 2003. Congressman

Nunes expressed his support for previous funding levels, as well as a desire to see continued bipartisan support for reauthorization and appropriations.

Disproportionate Share Hospital (DSH)

Congressman Nunes co-sponsored H.R. 328. The bill repeals reductions in the disproportionate share hospital (DSH) program. These reductions were the result of changes made to the program under the Balanced Budget Act. The DSH program provides additional dollars to hospitals serving large numbers of uninsured and indigent patients. Reductions in DSH payments are devastating to San Joaquin Valley hospitals, which serve large numbers of uninsured patients.

Hispanic Issues

Congressman Nunes became an original co-sponsor of H.R. 2238, a bill to strengthen the Hispanic-Serving Institutions (HSIs) program. This legislation establishes a competitive grant program to expand post-baccalaureate degree opportunities at HSIs. Current law only provides support for two-year and four-year institutions. This legislation will establish a long overdue graduate program for HSIs. It will also reduce regulatory burdens and paperwork for institutions participating in these programs, such as CSU Fresno, Reedley College, Porterville College, College of the Sequoias, and Fresno City College.

Homeownership

Congressman Nunes co-sponsored the American Dream Down-payment Act, H.R. 1275, which will provide communities throughout America with \$200 million in grants. The grants are designed to set first-time, low-income homebuyers on the path to homeownership by helping with down-payment and closing costs.

Labor

Congressman Nunes wrote a letter to the Department of Labor supporting the work of Proteus, an arm of the Workforce Investment Board of Tulare County, for a National Farmworker Jobs Program. This grant would greatly assist in continuing Proteus' commitment to provide education, employment training, and community services to the farmworker community, and in turn the agriculture industry of the region.

Lao & Hmong Veterans

Rep. Nunes honored Lao and Hmong veterans from the Vietnam War with a commendation and citation for their service. The commendation read: "For the courageous defense of your people and homeland against communist aggression, as well as your support and sacrifice on behalf of United States' military and clandestine forces, 1961-1975, we express our deepest gratitude to you and your family.

Ethnic Laotian and Hmong members of the U.S. Secret

Army fought in the Vietnam campaign in critical air and ground operations as pilots, air crews, soldiers and in special guerilla units in support of Air America, the U.S. "Air Force Ravens" Program, the U.S. Army Special Force's White Star Teams and in other joint American and Royal Lao Armed Forces clandestine and military efforts.

Now, therefore, in commemoration of the 28th anniversary of the fall of the Kingdom of Laos to communist forces in May of 1975, and in honor of you and your family's sacrifices on behalf of U.S. national security and the Kingdom of Laos, we confer upon you this commendation and citation for the long overdue national recognition and honor that you so rightly deserve."

Taxes

Congressman Nunes co-sponsored the Distilled Spirits Tax Equity Act which would provide relief to spirit wholesalers from their prepayment of the federal excise tax (FET). This bill would create a pre-paid tax adjustment (PTA) or non-refundable tax credit to these wholesalers based on the average amount of time a product is held in inventory. Currently, wholesalers are not required to pay the FET on imported spirits until after product is removed from a bonded warehouse for sale to a retailer, yet they have to pay this tax on all domestically produced spirits as a cost for holding in-

See next page

Legislative work—cont.'d

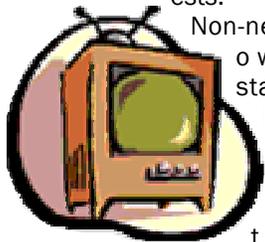
ventory.

Telecommunications

Congressman Nunes is helping protect the voice of local television viewers and their local broadcasters.

Mr. Nunes cosponsored H.R. 2052 the Preservation of Localism, Program Diversity, and Competition in Television Broadcast Service Act. This legislation would codify the Federal Communication Commission's 35 percent national television ownership cap. The cap enhances the effort of local stations and local viewers to control local programming rather than having those decisions made by a handful of corporate network executives in New York or Hollywood.

Network-owned local stations usually toe their network's line by airing programs that serve the networks' national and international programming interests.



Non-network owned stations, however, have a track

record of fierce independence and of making programming decisions based on the needs of their local viewers, not on the national and international program interests and financial objectives of their vertically-integrated national networks.

Trade

Canned Fruit

Congressman Nunes joined a number of his col-

leagues in sending a letter to President Bush about the poor economic state of U.S. canned fruit producers and his concern that trade initiatives being pursued by the Admini-

stration could put these industries, other import-sensitive fruit and vegetable producers, and the many allied sectors they support at risk.

Today, the U.S. canned fruit growers receive minimal government assistance, but must compete in every world market, including their own domestic market, against heavily subsidized European Union (EU) canned fruit. Congressman Nunes expressed his concerns that no Doha Trade Round reform proposal tabled thus far in the World Trade Organization offers near- or mid-term hope of meaningfully reducing the EU's domestic canned fruit subsidies.

He urged the President to consider ways to ensure that the agreements do not adversely impact these small businesses and that the trade initiatives should allow exemptions from tariff reductions for industries like the canned fruit sector, which have highly import-sensitive tariffs.



Port of Oakland

Port of Oakland

Congressman Nunes signed a letter to Chairman David Hobson (R-OH), of the Energy and Water Development Appropriations Subcommittee, supporting the Port of Oakland's fiscal year 2004 request for funding for the Oakland Harbor Navigation Improvement Project.

The vast majority of California agricultural exports travel through the Port of Oakland and help to maintain the ports current role as an export hub (63% of all traffic at the port moves product out of the United States).

Deepening and widening the port will provide substantial economic benefits to the California economy and will keep the port viable as new, larger ships become the dominant method of transporting goods.

Tax credit for those who pay taxes

The new tax bill exempts another three million-plus low-income workers from any federal tax liability whatsoever, so you'd think the nation's class warriors would be pleased. But instead we are all now being treated to their outrage because the law doesn't go further and "cut" income taxes for those who don't pay them.

THE WALL STREET JOURNAL

outrage because the law doesn't go further and "cut" income taxes for those who don't pay them.

This is the essence of the uproar over the shape of the child-care tax credit. The tax bill the President signed last week increases the per child federal income tax credit to \$1,000, up from the partially refundable \$600 credit passed in the 2001 tax bill. But Republican conferees decided that the increase will not be paid out to those too poor to have any tax liability to begin with.

Most Americans probably don't realize that it is possible to cut taxes beyond zero. But then they don't live in Washington, where politicians regularly demand that tax credits be made "refundable," which means that the government writes a check to people whose income after deductions is too low to owe any taxes. In more honest precincts, this might even be called "welfare."

But among tax cut opponents it is a political spinning opportunity. "Simply unconscionable," says Presidential hopeful John Kerry. The Democratic National Committee declares that the "Bush tax scheme leaves millions of children out in the cold . . . one out every six children under the age of 17, families and children pushed aside to make room for the massive tax cuts to the wealthy."

Senator Olympia Snowe, the media's favorite Republican now that John McCain isn't actively running for President, says she is "dismayed." "I don't know why they would cut that out of the bill," adds Senator Blanche Lincoln (D., Ark.). Those last two remarks take chutzpah, because if either woman had been willing to vote for the tax bill, a refundability provision would have been in it.

Senator Lincoln introduced the idea in the Senate Finance Committee, but then announced she wasn't going to vote for the bill anyway. Ms. Snowe was also one of those, along with Senator George Voinovich (R., Ohio), who insisted that the bill's total "cost" -- in tax cuts and new spending -- not exceed \$350 billion. Something had to give in House-Senate conference to meet that dollar limit, and out went refundability. The bill passed by

a single Senate vote, with Vice President Dick Cheney breaking the tie.

As it happens, the tax bill does a great deal for low-income families even without the refundable child credit addition. It expands the 10% income tax bracket, meaning that workers can earn more before leaping into the 15% and 25% brackets. This is a far better way to provide a tax cut than is a refundable credit, because it lowers the high marginal-tax rate wall that these workers face as their credits phase out at higher income levels.

There's also \$10 billion in the bill earmarked for Medicaid, the state-federal health insurance program for the poor. And any family that actually has any remaining tax liability benefits from the extra \$400 in child tax credit.

More broadly, the critics want everyone to forget how steeply progressive the tax code already is. IRS data released late last year show that the top 1% of earners paid 37.4% of all federal income taxes in 2000. The top 5% paid 56.5% of federal taxes, and the top half of all earners paid 96.1%. In other words, even before President Bush started slashing taxes on the poor by increasing the child tax credit in 2001, the bottom 50% of filers had next to no federal income tax liability.

But don't low-income workers have to cough up the payroll tax? They certainly do, but don't forget that the federal Earned Income Tax Credit was designed to offset payroll taxes and is also "refundable." In 2000, the EITC totaled \$31.8 billion for 19.2 million Americans, for an average credit of \$1,658. Some 86% of that went to workers who had little or no income tax liability.

Republicans who just voted for the tax cut could be less defensive and try to explain all of this. But instead too many of them are heading for the tall grass, with Senate Finance Chairman Chuck Grassley already promising to cave as early as this week on the child tax credit. This is the kind of political box Republicans walk into when they endorse tax credits that favor one group over another. Democrats are better at playing favorites.

We raised some hackles last year when we noted this growing trend that more and more Americans paid little or no tax. "Lucky duckies," we called this non-taxpaying class at the time. Notwithstanding liberal spinners, after this tax bill they're even luckier.

Treasury Dept. prepares to mail child tax credit checks

The process for issuing checks for the advance payment of the child tax credit takes 6-8 weeks. The IRS begins by running a program to search more than 130 million 2002 tax returns filed earlier this year to identify taxpayers eligible for the advance payment.

A calculation is performed for those eligible for the credit to determine the amount of the check and the data is transmitted to Financial Management Service (FMS), the agency in Treasury which issues all federal government checks - like Social Security, government employee and Military pay checks. A testing process is also performed to minimize errors.

The Jobs and Growth Tax Relief Reconciliation Act of 2003 provides for the issuance of checks to approximately 25 million eligible taxpayers. As a result, checks are scheduled to be issued beginning July 25, 2003 in the following manner:

Last 2 Digits of SSN/Date mailed	
00-33	7/25/03
34-66	8/1/03
67-99	8/8/03