

DEVIN NUNES UNITED STATES CONGRESSMAN, CALIFORNIA  
21ST CONGRESSIONAL DISTRICT ★★★★★



## Paying for the Farm Bill Last-minute tax increase pits farmers against employers

### Bipartisanship

Every five years Congress must examine United States agriculture policy. Hearings are held throughout the country, and extensive testimony is taken. Through this process, farmers, taxpayers, and others who are impacted by the various programs associated with the Farm Bill are each provided an opportunity to recommend improvements. It has generally been a process that is characterized by civility and bipartisan collaboration.

insurance to child nutrition, will expire in September.

House Agriculture Committee Chairman Collin Peterson (D-MN) and Ranking Member Bob Goodlatte (R-VA) worked together to craft legislation that, while not perfect, reflected an improvement to the previous law and garnered strong bipartisan support. The House Agriculture Committee approved the Farm Bill by voice vote with no opposition.

► Creates a new section for Horticulture and Organic Agriculture including nutrition, research, pest management and trade promotion programs.

► Provides farmers participating in commodity programs with a choice between traditional price protection and new market-oriented revenue coverage payments.

► Extends and makes significant new investments in popular conservation pro-

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### September Deadline

This year, Congress must re-authorize the Farm Bill and the president must sign it into law. Current authorization for agriculture programs, ranging from crop

### Farm Bill Highlights

► Invests more than \$1.6 billion in priorities to strengthen and support the fruit and vegetable industry in the United States.



Speaker Nancy Pelosi (D-CA) offers a defense of H.R. 3162, the government healthcare entitlement bill.

## Democrat bill pits seniors against kids

On August 1, 2007, the U.S. House of Representatives considered H.R. 3162, a bill to expand the federal children's health insurance program. Instead of

simply reauthorizing the State Children's Health Insurance Program (SCHIP), this unprecedented legislation proposes the establishment of a new government healthcare entitlement program for families with incomes exceeding \$80,000. The legislation also makes enormous reductions in the Medicare program and eliminates Medicare Advantage coverage for millions of seniors. In the 21st Congressional District alone, 27,000 seniors could be forced out of their preferred Medicare supplement program.

SCHIP was created as a result of bipartisan legislation in 1997. The original

intent of the new program was to provide children from low income families' health insurance. Some of these children were going without health coverage because their family income was slightly above the levels enabling participation in Medicaid (Medi-Cal), the national safety net program for the poor. However, since the enactment of SCHIP, many states have used waiver authority to extend SCHIP coverage to adults. Indeed, there are states with more adults covered under SCHIP than children. This has caused significant concern among Republican lawmakers and government spending watchdogs who view SCHIP expansion as part of an effort to force Americans into a single payer healthcare system. Indeed, millions of privately insured Americans would be folded into the SCHIP program under the current Democrat plan.

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## Myth vs. Fact: Oil in our oceans

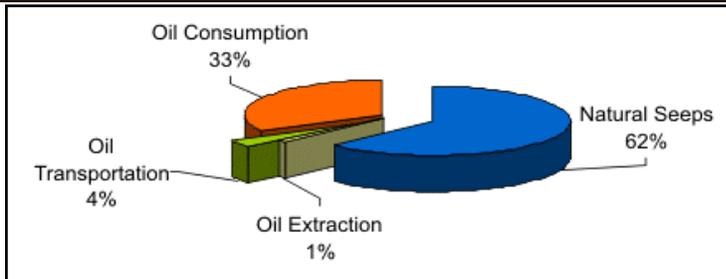
**Myth:** Each year, the majority of oil entering the coastal waters of the U.S. is a result of human activity (oil transportation, spills, and extraction).

**Fact:** Oil enters the coastal waters of the U.S. from a variety of sources. These sources comprise four major categories: natural seeps, oil consumption, oil transportation, and oil extraction.

The majority of oil in our world's oceans are from natural seeps – geologic openings on the ocean floor. The National Research Council estimates that natural seeps off North America release 47 million gallons of oil each year, comprising more than 60% of oil entering the coastal waters. Well-known natural seeps are found in the Gulf of Mexico and off the coast of southern California.

Oil transportation and oil extraction represent, on an annual average basis, a minor input to coastal waters, about 4%.

Environmental extremists continue to prevent responsible exploration for oil and natural gas in the United States. As a result, our abundant domestic resources are not being utilized and our nation is dependent on imported fuel. This represents a serious national security risk and is a threat to our economy. Furthermore, oil extraction and development outside the United States often takes place where environmental impact is completely disregarded.



Percentage Contribution of Oil Inputs into North American Coastal Waters, by Major Source Categories (based on average annual releases, 1990-1999)

In contrast, the United States has the strictest environmental regulations in the world. When the U.S. develops domestic energy and extract resources, it is done with the latest technology and with the most stringent environmental standards.

## DEMOCRAT BILL from page 1

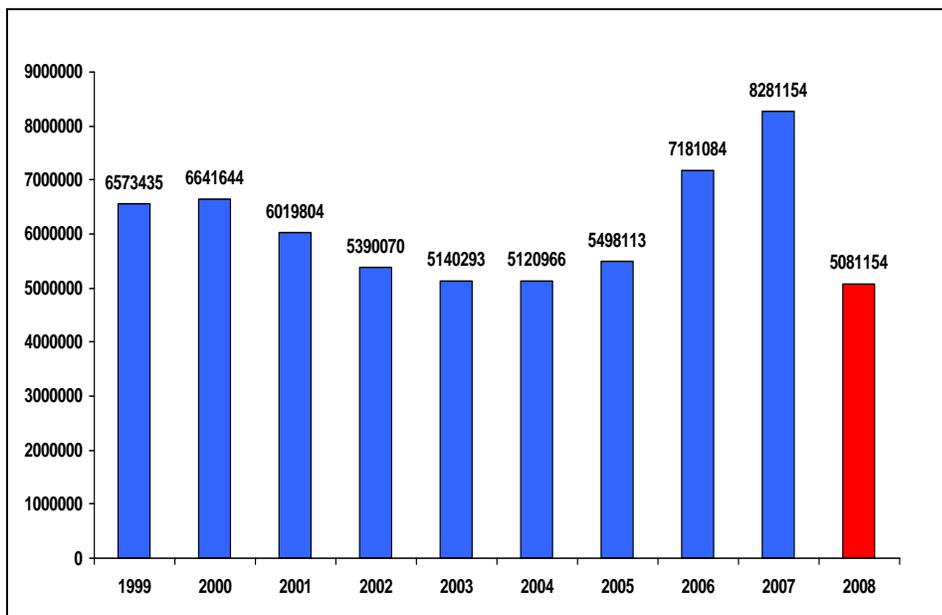
If the legislation passed by the House becomes law, a family of four with an income of \$82,000 could become eligible for the SCHIP program. With flexibility afforded to state governments, the cap may be raised to cover families with incomes exceeding \$100,000. This unprecedented expansion of government financed healthcare is made possible by cutting Medicare. More than 8 million seniors will witness a \$50 billion reduction in Medicare Advantage over the next five years. Independent analysts have suggested that at least 3 million seniors would be forced out of the program entirely. For seniors enrolled in Medigap policies, analysts estimate that premiums will rise by \$6 billion over the next ten years. This increase will be on top of the annual increase that occurs as a result of inflation.

President Bush has threatened to veto the bill and House Republicans were united in opposition. Congressman Nunes and other Republican lawmakers are hopeful that Democrat leaders will

agree to work on a bipartisan basis to reauthorize SCHIP. However, any effort to move forward must focus on coverage of children and should not result in privately insured Americans transitioning into government programs.



The figure below shows the consequences of proposed Medicare Advantage cuts as well as enrollment history. In 2008, 3.2 million seniors could be forced out of their insurance program.



## FARM from page 1

grams, including the Conservation Reserve Program, Wetlands Reserve Program, Environmental Quality Incentive Program, Farm and Ranchland Protec-



Unprecedented Farm Bill tax grows government spending, not crops. President has vowed veto.

tion Program, and many others.

- Makes important new investments in renewable energy research, development and production in rural America.
- Protects and sustains our nation's forest resources.

### Last-minute tax: employers vs. farmers

Despite bipartisan cooperation in the Agriculture Committee, early on July 26 the Farm Bill was transformed by Speaker Nancy Pelosi into a vehicle that will punish employers in America with billions in new taxes. And that's not all. Liberal Democrat leaders also attached provisions that will increase the cost of fuel and restrict access to the development of natural resources on public lands. All of this after months of repeated assurances by the Democrat leadership that there would be "no new taxes" instituted to pay for the bill.

President Bush has vowed to veto the bill.

### Employers Targeted by Farm Bill Tax Employing more than 5 million Americans

- |                      |                       |
|----------------------|-----------------------|
| ACE Group            | Maersk Inc.           |
| AEGON                | Miller Brewing Co.    |
| USA/Transamerica     | Mitsubishi Electric   |
| Air Liquide          | Nestlé USA, Inc.      |
| Alcatel              | Nokia                 |
| Alcon                | Novartis              |
| Allianz              | Oldcastle Inc.        |
| AMEC                 | Panasonic             |
| APL                  | Pernod Ricard USA     |
| AREVA, Inc.          | Philips               |
| BAE Systems, Inc.    | Reed Elsevier         |
| Barclays             | Rexam                 |
| BASF                 | Roche                 |
| Bayer                | Rolls-Royce           |
| Boehringer Ingelheim | Saint Gobain          |
| BP                   | Sanofi-Aventis        |
| Bridgestone Americas | SAP                   |
| BT                   | Schering Berlin, Inc. |
| Cadbury Schweppes    | Shell Oil Company     |
| DaimlerChrysler      | Siemens               |
| Denso US             | Smart & Final Inc.    |
| Deutsche Telekom     | Smith & Nephew,       |
| EADS North America   | Sodexo                |
| Festo Corporation    | Sony                  |
| Fuji Photo Film Inc. | Square D              |
| GKN America Corp     | Thales                |
| GlaxoSmithKline      | Toyota                |
| Honda                | Tyco                  |
| HSBC                 | Unilever              |
| Huhtamaki            | Zausner Foods         |
| Infineon             | Zurich North America  |

## Intelligence gap threatens America: Outdated law shielding foreign terrorists

### New technology, old law

The Foreign Intelligence Surveillance Act (FISA) was designed to handle cold war surveillance over Soviet spies – not an electronic 21st century war against a sophisticated terrorist enemy. The FISA law results in a cumbersome process that simply cannot move with the speed and agility needed to find and fight terrorists in a modern world.

FISA law was acute and required immediate attention. For months, Congressional leaders have ignored the problem. It was not until the August recess was looming and homeland security officials were warning of imminent threats that Speaker Pelosi agreed to Republican demands for legislation.

### Protecting radical jihadists

The FISA system should be directed at the protection of American civil rights – not radical jihadists overseas. Failure to modernize FISA would threaten to blind our detection of the increased threat.

The Director of National Security, Admiral Mike McConnell, recently testified publicly that "we are actually missing a significant portion of what we should be getting." Classified briefings have offered even more alarming details. At a time of increased threat, America cannot afford to handicap itself in the fight against terrorism.

*"We are actually missing a significant portion of what we should be getting."*



Admiral Mike McConnell,  
Director of National Intelligence

### Secretary of Homeland Security

"I believe we're entering a period this summer of increased risk. We've seen a lot more public statements from Al Qaeda.... In the last August, and in prior summers, we've had attacks against the West, which suggests that summer seems to be appealing to them..... All these things have given me kind of a gut feeling that we are in a period of increased vulnerability," Michael Chertoff, Secretary of Homeland Security.



2002 terrorist bombing in Bali, Indonesia

### Real danger but wasted time

Both Democrats and Republicans were provided indisputable evidence that the problem associated with an outdated

# WASHINGTON REPORT

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United States  
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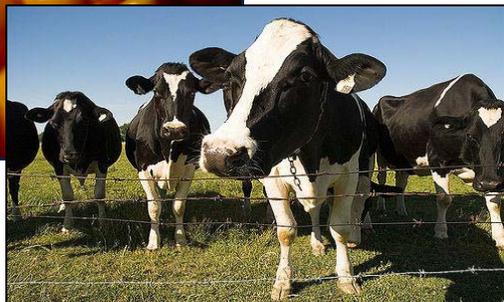
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