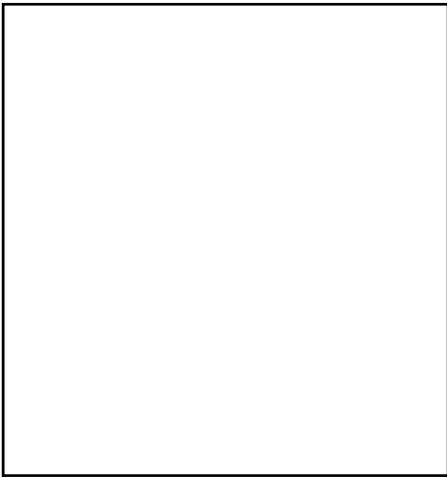


13th District
107th Congress

UPDATE



WASHINGTON, D.C.

JUNE 2001

\$1.5 Trillion in Tax Bills Crowds Out Key Federal Programs

Stark Supports Smaller Tax Cut

The House of Representatives passed the core of President Bush's budget proposal by approving three tax bills this spring. When this Update reaches you, the Senate may have voted on these bills and also considered a \$100 billion stimulus package.

I voted against all three costly House-passed tax bills because they would unfairly benefit a small percentage of Americans (see the chart on page 2) and hurt spending programs that would help the majority of Americans. I voted for Democratic alternative tax bills that spread tax relief more broadly, and still left room to adequately fund much-needed programs. Unfortunately, the Democratic alternative tax bills failed to get bipartisan support.

The three House-passed bills gradually modify income tax rate reductions, marriage penalty, the child tax credit, and repeal the estate tax in 2011. The Republicans argued that these bills would stimulate the economy by giving significant tax breaks to working families. But most of the benefits in these bills don't start until after 2006. Furthermore, many families will not benefit from these tax bills.

Continued on page 2.

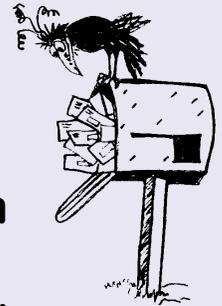
Stark Bill Expands Insurance Options for Older Workers

Medicare provides universal coverage for our nation's seniors and disabled populations. But, unless you are seriously disabled, you are not eligible for Medicare until you turn 65.

Many workers retire before age 65 and companies are increasingly dropping retiree coverage. In these instances, older workers are often unable to obtain affordable individual health insurance. Someone age 55 or older is likely to have a history of some health problems, which the individual health insurance companies use to drive the price so high that policies become unaffordable.

That's why I've introduced the Medicare Early Access and Tax Credit Act of 2001. It would enable eligible individuals to harness Medicare's clout in the marketplace to get much more affordable health coverage than they are able to purchase in the private sector market. And, to make this coverage more affordable, it includes a 50% federal tax credit: up to half the annual cost of the new coverage would be reimbursed to the enrollee with their annual tax return.

Continued on page 2.



from
the
mailbag ...

Dear Pete,

Stop proposed cuts in areas essential to our children, the environment and the community.

Bobbi, Fremont

Dear Bobbi,

I'll try my best.

Dear Pete,

I'm unhappy with the rollback of worker safety regulations.

Betty, Hayward

Dear Betty,

Me, too. The science is solid but the votes aren't.

Dear Pete,

Thanks for supporting women's rights.

Shephali, Fremont

Dear Shephali,

Always have, always will.

A handwritten signature in cursive that reads 'Pete'.

House-passed Tax Bills, continued from page 1.

At a cost of \$1.5 trillion, the tax bills force funding cuts for critical programs. For instance, the need for quality child care is a concern for millions of working parents, but the President's budget cuts necessary resources for existing Child Care Development Block Grant projects by \$285 million. This leaves 50,000 low-income children without child care, making it more difficult for their parents to work.

Health care for children will also be limited to pay for the tax cut. Medicaid and the Children's Health Insurance Program (CHIP), known as Healthy Families in California, now help provide health care to more than 20 million children who come from working families with incomes too high to qualify for Medicaid but too low to afford private family health insurance. Instead of building on Medicaid and CHIP, the President's budget proposes the largest single cutback in mandatory programs by shrinking the Medicaid budget by \$17 billion over 10 years.

The Bush tax plan diverts funds that could improve public education. After accounting for inflation and an increase in the school-aged population, the budget only calls for a 2.9 % increase for the Department of Education

and actually eliminates successful programs such as the School Renovation Program and the Class-Size Reduction Initiative. The budget also freezes after-school and safety programs that are critical in keeping youth off the streets and preventing crime.

By proposing huge tax cuts, the President left no room in the budget for a meaningful, universal drug benefit under Medicare or to shore up

Social Security and Medicare. Only 43,000 Americans, less than 2% of all estates, would benefit from the estate tax repeal. In contrast, forty million elderly and disabled Americans could be helped by a drug benefit under Medicare. (The typical elderly Medicare beneficiary has an annual income of \$14,494.)

I hope this explains why I voted NO on the tax bills that passed the House. If you would like further information on tax and budget cuts, please view my web page at www.house.gov/stark, or call or write me. As always, I welcome your comments.

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Effects of the House Passed Tax Bills

(Annual effects when fully in place, at 2001 income levels)

Income Group	Income Range	Average Income	Average Tax Cut
Lowest 20%	Less than \$15,000	\$ 9,300	\$ -51
Second 20%	\$15,000-27,000	20,600	-243
Middle 20%	\$27,000-44,000	34,400	-552
Fourth 20%	\$44,000-72,000	56,400	-926
Next 15%	\$72,000-147,000	97,400	-1,536
Next 4%	\$147,000-373,000	210,000	-2,017
Top 1%	\$373,000 or more	1,117,000	-54,400
ALL		\$ 57,800	\$ -1,201
ADDENDUM			
Bottom 60%	Less than \$44,000	\$ 21,400	\$ -282
Top 10%	\$104,000 or more	256,000	-7,042

Source: Institute on Taxation and Economic Policy Tax Model
Citizens for Tax Justice

Medicare Early Access, continued from page 1.

The bill helps three groups of older Americans. First, everyone age 62-65 would be eligible to buy into Medicare coverage by paying a base premium during those pre-Medicare-eligible years and would then pay a small deferred premium surcharge once they turn 65; retirees age 55-62 who have been laid off would be eligible to buy into Medicare by paying a monthly premium for that coverage; and retirees age 55 or older whose employer-spon-

sored retiree coverage is terminated would be eligible to buy into their employer's health insurance for active workers at 125% of the group rate. All three of these categories of individuals would be eligible for the 50% tax credit for each of these programs making the costs even more affordable.

The Medicare Early Access Act and Tax Credit Act isn't the total solution for people age 55-64 who

lack access to health insurance coverage. However, if passed, it would make available health insurance options for these individuals at much less than the cost of what is available today.

Medicare is a program that works well and affords people age 65 and older with universal coverage. The Medicare Early Access and Tax Credit Act is a step toward expanding its coverage opportunities to more people.

Stark Raises Concerns About the President's Faith-Based Initiative

The President has proposed a Faith-Based Initiative which would give government funding to religious organizations for social services they provide.

This initiative has created controversy among religious and nonsectarian groups. While I applaud the social service work done by religious groups, I am concerned about maintaining the separation of church and state.

The Faith Based Initiative builds on the "charitable choice" provision enacted as part of welfare reform in 1996. This law allows states to contract for services with non-governmental entities, including religious organizations, to provide benefits or services under the Temporary Assistance for Needy Families (TANF) program.

The new initiative would go further than charitable choice because, for certain programs, it funds *only* religious service providers, even though nonsectarian providers in some communities may have a better track record at providing social services.

Religious organizations under charitable choice are not allowed to proselytize but can maintain their religious character—a fine line to walk. While Catholic Charities of America, Lutheran Social Services and the Jewish Federations have provided government-funded services for years before welfare reform, they were required to do so without display or expression of their religious character. These organizations question now whether there would be separation of church and state under the initiative if religious organizations expressed their religious character.

Civil rights advocates raise other issues. Under current law, religious organizations are exempt from civil rights laws that

make it illegal for employers to refuse to hire someone because of their religion. Civil rights organizations argue that no group that receives federal funds should be allowed to discriminate.

The initiative is on hold while some of the problems are addressed. In the meantime, I am interested in your views on this issue.



Stark Says the ABA Should Screen Judicial Candidates

Since President Dwight Eisenhower first asked the American Bar Association (ABA) to review the qualifications of judicial candidates in 1953, every President has relied on the ABA's expert, confidential, nonpartisan counsel in evaluating potential judicial nominees. The ABA's vetting process has helped ensure that judicial nominees are of the highest caliber.

President Bush, however, has announced he will end the ABA's role in screening judicial nominees for the President. The White House calls the ABA's involvement "unfair" to other groups interested in judicial nominees, ending a half-century practice of expert counsel. I believe this decision is wrong. I fear that we will see the appointment of candidates who would not meet ABA quality standards and candidates chosen because of their ideological or political views.

In the past, the ABA's confidential evaluations helped to avoid nomination of unsuitable candidates who would have trouble being confirmed by the Senate. The ABA looked at a candidate's professional qualifications, not their philosophy or ideology. The ABA examined legal writings of candidates and conducted confidential interviews with people who knew their professional abilities.

Without ABA screening, the President may fill the bench with unsuitable appointments. His statement that he plans to nominate more judges like Clarence Thomas reinforces this concern. The ABA rated Thomas unsuitable for the nomination, Thomas' Senate confirmation hearing became a national tutorial on sexual harassment, and his role on the Supreme Court to date has been less than stellar.

Federal judges are the guardians of our constitutional rights. They make decisions affecting freedom of choice, the rights of the vulnerable to fully participate in our society, the balancing of individuals rights, government obligations and corporate responsibilities, and the fairness of our criminal justice system.

Judges are given lifetime appointments. Once appointed to the bench, there is no removal for mediocrity or cronyism. Without the ABA's review, the President risks the quality of our judiciary for years to come.

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The Administration Rolls Back Arsenic Safety Rule

The Bush administration has allowed cost concerns to override what is in the best interest of public health by rolling back another regulation. This time, it's not the air that we breathe, but the water we drink. The administration revoked new rules established by the Clinton administration that would have reduced the acceptable level of arsenic in drinking water. This decision was met with uproar by scientists, public health advocates and American citizens who have fought for decades to reduce arsenic in drinking water.

Arsenic can be inhaled, but is usually ingested by eating or drinking contaminated food or water. Arsenic gets into drinking water through the runoff of arsenical pesticides, industrial releases, or through chemicals that have been dumped.

Arsenic is very dangerous. Chronic arsenic ingestion from drinking water causes skin cancer. It also increases the risk for cancers of the bladder, lung, kidney, liver, colon and prostate. Studies reveal that arsenic is associated with a number of other diseases, including cardiac disease, diabetes, and diseases of the arteries. The National Research Council estimates that the excess cancer risk from exposure to arsenic at the current U.S. drinking water standard could be as high as 1 in 100. The Environmental Protection Agency gener-

ally regulates chemical contaminants to reduce cancer risk to a level no higher than one excess cancer death for every 10,000 persons.

Although scientific evidence of harm from arsenic increased, the US safety levels set decades ago did not take into account the carcinogenic effect of arsenic. The arsenic standards set by the Clinton administration would have reduced health risks related to arsenic in drinking water.

Unfortunately, the new rules were rescinded because they would have imposed a considerable cost on the mining and chemical industries. The US is left for the time being with outdated—and unsafe—standards.

Congress is working toward a solution. I have co-sponsored the Arsenic Reduction in Drinking Water Act (H.R. 1252) to reduce the level of arsenic in drinking water from the current standard of 50 parts per billion to 10 parts per billion. If enacted, this bill would bring the United States into compliance with a standard already adopted by the World Health Organization and the European Union. The bill also provides funds to help small public water systems meet these stricter federal testing requirements.

I hope we can resolve this issue promptly because it is so important for drinking water safety.

PETE'S TOWN MEETINGS

**Saturday
June 16, 2001**



FREMONT

8:30 - 9:30 am

Fremont Senior Center
Wing A
40086 Paseo Padre Pkwy

HAYWARD

10:00 - 11:00 am

City Council Chambers
777 B Street

*Doors open 10 minutes
before meetings start.*

How to reach **PETE STARK**

WASHINGTON OFFICE
239 Cannon House Office Bldg.
Washington, D.C. 20515
(202) 225-5065

DISTRICT OFFICE
39300 Civic Center Dr., #220
Fremont, CA 94538

Union City South (510) 494-1388
Hayward North (510) 247-1388
Internet mail address:
petemaildirect@stark.house.gov
Web site address:
<http://www.house.gov/stark/>

TIME VALUE