

Members' Day

HEARING
BEFORE THE
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
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MEMBERS' DAY HEARING

Tuesday, June 4, 2019

House of Representatives,

Committee on Ways and Means,

Washington, D.C.



HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

FOR IMMEDIATE RELEASE
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CONTACT: (202) 225-3625

Chairman Neal Announces a Members' Day Hearing

House Ways and Means Chairman Richard E. Neal announced today that the Committee will hold a Members' Day Hearing to focus on legislation within the jurisdiction of the Committee beginning at 10 AM on Tuesday, June 4, 2019 in room 1100 Longworth House Office Building.

In view of the limited time available to hear Members' testimony, a five-minute oral statement will be heard from scheduled Members only.

The Committee seeks to make its facilities accessible to persons with disabilities. If you require special accommodations, please call (202) 225-3625 in advance of the event (four business days' notice is requested). Questions regarding special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories are available [[here](#)].

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The Committee met, pursuant to notice, at 10:03 a.m. in Room 1100 Longworth House Office Building, Hon. Richard Neal [Chairman of the Committee] presiding.

*Chairman Neal. Thank you to members of the committee and our colleagues in Congress for joining me today as this meeting comes to order for our Members' Day hearing.

Today's hearing is an opportunity for the committee to hear diverse viewpoints from both sides of the aisle on legislation of importance to constituents from across all regions of the United States. We will hear from more than 50 Members today on a broad range of topics within the committee's jurisdiction.

This overwhelming interest underscores just how important the issues before this committee are. From taxes to Social Security and retirement security, to trade health care and social services, the issues that Ways and Means Committee members address have a significant impact on the lives of all Americans.

As chairman I have been committed to a range of priorities. This committee has already accomplished a lot in Congress, and we will continue to focus on strengthening Americans' retirement security; lowering health care costs, including prescription drug prices; ensuring that the tax code benefits middle-income Americans and small businesses; modernizing America's infrastructure system so they are both safe and efficient; securing trade agreements that protect American workers and the environment.

In the Ways and Means Committee we don't just debate the issues; we have to find real solutions to the challenges that our constituents face. I think there is room to do a lot of good work here, and I look forward to hearing our colleagues' ideas today on how we can improve American lives and strengthen the nation's future.

*Chairman Neal. And with that let me recognize the ranking member, Mr. Brady, for an opening statement.

*Mr. Brady. Thank you, Chairman Neal. There are many important topics Republicans are eager to discuss today. Sadly, up to this point the House Democrat majority's agenda consisted mostly of a rush to impeach the President. It is not what folks back home sent us here to do, nor is it the way to govern.

But as we saw with the SECURE Act, our bipartisan passage of retirement and savings legislation, when lawmakers, instead of playing politics, work together on the real problems folks are facing, we can achieve a great deal of progress. Today should be a discussion of how to continue advancing important legislation to help workers in Main Street businesses thrive.

Just as we passed legislation to help folks save for retirement, we must also take needed action this year to make Social Security fair for our teachers, police officers, and firefighters. Workers pay into Social Security, and they have the right -- they have the expectation they will receive the benefits they have earned when they retire. But as we have known for some time, WEP has treated many of our public servants unfairly.

Chairman Neal and I have worked together for many years, and agree the WEP needs to be fixed on a bipartisan basis. We need to work together to pass a bill out of this committee that the President can sign into law. Fixing WEP will give our teachers, police officers, and firefighters greater certainty when planning for retirement.

Last year this House voted on a bipartisan basis to make permanent the middle-class and small-business tax cuts from the Tax Cuts and Jobs Act. There is no excuse for why we can't do that again now. It is incredibly important we do so for that single mom with two kids who today doesn't pay a dime in federal income taxes on her first \$53,000 of income; it is important for the millions more families today who enjoy a child tax credit

twice its previous size. It is equally as crucial we lock in the 20 percent historic small business tax cut for all our mainstream businesses.

In addition to permanence we almost -- must also work passing the technical corrections we have identified to ensure this new tax code is working as intended. These technical corrections are a routine part of the legislative process. The sooner we get these minor tweaks signed into law, the better.

Since our new tax code was signed into law our economy is the envy of the world. One of the reforms we implemented was to reverse the Obamacare medical expense deduction tax increase. The GOP House voted last year to keep those rates low for seniors. This deserves to become law. And we can even do more to help lower health care costs for patients and seniors by providing relief from some of Obamacare's most egregious health care taxes. Doing so will provide needed timely help to make health coverage more affordable and advance innovation.

Doing all these things will only add to our country's economic strength. For proof of the strength in our economy look no further than our workforce. We have 3.8 percent unemployment, and there are currently 1 million more job openings than there are available workers, creating a jobs gap. This gap is a good problem to have, but a problem nonetheless. If we don't address our workforce shortages now, growth in America will slow. We can't allow that to happen.

This is why Republicans introduced welfare reform legislation to help move folks who are currently stuck on the sidelines back to the front lines of employment. Our bicameral bill, the Jobs for Success Act, will help these parents find and retain good-paying jobs. So, let's have a discussion how we can build on our welfare reform proposals to help our families succeed. Simply reauthorizing TANF funds again and again without reforms, as we did yesterday, that just won't cut it.

Critically, it is important we know we can continue to grow job opportunities through trade. Since it was first signed into law NAFTA has transformed America's economy and our continent into an economic engine for growth. Recently the Trump Administration modernized NAFTA through the USMCA. This drastically-improved agreement will continue to grow jobs and wages here at home. And every day Congress delays in consideration hurts jobs, sales in Made in America products, and our economy.

The time to act is now. We call on our House Democrat friends to work with us to get this done for our country.

One last focus of hope I hope we will address today is on increasing American innovation. Our innovators and entrepreneurs make our country more competitive on a global scale. The bipartisan American Innovation Act approved by the House last year is a step forward to achieving that. I am looking forward to a productive discussion with Members of the U.S. House to hear their ideas on how we can continue to boost our economy for years to come.

*Mr. Brady. Mr. Chairman, thank you.

*Chairman Neal. Thank you, Mr. Brady. And without objection, committee members' opening statements will be included in the record.

Now, before we hear from our colleagues across Congress, we have a number of committee members who have requested to testify today on proposed legislation within the committee's jurisdiction. Those committee members will be permitted to speak from the dais and, as previously noticed, will be given five minutes in which to testify.

Now, let me advise members that only those who have already requested time for today's meeting will be recognized. This is to ensure that we adhere to a schedule that we have yet to offer to more than 45 Members of Congress who would like to offer their plans today (sic).

Without objection, the statements of additional committee members will be included in the record.

And let me begin by recognizing Mr. Larson.

*Mr. Larson. Thank you, Mr. Chairman. Mr. Chairman, noting how precious time is, I would like to submit for the record a brochure outlining Social Security 2100; the independent actuary, the office of the chief actuary's report on Social Security; an article on the Boomers and Millennials, and why it is more important for Millennials than Boomers to have Social Security; polling data from two independent sources that have Democrats, Republicans, and Independents all polling in the 70s and 80 percent guidelines, for the record.

*Chairman Neal. Without objection.

[\[The information follows:\]](#)

STATEMENT OF HON. JOHN LARSON, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CONNECTICUT

*Mr. Larson. Mr. Chairman, also in keeping with the thrust -- and understanding how many people are here today -- the thrust of the Social Security 2100 bill and others that I am submitting for the record is primarily to guarantee that Social Security is there for the future -- in fact, that it is sustainably solvent, which this bill does.

The last time Congress did anything significant about Social Security was in 1983. The last time that we enhanced Social Security was more than 50 years ago. We have a President who is predisposed and has stuck his neck out in terms of calling Social Security an earned benefit. I compliment him for that, and Congress needs to join him, along with, as Mr. Brady noted in his comments, the need to address a bill, Mr. Chairman, you and he have been working with WEP and GPO.

This bill that we are talking about creates an opportunity to raise 5 million fellow Americans out of poverty, and creates an opportunity for 12 million Americans to get a tax break on their Social Security, provides a COLA benefit that will allow them to get the expenses that they see every month in their checks. And lastly, and probably most importantly, it is a civil rights movement. Because of the way women -- and women of color, specifically -- are discriminated, and black males, it is important that we recognize this and raise Social Security to a new level of understanding, along of which is understanding and appreciating the fact that this is a plan for economic development.

No region, no district could live without the amount of money that comes to individuals through Social Security. It is important to every single Chamber of Commerce, as it is to every single congressional district.

And with that, Mr. Chairman, I yield back my time.

*Chairman Neal. We thank the gentleman.

And with that let me recognize the gentleman from California, Mr. Nunes.

STATEMENT OF HON. DEVIN NUNES, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CALIFORNIA

*Mr. Nunes. Thank you, Mr. Chairman, for having this hearing and for giving members the ability to weigh in on their priorities for the 116th Congress.

It will come as no surprise that one of my top priorities this year is to pass the United States-Mexico-Canada agreement. The agreement builds on success of the North American Free Trade Agreement, known as NAFTA. I am very pleased that the ag products have zero tariffs, and NAFTA will continue to be tariff-free. USMCA will provide additional access in remaining protected sectors for our farmers and ranchers.

I am also happy that the negotiations were able to strengthen disciplines for science-based sanitary-phytosanitary measures, and increase transparency to ensure that all three countries use similar processes to create a uniform standard for our food supplies.

The agreement's advancements in enforcement are critical to ensure the deal is implemented correctly.

Finally, the updated dispute settlement mechanism will allow U.S. businesses to compete on a level playing field.

I look forward to doing everything I can to make sure USMCA becomes law. Last Congress we passed tax -- a tax reform package that provided much-needed tax relief on many fronts for Americans. For example, business can now fully and immediately expense certain costs of expanding their businesses, such as purchasing new farm equipment. This replaced a complicated depreciation schedule that spanned as much as 30 years in some cases. It is now much easier for businesses to expand and grow, creating today's booming economy.

As the Treasury Department continues its implementation process, I have full faith

they will carry out the law's provisions with the original intent, so that the economy can continue to grow and improve the lives of every American.

As the Republican leader of the Health Committee I want to make clear to our Democratic colleagues that we stand ready to work with you to lower drug prices. I am grateful for Mr. Neal and Mr. Brady's leadership on Part D modernization. But we will draw a line in any efforts that have the Federal Government arbitrarily set drug prices and establish a one-size-fits-all list of covered drugs.

This committee will also shortly consider several expiring Medicare programs. I think there is some common ground to be found. We all want to support rural doctors and the President's proposal to extend a successful low-income Part D drug program. I have concerns about other measures due for consideration, the -- raises health insurance premiums and drains the Medicare trust fund to do the work of insurance companies.

NQF needs to be better targeted to reduce and eliminate burdens, where appropriate, while also identifying gaps such as rural measures, maternal mortality measures, and measures to ensure victims of sexual assault have access to kits and forensic nurse examiners.

Finally, we must ensure beneficiary assistance programs aren't duplicative. I hope we can work together on a bipartisan basis to advance limited fully offset reformed Medicare extenders, and I hope we can cooperate to extend relief from damaging current health taxes like those on innovative medical devices.

With that, Mr. Chairman, I look forward to working with you and the rest of the committee, and I yield back.

*Chairman Neal. We thank the gentleman.

Let me recognize the gentleman from New Jersey, Mr. Pascrell.

STATEMENT OF HON. BILL PASCRELL, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW JERSEY

*Mr. Pascrell. Thank you, Mr. Chairman. With the average property taxes alone exceeding \$10,000 in 20 of the 21 Garden State counties, my state got hammered by the 2017 law. There is no other way to put it. Because of the SALT cap the IRS is literally taxing New Jerseyans on their taxes.

The proof is the pudding. It is in the pudding. Before the 2017 tax law the average SALT deduction was \$18,000 across New Jersey. In my own district county averages went up to 24,000. Some other New Jersey districts were even in the \$30,000 range. Can you do the math?

Critics like to throw out the chestnut that SALT is only for the well-off. That is baloney. That is total baloney. In 2016, 40 percent of New Jersey taxpayers claimed a SALT deduction on their returns. Of that number, 80 percent of them had household income below \$200,000. In a high-cost state like ours, that is the middle class we are talking about.

SALT is not just about homeowners. The state and local tax deduction enables states to make critical investments in a host of areas, including public education, infrastructure, public safety, and economic opportunity. So it is not a stretch that SALT is a big part of why New Jersey's public education system and other services consistently rank towards -- in the top of the country.

So SALT is a critical element in the day-to-day services our communities rely on. Without it, towns are already facing pressure to cut taxes or services. That especially hurts low-income families and people of color. That is why the SALT must be removed.

Mr. Chairman and Ranking Member Brady, I appreciate the opportunity to speak on

the state and local tax deduction.

The law's proponents repeatedly extolled its benefits. They said it would stimulate growth, raise wages, and create jobs. Nearly all of the 2.5 trillion of it has padded the pockets of the top 1 percent. Who paid for this millionaire's tax?

You know how much the SALT is contained in the revenue that goes to these tax cuts? Over \$600 billion in 10 years. We paid for it, the middle class paid for it. Who paid for that millionaire's tax break? You got to ask yourself that question, those of you who are always talking about austerity.

Americans' ability to deduct their property taxes from the federal income taxes goes back to the founding -- you know, President Lincoln affirmed this principle when he allowed payers of the newly-created federal income tax to deduct their property taxes. Lincoln's act of tax fairness would eventually become the state and local tax deduction. This common-sense break recognizes that America is one nation, and investments in one state benefit the whole. Or don't we believe that anymore?

The SALT deduction represents a tacit agreement that the Federal Government should encourage state self-sufficiency. It endured successfully for well over a century. The 10,000 cap the tax law imposed on Americans' ability to write off their local property and state taxes has had a profound impact on my state, where property taxes are already too high.

So, it is simple. Direct relief that will benefit an already-squeezed middle class. My partisan legislation -- bipartisan legislation, H.R. 1142, which I proudly present before you, my cosponsor of that is Chris Smith of New Jersey, a Republican. It is simple. It is direct. Because my state's taxpayers already pay their fair share. Look at the numbers. Look at the data, science, math. Same thing.

My legislation would restore a shred of fairness in our tax system. This committee

should pass it at its first opportunity and not leave it underground, where no one can see the facts. So I ask you, science, and I ask you, math, and you will come to that conclusion.

And I yield back the rest of my time.

[The statement of Mr. Pascrell follows:]

[Testimony of Mr. Pascrell](#)

*Chairman Neal. I thank the gentleman.

With that let me recognize the gentleman from Nebraska, Mr. Smith, to inquire.

STATEMENT OF HON. ADRIAN SMITH, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEBRASKA

*Mr. Smith of Nebraska. Thank you, Chairman Neal and Ranking Member Brady for convening today's hearing. We have a lot of work to do in every issue care covered by this committee, and there is much we can accomplish on a bipartisan basis.

One of my primary purposes in joining this committee was to continue the hard work of opening new markets for our ag producers and manufacturers across the country. We need to finish the work of implementing USMCA, while encouraging the Administration to bring us more trade agreements to consider, such as the one they have begun negotiating with Japan.

In the area of health care we all have ideas for improving ways providers and facilities can meet the needs and wants of patients. By permanently lifting unnecessary barriers to care at critical access hospitals, such as the 96-hour rule -- which, actually, CMS is already -- with their existing authority they are not enforcing, we can make it easier for rural Americans to access care closer to home, and for the providers who want to work in those communities to serve them.

Likewise, our rural health clinics continue to operate under payment and regulatory parameters set in the 1970s. For example, they must meet strict requirements of what laboratory equipment is on site, despite the vast changes and improvements in that area over the past 40 years.

The Rural Health Clinic Modernization Act, which I recently introduced, will go a long way toward updating RHC rules to reflect modern clinical practice and to incorporate innovations such as tele-health, improving care in rural communities, many of which are too small to even have a critical access hospital.

Non-physician providers like physician assistants are often the only source of care in these small communities, and allowing PAs to bill Medicare directly would remove another barrier.

And last, but certainly not least, as the lead Republican on the Select Revenue Subcommittee I am very aware of how much work we have to do in this area. We traditionally extend certain tax provisions to disaster areas, and I hope we can do so again for areas declared in 2018 and 2019, such as large portions of my home state of Nebraska.

We should have finished addressing the outstanding tax extenders, actually, months ago. Stakeholders interested in the biodiesel and short line rail credits brought us good ideas last year to bring long-term certainty to these provisions. We should reward their good-faith efforts with results, while encouraging others to have bipartisan conversations about the future of provisions they support, both in the short and long term.

The second generation biofuels credit is also important to producers in my district. Cellulosic projects are an important step, next step, as we seek the next step in improving our already world-leading efficiency of our agriculture producers.

In addition to extenders, we must also address technical corrections. I was pleased Chairman Neal indicated in a recent Rules Committee hearing that he would like to address technicals, moving forward. These aren't about the underlying law; they are about ensuring the tax code reflects what Congress intended when tax legislation was signed into law. A number of technical corrections, including those addressing qualified improvement properties and the ability to reclaim prepayments, already have bipartisan support and should be addressed as soon as possible.

Alongside technicals I hope we can clean up problems like ensuring that the tax status of electric cooperatives is not impacted when they receive federal grants for disasters. These issues aren't about us. These are issues about fairness to taxpayers.

Mr. Chairman, I thank you again for this opportunity to raise these issues. I hope that, as we move forward, we can focus on these issues and hopefully avoid consuming committee time with looking into the President's tax returns, as well as impeachment.

Thank you. I yield back.

*Chairman Neal. I thank the gentleman.

Let me recognize the gentlelady from Alabama, Ms. Sewell.

STATEMENT OF HON. TERRI SEWELL, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF ALABAMA

*Ms. Sewell. Thank you, Mr. Chairman. Today I would like to talk about the current state of affairs for rural health care in this country, and some of the solutions I look forward to working with my colleagues here on the committee this Congress.

Last week I had the fortune of visiting one of my rural hospitals in Sumter County, Alabama. Over 90 percent of this hospital's patients are either Medicare, Medicaid, or uninsured: 90 percent. The hospital is not a critical access hospital, so they don't receive an increased Medicare reimbursement.

Our state Medicaid program reimburses these hospitals at about 10 percent of cost in some cases. And Medicare doesn't reimburse higher than 67 percent of costs.

First and foremost, states like Alabama need to expand Medicaid. We know that nearly 90 percent of rural hospital closures have occurred in states that have not expanded Medicaid before the closure. This is why I am proud to be a original cosponsor of both H.R. 909, Congressman Lewis's Medicare Expansion Parity Act, as well as H.R. 584, Congressman Veasey's Incentivize Medicaid Expansion Act.

Both of these bills would extend the full federal match for Medicaid expansion for three years to states that have not expanded Medicaid. And there are 14 states in the United States that have not expanded Medicaid.

It is very important that we put politics aside and help hospitals and citizens in states like Alabama look beyond their state leadership and expand Medicaid. While I know these bills are not under this committee's jurisdiction, I think it is important that we consider how important these bills are in improving the lives and health care delivery in rural America. My hope is that we can work across the aisle for all of us, for the citizens

of United States who live in rural America to have better health care.

Now, this committee does have jurisdiction over Medicare programs, which is the largest payer for many of the rural hospitals. We cannot expect our rural hospitals and non-expansion states to survive if the Medicare program continues reimbursing for hospital services at bare-bone costs.

We also need to be innovative when it comes to what works in small communities by making sure that services being provided are right-sized for the needs of the community. I look forward to working with my colleagues on this committee, specifically Congressman Kind, Congressman Smith, Arrington, and others to modernize the way we reimburse rural hospitals and health care providers.

Lastly, I am so pleased with the full committee's hearing Congressman Neal hosted last week -- or last month -- on maternal mortality rates and the social determinants of health. I have spoken on this committee many times about how many constituents are impacted by transportation to health care services. They miss primary care and OB-GYN appointments, in addition to appointments with specialists. And when they end up in the emergency room with large ambulance bills, we all pay the price.

Last Congress we were successful in passing a Medicare modernization bill that included a bill that I introduced expanding supplemental benefits such as transportation for Medicare Advantage beneficiaries. I am excited about the work that we are beginning to build upon, and the progress that we can make in modernizing medical transportation so that more Americans can get to their medical appointments without having to worry about transportation barriers.

Chairman Neal, thanks again for hosting today's hearing, and I look forward to working with my -- with the members of this committee in addressing some of the most dire needs in rural America: that of health care delivery.

*Chairman Neal. I thank the gentlelady.

Let me ask to recognize the gentleman from Texas, Mr. Marchant.

STATEMENT OF HON. KENNY MARCHANT, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF TEXAS

*Mr. Marchant. Thank you, Mr. Neal. Mr. Chairman, thank you for letting me speak today about a very important piece of legislation that I have introduced with my good friend from Missouri, Mr. Smith, called the Social Security Child Protection Act.

A history of this legislation begins in my district in Southlake, Texas. A constituent of mine called my office very distraught that someone had stolen her mail out of her mailbox. And with it she had discovered was the Social Security card of a newborn. So she became very alarmed, she called my office. A week later a felon with a very extensive history of forgery, credit card abuse, and identity theft was apprehended. And in his possession was the card of this newborn child that lived in my district.

The child's mother was rightfully very concerned that her six-month-old child's identity had been compromised. And I requested on her behalf that the Social Security Administration issue the child a new Social Security number. We thought it was a no-brainer. This request was denied.

I think everybody here can agree that we must do a better job of protecting our most vulnerable citizens. Members of this committee know Social Security numbers have been an increasingly valuable target for identity theft, due to their widespread use through the financial sector.

Mr. Chairman, young children are particularly vulnerable to Social Security theft - number theft, because they do not work, drive, or establish credit which could extend the time a thief can misuse the identity before the theft is even noticed.

Last Congress this bill was ordered favorably reported by the House by voice vote out of this committee, and then was passed unanimously by the House. Unfortunately, the

Senate never took it up. It requires that the Social Security Administration -- it requires the Social Security Administration to issue a new Social Security number for a child under the age of 13 when a child's Social Security card has been stolen, and the child's parent or guardian demonstrates to the commissioner of the Social Security Administration, by penalty of perjury, that it was stolen while being transmitted by Social Security to the child's address. It is very narrow.

I am proud to have the support of AARP and the Association of Mature Citizens, and include these letters in support of my written testimony.

Identity theft is a serious challenge facing Americans. My bill is a common-sense idea to protect children's identities.

Mr. Chairman, I urge you and my colleagues to cosponsor and support this bill, and promptly take up this legislation again this Congress. Thank you for me allowing -- or for allowing me to talk about H.R. 1838, and I yield back.

[The statement of Mr. Marchant follows:]

[Testimony of Mr. Marchant](#)

*Chairman Neal. We thank the gentleman.

Let me recognize the gentleman from Pennsylvania, Mr. Evans.

STATEMENT OF HON. DWIGHT EVANS, A REPRESENTATIVE IN CONGRESS
FROM THE COMMONWEALTH OF PENNSYLVANIA

*Mr. Evans. Thank you, Mr. Chairman and Ranking Member Brady. I would like to thank you for having this opportunity for our members to discuss priorities that will truly level the playing field and create opportunity for the people across this country.

I come from Philadelphia, which is home to some of the best health facilities in the country. Just to name a few: Temple University Hospital; University of Penn Hospital; Children's Hospital of Philadelphia; Einstein Medical Center; and Jefferson University Hospital. This means that we are also home to many talented and ambitious health professionals who go to work every day eager to improve the lives of patients and their families.

It is our job to not only create more opportunities for them, but also for them to excel at it. This is why the Health Professional Opportunity Grant Program is so important. The Health Opportunity Grant Program provides temporary assistance for needy family recipients and other low-income individuals with education and training for well-paying jobs in the health care industry that are in high demand, or that have experienced workforce shortages.

Initial demonstrations of the programs have proven that the Health Professional Opportunity Grant Program can be a effective tool in achieving many of our goals. They increase the likelihood that people will enter the health professionals (sic) which is critical, given the shortage of qualified workers in many communities, including Philadelphia. They also help diversity in the health professionals, which can also lead to reducing disparities in health outcomes.

Health Professional Opportunity Grants can assist low-income parents and other

individuals in getting better jobs and moving up the career ladder, which is key to reducing poverty.

The Health Professional Opportunity Grants are different from other career training programs in a number of ways. The program incorporates a career pathways -- approaches that provides training, not just for a job, but sets participants on a path towards upward mobility and economic security. It also includes extensive support of services, such as case management, career counselors, academic support, childcare, transportation, and stipends that take into account the reality of the obstacles people face in climbing the ladder, and helps them succeed and prepare for the future.

The membership and career coaching components of the program are especially critical in helping individuals overcome their barriers. I have always been an outspoken supporter of mentoring. Not all of us grew up in the same communities, come from the same backgrounds, and are taught the same things through our upbringing. Mentoring is key to bridging the gap we have in and across our communities: strengthening bonds, ensuring that people can grow to reach their full potential, no matter where they come from.

This is why I am working on legislation to build on our Health Professional Opportunity Grants with mentoring to make sure that all are included in this critical component. This legislation will ensure that mentoring is there when program participants need it, from the first day they apply through this training on the job. This is an important tool in the toolbox that can truly help play a key role in leveling the playing field and helping our communities thrive.

It is my hope, Mr. Chairman, that the committee will provide -- move forward to expand the strengthening of this program, and build on its success.

Thank you, and I yield back the balance of my time.

[The statement of Mr. Evans follows:]

[Testimony of Mr. Evans](#)

*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from New York, Mr. Reed.

STATEMENT OF HON. TOM REED, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF NEW YORK

*Mr. Reed. Thank you, Mr. Chairman, and I appreciate the opportunity to have this Member Day hearing today. And I share many of the common issues that have been raised by my colleagues on both sides of the aisle.

But today, Mr. Chairman, I am here to talk about one issue that I do believe is not getting enough attention and recognition within this committee and within this Congress, and it is a topic that is close to my own heart, being the father of a type 1 diabetic, diagnosed at 4, now 18. And I remember vividly holding him down in the emergency room as we had to rush in there to get his diabetes under control, as a four-year-old child, and his having tears in his eyes and screaming in agony saying, "Daddy, Daddy why are you letting the doctors hurt me," when, obviously, we were doing whatever we could to get his diabetes for the first time under control.

So I believe this is an issue, and we need to spend more time on it. And as the co-chair of the Diabetes Caucus, along with Democrat Diana DeGette on the Energy and Commerce Committee, I spend a tremendous amount of my time learning about and understanding this terrible devastating disease, the facts of which are horrifying, Mr. Chairman.

Diabetes is the costliest chronic disease, and we aren't doing enough to address it. In 2017 diabetes's cost was \$359 billion, 327 billion for diagnosed diabetes and an additional \$32 billion for undiagnosed diabetes. Tack on another \$43 billion for pre-diabetics in America. Said another way, that is about an economic burden of \$1,240 for every American alive today. Treating diabetes and its complications accounts for one in four health care dollars, one in three in our Medicare dollars. It impacts 30 million

children and adults, 1 in every 11 Americans, with an additional 84 million Americans living with pre-diabetes. This includes one in four seniors on Medicare.

Thirty years ago it was an extreme rarity to find Type 2 diabetics in a children population, so rare it used to be called adult onset diabetes. And now the ADA estimates over 100,000 children and teenagers under the age of 18 have this diabetic condition. This doesn't even include the additional 200,000 children with Type 1 diabetes.

These numbers aren't getting better; they are getting worse. The CDC estimates that by 2050 one in every three Americans will have diabetes. If we don't act now and start getting ahead on this disease it is going to overwhelm our budgets, our hospitals, and our cemeteries.

The complications from diabetes we all know. They span from your head to your toes, include heart disease, stroke, hypertension, blindness, kidney disease, nervous system disorders, end stage renal disease, amputation, and pregnancy complications.

Caring for people with diabetes takes the coordination of primary care doctors, endocrinologists, podiatrists, eye care specialists, and, of course, the patient and their family. In short, it takes a village.

But we are not doing enough, Mr. Chairman. Too many people are dying because they can't afford their insulin and are forced to ration. They are dying from heart disease. They are having their limbs amputated. They are losing their mobility, dropping out of the workforce, and becoming disabled. This simply is unfair, and we aren't doing enough.

So, now I know most of the Members are using their time to talk about their legislation before this committee. And, as I said, I share many of their concerns. And I certainly have my own. In particular, I have worked across the aisle on this committee with Mr. Blumenauer to expand access to diabetic shoes; Ms. DelBene to expand access to diabetes self-management training; Ms. Sewell to expand access to critical eye tests to

ensure people with diabetic retinopathy are found early and are treated; Mr. Kind to expand treatment options for seniors struggling with obesity; and Mr. Blumenauer again to lower out-of-pocket costs of insulin for those with high deductible plans.

Obviously, I have worked with Ms. DeGette on the Energy and Commerce Committee, my co-chair on the Diabetes Caucus, to extend and increase funding for critical Type 1 diabetes research, and treatments for native populations with Type 2 diabetes.

But I am here today to ask you, Mr. Chairman -- I implore you -- to hold diabetes hearings and markups on our legislation, anyone's legislation, to attack this epidemic head on.

We can't afford to wait any longer. We have already waited too long. We must act now for the millions of Americans we care about, like my son, who fight this disease every day.

And with that I yield back, Mr. Chairman.

*Chairman Neal. I thank the gentleman.

Let me recognize the gentlelady from California, Ms. Chu.

STATEMENT OF HON. JUDY CHU, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF CALIFORNIA

*Ms. Chu. Chairman Neal and Ranking Member Brady, thank you for holding this Member Day hearing today. Today, as we celebrate the beginning of Pride Month and the 50th anniversary of the Stonewall riots, I would like to call your attention to an issue impacting LGBT Americans filing federal taxes. Before the Supreme Court's decision in *U.S. versus Windsor*, a same-sex married couple could not file federal income taxes as a married couple because the Defense of Marriage Act prevented the Federal Government from recognizing their marriage.

After *Windsor* the Internal Revenue Service published guidance that clarified the IRS's recognition of same-sex marriages, and stated that married, same-sex couples could amend previously-filed tax returns to claim refunds or credits due as a result of corrected marital status.

The problem is that the IRS lacks authority to override two time limitations in the tax code. First, the first one restricts married filers to filing jointly within three years of filing separate returns. The second imposes a three-year maximum on credit or refund claims for tax overpayment.

Since certain states, including California, Connecticut, California, Iowa, New Hampshire, Vermont, and Washington D.C. adopted marriage equality before the ruling, some married same-sex couples were forced to file separate federal income taxes for years. Because of these restrictions, these couples cannot amend their returns to claim reimbursement credits for prior tax years.

To solve this problem I plan to reintroduce the Refund Equality Act this year. This bill would provide a legislative fix to enable same-sex married couples to go back and

claim the tax refunds and credits which they have earned and deserved, but were ultimately denied because of the gender of their partner.

For too long our country's laws were used to discriminate against LGBT individuals, so I urge this committee to act swiftly and right this wrong.

In the tax arena I am also championing two other important pieces of bipartisan legislation. This week I am introducing the Performing Artists Tax Parity Act, which would update the qualified performing artist deduction to allow more middle-class performing artists to deduct their work expenses; and H.R. 2976, the Filing Relief for Natural Disasters Act would allow the IRS to provide filing and penalty relief for disaster victims as soon as the state declares a natural disaster.

I would also like to bring the committee's attention to some of my bills in the health care space, such as H.R. 884, which would allow psychologists to practice to the full scope of their practice in the Medicare program.

I would also love to see the committee consider H.R. 3031, which would reauthorize the National Quality Forum for five years, through 2024; and H.R. 1370, the Breast Cancer Patient Equity Act, which would require Medicare to cover custom breast prosthetics for patients who have had mastectomies.

Finally, I would like to thank the chairman and ranking member for marking up H.R. 2113, the STAR Act, which contains my bill, the Sunshine for Samples Act. This bill would require drug and device manufacturers to disclose the value and amount of samples they delivered to physician's office and teaching hospitals.

In the area of worker and family support I am planning to introduce a bill soon to require that state plans for foster care and adoption assistance have procedures to assist undocumented children in the child welfare system achieve legal status through the special immigrant juvenile classification before exiting foster care. Once granted, these youth can

qualify for legal permanent residency.

Youth who age out of foster care already face so many challenges. They shouldn't also have to worry about being deported to another country.

Thank you again to the chair and ranking member for holding this hearing, and I yield back the balance of my time.

[The statement of Ms. Chu follows:]

[Testimony of Ms. Chu](#)

*Chairman Neal. I thank the gentle lady.

Let me recognize the gentleman from Pennsylvania, Mr. Kelly.

STATEMENT OF HON. MIKE KELLY, A REPRESENTATIVE IN CONGRESS FROM
THE COMMONWEALTH OF PENNSYLVANIA

*Mr. Kelly. I thank you, Chairman, and also Ranking Member Brady. Thanks for holding this Members Day hearing today. I think it is incredibly important for the American people to understand just how closely we work together to make America first again, make America great again, and look at things like the USMCA to really increase the opportunities to compete in the global economy.

So, whether you are a Democrat or Republican, there are a lot of great ideas. And as colleagues, we do these things together. We don't do them alone, we do them together.

There is a lot of work to do if we are going to prepare America for the 21st century economy, and a key component is going to be infrastructure upgrades. If we are going to have a healthy, robust, and dynamic economy, our infrastructure system needs investment. We have let it go far, far too long to remain competitive on a world scale.

Now, what happens when you can't get a product from manufacturer to consumer in a timely manner? What happens when U.S. workers can't get to work? I am an automobile dealer, and I know the one thing that I have often seen: an old car that is not maintained and taken care of, I don't care how much duct tape, baling wire, or glue you use, you just can't keep it on the road and compete with traffic. You have to get it off the road or get it fixed.

Now we have the opportunity to do that because we worked together on these things. Now, when it comes to America's roads, rails, runways, and river crossings, all of them in dire need of repair right now. In Pennsylvania we have 300 of our bridges that have become structurally deficient each year. And that is just one example of failing infrastructure. And this is happening throughout the country, and it threatens our

economic future and American companies' ability to compete in the global economy.

America used to have the best infrastructure in the world, and we were the envy of the world because of what we were able to do to get from point A to point B quickly and efficiently and effectively. That is no longer the case. And I partnered with my good friend, Earl Blumenauer, on several plans to address this growing problem.

When it comes to roads, Earl and I have introduced the BUILD Act. That is to increase the federal cap for state and local government for private-activity bonds for qualified highway and freight improvements.

When it comes to our rails we have introduced the BRACE Act to permanently extend the tax credit for short line railroad maintenance.

We also need to improve our nation's ports. For the second Congress in a row Chairman DeFazio and I have introduced the utilization of the Harbor Maintenance Trust Fund Act that will ensure that the funds that are actually raised from the people who use the harbors are used to fix the harbors.

Now, we want to improve our ability to move products from point A to Point B. These bills would surely help. We have also introduced plans to improve our nation's buildings and neighborhoods. Back in 1964 I went into a place in Erie, Pennsylvania called Academy High School. It was a gorgeous, gorgeous setup. I went back to that place just a few years ago, and I couldn't believe what happened to that school, and what happened to those facilities. They have fallen apart.

Earl and I did come together with a piece called The Public Buildings Renewal Act, which again uses private-activity bonds to take care of our public schools, our public buildings, hospitals, and courthouses, universities, and police stations. That is what we need to do.

Mr. Blumenauer and I also introduced the Historic Tax Credit Growth and

Opportunity Act that improves the federal historic tax credit for smaller projects, which we introduced with Member Terri Sewell and Darin LaHood.

Later this week Congressman Brian Higgins and I plan to introduce the Neighborhood Homes Investment Act to provide a tax credit for neighborhood revitalization. This would help distressed neighborhoods across America, including places like Erie, Pennsylvania.

As I often say these aren't Republican ports, Democrat bridges, or Independent buildings or highways. Everyone in the political spectrum, from President Trump to Speaker Pelosi, knows we need to rebuild our crumbling infrastructure. Each of these bills would help bring our nation's infrastructure to the 21st century.

We also have to look out for our workers. Congressman Sanchez and I have introduced again our Working Families Relief Act to increase the cap on the dependent care assistance program to encourage more employers to help their associates meet their family obligations while staying productive at work.

The Cadillac Tax repeal with Representative Joe Courtney, we now have an incredible number of Members, 343 Members, that want to move this legislation forward. So I hope that happens in a quick manner.

We have so much going on today. We have so many opportunities today. We have so much that we can do to show the American people that we are together when it comes to improving America's ability to compete in a global economy. It happens right here in this committee because of the work that Members do with each other. I think today is one of those days where the American people can take a look and say, "That is why we sent them, to work together to get America fixed again, to get America healthy again. And again, to keep us moving forward."

The USMCA, a big part of what we are trying to do. Let's make sure that

everything we do keeps America first and makes America great again.

I thank you, Chairman. I yield back.

*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Illinois, Mr. Schneider.

STATEMENT OF HON. BRAD SCHNEIDER, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF ILLINOIS

*Mr. Schneider. Thank you, Chairman Neal and Ranking Member Brady. I appreciate this opportunity to testify today and share some of my priorities for the committee.

I want to begin by highlighting three health-related bills that I have before the committee.

First, the Opioid Workforce Act aims to alleviate our addiction workforce shortages. According to the Substance Abuse and Mental Health Services Administration, in 2017 more than 20 million Americans needed substance use disorder treatment, but only four million received the needed care. Right now there are only about 4,400 physicians in the U.S. specializing in addiction treatment. Because of the cap on Medicare-funded graduate medical education, the number will remain stagnant while the need dramatically increases. H.R. 2439, the Opioid Workforce Act, provides 1,000 additional residency positions for over 5 years to hospitals that have or are establishing residency programs in addiction medicine and addiction psychiatry.

Second, the Primary Care Patient Protection Act aims to help ensure a baseline annual care benefit for all Americans, as well as nurture the doctor-patient relationship, all while lowering the costs for both patient and our health care system, overall. Since 2009 the average deductible has increased more than 150 percent, and average enrollee spending on deductibles has more than tripled. As a result, many patients are forgoing their annual checkup or prudent doctor visits because of cost. These short-term cost-based decisions leave issues untreated, and result in higher costs and poor outcomes down the line. To help promote annual well care, my bill H.R. 2774, the Primary Care Patient Protection Act,

would require high-deductible health plans to cover 2 deductible-free primary-care visits per plan year.

The third bill I would like to highlight, and a bill I am co-leading with another member of our committee, Representative Walorski of Indiana -- today seniors are increasingly delaying retirement and deferring Social Security benefits. These individuals must still make an active Medicare enrollment choice when they turn 65, which has become overly complicated. Delaying part B enrollment can lead to a lifetime of higher Part B premiums, gaps in coverage, and barriers to accessing needed care. Today almost 760,000 Americans are paying these penalties. Our bill, H.R. 2477, the Beneficiary Enrollment Notification and Eligibility Simplification, or BENES Act, makes common-sense updates to our Medicare enrollment policies to help prevent lifetime late enrollment penalties, and would eliminate needless gaps in health care coverage.

Turning to the issue of tax I want to strongly urge the committee to address and lift the punishing cap of state and local tax deduction, SALT, that was included in the Republican tax reform bill. Forcing Americans to pay federal tax on money they have already paid to state and local governments is, in effect, double taxation. And it is wrong.

This is an issue that affects a broad range of Americans in my district. Around 42 percent of filers use the SALT deduction, and I have heard from many constituents stuck this year with a higher tax bill. I am pleased there is growing bipartisan support for this effort to lift the severe \$10,000 cap. I ask the committee to join this effort and help bring needed tax relief to the communities we represent.

Rebuilding but, equally important, re-imagining our nation's infrastructure for the 21st century is a national imperative. We must act in this committee and in the House, and we must act immediately. I am pleased to participate earlier this year in the first hearing this committee has held on the topic of infrastructure in nearly a decade.

We must ensure that our investment is both comprehensive and resilient. Infrastructure in my district means more than roads and bridges. Any federal infrastructure package must start with comprehensive approach. This includes expanding network connectivity, bringing our ports into the 21st century, strengthening community institutions like schools and hospitals, great investments in clean energy, and updating water infrastructure such as wastewater and drinking water treatment, as well as supporting public transit.

I also urge the committee to learn from the experiences in my district. We have experienced 200-year floods in the past 6 years alone. As I speak, there are more than 300 rivers across our country that are presently at or above flood level. We have to consider the impacts of climate change and build climate resiliency into our infrastructure.

Finally, I hope our committee can be a force for an improved trade policy and push back on the Trump Administration's misguided and impulsive tariffs and trade spats that are raising prices for consumers across the country. These tariffs are taxes on the American consumer, plain and simple.

Rather than antagonizing our allies, it is time we engage with our trade partners to enact sensible, enforceable trade policies that support American workers, American businesses, American intellectual property, and our environment.

Mr. Chairman, Mr. Ranking Member, I commend you for your service to this committee and institution, and I appreciate the opportunity to testify before you today. Thank you.

[The statement of Mr. Schneider follows:]

[Testimony of Mr. Schneider](#)

*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Missouri, Mr. Smith.

STATEMENT OF HON. JASON SMITH, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MISSOURI

*Mr. Smith of Missouri. Thank you, Mr. Chairman.

Land prices are skyrocketing all over the country. Many people think about this in terms of real estate prices in metropolitan areas like New York, San Francisco, and here in Washington, D.C. But what people forget is this means land values are going up for Americans everywhere.

Over the past decade the appreciation of land values has changed the dynamics of farms across this country, including in my state of Missouri, which has the second most farms out of any state in the country. The USDA reports that from 2008 to 2018 the value of the farm real estate has appreciated 1,370 per acre, almost a 50 percent jump over 10 years.

As land values continue to increase, our tax code is not keeping up with the times. The heartland of our country is at a serious disadvantage as increased land values cause more farms and ranches to be subjected to the death tax. We are not talking about trust funds or people with more wealth than they know what to do with. We are talking about real people with farms who are trying to make an honest living. Instead, with the cost per acre increasing, smaller farms are now going to be hit by this terrible policy.

This is why I have introduced H.R. 218, the Death Tax Repeal Act. This bipartisan piece of legislation would repeal the death tax, giving assurances to families and protecting all family-owned businesses. This would allow farmers, ranchers, and small business owners to expand their operations, invest in their employees, and upgrade their infrastructure and technologies, instead of worrying about their loved ones being hit with a hefty death tax.

I am concerned about the rumors I have heard about the majority considering prematurely lowering the estate tax exemption levels to where they were before the Tax Cuts and Jobs Act. This will hurt farmers and family businesses in my district and all over the country. According to the USDA the average cotton farm is 1,312 acres. When the cost of an acre of land in the Bootheel is roughly \$10,000 per acre for crop land, that would have a price tag of over \$13 million.

The average cotton farm would be then subject to the death tax. Even under the new exemption level of 11.4 million, imagine how many family farms would be captured if we reverted back to the 5.5 million exemption threshold before tax reform.

Death should not be a taxable event, and this legislation will ensure that all family-owned farms, ranches, and businesses are not double or triple-taxed when a loved one dies.

The second topic I would like to address is the electric vehicle tax credit, the wasteful tax subsidy largely benefits the elite, costs taxpayers billions of dollars, and leaves a gap in funding for the Highway Trust Fund. My legislation, the Fairness For Every Driver Act, would correct this. Taxpayers have spent nearly \$5 billion to subsidize high-end vehicles with nearly 80 percent of credits claimed by people making a \$100,000 or more, and more than half of that going to those making over \$200,000.

When the median household income of a family of four in my district is \$40,000, it is clear that the tax credit is not benefitting working-class America. I don't think the people of Missouri's 8th District should be on the hook for California's expensive electric vehicles.

Americans overwhelmingly agree that they shouldn't be footing the bill for other people's vehicle purchases, especially when those vehicles are to some of the wealthiest. A recent survey by the American Energy Alliance found that there is almost no willingness amongst taxpayers to pay for other people to purchase electric vehicles. In fact, when

people were asked how much they would be willing to pay to support electric vehicles for other people, the most popular answer in every state polled, with nearly two-thirds of respondents agreeing, was nothing.

Frankly, the electric vehicle tax credit benefits the few at the expense of the many. And an expansion of this credit would make taxpayers responsible for billions more in aid to the wealthy.

It is time for the American people to stop financing any established industry. The Manhattan Institute estimates that ending the subsidy will have roughly \$20 billion in the next decade. The Fairness For Every Driver Act will save billions in taxpayer funds by ending the electric vehicle tax credit.

Lastly, I would like to congratulate President Trump on taking the critical next step towards getting USMCA signed into law. As I have said to this committee before, President Trump has met every requirement Democrats placed on him. I urge my Democrat colleagues to stop playing politics and let USMCA move forward for a vote.

I yield back.

[The statement of Mr. Smith of Missouri follows:]

[Testimony of Mr. Smith](#)

*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from South Carolina, Mr. Rice.

STATEMENT OF HON. TOM RICE, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF SOUTH CAROLINA

*Mr. Rice. Thank you, Mr. Chairman, and thank you for the opportunity to talk about our priorities here today.

The first thing I want to talk about is disaster recovery. Hurricane Florence hit my district in South Carolina on September the 14th. And here we sit, about seven or eight months later, and we only yesterday passed the final disaster relief package. It was caught up in politics with Puerto Rico, and caught up in politics with border walls, and both parties are to blame, and we should be ashamed that it has taken this long to prepare the final disaster relief package to provide relief, because it hit three of the poorest counties in South Carolina that are in my district. These are people who can't afford this, and we have sat on our hands and argued back and forth politics for eight months while these people are waiting for relief.

So the first bill that I have is a Disaster Relief Certainty Act. That doesn't talk about the amount of the disaster recovery, and that needs to be more objective and -- rather than subjective, the way it is now, where the recovery of your district depends upon the seniority of your representative. That is absolutely unfair and wrong. But let me go ahead into what my bill actually does.

You see, we routinely grant tax benefits, or occasionally grant tax benefits, to people who are affected by natural disasters, things like the ability to remove money from your IRA to help pay for recovery from the disaster without penalty. Number two, the ability to extend your tax return, and others. My bill would grant certainty. If your area is declared a disaster area, then you get these related tax benefits. It is a common-sense proposal that takes the ridiculous politics out of a portion of disaster recovery.

The second thing I want to talk about is something I have called a New Gig Act. You see, what it does is it helps to clarify when a person is an employee, versus an independent contractor. Because so many young people today are not working in traditional full-time jobs. They are taking on what they call "gigs," they are taking on extra gigs, things like driving an Uber and so forth. What this does is it allows the employers and the employees to have certainty about how they are going to be treated, from a tax perspective.

Being a tax lawyer back in Myrtle Beach, South Carolina, on several occasions I had employers come in who had been treating their workers as independent contractors for 20 years, and the IRS had recently decided to reclassify them based upon their 28-part test to determine whether or not somebody is an employee versus an independent contractor. That is right. This test is so complicated that it has 28 parts. And so, if the IRS determined that an employer had mischaracterized their workers, they would go back and recharacterize them for 10 years and apply a tax. And it would put the people out of business. They simply couldn't pay the bill. The business would go out of business, the employees would lose their job, and that benefits no one.

So my bill, called the New Gig Act, would clarify the status of people as employers -- employees versus independent contractors, and give certainty in this very uncertain current situation.

The last thing I want to talk about is the USMCA. For 30 years -- 30 years ago the United States was the most competitive economy in the world, by far. But we sat on our hands for 30 years and watched while other countries around the world designed their economic systems to pass us by. Only recently have we begun to correct that. The result of us sitting on our hands is that it put American workers in an uncompetitive state, as compared to workers around the world. That is why you see so many people outsourcing

jobs to China and India and other places.

Our Tax Reform Act was a big step toward making America more competitive. Regulatory reform has also helped. That is why the economy is growing at -- we have our 3-3-3: 3 percent GDP growth; 3 percent wage growth; and 3 percent unemployment. These are remarkable things. And we can keep this going, but we have got to move forward and continue to make our economy competitive.

The next thing is trade, and the USMCA is a critical, critical part of that. Thirty years ago we were so far ahead of the rest of the world we could accept trade agreements that maybe weren't quite -- that were tilted toward another country. We are not there anymore. We have got to readjust our trade agreements. We have got to adopt USMCA. I have yet to meet anybody, including experts called by the majority party on these panels, who doesn't say that the USMCA is in the best interest of the country. If Ms. Pelosi doesn't give us a vote, it is for political purposes only, and it hurts American workers. We have got to get this adopted, and adopted quickly.

I yield back.

*Chairman Neal. I thank the gentleman.

Let me recognize the gentlelady from Indiana, Mrs. Walorski.

STATEMENT OF HON. JACKIE WALORSKI, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF INDIANA

*Mrs. Walorski. Thank you, Mr. Chairman, and thanks for allowing us to come and discuss our priorities before the committee. I want to begin by saying I have the honor and pleasure of serving as the ranking member of the Work and Family Support Subcommittee with my colleague, Chairman Davis. It is my sincere hope that our subcommittee can work on a bipartisan basis to bring a human element back into our safety net programs, to make them about families and human connections, and not just numbers on a spreadsheet.

Just last night we were on the floor extending TANF. We need to continue working toward long-term reforms to hold states accountable and improve access to child care. My Republican colleagues and I have proposed the Jobs for Success Act, which would build on the strong bipartisan welfare reforms of 1996 to prioritize engagement, with a focus on the outcomes of helping parents find and keep a job.

Another emerging issue in my district that we should explore together is the high percentage of grandparents who are now caring for their grandchildren, in large part stemming from the opioid epidemic that has swept our country. I hope we can work together to address this growing trend through the implementation of Family First. Specifically, with respect to kinship caregivers.

In light of this committee's recent hearing on maternal mortality, I think there is certainly more that can be done using our home visiting models to save the lives of mothers and children, allow new parents to build strong connections, and to reduce child abuse and neglect, and promote school readiness.

Beyond the Worker and Family Subcommittee, trade has been another important

priority for the committee. I am proud to represent a district that is home to major manufacturers of RVs, boats, trailers, and more, not to mention hardworking farmers of a diverse array of crops.

When tariffs were imposed on steel and aluminum imports last year, the Department of Commerce set up a process to exclude steel and aluminum products not available domestically from the tariffs. I have been watching this process very closely because it has been broken from the beginning. As I noted in a recent letter to Secretary Ross, the exclusion process has been a master class of government inefficiency. Though the Department has made some changes, the process continues to lack fairness, transparency, and efficiency for all participants.

The committee held a hearing in July last year examining the exclusion process, and I hope the committee can devote time to oversight of this program this year, as well.

Now that the steel and aluminum tariffs have been lifted from Mexico and Canada, it is time for Congress to consider the USMCA, which will modernize the 25-year-old North American Free Trade Agreement. This new agreement will help manufacturers, farmers, consumers, and workers in my district. Delaying consideration means they cannot benefit from the improvements carefully negotiated by President Trump and Ambassador Lighthizer.

Finally, in order to continue to build on the economic growth unleashed by the Tax Cuts and Jobs Act we must continue to strive to foster a system that is fair, creates jobs, and provides certainty for taxpayers. The committee should focus on the following critical initiatives with which to do just that.

H.R. 1869, the Restoring Investment and Improvements Act, which I helped introduce with Mr. Panetta. This bill would restore the 15-year depreciation schedule for qualified improvement property to allow restaurants, retailers, and small businesses to

unlock the full benefits of tax reform.

H.R. 2207, the Protect Medical Innovation Act, which I helped introduced with Mr. Kind. This bill would repeal the job-killing medical device tax from Obamacare

H.R. 1398, Health Insurance Tax Relief Act, which I helped introduce with Mr. Barrow. This bill would delay Obama's health insurance tax that has raised premiums on hardworking Americans.

Legislation I plan on introducing soon to ensure that motorized and non-motorized recreational vehicles are treated equally under the tax code.

A tax extenders package to provide certainty for American businesses, particularly in two key provisions, the short line railroad tax and the biodiesel tax credit, which have a profound impact on Hoosier businesses that definitely require congressional action.

And H.R. 2782, the Employee Flexibility Act, which I helped introduced with Mr. Lipinski.

Traditionally, our nation has used the Fair Labor Standards Act. The FLSA is the standard for defining full-time employment as 40 hours per week. However, that changed when Obamacare changed the full-time threshold to 30 hours per week. Our bipartisan bill would restore employees' ability to pick up and trade shifts by restoring the full-time standard to 40 hours per week.

Thank you again, Mr. Chairman, for this opportunity. I look forward to working together bipartisan, common-sense solutions for our American workers and families face (sic).

[The statement of Mrs. Walorski follows:]

[Testimony of Mrs. Walorski](#)

*Mrs. Walorski. And I yield back.

*Chairman Neal. I thank the gentlelady.

I recognize the gentleman from Illinois, Mr. LaHood, to inquire.

STATEMENT OF HON. DARIN LAHOOD, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF ILLINOIS

*Mr. LaHood. Thank you, Mr. Chairman and Ranking Member Brady, for holding this hearing today. And I appreciate the opportunity to highlight a few of the priorities that I have to work in a bipartisan way.

First, I would like to highlight H.R. 2314, the Nuclear Powers America Act, which will bolster and create parity for the nuclear energy industry. Importantly, this bill has strong bipartisan support. The nuclear industry supports 475,000 jobs across the country, more than any other sector of the power generation industry. They provide nearly 20 percent of the electricity supply, produce more than 60 percent of the emissions-free generation in the country, and run more than 92 percent of the time, regardless of adverse weather conditions.

The existing nuclear fleet also plays a key role in our national security. Illinois is home to six nuclear plants -- my home state -- supporting more than 6,000 jobs, and accounting for over 50 percent of Illinois's electricity generation. Unfortunately, for various reasons, America's nuclear industry is facing unprecedented economic challenges, and we are at risk of losing much of the nation's fleet as a result.

H.R. 2314 provides a tax credit for continued capital investment in existing nuclear plants. The credit equals 30 percent of certain nuclear energy-related expenditures made by the taxpayer for each taxable year through 2023, and phases out over time.

Next I would like to talk about another bipartisan piece of legislation, H.R. 1349, the Small Business Tax Fairness and Compliance Simplification Act, which I have introduced with Congresswoman DelBene of Washington. Our bill will address some of the tax uncertainty and disparity small business owners in the beauty industry encounter,

including the reporting of tip income. It updates and modernizes existing laws to provide equitable treatment and administrative relief to small businesses engaged in the hair care and beauty service industry.

The vast majority of the beauty industry establishments have fewer than 10 employees. These small businesses provide entry-level jobs and employ a diverse workforce of roughly 1.4 million professionals. Most of these businesses are owned and operated by women and minorities. To ensure equitable tax treatment for beauty establishments, H.R. 1349 proposes to extend the FICA tip tax credit to employer-based beauty salons.

To provide increased certainty and mitigate costly and contentious IRS audits, our proposal also includes a safe harbor for salon employees that meet IRS-designed tip reporting requirements.

Finally, to improve compliance and provide relief to many non-employer based salons, our proposal would modernize and clarify the information reporting rules applicable to industry professionals, providing service through different business models. Our legislation would enhance overall tax compliance, and has the support of the professional beauty association and salon owners across the nation.

Next I would like to comment on H.R. 3021, the Non-Emergency Ambulance Transportation Sustainability and Accountability Act, which I have introduced with Congresswoman Sewell of Alabama. Under this bill the offset used in the Bipartisan Budget Act of 2018 for ground ambulance add-on payments is restructured to more appropriately distribute the reimbursement reduction among ambulance suppliers, and provides, based on what portion of the company's business relies on transporting prescheduled, non-emergent end-stage renal disease, or ESRD, patients to and from dialysis centers.

Suppliers and providers that focus primarily on non-emergent -- not emergency ESRD transport represent less than five percent of suppliers and providers nationwide, and have lower operating and staffing costs than ambulance providers and suppliers who are required to staff and provide ambulance units for all types of services. A greater reduction in Medicare payment for non-emergency ESRD providers better reflects the lower cost associated with providing these services.

In central and west central Illinois, in my district, providers like Advanced Medical Transport of Central Illinois and Peoria work to provide 24/7 emergency transport support for my constituents. Having to absorb this level of cuts to their reimbursement threatened to hinder their ability to financially sustain around-the-clock care to rural communities in Illinois's 18th District. This bill is a sensible solution to ensuring that all ambulance suppliers and providers continue to serve the crucial needs of Medicare patients in rural areas.

I thank you, Chairman, I yield back.

*Chairman Neal. I thank the gentleman.
Let me recognize Dr. Wenstrup to inquire.

STATEMENT OF HON. BRAD WENSTRUP, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF OHIO

*Mr. Wenstrup. Well, thank you, Mr. Chairman. And I look forward to hearing from so many of our colleagues today and the ideas that they bring to the table from around the country. I hope that the bipartisan work we do here on the committee continues, and I thank Chairman Neal for his sincere work and interest in a bipartisan approach.

I was disappointed to see the bipartisan SECURE Act stripped of provisions, between passing this committee and coming to the House floor last month, but as we continue to tackle the pressing issues our nation faces, I encourage the bipartisan consensus that is forged in this room to carry to the House floor.

On the issues we cover, this committee has important work to do in overseeing the implementation of the Family First Act, passed with bipartisan support last year to help keep our nation's children out of foster care and at home, when appropriate.

We also have an opportunity to pass much-needed reforms to the Temporary Assistance for Needy Families program. Just last night we passed another short-term extension with no reforms. Our families in need and local jurisdictions that administer this program deserve the dignity of real reforms and longer certainty, and we can do that with the Jobs for Success Act.

I also hope that we have a discussion too on what we call the cliff effect. We sometimes and often -- too often, actually -- see small increases in pay result in a huge decrease in benefits for individuals and their families. We have these safety nets in place to help people succeed, and often the cliff will punish success, such as losing health care coverage merely because you took a raise.

Record unemployment and consistent economic growth over the past 18 months are

a testament to the success for tax relief this committee passed, the first time in over 30 years. As I travel my district, I know that opportunity zones are generating remarkable interest in under-invested and under-developed neighborhoods. And I am proud of the State of Ohio and local entities in my district for the work that they have done to identify and promote these tracks, and connect investors developers and communities.

It should not take another 30 years to give American taxpayers relief and modernization. We should be committed to looking at our tax code every year, and updating sections that are no longer working for a 21st century economy. I am leading on a bill in that vein, the Charitable Equity for Veterans Act, with Representative Ron Kind, which ensures that our veteran service organizations continue to maintain a charity status as they accept donations, regardless of when and where their members served.

On the trade front it is clear we are in for a busy year. The USMCA provides a key opportunity to modernize our North American trade agreements so that American workers and companies can continue to compete in the global economy, and Congress needs to improve it this year -- and improve it this year, excuse me.

With the big trade issues dominating the news, we can't ignore the other trade programs that are working. Representative Sewell and I are leading the bipartisan legislation to re-authorize the U.S.-Caribbean Basin Trade Partnership Act before it expires next year. A strong and supportive economic partnership with our Caribbean neighbors is good for U.S. manufacturers and regional stability.

In closing, I know the committee has a strong interest in health care reforms, and our constituents are demanding it. I will caution that the more we stick the government between doctors and patients, the further we get from actual health care. Inserting government negotiators and bureaucrats moves the patient further from care, not closer to it. Let's be focused on making it easier for patients to access their doctors, not harder.

I look forward to the bipartisan work we can accomplish in the next 18 months.
And with that I yield back.

*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Texas, Mr. Arrington.

STATEMENT OF HON. JODY ARRINGTON, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF TEXAS

*Mr. Arrington. Thank you, Mr. Chairman. It is a pleasure to serve under your leadership, and I know you are committed to bipartisan problem-solving. You are a statesman. And so far it has been a great joy to --

*Chairman Neal. I will extend the gentleman's time if he would like to go on.

[Laughter.]

*Mr. Brady. I would note Mr. Arrington didn't make any of those comments about me. Go ahead.

[Laughter.]

*Mr. Arrington. I haven't made it to my comments about the ranking member, but I will say it is a privilege and a great responsibility to serve on a committee with such broad jurisdiction, and with such meaningful work and important problem-solving to do on behalf of the American people.

I am looking at Mr. Larson, chairman of the Social Security Subcommittee, and I am committed to finding a bipartisan path to making sure that this important safety net is solvent and working in a meaningful way for seniors today, and for my generation, and the generations to follow. And I appreciate what he is doing.

I was thinking about my colleague Mr. LaHood, and his comments about the beauty industry, and I thought to myself, "Self, you know what is beautiful? The American farmer. That is what is beautiful."

The American farmer represents a beautiful picture to this country of work, the value and the dignity -- and dignity of work, of faith. We see the motto, In God We Trust when we are on the House floor, but the farmer has to trust every day for God to bring rain.

It represents stewardship of God's green earth and the natural resources that this country has been abundantly blessed with. He represents service to community, love for neighbor. What a beautiful picture.

The farmer also represents something that is not only beautiful, but essential to our great country and to the future prosperity of this country, and that is food and fiber. And they have had a very tough go in the last few years. Their income has been cut in half, they have had significant increases, close to 40 percent, in bankruptcies. And, as I have said before, the startling statistic that they have the highest suicide rate of any profession in this great nation, five times the national average.

So, Mr. Chairman, I come to this committee by the grace and favor of my colleagues on the Republican side who allowed me to serve with you. But I come here to be a voice for the farmer, and the rancher, and those in rural America, as the President would say, the forgotten man and woman. Without the backbone of rural America there is no food, fuel, and fiber. There is no energy independence, there is no food security. And what a blessing that those rural communities have been.

And I pray that I will have the wisdom and I will have the courage to lead in a way that puts them in a position to prosper, because if rural America prospers we will all prosper. Whether it is rural health care, where 40 percent of the rural hospitals are operating at a loss -- I have more rural hospitals in my district than any in the State of Texas. And if the next generation of farmers and ranchers are going to stay and do what they do to contribute so greatly to our country, we are going to have to give them basic -- or access to basic care.

Trade, USMCA, it is teed up, it will add 170,000 jobs to this economy. The labor and environmental provisions are better. We all want to ensure that the enforcement is there. But this is a huge win for continued growth in the American economy.

Tax, I couldn't be more proud to work under the leadership of then-Chairman Kevin Brady to remove the barriers and the burden to our job creators, allow them to be more competitive with the rest of the world. And we have seen an unbelievable response. An economic renaissance is happening right before our eyes, and I want to keep that going with not just freer markets, but fairer trade deals, and better trade, more access to new customers.

I could go on and on. I have got 10 seconds. But Chairman, it is again a pleasure and honor. I hope I can be a great contribution to an already great team on Ways and Means. God bless.

[The statement of Mr. Arrington follows:]

*Chairman Neal. I thank the gentleman. I want to say that you are right on target about the anxiety that we all should feel about rural hospitals. This is going to be a real challenge, going forward. And I think that there ought to be an opportunity for all of us on this committee to work together on the status of rural hospitals. What is happening across the country with rural hospitals ought to alarm all of us. I thank the gentleman for his comments.

Mr. Estes is recognized.

STATEMENT OF HON. RON ESTES, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF KANSAS

*Mr. Estes. Thank you, Mr. Chairman. I appreciate this opportunity to discuss some of these priorities that are important to me, and I thank my colleagues who have joined us today.

You know, as we just returned from a district work week, I want to begin by sharing about a visit I had in the community last week with Millennium Machining and Tool in Newton, Kansas. Millennium is a manufacturing facility serving industries including aerospace, automotive, agriculture, and military firearms. In 1998 Millennium began with 3 employees and an 1,800-square-foot building. Today it has more than 15 employees in a 5,700 -- or 57,000-square-foot facility. And when I visited on Thursday, management said that, you know, their latest expansion was a direct result of the Tax Cuts and Jobs Act.

In addition to that, they just additionally recently hired five new workers straight out of high school to work in our facility. So it is great to hear how our tax cuts continue to help grow the economy, put more money in Americans' pockets, and get more people back to work.

Employees at Millennium made a point to make sure that we didn't reverse course on this Tax Cuts and Jobs Act, and I hope my colleagues agree, and look to -- and I want to make sure that we don't overlook the great economic growth we are seeing, as a result.

While the Tax Cuts and Jobs Act was a good first step, I do believe there is more we -- need to be done. I am proud to be working on a bipartisan basis with members of this committee on some further adjustments to our tax code, including section 965, which explicitly ensures that the IRS follows congressional intent with regard to structured

payments of deferred income.

I have also urged European countries like France to move away from a digital service tax that would target American technology companies.

In addition, I supported the immediate expensing of research and development, which will help make the United States the R&D capital of the world.

It is also my hope that our committee can come together and pass a targeted extenders package, including 45G, short line railroad tax credit, which is critical to many businesses in my district and throughout Kansas, as well as a biodiesel tax credit.

I am hopeful that these fixes are among some of the priorities that our committee can address moving forward.

Another area that remains a top priority for me and the 4th district of Kansas is free and fair trade, and specifically securing passage of the USMCA, United States-Mexico-Canada Agreement.

Last week I was glad to see U.S. Trade Representative submit a draft statement of administrative action for the USMCA to Congress, moving us one step closer to final approval. As a member of the whip team for the USMCA I believe the trade deal is critical for Kansas and our country.

As Kansas's top two trading partners, trade with Mexico and Canada is worth \$4.9 billion, and supports 110,000 jobs in my state. As a representative of the air capital of the world and the breadbasket of Kansas -- or bread basket of America, the USMCA is critical for manufacturers, farmers, ranchers, and families throughout Kansas and our country.

The USMCA boosts wages in manufacturing, provides new access for American agriculture, including dairy, eggs, and poultry. It sets unprecedented standards in agriculture technology. As a result, the USMC builds on NAFTA and is estimated to boost our economy by \$68 billion, and to create a 176,000 new jobs.

It is time we get USMCA over the finish line and secure this free and fair trade deal that manufacturers, farmers, ranchers, and families all deserve. The longer we wait, the longer the country loses out on jobs and an even stronger economy. And with jurisdiction over trade, I will continue working with our committee to help lead the fight for passage of the USMCA.

One final area that our committee must focus on is retirement security, including protecting and preserving Social Security for future generations. We recently learned that at this moment, if we do nothing, it is estimated that the Social Security trust fund for retirement will be depleted by 2034. This would result in a 21 percent cut in benefits. Clearly, we must act now.

I believe this is an issue that Republicans and Democrats can work together on to strengthen and improve Social Security for hardworking Americans. However, we make sure this solution doesn't include devastating tax increases that would harm our economy and dole out benefits in a haphazard way. Instead of tax increases, we should target benefit increases to those most in need, reward work, and modernize the programs for today's workforce.

As the only former state treasurer serving in the House, I know firsthand the importance of acting now to preserve retirement security for the future. In Kansas I helped reform the Kansas Public Employee Pension System that was facing a financial crisis, and set it on the path to being solvent for the future. This is same kind of leadership we need now to preserve and enhance Social Security.

Clearly, we have many important issues before us, but I look forward to working together with the committee and colleagues in Congress to address these issues and others.

With that I yield back.

[The statement of Mr. Estes follows:]

Testimony of Mr. Estes

*Chairman Neal. I thank the gentleman. Let me thank all of our committee members for sharing their legislative priorities today, and I look forward to continuing to work with all members of the committee on the many important matters that are before us.

Now let me welcome our first panel of esteemed colleagues. And we will hear from them in short order.

[Pause.]

*Chairman Neal. So let me welcome our first panel: Representative Anthony Brindisi of New York; Representative Xochitl Torres Small of New Mexico; Representative Don Payne, Jr. of New Jersey; and Representative Veronica Escobar of Texas.

Each of you and your written statements will become part of the official record. And I ask that you limit your testimony to five minutes, consistent with committee practice, and out of respect for the schedules that you and all of us on the committee have to keep.

Representative Brindisi, would you please begin?

STATEMENT OF HON. ANTHONY BRINDISI, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK

*Mr. Brindisi. Chairman Neal, Ranking Member Brady, thank you for this opportunity to testify at today's Ways and Means Member Day. I know your committee receives many requests, and your consideration is greatly appreciated.

First, I would like to highlight a serious issue for rural hospitals in my district. As you all know, rural hospitals are usually the first or second largest employers in small communities, and often the only provider of health care. Across the country, however, they are currently experiencing a crisis, with more than 90 rural hospital closings since 2010.

One way to help keep the doors open is Medicare volume decrease adjustment payments, or VDA. VDA payments help rural hospitals maintain core staff and services when a hospital experiences a significant decrease in patient volume. Unfortunately, rural hospitals in upstate New York are facing a bureaucratic mess over VDA.

In good faith, four hospitals in my district applied for VDA payments, were determined to meet all requirements to qualify, and were awarded the funds. However, new VDA calculation instructions from CMS required a review of all VDA calculations made since 2013. As a result, 16 small rural hospitals in New York have faced recoupments totaling \$20 million, with a punitive interest rate of over 9 percent. CMS fixed this issue on a go-forward basis in 2017. However, the hospitals already negatively impacted by the flawed VDA calculation have seen no relief.

I have proposed a legislative text here today that would provide CMS with the authority to try and fix this mess. This has bipartisan support from the upstate New York delegation, and would help preserve access to care in rural New York. I hope to receive a

commitment from this committee to work with my office to fix this issue.

I would also like to briefly touch on the rising cost of health care in general. I appreciate the work that Chairman Neal and the committee have done to put forward solutions to stabilize our health care system. I encourage the committee to also work to ease burdensome taxes, including the Health Insurance Tax, or HIT. I have introduced, along with Congressman Marchant, the bipartisan Jobs and Premium Protection Act to permanently repeal the HIT.

As you all know, under current law the HIT is scheduled to return in 2020 with an even higher annual rate. Health insurance carriers will take this tax into consideration when pricing their premiums. I have heard from insurers in New York that premiums would be four to five percent higher with the HIT.

While I understand the budget confines this committee operates in, I ask consideration of legislation to repeal this tax. Short of a full repeal, I would also support delaying the tax to help small businesses immediately.

I will submit my full statement for the record, which includes additional background.

Thank you for your consideration, and I am happy to answer any questions the committee may have.

[The statement of Mr. Brindisi follows:]

[Testimony of Mr. Brindisi](#)

*Chairman Neal. I thank the gentleman.

Ms. Xochitl Torres Small is recognized.

STATEMENT OF HON. XOCHITL TORRES SMALL, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW MEXICO

*Ms. Torres Small. Thank you, Chairman Neal, Ranking Member Brady, and members of the committee. Thank you for the opportunity to speak about the pressing issues facing New Mexico's 2nd congressional district.

As a new Member of Congress I want to applaud the Ways and Means Committee's work to lift up rural and under-served communities.

Our rural communities are important threads in the fabric of our nation. They provide the food we put on our tables, and a place for small businesses to get their start. More importantly, they represent the American values and traditions that are at the heart of who we are.

I love our values and our way of life, but our rural communities are facing increased hardships like never before. In just the first 100 days I have been in office I visited all 19 counties in New Mexico's 2nd congressional district. And in each place I visited residents voiced the same message. They want the same economic opportunities and the same health care access that bustling cities and growing suburbs have.

These are the issues I came to Congress to tackle, and it is also why I am here today speaking before the Committee with broad and far reaching jurisdiction to address these problems.

When meeting with my constituents, access to basic health care leads nearly every conversation. Because in southern New Mexico it is not just about health care affordability, it is also about health care accessibility. I have met with expecting mothers who have to drive for hours, often across state lines, for every single prenatal appointment. I have met with veterans who have to get on a bus in the middle of the night to get to a

doctor's appointment in Albuquerque the next day. I have met with teenagers in crisis who face a long waiting list for a much-needed mental health appointment. And I have visited rural and community hospitals on the verge of closing.

These are daily challenges for the 60 million Americans living in rural communities. I am by no means an expert, but I think that a clear way to increase healthcare access in rural areas is increasing the number of doctors in rural areas.

In March, along with a bipartisan group of colleagues, including Representative Terri Sewell from this committee, I helped introduce the Resident Physician Shortage Reduction Act of 2019, H.R. 1763. This bipartisan legislation would take critical steps towards reducing nationwide physician shortages, with an emphasis in rural areas, by increasing the number of Medicare-supported residency positions by 15,000 positions.

For the past two decades an artificial cap on the number of residents funded by Medicare, which is the primary source of payment for residents, has limited the expansion of training programs and the number of trainees. If passed, H.R. 1763 will significantly increase training programs for rural physicians, and take the first steps towards expanding rural health care access and incentivizing medical students to serve our rural communities.

H.R. 1763 already has 117 cosponsors, including Representatives Pascrell, Davis, Higgins, Chu, Moore, Boyle, Suozzi, and Horsford on this committee. I strongly encourage the committee to support this bill.

Second, it is essential that we help those in rural communities get their health care providers -- get to their health care providers, even if they live several towns or counties away. When lack of transportation prevents people from attending routine or preventative care appointments, it increases health care costs and leads to worse health care outcomes.

Currently, there are several federal programs that help patients and rural communities reach their medical providers with non-emergency medical transportation.

Studies have proven that programs like these not only increase access to health care, but also pay for themselves through health care savings. However, these programs can't meet the immense need. We need to do more to expand federal patient transportation programs to ensure that no American is prevented from seeing their doctor due to issues with transportation.

Last, we have to work on reducing prescription drug costs. It is unconscionable that our friends, parents, and grandparents are forced to choose between paying for drugs they need to stay healthy and the food and bills they need to stay alive.

Members of this committee, even with the hardships rural communities face, we are often the first to be forgotten when legislators and health care experts discuss health care quality, access, and affordability. By working to solve these issues, this committee can be on the forefront of advancing health care, no matter where a person lives.

Thank you again, Chairman Neal, Ranking Member Brady, for holding this hearing, and for your work in delivering a better health care.

[The statement of Ms. Torres Small follows:]

[Testimony of Ms. Torres Small](#)

*Chairman Neal. I thank the gentlelady.

Let me recognized Mr. Payne, whose dad was a classmate of mine.

STATEMENT OF HON. DON PAYNE, JR., A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW JERSEY

*Mr. Payne. Good morning, and I would like to thank Chairman Neal and Ranking Member Brady and members of the committee for allowing me this opportunity to speak with you today. It is a true honor and a privilege.

As some of you know, as just stated by the chairman, my father, the late Congressman Donald Payne, Sr., died of colorectal cancer in 2012. Colorectal cancer is the second leading cause of cancer deaths in the United States, though it is the most preventable disease of its kind.

My father was not screened for it. Sadly, his case is not unique: 1 out of every 4 Americans between the ages of 50 to 75 are not screened for the deadly disease. If you are an African-American male, you are 20 percent more likely to get colorectal cancer, and 45 percent more likely to die from it than our Caucasian counterparts.

Likewise, listening to Mr. Arrington's testimony, you might be interested to know that, likewise, if you live in a rural area, you also have a higher chance of getting the disease. Nearly 40 percent of people living in rural areas are not screened.

Also, the American Cancer Society noted an increase in colorectal cancer in younger people than 50. The reason behind this upward trend is still unknown.

Until recently there were only two screening methods: colonoscopy and stool tests. There have historically been barriers to using these two screening methods, such as the unpleasant preparation needed, the time needed to perform the tests, and general aversion to the process. Fortunately, there is a new test that can detect colorectal cancer with a simple blood draw.

This blood test, which is approved by the FDA, is a game changer. This test has

the potential of significantly increasing the screening, thereby saving lives. The blood test can be done during your lunch hour, since it can be performed anywhere you can do a blood draw. Right now this blood test is being used in my home district of Newark, New Jersey; Miami, Florida; Cleveland, Ohio; Detroit -- and Detroit, Michigan. It is also being used on a mobile mammogram vehicles in rural pockets in West Virginia.

The United States spends \$18 billion on colorectal cancer per year. Yet this FDA-approved blood test only costs \$192 per test. Currently, Medicare reimburses for diagnosis tests, but not screening tests. However, exceptions have been granted. Two exceptions were for colonoscopies and stool testing. Congress must ensure that these lifesaving blood tests are covered by Medicare.

For this reason I introduced H.R. 1765, The Donald Payne, Sr. Colorectal Cancer Detection Act. This would provide Medicare coverage for all FDA-approved blood-based tests for colorectal cancer screening. These tests save lives and are cost-effective. My bill enjoys bipartisan support, which includes support from Representative Marchant, who is the Republican lead and cosponsor, as well as support from my colleagues Mr. Pascrell, Ms. Sewell, Ms. Moore, and Mr. Boyle, who are also members of this committee.

And through past Congresses I know I have brought it to the attention -- to the leadership, Chairman Neal and Ranking Member Brady. I respectfully urge the committee to have a legislation hearing on H.R. 1765. If my father had access to this blood test, perhaps he would still be here today. It is a scourge that can be dealt with, the most preventable form of cancer, if detected, but is the second leading killer of people with cancer. And I really urge the committee to please give this the consideration that it is due.

And I respectfully yield back the balance of my time.

[The statement of Mr. Payne follows:]

[Testimony of Mr. Payne](#)

*Chairman Neal. Thank you. And as skilled as your dad was, there was also another dimension to him, and that was a great sense of humor, a great sense of humor.

Let me recognize the gentlelady from Texas, Ms. Escobar.

STATEMENT OF HON. VERONICA ESCOBAR, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF TEXAS

*Ms. Escobar. Thank you so much, Chairman Neal and Ranking Member Brady. I am here today to speak on two issues of great importance to El Pasoans in Texas's 16th congressional district, and those are economic development and trade.

In 2017 opportunity zones were created as part of an effort to encourage investment in low-income communities. The city of El Paso, Texas nominated 99 census tracts for designation. In March 2018 the governor of Texas announced that 16 census tracts were submitted for opportunity zone designations. Ultimately, the Treasury Department chose one such tract for certification. That is located inside the Fort Bliss military installation.

This current designation hinders our city's continued effort to improve the quality of life for all El Pasoans, including those military families stationed at Fort Bliss. In fact, since I was sworn in, I have worked closely with Fort Bliss to deal with this problematic designation. And in March 2019 Fort Bliss officials stated in a letter to El Paso's mayor that, "It makes more sense to exchange this tract for a census tract that aligns with your economic development efforts to provide the greatest benefit to all El Pasoans."

They also stated that they support the city's effort to re-designate the current opportunity zone encompassing Fort Bliss to our downtown area instead. I would like to submit the letter from Fort Bliss to our mayor for the record.

*Chairman Neal. So ordered.

[The information follows:]

*****COMMITTEE INSERT*****

*Ms. Escobar. Thank you, Chairman.

This issue spans two committees: Ways and Means, as well as House Armed Services. And I am very privileged to serve on the Armed Services Committee, and I look forward to working with both committees to remedy this error, one that likely affects cities throughout the country.

Such a fix would boost growth in an area that is ripe for development and in need of investment, which is the goal of opportunity zone designations. I am happy to provide the committee with any additional material required to facilitate this request. I am also crafting language that I have shared with both of your staffs, and look forward to your feedback.

The second issue critical to El Pasoans is trade. The border region is dependent on it, and enjoys the relationships that we have built with Mexico because of it. In fact, about a quarter of our jobs in El Paso are linked to trade, and our region sees about \$90 billion worth of goods flowing through our ports of entry annually.

Lately, however, our region has suffered at the hands of this Administration. While the President has fixated on ineffective immigration policies that do not address the root causes of migration, our region has seen our border effectively partially shut down and, as a result, we have had a decline in trade, and harm has been caused to our economy.

A recent study released by the Federal Reserve Bank of Dallas shows that annualized trade through the El Paso port of entry was \$74.5 billion in March, a 7 percent decline from last year. The study posits that the decline is linked to the recent long delays at the border crossing, due to Customs and Border Protection officers being diverted in order to process migrants. Indeed, U.S. Customs and Border Protection reassigned up to 750 CBP officers away from southern ports to help process asylum seekers. At the El Paso port of entry alone 194 officers were pulled away from the ports. Cargo wait times

exceeded 18 hours at the height of the reassignments.

I respectfully request the committee hold a field hearing in El Paso to see the consequences that bridge wait times have had on the region and the nation. There you can speak to experts on the ground and get a firsthand understanding of trade along the U.S.-Mexico border and the unique issues the Southwest faces.

I understand that immigration policy is out of this committee's jurisdiction, but it is important to remember that these decisions are interconnected and can have repercussions across industries. My office would be delighted to facilitate your visit.

I thank you for the opportunity to speak today and for your consideration of my request.

[The statement of Ms. Escobar follows:]

[Testimony of Ms. Escobar](#)

*Chairman Neal. We thank the gentlelady, and we thank the panelists for their expert testimony. And now we will recognize the next panel to take their seats.

[Pause.]

*Chairman Neal. So let me proceed, based upon the witness that is here, and then urge other witnesses to be alerted to the fact that the time availability is now here.

With that let me recognize one of the more renowned Members of Congress, with long experience in not only legislative life, executive life, and a really stellar career as the president of a university, Ms. Shalala.

STATEMENT OF HON. DONNA SHALALA, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF FLORIDA

*Ms. Shalala. Thank you very much, Chairman Neal, Ranking Member Brady. Thank you for having me today. I would like to touch on a few things that are important to me and my district, and hope the committee will consider issues which I hope the committee will consider this Congress.

Many members, including myself, believe we were sent to Congress not only to protect the gains we have made in access to health insurance in the last 55 years, including the Affordable Care Act, CHIP, Medicaid, and Medicare, but also to expand access to quality, affordable health insurance so we can reach universal coverage.

Some of us disagree on the best path to get there. For some that path is through Medicare for all. The discussion about Medicare for all is important, because it reminds us that Medicare needs updating. Medicare has seen very few substantive changes to beneficiary benefits since Congress passed Medicare Part D in the mid 2000s. Medicare needs to be updated to reflect the times we live in today. And the continued high out-of-pocket medical costs many seniors still face need to be addressed.

Unlike the ACA plans, Medicare still has no cap on out-of-pocket costs for Parts A and B. Medicare still fails to cover many services that are critical to the health and well-being of seniors and the people who love them, including dental benefits and long term care. It is time to seriously consider these benefits in Medicare plans.

While I support universal coverage, I have not yet supported a full overhaul of the health care system, believing it is not practical, and too disruptive. None of us, if we were to start from scratch, would design the health insurance system we have today. But for better or worse, it is the system we must work with. I hope this committee continues to

work on improving the health insurance system that more than 40 million Americans rely on today.

To that end, until such time as Medicare is improved so the coverage is more comprehensive, I believe it is important for this committee to address gaps in the federal Medigap regulation. A quarter of all original Medicare beneficiaries purchase a Medigap plan. Unfortunately, in some situations some people on Medicare can be denied Medigap policies if they have a pre-existing condition, or can be denied coverage for an underlying condition. As you can imagine, very few people over the age of 65 don't have a pre-existing condition. Federal law does provide limited consumer protections for seniors who want or need to purchase Medigap plans.

Currently, there are guaranteed issue protections in Medigap plans one time during the first six months after enrollment in Medicare Part B, or after certain qualifying life events. While this protection is worthy, it is limited and can be confusing for seniors.

Also, in the majority of states, people who switch from a Medicare Advantage plan to a traditional Medicare plan may be denied a Medigap plan due to a pre-existing condition. Let me repeat that: In a majority of states people who switch from a Medicare Advantage plan to traditional Medicare may be denied a Medigap plan due to preexisting conditions. As someone who represents a district with a high percentage of Medicare beneficiaries on Medicare Advantage plans, over 60 percent, I am deeply concerned by this disparate coverage.

I appreciate the work that members of this committee, including Congressman Doggett, have done on Medigap, and I hope to work with the committee on ensuring all people with pre-existing conditions are protected. Medigap policies which do have some federal oversight should not -- should be standardized, and consumer protections strengthened so that seniors do not face a patchwork of state policies that leave them

vulnerable to Medicare bankruptcy or lack of coverage.

Until we are able to make Medicare more robust, including expanding benefits and limiting out-of-pocket spending, I encourage this committee to close pre-existing loopholes in Medigap and standardize and enhance consumer protections for people purchasing Medigap plans.

Finally, I urge the committee to consider passing H.R. 101, the Defending Domestic Production Act, a bill introduced by your colleague and my fellow Floridian, Congressman Vern Buchanan. Florida's fruit and vegetable growers continue to be hurt by illegal seasonal dumping of fruit and vegetables from Mexico. In fact, the tomato industry in my district is being destroyed. We have tried to negotiate with the NAFTA negotiators, and they have not fixed this inequality.

Thank you very much for allowing me to testify before you today. I look forward to working with the committee on a number of issues.

[The statement of Ms. Shalala follows:]

[Testimony of Ms. Shalala](#)

*Chairman Neal. I thank the gentlelady.

Let me recognize the gentleman from Illinois, Mr. Davis.

STATEMENT OF HON. RODNEY DAVIS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF ILLINOIS

*Mr. Davis. Thank you, Mr. Chairman and Mr. Ranking Member for allowing me to testify today. I am going to be talking about several priorities that this committee holds jurisdiction over.

Right now the average student graduates with over \$32,000 in student debt, and the average graduate student carries a debt of about \$65,000. It now represents the second-highest form of consumer debt in America: 44.7 million Americans are responsible for the 1.52 trillion in student debt, collectively.

H.R. 1043, the Employer Participation in Repayment Act, is a real tangible plan that, if passed and implemented, would put our students on the right track to controlling their debt. This legislation, which I have introduced with my colleague from California, Scott Peters, who is also testifying today, would allow businesses to help pay down their employees' student loan debt, which is up to \$5,250 per year, tax free. This is the same model that companies and the Federal Government currently use for tuition reimbursement.

All we are asking for is parity. Right now our bill has 144 cosponsors and holds strong support from a coalition of 75 education and business organizations. Businesses and corporations are already offering this benefit to their employees. But there is clear support and evidence that, if this bill passes, even more companies will jump in.

I want to thank my two friends, Senator Warner and Senator Thune in the Senate, who have introduced this bill as our counterpart.

Last year, at a workforce development event my district, Ivanka Trump expressed her strong support for our bill. In fact, in a May 24th news story, CBS This Morning reported on both the House and Senate versions of this bill, recognizing Ivanka and the

Administration's support.

The story even included a quote from the company New Balance, based in the chairman's home state of Massachusetts. New Balance said the company will introduce a student loan repayment benefit. "All we are waiting for is the federal legislation." Other major companies have also said this. Now it is on us to finally get this thing done.

I appreciate this committee's consideration of this legislation. I look forward to working with each and every one of you to get this bipartisan bill to the floor, and I believe it will pass with strong bipartisan support.

Shifting now to health care, my wife is a survivor of early onset colorectal cancer. And because of this, I strongly advocate for screening access. As such, I urge your consideration of H.R. 1570, the Removing Barriers to Colorectal Cancer Screening Act of 2019. This bill waives Medicare's cost-sharing requirements for the removal of polyps or tissue during colorectal cancer screenings. While the colorectal cancer screening itself has no cost share, the costs associated with the potential removal of tissue can act as a deterrent to individuals who would otherwise be screened.

With 254 co-sponsors, your attention to this legislation is appreciated.

Another piece of legislation I would like to discuss is H.R. 2234, the Jonny Wade Pediatric Cancer Research Act. Jonny was a remarkable young man that I was fortunate enough to meet before brain cancer took him from us far too soon. He was only eight years old. Cancer is the second leading cause of death for children, yet only four percent of cancer research funds go to pediatric cancer research for children. We must do more.

For this reason I introduced legislation which transfers the unused portion of the Presidential Election Campaign Fund, which -- the last major candidate to run for president in this country that used the presidential campaign fund was John McCain in 2008. There is 372.8 million sitting idly by in that account. We ought to be able to use that to fund the

10-year Pediatric Research Initiative Fund. Once there, NIH can use the funds to research pediatric diseases and conditions, including cancer.

Jonny never wanted to be -- wanted another kid to have cancer, and I will always advocate on his behalf and on behalf of the kids who grew up in my hometown that were victims of a cluster of neuroblastoma. We have got to do more. Imagine what that money could have been doing over the last 11 years since John McCain in 2008 used that fund.

Lastly, I want to express my strong support for the USMCA. I certainly hope that this committee can come together in a bipartisan way to urge our leadership to put this bill on the floor. It is crucial to my district, it is crucial to my farmers, it is crucial to the ever-growing economy and jobs in manufacturing in my district.

And with that, I will yield the last five seconds back, Mr. Chairman.

[The statement of Mr. Davis follows:]

[Testimony of Mr. Davis](#)

*Chairman Neal. I thank the gentleman for that courtesy.

Let me recognize the gentleman from California, Mr. Cox.

STATEMENT OF HON. T. J. COX, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF CALIFORNIA

*Mr. Cox. Thank you, Chairman Neal, Ranking Member Brady, and members of the Ways and Means Committee. Thank you for the opportunity to testify before you today.

My home district, California's 21st, faces many unique challenges. No district in America produces more milk, nor more meth, than the 21st. In 2011 a Measure of America study that assessed community well-being according to income, health care access, and education ranked our region as the poorest in the nation. According to the American Lung Association's 2019 State of the Air report, my district has the worst air quality in the nation.

Naturally, this results in a huge number of residents with asthma and chronic obstructive pulmonary disease, COPD. COPD is a third leading cause of death in United States, and is the fourth most costly condition with respect to hospital readmissions.

In addition to managing complex chronic conditions, my district has many rural communities that face unique health care access challenges. Access to care in these communities can, quite literally, be a matter of life or death. We have recently lost three hospitals. Some of my constituents drive over an hour to receive basic care. In the event of an emergency, like a heart attack, an hour drive is a drive straight to the morgue.

In many areas health care is delivered through local community health clinics and federally qualified health centers. I applaud the services these committees -- these clinics provide. But together we can and must do more to meet patients where they are, and deliver the care in a way that meets their unique medical needs. Doing better includes being innovative and bringing the resources, such as tele-health, to rural areas. Tele-health

helps connect patients to the right care at the right place at the right time.

For constituents in my district an hour-plus drive just isn't feasible. They need tele-medicine options for long-distance clinical health services, and ongoing management of chronic conditions. This is why I was proud to introduce the Better Respiration Through Expanded Access to Tele-Health, the BREATHE Act, with my colleagues, Representatives Mike Thompson of California, Mike Kelly of Pennsylvania, and Buddy Carter of Georgia.

This bipartisan bill will establish a pilot program to help Medicare beneficiaries with COPD and asthma receive tele-health services such as disease management, patient education, and self-management assistance from qualified respiratory therapists.

Constituents in my district like John Domingez, a vet Nam Bronze Star recipient with COPD, will greatly benefit from this program. John lives an hour away from the nearest VA. But through the BREATHE Act, he will be able to receive care and treatment for his COPD and related issues when he can't travel. Mr. Domingez is not alone. There are 4.1 million Californians suffering from pulmonary disease who could benefit from this program. Over a three-year pilot period, the program will provide timely access to care for Medicare beneficiaries to remain in the comfort of their own home, while reducing the financial burden to Medicare.

This bill also allows Congress and the Centers for Medicare and Medicaid Services, CMS, to evaluate the value of respiratory therapists and tele-health practitioners in reducing utilization and costs, while improving outcomes for patients with COPD. I urge my colleagues to support this bill and all tele-health bills that expand critical access to care.

I would also like to bring attention to one more unique challenge -- to the committee's attention that impacts the Central Valley: valley fever. Some of you may know or have heard about valley fever. For those who haven't, valley fever is an

infectious fungal disease that lives in the dirt in areas throughout the Southwest United States. Valley fever is contracted by inhaling the spores of an airborne fungus when the dirt is disturbed by wind, farming, or construction. Once inhaled, it can cause an illness that might seem like a cold or the flu. The infection spreads from the lungs throughout the bloodstream, affecting other body systems, and can be fatal without appropriate treatment.

Currently, there is no vaccination nor cure for valley fever. And today, unfortunately, only one in four infections are actually diagnosed. Recent data from the Kern County Health Department shows that nearly 3,000 people were infected last year. I applaud the commitment and dedication the Kern Medical Center and the Valley Fever Institute at Kern Medical has given to fighting this disease, as it is the only place in the world that offers valley fever treatments.

As a member of the Valley Fever Task Force led by Co-Chair Representatives Kevin McCarthy and David Schweikert, I am committed to work on the meaningful solutions that will strengthen research and advanced treatment and vaccine development for valley fever, as well as other endemic fungal diseases.

I look forward to working with all of you on these important issues that I have shared today. And with that I will yield back the balance of my time. Thank you so much.

[The statement of Mr. Cox follows:]

[Testimony of Mr. Cox](#)

*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Michigan, whose dad was a very distinguished member of this committee, Mr. Levin.

STATEMENT OF HON. ANDY LEVIN, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF MICHIGAN

*Mr. Levin. Thank you so much, Chairman Neal and Ranking Member Brady, and all the members of the committee. It is great to be with you. I really appreciate the opportunity to provide testimony on behalf of the people of Michigan's 9th district. I want to focus today on President Trump's United States-Mexico-Canada Agreement, also known as USMCA, but which I refer to as NAFTA 1.5. I am all for -- and I am sure every member of this committee is all for -- making our trade terms work better for American families. But that is not what this deal does, so far. And if we are serious about bringing jobs back to this country, we need to insist on real changes to this agreement.

Pre-NAFTA we did not have a significant trade deficit with Mexico at all. Post-NAFTA we have run a \$100 billion deficit, year in and year out. According to the Economic Policy Institute, by 2013 NAFTA had displaced 852,000 U.S. jobs, mostly good-paying jobs in manufacturing. General Motors, for example, now makes nearly a quarter of the cars it sells in the United States in Mexico. And that number is only poised to grow. Indeed, General Motors has doubled the number of cars it produces in Mexico in the last 10 years.

When companies like GM, with its plant in Warren, Michigan move production to Mexico, there are fewer jobs for American workers. And when jobs do open here, they have to compete with \$1 to \$2-an-hour wages in Mexico. A NAFTA rewrite could fix this through stronger enforceable labor standards that end the exploitation of Mexican workers and, in turn, end the incentive to move production south of the border. Some argue that a new Mexican labor law addresses this. But recent efforts by Mexican workers to exercise their rights were met with intimidation. So clearly, more needs to be done. If we

strengthen this deal we can actually protect jobs in places like Warren.

Unfortunately, labor standards aren't the only part of this agreement that needs fixing. NAFTA 1.5 includes a sweetheart deal for pharmaceutical companies that lets drug makers extend their monopolies and keep drug prices high. President Trump once promised big changes to bring down drug prices. But if we don't change this deal, it will be just another corporate handout.

Then there is NAFTA 1.5's weak environmental terms. We should be strengthening environmental protections, not perpetuating the policies that have poisoned our air and water, and sickened our children. The terms preserving the investor state dispute settlement rights for U.S. oil and gas firms expose Mexican environmental laws to attack, and must be eliminated.

We have the unique privilege of being able to help right the tremendous wrongs that NAFTA inflicted on the American worker. Let's not settle for NAFTA 1.5. Let's work together to demand better for our constituents.

Before I close I would like to highlight a bill that I introduced with my colleague and distinguished member of this committee, Congresswoman Judy Chu: H.R. 1244, the Equal Dignity for Married Taxpayers Act. Four years ago in Obergefell versus Hodges, the Supreme Court decreed marriage equality for all Americans, and it is past time for our laws to reflect that. This bill makes simple, common-sense changes to our tax code, so that it accurately represents all people to whom it applies.

As we enter Pride Month, I respectfully request the committee to take up this bill to ensure all married couples are treated equally when it comes to tax law. The bill has no substantive changes, it just updates the language of the tax system to reflect the Supreme Court decision.

Again, I thank you so much for taking the time to hear my testimony, and I look

forward to working with you. I yield back.

[The statement of Mr. Levin follows:]

[Testimony of Mr. Levin](#)

*Chairman Neal. I thank the gentleman.

And with that let me recognize the gentleman from Minnesota, Mr. Hagedorn.

STATEMENT OF HON. JIM HAGEDORN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MINNESOTA

*Mr. Hagedorn. Mr. Chairman, thank you for the opportunity, Ranking Member, Mr. Kelly, it is nice to see you. I see my friend, Mr. Rice, over there, as well. I just wanted to briefly come in and talk about a couple of concepts that we are working on for legislation that are going to end up in front of your committee.

But first I would like to associate myself with the remarks of Congressman Davis on the USMCA. The trade agreement with the United States, Canada, and Mexico is very, very important for southern Minnesota, and Minnesotans in general. And I can tell you that we have dairy farmers that are counting on this. It is really going to expand the industry, going to help us export.

In the State of Minnesota it is not just agriculture. It is mining, it is manufacturing, it is machinery, it is medical.

And I would say the expeditious passage of that bill, when we have an opportunity, is going to be very, very important. It is going to give us the certainty we need, it is going to expand our markets and, more importantly, I believe it is going to establish momentum moving into some of these other agreements. How do we expect the Administration and our country to move forward with China, Japan, and others if we can't get this one through?

So, as somebody who supports USMCA, I just want you to know that, from my standpoint here in southern Minnesota, I think it is critically important that we move this as expeditiously as possible.

The second thing I would like to address -- or a couple of things -- I guess a little bit related to the tax reform bill that was passed here a year or so ago, and the fact that I believe, anyway -- and I know there may be some disagreement on the other side -- but I

think that legislation has had a lot of good impact out there in the economy. The economy is expanding. I talk to all sorts of folks in many, many different industries that will tell you that there have been benefits, a lot of jobs created. And the fact of the matter is we are having a tough time right now filling a lot of those jobs.

In our district, in Minnesota, I recently went to a company called Alumacraft. They make very nice boats that are exceedingly fun to be on in our 10,000 lakes in our state. And their deal, though, is they need machinists. They need people that do welding. They need people from the vocational, you know, the vocational schools, the trades. And when I spoke with not just the -- you know, the business leaders, but also the folks in the unions and others, and they will tell you that there is a little bit of a glitch in the system right now that some of those monies in those education accounts can't be used for vocational training.

So we have a bill that we have put together, we would like you to consider that at the time to be introduced very soon. I think it should be a bipartisan bill, something that we can at least make sure that everyone who possibly wants to go to vocational school, as opposed to a four-year college -- and four-year college is great, but it is not for everyone -- we would like to see us move forward together on that.

The second would be the concept of this -- and I think we can both agree that the previous tax bill was more focused on businesses and corporations, if you will. It was on that side. And the individuals in America still are waiting, many of them, for something. And one of the things that I think we should explore is the idea that no American should have to pay federal taxes on the money that they need for medical care, health insurance, dentistry, whatever, because every American deserves the opportunity to have a flexible spending account.

Why is it just people who work for the government or in big companies? Why

shouldn't the individual American have a flexible spending account? And I guess I would look at it this way. If you believe health care is a right, or you don't believe health care is a right, either way, what right does the government have to tax you on the money that you need to go procure those services?

So as we put that legislation together, as well, I know that would be costly and we would have to find some tradeoffs. But that is a concept that I hope the committee will consider. And we would be happy to work with any of your members in any way possible to see that through.

[The statement of Mr. Hagedorn follows:]

[Testimony of Mr. Hagedorn](#)

*Mr. Hagedorn. With that -- it is a very short statement. I am going to let you move on to the next group, if that's okay.

*Chairman Neal. I thank the gentleman. And let me assure you that, though, your comments on vocational education are widely shared here, as well.

*Mr. Hagedorn. Thank you.

*Chairman Neal. I appreciate that.

*Mr. Hagedorn. I appreciate that, Mr. Chairman.

*Chairman Neal. I think we will proceed now to the next panel. Please take your seats. Panel number three will get underway.

[Pause.]

*Chairman Neal. Let me recognize the gentleman from Utah, Mr. McAdams.

STATEMENT OF HON. BEN MCADAMS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF UTAH

*Mr. McAdams. Thank you, Chairman Neal and Mr. Kelly, for your leadership on the Ways and Means Committee. I appreciate the opportunity today to share my thoughts and to share the views of many of my constituents on the important issues that are before this committee.

No matter where I am in Utah's 4th congressional district, from Mill Creek to Nephi, one of the top issues I hear about from my constituents is their health care. Utahns raise a number of concerns: their ability to purchase insurance that covers treatment for their child's pre-existing condition; the security of their Medicare; and the rising cost of care and prescription drugs.

So I am pleased to see bipartisan concern and action on the cost of prescription drugs in the House. I have heard heartbreaking stories from my constituents about the lengths to which their families have gone to afford their insulin, to afford their cancer drugs, or other medicines that they need to live. America's medical and life science industries are true global leaders, but we cannot allow everyday Americans to be shut out from the necessary medicine that treats an illness, helps them live a healthy life, or to stay well enough to work and to provide for their family.

As a believer myself in capitalism and our free market society, I believe we can use the power of markets to deliver lower prices to consumers. But bad actors are killing competition, and government has a role to play to ensure our market fairness.

Chairman Neal and Ranking -- acting Ranking Member Kelly, I am proud to support legislation, the Bipartisan Prescription Drug STAR Act, to introduce needed transparency into the prescription drug market, and empower patients and payers to look at

the practices of drug companies and pharmaceutical benefit managers.

I was also proud to cosponsor and vote for other bipartisan drug-pricing legislation that will introduce more competition into the generic drug markets: the CREATES and BLOCKING Acts.

I also believe that Congress must take steps to help prevent -- to help Utah families to avoid the shock of unexpected medical bills. This issue is affecting Utah families, and our legislature recently heard testimony from patients, including one of my constituents who shared her story with state lawmakers about an unexpected \$15,000 bill from an emergency skiing accident. It is unacceptable that Americans who visit an emergency room or have surgery at an in-network hospital are receiving tremendously expensive and unexpected bills for the care they need, and for which they had no opportunity to research the cost -- their cost-effective options.

So I look forward to working with you and your colleagues on the Ways and Means Committee to find a solution that holds patients harmless, ensures robust networks of hospitals and physicians for people buying insurance, and expands access to affordable care.

In addition to these specific costs families are facing, I think we can agree that we must take action to bring down the cost of coverage and the costs of care across the board. The individual marketplaces created by the ACA have extended comprehensive coverage options to millions of Americans and helped low-income families afford coverage. But for the folks just outside the range of federal premium support, skyrocketing premiums have put coverage and care out of reach.

That is why I joined Congresswoman Craig's State Health Care Premium Reduction Act, H.R. 1425, to establish a federal reinsurance program. By reducing risk in the market we can we can provide certainty to insurers and bring down premiums, according to the

CBO, by 10 percent, on average. Many states led by Republican and Democratic governors alike have already successfully launched such programs. And I believe this Congress can follow their leadership in making coverage more affordable for American families.

Given this committee's jurisdiction over Social Security and Medicare issues, I would be remiss if I did not emphasize to you all how vital these programs are to my constituents. We must protect and preserve Social Security and Medicare for today's beneficiaries, as well as for future generations.

I would also like to thank you for your leadership in drafting legislation to strengthen the Medicare Part D program for seniors by limiting their out-of-pocket expenses. Soaring prescription drug prices have put tremendous strain on many seniors, particularly those living with chronic conditions, as well as their caregivers in my state. I support your goal of providing certainty and financial security to some of the most ill and vulnerable people in our community, and I look forward to working with you and members of the Ways and Means Committee as this legislation develops.

Finally, another matter I wish to address before this committee is an unfortunate effect on tax-exempt organizations, such as churches and charities, stemming from the 2017 tax reform legislation. As this committee knows, the legislation imposes a tax on these entities related to certain transportation or parking benefits they pay -- provide to their employees.

I have heard from a number of non-profits and religious organizations in Utah who have been affected by this new tax, and they tell me they are diverting resources away from their main mission to account for this new tax. I am a cosponsor of H.R. 1545, bipartisan legislation which would repeal this tax. And I would urge the committee to take up this issue this year.

Thank you again for your important work to improve the health of our health care in America, and I look forward to continuing our conversation about how to deliver results for our constituents.

[The statement of Mr. McAdams follows:]

[Testimony of Mr. McAdams](#)

*Chairman Neal. I thank the gentleman for his testimony.

Let me recognize the gentleman from Minnesota, Mr. Phillips.

STATEMENT OF HON. DEAN PHILLIPS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MINNESOTA

*Mr. Phillips. Thank you, Chairman Neal, and Mr. Kelly, and members of the committee for the opportunity to share with you a few of the issues that I have been discussing and hearing from constituents and businesses in Minnesota's 3rd congressional district.

Minnesota is the proud home of 19 Fortune 500 companies, including UnitedHealth Group, Target, Best Buy, General Mills, 3M, and the largest agricultural company in the entire world, Cargill. These businesses support the livelihoods of tens of thousands of people in my community, and I share their deep concern with this Administration's growing trade war with China. While China has indeed been unreasonable and discriminatory relative to technology transfer, intellectual property, and trade, these tariffs are harming Minnesotans and people in every corner of the country.

For example, Polaris Industries, America's power sports leader, is headquartered in my district and employs over 3,000 hardworking Minnesotans. They have been heavily impacted by the List 3 China tariffs, and expect to pay almost one-third of their entire operating profit in tariffs this year. That is one-third. Polaris is being punished for manufacturing in America, while its leading competitors do so outside of the United States.

The situation is even worse for smaller companies in my district. Last month I spoke with a small distributor of material handling equipment that generates about \$1.5 million in revenue per year. When we spoke they were paying a 10 percent tariff on items imported from their Chinese partner, roughly 80 percent of their volume. Just two weeks later, the Administration increased that tariff to 25 percent. And their words to me? "This will kill us."

How long can we tolerate using American businesses and employees as pawns in an unending trade war with China? It certainly is slowing job growth, reducing capital investment, and raising prices for consumers here in the United States. While I am glad that President Trump has removed Section 232 tariffs against Canada and Mexico, that is not enough. President Trump and President Xi of China must come to an agreement quickly before more American workers and businesses suffer.

And yet there is another innovation-stifling tax looming for businesses across the country and the over 60 medical device manufacturers in my community: the medical device tax. It is time to pass the Protect Medical Innovation Act, which would repeal this tax. And I thank Representative Kind for reintroducing this legislation that is so vital to innovation in our region and throughout the country.

And I would also like to address the state and local tax deduction. In Minnesota we pride ourselves on high-quality services, including schools, hospital, and social services. We are only able to do this through the relatively higher state and local taxes that we pay, as Minnesotans. That is why the \$10,000 cap placed on state and local taxes in the latest tax law delivered a significant blow to taxpayers across my state.

According to the most recent IRS data, one of every three Minnesota taxpayers claimed a SALT deduction, for an average of \$13,100. So people across my community are feeling the financial consequences of the new caps. They are seeing smaller refunds, and charitable giving is certain to decline. Therefore, I support legislation to eliminate the cap on SALT deductions, and I hope the committee will make this a priority in the 116th Congress.

In closing, I ask that the committee be mindful of states like mine, Minnesota, that take good care of our communities and residents. And I stand ready to partner with you in this mission in any way I can.

Thank you, and I yield back.

[The statement of Mr. Phillips follows:]

[Testimony of Mr. Phillips](#)

*Chairman Neal. We thank the gentleman for his testimony.

Let me recognize the gentlelady from New Jersey, Ms. Sherrill, to inquire.

STATEMENT OF HON. MIKIE SHERRILL, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW JERSEY

*Ms. Sherrill. Thank you, Chairman Neal and Mr. Kelly and members of the committee for the opportunity to testify today. Like my colleague, I will be testifying about SALT. Before I begin, though, I want to recognize and thank my good friend and colleague from New Jersey, Representative Bill Pascrell, who fights every day to advance New Jersey's priorities as a member of this esteemed committee.

In North Jersey the number one issue I hear about from my constituents is the 2017 tax bill's cap on the state and local tax deduction, known as SALT. Since 1913 the SALT deduction has protected many taxpayers from double taxation by allowing them to deduct all state and local taxes from their federal tax liability. That all changed in 2017, when the Tax Cuts and Jobs Act imposed a \$10,000 cap on SALT deductions.

Chairman Neal, imposing a \$10,000 cap on SALT deductions is simply an attack on New Jersey residents, businesses, and homeowners. A recent survey from the New Jersey Society of Certified Public Accountants showed that 60 percent of respondents said that the Tax Cuts and Jobs Act increased the number of clients that they would advise to leave our state. The CEO and executive director of the NJCPA, Ralph Thomas, explained it well: "Our residents did not benefit nearly as much from the tax reform package as many other states. We need to work together on the federal and state levels to improve the tax inequities, so that individuals and companies will stay in New Jersey and thrive." This highlights the failure of the 2017 tax bill.

But don't take my word for it. The non-partisan Congressional Research Service recently released a report concluding that the 2017 Tax Cuts and Jobs Act had a relatively small effect, if any, on the economy.

I spoke this spring to a math teacher in my district about the impact of the SALT deduction cap. He told me that every year the math department helps other teachers prepare their taxes, and this year many of the teachers were seeing their taxes go up.

There is a misconception that the SALT deduction does not help the middle class or working families. Teachers are members of the middle class. They depend on this deduction with the high cost of living in our area, and capping it has made it that much harder to afford living in our state. It is bad for small business owners with pass-throughs. Even worse, the marriage penalty. The SALT cap unfairly imposes a marriage penalty by limiting married couples filing jointly to the same \$10,000 cap as individuals.

This trillion-dollar tax law hurt small New Jersey businesses without helping the economy. It increased the deficit instead of increasing wages. It penalized married couples filing jointly. And in a state like New Jersey that sends more money to Washington in federal tax dollars and gets back less than almost any other state, I understand why my constituents do not feel Washington is working for them.

The non-partisan CRS report underscores the need for comprehensive tax reform that restores the state and local tax deduction for New Jersey residents. I know many of the distinguished members of this committee agree.

Congressman Pascrell, you have been a tireless champion for bringing back SALT. Congressman Thompson, Congressman Larson, on behalf of my constituents, I thank you for your work and support, as well. And I would be remiss if I didn't note Congresswoman Nita Lowey's bill to restore the full deduction, which I also support.

While I am committed to full repeal, I owe it to the people of New Jersey to offer proposals that can garner bipartisan support today. That is why I recently teamed up with Representatives Elise Stefanik, Peter King, and Gil Cisneros to introduce the Bipartisan SALT Relief and Marriage Penalty Act.

My bill, H.R. 2624, would make the SALT deduction equal to the standard deduction taken by taxpayers: \$12,000 for individual filers, \$18,000 for heads of household, and \$24,000 for joint filers.

In 2016 Morris County residents in my district filed 108,000 joint returns. The average SALT deduction for Morris County was more than \$23,500. The marriage penalty for -- eliminating the marriage penalty for joint filers and raising the cap to 24,000 will provide the immediate relief middle-class families who have been penalized by this double taxation deserve.

It would also encourage charitable giving and home ownership, and it has been endorsed by the National Realtors Association and the American Federation of Teachers.

Mr. Chairman, these are the hardworking people across this country being hurt, and we need to hold a vote to offer them relief. I know we can do it on a bipartisan basis because, with your leadership, we have shown we can work across party lines to pass common-sense legislation.

Mr. Chairman, nothing is more important to people's daily lives than the ability to afford to live and work in safe communities, with good schools and strong public and private resources. Congress has made that much harder for tens of thousands of New Jerseyans that I represent. We owe them a solution. We owe them a vote.

And thank you very much, Mr. Chairman.

[The statement of Ms. Sherrill follows:]

[Testimony of Ms. Sherrill](#)

*Chairman Neal. I thank the gentlelady, and the gentlelady should know that Mr. Pascrell, with his usual enthusiasm, spoke earlier this morning. There was no doubt when he finished what he thought.

[Laughter.]

*Chairman Neal. Let me recognize the gentleman from North Carolina, Mr. Budd.

STATEMENT OF HON. TED BUDD, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF NORTH CAROLINA

*Mr. Budd. Thank you, Chairman Neal, and Congressmen Thompson, Wenstrup, Kelly, and Rice. Thank you, as well, for allowing me to be here today to testify on a topic that is important to me. And that is blockchain technology. I want to spend some time this morning highlighting some policy changes and proposals that I, and many others from both sides of the aisle, believe keeping this technology from going offshore to places like Malta or Singapore.

First I want to talk about why virtual currencies should have a de minimis exemption. Because currently, as you all probably know, crypto currencies and blockchain tokens do not qualify. The IRS treats virtual currencies as property under U.S. tax law. And this, of course, means that the sale or exchange of blockchain tokens for fiat currency or other goods or services is a taxable event.

For example, if a token user spends \$.65 worth of bitcoin to buy soda from a vending machine, he is required by law to calculate and pay the tax liability associated with that transaction. This is not a sustainable model, in my opinion.

Luckily, there is legislation in this space already to fix this problem. The Cryptocurrency Tax Fairness Act, introduced last Congress by former representative and now governor of Colorado, Jared Polis, and this committee's own, and my friend, David Schweikert. I was a proud cosponsor of this legislation.

The simplest fix to this problem is for lawmakers to extend the de minimis exemption for personal transactions in foreign currency to cover transactions in blockchain tokens, as well. I am sure this bill will be introduced at some point in this Congress, and I would urge this committee to consider the legislation, and it is vital that we do so.

Secondly, I would like to talk about a piece of my own legislation from last Congress, the Virtual Value Tax Fix of 2018, or H.R. 7361. I hope to have an updated version of this bill with a Democrat lead ready for introduction soon. This is another simple bill that would simply ensure that digital assets are recognized as property eligible for the like-kind exchange, or the tax deferral treatment historically allowed under section 1031.

What we have without this like-kind exchange is, essentially, three things: first, the effective double taxation of blockchain transactions, whose economic reality is a purchase, as well as a sale; second, tax treatment causing much higher and disproportionate recordkeeping burdens on taxpayers; and third, a deterrent impact on all blockchain-based activity resulting from the foregoing impacts.

An effective sales tax of nearly 40 percent penalizes the use of digital units in commerce. The use of digital assets is already treated as a sale of the asset, even though the economic reality of the transaction is a purchase of a simple consumer good. In fact, for knowledgeable consumers and digital asset holders, the use of digital units would be very strongly deterred by this tax change. For instance, a consumer using bitcoin to buy a flat screen TV set faces double taxation: first, a sales tax on the purchase; and second, a capital gain on the bitcoin used for the purchase.

The bottom line is this is a national security issue and of utmost importance that we continue to develop this technology in the United States.

I would respectfully urge the members of this committee to hear and consider the two bills that I have highlighted today. It would be bipartisan, and I know they would help develop the most important technology since the invention of the Internet. There are trade groups like the Coin Center, the Blockchain Association, and the Digital Chamber that would all stand ready to work with you.

Before I close I want to switch topics briefly, and spend a minute highlighting the importance of passing the USMCA, and the positive impact that it will have on my district. The USMCA is an agreement that will be a big win for America's businesses, workers, and the farmers, as well. In particular, I want to highlight our Dale County dairy farmers from my district, which is the largest dairy-producing county in all of my state. And they will benefit from this deal by getting better access to the Canadian marketplace, from having access to fair markets for their products.

Bottom line, the USMCA will give American businesses better access to various trade sectors in North America than previously seen under NAFTA. I urge House leadership to bring this bipartisan agreement to the House floor for a vote as quickly as possible.

I want to thank you each for your time and for your leadership, and I yield back the remainder of my time.

[The statement of Mr. Budd follows:]

[Testimony of Mr. Budd](#)

*Chairman Neal. We thank the gentleman.

Let me recognize the gentlelady from Illinois, Ms. Underwood.

STATEMENT OF HON. LAUREN UNDERWOOD, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF ILLINOIS

*Ms. Underwood. Thank you, Mr. Chairman, for providing this opportunity for all members to share their priorities with the Ways and Means Committee. I am grateful to come before the committee today to advocate for your consideration of legislation that will reduce health insurance costs for nearly 20 million Americans, including 9 million who are currently uninsured, the Health Care Affordability Act, H.R. 1868. I introduced H.R. 1868 with Mr. Gomez, who serves on this committee, and Mr. O'Halleran to address a growing crisis in our health care system.

Health insurance is unaffordable for tens of millions of people. I come at this from a slightly different perspective than others. I am a nurse, and I have a pre-existing condition, so I understand firsthand the urgency of our work to lower health care costs in a way that preserves protections for pre-existing conditions.

While the Affordable Care Act extended coverage to over 20 million Americans, premiums remain unaffordable for many, especially for people with incomes that, while modest, are too high to qualify for tax credits which are essential for helping Americans purchase health insurance on their own.

To illustrate this challenge I would like to share with you the experience of one of my constituents. A woman who works as a nurse in Antioch and her husband spend 35 percent of their income on health insurance premiums and required out-of-pocket costs. She and her husband together earn about \$100,000 per year, and their employers don't offer them insurance. This is all too common. Families like hers are paying full freight for their health insurance, and are also paying their premiums with after-tax dollars foregoing an enormous financial advantage the tax code affords to people with employer-sponsored

health insurance.

The solution to this problem is simple, and builds on the ACA. Congress should eliminate the current tax credit cliff and ensure nearly all consumers have coverage options that cost no more than 8.5 percent of their incomes. The Health Care Affordability Act does just this. The average tax credit amount that individual market consumers would gain would likely be similar to the average subsidy for people at the same income levels with employer coverage.

The Health Care Affordability Act also increases tax credits for people who currently qualify, with the goal of making coverage more affordable, and extending coverage to groups with the highest uninsured rates: households with low and moderate incomes. The bill would cut premiums for the millions of Americans who purchase private health plans through the marketplace.

Ten million people, including consumers who currently receive subsidies, as well as middle-income consumers who don't currently qualify for tax credits, would see this benefit. It does this by increasing the tax credits people get to make premiums more affordable, cutting premium costs by 47 percent for the average family, and eliminating the cliff for qualifying tax credits.

The legislation would also make lower-cost coverage available to at least 9 million uninsured, 7.6 million of whom currently qualify for subsidies, but don't find insurance affordable enough. In total, this bill would help nearly 20 million Americans afford quality health insurance.

Mr. Chairman, I speak to you today as one of over 60 new Democratic Members of the House. I believe that a key reason the American people chose to send me and many of my colleagues to Congress last November was to protect coverage for pre-existing conditions and lower health care and prescription drug costs.

I am proud that the House has made considerable progress on these priorities: passing my legislation to roll back junk insurance plans that aren't required to cover pre-existing conditions or essential health benefits; putting insurers back in the driver's seat. To sell substandard plans that don't cover the care people need has been the Administration's approach. My bill presents an alternative approach, one that preserves comprehensive coverage, while making premiums more affordable for lower-income and middle-income Americans.

Mr. Chairman, lowering health care costs cannot wait. This is a dire issue for millions of American families, and we have a strong solution for it in the Health Care Affordability Act.

Thank you again for having me, and I look forward to working with you, Mr. Gomez, and other members of this committee to lower health care costs for the people.

[The statement of Ms. Underwood follows:]

[Testimony of Ms. Underwood](#)

*Chairman Neal. We thank the gentlelady. And with that we will conclude panel number three, and we will welcome participants to take their seats for panel number four.

[Pause.]

*Chairman Neal. Let me recognize the gentlelady who represents Washington, D.C. so well, Ms. Eleanor Holmes Norton.

Put the microphone on, please.

*Ms. Norton. Now, that is better, isn't it?

*Chairman Neal. It is.

STATEMENT OF HON. ELEANOR HOLMES NORTON, A DELEGATE IN
CONGRESS FROM WASHINGTON, THE DISTRICT OF COLUMBIA

*Ms. Norton. I want to thank you, Mr. Chairman, and Ranking Member Brady, for the opportunity to appear here today.

As the committee begins examining tax extenders, in particular, I strongly urge the committee to consider amending the empowerment zone tax extender to include my bill, H.R. 3678 from the 115th Congress, that would designate certain areas of the District of Columbia as empowerment zones, as they were when we were in the majority. The -- actually, even when we were in the minority.

The bill would effectively re-authorize many of the unique tax incentives for business investment in the District of Columbia that expired in 2011, yet are more timely than ever. They expired, but they could have been renewed then.

Congress has recognized that the benefits of incentives for investment in economically-distressed neighborhoods outweigh the costs. And that is why Congress has continually extended the National Empowerment Zone Program, though it has currently expired, when it often expires and yet this committee moves forward with it and renews it.

When Democrats were in the minority the tax incentives for the District were the only tax incentives for a big city that were not extended in the last extenders package, even though they were initially created by Republicans with the help of several Democrats. The reason may be that the D.C. extenders were created by Congress in a separate piece of legislation, and I stress that I think that is what has hung my district up.

The effectiveness of these bipartisan, modest, targeted tax incentives have been amply and visibly demonstrated in the economic resurgence in many parts of the Nation's Capital, where they were applied. Among them I cited in my testimony the Verizon

Center, now Capital Area One, which was simply a rundown area of the Nation's Capital before. Unfortunately, the tax incentives expired before the poorest neighborhoods were ready to make use of them.

The Federal Government's decision to build a Department of Homeland Security in the district's lowest-income ward, now lays the groundwork for much-needed revitalization of Ward 8. The new headquarters for the U.S. Coast Guard is already open in that area, and the first building -- it was the first building to be built -- the first time the Federal Government ever developed a building east of the Anacostia River, in one of the not-downtown low-income areas. And that is where the Department of Homeland Security is going to be when it is fully up. It is a complex of buildings to house all of the DHS agencies on the west campus of St. Elizabeths Hospital.

The tax incentives, particularly in areas of the District where the Federal Government is expanding, as it did in the so-called NoMa neighborhood near here, near Union Station, have demonstrated that these incentives can revitalize such neighborhoods. Withdrawing the D.C. incentives, particularly after they are proven to be effective in several other areas of the city, has left the Nation's Capital with, essentially, half a revival. And that was tragically timed, as the lower-income areas have now become ripe for re-development.

If the National Empowerment Zone Program is extended, Mr. Chairman, the District, the Nation's Capital, should no longer be singled out as the only empowerment zone not to be renewed, just as the low-income sections of the city have become ripe for development, and simply because the District's empowerment zone was created in separate legislation.

The effectiveness of these incentives for the Nation's Capital has been demonstrated, and their costs have been de minimis, compared to measurable benefits they

have generated in this city, which are plain for the naked eye to see.

I appreciate your consideration of this matter, Mr. Chairman.

[The statement of Ms. Norton follows:]

[Testimony of Ms. Norton](#)

*Chairman Neal. We thank the gentlelady.

Let me recognize the gentlelady from New York, Ms. Velazquez.

STATEMENT OF HON. NYDIA VELAZQUEZ, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW YORK

*Ms. Velazquez. Thank you, Chairman Neal and Ranking Member. Thank you for the opportunity to testify today.

There are a number of critical steps this committee can take to stimulate economic growth and improve the health care system in Puerto Rico. As we are all aware, Puerto Rico continues struggling from the 1-2 punch of a 10-year economic downturn that was exacerbated by the devastation of Hurricane Maria in 2017.

Unfortunately, economic development has been sorely lacking in the disaster recovery. The island retains one of the highest unemployment rates and lowest labor participation rates in the country. Coupled with the fact that many families live below the poverty line, paying for everyday essentials like housing, food, and transportation is a struggle. As such, it is my belief that providing an expanded child tax credit and extending the Earned Income Tax Credit would have a significant positive impact on the economy and the lives of our brothers and sisters in Puerto Rico.

Specifically, the refundable portion of the Child Tax Credit, often called the Additional Child Tax Credit, is only available to Puerto Rican families with three or more children. I urge this committee to address this uneven application of the CTC by amending the Internal Revenue Code to authorize families in Puerto Rico with one child or two children to claim the Additional Child Tax Credit. It is estimated this simple change could benefit an additional 4,000 children in Puerto Rico, with an average credit for all Puerto Rican families of \$770, which will help reduce child poverty on the island.

Similarly, the committee should consider extending the EITC to Puerto Rico. There is broad agreement that Puerto Rico's low labor force participation rate significantly

contributes to the island's economic and fiscal problems. Study has shown that the EITC increases labor force participation and reduces child poverty. While the residents of Puerto Rico are not required to pay for their income taxes on their Puerto Rico source income, like many of their fellow American citizens, they are still subject to all federal payroll taxes.

Clearly, extending the EITC will present challenges. But I feel this is an option that committee should consider to help spur economic growth. We should remember we are talking about an island where 60 percent of children live under the poverty line. That hardship and suffering were made even worse after Maria. These are tangible steps that could help these families and children.

Finally, the committee should take up legislation that will address disparities in the Medicare program in Puerto Rico. Most Medicare recipients in Puerto Rico receive coverage through local Medicare Advantage programs. Unfortunately, payment rates are the lowest in the country, a staggering 40 percent lower than the national average. This has had a significant impact on the medical community and delivery of care on the island. I urge you to explore ways to -- that will bring parity to the Medicare program for Puerto Rico.

Thank you again for the opportunity to testify on ways we can help spur economic growth and improve the health care of the Puerto Rican population. Thank you.

[The statement of Ms. Velazquez follows:]

[Testimony of Ms. Velazquez](#)

*Chairman Neal. I thank the gentlelady.

With that let me recognize the gentleman from Kansas, Mr. Marshall.

STATEMENT OF HON. ROGER MARSHALL, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF KANSAS

*Mr. Marshall. Thank you, Chairman Neal and Dr. Wenstrup, for giving me the opportunity to share today some of the concerns of my folks back home.

This past week I hosted my 38th town hall. And then, after that, I sat down with 60 agricultural leaders from throughout Kansas. What was on their mind was the USMCA agreement and the China tax trade issue. It has been tough times in agriculture, some of the toughest times that I can remember, record numbers of bankruptcies, record numbers of mental health challenges for our farmers, as well.

After that discussion, everywhere I went, our farmers are still hanging in there with the President. They are still supporting him on the China issue, understanding that these problems with China are long term, that we have been shut out of their market for now some 14 years, as far as beef goes. But we desperately need USMCA done in a timely fashion. We export four times more to Mexico and Canada than we do to China. Everywhere I went, that agreement is of the utmost importance, and I hope that we can expedite it and get it here on -- in the Congress this summer.

I also co-chair the congressional Biofuels Caucus, and the two-year extension of the biodiesel tax credit is something I would ask you consider. I believe conservation and innovation are the keys to leaving this world better than we found it. And biofuels are one of the ways we can help address those issues. As you know, it is now in our 19th month, the credit being lapsed, and damage is being done to that industry every day. And we would ask that we seriously consider bringing it back into use.

I would also like to talk about the tax extenders package and how important it is to small businesses to retroactively restore the 15-year depreciation schedule for qualified

improvement on properties. As you know, it is -- currently, qualified improvement properties are made subject to a 39-year depreciation, which probably just is not reasonable, and impacts thousands of small businesses across the country.

For instance, a small little community grocery store in Strong City Kansas recently reopened. It was one of those islands where there was no food for miles away. And as they invested in significant capital equipment, they would really benefit from that 15-year depreciation. So we hoped we would bring that back.

Also, the railroads are vitally important for me to get my grains, and my beef, my pork to market, as well. The short line railroads have a large presence in my communities, and the maintenance credit making it permanent would be a great relief to us, as well.

Prior to my time in office -- if I could just talk a little bit about being a physician, and one of the top concerns I hear from my providers is some of the issues surrounding advance approval for health care plans. This has been an issue when the doctor is performing surgery and finds something else, the patient needs attention, and then suddenly we were left out, needing some type of prior authorization.

So within the Medicare Advantage programs I think we can definitely streamline that process, and we will be soon offering up legislation to address this. Often times this pre-authorization process causes us to go back for a second surgery to do unnecessary procedures -- and inconvenience to patients, as well. So I hope that you would seriously consider our prior authorization bill that we will be bringing in soon.

And just finally I am going to say thanks again for letting me share some of these issues from the State of Kansas, and I yield back the remainder of my time.

[The statement of Mr. Marshall follows:]

[Testimony of Mr. Marshall](#)

*Chairman Neal. I thank the gentleman.

Let me recognize the gentlelady from Michigan, Ms. Slotkin, to inquire.

STATEMENT OF HON. ELISSA SLOTKIN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MICHIGAN

*Ms. Slotkin. Thank you, Chairman Neal and Ranking Member, for the opportunity.

I want to be really clear in my comments. In my district, in the middle of Michigan, Michigan's 8th district, the high cost of prescription drugs is the top issue that people come and talk to me about. They pull me over in the grocery store. They come to town halls. Mothers grab me by the arm and literally beg me to push for prescription drug prices to come down, so that they can afford the insulin for their child. My caseworkers have the stories of these people every single day. People are paying \$10,000 every year for their HUMIRA for their Crohn's Disease, even though they are on Medicare.

Joanna, who lives in my hometown of Holly, Michigan, was hospitalized several days ago because she could not afford the advanced asthma inhaler, which has had a predatory price increase in the past two years. She rations her medications to keep her costs manageable, and still spends hundreds of dollars each month on prescriptions. This is simply wrong. And your committee and our House have the ability to do something about it. No one should have to choose between paying for their prescriptions and putting food on the table.

What has made me very happy is that Democrats and Republicans have same -- said the same positive things about the need to address prescription drug pricing. We have an opportunity this year to pass legislation that will have immediate impact on people's pocketbooks, on their kids, on their health. So I urge you to find that common ground and move ahead with this.

There are two big things I think this committee could do that would have an

immediate impact on all of our constituents.

One, we need to allow Medicare to negotiate for drug prices in bulk. I am on military insurance. The VA is allowed to negotiate for drug prices. Medicare is not. So I can easily go get a prescription. My dad gets the same one, and I pay less for my drugs than my dad does, because he is on Medicare and I am on military insurance. For no other reason than sheer and unadulterated greed, there is no other good reason. So I urge you to push that forward.

Secondly, just transparency. Just in our system we deserve to know the price of drugs before we are buying them. We deserve to be able to shop, comparison shop. It is as American as apple pie to do that competition. And there is no reason why patients should have to be in the dark on their out-of-pocket costs for their life-saving drugs.

Most of the time people have no idea what they could be paying for comparable medications or generics. They just simply don't know. Often times they don't know that across the street at the other pharmacy they could be paying one-fifth of the price for prescription drugs. The most -- the more expensive pharmacy is not going to disclose that. Doctors are often unaware of which pharmacies offer better prices. And it should not be up to the individual patients waiting in line for their lifesaving medications to figure this out. They are entitled to know the upfront costs.

I think that transparency and efficiency are things that both Democrats and Republicans agree on. There is no reason to move -- not to move forward with straightforward but critical changes to our system, and I urge you to embark upon them.

Lastly, let me make one additional strategic point. In addition to lowering the cost of prescription drugs for the good of our constituents, I think we need to be deeply concerned about the perception of the drug industry. I know from my district and from places in my state we have wonderful drug companies, but there is a number of companies

that are ruining the perception for the rest of them. Right now people in my district believe that these agencies are purposely using predatory price increases to line their pockets, that it is not for research and development, it is for more commercials and other things. We have no idea of -- the way to tell the difference.

We all want the best lifesaving drugs to be discovered in the United States, as we always have been the leader in that. But I fear that the perception that the drug industry has bought and sold Washington and does not understand their role in our system is going to hurt everything we are trying to do with saving lives and helping people's pocketbooks.

So thank you for the opportunity, and I really urge you great success in your work.

*Mr. Thompson. [Presiding] Thank you, Ms. Slotkin, and that will conclude our panel. And we will now move to panel number five. We will give them a minute to get seated.

[Pause.]

*Mr. Thompson. We will go ahead and get started. Congresswoman Abby Finkenauer from Iowa is here. We will start with her.

I will let you know, and I will convey this to the Members, as well. Your written statements will be made part of the record. And we ask that you limit your testimony today to five minutes, consistent with committee practice. And out of respect for your schedules, we will not require you to stay to answer any questions.

Thank you for joining us, and you may begin.

STATEMENT OF HON. ABBY FINKENAUER, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF IOWA

*Ms. Finkenaue. Thank you, Congressman. And I would also like to thank Chairman Neal and Ranking Member Brady for the opportunity to testify today.

I was elected to bring the voices of Iowans to D.C., so I truly appreciate the opportunity to do just that today. There are many issues pending before this committee that are very important to my constituents. But today I really want to focus on what should be a bipartisan effort, and should have been done in the last Congress, which is the biodiesel tax credit.

Unfortunately, the biodiesel tax credit lapsed in 2018, to the detriment of the biodiesel industry, consumers, farmers, gas station and truck stop owners, truckers, airlines, and others that rely on this tax credit to expand their businesses and bring down cost.

Being from Iowa, the largest producer of biodiesel, I understand the importance of biodiesel and other biofuels, firsthand. It is imperative that we extend the biodiesel tax credit and work with the Senate Finance Committee to get something done quickly. We must also move forward with an extension of the second generation biofuels tax credit, which supports our most innovative biofuel industries like cellulosic ethanol, and makes existing plants more efficient.

I recently led a letter with nearly 20 of my Democratic colleagues to the chairman and also the Speaker of the House, urging renewal of this credit, as well.

I am proud to have introduced the bipartisan Biodiesel Tax Credit Extension Act of 2019, H.R. 2089. And with support from members of this committee, as well, including Rep. Mike Kelly, Rep. Ron Kind, and Representative Adrian Smith. Support for the legislation continues to grow. We now have over 50 cosponsors from coast to coast who

recognize the economic and environmental benefits of this policy.

To start, we know this credit has been effective in helping the industry develop, despite the well-established fossil fuel industry. The biofuels industry generates over 11 billion in economic activity each year. There is now a biodiesel plant in every single state. Every 100 million gallons supports 3,200 jobs. That is 60,000 jobs across the country.

Not only is biodiesel an efficient use of our renewable natural resources, every gallon of biodiesel that displaces traditional diesel represents at least a 50 percent reduction in lifecycle greenhouse gas emissions. Homeowners in the northeast are now using up to 20 percent biodiesel blends to heat their homes, improving the region's energy security and regional air quality.

It also helps California and other states meet their stringent low-carbon fuel requirements. Furthermore, biodiesel lowers prices at the gas pump. In fact, truckers and consumers saved at least \$.17 per gallon of diesel in 2017.

Unfortunately, on top of all this, Iowa farmers and communities across my district, and districts like mine across the country, have also taken the brunt of an ongoing trade war. When the major markets for soybeans shrink, prices go down. And when you combine that with an expired biodiesel policy and an actual ongoing severe weather that we continue to see throughout the Midwest, it quite literally is the perfect storm hurting our soybean farmers across the country.

In fact, my sister and brother-in-law are corn and soybean farmers. They are currently right now sitting with a bin full of beans that are worth 50K less than they were 6 years ago, when they took over the farm. Farmers right now aren't asking for a hand-out; they want trade, and they -- but until agreement is reached, biodiesel can strengthen demand for their beans.

I recently invited a soybean farmer to testify before the Small Business Committee

from Iowa. He farms -- runs a seed business, and recently started a trucking company. During this downturn in the agriculture economy, biodiesel is helping keep his operation strong. Biodiesel adds \$.63 to every bushel of soybeans, generating an extra \$12,000 a year that he can use to invest in his farm, and also support other local businesses in his rural community.

[The statement of Ms. Finkenauer follows:]

[Testimony of Ms. Finkenauer](#)

*Ms. Finkenauer. It is a shame that the biodiesel tax credit has expired, and agriculture and related industries agree. I would like to submit for the record letters in support of extending the biodiesel tax credit from the American Trucking Association; Agriculture Retailers Association; American Farm Bureau Association; American Soybean Association; Corn Refineries Association; National Biodiesel Board; National Council of Farmers Cooperatives; National Farmers Union; and many others.

Additionally, I would like to also submit a letter of support for second-generation biofuels tax credit from the Advanced Biofuel Business Council; Algae Biomass Organizations; Biotechnology Innovation Organization; Growth Energy and National Biodiesel Board; and Renewable Fuels Association.

I know that I am about out of time, and I would also like to quickly submit a bipartisan letter that 50 of my colleagues and I sent to House leadership, urging them to take action to extend the biodiesel tax credit.

I appreciate the opportunity to testify today, Mr. Chairman, and urge quick action. Thank you.

*Mr. Thompson. I thank the gentlelady, and those documents will be submitted to the record. So ordered.

[The information follows:]

*****COMMITTEE INSERT*****

*Mr. Thompson. Let me recognize the gentlelady from Michigan, Ms. Tlaib, to testify, please.

STATEMENT OF HON. RASHIDA TLAIB, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MICHIGAN

*Ms. Tlaib. Thank you so much, Mr. Chairman.

According to a survey conducted by the Federal Reserve, nearly half of Americans don't have enough cash to cover a \$400 emergency expense. Nearly 30 percent of the people in my district live below the poverty line, including 44 percent of children and 18.5 percent of our seniors. There are parts of my district where the share of families living under the poverty level is 83 percent. That means too many of our families are already struggling. And an unexpected rent increase, medical bill, childcare payment, tuition check, or even a blown tire can upset a family's stability even more. Low and moderate-income people and families need a raise and more money in their pockets to live the comfortable lives everyone in this country deserves.

Unfortunately, to this date they have been offered nothing but hollow promises. While the President's Tax Cuts and Jobs Act was billed as a benefit to the middle class, a new Congressional Research Service report shows that the GOP tax cut's main consequence was a massive giveaway to corporations. The estimated average corporate tax rate fell from 23.4 percent, Mr. Chairman, to 12.1 percent. And those companies used their windfall to enrich their executives. Jobs promised have not been created, and workers' wages have not increased. The tax cut's lasting legacy isn't more income for the middle class. It is a one trillion permanent corporate tax cut.

Democrats must lead with an alternative vision for our economy, Mr. Chairman, and that is why I am proud to be introducing LIFT, which is the Livable Incomes for Families Today, Plus Act, which puts meaningful new income in the pockets of the folks who need it most, not corporations and the rich.

The LIFT Plus Act would provide an annual refundable tax credit for low and middle-income families and individuals, up to 3,000 for single taxpayers and up to 6,000 for families, head of households, and joint filers. Crucially, beneficiaries can choose to receive the credit advance on a monthly basis, or to meet their family basic financial needs, or they can do 250 per month for individuals and 500 per family -- per month for families.

And you don't have to be working or have an income to be eligible. Single filers with income from 0 to 49,999 are eligible, or if you are joint filer making 99,999. The benefits would be immense for both those receiving the credit and in our country. The LIFT Plus Act would lift about 3 million children and 9 million families out of poverty, and put additional money in the pockets of 123 million workers and their families, right home in our districts across this country.

If you want to talk about real economic stimulus, let's talk about ensuring that every American has enough money to meet their basic needs, no strings attached. This legislation is supported by diverse groups, progressive voices from the NAACP, the National Urban League, to the SEIU International, and other groups. And I hope my colleagues will join me by cosponsoring this important legislation and taking meaningful action to fight poverty and income inequality.

And I would add, Mr. Chairman, as many of my families benefitted from trying to be uplifted out of poverty, EITC, Earned Income Tax Credit, is one of the most successful anti-poverty programs we have ever seen in our country. This is a version of that, but it expands the umbrella of how many people can qualify. It includes caregivers, and seniors, and students, people that currently do not qualify. And so I hope this committee, as this bill comes before them, that they seriously consider this to have a balance, because we all know the GOP tax cut hurt our communities and our neighborhoods across this country, and we need to do better.

Thank you so much, Mr. Chairman, for your -- for this opportunity.

[The statement of Ms. Tlaib follows:]

[Testimony of Ms. Tlaib](#)

*Chairman Neal. [Presiding] I thank the gentlelady.

Let me recognize the gentleman from Pennsylvania, Mr. Lamb.

STATEMENT OF HON. CONOR LAMB, A REPRESENTATIVE IN CONGRESS
FROM THE COMMONWEALTH OF PENNSYLVANIA

*Mr. Lamb. Thank you, Mr. Chairman. I am here today on behalf of my bipartisan bill, H.R. 2103, the Tax Fairness for Workers Act. And I would reiterate that that is a bipartisan bill here in the House.

I think all of us are wrestling with this problem in the American economy, that more and more wealth is being concentrated at the top, and people who work every day for a living are kind of losing out, not seeing, effectively, a pay raise in many places. And so I think that both sides have tried to use the tax code to remedy this situation.

But what we have seen since the last tax legislation in 2017 is there are some people who were hit with surprise tax bills, maybe not so much of a surprise to some, but these include union members who used to deduct their union dues, they also used to deduct the amount that they had to pay for tools and clothing for their work, particularly in the building trades.

And it has also really affected truck drivers. There were a lot of independent truck drivers in the past year who were hit with \$3,000 and \$4,000 tax bills, because truck drivers formally deducted their lodging and per diem expenses, and that was usually larger even than the expanded standard deduction. So we have doubled the standard deduction, but a lot of these truckers use to get up to \$15,000 a year deducted, which is, obviously, still larger than the expanded standard deduction. So they were hit with surprise tax bills this year.

And so what our bill would do would restore these deductions to workers. The labor union dues would be above the line, so anyone could take them. We feel very strongly about the history of labor unions in western Pennsylvania and throughout the

industrial Midwest. Traditionally, members of both parties have supported them because of the important role that they play in making sure that people's wages go up over time, and that they get a fair cut of the profits being made by these firms.

So we would like to see that restored, as well as all the unreimbursed employee expenses that were eliminated at the end of 2017. Again, we have members of both parties supporting this, and I hope that the members of the committee will take this up in due course. This is a direct way that we can put more money back into the pockets of working people.

And we have heard leaders on both sides of the aisle say that that is what they want, that they want to reward people who are working hard every day. This is how we do it. There is no surprises involved with it. There is nothing complicated about it. We allow people to deduct these expenses from their taxes, again, as they used to. And that would do a lot of good for the people in my district and many other parts of this country.

Thank you very much, sir.

[The statement of Mr. Lamb follows:]

[Testimony of Mr. Lamb](#)

*Mr. Thompson. [Presiding] Thank you very much for your testimony.

[Pause.]

*Mr. Thompson. Okay, our next panel, we will hear from Representative Sharice Davids of Kansas.

And we will take your oral testimony today. Your written statement could be made part of the record. So we ask that you limit your oral presentation to five minutes. And then, when you conclude, we are going to move to recess. You don't have to stay for any questions. So thank you, and you are welcome to testify.

STATEMENT OF HON. SHARICE DAVIDS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF KANSAS

*Ms. Davids. Thank you, Mr. Chairman. I want to begin by speaking about an issue that is top of mind for so many Kansans: the skyrocketing cost of prescription drugs. I have heard from so many people in my district, whether it was during our town hall prescription drug roundtable, or simply from people calling our office who are struggling to pay for prescription drugs that they need for their loved ones, those who depend on it to survive.

One of the panelists in our roundtable this past week was a mother who worried about the cost of insulin for her daughter. No family in this country should have to choose between putting food on the table and paying for lifesaving medication.

And when we talk about the cost of prescription drugs we hear many justifications from industry players for these high prices. But what I haven't heard is talk of solutions. One of the justifications is that they pay pharmaceutical companies' research and development efforts. They pay for pharmaceutical companies' research and development efforts to create these medications. But the technology and science behind insulin injections, for example, to treat diabetes has been around for decades. Why are these costs still rising?

In all my conversations with constituents and providers about the high cost of prescription drugs, one thing has become clear: the system is complicated and lacks oversight. If we are going to improve the system and help our families to succeed, we must increase transparency. That is why I have cosponsored the Prescription Drug Price Transparency Act, introduced by Representative Doug Collins.

This bipartisan bill, which has been referred to your committee, creates

transparency requirements for pharmacy benefit managers, or PBMs. As members of this committee know, PBMs act as a middle agent in negotiations between pharmaceutical companies and insurance plans. PBMs negotiate drug prices from pharmaceutical manufacturers, and they claim that they pass the negotiated savings onto insurance -- onto the insurance plan, and thus to the patients. But PBMs operate with few transparency requirements, and we don't know exactly how much of these negotiated rebates they give back to plans and patients, how much they keep for themselves.

The Prescription Drug Price Transparency Act would increase transparency requirements and oversight for PBMs, helping to ensure that consumers understand what they are paying for. I urge this committee to consider this legislation as it continues to work on lowering the cost of prescription drugs.

I would also ask that the committee maintain steadfast support for the Small Business Committee -- community. I sit on the Small Business Committee. So, of course, I would love support there. But I would also ask that you maintain your steadfast support for the small business community.

I proudly serve on that committee, and I have the pleasure of meeting with small business owners very regularly, small business owners who simply want predictability from the tax code, like Watco. It is a local short line railroad in my district. Provisions like the extension of the 45G railroad track maintenance tax credit, and programs like the New Market Tax Credit Extension Act help small businesses like Watco plan with certainty, so they can grow. Please keep in mind the perspective of these owners and their employees, so that small businesses can remain the engine of our economy.

This committee also has the opportunity and responsibility to alleviate the crushing burden of student loan debt faced by so many people in this country. The Student Loan Repayment Assistance Act is just one example of legislation that has been referred to your

committee and that will help address this burden. This Act provides tax incentive for employers that participate in a student loan repayment program for their employees. This common-sense reform can address one of the largest looming threats of our financial health in our country.

Lastly, I simply ask that you keep issues of equity and equality at top of mind when discussing any potential tax reform. It is easy to forget, but the decisions that are made here in Washington D.C. have far-reaching effects, and sometimes unintended consequences happen. Communities of color have traditionally been marginalized by the fiscal policy in our country. And as we fight for the middle class, let us make sure that, as we struggle to get relief for all the folks that are impacted, I would ask that you continue to be champions for every single person impacted by our policies.

I appreciate the opportunity to speak before you today, and I yield back.

[The statement of Ms. Davids follows:]

[Testimony of Ms. Davids](#)

*Mr. Thompson. I thank the gentlelady for your testimony. And we will now stand in adjournment -- in recess.

[Recess.]

*Chairman Neal. [Presiding] We call the hearing back to order. And our first witness is Deb Haaland from New Mexico. I recognize the gentlelady.

STATEMENT OF HON. DEB HAALAND, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW MEXICO

*Ms. Haaland. Thank you. Thank you very much, Mr. Chairman, Ranking Member Brady, members of the House Ways and Means Committee. Thank you for this opportunity. And Mr. Estes, thank you. Thank you for this opportunity to address key legislation that will better the lives of working people and their families. As a working single mom, I know firsthand the impact the work of this committee has on everyday people.

Mr. Chairman, since the passing of the Affordable Care Act, over 20 million people gained access to quality affordable healthcare coverage. Even though millions of people have gained access to health care, they remain afraid to use it because of the surprise medical billing dilemma. People should not return home to thousands of dollars of medical debt they unknowingly incurred after a visit to the hospital. Unfortunately, one in seven people face this reality. We need to re-establish trust in our health care system by passing legislation to make sure insured patients are no longer blind-sided by the high medical bills.

Additionally, advances in technology have led to the boom of the gig economy. The gig economy employs nearly 60 million workers in the United States. Tech companies, notably ride-sharing platforms like Uber and Lyft, have grown into multinational, billion-dollar companies with nearly four million people worldwide serving as drivers. Gig workers have improved access to many services for people in underserved communities, and provide common-sense solutions to everyday problems.

Nevertheless, we cannot let large tech companies dodge standard labor practices, pay unfair wages, or evade employer contributions to Social Security and Medicare. We

must end the exploitation of working-class people just trying to make ends meet.

That is why I urge this committee to support my upcoming Gig Is Up Act, which would require Uber and Lyft and similar multinational corporations to pay both the employer and employee portion of payroll contributions for their independent contractors. This will strengthen Social Security and protect workers' retirement and disability, while deterring the misclassification of workers.

My district is blessed with over 300 days of sun each year, and abundant wind resources that can drive a vibrant renewable energy economy that will create high-wage jobs, while reducing greenhouse gas emissions. I urge the committee to extend and expand tax credits that drive investment into energy efficiency and renewable energy.

In particular, I ask you to extend credits to incentivize energy efficiency retrofits to existing commercial and multifamily residential buildings, credits for energy produced from renewable resources, and credits for alternative-fuel motor vehicles and refueling property, and for plug-in electric vehicles.

I also recommend the committee ensure that the credit for energy-efficient new homes does not result in competition between efficiency and renewables. Revise the credit for non-business energy property improvements to provide a whole-building-based tax credit for energy savings of 20 percent or more, and include energy storage equipment, and acknowledge the difference between onshore and offshore wind.

I also encourage the committee to extend the wind production tax credit and the solar investment tax credit beyond their sunsets, and allow limited transferability of these credits.

The harmful consequences of tax cuts -- of the Tax Cuts and Jobs Act of 2017 for Native American youth must be reversed. Many young tribal members receive a per-capita distribution that are subject to the "kiddie tax." This Republican tax bill unjustly

increases the tax rate on the financial support many Native American youth rely on to go to college or purchase their first home. That is why I encourage this committee to take up common-sense legislation, like the Tax Fairness for Tribal Youth Act of 2019, which exempts taxable payments made by tribal governments to their youth from the kiddie tax.

Thank you so much for the opportunity for me to testify today. I look forward to working with this committee to bring solutions to working people.

[The statement of Ms. Haaland follows:]

[Testimony of Ms. Haaland](#)

*Chairman Neal. I thank the gentlelady.

Let me recognize the gentlelady from Connecticut, Ms. DeLauro.

STATEMENT OF HON. ROSA DELAURO, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CONNECTICUT

*Ms. DeLauro. Thank you very much, Mr. Chairman. Thank you, Chairman Neal, and Ranking Member Brady, and the members of the committee for welcoming me today. I am here to advocate for solutions to the problems that face working families that fall into your committee's jurisdiction: the FAMILY Act for paid family and medical leave, and the American Family Act to expand and strengthen the child tax credit.

It is time for paid family and medical leave. The United States is the only country among 41 developed nations that does not guarantee any type of paid paternity or maternity leave, and only 17 percent of working people have access to paid leave to care for a family member. I was glad to see that last month this committee held its first hearing on paid leave. And after many years on the margins, the issue of paid leave is finally at the center of our public discourse.

And the FAMILY Act sets the gold standard with regards to paid leave. It has 188 cosponsors in the House and 34 in the Senate. The FAMILY Act allows employees to receive up to 60 days or 12 weeks of partial income for a health condition, injury, or sickness to a child, parent, spouse, or domestic partner, the birth or adoption of a child, the injury of a family member in the military, or exigencies arising from a service member's deployment.

It creates an independent and self-sustaining national insurance fund by having employees and employers pitch in together with payroll contributions of \$.02 for every \$10 in wages. It is equivalent to a \$1.50 per week for a typical worker. It would be managed under a new office of paid family and medical leave within the Social Security Administration, but it is separate and independent from the Social Security Trust Fund. So

it does not impact the solvency of Social Security.

I am proud to say that my home state of Connecticut will join seven other states and Washington D.C. by passing paid leave. But we need a national policy. And any proposal that stops short of parental leave only -- does not cover at least up to 12 weeks, does not have a stable financing mechanism, or delays workers' benefits is insufficient and will not actually help workers. Families need strong paid leave, and they need a stronger and expanded child tax credit.

In continuation of my long history on the child tax credit -- first introduced it in 2003 -- I introduced the American Family Act in the House. We have 181 cosponsors in the House and 37 in the Senate. The current child tax credit supports middle-class families. It raises millions of children and families out of poverty.

And yet, according to Columbia University's Center on Poverty and Social Policy, there are considerable gaps that we can and should close. Over half of black and Hispanic children are left behind from the full credit, compared to 23 percent of white children. Seventy percent of children and families headed by single moms do not receive the full credit, as compared to twenty-five percent of children in two-parent households. And 40 percent of children and families with young children do not, either, compared to 29 percent of children and families with children older than 6.

The American Family Act is transformative for children, for working parents, and middle-class families, as well. The American Family Act creates a young child tax credit equal to \$3,600 per year for children under 6 years of age, and it makes the entire child tax credit fully refundable and indexed to inflation. We must -- current law excludes one-third of children from the full benefit because their parents earn too little money. A study out earlier this year from the National Academy of Sciences found that a child allowance like the one created by the American Family Act would help reduce child poverty by 50 percent

in the next decade, in combination with other anti-poverty measures.

So the Congress has an opportunity, I believe, the responsibility to making opportunity real for families (sic). I hope the committee will take up the FAMILY Act for paid leave and the American Family Act to expand and strengthen the successful child tax credit. Working people and middle-class families cannot afford for us delay -- to delay.

And I thank you for the opportunity to speak this afternoon.

[The statement of Ms. DeLauro follows:]

[Testimony of Ms. DeLauro](#)

*Chairman Neal. I thank the gentlelady for her testimony.

Let me recognize the gentleman from California, Mr. Rouda.

STATEMENT OF HON. HARLEY ROUDA, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CALIFORNIA

*Mr. Rouda. Thank you, Chairman Neal, Ranking Member, and other members of the committee for the opportunity to testify today to highlight two pieces of legislation within the committee's jurisdiction.

On March 27th I introduced H.R. 1929, which would permanently extend the fuel cell motor vehicle tax credit. This tax credit, which lapsed on January 1st, 2018, has provided a strong incentive to help encourage the adoption of fuel cell technology, which has the potential to dramatically reduce our greenhouse gas emissions and improve our ability to address climate change.

California's 48th congressional district is the proud home of the American headquarters of two companies that have been instrumental in the development of fuel cell motor vehicle technology: Hyundai and Toyota Racing Development. Unfortunately, our federal tax policy wrongly supports the use of dirty energy sources. Every \$80 that the Federal Government provides in tax incentives for fossil fuels, it provides only \$1 for renewable energies. We cannot effectively combat climate change if the deck is stacked against these clean energy technologies. My bill offers certainty to manufacturers and consumers, which would bolster the rollout of fuel cell technology in our cars and trucks. I encourage the committee to take up this straightforward legislation.

I would also like to call your attention to legislation that I, along with our colleague and a member of this committee, Congresswoman Jackie Walorski of Indiana, will introduce today to expand access to retirement savings for former family caregivers. The committee has already demonstrated its capacity to advance bipartisan legislation to expand opportunities for Americans to save for the retirement with the passage of SECURE Act.

As Americans across the country seek to ensure that they have a strong safety net for their retirement, it is important that we provide adequate access to retirement savings vehicles. One such way that we have helped Americans save for their retirement is through catch-up contributions. Under current law, employees aged 50 and older are eligible to utilize catch-up contributions to make additional deposits to their 401(k) plans, IRAs, and other eligible retirement accounts.

Although using catch-up contributions can be an important mechanism for many Americans to build a retirement savings, it can still not be enough for individuals that take time out of the workforce to care for family members. These individuals often miss opportunities to save for retirement for multiple years. This disparity predominantly impacts women, since women are more likely to take time out of the workforce to act as family caregivers full-time.

Our bipartisan bill, the Expanding Access to Retirement Savings for Caregivers Act, would allow individuals that took at least one year out of the workforce and received no earned income, primarily for the purposes of caring for a family member, to make catch-up contributions in years prior to age 50. These former full-time caregivers would be eligible to begin making catch-up contributions at age 50, minus the number of years they spent out of the workforce. This bill will help us move away from a system that penalizes caregivers, and instead offers additional tools for them to enhance their long-term financial security.

I ask unanimous consent to enter letters of support for this legislation from Independent Women's Voice, and the Insured Retirement Institute into the record.

*Chairman Neal. So ordered.

[Insured Retirement Institute](#)

[Independent Women's Voice](#)

*Mr. Rouda. I urge the committee to consider this legislation as it continues to work in a bipartisan manner to make it easier for American workers to save for retirement.

Thank you for the opportunity to testify before the committee today.

[The statement of Mr. Rouda follows:]

[Testimony of Mr. Rouda](#)

*Chairman Neal. I thank the gentleman for his testimony.

Let me recognize the gentleman from Ohio, Mr. Gonzalez.

STATEMENT OF HON. ANTHONY GONZALEZ, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF OHIO

*Mr. Gonzalez. Thank you, Mr. Chairman. I want to thank you and Ranking Member Brady for your leadership on this committee, and thank all the members of the committee for their participation in today's hearing.

I speak today to urge this committee to help bring the USMCA to the House floor. I have the honor of a lifetime, to represent Ohio's 16th congressional district. I like to think that this district that I represent has a little slice of everything that makes Ohio such a great place to raise a family and start a business.

Our district has a strong manufacturing base that can be found in every corner of my district, helping to contribute to the more than 700,000 manufacturing jobs that are located in the State of Ohio, representing 17 percent of the state's GDP. We are proud of our manufacturing economy and the opportunities that it creates for families throughout our region.

The 16th district also has a strong agriculture community that is the lifeline of our economy in Medina and Wayne Counties in the southern portion of my district. I am proud to say that Wayne County is the leading producer of dairy in the Buckeye State, with more than 450 dairy farms and an over \$130 million impact on our economy in dairy products sold.

In addition, the 16th district plays a leading role in the production of soybeans and corn, and is home to the Ohio State University Agricultural Research Development Center, which continues to advance innovative agriculture practices.

Finally, my district includes the western suburbs of Cleveland, right off the coast of Lake Erie, one of our nation's finest treasures.

When I ran for Congress I promised my constituents I would do everything in my power, and work through, around, and over any political barriers necessary to champion pro-growth policies that drive economic development in northeast Ohio. Simply put, this deal will drive our economy to new heights, and will provide unquestioned benefits to families across the entire country.

This is not my opinion. The recent report from the nonpartisan U.S. International Trade Commission could not have been more clear. It said -- and I quote -- "The agreement would likely have a positive impact on all broad sector industry sectors within the U.S. economy." It went on to say that this deal would raise U.S. real GDP by \$68.2 billion and increase U.S. employment by nearly 180,000 jobs.

When it comes to the manufacturing sector that is so important to my district, the report says -- and I quote -- "Manufacturing would experience the largest percentage gains in output, exports, wages, and employment."

I have heard from companies as large as the JM Smucker Company, which is a nationally recognized leader in the production of snacks, jellies, coffee, and pet food, to countless small manufacturers who have shared with me the importance of ratifying this trade agreement.

For farmers in my district and across the nation, USMCA would be welcome good news for operations. Our farmers have been working through one of the most difficult business environments of their lives, and the Ohio agriculture community is near unanimous in its support of this deal. For the dairy farmers throughout Ohio the increased access gains to the Canadian market will help spur demand and increase growth opportunities.

It is my belief that finalizing USMCA is one of the most impactful accomplishments that this Congress could realistically achieve. By providing needed

certainty to U.S. companies and updating our trade laws with two of our largest trading partners, the USMCA will help grow our economy and provide more opportunities for my constituents in northeast Ohio. It will mean more jobs, higher wages, and a stronger economy in my community and every community across the country.

Finally, it will provide all-important unifying strength, as our negotiators forge a final agreement with China. Washington certainly is facing challenges, but I came to Congress to work in a collaborative way with Members on both sides of the aisle to deliver results for the people of Ohio's 16th district and the nation at large. I encourage the committee to work in a bipartisan manner with the House leadership and the rest of our colleagues to bring forward this legislation to the House floor.

Thank you again for your participation in today's hearing, and I look forward to working with you for the remainder of this Congress. Thank you.

[The statement of Mr. Gonzalez follows:]

[Testimony of Mr. Gonzalez](#)

*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from California, Mr. Peters.

STATEMENT OF HON. SCOTT PETERS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CALIFORNIA

*Mr. Peters. Thank you, Mr. Chairman, and thank you and the ranking member for hosting Member Day so we can have an opportunity to talk about some of the issues that are important to us.

I am here to highlight two of my bills having to do with student loans and retirement, and also chat a little bit about climate change and what this committee could do about that.

First, I introduced H.R. 1043, the Employer Participation and Repayment Act, with Mr. Rodney Davis, with also lead support from Mr. Blumenthal, which would make employer-provided student loan repayment tax-free up to \$5,250 per year, just like tuition assistance is treated today. This will provide a real incentive for more employers to help graduates pay down their student debt, helping millions of Americans across the country access affordable higher education, and helping them to attain the American Dream.

Today it is getting harder and harder for qualified students to afford the ever-increasing price of higher education they need to compete in a brain-powered economy. Nearly 70 percent of today's college graduates will face student loan debt, with the average undergraduate student facing roughly \$30,000 in loans, and an average monthly payment of \$393. For many graduates, the burden of student loan debt weighs them down for years after they earn their degree.

This not only hinders these individuals and their families, but our economy, as well. Debt influences people's choices about their career, when to make investments like buying a car or home, when to start a family. A recent report by the Federal Reserve found student debt to be a primary cause of lower home ownership rates among young people.

Student loan debt also hinders workers' ability to save for retirement. Workers start saving late and lose out on compound interest, forcing them to play catch-up after their student loans are paid off.

The good news is that many employers are stepping in to ease the burden of student loan debt. In a strong, competitive economy like we have now, employers are eager to find ways to attract top talent and keep it. According to the Society of Human Resource Management, or SHRM, more than half of Americans say student loans -- student loan benefits would play a role in evaluating job opportunities.

My bill would help employees currently receiving student loan benefits from their employer, and incentivize more companies to start offering this benefit. An impressive 92 percent of companies offer some form of tuition assistance, but only 4 percent of companies offer student loan repayment. More companies would take up this program if the tax treatment was changed. Just last week New Balance announced they would start a student loan repayment program if this bill becomes law.

Congress first created the educational assistance program to help cover the costs of college, and could not envision a world with \$1.5 trillion in student debt existing in the economy. It is time for this Congress to update the law to reflect the reality students face.

This bill has 147 bipartisan cosponsors from 40 states. It is supported by a diverse range of over 60 businesses, colleges, non-profits, and student groups, including the Society for Human Resource Management, the National Education Association, the American Association of Community Colleges, the Association of Young Americans, Starbucks, Raytheon, Hewlett Packard, and more. We should pass this common-sense legislation, and I ask for your help to do that.

Second I introduced H.R. 2120, the Saving for the Future Act, which ensures that every American can save for retirement by establishing a minimum employer contribution

to a savings plan of \$.50 per hour worked. That is 20 bucks a week. That is more than \$1,000 per year. And with standard contributions, this could generate over \$600,000 saved over a lifetime of work.

If an employer currently offers a traditional retirement plan, it won't have to change anything. But employers at smaller companies -- employees at smaller companies would be able to save through federally provided up accounts modeled after the popular thrift savings plan for federal workers. Congress has already made great progress this year to promote Americans saving for their retirement, and I applaud this committee for leading and shepherding the bipartisan SECURE Act, and hope that the Senate acts on that legislation soon.

I urge the committee to take further action and expand the population of Americans who currently do not have access to retirement savings accounts, and help them deal with that through H.R. 2120.

Finally, Mr. Chairman, as some of my colleagues have mentioned, I have been working to help our caucus identify steps the new House majority can take to combat climate change. Many options are bipartisan, provide concrete steps toward a more sustainable future. Before this committee the EV tax credit, the energy storage tax credit, and the solar and wind investment tax credits -- these are bipartisan actions. In this business it has to be bipartisan to pass, it has to be bipartisan to last. Let's take these opportunities.

And again, I very much appreciate the opportunity be with you today, and thank you for your leadership and work.

[The statement of Mr. Peters follows:]

[Testimony of Mr. Peters](#)

*Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Texas, Mr. Conaway.

STATEMENT OF HON. MIKE CONAWAY, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF TEXAS

*Mr. Conaway. Thank you, Mr. Chairman, Ranking Member Brady, members of the committee. Thank you for permitting me time today to discuss the vital importance of ratifying the USMCA.

For members who have farmers, ranchers, and dairymen in their districts, you are undoubtedly aware that there is a near universal support among agricultural groups for congressional ratification of the USMCA. For members of the committee who do not have significant agricultural production in their districts, I would hope that you would take into consideration the level of support this agreement is garnering in rural America.

Going into negotiations with Mexico and Canada, the Administration pledged to avoid any backsliding when it comes to U.S. agriculture exports to our two neighboring trading partners, while also working to expand farm exports and to level the playing field for manufacturing services and other sectors of our economy. The Administration's clear success on the agricultural end of this commitment is evident, as measured by the strong show of support for those whose livelihood depend on farming, ranching, and dairy. I know that the USMCA has received a similarly strong endorsement from other sectors of the economy.

I will leave it to others to apprise the advances on the labor front, except to say that leveling the playing field for the American worker has been a lifelong professional endeavor for Ambassador Lighthizer. This is Ambassador Lighthizer's wheelhouse. And, in my estimation, the USMCA is the most pro-labor trade agreement that I have seen negotiated by a president of either party. While perhaps there may still be room for improvement on this aspect of the agreement through implementing legislation and the like,

I very much hope in the end analysis that Congress will come together in a strong bipartisan fashion to support the USMCA in order to increase our nation's exports and to keep our economy strong.

U.S. farmers and ranchers and dairymen in rural America are certainly counting on us. They have seen a 50 percent drop in net farm income since 2013, the largest drop since the Depression. This precipitous drop in farm income has been exacerbated by the streak of record-breaking hurricanes, fires, flooding, drought, and other national disasters. The lethal combination has resulted in the rise of chapter 12 farm bankruptcies, and the tightening of credit. These poor conditions are, in good part, thanks to the predatory trading practices of our foreign countries that use high and rising subsidies, tariffs, and non-tariff barriers to the detriment of our farmers, ranchers, and dairymen.

For many years presidents of both parties have tried to sweep the violations of our trading partners under the rug, for fear that any publicity caused by pushing for enforcement would reflect poorly on U.S. trade policy. Instead, by failing to do so -- by failing so long to hold our trading partners to their end of the bargain, we have hurt our economy, hemorrhaged jobs, and made the leveling of the global playing field all the harder. Farmers, ranchers, and dairymen in rural America all know this, because they have seen -- they have been on the front lines of the trade issues for a long, long time.

For rural America trade is a double-edged sword. It is absolutely essential, but it is also extraordinarily frustrating and costly when we live by the rules of the trade agreements, while others don't. It is for this reason that farmers, ranchers, dairymen in rural America have been patient with the Administration in its efforts to right this ship. They want the cheating to stop, confident that if they simply have an authentically free and fair market, that they can compete with anyone around the world.

Ratification of the USMCA is our first opportunity to respond forcibly and

favorably to that pent-up demand of our constituents for a truly fair trade deal. And every day that passes without ratification of the USMCA is another day lost, and another lost opportunity for our nation's farmers, ranchers, and dairymen. I know that we live in politically charged times, where Washington seems to put off until tomorrow anything and everything that might give one side or the other something to run on for re-election.

I hear from farmers and ranchers all the time that they are deeply concerned that partisan politics will scuttle ratification of the USMCA, and to withdrawal from NAFTA. For once, let's shock the American people in a good way by ratifying the USMCA. Ratification of the USMCA is a big-enough win for all of us to take the credit for.

And with that, Mr. Chairman, I yield back.

[The statement of Mr. Conaway follows:]

[Testimony of Mr. Conaway](#)

*Chairman Neal. I thank the gentleman.

Let me recognize the gentlelady from Michigan, Ms. Stevens.

STATEMENT OF HON. HALEY STEVENS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MICHIGAN

*Ms. Stevens. Thank you, Mr. Chairman. It is an honor to testify on the important work being done in this committee before you here today.

My colleague and fellow Michigander, Mr. Dan Kildee, is leading an effort in the Ways and Means Committee to expand the tax credit for electric vehicles with H.R. 2256, the Driving America Forward Act, and I would like to take a moment to emphasize the importance of this effort to the competitiveness of automakers in the United States.

The data already shows that the EV tax credit is working. The sales of electric vehicles increased by more than 80 percent in 2018 alone, and the prices of electric vehicles are becoming more and more affordable for working families. So let's double down and usher in new technologies that create jobs, promote environmental sustainability, and move us off of our dependency on fuel.

Right now about three percent, only about three percent, of the vehicles purchased in the United States are electric vehicles. The current 200,000 per manufacturer cap limitation should be expanded to encourage greater adoption of green vehicle technologies. And that is for the vehicles that qualify for the tax credit, and we are recommending a significant increase, in addition to going from 7,000 to \$7,500.

Electric vehicles should be more accessible to the everyday consumer. Among the many benefits of this technology, increased production would allow the United States to remain competitive in this manufacturing market.

China currently accounts for 60 percent of global electric vehicle sales and production. The investments to build new electric vehicles that Chrysler, Ford, and General Motors just announced in Michigan are a drop in the bucket, compared with the

investment likely headed to China to meet the soaring consumer demand for electric vehicles there and in other Asian countries.

In addition to promoting competition in the electric vehicle space, I would also like to advocate for maintaining and expanding other tax credits to promote clean energy. In April I sent a letter to Chairman Neal requesting this Committee take up legislation to provide long-term certainty for a slate of clean energy tax incentives that would help combat the growing climate crisis and support American jobs in growing clean energy industries. We know this works. The letter was signed by over 100 members of the Democratic Caucus, calling for extending and creating incentives to spur innovative economic development in industries such as incentives for wind and solar energy, clarifying the tax code for energy, storage technologies, incentives for energy efficiency in homes and commercial buildings, and policies to reduce industrial emissions, reviving what was working for us over 10 years ago.

As we transition to a sustainable 21st century economy, these valuable tax incentives will help businesses, including Michigan manufacturers -- and we have heard from them -- lead the future of clean energy by encouraging investment and innovation in clean electricity, clean transportation, and energy efficiency, much of which many of our companies are already doing. But they are waiting on us.

I thank the chairman and this committee for holding a hearing. I also thank you for holding this hearing on economic and health consequences of climate change last month, and for convening today's dialogue. Last month's conversation was certainly very important. We need to continue to seize hold of the opportunity to take climate change seriously by making major investments in our clean energy infrastructure through the tax code, while creating good-paying jobs in the United States.

Thank you again for the opportunity to share my district's priorities on this

committee's fabulous work, and I look forward to continuing to collaborate with all of you.

[The statement of Ms. Stevens follows:]

[Testimony of Ms. Stevens](#)

*Mr. Thompson. [Presiding] Thank you, Congresswoman Stevens. That completes panel number six, and I want to thank all of you for your participation today.

We will now take a moment for panel seven to come to the table and get situated. That would be Members of Congress Foster, Bera, Lowenthal, and Lipinski.

[Pause.]

*Mr. Thompson. Your written statements will be made part of the record, and I ask that you limit your testimony today, your oral testimony, to five minutes. Consistent with committee practice, and out of respect for your schedules, we will not require you to stay to answer questions. So when you are done, you are free to leave.

And with that, Representative Bera, we will begin with you.

STATEMENT OF HON. AMI BERA, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF CALIFORNIA

*Mr. Bera. Thank you, Mr. Chairman and Ranking Member and members of the committee, for giving us this opportunity.

The first piece of legislation I would like to talk about is around prior authorizations. This week committee Democrat Suzan DelBene, along with committee Republican Mike Kelly and Reps Roger Marshall and myself, will introduce the Improving Seniors' Timely Access to Care Act. This is a long-overdue bill that will bring prior authorization processes into the 21st century, and it will increase oversight and transparency in the Medicare Advantage space.

Last year we led a letter asking CMS to do something very similar in a bipartisan way with over 100 Members of Congress, so there is broad support for this bill.

Two key aspects of the legislation.

First, it will require electronic transmissions of prior authorization, something that we should have done a long time ago. There is also currently reports that upwards to 88 percent of prior authorization requests are still done manually by phone or fax. So again, let's come into the 21st century.

Second, the bill will require insurers to be very clear exactly what providers must submit when submitting for prior authorization. And it also requires that insurers provide the medical justifications for what they request, and for their denial. So again, broad bipartisan support, and this is something that we should try to address.

The second issue I would like to address is the issue of surprise billing. I think there is bipartisan consideration and different ideas that will be out there. We are currently working with Representative Ruiz, who is going to lead legislation to model federal

legislation on New York's baseball arbitration model. An important report on the arbitration model suggests -- and New York law has this current model -- that its implementation has found broad stakeholder satisfaction.

More importantly, one of the issues around prior authorization is that plans have created more narrow networks, and the report authors have heard that the law has incentivized wider provider networks, as well as encouraged providers and payers to work out their differences. It does seem like this is a smart approach.

A different approach that contrasts with the baseball arbitration model is one that is focused more on payment standards, such as what we have done in my state of California. We have heard from stakeholders that there is a troubling unintended consequence of insurers refusing to renew longstanding contracts, or reducing the contracted rates to out-of-network standards in this new law. While patients are protected from unanticipated bills, physician and networks are diminishing (sic). So we have to be very careful, if we go in that approach, to make sure we address these narrow networks.

The third piece of legislation that I would like this committee to consider is around the health insurance tax. The health insurance tax currently is suspended through calendar year 2019. Part of the urgency to delay the tax in advance of the end of this calendar year is that health insurers either have or will soon be finishing pricing for their products and submitting rates to CMS and states. An Oliver Wyman study has found that if the tax does come back in January of 2020, as it is currently scheduled next year, a family employed by a small business could see their premiums increased by \$479, on average.

That is why I have introduced, along with committee Republican Representative Jackie Walorski, H.R. 1398, the Health Insurance Tax Relief Act of 2019, which would, again, delay this tax for calendar years 2020 and 2021.

And the last piece that I would like to touch on is health savings accounts. I will

be introducing this month, along with committee Republican Representative Jason Smith, legislation to allow Medicare beneficiaries to contribute to health savings accounts. You know, as more and more seniors have to spend out-of-pocket costs we think it is a smart idea to let the seniors continue to save in their retirement. Those on Medicare often have significant out-of-pocket spending. You know, one study in JAMA Oncology published in 2016 found that almost 10 percent of elderly patients with Medicare alone spent at least 60 percent of their annual household income on out-of-pocket health care expenses after they were diagnosed with cancer. Allowing them to save their resources while they are in Medicare in a health savings account seems like a smart idea.

I appreciate the time and consideration, and will yield back.

[The statement of Mr. Bera follows:]

[Testimony of Mr. Bera](#)

*Mr. Thompson. Thank you very much.

Mr. Foster?

STATEMENT OF HON. BILL FOSTER, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF ILLINOIS

*Mr. Foster. Good afternoon. I would like to thank the chairman and the other members of the Ways and Means Committee for holding this Members Day.

I am here to discuss the debt limit, which I view as the most unnecessary and disastrous risk to financial stability and the economic recovery of the last eight years. Over the last six months my staff and I have discussed this issue with various Administration officials, and some experts in hearings of the Financial Services Committee, and in private meetings. In the committee Secretary Mnuchin responded that he did not support it as a mechanism for controlling spending, and -- last year. And February of this year he thought that repeal should be one option discussed in the long term. I agree with that statement, and hope to advance repeal as one option the committee considers.

The debt limit is an artificial fig leaf over the fiscal irresponsibility of Congress. On one hand, the debt limit instructs the Administration not to issue debt beyond a certain point, and on the other hand Congress has continually slashed revenue without paying for it, even as it increases spending across the board. This is like ordering a dinner and then deciding not to pay for it after you have eaten.

This -- the contradictions that are inherent here inevitably trigger a crisis with the debt limit. This is not a theoretical problem and -- or a partisan problem. It is an issue that has impacted middle-class families in every congressional district, and unnecessarily slowed the recovery -- the economic recovery from the Great Recession. A 2013 Treasury report found that the 2011 Tea Party default crisis -- found that when the nation approached that debt limit without a clear path to raising it, our economy lost trillions of dollars and the

average mortgage in the United States increased by \$100 a month.

We need to address our debt through the budget process and the tax code and appropriations. Our economy should not endure a market-rocking event because of a partisan fight over an arbitrary number that is not related to economic performance or GDP.

I also asked Federal Reserve Chairman Powell about the size of our debt relative to aggregate household net worth, which, by the way, just passed \$100 trillion. He agreed that we do not have to address our -- we do have to address our debt limit in -- our debt in the long run, but that presently we are not near our carrying capacity. So this is not an emergency, and it is only an emergency if we choose to make it one.

Our failure to provide an adequate revenue to pay for the programs that hardworking Americans need have created a serious structural debt problem for us. Our economy is both rich and productive enough to fulfill our obligations to the most vulnerable. We can afford to ensure that Social Security, Medicare, and Medicaid are available in perpetuity. And I strongly believe it is a moral imperative that we do so.

The debt limit has not provided and will not provide the fiscal discipline that we need, but it does cause market problems. Therefore, we should consider other mechanisms for forcing Congress to have real debates about fiscal policy. These could include changing House rules to provide for a privilege of the House for bipartisan budgets that balance, or a Queen-of-the-Hill process that could provide for both votes on either end of the political spectrum, as well as a centrist alternative that could gain bipartisan support.

While appreciate the opportunity to testify here, I would like to use my remaining time to just bring up briefly two other points.

The first thing is that the Congressional Budget Office does not score the distributional effects of tax changes. It is obvious to anyone who thinks about it for a moment that if you give a tax break to a wealthy person, the macroeconomic effects of that

are very different than if you give a tax break to a working-class family. And so -- yet this is not reflected in our modeling. And so we are missing an opportunity to make a tax code that works better for all Americans.

Secondly, I would like you to consider, as you pass legislation, to consider addressing the imbalance of payments between the States. Every year my state of Illinois loses between 20 and \$40 billion because we pay a lot more in federal taxes than we get back in federal revenue. The same is true, frankly, of all the large-population states. And this is a problem that has been unaddressed for generations.

I did the simple calculation of asking how much money has left Illinois -- because we pay a lot more in federal taxes -- since about 1970, when the problem was studied. The answer is \$1.5 trillion. If we had simply been putting this money into a rainy day fund, instead of writing a check to the Sunbelt, \$1.5 trillion would be in the coffers of Illinois that are not present now. This is not a small issue, and I urge you to look at the lens of the balance between states when you look at your legislation.

Thank you all. I will yield back.

[The statement of Mr. Foster follows:]

[Testimony of Mr. Foster](#)

*Mr. Thompson. Thank you, Mr. Foster.

Now we will turn to Congressman Lowenthal.

STATEMENT OF HON. ALAN LOWENTHAL, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CALIFORNIA

*Mr. Lowenthal. Thank you, Chair and Ranking Member, for this opportunity to testify on my legislative priorities for the 116th Congress.

First I would like to highlight two areas of interest for myself and for my district: freight infrastructure and the protection of human rights in Cambodia.

As members of this committee know well, it is past time for Congress and the nation to rethink our revenue model for infrastructure investment. While the motor fuel taxes and the Highway Trust Fund helped to build a system that powered American economic growth through the 20th century, their utility is threatened by the rise of now of more efficient vehicles and the increasing reliance on intermodal and multimodal transportation infrastructure.

I believe that Congress should implement a freight shipment fee as part of the package of revenues to fund the infrastructure investment as we move forward. This favor -- this fee will not favor or disadvantage any one freight mode, and it will raise substantial revenues for needed improvements and investments in freight infrastructure, particularly for intermodal and multimodal projects that often face tremendous hurdles to compete for federal investment.

My legislation, the National Multimodal and Sustainable Freight Infrastructure Act, or H.R. 2723, would raise over \$10 billion each year for these needed improvements with a small 1 percent fee on the cost of goods movement, which will be paid for by the owners of goods.

As you may know from your own state and from your own districts, the current INFRA grant program for freight projects is oversubscribed by 12 to 1. That means

dozens of worthwhile projects to improve the movement of freight across this country are delayed or shelved each year. Dedicated sustainable funding for these projects from a freight user fee will help make these improvements a reality.

In addition, I would like to highlight an important trade policy priority for the committee to consider. Cambodia currently benefits from tariff exemptions or reductions under the Generalized System of Preferences, but substantial evidence suggests that Cambodia has not fulfilled its obligations under this program. The 34-year regime of Prime Minister Hun Sen has been accused of serious labor and human rights violations, as well as actions to undermine the nation's path towards democracy, by abolishing all political opposition or dissent.

In addition, I have heard from American business owners who have experienced significant interference while conducting business in Cambodia. In February of this year the European Union initiated a process to suspend its preferential trading arrangements with Cambodia, which they call the Everything But Arms Agreement. The European Commission concluded that freedom of assembly and political participation were being threatened in Cambodia. These rights are core to the ability of workers to organize, to -- and advocate for stronger protections and better wages.

I urge the committee to strongly consider my bipartisan and bicameral legislation, which is called the Cambodia Trade Act, or any other means to use our trade relationship with Cambodia to address these human rights violations.

Thank you for the opportunity to testify.

[The statement of Mr. Lowenthal follows:]

[Testimony of Mr. Lowenthal](#)

*Mr. Thompson. Thank you very much.

Mr. Lipinski?

STATEMENT OF HON. DAN LIPINSKI, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF ILLINOIS

*Mr. Lipinski. Thank you, Chairman Thompson, Ranking Member Walorski. I greatly appreciate the opportunity to testify today.

I want to begin by discussing a need to adjust the cap that was placed on the deduction of state and local taxes, commonly known as SALT, in the 2017 tax law. The \$10,000 SALT cap has unduly harmed residents of my district, especially families, because it applies to both individual and joint filers.

I have recently introduced legislation, H.R. 2894, that would increase the cap on the SALT deduction from \$10,000 to 15,000 for individual filers, and eliminate the marriage penalty by allowing couples filing jointly to deduct up to \$30,000. It would also tie the cap to inflation, so the value is not diminished over time. The cost would be offset by a modest increase in the corporate tax rate, which was significantly lowered from 20 -- from 35 to 21 percent in the 2017 tax bill. About 11 million taxpayers in states like Illinois lost out on \$323 billion in deductions last year because of the SALT deduction cap, according to the Treasury Department. My bill is a common-sense fix to a problem faced by many families, and it doesn't add to the deficit.

Families are also very concerned about fixing our transportation infrastructure. In order to do this we must erase the deficit in the Highway Trust Fund. The Transportation Infrastructure Committee on which I serve has begun its work on a multi-year surface transportation re-authorization bill that must be completed by September 30th of next year.

If we fail to act to bring more revenue into the trust fund, we face a 28 percent decrease in federal funding for roads and public transit over the next 5 years. We cannot allow funding to fall off this cliff. We must come to an agreement, or else we face the

specter of more crumbling roads and bridges, as well as cuts in transit.

As chairman of the House Transportation and Infrastructure Subcommittee on Railroads, Pipelines and Hazardous Materials, I also want to briefly highlight an important rail infrastructure issue, the short line railroad 45G tax credit.

For those not familiar with this issue, short line railroads are mid-sized or small railroads that usually directly link industrial consumers, such as automobile factories or agricultural processing plants, to larger class-one railroads that move those goods to markets across the country. These railroads also can link to larger class-one railroads. In providing this service, short line railroads are a vital part of the American freight movement ecosystem and our economy. These railroads and their suppliers support more than 61,000 jobs in the U.S., and add \$6.5 billion annually to the U.S. economy.

Across the country there are 478,000 jobs at customer locations that require short line services, driving \$26.1 billion in labor income, and \$56.2 billion in economic value add. The 45G tax credit incentivizes short line railroads to invest capital to maintain and expand rail lines by providing a credit of \$.50 for each dollar they invest in track and bridge improvements, capped at \$3,500 per mile.

The American Short Line Railroad Association has found that the 45G credit has spurred \$4 billion in infrastructure investment since 2005. Much of that investment would not have been possible without the credit. Unfortunately, this credit has been expired since December of 2017. So one step I am asking is to retroactively extend the credit to cover the investments made since January of 2018. This would not be the first time that this credit was made retroactive, but we can make it the last time.

H.R. 510, the BRACE Act, would make the 45G tax credit retroactive and permanent. You probably won't find a more bipartisan bill in the House. There are 210 cosponsors currently, 106 Democrats and 104 Republicans. I look forward to working

with the committee to extend and make permanent the 45G tax credit as part of a tax extenders package, or even a transportation infrastructure bill.

Thank you once again for the opportunity to testify today, and thank you for your work. I yield back.

[The statement of Mr. Lipinski follows:]

[Testimony of Mr. Lipinski](#)

*Mr. Thompson. Thank you very much, Mr. Lipinski.

Mr. Schweikert, are you interested in testifying?

*Mr. Schweikert. Thank you, Mr. Chairman, just -- I wanted to have a couple of things to throw out. And for the poor staff --

*Mr. Thompson. You are recognized for five minutes.

STATEMENT OF HON. DAVID SCHWEIKERT, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF ARIZONA

*Mr. Schweikert. Thank you, Mr. Chairman. I will avoid trying to use the five minutes. I just have a couple of things.

As -- we have actually had a number of Members come and show an interest in, you know, extending the benefits, or making sure the mechanisms for things like colorectal cancer -- and those are robust -- that there is other options. I do want to encourage that, if we move forward on some of those, that we also make sure the language is sort of future-proofed.

And where this comes from is, particularly over the last several months, there have been some remarkable breakthroughs in new types of blood tests. These blood tests now - - and it is different than previous sort of blood tests, where they looked for a titer, did your body have a reaction to this, but these are blood tests that are actually now finding the DNA, or part of the little DNA strip, from the cancer itself. So a single blood test that can do multiple cancers.

These things are in trials right now. They are a revolution in keeping us healthier, but it is something we haven't really thought about. That is, if we are going to mandate saying, hey, at age 50 you can have this type of test, and if you show these displays you should have this type of lung cancer test, we are going to have to make sure we future-proof our language so when these technologies are through their final stage, which -- they are getting very close -- of FDA approval, that they are also part of that mix, if not the future mix.

Second is, as we did last year on a bipartisan basis, we actually adjusted -- we didn't increase the dollar amounts, but we adjusted the volume calculations for things like carbon

capture technology. We may want to get some data and think about doing the next generation of that, where even smaller amounts -- so the local concrete company could actually capture some of that CO₂, shove it in the concrete, and permanently sequester it. Just understand it has been a remarkable success, now that we have multiple power facilities going up around the country, without smokestacks. They have figured out the technology and how to spin those turbines to make electricity without a smokestack, and capture that CO₂.

So who would have ever thought that little adjustments we have made here have been remarkably successful in spawning that next generation? Maybe some -- a few other tweaks might actually help it go a little bit further.

The last one I will give you is future-proofing the policies we produce. And this one is a little more uncomfortable, but difficult, but has incredible opportunity.

Think about the number of Members that came and talked about rural health care, rural hospitals, health care costs, pharmaceutical costs, all these other things. Are we genuinely having the consideration on the two ends of the health care revolution that is happening right now? Technology, where, you know, tele-medicine is no longer talking to a nurse practitioner; it is actually talking to an avatar that is actually reading the digital ceuticals you have on your body, and they can do amazing diagnostics.

You have seen some of the new technology, even now to be able to do heart arrhythmia, and these other things. And it is the next generation of -- your primary care physician follows you around, and it is on this. Our incentives to make sure that your health records are on this. So when that piece of technology that you blow into that tells you you have the flu can hit your medical records on your phone, and the algorithm can order your antivirals. These are things we can future-proof policies working on it that help us crash the price of health care.

Last one is one that is going to take us -- to do some bipartisan consideration. There is a generation of pharmaceuticals, biological drugs, that are very shortly -- and when I say shortly, this year -- going to start hitting the market. They are curative. They are really expensive. The single-shot cure for hemophilia. It cures. It cures hemophilia A. But it may be a million-and-a-half dollars a shot.

Do we need to have a consideration -- conversation on how we finance these disruptions that cure our brothers and sisters? Because, remember, it is, what, 5 percent of our population that is well over 50 percent of our health care expenditures.

What happens if we are actually about to start curing our brothers and sisters that have chronic conditions? How different could the health care cost curve look a decade from now, if we promoted not only the research, which we did a few years ago when we did the CURES Act? Now we need to work through what are the financing mechanisms of these revolutionary, disruptive, but very expensive pharmaceuticals that are on our doorstep.

And with that, Mr. Chairman I yield back.

*Mr. Thompson. Thank you very much. Thanks to all the Members who participated today.

And please be advised that all Members will have two weeks to submit statements for the record.

With that, the committee stands adjourned.

[Whereupon, at 3:37 p.m., the committee was adjourned.]

Submissions for the Record follow:

[The Honorable Lori Trahan](#)

[The Honorable Steve Watkins](#)

[The Honorable Andy Kim](#)

[The Honorable Aumua Amata Coleman Radewagen](#)

[The Honorable Angie Craig](#)

[The Honorable James P. McGovern](#)

[The Honorable Jamie Raskin](#)

[The Honorable Bobby L. Rush](#)