Congressman G.K. BUTTERFIELD

1st District of North Carolina

Contact Information

WASHINGTON, DC
413 Cannon HOB
Washington, DC 20515
(202) 225-3101 Phone
(202) 225-3354 Fax

NORTH CAROLINA
Wilson District Office
216 West Nash Street
Wilson, NC 27893
(252) 237-9816 Phone
(252) 291-0356 Fax

Weldon District Office
311 West 2nd Street
Weldon, NC 27890
(252) 538-4123 Phone
(252) 538-6516 Fax

Williamston District Office
415 East Boulevard
Williamston, NC 27892
(252) 789-4939 Phone
(252) 729-8113 Fax

In This Week's Issue:

Congress Needs to Send Message to Big Oil – Use it or Lose It

I was disappointed that the House this week failed to gain the needed support to approve legislation mandating that oil and gas companies must make use of the public lands being leased or lose the leases.

The Responsible Federal Oil and Gas Lease Act did win a majority of votes – 223 to 195 – but a two-thirds majority was required to pass the bill because it came to the House Floor as a motion to suspend the rules.

I co-sponsored and strongly supported this bill because it would help to ensure that big oil and gas companies make good use of the enormous opportunities they have been provided. While the vast majority – 81 percent – of federal oil and gas resources are available and ready for development, far too little is being done with those opportunities while people across the country endure tremendous hardship.

Since 2004, oil and gas companies have stockpiled and then stood idle on almost 10,000 domestic drilling permits on 68 million acres of public land. Looking offshore, less than 25 percent of 44 million leased acres are actively being used to produce oil or gas. If all of the inactive leases were put to good use, we could nearly double domestic oil production and increase natural gas production by 75 percent.

The big gas and oil companies already hold the opportunities to increase supply and this bill would send them a loud, simple and clear message – use it or lose it.

The legislation mirrors laws used to govern the coal industry. For nearly 30 years, companies that lease federal coal resources have been required by law to diligently develop their leases. This requirement has discouraged the rampant speculation that once existed in the federal coal leasing program.

The House did, however, approve legislation aimed at encouraging the use of public transportation by providing funds that can be used to reduce public transit fares.

House Approves Plan to Prevent Middle Class Tax Hike

This week the House approved legislation to prevent a tax hike on middle class families.

The AMT Relief Act of 2008 will protect more than 25 million Americans nationwide and 21,241 people in the First Congressional District from paying the Alternative Minimum Tax (AMT). The bill was passed by a vote of 233-189.

The economic downturn is hurting North Carolina and middle class families are struggling to make ends meet. This legislation helps to ensure families will not be forced to pay higher taxes under the AMT.

AMT was originally designed to ensure very wealthy individuals do not avoid paying income tax. The tax now threatens to impact middle-class families as well as threatens to impact teachers and firefighters – a far cry from its original intent.

The AMT Relief Act of 2008 is fully offset and will not add to the deficit. The bill is paid for by closing tax loopholes that allow Wall Street hedge fund billionaires to avoid paying their fair share, cracking down on tax cheats and by ending massive government subsidies for oil companies earning record profits.

Help for Medicare

This week the House overwhelmingly approved legislation that would prevent the pending 10 percent payment reduction for physicians in Medicare. The bill also enhances Medicare preventive and mental health benefits, improves and extends programs for low-income Medicare beneficiaries and extends expiring provisions for rural and other providers.

The Medicare Improvements for Patients and Providers Act of 2008 was approved by a vote of 355 to 59. The legislation now heads to the Senate, and President Bush has threatened to veto this important bill. Here are some of the key provisions of the bill:

Physicians

•The bill eliminates the pending 10 percent cut in Medicare payments to physicians for the remainder of 2008 and provides a 1.1 percent update in Medicare physician payments for 2009.
•The bill provides a 2 percent quality reporting bonus for doctors who report on quality measures through 2010 and provides financial incentives to providers to encourage the use of electronic prescribing technology.

Beneficiaries

•The bill extends and improves low-income assistance programs for Medicare beneficiaries whose income is below $14,040. This includes the "Qualified Individual" program which pays part B premiums for low-income beneficiaries with incomes of $12,480 to $14,040 a year.
•It would increase the amount of assets that low-income beneficiaries can possess while still being able to qualify for financial help with Medicare costs.
•The bill adds new preventive benefits to the Medicare program and reduces beneficiary out of pocket costs for mental health care.

Pharmacies

•The bill requires Medicare Advantage plans to:
o pay pharmacies promptly (within 14 days); and
o update the prices they will reimburse for prescription medicines at least weekly so the pharmacies know what they should get paid.
•The bill also delays the new Medicaid payment rule which changes Medicaid's payment limits for pharmacies to be based on the Average Manufacturer Price (AMP). The rule would be delayed through September 2009.

Medicare Advantage

•The bill takes modest steps to reduce Medicare payments to private plans which are being paid more than 100 percent of the cost to treat a beneficiary in fee-for-service Medicare by:
o phasing out the Indirect Medical Education (IME) double-payment (hospitals would continue to be get paid, Medicare Advantage plans would not);
o eliminating the Medicare Advantage "slush" fund, which is a fund utilized by the Secretary to further increase payments to private plans; and
o ensuring Private Fee-for-Service (PFFS) plans comply with quality requirements that other Medicare Advantage plans must meet and ensuring beneficiaries in PFFS plans have adequate access to providers.
•The bill also includes new prohibitions and limitations on marketing activities under Medicare Advantage and prescription drug plans.

Hospitals

•The bill protects access to care in rural America by extending and building upon expiring provisions, including:
o Improving payments for sole community hospitals, critical access hospitals, and ambulances;
o Extending expiring provisions that preserve payment equity for rural physicians and rural hospitals that run clinical laboratories;
o Increasing access to tele-health services and speech-language therapy;
o Retaining access to Medicare Advantage by ensuring private-fee-for-service plans in rural areas can continue to operate as they do today, if there are fewer than two plan options.

Climate Change Hearing

This week the House Committee on Energy and Commerce's Subcommittee on Energy and Air Quality held a hearing on the cost of inaction on climate change. During the hearing, I made the following opening statement:

I am pleased to continue our discussion on the various aspects of climate change legislation. Despite what I view as irrefutable evidence, there remains a current of skepticism and doubt regarding the need for immediate action on climate change legislation.

We have heard all of the reasons why we should not proceed with economy-wide policy to curb the emissions of greenhouse gases. Critics of climate change legislation rightly assert that a cap-and-trade system will be costly. Unquestionably, it will require a strong commitment of public and private resources to develop new technologies and mitigate costs en route to achieving the emissions reduction goals we need.

However, despite the impending costs of climate change legislation, the cost of doing nothing has far greater consequences. Cost estimates put the price of not acting to lower greenhouse gases at 3.6 percent of gross domestic product in the United States. Most troubling to me, however, is the projected costs of rising sea levels, increased hurricane activities, and climatic effects on my agriculture-reliant district.

Multiple sources have predicted that rising sea-surface temperatures will lead to more frequent and more violent hurricanes. At a cost of 1,800 American lives and $82.1 billion, Katrina should teach us that if we fail to act on Mother Nature's warning signs, we can expect human suffering and a hefty price tag.

Last week, Mr. Ford West of the Fertilizer Institute warned that total production costs for agriculture in the United States could rise as much as $12 billion under the Lieberman-Warner legislation. This is no small number for the nearly 4,000 farms in my district whose output is worth over $1 billion annually. But without comprehensive climate change legislation, the Mendohlson-Schlesinger Reduced Form Model predicts a 56 to 68 percent decrease in farm output by 2070.

From the change in climate and the lack of water, many fields in my district will stand fallow. As the representative of a district that relies on agriculture and fears the wrath of hurricanes, something must be done to reduce our emissions. I thank Lord Stern for offering his testimony.