

these sources abundant is in its infancy, and until that technology is adequately developed, renewable energy sources will remain dispersed and unable to deliver base load capacity; and

Whereas, Conservation can help satisfy the state's energy needs, and action to reduce customer demand is the quickest way to meet energy needs in the short term, but a growing economy and population will require more energy than can be saved through more efficient energy use; and

Whereas, To keep pace with increased demand, independent producers completed more than 11,000 wells in Texas in 2008, and in the two-year period 2007–2008, they increased the production of natural gas in Texas by more than 12 percent; and

Whereas, In addition to generating high-quality jobs, independent producers help to reduce America's dependence on Middle East oil by exploring for domestic resources and providing stable supplies of cost-effective energy to consumers; and

Whereas, Independent producers rely on longstanding tax provisions to plan their activities and to explore for new wells to offset declining production from older ones; without the development of new wells, energy supplies would decline and the costs to consumers would rise; and

Whereas, President Barack Obama's initial budget includes provisions deleting the intangible drilling costs deduction, percentage depletion allowance, geologic and geophysical costs deduction, and domestic production activities deduction, and the elimination of these provisions would cripple this state's energy jobs, reduce small businesses' access to capital, and harm royalty owners; and

Whereas, Intangible drilling costs (IDCs) typically include expenditures for physical items with no salvage value, as well as other costs associated with preparing and completing a well for the production of oil, gas, or geothermal steam or water; producers have long been able to deduct IDCs as current business expenses, rather than depreciate or amortize them over the life of the well; IDCs are actually similar to research and development costs, for which most manufacturing businesses are able to take a tax credit, rather than a deduction; and

Whereas, The percentage depletion allowance, also known as the small producers exemption, was created in the 1920s to encourage oil and natural gas exploration, which is an inherently high-risk venture; the exemption is available only to the smallest producers and allows them to deduct 15 percent of their gross income from oil and gas properties; and

Whereas, Geologic and geophysical (G&G) costs relate to the surveys that producers conduct or commission in order to locate and develop oil and natural gas reserves and to minimize unnecessary drilling; G&G costs may be amortized over the first 24 months of the life of a well; and

Whereas, The domestic production activities provision allows businesses a tax deduction for qualified production activities that are based in the United States; the deduction helps to preserve American jobs and American small businesses; and

Whereas, Major integrated companies are not eligible for the IDC deduction, percentage depletion allowance, or domestic production activities deduction, and they are subject to a seven-year amortization schedule for G&G work; consequently, "big oil" is not impacted by the proposed budget changes; and

Whereas, President Obama has stated his intention to support the development of jobs, promote the use of clean-burning energy, and reduce America's dependence on foreign oil,

yet his budget proposals would lessen the ability of independent producers to help meet those three goals: Now, therefore, be it

*Resolved*, That the 81st Legislature of the State of Texas hereby respectfully urge the United States Congress to reject the provisions of President Barack Obama's budget that would eliminate the intangible drilling costs deduction, percentage depletion allowance, geologic and geophysical costs deduction, and domestic production activities deduction and to encourage instead the development of Texas oil and natural gas; and, be it further

*Resolved*, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

DAVID DEWHURST,  
*President of the Senate.*

JOE STRAUS,  
*Speaker of the House.*

ROBERT HANEY,  
*Chief Clerk of the House.*

PATSY SPAN,  
*Secretary of the Senate.*

Approved: RICK PERRY, *Governor.*

## MEDICAL LIABILITY REFORM

### HON. SCOTT GARRETT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 31, 2009*

Mr. GARRETT of New Jersey. Madam Speaker, I rise today to discuss one aspect of health care reform that, unfortunately, has not received a lot of attention by the Democrat majority. That is the issue of medical liability reform.

Recently, I spent a couple of days in my district in New Jersey touring hospitals, physician group practices, and long-term care facilities. When talking to the physicians at these facilities, I asked them, "What issue would you most like to see addressed in health care reform legislation?" In every single facility I visited, medical liability reform was either at or near the top of the list.

We know that the surge in malpractice lawsuits over the past 30 years has had a profoundly negative impact on the practice of medicine. And while, obviously, I feel that patients should be compensated for gross negligence by physicians, there is little doubt that our current tort system is broken. More than 60 percent of liability claims against physicians are dropped, withdrawn, or dismissed without payment. In 2007, the average cost of defending these claims was \$18,000 per case.

This has pushed the cost of liability insurance through the roof. The American Medical Association (AMA) has listed my home state of New Jersey as a "crisis state" for medical liability. Doctors face liability insurance premium increases that far outpace the already high rate of medical inflation. Some high-risk specialties, such as obstetrics or emergency, face annual premiums of over \$100,000 per year. According to a survey conducted by the

American College of Obstetricians and Gynecologists (ACOG), the lack of affordable liability insurance forced 70 percent of OB/GYNs to make changes to their practice. Liability concerns also forced between seven to eight percent of OB/GYNs to stop practicing obstetrics.

But more important than the direct costs of our tort system are the indirect costs. One pediatrician I spoke to said that he would "just like to practice medicine without feeling like a lawyer was looking over my shoulder all the time." The anxiety that our physicians face from confronting potential lawsuits seriously affects the doctor-patient relationship. Additionally, it drives up the cost of health care by encouraging the practice of "defensive medicine." The AMA estimates that defensive medicine adds somewhere between \$84–\$151 Billion per year in health care costs to our system. As another doctor I met with said, "I can waste money like you've never seen. When someone comes into my hospital and needs treatment, I can order every test, every procedure known to man, simply to protect myself from a lawsuit."

Even President Obama, in his recent address to the AMA has admitted that medical liability is a serious issue. But despite the support of the President, the medical establishment, and the overwhelming majority of Americans, of the 1,018 pages of H.R. 3200, the America's Affordable Health Choices Act, there is not a single page on medical liability reform.

Madam Speaker, this issue is simply too important for us not to address. Any serious attempt to reform our health care system must reform medical liability.

## GOOD NEWS IN NEWARK

### HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 31, 2009*

Mr. PAYNE. Madam Speaker, like all urban centers, my home city of Newark faces many challenges. We are working hard to improve the quality of life for residents by moving forward in the area of affordable housing and health care, better schools, child care, and services for seniors. We are also proud of the fact that Newark welcomes visitors not only from other parts of our state, but also from around the nation and the world. As we continue our successful economic development efforts, I would like to draw to the attention of my colleagues here in the U.S. House of Representatives an article which highlights the good news for Newark.

NEWARK AT NIGHT: IT'S NOT A SURPRISE ANYMORE THAT THE CITY IS ALIVE AFTER DARK

(Posted by Philip Thomas, Lawrence P. Goldman and Jeff Vanderbeek/Star-Ledger Guest Columnists, July 09, 2009)

Not too long ago, something you wouldn't necessarily have thought of happened in Newark. It was extraordinary.

On a crisp November evening, a sold-out house of 2,800 people filled Prudential Hall at the New Jersey Performing Arts Center for a stunning concert by The 5 Browns, a family of Juilliard-trained, young virtuoso pianists, along with the New Jersey Symphony Orchestra.

Just down the street, another 19,000 people were doing something that happens in every