SAVE AMERICAN WORKERS ACT OF 2015

SPEECH OF

HON. CHRIS VAN HOLLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 8, 2015

Mr. VAN HOLLEN. Mr. Speaker, I rise today in opposition to H.R. 30, the so-called ''Save American Workers Act of 2015.'' Republicans claim this bill is a fix to the Affordable Care Act and vital to protecting American jobs. But that's simply not true. According the non-partisan CBO, raising the threshold for employers to provide coverage from 30 hours per week to 40 could lead them to shift more employees to part-time work, end employer-sponsored coverage for one million people, and leave up to half a million completely uninsured. Even conservative analyst Tuval Levin agreed, writing recently in the National Review, ''Putting the cutoff for the employer mandate at 40 hours would put far, far more people at risk of having their hours cut than leaving it at 30 hours.'' On top of the assaults on workers' hours and benefits, CBO estimates the bill would increase the federal deficit by $53 billion over the next decade.''

Republicans have brought this irresponsible bill to the floor on the heels of more news that the Affordable Care is working. Yesterday, Gallup released data showing the percentage of uninsured Americans is declining steeply and HHS announced that nearly 6.6 million Americans selected plans or were re-enrolled in the federal exchange since open enrollment began.

As I have said before, I am more than willing to work with my colleagues on both sides of the aisle to make genuine, reasonable improvements to the Affordable Care Act. Along these lines, I want to commend Congressman JOE COURTNEY for bringing an altemative proposal to the Rules Committee yesterday. Unfortunately, today's bill does not meet the definition of a genuine, reasonable improvement.

Finally Mr. Speaker, if Republicans were really serious about helping employees they would support the CEO/Employee Paycheck Fairness Act. The bill is simple. It says if corporations want to be able to deduct the bonuses and compensation for their CEOs and other executives over $1 million, they better be giving their employees a fair shake. I urge my colleagues to reject the 40-hour bill and join me in a real effort to support American workers.

H.R. 37—PROMOTING JOB CREATION AND REDUCING SMALL BUSINESS BURDENS ACT

HON. HENRY C. ''HANK'' JOHNSON, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 2015

Mr. JOHNSON of Georgia. Mr. Speaker, on January 7, 2015 I inadvertently voted yes on Roll Call number 9, on H.R. 37—the so-called ''Promoting Job Creation and Reducing Small Business Burdens Act''. I intended to vote no on this bill and I wish to make my position clear for the record.

I oppose this bill because it undermines the Dodd-Frank Wall Street Reform Act. This important law was passed in response to the worst financial crisis since the Great Depression and it was designed to ensure that Wall Street will never again be able to destroy our economy. The crisis was made worse by the widespread trading of complex financial derivatives, many of which were not understood by those engaged in their trade, and many of which were not used by ''end users'' engaged in traditional hedging of risk. Dodd-Frank protects our economic security by requiring over-the-counter derivatives to be regulated by both the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC). This bill would undermine those protections by forbidding regulators from imposing requirements that margin or collateral be provided for derivatives transactions involving commercial companies. The legislation is also harmful in that it entirely eliminates statutory authority for the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) to regulate margin and collateral at non-bank derivatives dealers serving commercial end users.

Even though regulators have not proposed to require any margin of commercial end users at this time, it is inappropriate to completely eliminate the ability of central derivatives market regulators to take action in this important area. This is a clear attempt by Republicans to delay and weaken implementation of core parts of the Dodd-Frank Act at the expense of main street, and our future economic security.

Unfortunately, this misguided bill was brought to the floor with complete disregard for proper legislative process. Legislation such as this should be considered by committees and members should have the opportunity to offer amendments. This did not occur in this instance and instead was brought directly to the floor on a suspension of the normal House rules that apply.

Although I inadvertently voted ''yes'' on this bill, I am encouraged that H.R. 37 did not pass the house and I stand in solidarity with my colleagues who voted no.

RECOGNIZING PAULA SAMPSON ON THE OCCASION OF HER RETIREMENT FROM FAIRFAX COUNTY

HON. GERALD E. CONNOLLY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 2015

Mr. CONNOLLY. Mr. Speaker, I rise to recognize and commend Paula C. Sampson on the occasion of her retirement after a long and distinguished career in public service to the residents of Fairfax County, Virginia. For the past 15 years, Paula has been the director of the Department of Housing and Community Development. She has spent her career focused on putting home ownership within reach of more people and finding more affordable options for those not yet able to purchase their own home.

After graduating from the University of Michigan with degrees in political science and history, Paula landed a job as a local urban planner. She then relocated to the National Capital Region and accepted a position with the National Association of Counties in its Legislative Affairs Office.

Fairfax County recruited her to become the Housing Department's Director of Real Estate Finance in 1986. In 1994, Paula left Fairfax to become CEO of the Connecticut Housing Investment Fund, a state-wide, nonprofit organization focused on affordable housing. Thankfully Paula realized her true home was here in Fairfax, returning in 1999.

I served on the Board of Supervisors at the time and knew she would be a real champion for housing, which is no small feat. On the administrative side, you're managing public dollars, gauging the local housing market, and building community partnerships with banks and nonprofits. But there is also a human side, in which you're working to assist residents across the spectrum, from those seeking help buying a first home to those wanting assistance managing their money so they can one day afford a home to those who are homeless and simply need a warm place to rest their heads.

Paula truly gets it and proved adept and skillful in juggling those different aspects of her duties. In describing herself, she says, ''While the complexities of real estate finance, the challenges of deal-making and the excitement of the ribbon-cutting are all fun, the real motivator for me is helping an individual have a place to call home. My own modest beginning showed me that growing up in a stable home is the stepping stone to future success.''

I had the pleasure of working closely with Paula during my tenure as Chairman of the Board of Supervisors on a successful affordable housing preservation initiative. We had identified the growing shortage of affordable housing as a primary challenge for the County. Job growth was significantly outpacing construction of new housing units, and those that had once been affordable were quickly being converted or redeveloped into condominium units to capitalize on the hot real estate market at the time.

We convened a summit of business, faith, nonprofit, and community leaders, and from that exercise we appointed a task force, which recommended the Board of Supervisors establish a goal of preserving 1,000 affordable housing units over a four year period, which at the time we viewed as a stretch goal. As Chairman, I was pleased to champion that goal and set that course for our community, but it was Paula who seized the mission and kept the Department's staff focused on advancing this cause at every turn and through every hurdle. Thanks to her efforts, and those of our many partners, we not only surpassed our goal, we nearly tripled it with 2,700 homes preserved. We were so successful that at one point, the Board dedicated the value of one penny on the local real estate tax to the preservation effort.

Based on the success of that initiative, we launched a campaign to prevent and end homelessness in 10 years, again hosting a summit and appointing a task force to build community support. It is because of that effort that Fairfax was able to break the mold and actually reduce its homeless population during the Great Recession while other communities struggled. Through it all, Fairfax has been blessed to have the strong support of the faith, nonprofit, and business communities, including Catholics for Housing, Homestretch, Cornerstones, Pathway Homes, United Community Ministries, Sekas Homes, Deloitte, the Fairfax County Chamber, and so many other community partners. We also worked together in advancing the concept of Magnet Housing in the

County to provide workforce housing for nurses, police officers, firefighters and other young professionals serving the community.

More recently, I was pleased to collaborate with Paula in support of the County's application to the U.S. Department of Housing and Urban Development for acceptance as a Move to Work agency. That designation provides invaluable flexibility with federal dollars to allow Fairfax to better leverage its housing and human service funds with assistance from community partners to provide homeless residents with housing and job training so they can "move to work" and self-sufficiency.

In addition to her regular duties, Paula also has served on multiple regional, state, and national boards, including the National Association of Local Housing Finance Agencies, the National Community Development Association, and the Freddie Mac Affordable Housing Advisory Committee.

Without question, she has helped make our community stronger, and helped provide other communities with the tools to model our success in Fairfax. Thanks to Paula's leadership Fairfax is moving ever close to goal of providing safe, affordable housing for all those who wish to call our community home.

Mr. Speaker, Paula Sampson's commitment to public service has set an example that will benefit our community for generations to come. Her accomplishments are truly outstanding and deserving of our sincere appreciation. When I was Chairman of the County Board, we often joked when retirement announcements like this came before the Board that we should pass a resolution to not allow such talented and dedicated staff to leave public service, and I certainly wish that was the case here.

I wish Paula the best of luck in her retirement, and I ask my colleagues in the House to join me in expressing our appreciation for her long and fruitful service to the residents of Fairfax County.

FRACKING IS JEOPARDIZING THE ENVIRONMENT AND THE U.S. ECONOMY

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 2015

Mr. McDERMOTT. Mr. Speaker, I rise today to express my growing concern about the economic issues of fracking. The once booming oil fracking market could be headed for a bust.

If a bust in the oil fracking sector does happen, it could create massive losses on Wall Street and for investors on Main Street in two ways. First, fracking oil drillers issued massive amounts of debt to construct the necessary wells. With the price of gas falling, many oil fracking drillers now face cash shortfalls. As a result, it is becoming more and more difficult for frackers to meet their debt servicing obligations. If the debt servicing obligations are not met, investors on Main Street and Wall Street could be left holding billions of dollars of worthless bonds.

Second, many companies took out derivatives contracts against market fluctuation, insuring stable cash flow. Losses are mounting on these contracts as oil prices fall. Wall Street banks that own many of these contracts will have to absorb massive losses. The unexpected shock of falling oil prices may destabilize the balance sheet of these big banks, creating the conditions for another financial crisis.

Below is an article from Truthout.org that further explains this issue.

[Truthout.org]

RUSSIA BLAMED, U.S. TAXPAYERS ON THE HOOK, AS FRACKING BOOM COLLAPSES

(By Ben Ptashnik)

As Congress removes restrictions on taxpayers bailing out the too-big-to-fail banks, the right is blaming environmentalists and Russia for the demise of the fracking boom. In reality, the banks' junk bonds and derivatives have flooded Wall Street, and now the fracking bubble threatens another financial crisis.

Collapsing crude oil prices due to oversupply are reaching tsunami proportions, threatening Wall Street banks, investors and a dozen countries, foremost Russia, Iran and Venezuela, where revenue losses have caused severe financial degradation, and economies are about to implode. While Americans are today enjoying $2 per gallon gasoline, Wall Street's analysts predict that an imminent energy market collapse will bring financial institutions to their knees once again, and taxpayers are being set up for another mandatory bailout.

At the heart of these tectonic shifts in the entire energy sector is the recent expansion of the hydraulic fracturing (fracking) industry, a boom cycle that began in earnest when Congress and the Bush administration passed the Energy Policy Act of 2005, which exempted the new horizontal drilling technology from the Clean Water Act, the Safe Drinking Water Act and the National Environmental Policy Act. By tapping considerable quantities of new oil and gas resources from shale deposits, the fracking boom promised U.S. energy independence, upending the world's prevailing paradigms around renewable energy and peak oil expectations. Environmentalists fought against the huge Keystone pipeline infrastructure that would deliver the fossil fuels to foreign markets, fearing that exploiting these resources would undermine the struggle for the curbing of carbon emissions.

Fracking also threatened the dominance of Russia and Saudi Arabia as the fossil fuel suppliers of Europe when it became evident that the United States would soon become a net exporter. In the United States, fracking was hyped on Wall Street as a get-rich-quick opportunity, attracting massive capital input, and creating an investment bubble. Bloomberg reported this year that the number of bonds issued by oil and gas companies has grown by a factor of nine since 2004.

"There's a lot of Kool-Aid that's being drunk now by investors,'', Tim Gramatovich, chief investment officer and founder of Peritus Asset Management LLC, told Bloomberg in an April 2014 article. "People lose their discipline. They stop doing the math. They stop doing the accounting,'' he continued. "They're just dreaming the dream, and that's what's happening with the shale boom.''

When gas fracking first popped onto the scene, grandiose claims were made that the United States had 100 years of gas supply in shale, or 2,560 trillion cubic feet. And Wall Street rode that initial estimate. The only downside (beside the environmental disaster left by this toxic industry) was that, like the housing bubble which depended on ever-growing home values to maintain profitability, shale gas wells had to deliver consistent or growing production and profitability to pay back heavy debt interest loans on well driller companies: $3 to $9 million per well. Fracking wells require not just drilling, but also huge injections of energy, water, sand and chemicals to fracture the rocks that hold the oil and gas deposits.

But in fact, no statistical evidence confirmed the hyped claims of a 100-year shale gas supply. In 2011, a study downsized this estimate from 2,560 trillion cubic feet to 750 trillion cubic feet, and by 2013, the U.S. Geological Survey refined that down to 481 trillion cubic feet—less than a 19-year supply based on 2013 rates of production. Nevertheless, huge amounts of capital poured into increasingly marginal operations, and the fracking market was flooded with junk bonds and derivatives as investors piled in.

Meanwhile oil fracking, which is separate from gas fracking, also needed huge injections of capital, but more importantly, oil frackers needed oil prices to stay at $85 a barrel or higher on average to break even. Many of the shale oil wells that have sucked up a huge amount of investment have also turned out to have short lives and their operators required continued infusions of capital to drill new wells to keep afloat, even as prices tumbled due to the glut they themselves created. The Bakken, one of the largest oil fracking plays, is a typical example. It grew exponentially after environmental protections were removed. But since 2008, Bakken has required increasingly larger numbers of wells just to maintain level production and service debt. The industry, already in trouble in 2013, has now endured plunging revenues through a year of oil selling at $60 to $70 per barrel, on average, instead of $90 to $100.

Everyone had expected that in 2014 the Saudis would move to limit supply and maintain stable oil prices by cutting back production, as OPEC has done for decades. But an unexpected shockwave hit the industry in November 2014: The Saudis laid down the gauntlet and announced their intention to continue full production and let oil prices drop.

For the Saudis, this serves two purposes: First, it undermines the expansion of U.S. shale oil by forcing prices down so low that many of the wells have to be shut down or lose money. Second, it punishes their enemy, Iran, whose oil export-based economy has been savaged by the lower prices. The Saudis are sitting pat, with a trillion-dollar war chest savings account accumulated over a decade of $100 per barrel oil. Oil Minister Ali al-Naimi has publicly admitted that the Saudis will wait as long as needed to retain market share, even if prices plunge further.

Falling oil prices will place a huge stress on the world's junk bond market as energy companies now account for 15 percent of the outstanding issuance in the non-investment grade bond market. The plunge in the prices of crude could trigger a "volatility shock large enough to trigger the next wave of defaults,'' according to Deutsche Bank.

This explains why the Obama administration—with complicity of both congressional Democrats and Republicans—managed in the wee hours of the morning to slip a loophole into the supposedly "must-pass'' cliff-hanger omnibus budget bill. This toxic Trojan horse, passed in December 2014, now includes a minor footnote provision that might cause taxpayers to pick up the tab on more than a trillion dollars (yes, trillion) if the energy market bubble implodes, which it must if oil stays at half the price it fetched just six months ago.

After last minute, heavy lobbying on the budget bill by Jamie Dimon of JPMorgan Chase and an army of 3,000 Wall Street lobbyists, it appears that once again sufficient insecurity and fear had been spread among the political class regarding destabilization