

## Amendment 4765 —Offset Spending in the Tax Package (Coburn, Burr, Chambliss, Ensign)

Section Number	Spending Reduction	Source	One Year	Five year
901	15 Percent Immediate Cut in WH and Congressional Budgets	Fiscal Commission	768	3,837
902	Freeze Pay for Members of Congress for Three Years	Fiscal Commission	2	6
903	Freeze Pay for Federal Employees and DoD Civilians for Three Years	Fiscal Commission	5,000	20,400
904	Reduce Federal Workforce by 10 Percent	Fiscal Commission	3,100	13,200
905	Cap Government Printing Costs	Fiscal Commission	400	2,000
906	Cap Federal Travel Costs	Fiscal Commission	400	2,000
907	Reduce Federal Vehicle Costs by 20 Percent	Fiscal Commission	300	1,500
908	Require the sale of Excess Federal Property	Fiscal Commission		15,000
909	Prohibit Unemployment Insurance Benefits for Millionaires (based on assets)		20	100
910	Collect Unpaid Taxes from Federal Government Employees		3,000	3,000
911	Mandatory Elimination of Duplicative Programs			
912	Rescind 10% in Voluntary FY 2010 UN Payments	Fiscal Commission	300	1,500
913	Terminate low-priority Corps construction projects	Fiscal Commission	1,000	1,000
914	Slow the Growth of Foreign Aid	Fiscal Commission		4,600
915	Eliminate Safe and Drug Free Schools	Fiscal Commission & Obama Term	295	1,800
916	Eliminate Economic Development Administration	Fiscal Commission	300	300
917	Rescind 5% from DOJ for wasteful activities	Fiscal Commission	1,200	6,100
918	Eliminate Hollings Manufacturing & Baldrige National Quality Programs	Fiscal Commission & Bush Term	120	120
919	Cut Research Funding for Fossil Fuel	Fiscal Commission	900	900
920	Eliminate Corporation for Public Broadcasting Funding	Fiscal Commission	500	500
921	Reduce DoD Procurement by 15 Percent	Fiscal Commission	12,000	61,400
922	Reduce Research, Development, Test & Evaluation at DoD by 10 Percent	Fiscal Commission	7,000	7,000
923	Reduce DoD Spending on Base Support	Fiscal Commission	2,000	2,000
924	Reduce Overhead Cost of Diplomatic Operations	Fiscal Commission	950	1,300
925	Eliminate Administrative Fees to Schools for Student Aid Programs	Fiscal Commission	187	200
926	Eliminate Grants to Large and Medium sized Hub Airports	Fiscal Commission	1,200	1,200
927	Consolidate Federal Fire Management Programs, Reduce Funding by 10%	Fiscal Commission	400	400
928	Eliminate High Cost Energy Grants	Bush and Obama Terminations	18	18
929	Eliminate Resource Conservation and Development Programs	Bush and Obama Terminations	51	51
930	Eliminate LEAP	Bush and Obama Terminations	64	64
931	Eliminate Stupak Scholarships	Bush and Obama Terminations	1	1
932	Eliminate Byrd Honors Scholarships	Bush and Obama Terminations	42	42

933	Eliminate Historic Whaling and Trading Partners	Bush and Obama Terminations	9	9
934	Eliminate Underground Railroad Program	Bush and Obama Terminations	2	2
935	Eliminate Brownfields Economic Development	Bush and Obama Terminations	18	18
936 & 937	Eliminate Election Reform Grants, Election Assistance Commission	Obama FY11 Termination	75	75
938	Eliminate Emergency Operations Center Grant Program at DHS	Obama FY11 Termination	60	60
939	Eliminate Health Care Facilities and Construction at HHS	Obama FY11 Termination	338	338
940	Eliminate Surface Transportation Priorities at DoT	Obama FY11 Termination	293	293
941	Eliminate Save America's Treasures and Preserve America at NPS	Obama FY11 Termination	30	30
942	Eliminate Targeted Water Infrastructure Grants at EPA	Obama FY11 Termination	157	157
943	Eliminate Challenge Cost Share Grants at Dol	Obama FY11 Termination	19	19
944	Eliminate Constellation Systems Program at NASA	Obama FY11 Termination	3,466	3,466
945	Eliminate Delta Health Initiative at HHS	Obama FY11 Termination	35	35
946	Eliminate Health Care Services Grant Program at Dept of Ag	Obama FY11 Termination	3	3
947	Eliminate Legal Assistance Loan Repayment at Dept of Ed	Obama FY11 Termination	5	5
948	Eliminate Targeted Airshed Grants at EPA	Obama FY11 Termination	20	20
949	FAST Act (Medicare Fraud)			
Subtitle B	No federal payments to AMA or AARP			
	<b>Total (rough estimate, in millions)</b>		<b>\$46,04</b>	<b>\$156,0</b>

**Amendment 4765 —To offset some of the costs of the bill by cutting wasteful spending, eliminating unnecessary programs, and consolidating duplicative programs.**

Every member of the Senate claims they want some portion of this bill to be paid for. This amendment would provide an opportunity to do so.

According to the Congressional Budget Office (CBO), the total increase to the deficit resulting from both the revenue and spending provisions contained within the tax/unemployment insurance (UI) extension bill will be \$857.8 billion. Specifically, the bill will increase spending by \$136.4 billion.

The bill is written to exempt itself from PAYGO rules which require legislation increasing spending or reducing revenues to be offsets to prevent deficit spending.

**This amendment provides \$46 billion in savings this year and \$156 billion over five years, thereby allowing the Senate to pay for a portion of the bill's total cost.**

The national debt now exceeds \$13.8 trillion and the U.S. is expected to reach its debt limit of \$14.3 trillion within the next couple months. Congress will then be faced with approving more borrowing or imposing dramatic spending cuts or tax increases. To prevent or reduce the severity of these options, Congress needs to at the very least stop adding to the deficit now.

The U.S. government has run a deficit for 26 straight months. The fiscal year 2010 deficit was nearly \$1.3 trillion and the 2009 deficit was \$1.4 trillion, the two largest budget shortfalls in history. The deficit for this fiscal year, which just began on October 1, is already more than \$290.8 billion and is likely to set a new record high. Unless Congress takes action, \$1 trillion annual deficits are projected every year for the foreseeable future, which is clearly an unsustainable amount of borrowing.

Senators cannot say they are concerned about the cost of new spending or the loss of revenues resulting from not increasing taxes while at the same time refusing to provide any suggestions for offsets or rejecting those others are offering.

This amendment provides tens of billions of dollars of savings by eliminating wasteful spending, consolidating duplicative programs, and requiring greater efficiency by all federal agencies. It includes ideas proposed by both Republicans and Democrats. It includes suggestions from President Obama's bipartisan deficit reduction as well as ideas to terminate programs proposed by both Presidents George W. Bush and Barack Obama.

Among the savings proposed by this amendment:

- A congressional pay freeze and a 15 percent reduction in Congress' budget;
- A freeze on how much can be spent on the salaries for federal employees and a reduction in the number of government bureaucrats;
- Limiting the amount that the government can spend on printing, travel, and new vehicles;
- Selling unneeded and excess federal property;
- Stopping unemployment benefit payments to jobless millionaires;
- Collecting unpaid taxes owed by federal employees and members of Congress;
- Consolidating duplicative government programs;
- Preventing fraud within federal health care programs;
- Streamlining Defense spending and reducing foreign aid, including voluntary contributions to the United Nations.

This bill is *not* paid for and the Majority Leader is blocking amendments to pay for the bill's costs. A vote to suspend the rules to allow consideration of this amendment would allow the Senate to debate the merits of paying for the spending in the underlying bill rather than simply adding billions of dollars to the national debt.

## **Sec. 901. 15 Percent Immediate Cut in White House and Congressional Budgets**

The President's Fiscal Commission proposed cutting the White House and congressional budgets by 15%. It is time for government to cut back and spend less, and Washington should lead by example. According to the Fiscal Commission, "Like most areas of government, the budgets for Congress and the Executive Office of the President have grown significantly in recent years. For example, legislative branch appropriations almost doubled from FY2000 through FY2010. In order to tackle our fiscal imbalance, everyone must sacrifice. That should include those at the top."

## **Sec. 902. Freeze Pay for Members of Congress for Three Years**

The President's Fiscal Commission proposed cutting freezing member pay for three years, in line with freezing federal employee pay for three years. According to the Commission, "Unlike most Americans, members of Congress benefit from an automatic salary increase every single year – deserved or not. Before Congress can ask the American people to sacrifice, it should lead by example."

## **Sec. 903. Freeze Pay for Federal Employees and DoD Civilians for Three Years**

The President's Fiscal Commission proposed cutting freezing federal employee pay, including DoD civilians, for three years. According to the Commission, "Out of duty and patriotism, hardworking federal employees provide a great service to this country. But in a time of budget shortfalls, all levels of government must trim back. In the recent recession, millions of private sector and state and municipal employees had their wages frozen or cut back, and millions more lost their jobs altogether. In contrast, federal workers' wages increase annually due to automatic formulas in law, providing them with cost-of-living-adjustments totaling more than five percent in the last two years. This proposal would institute a three-year government-wide freeze on federal pay at every government agency, including the Department of Defense civilian workforce."

## **Sec. 904. Reduce Federal Workforce by 10 Percent**

The President's Fiscal Commission proposed reducing the federal workforce by 10 percent over the next decade. According to the Commission, "The federal government currently employs about two million people, and extends federal staffing through thousands more contractors. Washington needs to learn to do more with less, using fewer resources to accomplish existing goals without risking a decline in essential government services. Over time, the Commission recommends cutting the government workforce – including civilian defense – by 10 percent, or by 200,000. As part of the transition to a smaller, more efficient workforce, this would mean hiring only two new workers for every three who leave service."

## **Sec. 905. Limit Government Printing Costs**

Federal employees spend \$1.3 billion annually on office printing.

\$440.4 million spent each year on —unnecessaryll printing — more than \$1 million per day. While the amendment caps the government-wide printing costs, it specifically exempts printing costs related to national defense, homeland security, border security, national disasters, and other emergencies.

Taxpayers should not pay for unnecessary printing. If federal employees are spending \$440 million a year in unnecessary printing, Congress should be able to cut out those wasted funds and save taxpayers over \$1 million dollars a day.

The President's Fiscal commission proposed reducing federal spending on printing. Taxpayers should not pay for unnecessary printing and thus this provision would cap non-defense federal employee printing at \$860 million per year, a savings of \$440 million per year.

### **Sec. 906. Limit Federal Travel Costs**

The President's Fiscal commission proposed reducing federal spending on excessive government travel. According to the Commission, "One of the first things companies cut when faced with budget problems is travel. Yet, despite our record deficits, government expenditures for travel have grown by leaps and bounds. For example, in FY2001, federal agencies spent approximately \$9 billion on travel for mission-related business around the world. In FY2006, that figure reached just over \$14 billion—an increase of 56 percent.

Some of the recent increases may be due to fluctuations in oil prices and the demands of the wars in Iraq and Afghanistan. Even so, the fact remains that year after year, agencies continue to spend more on travel than they project (both before and after 9/11). Furthermore, the fact that travel spending is rising at such a rapid pace would seem to be counterintuitive, considering that the last decade has witnessed remarkable improvements in telecommunications technology (including video conferencing, web-casting, etc.) that should have decreased the need for in person face-to-face meetings and onsite visits. "

The federal government spent \$13.8 billion a year on travel in 2008, including an average of over \$4 billion on non-Department of Defense, non-homeland security travel, according to data from the Office of Management and Budget. In 2007, federal spending on travel was a billion dollars higher at \$14.8 billion.

This provision would help prioritize federal spending by eliminating wasteful and unnecessary federal travel expenses and by rescinding 20% on non-national defense, non-homeland security, non-border security, non-national disasters, and other non-emergency travel costs at each agency.

The provision would also instruct the Director of the Office of Management and Budget (OMB) to establish a definition of and criteria for determining what qualifies as —non-essential travel. After adoption of the amendment, any expenses related to travel deemed —non-essentialll shall *not* be paid for with federal taxpayer funds

### **Sec. 907. Reduce Federal Vehicle Costs by 20 Percent**

The President's Fiscal Commission proposed reducing federal spending vehicle fleets owned and operated by government agencies. According to the Commission, "The government owns approximately 652,000 cars and trucks, and it spends almost \$4 billion annually to operate them. Moreover, the number is getting bigger. For example, since 2006 the government has added over 20,000 vehicles while the cost of operating the fleet has risen 5.4 percent."

This amendment would reduce by 20% the federal funding available for the acquisition of new federal vehicles, and would direct the GSA to reduce by 50 percent the number of vehicles acquired in FY 2011.

### **Sec. 908. Require the sale of Excess Federal Property**

The President's Fiscal Commission called for the sale of excess federal property, and called on Congress to loosen the restrictions current hindering the expedited sale of unused federal property.

According to the Commission, “The federal government is the largest real property owner in the country, with an inventory of more than 1.2 million buildings, structures, and land parcels. Holding this unneeded property carries maintenance costs and forgoes the opportunity to sell potentially valuable property.”

Poor property management of these assets has proven to be a significant and costly problem. The problem is so serious that the Government Accountability Office placed Federal Real Property Management on its High-Risk List in 2003 and it continues to be on the list today. This amendment would allow the government to more quickly sell off government property no longer being used, and directs the GSA to immediately sell \$15 billion in property.

### **Section 909. Ending unemployment payments to jobless millionaires**

This amendment would save nearly \$100 million by stopping federal unemployment payments to those earning more or with assets greater than \$1 million annually.

While millions of Americans put out of work during this difficult economy are relying on unemployment insurance payments to make ends meet as they search for a new job, thousands of Americans earning more than \$1 million annually are also receiving unemployment payments.

As many as 2,840 households that reported income of \$1 million or more on their tax returns were paid a total of \$18.6 million in unemployment benefits in 2008, according to the U.S. Internal Revenue Service. This included more than 800 earning over \$2 million and 17 with incomes exceeding \$10 million. In all, multimillionaires were paid \$5.2 million in jobless benefits.<sup>[1]</sup>

Unemployment insurance is intended to provide a financial safety net for laid-off workers who are seeking re-employment. If an individual is earning \$1 million a year without a job, they probably do not need a safety net afforded by taxing low-income and middle class workers.

With our national debt now exceeding \$13.8 trillion and more than \$1 trillion in red ink being added every year, we can no longer afford to provide unemployment payments to jobless millionaires.

This amendment would stop payments to individuals with assets of \$1 million or more and those earning at least \$1 million. States could still pay unemployment benefits to millionaires using state funds if they so choose, but no federal funds could be spent for those payments.

We simply cannot justify or afford to borrow more money or tax low-income, middle class and even well-off workers to provide payment to unemployment benefits to jobless millionaires.

This amendment would save more than \$20 million every year and more than \$100 million over the next five years.

### **Sec. 910. Mandatory Elimination of Duplicative Programs**

The President’s Fiscal Commission called for a massive reduction in duplicative government programs. According to the Commission:

“The significant growth in domestic spending over the last decade has brought an alarming proliferation of federal programs – many of which duplicate pre-existing federal efforts and each

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<sup>[1]</sup> Ryan J. Donmoyer, “Almost 3,000 millionaires claim jobless benefits, IRS data show,” Bloomberg News October 1, 2010; <http://www.washingtonpost.com/wp-dyn/content/article/2010/10/01/AR2010100104189.html> .

other. Instead of eliminating outdated or ineffective initiatives, Congress often simply creates more programs to address the same concerns.”

“The result is a patchwork of thousands of duplicative programs, nearly impossible to track and even harder to evaluate for effective outcomes. Duplication results in unnecessary deficit spending and crowds out important investments.

“For example, the government funds more than 44 job training programs across nine different federal agencies, at least 20 programs at 12 agencies dedicated to the study of invasive species, and 105 programs meant to encourage participation in science, technology, education, and math. Many of these programs cannot demonstrate to Congress or taxpayers they are actually accomplishing their intended purpose. Programs without demonstrable results costs taxpayers billions of dollars and fail those the programs are intended to serve.”

This amendment would require the Director of OMB to work with each department secretary to consolidate federal programs with duplicative goals, missions, and initiatives. In addition, OMB would be required to submit a list of programs to Congress for elimination. If Congress takes no action within 60 days, the department secretary is directed to carry out the recommendations for elimination as submitted to Congress.

### **Sec. 911. Collect Unpaid Taxes from Federal Government Employees**

While millions of Americans continue to send back portions of their hard earned wages to Washington, many federal employees are failing to contribute their share.

In 2008, the Internal Revenue Service (IRS) found nearly 100,000 civilian federal employees were delinquent on their federal income taxes, owing a total of \$962 million in unpaid federal income taxes.

When considering retirees and military, more than 276,000 people owed \$3 billion.

This amendment simply requires the Internal Revenue Service (IRS) to collect any unpaid taxes from federal employees, which could generate \$3 billion in savings.

### **Sec. 912. Rescind 10% in Voluntary FY 2010 UN Payments**

The President’s Fiscal Commission called for a 10% reduction in voluntary U.S. contributions to the United Nations. According to the Commission, “..the United States provided over \$6.3 billion in taxpayer funds to the United Nations in FY2009. Less than half (\$2.7 billion) of that total went to “assessed” dues – payments that the United States is charged for being a member and for its share of peacekeeping operations around the world. The United States is by far the largest donor to the United Nations in terms of assessed dues. However, the United States gives the United Nations more than \$3.5 billion in “voluntary” funds each year.” This amendment would allow the United States to the United States to continue contributing the full assessed dues, but reduces voluntary payments by 10 percent.”

### **Sec. 913. Terminate low-priority Corps Construction Projects**

The President’s Fiscal Commission called for the termination of low-priority Army Corps of Engineer projects, by reducing funding for the Corps by 20 percent of their funding. In addition, President Obama recommended eliminating hundreds of millions in unrequested funds Congress annually appropriates to the Corps of Engineers to construct low-priority projects in his Fiscal Year 2011 Budget. This amendment would simply prohibit the Corps from funding low-priority projects, which

“provide a low return on the Federal taxpayer’s investment or that should be the responsibility of non-Federal interests, such as projects designed primarily for recreation.”

#### **Sec. 914. Slow the Growth of Foreign Aid**

The President’s Fiscal Commission called for slowing the growth in federal funding spent on foreign aid. This amendment would reduce by 10 percent, federal funding international development and humanitarian assistance by 10 percent.

According to the Commission, “The President’s budget calls for over \$14 billion of increases in international affairs spending between 2011 and 2015. Nearly all of this growth is due to large increases in spending for international development and humanitarian assistance. Since 2008, the budget for international development and humanitarian assistance has increase over 80 percent from over \$17 billion to over \$32 billion, and is expected to grow another 40 percent to over \$45 billion by 2015 – more than double previous levels.”

#### **Sec. 915. Eliminate Safe and Drug Free Schools**

The President’s Debt Commission proposed eliminating federal funding for the Office of Safe and Drug Free Schools. According to the Commission, “In the President’s budget, funding for the Office of Safe and Drug Free Schools is more than double the allocation from 2008. This option eliminates the office, saving about \$1.8 billion in 2015. While school safety should be protected, violence and drug abuse are problems that occur far less on school grounds than elsewhere. As CBO points out in the Budget Options Volume 2 report, children are more likely to be victims of violence away from school, and while drug use is more common than violence, it still occurs infrequently on school property. Further, the results hoped for in creation of the Office of Safe and Drug Free Schools have not been demonstrated.”

This amendment would repeal the program and rescind any existing funding for it.

#### **Sec. 916. Eliminate Economic Development Administration**

This amendment would eliminate the Economic Development Administration, as called for by the President’s Fiscal Commission. According to the Commission, “In 2005, one analysis identified over 100 economic development programs within more than a dozen different agencies. The multiple different programs within the Economic Development Administration duplicate many of the 180 federal economic development programs, including SBA Disaster Assistance Loans, SBA’s Historically Underutilized Business Zone (HUBZone) program, USDA’s Rural Development programs, numerous Regional Commissions, HUD’s Community Development Block Grants, USDA’s Economic Action Program, the New Markets Tax Credit, HHS’ Community Economic Development grants, and many more.”

“Additionally, according to the Congressional Research Service (CRS), expanding program eligibility and purposes ‘follows a pattern that has allowed more areas in the country to become eligible for EDA assistance over the years, even as funding for the agency has declined.’ In 1970, 983 areas qualified for EDA assistance; by 1973, that number had nearly doubled to 1,818 areas. By 1998, approximately 90 percent of the counties in each year studied qualified.”

“While EDA was authorized as part of the Public Works and Economic Development Act (PWEDA) of 1965 to fund only public infrastructure projects intended to spur economic development in depressed areas, Congress has since increased program eligibility repeatedly. As a result of these program expansions, some observers have expressed concerns that EDA funds are seen by many as a

supplemental funding source for parochial projects. The Inspector General (IG) overseeing EDA audited 10 grant projects totaling \$45 million between 2004 and 2008 and found that, because of 'various violations of EDA grant requirements, such as financial accounting irregularities, conflicts of interest, and improper procurement procedures,' they had wasted \$13 million. Four of the 10 projects were never completed."

### **Sec. 917. Rescind 5% from DOJ for wasteful activities**

The Department of Justice has a long history of wasteful, duplicative, and inefficient uses of federal funding. This amendment would rescind 5% from DoJ's annual budget, as called for by the President's Fiscal Commission, which cited numerous examples of waste at the agency. According to the Commission, "Funded at more than \$20 billion annually, the Department of Justice is tasked with keeping our nation safe by ensuring justice and prosecuting terrorists. By 2015, the department's budget is projected to grow by nearly half from what it was in 2005 – one of the sharpest increases at any agency." By rescinding 5% the department will be forced to prioritize and cut back on excessive and wasteful grant spending.

### **Sec. 918. Eliminate Hollings Manufacturing & Baldrige National Quality Programs**

This amendment would repeal the Hollings Manufacturing & Baldrige National Quality Programs, as proposed by the President's Fiscal Commission. According to the Commission, "The Hollings Manufacturing Extension Partnership (HMEP) consists primarily of a network of nonprofit centers, partially funded by the federal government, which offer management and manufacturing advice to U.S. businesses. The Baldrige National Quality Program, for the most part, gives awards to companies for achievements in quality and performance. Those who support eliminating the programs suggest that the federal government shouldn't be providing the services these programs provide, in part because similar programs are provided by the private sector. In fact, it is argued that some funding from HMEP supports inefficient companies that would otherwise go out of business. Also, businesses should already have enough incentives to maintain the quality of their products without awards from the Baldrige National Quality Program."

### **Sec. 919. Cut Research Funding for Fossil Fuel**

This amendment would prohibit any federal funding for new applied research on fossil fuels, as proposed by the President's Fiscal Commission. According to the Commission, "this funding was created at a time when the prices for these types of fuels were partially controlled and the development of technology was stunted. Today, the situation is quite different. In addition, much of this federal research duplicates what is being conducted in the private sector. The Office of Management and Budget has reported that the additional oil reserves which have resulted from technology developed by the program have been minimal."

### **Sec. 920. Eliminate Corporation for Public Broadcasting Funding**

This amendment would eliminate federal funding for the Corporation for Public Broadcasting, as called for in the President's Fiscal Commission report. CPB's primary job is to "receive and distribute" federal appropriations to fund national programs and public radio and television stations. It is most famous for supplying funding to NPR and its member stations (and other public radio stations) and to PBS and its member stations. The current CPB funding level is the highest it has ever been, at more than \$400 million annually.

### **Sec. 921. Reduce DoD Procurement by 15 Percent**

This amendment would reduce FY 2011 Department of Defense procurement funding by 15 percent, as proposed by the President's Fiscal Commission.

In its FY2011 budget, DOD estimated procurement spending in FY2015 would total \$137.5 billion, almost a doubling in real terms FY2000 levels. Since FY2003, DOD has received an additional \$214.5 billion in war-related procurement funds, equaling more than twice as much as annual procurement, which has increased the service's stock of equipment. DOD's FY2015 budget does not include war funding. A 15 percent cut would reduce FY2015 procurement by almost \$20 billion to a total of \$117.5 billion, or slightly below the average for the past ten years, including war-related funding (when adjusted for inflation).

The reduced amounts for procurement can be achieved by canceling plans to purchase major weapon systems that provide a marginal amount of security for an exorbitant cost. This may include the Marine Corps V-22 Osprey, Expeditionary Fighting Vehicle, and F-35 Joint Strike Fighter. The Navy could purchase a mix of F-18 Super Hornet and F-35 Joint Strike Fighter and their Future Maritime Prepositioning Force. The Army could cancel their Joint Light Tactical Vehicle and Ground Combat Vehicle.

### **Sec. 922. Reduce Research, Development, Test & Evaluation at DoD by 10 Percent**

This amendment would reduce the Defense Department's Research, Development, Test and Evaluation budget by 10 percent, saving \$7 billion in 2015, and \$18 billion for FY2012-FY2015, as called for in the President's Fiscal Commission Report. The currently high level of RDT&E does not appear to be consistent with proposals by Secretary Gates to re-orient DOD modernization to counter-insurgency warfare with, for example, an emphasis on sensing devices and intelligence gathering to counter home-made improvised explosive devices (IEDs), which would be expected to be less expensive than developing follow-on systems for major weapon systems.

Some observers have also questioned the high ratio of RDT&E to procurement funding levels – ranging from 60% to 70%, compared to historical levels of closer to 40% to 50% – given the fact that the U.S. technological lead far exceeds other nations and the lack of a global competitor. Even with this cut, DOD would still maintain a funding level at the same level in real terms as the peak of the Reagan years in real systems (adjusted for inflation).

RDT&E spending could be reduced by slowing ongoing projects and cancelling particular projects such as those associated with marginal procurement programs identified above such as the Marine Corps version of the F-35 (\$135 million in FY2015, \$1.6 billion for FY2012-FY2015), the Joint Light Tactical Vehicle (\$128 million in FY2015, \$1.1 billion from FY2012-FY2015), Joint Tactical Radio (\$177 million in FY2015, \$1.7 billion from FY2012-FY2015), as well as cancelling funding for upgrades of newly-deployed systems such as the F-22 fighter aircraft (\$106 million in FY2015 and \$828 million for FY2012-FY2015), and the Air Force F-35 (\$54 million in FY2012 and \$354 million for FY2012-FY2015).

### **Sec. 923. Reduce DoD Spending on Base Support**

This amendment would reduce base support spending by about 10 percent, as called for in the President's Fiscal Commission report. This could encourage cross-servicing among bases that are near each other and would save \$2.1 billion in FY2015 and \$7.9 billion for FY2012-FY2015. Service spending on base support (cutting grass, providing electricity, etc.) varies among the services from a low of \$10,800 per troop in the U.S. Marine Corps to \$15,700 per troop in the Air Force in 2011. While DOD has set common support standards for 12 new joint bases, and the Army and Navy have

set up separate commands to administer base support, these appear to have led to higher costs (and in some instances even greater disparity in the costs per troop between the Services). It is not clear why cost per troop should vary so much among the services. Including savings in the budget for base support could encourage the services to adopt best practices, regionalize base support across services, and use a civilian organization rather than a military command.

#### **Sec. 924. Rescind Overhead Cost of Diplomatic Operations**

This amendment would rescind by 10 percent funding for the Diplomatic and Consular Programs, as called for by the President's Fiscal Commission.

According to the Commission, The administration has requested \$9.55 billion for Diplomatic and Consular Programs (D&CP) in FY2011, with plans to increase this to \$12.5 billion by FY2015. Diplomatic and Consular Program funding provides for the day-to-day costs of running U.S. diplomatic operations such as maintenance and security of embassies and consulates, the salaries of ambassadors, and Foreign Service staff. Rescinding 10% would reduce the rate of growth by trimming overhead costs while still allowing for significant growth from FY2010, when Diplomatic and Consular Programs were funded at \$8.2 billion."

#### **Sec. 925. Eliminate Administrative Fees to Schools for Student Aid Programs**

This amendment would eliminate administrative fees to schools for student aid programs, as called for by the President's Fiscal Commission.

According to the Commission, "Under certain campus-based aid programs – the Federal Supplemental Educational Opportunity Grant Program, the Federal Perkins Loan Program, and the Federal Work-Study Program – institutions can use up to 5 percent of program funds to cover the administrative costs of administering the programs, distributing the funds, or both. Under the Federal Pell Grant Program, the federal government pays schools \$5 per grant to reimburse administrative costs. It has been argued that schools already benefit greatly from participating in federal student aid programs, before receiving administrative fees, because the aid makes attendance more affordable."

#### **Sec. 926. Eliminate Grants to Large and Medium sized Hub Airports**

This amendment would eliminate funding for large and medium sized hub airports under the Airport Improvement Program, as recommended by the President's Fiscal Commission.

According to the Commission, "The Federal Aviation Administration (FAA) provides grants to airports to expand runways, improve safety and security, and make other capital investments as part of the Airport Improvement Program (AIP). Federal grants to airports merely substitute for funds that large and medium-sized airports would otherwise raise from private sources such as investments and passenger fees. However, smaller airports have more difficulty raising such funds. This option would limit AIP grants to small-sized airports only, trimming about a third of the program's budget."

#### **Sec. 927. Consolidate Federal Fire Management Programs, Reduce Funding by 10%**

This amendment would consolidate federal fire management program and reduce overall federal funding for these efforts by 10 percent, as called for in the President's Fiscal Commission report.

According to the Commission, "There are numerous firefighting programs within the Department of the Interior (DOI) and the USDA Forest Service (FS). Since FY2001, funding for these activities has nearly doubled according to the Congressional Research Service. Despite this increase in funding,

three of the past four years have seen a record amount of federal acreage burned. Within DOI and USDA there are almost identical accounts for how funds are intended to be spent – the only difference is that these funds are spent on lands managed by different federal agencies. There are even duplicative research accounts on wildfire research. Specifically, both agencies have the following accounts: Preparedness, Fire suppression operations, Hazardous fuels reduction, Burned area rehabilitation, and Joint fire science. In FY2010, \$975 million was appropriated for DOI firefighting activities and \$2.592 billion for FS wildfire activities. Total funding between the two was \$3.567 billion in FY2010, not including emergency appropriations. Since 1999, GAO has repeatedly found that these activities should be more cohesive and cost-effective. In 2009, GAO noted that Forest Service and Interior agencies had not defined firefighting cost-containment goals or developed a strategy to achieve such goals, despite GAO recommendations in 2007 to do so. Instead, costs have continued to rise.”

### **Sec. 928. Eliminate High Cost Energy Grants**

This amendment would eliminate funding for the High Cost Energy Grants at the Department of Agriculture. Both the Bush and the Obama Administrations targeted this program for elimination. The program provides grants for low cost electricity to rural areas, but only Alaska, Hawaii, and a few remote regions in the continental United States qualify for them. It also duplicates and is less effective than the Electric Loan Program, which is available nationwide from the Rural Utilities Service.

### **Sec. 929. Eliminate Resource Conservation and Development Program**

This amendment would eliminate funding for the Resource Conservation and Development Program (RC&D), which has been targeted by both the Bush and Obama Administration for elimination. Congress intended for the RC&D initiatives nearly fifty years ago as a short-term jump start for locally directed development and conservation programs but not to become permanent federal programs. The program has accomplished this original mission, and the relationships it has helped to build in states and local communities are now sufficiently strong without federal funding. Additionally, this program only provides 16 percent of funding to RC&D councils who access the majority of their budget from other federal and outside sources.

### **Sec. 930. Eliminate LEAP**

This amendment would eliminate funding for LEAP, as called for in the President’s FY 2011 budget. According to the Administration, LEAP program, “has fulfilled its purpose of encouraging States to provide postsecondary student financial assistance and is no longer the most optimal way of targeting such assistance to needy students.” It is not the role of the federal government to support student financial aid; LEAP does little to encourage States to increase their investment in grant aid for their neediest students, or effectively target this aid to the students who could most benefit from it. What’s more, in 2004 the Department of Education and OMB assessed the program using the Program Assessment Rating Tool (PART) and rated it “Results Not Demonstrated,” and also identified structural problems that limited the program’s effectiveness.

### **Sec. 931. Eliminate Stupak Scholarships**

This amendment would eliminate funding for the B.J. Stupak Olympic Scholarships program, as called for in the President’s FY 2011 budget. The program provides up to \$15,000 to athletes pursuing postsecondary education and training at the U.S. Olympic Education Center. This is not a role of the federal government, and duplicates the student financial aid the government already makes generally available. There were fewer than 100 scholarship beneficiaries in 2007-2008, the

scholarships are not means-tested, and the Department is unable to evaluate effectiveness because it cannot track student-athletes after they leave the training centers.

### **Sec. 932. Eliminate Byrd Honors Scholarships**

This amendment would terminate the Byrd Honors Scholarships, as proposed in the President's FY 2011 budget. The program provides state scholarship grants to support the undergraduate education of high-performing high school students. President Obama proposed eliminating this program because the Byrd Scholarships are only available to a small number of elite students, and States are prohibited from considering financial need when awarding the scholarships. The Administration also found that reliable performance data are not available, and the design of the program suggests these scholarships would likely be otherwise available to these students. It is also not the role of the federal government to provide student financial assistance.

### **Sec. 933. Eliminate Historic Whaling and Trading Partners**

This amendment would end funding for the Historic Whaling and Trading Partners, as proposed in the President's FY 2011 budget. The President's FY 2011 budget eliminated the program, which provides non-competitive grants to support culturally-based educational activities for Alaska Natives, Native Hawaiians, children and families of Massachusetts, and "any federally recognized Indian tribe in Mississippi." These funds are *de facto* earmarks, as funds are provided only to five museums named in statute and have been awarded to the Mississippi Band of Choctaw Indians since 2006, rather than making awards based on a competition or merit. The Department reports that it has no reliable performance data on the grantees in this program. The program's narrow goals are more appropriately served with State, local, and private funding.

### **Sec. 934. Eliminate Underground Railroad Program**

This amendment would eliminate funding for the Underground Railroad Program. The President's FY 2011 budget would eliminate the Underground Railroad Educational and Cultural program, which provides grants to nonprofit educational organizations to establish facilities that house, display, and interpret artifacts relating to the history of the Underground Railroad. The program's narrow goals are more appropriately served with State, local, and private funding. Furthermore, the narrow purpose of this program limits the pool of eligible applicants. Since 2002, the program has had nine grantees, a few of which received multiple awards year after year. What's more, the types of museum exhibits that are supported by this program are also eligible for funding under several broader grant competitions through the Institute of Museum and Library Services.

### **Sec. 935. Eliminate Brownfields Economic Development**

This amendment would eliminate funding for the Brownfields Economic Development Initiative (BEDI), as called for by the President. BEDI is a grant program designed to assist cities with the redevelopment of abandoned, idled, and under-used industrial and commercial facilities where expansion and redevelopment is burdened by environmental contamination. These funds are targeted for redevelopment of brownfield sites for the purposes of economic development and job creation. This program is duplicative of other efforts that are significantly better funded. In particular, Community Development Block Grant (CDBG) are used for identical projects (FY10 appropriation of several billion dollars), to address this need. Several other economic development programs include, the Economic Development Administration (\$293 million), USDA's Rural Development Administration grants, and the National Community Development Initiative. The President recommended eliminating this program because of this duplication issue and to reduce the administrative workload associated with managing a small and duplicative program.

## **Sec. 936 and Sec. 937. Eliminate Election Reform Grants, Election Assistance Commission**

This amendment eliminate funding for the Election Reform Grants, as called for by the President in his FY 2011 budget. According to the Administration, “Additional Federal funds are not needed to accomplish the purposes of HAVA at this time, as over \$3 billion in Federal funds have been provided to the States since 2002, of which approximately \$1 billion remains unspent.” Last year, Congress reduced funding for these grants by 25 percent. By eliminating this unnecessary federal funding it will encourage States to “spend current balances on HAVA-mandated programs to meet the goals of that Act sooner.”

## **Sec. 938. Eliminate Emergency Operations Center Grant Program at DHS**

This amendment would eliminate funding for the Emergency Operations Center Grant Program at the Department of Homeland Security. The President’s Budget recommends cutting the DHS Emergency Operation Center Grant (EOC) program because the grant program has moved from a risk-based grant program to a earmark slush fund for Members of Congress. In 2010, 78 percent of EOC grants were earmarked. In addition, this grant program is duplicative of the Emergency Management Performance Grant (EMPG) program, because EMPG grants can be used for Emergency Operation Centers.

## **Sec. 939. Eliminate Health Care Facilities and Construction at HHS**

This amendment would eliminate funding for HHS Health Care Facilities and Construction. The President’s FY2011 Budget calls for the elimination of the program, saving at least \$338 million. The President’s Budget notes these wasteful “projects are not subject to a competitive or merit-based process” and “there are other sources of funding in the Federal Government that can accomplish these goals -- a GAO report identified 29 programs across eight Federal agencies that support non-residential buildings and facilities construction.” According to President Obama’s budget, “projects such as those funded under these programs should compete for funding in a transparent manner and funds should be awarded based on merit.”

## **Sec. 940. Eliminate Surface Transportation Priorities at DoT**

This amendment would eliminate funding for Surface Transportation Priorities at the Department of Transportation.

President Obama has twice recommended eliminating this program because it consists exclusively of earmarked surface transportation projects, is duplicative and States or localities are not given the flexibility to target them to their highest transportation priorities. Specifically, this program duplicates the Surface Transportation Program (STP) which provides “flexible” funding that may be used by States and localities for projects on any Federal-aid highway, including the National Highway System, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. Every earmarked project in the Priorities account could be funded within this account which provides \$6.5 billion in annual federal funds. This account serves only to ensure politicians receive funding for their handpicked projects that may not warrant funding under the more competitive review process. In FY 2010, \$293 million was appropriated for this account with a 100 percent federal cost-share. Eliminating this program would result in more efficient spending of highway gas tax dollars.

### **Sec. 941. Eliminate Save America's Treasures and Preserve America at NPS**

This amendment would eliminate funding for the Save America's Treasures and Preserve America Program, as called for by the President who said both programs are duplicative and underperforming.

The Preserve America Grant Program was established in 2003 a grant program within DOI to provide "planning funding to support preservation efforts through heritage tourism, education, and historic preservation planning."

The Save America's Treasures Program in Department of Interior awards grants to preserve historically significant properties. This account is also heavily earmarked. \$4.6 million is appropriated for Preserve in FY 2010 and \$25 million is appropriated for Save. The Department of the Interior oversees multiple, overlapping historic preservation programs. Additionally, every federal agency is required to maintain a historic preservation program and must appoint a historic preservation officer and comply with the National Historic Preservation Act. In addition, there are numerous other federal grant programs and tax provisions aimed at historic preservation.

### **Sec. 942. Eliminate Targeted Water Infrastructure Grants at EPA**

This amendment would eliminate Targeted Water Infrastructure Grants at the EPA, as called for by the President.

These funds are targeted for wastewater or drinking water infrastructure projects in the Environmental Protection Agency's (EPA's) State and Tribal Assistance Grants account. These grants are duplicative of funding available for such projects through the Clean Water and Drinking Water State Revolving Funds (SRF) – which are multi-billion funds –, but are not subject to the State priority-setting process for these programs, which typically funds cost-effective and higher priority activities first. According to the President, these types of projects require more oversight and technical assistance than standard grants because many recipients are unprepared to spend or manage funds. Such projects also generally take several years to complete, requiring EPA resources for an extended period of time. This earmarked program resulted in FY2010 in 333 wastewater and drinking water projects targeted to specific communities being funded outside of competitive or merit-based process.

### **Sec. 943. Eliminate Challenge Cost Share Grants at National Park Service**

This amendment would eliminate the Challenge Cost Share Grants at the National Park Service., as proposed in the President's Budget.

The Department of the Interior's (DOI's) Challenge Cost Share (CCS) programs for the Bureau of Land Management (BLM), the National Park Service (NPS), and the Fish and Wildlife Service (FWS) fund land conservation and recreation projects on Federal and non-Federal lands that are matched by partners. Bureaus are responsible for determining whether non-Federal contributions meet or exceed Federal funding for each project. The President has recommended eliminating this program, because "DOI has not demonstrated effective program management or oversight of non-Federal contributions, particularly in-kind services. A recent DOI Inspector General report found that "increased accomplishments through the leveraging of bureau funding anticipated with the CCS Program cannot be accurately measured or maximized. This is the result of the bureaus' failure to verify partner contributions, effectively plan CCS projects, and accurately communicate Program availability and results." Several other federal programs exist that already provide funding for similar ventures, including the FWS's Partners for Fish and Wildlife program which works with private individuals and groups on recreational and conservation land projects. The NPS matches private donations to fund

projects in parks through the National Park Service's Park Partnership Project grants program as well.

#### **Sec. 944. Eliminate Constellation Systems Program at NASA**

This amendment would eliminate funding for NASA's Constellation Systems Program, as called for by the President.

Due to budget constraints and a review that found the Constellation woefully behind schedule, the President's budget has terminated the Constellation program. According to a 2009 Administration commissioned "independent blue-ribbon panel" that was tasked to review NASA's human spaceflight programs, the review found "that the Constellation program would not be able to land astronauts on the Moon until well into the 2030s -- more than 10 years later than planned --without large budget increases." Given a tightening federal budget that will impact NASA, the Administration has determined that continuing the Constellation program is not cost-beneficial, and wants those resources placed elsewhere in the budget to improve NASA's budget effectiveness and efficiency. This is a common sense start to reducing waste at NASA. According to the Administration, terminating the program will save \$3.46 billion.

#### **Sec. 945. Eliminate Delta Health Initiative at HHS**

This amendment would eliminate funding for the Delta Health Initiative at Health and Human Services, as called for in the President's Fy 2011 budget.

This Initiative is not subject to a competitive or merit-based process and duplicates existing federal funding allocations and programs. The President's Budget concludes that "funds pay for equipment and construction in private health care facilities whose costs should not be subsidized by the Federal Government.

#### **Sec. 946. Eliminate Health Care Services Grant Program at Dept of Agriculture**

This amendment would eliminate the Health Care Services Grant Program, as called for by the President.

USDA's Rural Utilities Service administers the Health Care Services Grant program, which provides grants, loans, and loan guarantees for, among other things, health care services, health education programs, and health care job training, which USDAS has no experience administering. At the same time, the Department of Health and Human Services administers a number of programs with similar goals, including the Health Center grants programs that actually serves rural areas as well. The USDA program was created in the 2008 farm bill specifically for the needs of the Delta region. This program is outdated and duplicative of existing federal programs.

#### **Sec. 947. Eliminate Legal Assistance Loan Repayment at Dept of Ed**

This amendment would eliminate funding for the Legal Assistance Loan Repayment program, as proposed by the President in his FY 2011 budget. The program allows qualified individuals who enter and continue employment as civil legal assistance attorneys to receive up to \$40,000 in loan forgiveness benefits. It is not the role of the federal government to provide loan repayment programs. The program has no income limitation. Civil legal service attorneys already qualify for loan forgiveness benefits under the Public Service Loan Forgiveness provisions of the William D. Ford Direct Student Loan program.

## **Sec. 948. Eliminate Targeted Airshed Grants at EPA**

This amendment would eliminate the Targeted Airshed Grants at the EPA, as called for by the President.

This grant program exists solely for California to be able to retrofit existing diesel engines and for targeted airshed grants . This funding is duplicate of over \$400 million was provided in 2009 and 2010 for the nationwide Diesel Emissions Reduction Act program. The President has recommended eliminating the target program because the existing nationwide program is a more effective mechanism for addressing diesel emissions because it provides adequate funding levels and resources for additional pollution reduction, and awards these resources on the basis of merit as opposed to arbitrarily restricting grants to a particular area. Eliminating this program would place the other states on an equal footing with California and help ensure only the most worthy projects are funded.

## **Sec. 949. No Special Treatment for AMA or AARP**

This amendment would requires federal grants or contracts with AARP and American Medical Association for FY 2011 or any year thereafter be awarded by a competitive bidding process.

In addition, it requires any physician trade and lobby organizations that are

1. partnering with the federal government by participating in technical reviews,
2. making health care payment policy recommendations,
3. representing physician interests on advisory panels, or
4. otherwise representing physicians in matters being reviewed or examined by the Department of Health and Human Services to disclose:
  - a) the number of dues paying physician-members the organization currently represents
  - b) the professional status of such members, whether said physicians are currently practicing medicine, teaching, retired, or a medical student in residency.

For entities to be eligible for participation in activities listed in that category, these organizations shall have a membership composed of at least 50% of currently-practicing physicians in the same calendar year.

Sellers of Medigap supplemental insurance policies that constitute more than twenty percent of the market share of the previous fiscal year shall be required to spend at least 80 percent of their premium dollars on medical claims. This policy is designed to ensure value for seniors, but does not apply to smaller insurers who may have higher operating costs per beneficiary, lest it reduce choices for seniors.

Taxpayers have a right to know what stakeholder organizations benefit from particular federal policies.

Americans are tired of backroom deals and special treatment for the well-funded and well-connected. All taxpayers have a right to know how their tax dollars are being used and what groups or organizations are benefitting from federal policy.

The American Medical Association (AMA) Benefits from Particular Federal Policies.

- In February 1983, the Centers for Medicare and Medicaid Services (CMS, but then the “Health Care Financing Administration”) entered into an agreement with the AMA under which the agency is able to use CPT codes without a fee.

- The Medicare program made a one-time payment of was \$600,000 to the AMA to purchase physician survey data that CMS now uses in the Medicare physician fee schedule practice expense methodology. CMS does not make continual or ongoing payments to the AMA.

How does the AMA benefit from preferential treatment from taxpayers?

- An LA Times article<sup>1</sup> last year noted the AMA enjoys a “little-known monopoly that sends millions into the trade group's coffers each year.”

As Democrats tout the American Medical Association's endorsement of their health care overhaul, critics are .... saying it's no surprise the Democrats were able to gain the AMA's support.

The AMA, which this year reversed its long-standing opposition to such changes, holds the exclusive rights to the medical billing codes that doctors. are required to use when they submit bills to insurance plans. They are the equivalent of a bar code for nearly every medical procedure, from transplanting hearts to tucking tummies and scoping colons.

It is a monopoly that critics say gets in the way of making health care less expensive and potentially more effective.

The arrangement is the product of a once-secret deal, struck in the early 1980s, that allowed the government to streamline billing procedures for its insurance programs by setting a single code set as the standard. Under that deal, the AMA maintains and updates the codes at no cost to the government, but generates millions each year selling the code books and software licenses to doctors and insurers.

### **The AMA Will Not Disclose How Much The Monopoly Benefits Their Organization**

In the LA Times article, then-AMA President Dr. James Rohack would not disclose how much revenue is generated from the CPT code monopoly each year, but “he said that it is a portion of the \$70 million claimed from sales of ‘books and products’ in 2008.”

### **AARP Benefits From Particular Federal Policies**

- AARP claims that the organization’s non-profit and for-profit operations are completely unrelated, but AARP benefits from backroom deals and exemptions received in the new federal health. AARP dominates about a third of the marketplace for selling Medigap supplemental insurance, but they enjoy the following exemptions:
  - EXEMPT from the prohibition on pre-existing condition exclusions, such that AARP can continue to impose waiting periods on vulnerable seniors with pre-existing conditions – as it [does currently](#) [Section 1201(2)(A) of H.R. 3590]
  - EXEMPT from the tax on insurance companies [Section 10905(d)of H.R. 3590] that will total more than \$14 billion per year – even though according to its own [financial statements](#) AARP generated more money from insurance industry “royalty fees” than it received from membership dues, grant revenues, and private contributions combined .

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<sup>1</sup> <http://www.healthleadersmedia.com/content/hom-244055/Medical-billing-code-monopoly-explains-AMAs-support-for-health-plan-critics-say##>

- EXEMPT from a requirement imposed on Medicare Advantage plans to spend at least 85 percent of their premium dollars on medical claims (Section 1103 of H.R. 4872). AARP Medigap policies are currently held to a far less restrictive 65 percent standard
- Though AARP dominates about a third of the market in selling Medigap plans,<sup>2</sup> they have not publicly disclosed to seniors how much revenue the company makes from the sale of each policy. AARP claims it spends more than 80 cents of every dollar on beneficiary care, but they have not publically disclosed how they arrive at that number.

### **Subtitle B, FAST Act: Fighting Fraud and Abuse to Save Taxpayers Dollars**

In the President's February 22, 2010 proposal for health reform, President Obama endorsed several proposals designed to combat waste, fraud, and abuse in Medicare and Medicaid. The FAST Act, included in this amendment represents bipartisan ideas to combat waste, fraud, and abuse, as well as a bipartisan provision to reduce from by removing Social Security numbers from Medicare cards.

The amendment would:

- Help CMS and other entities track excluded providers across State lines.
- Provide data access for private sector and governmental entities to increase anti-fraud efforts.
- Increase accountability for Medicare Administrative Contractors.
- Limit the discharge of debts in bankruptcy proceedings if a health provider has engaged in fraud.
- Strengthen penalties for the illegal distribution of Medicare or Medicaid beneficiary identification.
- Establish a pilot program using universal product numbers on claim forms in Medicare.
- Prohibit the inclusion of Social Security account numbers on Medicare cards.

The Medicare program loses at least \$60 billion annually to wasted and fraudulent payments. The Medicaid program also suffers from rampant fraud, but we do not even know how much. The Office of the Inspector General noted in 2009, in an analysis of the only source of nationwide Medicaid claims and beneficiary eligibility information – the Medicaid Statistical Information System (MSIS) – the federal government does not have “timely, accurate, or comprehensive information for fraud, waste, and abuse detection” in the Medicaid program.

Absent comprehensive estimates, Medicaid's improper payment rate may be the most objective measure of taxpayer dollars lost to fraud. The national average improper payment rate ranges between 8.7% and 10.5%, but many states have much higher improper payment rates.

The government must strengthen efforts to combat waste, fraud and abuse.

The new federal health reform law dramatically expands Medicaid, significantly changes Medicare, creates new regulations, and will send hundreds of billions of dollars to insurance companies. Without improvements to current anti-fraud efforts, taxpayers could be at risk to even more money.

The loss of taxpayer dollars due to waste and fraud under Medicare and Medicaid not only threatens the financial viability of programs, they erode the public trust. American taxpayers should not be expected to tolerate rampant waste, fraud, and abuse in publicly-funded health care programs.

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<sup>2</sup> Last year, market share was ~ 30% (see pg. 2, [http://reichert.house.gov/UploadedFiles/Final\\_response\\_10-1.pdf](http://reichert.house.gov/UploadedFiles/Final_response_10-1.pdf))

It is the duty of public officials and public servants in Congress and the Administration to protect the American public's taxpayer dollars. Congress and the Administration must continue to aggressively combat waste, fraud, and abuse in public health care programs.

If the FAST Act were properly implemented and re-cooped or prevented just 10 percent of what Medicare and Medicaid lose each year, taxpayers would save \$10 billion dollars, or \$100 billion dollars over a decade.