

TESTIMONY BEFORE THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON SELECT REVENUE MEASURES

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 2005

Mr. KUCINICH. Mr. Speaker, I would like to submit my testimony on Select Revenue Measures before the Committee on Ways and Means for the RECORD:

Thank you Chairman Camp and Ranking Member McNulty for holding this important hearing. I would like to bring to your attention a proposal I introduced last Congress, H.R. 3655, the Progressive Tax Act of 2003, which will have a positive impact on millions of taxpayers.

I think it is fair to say that all Members of Congress believe we need to strive for a fair, simple, and adequate tax system. We may disagree on how this has been accomplished, but we have the same goals.

However, I think we can agree on the need for transparency. Transparency in the tax system is necessary to achieve fairness. Transparency permits the taxpayer to understand how fairness is arrived in the tax code. A simplified tax code can provide this transparency, which in turn provides a sense of trust in the government.

This committee should enact my proposal to create a \$2000 Simplified Family Credit, a refundable tax credit that simplifies the tax code by consolidating the Earned Income Tax Credit (EITC), Child Tax Credit, Additional Child Credit, and dependent exemption for children into one streamlined Simplified Family Credit. This tax credit will simplify the tax code, provide greater transparency, provide extra work incentives, and provide a stimulus effect.

Families should not have to struggle to understand the eligibility requirements for each of the various family tax breaks in current law. All families should follow the same set of rules.

The Simplified Family Credit is structured to provide progressive tax benefits and a work incentive. The families with lower income will get more benefit, but they are also rewarded for work. The credit would be steeply phased in at the lowest income levels providing the incentive to work and a substantial benefit. As income rises a slow phase out would be necessary to ensure we maintain a progressive tax system.

The cost of this proposal would fall in the range of \$20 billion a year. Given our current deficit problems, I believe that Congress should only create the Simplified Family Tax Credit if it is paid for. In my legislation H.R. 3655, there are several options to pay for this proposal including rolling back parts of the tax cuts enacted in the last 5 years. Those tax cuts only added to the complexity of the tax code and removed any remaining transparency.

Thank you for this opportunity to testify today.

CHALLENGES IN THE MIDDLE EAST

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 2005

Mr. KNOLLENBERG. Mr. Speaker, with the world watching, Israel announced on April 18,

2004 its disengagement plan to withdraw Israeli settlers from the Gaza Strip and four West Bank settlements. Intended to improve security for Israeli citizens, Israel's disengagement plan also creates a possibility for greater Middle East peace.

Beginning in 1948, hostile nations have denied Israel's right to exist. Today, violence from terrorist organizations not only threatens stability in the region but the sovereignty of the Israeli people.

With the future uncertain, we must recognize one thing: freedom and security can be the future for both the Palestinian and Israeli people. The impending disengagement creates the opportunity for progress towards this goal.

We must recognize the difficulties Israel will face and support our dependable ally. We must also support efforts by the Palestinian leadership to fight terror and create more peaceful, sound Palestinian regions.

And, as Americans who have faced threats to our own existence, we must never forget what freedom is.

A TRIBUTE TO STEVE DIGERLANDO

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 2005

Mr. COX. Mr. Speaker, I rise to pay tribute to a close, personal friend, Steve DiGerlando, on his last day as Chief of Staff in my California office. It is with deep gratitude—and more than a little sadness—that today my staff and I wish Steve farewell. I would like to take this opportunity to thank him for his twelve outstanding years of dedicated service to my office and to the residents of the 48th district of California.

For more than a decade, Steve has been a tireless advocate on behalf of Orange County residents. Since first joining my staff in 1991, Steve has personally handled more than 5,000 cases and he has helped literally thousands of people resolve their problems with Federal agencies. After a brief leave from my office a few years back, Steve returned in 2003 to take the post of Deputy District Director. Soon thereafter he was promoted to California Chief of Staff, where he demonstrated superb leadership and management skills. Steve has been a loyal and capable director, and his expertise, endless patience and imperturbable spirit have guided the office through the most hectic of times. All of us who have been fortunate to work with Steve over the years are deeply grateful for his generosity, his thoughtfulness and his friendship.

Steve was born and raised in Orange County, and his entire family still resides in Southern California. He is a staunch supporter of his alma mater, California State University, Fullerton, where he earned his undergraduate and graduate degrees. Upon completing his Masters in History at Cal State Fullerton, he went on to become a professor of world history and American history at Cypress Community College and Mt. San Antonio College. Thankfully for us, Steve's vast knowledge of history includes that of Orange County. He has been most helpful in educating members of my Washington staff who have not been

personally familiar with the district, and he could often be found behind the wheel of a car giving his famed Orange County tour to visiting staff.

Though he is an Orange County native, Steve is somehow, mysteriously, an ardent Dodgers fan. As a big Angels fan myself, this has created a friendly baseball rivalry in the office, even though Steve always trumps me in baseball trivia regardless of the team we're discussing. I know he'll be missing those Dodger dogs once he leaves California.

Steve is a scholar and historian in the truest sense. Beyond academia, his wealth of knowledge ranges from the most important to the most trivial of facts. After working with him for more than twelve years, I am now ready to audition for Jeopardy. One particular anecdote I'll always remember relates to the statue of a rather obscure hero in California history that stands in the United States Capitol. Whenever I lead tours down this particular hall, I always bet my visitors that they cannot name the two statues that represent California. Invariably, most are able to name the most famous statue, Father Junipero Serra, the founder of the California missions. To this day, not a single one has correctly identified the second statue—except, of course, for Steve. Not only did he know the name, but he was an expert on the legacy of Thomas Starr King, the little known leader whose eloquent speeches and brave action saved California for the Union during the Civil War. In fact, Steve's knowledge of Thomas Starr King has even made its way to the pages of Orange County's local newspaper.

My staff and I are not the only ones who will miss Steve after he departs the office. A void will be felt throughout the county and the state when he and his family move to their new home in Houston, Texas. While we will miss having him in Orange County, we're excited for the great opportunities that await Steve, his wife Rita, and their daughter Samantha in the Lone Star State.

Mr. Speaker, I ask my colleagues to join me today in recognizing Steve DiGerlando on the occasion of his last day as my California Chief of Staff. He will be greatly missed, and I wish him every success in his future endeavors.

GAMBLING EXPLOSION

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 2005

Mr. WOLF. Mr. Speaker, I remain terribly concerned about the explosion of gambling outlets, particularly casinos, opening around our country.

I am deeply concerned about the impact this is having on our society. Gambling destroys families and preys on the poor. According to the California Council on Problem Gambling, which operates a crisis hotline, 3,400 callers had lost an average of \$32,000 each. That's \$109 million of lost wealth, many who probably could least afford to lose it. Even more tragic is the fact that this statistic represents problem gamblers in only one state.

Mr. Speaker, I submit for the RECORD a copy of the article When Gambling Becomes Obsessive from the July 25 edition of Time magazine. I recently wrote President Bush

urging his action on calling a halt to tribal gambling, which is now moving off reservations. Unfortunately, the administration responded that they do not have the authority to address this issue. If the administration believes it does not have authority to issue a moratorium to halt new tribal gambling operations, it should send Congress legislation so that we can take action to give it that authority.

[From Time Magazine, July 25, 2005]

WHEN GAMBLING BECOMES OBSESSIVE

(By Jeffrey Kluger)

For a man who hasn't bet a nickel since 1989, Bruce Roberts spends a lot of time in casinos. He's rarely there alone, however. He usually has an escort walk him through—the better to ensure that he doesn't succumb to the sweet swish of the cards or the signature rattle of the dice. A onetime compulsive gambler, Roberts, 62, weathered his years of wagering better than many. He never lost his wife or his home—although he has refinanced the house nine times. “Cards and Vegas were the two biggest things in my life,” he says. “I'm a helluva poker player, but I have one serious flaw: I can't get my ass off the chair.”

When Roberts visits a casino these days, it's as executive director of the California Council on Problem Gambling, an organization that helps gaming halls run responsible gambling programs. The rest of the time, he's back in the office, overseeing a crisis hotline. Last year his service took 3,400 calls from gamblers who had lost an average of \$32,000 each. That's \$109 million of evaporated wealth reported to just one hotline in just one year.

And California is not alone. More than 50 million people describe themselves as at least occasional poker players. Millions turn on the TV each week to watch one of eight scheduled poker shows—to say nothing of the 1 million who will tune in to ESPN's broadcast of this year's World Series of Poker.

Two hundred forty-seven Native American casinos dot tribal lands in 22 states; 84 riverboat or dockside casinos ply the waters or sit at berth in six states. And with local governments struggling to close budget gaps, slots and lotteries are booming. All told, 48 states have some form of legalized gambling—and none of that includes the wild frontier of the Internet. By 1996 the annual take for the U.S. gambling industry was over \$47 billion, more than that from movies, music, cruise ships, spectator sports and live entertainment combined. In 2003 the figure jumped to over \$72 billion.

All that money is coming from someone's pockets, and it's not the winners'. According to Keith Whyte, executive director of the National Council on Problem Gambling, as many as 10 million U.S. adults meet the “problem gambling” criteria. Kids are hit even harder. Exact figures aren't easy to come by, but various studies place the rate of problem gambling among underage players somewhere between two and three times the rate for adults.

Nobody thinks the gambling genie can be put back in the bottle. What health officials want to know is whether the damage can be curbed. What separates addictive gamblers from occasional ones? Is it personality, brain chemistry, environment? Can a behavior be a true addiction without a chemical driving it? “People have seen gambling in moral terms for a thousand years,” says Whyte. “It's only recently that we've begun seeing it as a disease.”

Defining compulsive gambling is like defining compulsive drinking: it's not clear

when you cross the line. But if there are enough signs that your behavior is starting to slip out of your control (see the self-test), chances are that you have a problem. It's a problem of special interest to researchers because it reveals a lot about addiction as a whole. One of the difficulties in understanding drug or alcohol abuse is that the minute you add a chemical to the body, you muddy the mental processes. “It's hard to tease the connection out because you don't know how much is the drug and how much is the behavior,” says Whyte. “But gambling is a pure addiction.”

To see if that's true, scientists turn to such advanced diagnostic tools as functional magnetic resonance imaging (fMRI) machines to peer into the brains of gamblers while they play. In a 2001 study conducted at Harvard Medical School and elsewhere, researchers monitored subjects as they engaged in a wheel-of-fortune game. The investigators looked mainly at several areas of the brain known to be involved in processing dopamine, a pleasure-inducing chemical released during drug and alcohol use.

Sure enough, the same areas lighted up when test subjects gambled, becoming active not only when they won but also when they merely expected to win—precisely the pattern of anticipation and reward that drug and alcohol users show. “This put gambling on the map with other neurobiologic addictions,” says Dr. Barry Kosofsky, a pediatric neurologist at Weill Cornell Medical Center in New York City.

Surprising support for that work came earlier this month when researchers at Minnesota's Mayo Clinic reported that 11 Parkinson's disease patients being treated with dopamine-enhancing medications began gambling compulsively; one patient eventually lost \$100,000. Six of the 11 also began engaging in compulsive eating, drinking, spending or sex. Only when the dopamine was discontinued did the patients return to normal.

The dopamine cycle may not be the only thing that drives gamblers. Personality also plays a part. This month researchers in the U.S., Britain and New Zealand released the latest results from an ongoing, 30-year study of roughly 1,000 children born in the early 1970s. One purpose of the research was to determine which temperament types were most likely to lead to addictions.

The just released results showed that compulsive gamblers, drinkers and drug users have high underlying levels of negative emotionality, a syndrome that includes nervousness, anger and a tendency to worry and feel victimized. Significantly, they also score lower in the so-called constraint category, meaning they are given to impulsiveness and thrill seeking. That's a bad combination, particularly when you throw drugs, drink or gambling into the mix. “It's like picking your poison,” says psychologist Avshalom Caspi of King's College in London, one of the researchers in the study.

What makes people start gambling may also be a function of availability. A 1999 study ordered by the U.S. Congress found that people who live within 50 miles of a casino have two times as much risk of developing a gambling problem as those living farther away. And the growing popularity of electronic gambling only makes things worse. In one study, researchers at Brown University found that while gamblers take an average of 312 years to develop a problem when they're playing traditional games like cards, slot-machine players fast-forward their addiction, getting hooked in just over a year.

So what can be done to get problem gamblers to quit? Medication, in theory, may help. Psychologists like G. Alan Marlatt of

the University of Washington are interested in the potential of so-called opioid antagonists, drugs that might partially disrupt the neurochemistry that produces feelings of well-being, thus denying gamblers the kick they seek.

More effective may be the 12 Step protocol used by Alcoholics Anonymous. Gamblers Anonymous groups meet all across the country, stressing abstinence and providing a community of ex-gamblers to offer support. Marlatt is worried that abstinence may be less effective with young gamblers and is exploring cognitive techniques that instead teach kids to recognize the triggers that get them to gamble too much. The states may also have a role to play. Illinois has instituted a self-exclusion program in which gamblers can put their names on a voluntary blacklist, allowing casinos to eject them from the premises, require them to donate their winnings to a gambling-treatment program and, in some cases, charge them with trespassing.

Like Marlatt's moderation strategy, however, the Illinois program takes a measure of self-discipline that may be the very thing compulsive gamblers lack. “In addiction, they call it chasing the high,” says psychologist Carlos DiClemente of the University of Maryland, Baltimore County. “In gambling, it's called chasing the big win. And that's where self-regulation goes down the tubes.” Better, say DiClemente and others, to simply to put down the cards or dice or cup of coins for good. As battle-scarred gamblers are fond of saying, the only way to be sure you come out ahead is to buy the casino. —With reporting by Melissa August/ Washington, Helen Gibson/ London, Noah Isackson/ Chicago, Coco Masters/ New York and Jeffrey Ressler/ Los Angeles

PERSONAL EXPLANATION

HON. BRIAN HIGGINS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 2005

Mr. HIGGINS. Mr. Speaker, on Friday, June 30, 2005, a sudden death in my family kept me from casting votes on rollcalls No. 359, 360, 361, and 362. Had I been present, I would have voted “yes” on all four votes.

HONORING JACK AND CAROL ENGLAND ON THEIR 70TH BIRTHDAYS

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 2005

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise today to honor John and Mary Carol England on the occasion of their 70th birthdays.

John and Mary, or “Jack” and “Carol” as their family and friends know them, have been married to each other for 43 years and have lived in Lower Burrell, Pennsylvania for 48 years.

The elder son of John England and Ruth Hines-England, Jack was born near our Nation's Capital in Baltimore, Maryland on September 2, 1935. Carol, the first of two daughters of Walter G. Holden and Isabel Bolan-Holden, was born in the Nation's heartland in Sioux City, Iowa on September 12, 1935. They were born only 10 days apart, yet the