

WHAT IS THE FISCAL CLIFF?

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oklahoma (Mr. LANKFORD) for 5 minutes.

Mr. LANKFORD. Well, in a few days, we're going to have to resolve the fiscal cliff—ironically enough, something that the House of Representatives passed last May. In April, we set out a tax plan. In May, we set out a sequestration plan, passed it through the House, sent it to the Senate who said, We will see you during the lame duck time period.

We are in the lame duck now, and this has to be resolved. We have to solve the problem. But quite frankly, the first thing we need to do is to be able to define what the problem even is. It seems that one group is talking about how the real problem is the fiscal cliff, and the other group is talking about how the real problem is the debt and the deficit. Well, what is the problem? The issue is, we have \$16.3 trillion in debt as a Nation, \$1 trillion or more in overspending each year for the last 4 years.

Let me set the example of what this really means: in 2007, our tax revenue—how much we are bringing into the Treasury—was almost exactly what it is in 2012. From 2007 to 2012, the revenue is almost identical. The difference is, our spending has gone up \$1 trillion a year from 2007 to 2012, so now that's \$1 trillion total over the course of that time that's slowly built up. But each year, we've been over \$1 trillion in spending. While our revenue has stayed consistent, basically, from 2007 to 2012, that dramatic spending increase has happened.

We seem to identify that as the real problem. We're overspending. And until you deal with that issue, you cannot raise taxes enough to be able to keep up with \$1 trillion of accelerated spending.

So what is the cliff? And I have to tell you, I have so many people from my district and other places that catch me, pull me aside quietly and say, We hear about the fiscal cliff. We're not even 100 percent sure of what it is. Well, it's really the combination of three things:

The first of them is, the ObamaCare taxes begin January 1 of next year. Those taxes will hit the middle class and the upper brackets. Those taxes, when they kick in, will raise the rates on people making \$200,000 or more and will also remove deductions from the middle class, things like the flexible spending accounts. For those that have high medical bills, their taxes will now go up. For people that have high medical bills and are able to offset some of the taxes they pay because they pay more than 7.5 percent of their own income in medical bills, they will now have their taxes go up. So people like diabetics, heart patients, stroke patients, people with special needs children, their taxes all go up January 1, as well as people making \$200,000 or more,

their tax rates will also go up on January 1. That's the first part of the fiscal cliff.

The second part of it is the spending decrease that this Congress and the President agreed to last summer. We have dramatically increased spending; we have to reduce that spending. That spending decrease that was agreed to had a deadline by the end of this year. If it didn't, there would be across-the-board cuts. The House passed all of our spending decreases in May. The Senate has yet to pass any. So with that, we're stuck with across-the-board cuts that kick in early January.

The third part of that is the expiration of the tax rates for all Americans. In 2001, in 2003, and then extended during the lame duck of 2010, every American's tax rates were extended out to expire the 31st of December. Every tax rate from the lowest to the highest is set to go up.

Now some people see that the problem is that we're not taxing enough, and so that solves the problem—to just go off the fiscal cliff, and everyone will be taxed more. Some people see that we don't take enough from one group and give to another group, so we can solve that. Some people have even said, Let's go back to the Clinton tax rates; with the Clinton tax rates, we had a booming economy, and we were creating more jobs. Well, to that, I would say, well, if increasing taxes increases economic activity, why don't we go to a 95 percent tax rate, and then we'll really have a booming economy. The reason that no one proposes that is because no one really believes that. That is why the accelerated tax rate that is being recommended by the White House is also being proposed with a stimulus plan, another spending plan to offset the damage that's going to be done with the tax increases.

Here is the example that I can talk about with this: when people talk about, just raise taxes on the upper 2 percent, well, let me give you an example of what's being proposed by the President. Capital gains will go from 15 percent to 23.8 percent next year. Dividends would go from 15 percent to 43.4 percent.

Now I have a lot of people that will say to me, just raise it on the upper brackets. But when I tell them, can I tell you what that means—their taxes go from 15 percent to 43.4 percent—I have yet to have anyone stop me and say, Oh, that sounds fair. It doesn't. It just sounds so much easier to say, raise it on someone else, not on us.

We have to solve the problem. Just raising taxes doesn't solve the problem. We're spending \$1 trillion more than what we did 5 years ago with a tax revenue the same. If we do not focus on spending, we will never solve the problem.

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SAVING THE 911TH AIRLIFT WING

The SPEAKER pro tempore. The Chair recognizes the gentleman from

Pennsylvania (Mr. MURPHY) for 5 minutes.

Mr. MURPHY of Pennsylvania. Speaking of saving money, here is an interesting story.

Just 2 weeks after Texans in Randall County voted for Republican Barry Goldwater over their native son, Lyndon Johnson, in the Presidential race in the 1960s, the Pentagon announced Randall County's Air Force base was closing. Folks were “flabbergasted” said an Amarillo newspaper columnist. The Air Force had just made millions in investments at the base, but now airmen and equipment were moving to a nearby county that supported Johnson.

It was this kind of abuse of executive power that led Congress to write a new law ensuring we had proper oversight over base closures. In my Pennsylvania's 18th Congressional District, we're finding out why that law must be strengthened. Last week, I learned the Air Force is again attempting to shut down the 911th Airlift Wing, an Air Force Reserve base, for a reason that has nothing do with cost or military strategy. In fact, the 911th is one of the most lean and cost-effective bases in the country.

How and why they can do this without congressional approval is interesting. The Air Force claims inaccurately there are fewer than 300 civilian employees authorized to be employed at the 911th, allowing the Pentagon to close the base without congressional review. The Pentagon, however, has invested over \$50 million in improvements in the base, including new buildings in the last 5 years. The 911th, however, has lower overhead costs because emergency responses like fire and safety, air traffic control, security, runway maintenance, and land are provided by Pittsburgh International Airport for free. Hence, if the 911th were forced to in-source those activities, the number of authorized personnel would be hundreds more, and would far exceed the 300-person threshold. Thus, the Pentagon would be prevented from unilaterally closing it. Further, the Air Force Reserve would have to invest millions more in equipment and training if it was not provided for free, but the Air Force did not look at any of these numbers, and they did not review the cost of the space.

The Pentagon is trying to close the base because they can, not because they should. In their haste to come up with a quick cut, it will cost the taxpayers over \$100 million in coming years, and that is why Congress needs to have oversight.

The House has passed a defense bill to prevent a suboptimal decision like this one in the future. The House bill includes language requiring the Pentagon to notify Congress about any base closure or transfer of troops impacting more than 1,000 uniform personnel. Unlike the way the Air Force is operating now, the Defense Department would have to include a justification for the reduction, an evaluation of