

**EPA's Proposed Maximum Achievable Control Technology Rule for Industrial, Commercial and Institutional Boilers and Process heaters.** This proposed "Boiler MACT" rule, which seeks to reduce emissions of certain hazardous air pollutants from major sources in this category, could impose billions of dollars in capital and operating costs at thousands of facilities across the country at a time when our already hurting manufacturing sector can least afford such costs. An accompanying rule that targets smaller, "area" source boilers will affect even more SOCMA members, and could impose a very significant regulatory burden if the proposed exemption for natural-gas fired boilers is removed.

We at SOCMA support efforts to address significant health threats from air emissions in a cost-effective manner, but also believe that this can be done while still protecting jobs and economic growth.

Regarding the MACT rule, SOCMA shares the concerns of numerous other industry groups that several of the standards proposed by EPA – such as those for dioxin, mercury, and carbon monoxide, cannot be met in practice by even the best-performing boilers and process heaters. These unachievable standards resulted from the agency's improper pollutant-by-pollutant approach and an inadequate database. We also believe the agency should adopt a health-based emissions approach for qualifying low-risk emissions. The agency acknowledged that its initial proposal was deeply flawed in its recent court request for an extension until April 2012 (from the looming January 16 court-ordered deadline) so that it can repurpose the rule.

**EPA's Chemical Manufacturing Area Sources Final Rule.** This rule, which was finalized in response to a court order in October 2009, establishes national emission standards for hazardous air pollutants from smaller, "area" chemical manufacturing sources. It will impact the vast majority of SOCMA members.

While the final rule was an improvement from the initial proposal – a cost impact study commissioned by SOCMA helped persuade the agency to alter some of the most egregious provisions in the proposed rule – SOCMA believes that it still is excessively burdensome and costly. For example, the rule incorporates a "family of materials" concept that unnecessarily limits operational flexibility. The agency also refused to establish a comprehensive de minimis threshold, which could have exempted some of our smaller emitters from the burdens of the rule. Finally, the final rule includes numerous challenging provisions which were not contained in the proposal rule, thereby depriving us of the opportunity to comment on those provisions. One such provision would require certain area sources to get a costly Title V permit. The agency has acknowledged the validity of our concerns about these "surprise" provisions; last summer, it accepted our petition for reconsideration and will be proposing a revision to the rule.

**OSHA's Occupational Injury and Illness Recordkeeping Proposed Rule.** This proposal would require employers to record employee musculoskeletal disorders (MSDs) in their OSHA 300 recordkeeping log. SOCMA is concerned that this rulemaking is a backdoor way of reviving the ergonomics rule that OSHA issued in 2001 and that Congress subsequently invalidated. Because of the uncertainty about how MSDs should be defined and the difficulty of determining when an MSD is workplace-related, OSHA underestimates the cost to employers to comply with this additional recordkeeping. Specifically, OSHA has not sufficiently accounted for burdens on

employers to (i) create a formal reporting system for employees to notify management, (ii) conduct investigations when workers report potential MSDs, (iii) develop an action plan based on the findings of these investigations, and (iv) create a follow-up system to track recommendations. Overall, this seemingly innocuous recordkeeping proposal carries a costly price tag that neither is captured in OSHA's economic analysis nor necessarily correlates with a more effective ergonomics program. Our recommendation is to remove from further consideration this proposed revision to the OSHA 300 recordkeeping form.

\* \* \*

When new regulations are proposed or implemented, they create much uncertainty among chemical manufacturers, especially small companies. The more that they spend complying with regulations, the less they have available to spend on conducting critical research and development activities to develop innovative products that help companies expand their businesses. Thus it is especially crucial that rules be crafted to address recognized problems and do so in the least costly fashion possible. Otherwise, chemical manufacturers could be forced to discontinue supplying a particular market or producing a specific product, either of which could negatively impact jobs in the industry or elsewhere in the value chain.

Please feel free to contact me with questions or if I may be of further assistance in your effort to examine regulations that impact our industry.

Sincerely,

A handwritten signature in black ink that reads "WE Allmond". The signature is written in a cursive, slightly stylized font.

William E. Allmond, IV  
Vice President, Government Relations



January 14, 2011

The Honorable Darrell Issa  
Chairman  
Committee on Oversight & Government Reform  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Issa:

On behalf of the Textile Rental Services Association (TRSA), thank you for the opportunity to identify proposed or existing regulations that are negatively impacting jobs, the economy and our industry.

TRSA represents a \$16-billion industry employing nearly 200,000 people at more than 1,500 facilities nationwide. These independent and national companies provide laundered, reusable textiles and other products and services that help businesses project a clean and attractive public image. The industry reaches every major business and industrial region and municipality in the country. Most Americans benefit at least once a week from the cleanliness and safety provided by the industry through its laundering and delivery of reusable linens, uniforms, towels, floor mats and other products for the healthcare, hospitality and industrial/manufacturing sectors. TRSA member companies' services minimize environmental impacts on air, water and solid waste disposal while reducing costs for millions of customers.

In your letter, you cite the statistics from the Small Business Administration's (SBA) Office of Advocacy analyzing the impact of regulatory costs on small firms. The study represents the best research available to identify the disproportionate burden placed on small business by regulation. Textile Rental Operators bear a heavy burden from environmental regulation, while facing similar regulations in workplace safety, health, financial and tax administration. Regulatory burdens represent an added 17.6% cost annually for operators.

We look forward to partnering with your committee, Congress and the Executive Branch to reform the regulatory policies outlined below and the regulatory process to produce a more thoughtful regulatory environment that encourages cooperation between industry and government and increases job creation in the United States.

The following issues are a few of the regulatory burdens TRSA is working to improve. We look forward to a continuing dialogue on the impact of regulation on the industry.

#### **OSHA Noise Proposal**

OSHA recently indicated that it plans to enforce noise level standards in a dramatically different way by redefining what is deemed "feasible" for employers to reduce overall noise in the workplace and requiring implementation of these actions unless an employer can prove making such changes will put it out of business. OSHA's proposal

would alter a long-running and effective policy that allows employers to provide "personal protective equipment," such as ear plugs and ear muffs, if they are more cost-effective than engineering controls like noise dampening equipment and muffling systems. Such changes would need to be made by employers of all sizes, regardless of their costs. Compliance costs for fully implementing this proposal are prohibitive to industry and economic growth. We are troubled that OSHA is pursuing this change outside the formal rulemaking process and, as such, is not following the Administrative Procedures Act that provides opportunity for full and fair public input and requires sensitivity to small businesses.

#### **OSHA On-Site Consultation**

The Occupational Safety and Health Administration (OSHA) has shifted significantly from a more collaborative posture to a more adversarial approach toward business. Employers, particularly small businesses, should be able to consult with OSHA and receive its assistance to better understand and comply with existing workplace safety standards to enhance the safety of their workplaces without fear of citations and fines. Recently, OSHA proposed a rule that would subject small businesses to additional enforcement based on their voluntary participation in these programs. As a result, businesses will be more reticent to reach out to OSHA for help and less likely to participate in this program. We are troubled that OSHA performed no analysis to determine the impact of the proposed changes on small business participation in this On-Site Consultation Program. Instead of deterring participation in these effective programs, OSHA should focus on developing incentives and strategies that will encourage as many employers as possible to participate in these programs.

#### **OSHA Injury and Illness Protection Program**

OSHA is also developing a new regulation that would mandate a standard for an employer's safety and health program, referred to as an Injury and Illness Prevention Program (I2P2). Such a concept is expected to be proposed in the spring of 2011 and would have sweeping ramifications on all aspects of both workplace safety enforcement and the promulgation of new regulations. We are concerned that this proposal may not take into account the efforts by employers who already have effective safety and health programs in place or how this new mandate would disrupt safety programs that have measurable successes. Based on preliminary information from the Agency, in the event of a workplace "injury" not regulated under a specific standard or not resulting from a "significant risk," this proposal may allow OSHA investigators to overturn an employer's I2P2 the agency previously deemed sufficient. Blaming the employer's entire plan for as little as one alleged deficiency and requiring the entire I2P2 to be rebuilt on this basis is draconian.

#### **NLRB Poster Rule**

The National Labor Relations Board published a proposed rule that would require all private sector employers covered by the National Labor Relations Act to post a notice informing employees of their NLRA rights. This requirement would be imposed on all

employers covered by the NLRA even if there is no union in place. This proposed rule would apply to the vast majority of private sector employers and would create significant compliance obligations, along with serious potential non-compliance liability, on most employers.

An employer's failure to post the notice under the proposed rule would be treated as an unfair labor practice and could warrant tolling of the six-month statute of limitations for filing unfair labor practice charges. The proposed rule here would further impose unfair labor practice liability for any failure to post a notice and would also suspend the Section 10(b) limitations period for any unfair labor practice charge against a noncompliant employer.

The Board lacks the statutory authority to promulgate or enforce this type of rule. As mentioned, this would increase businesses already over burdensome cost of compliance obligations hindering the creation of more jobs.

#### **Deduction and Capitalization of Expenditures Related to Tangible Property**

The Department of Treasury and the IRS are currently considering a final rule on the Deduction and Capitalization of Expenditures Related to Tangible Property. The composition of the rule will have tremendous impact on TRSA member companies. The industry processes more than six billion pounds of laundry at 1,500 facilities across the country. This translates into hundreds of thousands of items passing through those 1,500 facilities each day.

Most of those products rented and laundered are low-cost items. Typical examples include table cloths, napkins, uniforms and towels. If the new rule were to force companies to account for these items individually it would be an unwarranted, costly burden on textile services companies that must keep on-hand all these low-cost goods to meet customers' needs for sufficient quantities of hygienic textiles to keep their workplaces operative and sanitary.

#### **Reduce the Impact of the Frank - Dodd Act**

Due to the large number of regulations coming out of Washington, public boards are spending way too much time trying to understand their responsibilities. This uncertainty creates doubt about the future and the fear of shareholder or class action lawsuits. This gives companies that have the opportunity to invest outside of the United States one more reason to do so. In addition, rules that impose financial regulation on non-financial businesses could seriously harm the recovery by diverting companies' financial resources from much-needed business investment and job retention and creation to reporting and other activities needed only for compliance with this rule.

The Honorable Darrell Issa  
January 14, 2011  
Page 4

### **Tax Policy**

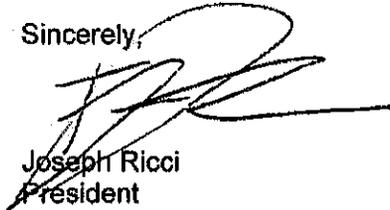
Allow US based companies to re-patriate their cash held in other countries without paying a tax on it. Now is the time to allow US based companies to bring their cash held in other countries back here to be re-invested here instead of in other countries.

### **EPA Boiler MACT**

The Environmental Protection Agency (EPA) has proposed a rule that would establish more stringent emissions standards on industrial and commercial boilers and process heaters (i.e. Boiler MACT). This broad-reaching proposal could cost Textile Rental Operators several million dollars in compliance costs and place thousands of jobs in jeopardy. Furthermore, the TRSA expressed concerns to the EPA that the proposed standards could almost never be achieved by any single, real-world source. In December 2010, the EPA asked the federal District Court for the District of Columbia for an extension to re-propose the rule, take industry comments and then finalize the package by April 2012. We welcome the additional time for a review, but the new proposal must ensure that the standards are economically feasible and achievable.

Thank you for this opportunity to weigh in on these important issues, we look forward to working with you and your committee dealing with regulatory policy impacting our industry in the future.

Sincerely,



Joseph Ricci  
President

Textile Rental Services Association

**JOHN F. BURIK II, MEd**  
LICENSED PROFESSIONAL CLINICAL COUNSELOR  
4308 JOAN PLACE  
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January 20, 2011

The Honorable Darrel Issa, Chairman  
House Committee on Oversight and Government Reform  
B350A Rayburn House Office Building  
Washington, DC 20515

Re: Government Holding Back Progress

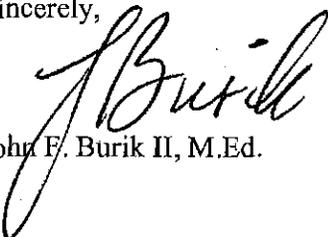
Dear Chairman Issa:

The federal agencies Veterans Administration, Tricare, and Medicare either have limited, or continue to limit, my ability to grow my small business as a professional counselor or hire qualified mental health care personnel. The VA delayed for years the development of a job description for counselors *after* President Bush signed legislation recognizing counselors. Similarly, Tricare has not recognized counselors and will do so by June 2011 only after congressional action last month. Medicare does not recognize professional counselors and may be unable to do so without appropriate legislation.

Two areas in which this limits my ability to provide valuable services—and grow my business, are to veterans and senior citizens. I cannot tell you that recognizing professional counselors as employees, contractors, or for reimbursement will be budget- or deficit neutral, but these federal programs do already exist with funds allocated. I can state that many vets and seniors in the more rural counties adjacent to Cincinnati and Hamilton County miss out on services due to their choice or inability to come into the city. For example, I briefly see some members of these populations at Mercy Hospital Clermont, yet cannot provide follow-up care due to the current lack of Tricare or Medicare reimbursement.

There are currently about 3500 licensed counselors in Ohio who can independently diagnose and treat mental health issues. Removing bureaucratic stumbling blocks would help all of us not only grow our businesses but provide beneficial services.

Sincerely,



John F. Burik II, M.Ed.



January 20, 2011

Dear Representative Issa and Burton:

At Home Services is a Personal Service Agency that provides services to the elderly and persons with disabilities, so they can remain in their own home, verses an institutional setting. These services, simple put, are daily tasks the consumer cannot do themselves. **Our Vision** - *To enable and empower the elderly and persons with disabilities to achieve independence and live barrier free in their own home.* **Mission** - *To increase the quality of life and independence for the elderly and persons with disabilities by providing support services needed to stay in their home.*

Our services are provided by a trained Personal Care Attendant and can include tasks such as personal hygiene, bathing, cooking, meal planning, shopping, laundry, house cleaning, lawn care, snow removal, bill paying, maintenance, transportation (medical appointments, visiting, community activities promoting socialization), spiritual companion, reading companion, educational companion, new moms/multiple babies, music therapy and art therapy.

Services can be paid for through Medicaid Waiver, CHOICE, Social Service Block Grants, some commercial insurance and by private pay.

Being a new small rural business is challenging as I am sure you can imagine. We decided to make a connection with our local Veterans Administration, because we had heard that services such as ours are much needed by vets. I went through the process of filling out paperwork and waiting. However, to my dismay, yesterday I was informed by the VA program director that agencies who are not Medicaid or Medicare certified can't be approved as a VA vendor. Our Medicaid Waiver certification doesn't count, so we do not qualify. Our agency is a member of the Indiana Association for Hospice and Home Care (IAHHC), so I contacted Jean MacDonald from IAHHC and she explained this was a federal rule and advised me to contact our state representatives.

Our program is important to the residents of Wayne County, which include many veterans. According to Statemaster.com, the American Community Survey conducted in 2004 shows 11.3% of Indiana's population is veterans.

([http://www.statemaster.com/graph/peo\\_per\\_of\\_civ\\_pop\\_who\\_are\\_vet-percent-civilian-population-who-veterans](http://www.statemaster.com/graph/peo_per_of_civ_pop_who_are_vet-percent-civilian-population-who-veterans)) Over the past 7 years we know that number has risen dramatically. In addition, as of 2008, Wayne County has over 67,795 residents age 65 and over. And statistics from 2000 revealed Wayne County has 14,202 people from age 5 and up living daily with a disability. *The services provided by this program will enable our neighbors to live a better quality life and help them to be an active part of our community.*

In addition, with Wayne County at 11.4% unemployment rate, according to the Indiana Department of Workforce Development's April 2010 statistics, At Home Services will create more jobs. Putting people back to work and giving them the opportunity to experience a rewarding job which will promote a quality life for the employee as well as the consumer. (The state of Indiana is at 9.8% and the US rate is 9.5% for this same time frame.)

Please help us voice our concern with the federal rule regarding Personal Service Agencies being unable to provide care to veterans.

I can be reached at 765-939-1309 ext. 112 or by email at [cynthiaw@athomeservices.org](mailto:cynthiaw@athomeservices.org). Thank you.

Sincerely,

*Cynthia L. Warren*

Director, At Home Services

EC & RC Zones

The approval of the Economic Zone Tax Incentive Bills has been in limbo for over a year.

When will the House & the Senate reconcile and approve them. Preferably for more than just 1 year.

Sincerely;

Gary R.

This is now in the past too far to make a difference to me, but maybe it could help someone else.

I bought an eighteen acre farm in 1976 that I had figured out would be in the line of development as the area to the west continued to grow. I decided in 1995 that it was time to start the development. My plans included thirteen homesites on the hillside four acres and 110,000 square feet of "incubator" warehouse buildings. After review by the county it was determined that there was 0.41 acres of wetland in a 0.29 area and a 0.12 area that would be disturbed by the development. I had a wetland specialist develop a plan for relocating those small areas into a new developed wetland area of 0.87 acres. This was far in excess of what the wetland regulations required; the rules did not require mitigation for less than 0.50 acres. I believed that doing that anyway would improve the time required for the review and approval. However; that was not true. There was a person at the Army Corps of Engineers and another with the Oregon Department of State Lands that were dead set against any disturbance of wetlands. They continued to nitpick the proposals and require change after change to the relocation proposal and then review after review of the area suspected of being wetland.

I did all I could do to meet their requests but could make no headway for over three years to get approval for moving the wetland. Meanwhile I was trying to get a building design done and had to make many changes to meet county requirements. And then the sewer agency decided I needed to pay a tremendous system development fee, and the county decided that I should pay a much larger property tax because I was changing the use from a farm to residential and commercial uses. The county also decided I needed to build a very wide industrial road through the project which took almost two acres and complete an extensive traffic study and other work. All this was costing me a lot of money which I was financing by the property. Finally the bank decided that they could not fund the project anymore and wanted their money back.

I had to find someone to buy the property and get the bank paid off so ended selling to a local buyer for about one-half at which it was appraised. After I finally had a signed deal on the property, the Corps of Engineers person was reassigned to projects in the southern part of the state and a week later I received the permit to relocate the wetland and the county gave me the go ahead on that part of the project. But it was too late for me.

The houses weren't built, those jobs were lost. The warehouses weren't built, the construction jobs and the employment in them did not happen. After paying off all my debts I am now living on social security and a little bit of retirement. The stress caused my wife all kinds of illness and finally she died of cancer in 2005.

Current Federal regulations prevent business growth in general aviation air taxi operations. As an aircraft owner federal law allows me to only fly paying passengers on sight seeing tours that are within 25 miles of the airport I took off from, and must then return to that same airport. If I want to take a paying passenger 26 miles, or to another airport then I must become a "part 135" air taxi operation. The requirement to become an air taxi operation is an automatic "dream-killer" for a "mom and pop" flying business. I think the current laws regarding paying passengers in very small Cessna type aircraft is preventing small business creation. Additionally the current laws are totally unnecessary...why is it ok to fly 25 miles but not 26 miles, or even more? Why is it ok for me to take off and land at my home air field with paying passengers but not to land at another airport? Remember, the aircraft are safe enough for me to fly my own family in, but are not allowed to carry paying passengers in. Please change this so that small mom and pop flying operations have a chance to pursue an American dream.

Bottom Line: Government has become massive, meddling, and for the most part useless. It's a parasite that takes and takes and gives next to nothing back. 90% of what government tries to do, it does so poorly, inefficiently, and at far too great of an expense. The Constitution limits government for that reason, and I contend that most of what government is trying to do today is patently unconstitutional.

Government is nothing but a parasite feeding the the taxpayer host, robbing people of their substance, and depleting the will to work, the will to be charitable, and the ability to provide for our families and communities.

If you want business to prosper, shrink government by 90%--just abolish all these useless agencies, including the IRS—replace that behemoth with a flat consumption tax, and get back to the basics. National Defense, Securing the Borders, Interstate Commerce, Federal Law Enforcement. No welfare, no freebies, no meddling in the affairs of the states.

We all know that no one is willing to do this, and that's why our country is failing, our economy is in shambles, and effectively—we are doomed as a nation. Survival takes courage and vision. Our leaders have neither.

Steve Towe

I recently lost my job teaching Computer Technology when my department was killed by budget changes intended to improve math and science scores and job preparation in the high schools. Do you see the irony?

The Department of Education was created to improve math and science test scores, and the country's competitiveness in science and engineering. Since its creation scores have dropped.

How about a results oriented approach. If scores don't improve in 5 years, eliminate the entire department and send the money directly to the states, no strings attached. Local schools would improve and the unintended consequences like cutting computer programs to improve math education might stop.

**INFINITY MORTGAGE CORPORATION**

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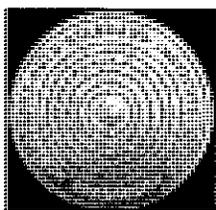
E-MAIL: miltonw2@juno.com

Dear Congressman Issa,

While HUD has good intentions with HVCC and the new changes in the TIL, SAFE act and the new compensation reform, the federal government is killing us with burdensome regulation. They have done a tremendous job of stifling the consumer and the mortgage industry in the name of "helping" the consumer. We used to be able to close loans in one week... now with the burden of waiting periods, our buyers and refinance customers are lucky to close in 30 days. The consumer is more confused than ever before and you have eliminated thousands of jobs in the mortgage industry. Why not put your energy and money into educating the consumer so they can shop for the best mortgage financing and then stay out of the way and let us close the loan for the consumer. Our federal government has made the housing industry worse not better with all the regulations imposed on us.

Sincerely,

Milton Wynne  
President



## The Gold Standard

The journal of The Gold Standard Institute

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## The Gold Standard Institute

The purpose of the Institute is to promote an unadulterated Gold Standard

<http://goldstandardinstitute.org>

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### From The Editor

We hope that you enjoy the new format for the newsletter of The Gold Standard Institute.

News on the Gold Standard is, whilst still scarce on the ground, noticeably increasing in the world's media. It is hard to gather it all from one spot, so if you come across anything in your part of the world that may appeal to our readers then please submit it.

You are all hereby appointed as news gatherers for 'The Gold Standard'.

Email: [pb@monetarymetals.org](mailto:pb@monetarymetals.org)



The refusal by governments and mainstream economists to inspect the problems associated with irredeemable paper money ensures that the situation will continue to deteriorate until the day the system collapses. That is not a gloomy prediction, it is a mathematical certainty. The debts grow ever larger and ever more un-payable.

Our job at The Gold Standard, and your job, is to disseminate the virtues of an unadulterated Gold Standard.

The Gold Standard is coming, whether people like it or not. There are many forms of a Gold Standard that won't work, and no shortage of people who would love to see that happen. An unadulterated Gold Standard is a model that will work. That, and only that, is why The Gold Standard Institute promotes it.

### Gold News From Around the World

The Federal Reserve's Thomas Hoenig says gold standard is a "legitimate" system, reports Reuters on Jan. 5, 2011:

*A gold standard that forces countries to back their currency reserves with bullion is a "legitimate" monetary system, though it would not prevent financial crises, Kansas City Federal Reserve President Thomas Hoenig said on Wednesday.*

*"The gold standard is a very legitimate monetary system," Hoenig said, adding: "We're not going to have fewer crises necessarily. You will have a longer of period of price stability or price level stability, but I don't know that you'll have lower unemployment, I don't know that you'll have fewer bank failures."*

Comment from Rudy Fritsch:

Even the old, imperfect gold standard kept the 'crises' to short, moderate levels. A modern, unadulterated Gold standard would indeed prevent 'crises'.

Remember, the cause of these crises was loosening and subsequent tightening of credit or 'monetary policy' through the fiduciary or 'printed money' component of the old Gold Standard.

The New, unadulterated Gold Standard would have zero fiduciary or 'printed promises' component; thus expansion and contraction of credit 'money' is impossible. This would

pre-empt periodic inflation and contraction.

He mentions stable price structure but not stable interest rates and stable, moderate interest rates are the key to ongoing prosperity through capital accumulation. Steady interest rates are the real benefit of the Gold Standard, in particular of the Unadulterated Gold Standard as proposed by The Gold Standard Institute.

Wild swings in interest rates lie at the root of ongoing capital destruction, rampant speculation and the growing derivatives tower. With steady interest rates, speculation does not pay... therefore it dies out. If speculation dies out, then there is no need for derivatives to insure or 'hedge' leveraged speculative positions; and finally, human energy and ingenuity will be channelled into truly productive avenues, not into creating ever more devious and ever more dangerous derivative paper instruments.



Malaysia's former Prime Minister and elder statesman Mahathir Mohammed addressed the 5th International Shariah Scholars Forum in Kuala Lumpur in October 2010. It was held in conjunction with the Global Islamic Finance Forum (GIFF). In an outspoken attack he warned that:

*"(the) collapse of conventional banking, finance and the monetary system has exposed their weakness and the ease with which they can be abused."*

He also recommended a return to a Gold Standard, but only for use in international trade between nations. Not for the use of the people of course, that would involve governments losing their power.

Philip T discussed the Malaysian Gold Dinar on page 6.



It has been confirmed that Ron Paul will assume the chairmanship of the Domestic Monetary Policy Subcommittee of the House Committee on Financial Services when the US Congress resumes in January 2011.

Ron Paul has maintained a consistent line that the Federal Reserve Bank should be abolished and that a gold standard should be re-adopted.

*Most people recognize that the dollar reserve standard... there's nothing permanent about it. Even the international bankers are talking about a new currency or using gold even. The big question is should we move further away from national sovereignty and our constitution and give it to an international body and try some crazy Bretton Woods standard again, which is doomed to fail. Or should we look to our traditions and have sound money.*

Ron Paul in an interview with the Wall Street Journal.



It is not only the 2 trillion US\$ debt crisis that threatens dozens of US cities. European cities such as Madrid, Barcelona, Venice and Florence are also in big trouble.

The Guardian reports that:

*Since 1937, 619 local US government bodies, mostly small utilities or districts, have filed for bankruptcy. Bloomberg News recently reported, US cities tend to default more than European municipalities as they usually rely on bonds issued to investors, which enter into a default if the creditor misses payments. European towns, by contrast, traditionally depend on bank loans and government bailouts.*

The New York Times reports:

*This struggling small city on the outskirts of Mobile was warned for years that if it did nothing, its pension fund would run out of money by 2009. Right on schedule, its fund ran dry.*

*Then Prichard did something that pension experts say they have never seen before: it stopped sending monthly pension checks to its 150 retired workers, breaking a state law requiring it to pay its promised retirement benefits in full.*

*The situation in Prichard is extremely unusual - the city has sought bankruptcy protection twice - but it proves that the unthinkable can, in fact, sometimes happen. And it stands as a warning to cities like Philadelphia and states like Illinois, whose pension funds are under great strain: if nothing changes, the money eventually does run out, and when that happens, misery and turmoil follow.*



A new DVD has been put out by Mike Maloney explaining the simple virtues of the Gold Standard.

Understanding Money:

- [Intro](#)
- [Part 1](#)
- [Part 2](#)
- [Part 3](#)
- [Part 4](#)

## TGSI in the News

TGSI director Thomas Bachheimer has been busy writing articles and plugging The Gold Standard Institute in Europe. Recent examples (in German) are in the paper Lexpress:

- Lexpress Nr. 62 August 2010
- Lexpress Nr. 64 October 2010
- Lexpress Nr. 65 November 2010

Thomas also gave a CNBC interview on 14th Oct, 2010.

## Should We Welcome or Mistrust a Surrender by Monetary Authorities?

Publius discusses America's Plan B

As many citizens struggle to re-learn gold's importance, what are the monetary experts - who never forgot gold's power - doing to preserve and maximize their advantage? I am referring, without intended irony, to central bankers. Can we predict their next moves?

Short-term fluctuations in the dollar/gold exchange rate are of little interest to holders of the physical metal itself. And I take it for granted that the expected long-term exchange rate is a meaningless number, as the fiat dollar will eventually cease to exist. By contrast, if the course of the dollar/gold exchange rate over the medium term (1-3 years) can be projected, this is valuable to investors and crusaders alike.

Monetary science cannot determine a demonstrably correct exchange rate value. We can, however, take a central banker's perspective, and see where the thought experiment leads. After limiting gold convertibility in 1933, abandoning full convertibility in 1934, and from any convertibility in 1971, is there anywhere left for governments to run? Their unconditional surrender, and a return to gold and silver as the sole constitutional money, would appear the only logical next step. Or is it?

The dollar/gold exchange rate was re-valued in gold's favor after '33 and '71. Whether the full extent of the debasement of the dollar in each case was properly reflected is not immediately relevant. Both times, the amount of the revaluation was sufficient to avoid the need to return to gold and silver as circulating currency. Would a third dollar devaluation, combined with some sort of formal re-linking to gold, do the trick again?

I used to assign a low probability to this as a central bank strategy, as it seems the process would be too difficult for authorities to neatly manage. A recent Jim Rickards interview altered my estimates. He explained how, despite appearances,

America was essentially the only nation with a Plan B for coping with the monetary crisis. The rest of the world is at the mercy of the US.

Rickards was referring to other nations' gold reserves stored on US soil. It would be easy for Washington to declare a global monetary emergency, "temporarily" take ownership of foreign governments' metal, and thereby double America's de facto gold holdings overnight. If reported figures are accurate, the total amount would be over 16,000 tons, or roughly 10% of all above ground gold, including jewelry. It might then be possible for the US Treasury / Fed to defend a new dollar/gold exchange rate.

America could thus stabilize the dollar domestically with some sort of convertibility, and dictate to the world how foreign-held dollars or dollar-denominated debts would be valued in gold ounces. Alternately, America could neglect its own middle class and hand pick a new set of international allies with selective, favorable restructuring of its foreign debts, payable in gold.

The dollar/gold exchange rate required, whether \$5,000 per ounce or \$50,000, would be determined by an estimate of how much dollar debasement must be recognized and admitted in order to stabilize the financial system. If domestic and/or foreign individuals are denied the convertibility privilege, either formally or by setting a 400oz bar as the minimum amount redeemable, the exchange rate could probably be set lower than otherwise necessary.

We can't know whether dollar devaluation might buy global monetary stability for 10 years or 10 weeks. Would returning to the sort of foreign government-only dollar / gold convertibility prevailing from 1933 to 1971 roll back uncertainty sufficiently to allow the required global economic growth? If economic catastrophe could be postponed by the half-measure of a partial

surrender / ceasefire in governments' war on gold, should citizens rejoice?

For the cause of freedom and individual rights, the side effects would be mixed at best. Gold's image as a critical part of the financial system can only be improved if its dollar exchange rate were to increase dramatically. It would also help the reputation of gold's intellectual advocates, and hard money promotional efforts should find better financing. Finally, depending on how other asset class valuation levels adjust to gold's new prominence, there might arise a whole class of suddenly wealthy investors. Many of these individuals, no matter how boastful or modest, would become implicit ambassadors for gold.

On the negative side there may be a loss of interest in how the monetary system should operate. People might think government had already admitted defeat and "returned to the gold standard". That the official re-introduction of gold into the financial system gave a mere figurehead role to the metal would likely escape notice. And, as Robert Landis noted, if the fiat system collapsed totally a few years later, people may again be under the false impression that gold deserved the blame.

A worse aspect comes to mind: silver might not benefit from dollar devaluation. The Fed would likely prefer if silver lost ground on both an absolute and relative basis. This would keep the idea of bimetallism out of the public imagination. If bankers fear recognizing gold as money, they must really dread letting silver join it. Silver coin circulating alongside gold, and once again becoming working wages, would recall a time when banks were unnecessary to a healthy, growing economy.

Overall, it saddens me to conclude, a partial surrender by central banks in their war with gold could be a step backwards for gold money advocates.

## Myth Buster: The Gold Standard is only for the rich

The gold standard protects the weak, writes TGSI's President Rudy Fritsch

This myth goes back at least to William Jennings Bryan's 'The Cross of Gold' speech given at the Democratic National Convention in Chicago on July 8, 1896. He ends his famous speech with this paragraph:

*"Having behind us the commercial interests and the laboring interests and all the toiling masses, we shall answer their demands for a gold standard by saying to them, you shall not press down upon the brow of labor this crown of thorns. You shall not crucify mankind upon a cross of gold."*

William Jennings Bryan was railing against the 'Crime of 1873'. This was the year Congress passed the Coinage Act of 1873, which demonetized Silver and put the US on a de facto Gold Standard. Bryan represented Western interests, including many Silver mining states; the demonetization of silver was fought as the price of Silver was on the decline.

What Bryan forgot, or did not understand, was that the system of 'bimetallism' that was in effect until 1873 was deeply, indeed fatally flawed. The flaw was simple: Congress had set the value of the Gold/Silver spread, instead of allowing market forces to do so. In effect, an arbitrary value was set for the Gold/Silver ratio: the coinage act of 1792 had set the Gold/Silver ratio at fifteen to one.

This number was set by legislature; it was a 'Fiat' decree and as the real value of Gold vs Silver fluctuated, Gresham's law kicked in. Gresham's law is best stated as *"Bad money drives out good if their exchange rate is set by law."*

What this means is that if for example one ounce of Gold trades in the markets at a value of 16 oz of Silver, but the Fiat (face) value of Gold coin is set at 15 oz of Silver, it suddenly makes economic sense to make payment with the 'bad' or relatively undervalued Silver coins,

and to hoard the more valuable 'Good money'... in this case Gold.

If the market value of Gold vs Silver were to change to one oz Gold equals 14 Oz of Silver, the opposite would occur: the now undervalued Gold coin would be used to make payments, and the more valuable Silver coins would be hoarded.

In effect, Bryan was clamoring for a defective, unstable monetary system. A workable Bimetallic system is just fine only if the claim made for the Gold and Silver coins were their mass of pure Gold or Silver and the exchange rate between the purchasing power (value) of the two coins was left to the markets to determine, on a day by day basis. This way both coins would circulate at their full current value, and

are referenced to Gold... including prices of paper instruments, equities, bonds, etc and including the price of Silver. This does not mean that Silver cannot be used to make payments... just that the ultimate numeraire is Gold, and Silver becomes a subsidiary - but still valuable - adjunct to Gold. It certainly does NOT mean that the Gold Standard is for the rich!

Gresham's law is very much in effect today. Both Gold and Silver are out of circulation, while the inferior currencies - all Legal Tender paper - are in circulation. Only a fool would spend a \$50 face value Gold coin to make a payment when the market value of the Gold money from which the coin was struck is priced over \$1,300!

So, after we get past this myth, that a gold standard is only for the rich, where do we go? Perhaps here:

## The true burden of Fiat falls squarely on the shoulders of those least equipped to deal with it.

Gresham's law would not come into play.

Of course, Bryan did have a point, and Silver has historically been considered 'poor man's Gold'. Its lower intrinsic value made Silver more suitable for smaller day to day transactions, buying groceries for example. Gold with its higher specific value was used for larger transactions, say buying property or similar items of great value. This sharing of monetary roles makes Gold and Silver a great monetary partnership.

Where the myth comes in, is the belief that the Gold Standard is for the rich whereas the reality is that Gold Money is (more suited) for the 'rich' but the two statements are utterly different. Gold Standard means one thing, Gold Money another.

For example, if Gold is used as the basis for a standard, then all prices

*"Of all the contrivances of mankind for cheating the laboring classes, none has been more effective than that which deludes them with paper money."*  
Daniel Webster

The reality is that the Gold Standard is NOT for the rich... just the opposite. Under Gold, a wage earner gets a true value for his work, either in Gold coins, or Silver. These coins do not depreciate, they are never defaulted on, indeed history shows that they tend to increase their buying power over the years.

By contrast, paper 'legal tender' is constantly losing value... the only question being how quickly; over decades, years, or a la Zimbabwe and Weimar Germany, days! Holders of paper money always lose, the only question being how quickly; over decades, years, or days.

The rich among us have pretty good ways of dealing with this problem; with the help of financial advisors, tax experts, etc., they ride out the

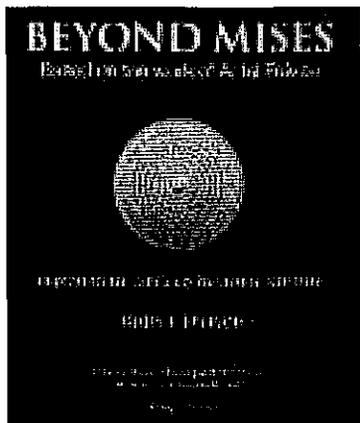
depreciation of paper with few losses. The Super rich profit from debasement; indeed they are the ones who create the very debasement itself, through the insidious work of Government (which they control) and Banks, including Central Banks... which they OWN.

The true burden of Fiat falls squarely on the shoulders of those least equipped to deal with it. The Gold Standard protects the weakest among us and motivates the strongest to put their energy into productive enterprise, not into creating ever more complex and sophisticated financial legerdemain. The Biblical admonition that the 'Hottest part of Hades is reserved for tormentors of Widows and Orphans' comes into play here. Enemies of Gold beware.



Rudy Fritsch

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*"Human stupidity manifests itself sometimes as a one off act and at other times as an enduring strategy. The experiment with fiat currency falls into the latter category."*

Peter Souleles

## False Beliefs

Ignorance is not bliss no matter how appealing it seems, says **Louis Boulanger**

*"It is usually some quiet assumption taken for granted by men of every degree that blocks the road to the great advancements to which mankind is capable. These false beliefs, if they persist too long, are very dangerous to human progress."*

Leon MacLaren, (1910 – 1994), Founder of the London School of Economic Science.

Time was when all men believed that the earth was flat. It would be difficult now to trace, as Leon MacLaren suggested in his essay 'Nature of Society', all the errors into which this assumption led the thinking of those days, or to ascertain how many practical comforts and advantages which we now enjoy would have been missed had not this conceit been exploded...

One can also easily imagine the storm of abuse that the first serious challenge to that theory raised! It came not merely from the common man and the superstitious but also from the leaders of society. Indeed, it must have been a great shock to human vanity to be told that the natural universe did not revolve around man; mostly, I suspect, for the ruling elite of the time.

Such is the fate of false beliefs. Ultimately, inevitably, the truth is revealed for what it is and we all then have a choice to make: consider the new evidence presented for what it is or choose to ignore it. That most fundamental choice is an essential personal mental activity for our collective progress. Unfortunately, too many seem to have abdicated their duty to act as such.

As a result, beliefs will tend to be largely governed by what the ruling elite chooses for us to believe. This is where ignorance can seem so appealing. Yet, ignorance is not bliss, as is often suggested. As I see it, ignorance is like a veil that has been placed before our eyes and distorts our perception of the natural order of things. It's like a drug

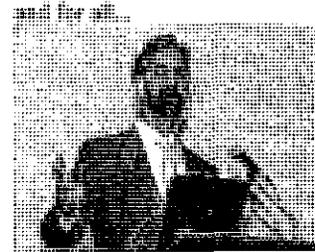
we've become addicted to. Lifting that veil is our challenge.

Sadly, ignorance can actually operate quite powerfully under the guise of education. Our ignorance can even get stronger with ever more institutionalised education. This sad state of affairs ensures our servitude to a 'system' which places debt at the very centre. Debt passes for money now and so, debts are the shackles of our slavery today. But true knowledge can set us free from this delusion.

This self-perpetuating and unnatural social, economic and political system will be very hard for us to challenge. But challenge it, we must. Indeed, the Gold Standard Institute has set itself a formidable task: to educate the world about the true role of gold and disseminate the virtues of the Gold Standard so that they become widely understood and appreciated and never again forgotten.

My personal contribution to this noble task will be to write about prevailing and pervasive false beliefs in the monetary realm. I will tackle some of what I consider to be today's quiet, yet harmful, assumptions that continue to be made even by those who should know better; assumptions that effectively block the road to humanity's natural progress and keep us on the road to serfdom.

I will attempt to trace some of the errors into which these assumptions have led us when it comes to financial decisions. But I will also endeavour to ascertain how many advantages we could all now enjoy if these conceded false beliefs about money matters were shattered once



Louis Boulanger

*Louis holds a B.Sc. from Laval University in Canada; is a Fellow of both the Canadian Institute of Actuaries and the New Zealand Society of Actuaries; and is a Chartered Financial Analyst.*

*Prior to coming to New Zealand in 1986, Louis worked for nine years with a global consulting firm based in Montreal, Canada. In New Zealand, Louis worked for another global consulting firm for 18 years, including as Chief Executive of New Zealand operations for five years. In 2006, he launched his private practice.*

*Louis is also Founder & Director of LB Now Ltd, which provides independent investment advice to private and institutional clients, facilitates the purchase of bullion for private and institutional clients as an authorized dealer for BMG BullionBars and also helps firms come into compliance with GIPS.*

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## From London

Keeping in touch with the physical markets with Sandeep Jaitly

The gold market quoted against fiat currencies has had another record year. With the first full year of basis calculations now on record, expectations about what might occur in 2011 can now be made.

In the common gold press, 2010 was dominated by the usual talk of banking conspiracies and, towards the end of the year, the potential for a default on COMEX Silver. This did not come to pass. Patrons of the 'Gold Basis Service' are one step ahead of such ignorant ruminations.

Default, by its very nature, will be preceded by a sharp lurch towards backwardation. Throughout 2010, this did not occur in any noticeable measure. An often talked about backdrop to the silver default is the low stockpile of 'known' silver. This has been a theme for a number of years. However, most surprisingly to the promoters of this idea, it has not yet presaged a default. This shows that the majority of standard analysis about the dynamics of physical and futures markets in gold and silver are completely misunderstood.

What for 2011? The essential mechanism that will propel gold and silver forward indefinitely against fiat currencies is the acquisition of

physical metal by the general public. Are we getting any closer to this, as observed by basis observations? We most certainly are: the recent movements in the February 2011 bases are already signalling as such. However, the United States Dollar price of gold and silver may perform the least well...



Sandeep Jaitly

*The 'Gold Basis Service' is a monthly subscription newsletter that describes movements in the gold and silver bases. The service offers forewarning of potential exchange default - as well as of significant changes likely in the gold price and gold-silver ratio from movements in the bases. Along with the monthly gold basis service is the quarterly 'Course of the Exchange' economic commentary. This commentary relates to general observations from a Mengerian perspective on the current market place for global equities; government paper and other goods.*

*Sandeep Jaitly's Gold Basis Service can be subscribed to by emailing: [sandeepjaitly@hotmail.com](mailto:sandeepjaitly@hotmail.com)*

## The Gold Dinar as Money in Malaysia

Philip T gives a first hand view of the Gold Dinar

### Introduction

In recent years there were two official attempts to use gold as currency for trade in Malaysia. The first was the proposal by the then prime minister Tun Dr. Mahathir Mohamad in 2002 to use the Gold Dinar for international trade (but not for daily transactions in the country). The second official announcement was August 2010 by the Kelantan State Government, which is under the rule of the opposition party, the Islamic Party of Malaysia (PAS). The Chief Minister of Kelantan State in August 2010 launched a campaign to use the gold dinar and silver dirham in daily

transactions, including payment of salaries to civil servants.

Are these two schemes anywhere near a gold standard? What happened to these two attempts to use gold as payment for goods and services?

### Malaysia

Malaysia is a small country with a population of about 26 million people comprising three major races of Malay, Chinese and Indians. It is located in South East Asia, and is just north of Singapore.

There are 13 states in Malaysia. The country has a "constitutional

monarchy" system, with the King (The Agung) as the constitutional head of state, and the federal and state governments are elected by the people every 5 years.

The official religion is Islam, but other religions such as Buddhism, Hinduism, Taoism and Christianity are freely worshipped by the people.

Like the other countries in the world, Malaysia is using a fiat currency system (irredeemable currency). It has a central bank called Bank Negara Malaysia, and the official currency is Ringgit Malaysia (RM).

## Asian Currency Crisis

In 2002, the then Prime Minister of Malaysia Dr. Mahathir (Prime Minister of Malaysia from 1981 to 2003) proposed to the world the use of the gold dinar for payment of international trade. His proposal was in response to the Asian currency crisis of 1997/98 which damaged many South East Asian Economies.

In 1997, the Asian currencies were under attack by currency traders / speculators and many of these currencies dropped in value (against the USD) by 50% or more within a few months. Dr. Mahathir blamed the currency traders, in particular George Soros, for the crisis. He countered the attacks with capital controls and pegged the Ringgit at RM3.80 to one USD in 1998. The economy stabilized following the tough measures, but it took many years for it to recover.

## What are Gold Dinars and Silver Dirhams?

Dinars are coins minted using gold and dirhams are minted with silver. They were the currencies used in the old days in the Muslim communities in the Middle East. According to Islamic Specifications, a Dinar is the weight of one mithqal gold which is equivalent to 4.25grams of 22 carat gold (916). The Dirham is 2.975grams of pure silver (999).

By using the Gold Dinar system, Dr. Mahathir aimed to prevent a repeat of the currency crisis: *"Paper money has no intrinsic value, making the exchange rate arbitrary and subject to manipulation as we saw during the Asian financial crisis. In comparison, the gold dinar has a definite value based on world demand for gold and any fluctuations were minimal."*

*"The proposal is to make this dinar a currency for international trade only. It is not meant to replace the currency of any country",* he said when launching a two-day conference on Islamic Capital

markets in March 2002 in Kuala Lumpur. *"The risk of speculation can be reduced to almost nothing. World trade can actually expand because the cost of business will be much reduced as the need to hedge will practically disappear,"* asserted Dr. Mahathir.

Dr. Mahathir, who was also the finance minister that time, said local gold prices would determine the exchange rate for the local currency against the Gold Dinar.

According to Dr. Mahathir, participating countries did not have to pay for everything using the Gold Dinar. It would suffice for a nation to only pay the difference between its imports / exports to the other country.

If a country exports 100 million Gold Dinars worth of goods to another country, and that second country exports to the first one goods worth

party president. His successor (Tun) Abdullah Badawi did not follow on with his proposal. Abdullah retired in 2009 and was succeeded by (Datuk Seri) Najib Tun Razak as the sixth Malaysian Prime Minister. It is unusual for a head of a government of a fiat currency system to propose a gold payment system and intend to link the local currency to local gold prices. It would restrict the ability of the government to print money.

What went through Mahathir's mind when he proposed that system? We do not know, we can only guess. Dr. Mahathir has been known for his excellent lateral thinking skill (a term coined by Edward de Bono). Many times in his political career he encountered crisis, and with "out of the box" ideas, he emerged stronger each time.

*His enemy's enemy is Gold*

## His enemy in that crisis was the paper aristocracy ... and the enemy of these irredeemable money people is obviously the Gold Standard.

110 million Gold Dinars, then the balance needed to be paid by the first country's central bank is only 10 million Gold Dinars. If there are no Gold Dinars available, then the first country will pay later with exports worth 10 million Gold Dinars.

He said that while there would be many teething problems, he was confident that the experts would find ways to solve or overcome them. He also said the Central Bank (BNM) could negotiate with another country on the use of the Gold Dinar payment system.

## Sudden Resignation in 2003

Dr. Mahathir announced that Malaysia was to start using the dinar in mid 2003, and many local "gold bugs" were looking forward to the "gold payment system", but alas, come 2003, Dr. Mahathir shocked the whole nation with his sudden resignation as the Prime Minister and

It is possible that during the 1997/98 financial crisis which nearly toppled him politically, he realized that a solution had to be found to prevent a repeat of attacks by the currency traders, whom he considered his enemies. Using the lateral thinking method and working backward, he possibly looked for his enemy's enemy. His enemy in that crisis was the paper aristocracy (as defined by the one-handed economist Howard Katz), and the enemy of these irredeemable money people is obviously the Gold Standard.

As the saying goes, his enemy's enemy could be his friend. Hence he used gold as one of the starting points for his solution. Was this inside his mind? We don't know. Just like his sudden resignation in 2003, we don't know the real reason.

## Kelantan State's Campaign To Use Gold Dinar For Daily Transactions

In August 2010, the State Government of the Kelantan State of Malaysia launched a campaign to use the Gold Dinar and Silver Dirham as an alternative payment method in

daily transactions, including the payment of salaries to civil servants in the state.

The Kelantan State is in the North East of Peninsular Malaysia, and borders Thailand to the North. Kelantan is under the rule of opposition party - The Islamic Party of Malaysia (PAS) - whereas the Federal Government is controlled by the National Front (Barisan Nasional).

The use of Dinar/Dirham in Kelantan raises a controversy between Kelantan state and federal government. Prime Minister Najib Tun Razak instructed Bank Negara Malaysia to review the legal terms regarding the Kelantan State Government's move.

In Kelantan, Dinar and Dirham are issued by Kelantan Golden Trade Sdn. Bhd, a subsidiary of the State Government's Perbadanan Menteri Besar Kelantan (PMBK). The coins are minted in a Middle East mint. There are several other local companies supplying the Dinar and Dirham in Malaysia and some of them mint the coins locally.

The state government of Kelantan argued that they were not breaking the law. The brochure of the Kelantan Golden Trade states that "Syariah (Ed - Shariah in west) currencies Dinar and Dirham duly represents only one of the commodities which are used for exchanges in any transactions only.

They claimed that the use of Dinar and Dirham coinage did not contravene any laws of Malaysia because it is not an enforced 'legal tender' like the Ringgit. The use of coins is similar to exchanging goods with goods i.e. barter trade, and the use of Dinar and Dirham represents merely a choice for payments in transaction.

#### *Bank Negara Malaysia's response*

When asked about the Dinar, one Central Bank officer said the official currency of Malaysia is Ringgit, and

the use of Dinar in exchange for goods in a barter deal is a contract between two parties. Hence there is no issue as far as the law is concerned. It is similar to person A exchanging a turkey for 2 ducks with another person B.

#### *Public Response*

There are 28 shops/outlets in Kelantan participating in using Dinar/Dirham in daily transactions. These shops trade in items such as cloths, food, travel, taxi fare, jewellery, medicine and books etc.

From the feedback by some Kuala Lumpur visitors to the state, the use of Dinars in transaction is not widespread. Gold Dinars and Silver Dirhams are used by Muslims to pay zakat (tithes), dowry, and as savings (traditional Islamic practices).

In the capital city Kuala Lumpur, the writer has not seen or heard of any use of Dinars to pay for goods and services so far.

#### *Conclusions*

Dr.Mahathir's proposal did not take off because he resigned in 2003, but his gold dinar payment system for international trade, and linking the Ringgit to local gold price, is an interesting proposal.

Assuming his proposal would allow unrestricted ownership and the minting of gold dinar coins by the people, and the government guarantees no price control on local gold dinar prices, then his proposal would have clearly been a step away from the irredeemable currency system and moving closer to a type of Gold Standard.

The Kelantan State's move to use Dinar and Dirham for daily transaction is carried out under the banner of barter trade, as federal law allows only the Ringgit a "legal tender". It is kind of guerrilla tactic to use gold as payment to avoid direct confrontation with the federal government and its money law.

The following are some possible reasons for the slow adoption of the Gold Dinar in daily transactions by the Malaysian public:

1. The Federal Government's reluctance to support the opposition party's proposal.
2. Most Malaysians are not aware of the importance of the Gold Standard to their society, with most not quite understanding how the current fiat monetary system works.
3. Many Non-Muslims perceive the Kelantan's Dinar and Dirham coins as religious items.
4. Due to the effect of Gresham's law: "bad money drives out good". In 2010, with the Ringgit price of gold went up 30% and silver up 80%, many people with these gold and silver coins prefer to hoard them, and use paper money to pay for goods and services.
5. The Dinar and Dirham coins sold by local dealers carry a high premium and spread, hence they are very costly to buy and liquidate.

For example, on the 5th January with spot gold trading at USD 1382.40 the Kelantan Gold Dinar (minted overseas) was selling at RM658 and buy back at RM573. This is a high premium of 22% and spread of 13%. In Kuala Lumpur, a locally minted Gold Dinar had a premium 21% and a lower spread of 6%. These are still far too high. The premium and spread for Silver Dirham are even higher by many times.

To make the gold and silver coins affordable and functioning for commercial transactions, the Government would need to provide minting services to minimize the coin premiums and to achieve a zero spread for buying and selling coins at the official mint.

But will any Government of a fiat money system do that?

Philip T. - Malaysia

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There is a **EUR 200 non-refundable pre-registration fee** that will be credited toward the tuition fee.

Scholarships in the value of EUR 500 and EUR 1000 are available for students, provided that they have paid the pre-registration fee.



We have been servicing the logistics industry since 1984.

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As an example a customer would normally use us if they had an emergency situation where they need a replacement part flown in to repair equipment that is impeding their normal operations.

We have to turn down quite a bit of business because if we accept something from a client, that is not a known shipper to us, it would impact on our ability to retain our IAC certificate.

I agree that we are the first line of defence in the process of insuring that no dangerous cargo gets on a passenger aircraft. Our staffs need to be trained to look for suspicious packages and to identify situations that do not pass the smell test for accepting cargo.

My problem with the process is that I believe massive amounts of taxpayers money is wasted making sure that we have our I's dotted and our T's crossed.

As an example there are times where several TSA agents are flown into another part of the country to make surprise calls on IAC's to make sure their paperwork is up to date. This makes no sense to me as a tax payer. My local TSA agent is quite capable of handling this routine process.

I'm not sure what the cost might be to fly 10 people to the Las Vegas area, put them up in hotels, pay for their meals, and rent them cars to verify that the local agents are doing their jobs?

I personally believe this procedure it is a waste of time, and assets, and believe that it is duplicated throughout the country several times per year.

I would prefer to see these agents at the airports inspecting cargo, as that is really the last line of defence to insure that dangerous articles are not put on passenger aircraft.

As a disabled Vietnam era vet, with a purple heart who utilizes, and has family who fly's on passenger aircraft, I have a since desire to do everything humanly possible to protect passengers who are flying on aircraft with cargo in the belly.

As a business person, who provides a valuable public service, I see our costs going up with additional security fees, screening fees, and government imposed regulations that, in my opinion, are restrictive, wasteful, and counterproductive.

These regulations have forced my business to contract and lay off workers.

Filling out paperwork improperly could lead to our life long family business being shut down and the livelihood of several families being impacted.

We cannot take the chance and therefore our business growth is impeded.

Thanks for at least asking the question. It gives me some hope that someone is actually interested in moving our economy forward.



What would help my business?

We had an assisted living business in Utah. When the economy started to go down so did our business and we finally had to shut the doors.

One of the contributing factors was the slow payments from the Medicaid office. If one thing was wrong the claim would be denied. There was no phone number to reach them and we went months for a few clients without payments.

Here are some great ideas to help all US business especially manufacturing.

The price of any product made in the USA contains the following:

Social Security, Medicare, Business tax, Property tax, Unemployment insurance, Workers comp insurance, Medical costs of all US citizens.

All of this together is a big price that makes US made items much more expensive.

**What I would like: TAX REFORM** (creative taxation to help US business)

Remove all taxes to business; stop withholding all money from wages.

We need a tax at the point of purchase, say 20%. This should be included in the retail price or by a VAT. The price you see is the price you pay.

This will probably reduce US manufactured items by more than 20%

The VAT will increase the price of imported goods by 20%

**We get a trade advantage of 40%!**

All taxes on the state level should be encouraged to go to the VAT as well. The higher the VAT the more protection the US has against imports.

The VAT is in reality a hidden trade tariff. This is why most countries have gone to this form of taxation.

Thanks

Gary W. Davis

Representative Issa,

I'm encouraged by the new direction you are taking our government, by actually asking the governed which direction they would like to go. Thank you!

With regard to your question about regulation, I would point to the regulations that have destroyed the manufacturing sector in the United States of America. We used to make some of the finest products around. Products that would last from grandfather to grandson. (I still have some of my grandfathers tools that were made here). Products that were not going to potentially contaminate our children or poison our pets.

In short, shipping our manufacturing sector to China is wrong. Make it affordable to build things here again.

We need to institute a trade balance, and if that means putting more tariffs on their goods, then fine. Americans would pay more for a durable product made in America. I know this. There are far too many unnecessary regulations that put American manufacturers at an unfair advantage.

Everyone wants a clean and unpolluted environment, safe work conditions, and equality in the workplace, but things have gotten ridiculous. The EPA, the EEOC, OSHA, et al. are strangling our job sector. And don't get me started on unions. Are they really necessary anymore?

Has anybody considered encouraging (through incentives) more manufacturing in South America and Mexico in particular? Why are we shipping products across a vast ocean when we could employ so many people in South America. They are coming here for work already, so why not give them manufacturing jobs in their own country? It would probably help the illegal immigration as well.

I appreciate the work you do, Rep. Issa, and thanks for the opportunity to chime in.

James Parker  
17921 127<sup>th</sup> Ave NE  
Arlington Washington 98223

RE: Your call for information on 'Which regulations hurt'

Dear Representative Issa,  
Some years ago I closed my small business, Parker Computing, due to burdensome recordkeeping requirements imposed by the Federal Government and its companion Washington State. Most burdensome were the recordkeeping requirements of the Internal Revenue Service.

In fact the entirety of Title 26 of the US Code is incomprehensible by the average person. The length of time that the IRS estimates that it takes to comply with the regulations that it imposes upon folks understates the burden significantly.

I calculated that after all was said and done that it was not profitable for me to comply with state and federal law and remain in business as a small business owner. Compliance with the regulatory requirements imposed by the IRS were the final straw that induced me to go out of business and return the business license to Washington State.

Respectfully,  
James Parker

## Regulations that plague the Auto Industry

The CAFÉ regulations passed in the last year will kill the economy because automakers will not be able to produce vehicles that people want. We know that over 10% of the jobs in this country are in or tied to the auto industry. It effects everyone.

Remove most restrictions in the Gramm Leach Bliley Act

Remove the Red Flags Rules

Risk Based Pricing Rule

Meet with National Auto Dealers Association to find out the things choking our business

The Free Enterprise Nation (FEN) is a non-partisan national membership/advocacy organization representing the individuals and businesses that make up the private sector, the "free enterprise" portion of the American economy. Basic membership is free, with other membership levels available for those who wish to provide financial support and/or become actively engaged in the FEN mission.

Headquarters are located at Suite 700, 1511 N. Westshore Boulevard, Tampa, Florida, 33607, ph. 813-384-2400. It is represented in Washington, D.C. by the independent lobbying firm Three Bridges Advisors Inc.

FEN is the unifier of, and provides the national meeting place for, all who believe in smaller, less expensive, and less intrusive government, and in individual and business freedom, opportunity, responsibility and self-determination.

The Free Enterprise Nation is not a "think tank," although it maintains a full-time research staff. It is not aligned with any political party, as it is vested with the responsibility of representing the interests of all who live and work in the private sector of the U.S. economy, regardless of political affiliation. FEN can and does oppose policies that are injurious to those in the private sector whether these policies are supported by Republicans, Democrats, or Independents.

**The Free Enterprise Nation's primary mission is to:**

- Educate Americans as to the true costs of federal, state, and local governments that redistribute property from taxpayers to government employees and their allies. Educate taxpayers to make them more informed and responsible voters.
- Unify like-minded individuals and businesses to create an organization of strength and mass in order to advance the common cause of the preservation of our free enterprise economy.
- Advocate for the broad and common economic interests of the private sector using every means available, including advertising, appearances by spokespersons on television and radio, providing information to the press, and engaging lobbyists to support or oppose legislation at federal and state levels.

Please feel free to contact us and use us a resource.

I was asked to open another dealership by one of my franchisors. Another dealership would create 50 to 100 jobs in the very near term. I am not opening that location at this time out of concern about:

- Health Care Act including: 1099 provision, 3.8% tax on sale of asset over \$500,000, unknown premium cost increases associated with the Act.
- Uncertainty and dissatisfaction with long term income tax rates. My business is a sub-chapter S organized company; raising rates on income over \$250,000 only takes away from further investment in my business. In my case, taxable income does not represent personal disposable income.
- Status of, funding of and diversion of the surface transportation trust fund for other uses than roadways.
- Involvement of EPA in setting medium and heavy duty truck fuel economy. Fuel expense is the largest single variable expense for a truck owner. There is a natural incentive for truck owners and manufacturers to achieve the highest possible fuel economy. EPA mandates and regulations are not required by Congress to be technologically viable or economically feasible. Therefore, EPA involvement only serves as an obstacle to natural progression.
- EPA Nox mandates over the last ten years have increased the price of a large commercial truck by \$25,000 with no increase in productivity. In addition the increased costs have raised the average age of on highway trucks to nearly 10 years this has had at least two unintended consequences: trucks are less safe and there are fewer independent owner operators (job losses).

**Northeast Region  
New/Used Vehicle Sales Ranking  
January, 2005  
(Ranked by YTD Sales)**

**Northeast Region  
Volvo Dealer Group  
(More Than One Volvo Dealership)**

Retailer	Rtr. Code	Current		Current		Group	Current Month		Current	
		Month Sales	YTD Sales	Month CPO Sales	YTD CPO Sales		Sales	YTD Sales	Month CPO Sales	YTD CPO Sales
1 Hassel Volvo Huntington	3311	69	69	15	15	1 Long Motor Company	148	148	19	19
2 Chery Hill Volvo	3408	62	62	15	15	2 The Premier Collection	129	129	29	29
3 Red Bank Volvo	3466	60	60	19	19	3 Keystone Motors	119	119	34	34
Keystone Motors (Berwyn)	7308	60	60	14	14	4 Don Beyer Volvo	104	104	89	89
4 Smythe Volvo	3474	59	59	22	22	5 Hassel Motor Company	101	101	24	24
5 Volvoville USA	3358	57	57	11	11	6 Chip Ott Volvo	84	84	9	9
6 Mt. Kisco Volvo	3575	52	52	13	13	7 Kunderl Volvo	73	73	25	25
7 Bridgewater Volvo	3449	51	51	8	8	8 Lovering Volvo	47	47	39	39
Volvo of Edison	3460	51	51	2	2	9 Mooers Motor Cars	44	44	35	35
8 Don Beyer Motors Inc.	7633	48	48	30	30	10 Mitchell Volvo	35	36	14	14
9 Volvo of Princeton	3448	46	46	9	9	11 Phillips	33	33	10	10
10 Big Dee Auto Sales	3514	46	46	5	5	12 Gengras Motors	32	32	42	42
11 Boston Volvo Village	3318	44	44	9	9	13 Barry Group	23	23	16	16
12 Georgetown Volvo	3323	43	43	1	1					
Fairfax Volvo	7924	43	43	11	11					
Darcars of Rockville, Inc.	7678	43	43	3	3					
13 Volvo of Fort Washington	7304	42	42	7	7					
Volvo of Langhorne	7355	42	42	2	2					
14 Ramsey Volvo	3464	41	41	10	10					
Martens Cars of Washington	7606	41	41	8	8					
Herb Gordon Auto Group, Inc.	7644	41	41	12	12					
15 Volvo of Westport	3295	39	39	9	9					
Englewood Volvo	3428	39	39	11	11					
Stillman Volvo	7311	39	39	16	16					
16 Montclair Volvo	3467	37	37	5	5					
17 Karp Volvo Inc.	3332	36	36	2	2					
18 128 Sales, Inc. Group	3677	35	35	21	21					
19 Kunderl Motors, Inc.	3438	34	34	14	14					
20 Keystone Motors (Doylestown)	7309	33	33	13	13					
21 Hassel Volvo Glen Cove	3312	32	32	9	9					
Bill Klidd's Volvo	7535	32	32	11	11					
Mooers Motor Car Company, Inc.	7618	32	32	22	22					
22 Garden State Volvo	3451	31	31	12	12					
Lee Imported Cars	3662	31	31	8	8					
23 Ineklo Volvo	3261	30	30	26	26					
Hudson Valley Volvo	3579	30	30	3	3					
24 Martin Motor Sales Inc.	3341	29	29	8	8					
Annapolis Volvo	7504	29	29	29	29					
25 Jim Wynn Volvo	7313	28	28	2	2					
Don Beyer Volvo - Dulles	7669	28	28	25	25					
Don Beyer Volvo - Alexandria	7673	28	28	34	34					
26 Dalzell Volvo	3834	27	27	4	4					
27 Bay Ridge Volvo	3315	26	26	5	5					
Jaffarian Volvo	3656	26	26	2	2					
Keystone Volvo - Montgomeryville	7303	26	26	7	7					
28 Lovering Volvo	3123	25	25	20	20					
Eagle Auto-Mall Corp.	3355	25	25	4	4					
Prestige Volvo	3481	25	25	7	7					
Pallsades Volvo	3588	25	25	3	3					
29 Mitchell Volvo - Simsbury	3291	24	24	13	13					
Paul's Motor Sales & Service	3458	24	24	1	1					
South Shore Ford, Inc.	3479	24	24	2	2					
30 Merrimack St. Volvo	3169	23	23	7	7					
31 Volvo of Danbury	3233	22	22	10	10					
Koons Volvo	7544	22	22	6	6					
32 Lovering Volvo at Concord	3149	21	21	19	19					
Tasca Volvo	3265	21	21	8	8					
Stutz Volvo	3687	21	21	6	6					
Jim Culligan, Inc.	3709	21	21	7	7					
Village Volvo	7533	21	21	5	5					
33 Stamford Volvo	3285	20	20	14	14					
South Shore Volvo	3691	20	20	10	10					
Phillips Volvo Virginia Beach	7921	20	20	6	6					
34 Connecticut's Own Volvo	3299	19	19	12	12					
35 Gengras Volvo	3241	18	18	24	24					
Darlington Volvo	3924	18	18	14	14					
36 Burdumy Motors, Inc.	7319	17	17	1	1					
37 Secor's Auto Center, Inc.	3281	16	16	10	10					
Best Motors	3706	16	16	7	7					
Keeler Volvo	3744	16	16	2	2					
38 Wentworth Motor Co. Inc.	3198	15	15	6	6					
Farrell Motors	3635	15	15	4	4					
39 Portland Volvo	3182	14	14	22	22					
Gengras Volvo - Meriden	3269	14	14	18	18					
Brown-Daub Volvo	7379	14	14	10	10					
40 Union Park Volvo	7331	13	13	1	1					
Phillips Volvo Hampton	7625	13	13	4	4					
41 Almarin Volvo	3107	12	12	18	18					
Steingold Volvo	3288	12	12	8	8					
David Wheeler Volvo	7536	12	12	1	1					
Mooers Volvo Middletown	7619	12	12	13	13					
42 Mitchell Volvo - Litchfield	3284	11	11	1	1					

Retailer	Rtr. Code	Current		Current		Group	Current Month		Current	
		Month Sales	YTD Sales	Month CPO Sales	YTD CPO Sales		Month Sales	YTD Sales	Month CPO Sales	YTD CPO Sales
Alan Byer Auto Sales	3718	11	11	5	5					
43 Nemet Motors	3352	10	10	0	0					
44 Goodwin's Volvo	3128	9	9	20	20					
Nemith Motor Corp.	3572	9	9	19	19					
Fathers & Sons, Inc.	3831	9	9	8	8					
45 Chase Parkway Volvo	3224	8	8	2	2					
Allentown Volvo	7317	8	8	2	2					
Noble Cars, Inc.	7815	8	8	6	6					
46 Rutland Volvo	3116	7	7	0	0					
Gallo Volvo	3839	7	7	8	8					
47 Serafini Volvo	3778	6	6	3	3					
Volvo of Charlottesville	7810	6	6	8	8					
48 Barry Volvo	3205	5	5	2	2					
49 Darling's Volvo	3151	4	4	2	2					
50 Volvo of Keene	3183	3	3	0	0					
Bedard Brothers Auto Sales Inc.	3608	3	3	2	2					
51 Miller Volvo	3159	2	2	0	0					
Pioneer Valley Sales & Service	3684	2	2	3	3					
Trans-Atlantic Motors	3689	2	2	3	3					
Ertle Volvo	7314	2	2	2	2					
52 Lovering Volvo of Merideth	3148	1	1	0	0					
53 Bill Cooke Imports, Inc.	3724	0	0	2	2					

Market	Mkt. Code	Current		Current		Group	Current Month		Current	
		Month Sales	YTD Sales	Month CPO Sales	YTD CPO Sales		Month Sales	YTD Sales	Month CPO Sales	YTD CPO Sales
1 Philadelphia	7108	386	386	80	80					
2 Metro NY	7107	372	372	60	60					
3 Metro NJ	7105	360	360	84	84					
4 Metro North	7106	326	326	88	88					
5 Mid-Atlantic North	7109	241	241	75	75					
6 Mid-Atlantic South	7110	238	238	159	169					
7 Boston	7101	228	228	75	76					
8 CT/RI/MA	7103	196	196	138	138					
9 NE Territory East	7102	154	154	130	130					
10 NE Territory West	7104	99	99	58	56					

The ObamaCare law needs to be repealed. There are too many regulations and taxes in it.

The payroll tax needs to be done away with. It is punishment for employing someone.

We need to go with The FairTax. We should only have sales taxes.

We don't need income taxes. They are punishment for employment.

We don't need property tax. It is triple taxation.

We don't need the death tax. It's quadruple taxation.

I'm spreading the word; I'm telling my friends.

Your action on lowering taxes & regulation will determine if you & the GOP gets re-elected.

January 21, 2011

Darrell Issa  
Congress of the U.S.  
House of Representatives  
Washington, DC 20515-0549

Dear Congressman Issa,

Thank you for the opportunity to listen to provide some feedback regarding job creation. While my views are limited as a small business owner with a budget of \$600,000, here are my thoughts.

As part of a non-profit sector, the biggest obstacle is that we're more concerned with job retention to survive these tough economic times. Federal funding for job creation has hampered our ability to procure funding for gang prevention and academic enrichment at a federal level. We were happy to accept ARRA funds for job creation/preservation through Boys & Girls Clubs of America, however, it would have been more effective earmarked for specific existing Club programs.

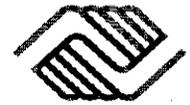
However, if this path is taken, I am all in favor of stimulus funding being used to fund specific capital projects to better the nation. I am a big fan of Roosevelt's WPA plan. Efforts for energy efficiency, travel, and safety are to be applauded. These programs would put people to work on a consistent basis while boosting their self-esteem and improve the country long-term.

The proposed medical coverage bill is noble but shouldn't be at the expense of struggling business owners. Rising medical costs from pharmaceutical companies, medical providers and workers compensation costs are completely insane. There would be no incentive towards owning a business.

On a federal, local and state level, there is also too much paperwork to file simple forms. Many of these policies make it very daunting towards starting and maintaining a business. There is also a lack of accountability in all areas of government.

We appreciate your consistent support to us which will help us to continue to promote academic success, healthy lifestyles and good character.

Best Regards,



**BOYS & GIRLS CLUB**  
OF VISTA

Boys & Girls Club of Vista  
410 W. California Ave.  
Vista, CA 92083  
Tel 760-724-6606  
Fax 760-724-1159  
[www.bgcvista.org](http://www.bgcvista.org)

Madison Middle School  
Vista Magnet Middle School  
VAPA  
Washington Middle School  
Rancho Minerva Middle School

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\* Past Board President

† In Memoriam

- Honorary Board

Tax ID# 95-2266749

Matt Koumaras  
Executive Director



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Washington Middle School  
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The Boys & Girls Club of Vista is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code and contributions are tax-deductible to the extent allowed by law. Our IRS tax identification number is 95-2266749.

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Tax ID# 95-2266749

From: Austin Myers-Vice President  
PSA Insurance Services  
Po box 2410  
Fallbrook CA 92088

To: Mr. Darrell Issa  
Congressman 49<sup>th</sup> District  
1800 Thibodo Road, Ste 310  
Vista Ca 92081

Dear Congressman Issa,

Thank you for this opportunity to express my concerns, as a business owner, in regards to government regulation and taxation. We are a second generation family owned and operated insurance brokerage in Fallbrook CA. My brother and I have taken over the day to day operations of the business since my Father passed away 3 years ago. We strive to deliver the most excellent service we can to our customers and have been able to keep all our employees on staff with no lay-offs projected for now. However, we are the exception to our industry now, as many brokerage's are laying off employees and even going out of business. We struggle as well to keep our long-time employees in a job. We consider many like family. We know many families depend on our long-term growth and prosperity.

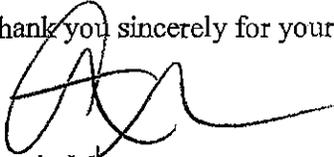
With this being said, I can tell you that we have great concern for the direction of our Country and the economic implications of many Federal (and State), regulations and taxes. First, we are concerned with the over-all Socialization of the American Economy and the vast ideological differences between our current administration and our Founding Fathers. Our Government has socialized a major part of the Auto industry, Health Care, etc- where does it end? We are printing money at an alarming rate and bankrupting future generations. Taxes are of a major concern to us on the Federal side as all these bail-outs and takeovers will eventually mean higher taxes. Higher taxes WILL mean that we will have to let some employees go. Our business and revenues has decreased 50% since 2007 and continues to do so. If we are further burdened with higher taxes while at the same time seeing revenues decrease, we will have some serious issues in furthering our business. While we are not directly impacted or overseen (yet) by any Federal Regulatory Bureaucracy, we are indirectly impacted by all that happens in Washington DC. It's a shame to see voters and politicians decrease incentives for those who work hard, operate businesses such as ours, and create jobs, by perpetuating government largesse. The Federal Government needs to make cuts such as we do. You can not spend more than you take in and you can not continue to increase taxes. I feel that even at a 100% rate of taxation the Federal Government and their Democrat cronies would not be satisfied or able to make due with that amount of revenue. Cut taxes any place possible. Reform Social Security & Public education, sell/privatize Am-trak, enforce our Borders, and stop printing money! These are a few things that would be a good start for the USA

to recover. Politicians on the left (and some on the right) have been on a binge that would make an alcoholic blush and it needs to stop!

On the State level, we are in even more dire straits. **DO NOT BAIL OUT CALIFORNIA** if they go bankrupt. Let the State be responsible for its own undoing. California is a prime example of Government largesse, excess, waste and incompetence! I know you have little to do with State Legislation but perhaps the Federal Government can lead by example.

We have been open here in town since 1979 and we want to remain open for another 30 years. Please do all that you can to ensure that happens.

Thank you sincerely for your time,

A handwritten signature in black ink, appearing to be 'Austin Myers', written in a cursive style.

Austin Myers



GLOBAL STAGE® SYSTEMS  
ADVANCED RESEARCH AND DEVELOPMENT

Last Updated: January 21, 2011  
CORPORATE TRANSMITTAL

Global Stage Systems, LLC.  
905 Tempera Court  
Oceanside, CA 92057-7910

Mr. Issa,

Change is required to solve this problem. You must change the system. Obviously the current system does not work. You need to think bigger! Much Much Bigger! I am an inventor of probably the most important system if implemented would change the United States. The system speaks for itself. Many including the identity theft experts say I have done it including one that is on the news always Robert Siciliano. This system can make our area the new Silicon Valley.

Have a tech guy watch my video. The people that would develop applications around it would be endless.

<http://www.globalstagesystems.com/identity.html>

Sincerely,

Dennis Lyon  
GLOBAL STAGE SYSTEMS

Dennis Lyon  
Chief Executive Officer  
Global Stage Systems, LLC.  
760.429.5526

Our health insurance went up 28% this January.  
Our unemployment Insurance went up last fall.  
Our worker's comp insurance is up again this year without any claims.

Red flag rules require more time from myself and my employees.

**Effective January 1, 2011** The Risk-Based Pricing Rule requires dealers and other creditors to provide a notice to consumers when they are granted materially less favorable terms than other consumers, based on data included in their credit report.

Dealerships have two options to comply with this rule:

1. Dealers can provide a Risk-Based Pricing Notice *only to consumers who apply for financing*, and based on their credit report the financing rate is less favorable than the financing rate of a substantial proportion of the dealer's customers
2. Dealers can provide an exception notice *to every consumer credit applicant*, eliminating the need to determine which applicants must be provided with the Risk-Based Pricing Notice.

All of the regulations are choking small business. I cannot afford to hire any more employees and yet so much of my current employee's time is spent making sure we are complying. I don't mind the workplace safety regs but the consumer regs have gone way too far. When is the government going to stop thinking for the American people? It's time the people start thinking for themselves, being responsible for themselves and not relying on someone to do it for them.

It's time we put God back in schools and let those that don't believe be offended rather than offending those that DO believe!

USA needs to produce our own oil, build refineries, all other types of energy (eg. Nuclear)

All regulations should be helping it, not making them more difficult!!

This is the priority #1!!!

Cheap reliable energy is the foundation of the economy, then the industry will need more educated employees, the service industries will follow.

Then unemployment compensation should not be so long, it gives people incentive to take the job.

Cap and trade, global warming etc. - this is not for the Federal government to regulate.

With the less government the technology will emerge to deal with them.

No money for foreign help – we do not have it!

Bring our troops from other countries !

Could be more ideas, but I think other people will write you too.

Thanks,

Yakov Pogorelis



## **ASSOCIATED GENERAL CONTRACTORS OF TENNESSEE - WEST TENNESSEE BRANCH**

4646 Poplar Ave. suite 231, Memphis, Tennessee 38117-4432, phone 901-682-5108, fax 901-682-4862 Email: [agc.wt@comcast.net](mailto:agc.wt@comcast.net)

We would be interested in sharing ideas, comments and concerns about the direction government is taking, or not taking as the case really is, concerning industry and business development.

The idea that cities or states can take some form of bankruptcy to avoid their debts in complete insanity! Yet, it does play into my thoughts about how the U. S. and the world can extinguish all debts, which is through a total re-valuation of our currency.

When one starts to eliminate debt, for elimination purposes, one must somehow make the holders of the debt instruments whole!!!

Keep in touch.

Terry Lotz

January 22, 2011

Robert Wright  
TPG, Incorporated (The Paradigm Group)  
2828 Montecito Drive  
Fallbrook, CA 92028  
[Robert.charles.wright@gmail.com](mailto:Robert.charles.wright@gmail.com)  
76-451-1525

Listening to Americas Job Creators:

I have spent the past twenty-five years designing, building and implementing multientity financial and clinical systems. I spent the last ten years as an executive consultant at Kaiser Permanente in Southern California implementing the Electronic Healthcare System.

In healthcare, Washington controls the workflow of patient care. Unlike an industrial environment, every product is a unique process. You can build models, but each patient within that model takes a unique path through the process.

Regulation assumes the process fits into some model that results in definitive cost buckets and or patient safety best practice.

Three things I have learned in nearly fifty years in healthcare are:

- The physician is the most important person in the workflow:
  - His or her available time dictates access
  - His or her personality and competence dictates the quality of the experience and the patients path through the system
  - His or her participation in management and change is critical to a successful experience.
- Healthcare is a risk adverse environment that often sets aside best practice for politically correct behavior or modified workflow to comply with government regulation.
- Unions are the greatest impediment to cost effective workflow. They often support new technology and then obstruct the implementation by refusing to accept changes in workflow that enables the technology to be cost effective.

The government assumes it can be effective by imposing top down process change legislation. This is no different than an executive dictating workflow changes to a complex manufacturing process without having buy inform all the business owners within the process.

The Individual Patient is the most important component in the flow of the business at any one moment, but the physician is the one indispensable component. Without the physicians dedication to his or her craft and the extensive education there would not be a successful and sustainable healthcare experience.

January 22, 2011

Congressman Darrell Issa  
49<sup>th</sup> District, California  
2347 Rayburn House Office Building  
Washington, DC 20515

Dear Congressman Issa:

I am pleased that you have reached out to small business owners like me to get a pulse on what is happening with our businesses. I am hopeful that I will be heard and will receive genuine comments regarding the issues about which I am writing.

My wife and I bought this sleepy little Mexican Restaurant in February of 2007. A little different considering we are both white Anglo Catholics. But our success tells us the community has accepted this element of our restaurant.

There are two major issues that have severely affected our success and bottom line over all.

1. The regulatory nature of and the bombardment of the EDD requirement is a waste of our time...most of the time. My wife handles this part of our business and is forced to act as a part time EDD employee working about 10 hours per week on issues relating to child support; alimony; credit issues; termination complaints and the like. I understand these things happen to protect employees, but no measures are in place to protect employers from bad employees.
2. ADA Lawsuits are going to kill this country if we do not change legislation soon. My wife and I were served with a lawsuit that contends that we discriminate against the handicap. This is ludicrous. The partitions in our bathrooms are 3 inches short of compliance and the ADA says we have to remove them. This would make it necessary that only one person enter the bathroom at one time instead of 3-4. With 8000 customers each month, this would put my business at risk. Additionally, ADA requires that I spend thousands of dollars to make our concrete ramps for wheel chair access at 8.3 degrees instead of 12 degrees. Again, a ridiculous requirement. We had to pay offer/pay \$6000.00 to make this lawsuit go away. And by the way, the plaintiff's attorney has 22 lawsuits going on in California right now.

There are many government regulations that would absolutely kill you if you want to stay in business here in California as well as the US. We are not as "business friendly" as I would like to think.

I hope this gives you some good feedback.

Thank you for your interest.

Craig Puma  
CNC Puma Corporation  
Db: The Bank of Mexican Food

## CHINA

The biggest challenge facing US Domestic manufacturers is China. They do not have the labor and environmental requirements that we have to deal with and pay for. The Chinese currency is not aligned with worldwide markets. In water sports and surfboards there are no import duties on Asian made products. Our areas of un-fair competition are China, Thailand, and Viet Nam.

I cannot sell my US made surfboards or Stand Up Paddleboards in Australia. The Australian Government protects it's working people from foreign imports. Australian companies can and do sell their products here.

A Governments main role should be to protect the borders and the people, The United States Federal Government has turned it's back on the people of America. We are spending billions of dollars fighting an overseas war while illegal aliens pour in from Mexico and over 30 million Americans are without work.

We need to place heavy duties on China imports until China improves labor and environmental standards and re-aligns it currency. This will create a flood of private investment into the manufacturing sector. Not only would manufacturing jobs return to the US, but raw materials, shipping, and construction will all explode as well. The cost of consumer goods will go up sharply on some items, but the long-term boom to the economy will offset the short-term retail slump.

Block China. Balance the Budget. We need to put America back on the path to greatness!

Byron Olson  
Production Manager  
King's Paddlesports  
760 994-7270  
byrondesign@yahoo.com



JANUARY 24, 2011

EternaTile Inc.

111 Briny Ave.

Suite 2204

Pompano Beach,

FL 33144

412-403-4110

To Whom It May Concern,

MY PURPOSE IN WRITING THIS RESPONSE IN TO SHARE MY EXPERIENCE WITH YOU REGARDING THE LAUNCH OF A NEW SPIN-OFF COMPANY, BASED ON A PRODUCT WE DEVELOPED FOR OUR INDUSTRY.

OUR COMPANY, ETERNATILE INC, IS ENTERING THE MANUFACTURING SECTOR WITH A PRODUCT WHICH SHOULD LITERALLY CHANGE THE VALUE OF SOLAR WITH RESPECT TO REQUIRING SUBSIDIES. AS YOU ARE UNDOUBTEDLY AWARE, OUR GOVERNMENT HAS BEEN FUNDING "GREEN INITIATIVES" AS A WAY TO CUT ENERGY DEPENDENCE AND CREATE HIGH TECH JOBS.

YOU ARE ALSO PROBABLY AWARE THAT THESE PROJECTS COULD NOT BE VIABLE WERE IT NOT FOR THESE SUBSIDIES. THAT BEING THE CASE, WE TOOK A DIFFERENT APPROACH AND HAVE ACTUALLY DEVELOPED A SYSTEM WHICH IS ACTUALLY CHEAPER THAN THE GRID NOW, CAN PUT MILLIONS TO WORK, AND LOCK IN LONG TERM LOW COST ELECTRICITY PRICES FOR BUSINESSES AND CONSUMERS.

WITH A "GREEN PRODUCT" THAT DOES THAT, AND BY THE WAY MUCH MORE, I HAVE OBVIOUSLY BEEN AWARDED ONE OF THOSE GIANT SUBSIDIES AND AM ROLLING OUR PRODUCT OUT ACROSS THE LANDS TO THE BENEFIT OF MY FELLOW CITIZENS, MY COUNTRY, AND MY COWORKERS.

I AM SORRY TO SAY NOT ONLY IS THAT NOT THE CASE, WE HAVE HAD ZERO INTEREST OR HELP FROM ANYONE BEYOND THE EARLIEST CONTACTS. THE CALL BACK NEVER COMES.

REGARDLESS, WE ARE NOW IN THE LATE STAGES OF ACQUIRING "PRIVATE FINANCING" AND HAVE RECEIVED AN LOI FROM A FUNDING SOURCE.

AT THIS POINT, MY ONLY INTEREST IN WRITING TO YOU IS TWOFOLD. FIRST, JUST TO LET YOU KNOW THAT OUR AGENCIES ARE LESS CONCERNED ABOUT THE VALUE THE FUNDS WILL RETURN AND MORE WITH WHO GETS IT. AND SECOND, I WOULD MUCH PREFER THE REPUBLICAN PARTY TO GET OUT IN FRONT ON THIS INSTEAD OF LETTING THE DEMS GAIN BY ASSOCIATION. THESE SUBSIDIES FOR GREEN ENERGY COULD AND SHOULD END TOMORROW.

THE FOLLOWING IS AN OVERVIEW OF THE COST BREAKDOWN TO SUPPORT MY CLAIM REGARDING HALVING THE COST OF OWNERSHIP WITH RESPECT TO ENERGY AND BUILDING COSTS.



JANUARY 24, 2011  
 EternaTile Inc.  
 111 Briny Ave.  
 Suite 2204  
 Pompano Beach,  
 FL 33144  
 412-403-4110

**ETERNA TILE PPA OPPORTUNITIES**

THE PPA AND SOLAR MARKET WILL COLLAPSE WITHOUT SUBSIDIES, UNTIL NOW.

THE TRADITIONAL PPA MODEL WORKS ON A VERY SLIM "FIXED" MARGIN. ETERNATILE **DOUBLES** THE LONG TERM MARGIN AND NOW SOLAR IS NOT ONLY ON PAR WITH CURRENT ELECTRICITY PRICES, IT HALVES THE LONG TERM COST OF OWNERSHIP AND CREATES NEW MODELS FOR PPA, UTILITY, AND MORTGAGE BASED FINANCING. IN SHORT, AN INVESTMENT IN AN ETERNATILE SOLAR ROOF SYSTEM FAR AND AWAY BEATS THE GRID TODAY, EVEN WITHOUT SUBSIDIES.

	Typical Solar Panels	EternaTile Building	Non-Solar
Power Generating Capacity	700kw	1,152MW	0kw
Average Power	700/700kw	806.4/806.4kw	0/700kw
Real Cost Per Wa	\$10.42	\$4.49	\$11.14
Roofing Cost	\$100,000	\$3,850,000	\$100,000
Insulation Cost	\$60,000	\$20,000	\$60,000
Solar Panel Cost	\$3,850,000	\$0	\$0
Electrical	\$80,000	\$80,000	\$0
Replacement Cost	\$3,930,000*	\$220,000*	100,000
30 Yr Electric Cost**	\$0	\$0	\$3,600,000
60 Yr Electric Cost**	\$0	\$0	\$3,600,000
Rebates	\$964,000	\$548,000	\$20,000
Total Cost	\$7,056,000	\$3,622,000	\$7,440,000

\*30 Year replacement calculated at today's dollars; includes electrical cost and current 30% rebate.

\*\* Cost calculated at a steady \$200 per month electric cost.

GOVERNMENTS, INSTITUTIONS, AND COMPANIES WHICH CAN SELF FINANCE OR ACQUIRE PRIVATE FINANCING MAY ELECT TO PAY FOR AND OWN THEIR OWN SYSTEMS AS THEIR CASH MANAGEMENT POSITION AND OBJECTIVES DICTATE. THESE SCENARIOS YIELD THE HIGHEST RATES OF RETURN ON INVESTMENT, LITERALLY HALVING THE COST OF LONG TERM ELECTRICAL EXPENSES.

IMAGINE WHAT THE ABILITY TO SELL THE LOCKED IN SAVINGS COULD DO FOR TEMPORARY BUDGET SHORTFALLS. EVEN HEDGING THE SALE AND RETAINING HALF OF ALL FUTURE ENERGY SAVINGS CAN YIELD MILLIONS OF DOLLARS IN THE NEAR TERM, PROVIDE IMMEDIATE EMPLOYMENT, LOWER THE COST OF ENERGY INFRASTRUCTURE REQUIREMENTS, AND STILL LOCK IN LONG TERM SAVINGS FOR THE TAXPAYERS OR SHAREHOLDERS.



JANUARY 24, 2011  
EternaTile Inc.  
111 Briny Ave.  
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412-403-4110

ONE MODEL WOULD BE TO INTEGRATE THE PPA AND MORTGAGE INTO A SINGLE DOCUMENT, WITH A RENEWABLE LEASE OR PURCHASE OPTION OF THE ROOF SYSTEM AT THE END OF THE TERM. THE SYSTEM OWNER SHOULD NEED TO ONLY REPLACE 1 OUT OF 3 OR 4 POWER CONTROL UNITS OF THE TOTAL NUMBER OF TILES TO REPLENISH THE CAPACITY OF THE OLD SYSTEM. BECAUSE THERE'S NO NEED TO REMOVE AND DISPOSE OF THE ROOF OR ANY PANELS, THE SAVINGS ARE LITERALLY ENORMOUS, CREATING A BETTER LONG TERM VALUE FOR THE LENDER/PPA AGENT AND THE BUILDING OWNER/ELECTRICITY USER. THE PPA AGENT CAN "SELL" THEIR INTEREST IN THE ROOF SYSTEM OR PAY A PROCESSING FEE TO THE MORTGAGE LENDER FOR COLLECTION IN WHICHEVER METHODS THE INTERESTED PARTIES MAY WISH.

ANOTHER MODEL IS TO HAVE SEPARATE MORTGAGE AND PPA AGREEMENTS. THIS SCENARIO IS MOST LIKELY IN RETROFIT PROJECTS OF EXISTING BUILDINGS. A LONG TERM TRANSFERABLE PPA CAN BE DEVELOPED TO SECURE THE INTERESTS IN THE ROOF SYSTEM AND POWER OUTPUT, AS WELL AS INCLUDE A REPLACEMENT/UPGRADE PLAN. A SALE OF PROPERTY AND AN ABANDONMENT CLAUSE SHOULD BE INCORPORATED SO THAT THE PPA OR MORTGAGE LENDER MAY CONTINUE TO RECOVER REVENUE FROM THE SYSTEM VIA SELLING THE POWER GENERATED TO THE UTILITY DURING ANY TRANSITIONAL PERIODS BETWEEN OCCUPANCIES AS MAY OCCUR IN THE LIFETIME OF THE BUILDING.

ANOTHER MODEL WOULD BE TO LONG TERM LEASE THE ROOF SPACE AND RESSELL ALL POWER TO A UTILITY COMPANY.

ANOTHER MODEL WOULD BE TO LONG TERM LEASE THE ROOF AND CREATE A PPA FOR THE POWER FOR A SPECIFIED PERIOD WITH AN OPTION TO EXTEND POWER PURCHASING OR LET THE POWER GENERATED BE SOLD TO A UTILITY COMPANY. A LEASE BUYOUT OPTION IS RECOMMENDED AND SHOULD BE CLEARLY DEFINED IN THE INITIAL PPA.

POWER COMPANIES MAY WISH TO EXPAND OFFERINGS TO INCLUDE VARIOUS PPA FINANCE MODELS FOR THEIR CUSTOMERS AND WOULD BENEFIT FROM LOWER TRANSMISSION COSTS AND POWER LOSS. AS MORE MODELS DEVELOP AND SOLAR CELL EFFICIENCIES INCREASE, IT IS OBVIOUS THAT THE ETERNATILE SOLAR PLATFORM IS THE NEXT STANDARD IN BUILDING.

THE BEST INVESTMENT IS A SAFE, LONG TERM INVESTMENT, AND PREFERABLY HELPS GAIN ADVANTAGE IN YOUR ENTERPRISE. AN INVESTMENT IN AN ETERNATILE SOLAR ROOF SYSTEM MEETS THESE OBJECTIVES AS WELL AS CONTRIBUTES TO THE BETTERMENT OF OUR SOCIETY.

FIND OUT HOW AN INVESTMENT IN ETERNATILE CAN CREATE A POWERFUL RIPPLE IN YOUR COMMUNITY.

CALL DAVE HANSEN AT 412-403-4110 FOR MORE DETAILS.

Is Government holding our business back? Yes.

- Over the past two years cuts in government spending has cost 400,000 public sector jobs. Less jobs means less business for us.
- Unemployment insurance has lapsed for many who have no other options and failure to help out the most needy, such as the 99ners, has cost us business
- Since 2000, per pupil spending has increased at a rate lower than inflation leaving our local schools to do more with less. This leaves us with a less educated work force to choose from.
- Constant talk of repealing the health care reform bill has moral low as many of our employees are already seeing the benefits of this legislation
- Tax breaks for the super rich mean less money for the infrastructure repair we so desperately need here in Michigan. This leads to higher maintenance costs for our transportation department.
- Negative press over the government loans secured by GM and Chrysler has hurt their ability to regain market share. True patriots should support our greatest American industry and accentuate the positive of government and the private sector working together.
- Gambling by Big Banks due to lessened regulations has cost many of our employees tens of thousands of dollars in value on their homes. This puts a strain on an already fragile workforce.
- Constant attacks by Congressmen on the effectiveness of the US government have many of our customers afraid to spend their money. These attacks lower confidence of our customers as they are concerned the government is too splintered to function or too broken to fix the real problems.
- Fears of a government shut down due to the failure to raise the debt ceiling over purely political reasons have many of our customers taking a wait and see attitude.
- Failure to address climate change legislation has some of our customers concerned over how the changes in the climate will affect this business in the future. This leads to lower consumer confidence
- Many of our non-white and non-Christian employees and customers are concerned about the intense rhetoric and violence against people like them. They are pulling back from society and becoming segregated which only increases the problem while decreasing their involvement in activist where they would typically spend their discretionary earnings.
- We are finding that the current tax system has not fostered any growth of our business relative to the previous tax system of the 1990's other than we are provided with a reduced level of public service.
- Allowing large business to avoid taxes by setting up overseas and giving tax breaks to companies that send jobs overseas. This puts a higher burden on our company to make up for the lost government revenue that funds our valuable public services that we desire.

Thank you for taking the time to read my concerns over how government is holding back my business. Please feel free to contact me at any time if you have any other questions I can help the government address.

Regards,

Dale Hansen

Tax rates are out of control. While I have taken \$60,000.00 and turned it into a \$6,000,000.00 company, my government has taken all the tax money that I have provide to it, and is deeper in debt. It is obvious that I am better at managing the money I earn than the U.S. government. Taxes stifle the growth of the company by taking away capital that would otherwise be used to reinvest in the company and hire employees for growth purposes. It's really that simple.

**Fax to: Speaker Boehner and Staff (202) 225-5117 (4 pages total)**  
**PLEASE assist and save OH jobs and a Service Disabled Small Business**

**Almost 30 Small Business Jobs in OH will be lost if you are unable to help: Jan 23, 11 (time critical)**

**Dear Honorable Congressman John Boehner and Staff:** *Without your help OH and other States unemployment will increase/citizens will suffer, tax revenue will decrease and a Service Disabled Veteran Owned Small Business (Patriot Solutions, Inc) may have to shut down. We respectfully ask that you please investigate and request contract be extended while under investigation prior to February, 7<sup>th</sup> of 2011; any action after that time might be considered untimely by DFAS.*

**Subject: Federalization of DFAS Patriot contract # HQ0423-10-D-0001**

1. 27 citizens of OH that work for a Small Service Disabled Veteran Owned Small Business are scheduled to be laid off on the 28<sup>th</sup> of Feb 2010 due to an unadvisable decision made to federalize a not inherently governmental function at the Defense Finance and Accounting Service (DFAS) in Columbus, OH. We believe the notice (attached) and decision to federalize these positions is potentially in violation of numerous federal laws, directives, policies, guidance and executive/presidential orders. Patriot has received all excellent/exceptional ratings and maintained a 99.99% accuracy rating while performing the contract reconciliation functions for DFAS -CO over the past 5+ years. We assisted in decreasing the DFAS - - Government error rate from over 50% to under 1%. Also, Patriot's contract reconciliation work/results covered the Patriot contract cost in full over the first five year period and also added over \$27 Million to DoD's Accounts Receivable through demand letters. This contract (HQ0423-10-D-0001) paid for itself and made money for the government.

2. We respectfully request that you and your staff please investigate this matter and have the federalization decision reversed at your earliest convenience. A contract extension by DFAS during the investigation period should be required. I believe all or some of the following Federal Laws, regulations, directives, guidance, policies and presidential/executive orders may potentially be violated in making/implementing the subject federalization decision:

a) Apparently the two Federal guidelines on federalization of contract/private sector jobs were not considered: 1. This work/project is not "Inherently Governmental" and has been performed by contract employees since its inception. 2. Contractor performance is not in question or substandard. All of the Patriot team's performance ratings were excellent/exceptional with all positive comments recommending Patriot for further work. Patriot consistently maintains a 99.99% accuracy rating and has made only 3 material errors over the past almost 6 years. Patriot has received zero negative comments to date from any of its clients.

b) Presidential / Executive Order 13360 (Providing Opportunities for Service Disabled Veteran Businesses), 15g of USC 644 (g) as well as 36 of 15 USC 657f and others may be violated by the implementation of this decision. The DoD standard of 3% SDVOSB competitive/for bid contracts appears to have always been and is below 2%. Implementation of this federalization decision will drop that percentage even lower. Also, it could violate the DoD previously published, submitted, reviewed and approved annual plan to achieve the 3% standard submitted to other federal agencies as directed by Executive Order. This DoD plan is developed, submitted then rated and approved by an external federal agency.

c) Implementation of this federalization decision also risks violation of federal guidelines/FAR directing timely closeout of government contracts. Reconciliation is a critical part of any valid contract closeout.

d) When Patriot leadership asked about a transition plan that might include its team in whole or part no conclusive answer was provided. Evidently there have been no job announcements and there is no transition or continuity plan. Training for the lowest level/highly supervised position takes well over 30 days to complete, not including OJT. There is no Patriot training work authorized by the current contract for other than Patriot personnel. The work also requires a government background investigation that could take in excess of 30 days.

3) Our **current contract number** for the DFAS reconciliation work is: **HQ0423-10-D-0001**. Please confirm receipt of this assistance request at your earliest convenience. Your assistance in this matter is greatly appreciated. The contact information for DFAS and other agencies we know of are below.

4) Please don't hesitate to contact me directly at (757) 564-1510 or [admin@patriotsolutions.us](mailto:admin@patriotsolutions.us). I put my all into making Patriot successful after being medically discharged shortly after returning from Afghanistan with 15 years of active duty service; now I'm putting my all into keeping this small business alive and our dedicated teams employed.



Marc C. Frandsen, CDFM  
President and Founder  
Patriot Solutions, Inc  
"A Service Disabled Veteran Owned Business"

(Contact Information for some DFAS and other Government Contract Agencies)

- **DFAS Congressional Liaison Office:** (703) 607-3783; fax (703) 607-2130
- **DFAS Contracting Officer (Normand Gomolak, Jr.):** (614) 693-1338; fax (614) 693-5674
- **SBA Government Contracting Director (John Kline):** (202) 205-6460; fax (202) 205-7324
- **Defense Contract Management Agency (DCMA):** Director Mark Olson (224) 625-8920
- **DoD Small Business Director (Linda B. Oliver):** (703) 604-0157; fax (703) 604-0025
- **President's Small Business Director (Althea A. Kirellis):** (202) 395-7669; fax (202) 395-3982
- **DFAS Director (Overall)- Teresa McKay:** (unable to obtain contact information)
- **DFAS Director (Columbus)- Jonathan Witter:** (unable to obtain contact information)

**DEFENSE FINANCE AND ACCOUNTING SERVICE**



DFAS Columbus  
Contract Services Directorate (CSD)  
Bldg. 21/B218  
3990 East Broad Street  
Columbus, Ohio 43213-1162

DFAS-CO/CSD-HCMCOC

January 10, 2011

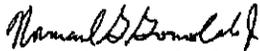
TO: Mr. Marc C. Frandsen, President  
Patriot Solutions, Inc.  
146 Penniman Rd.  
Williamsburg, VA 23185-4536

SUBJECT: HQ0423-10-D-0001, Option Exercise (Contract Reconciliation Services)

Dear Mr. Frandsen:

I am writing to notify you that DFAS does not intend to exercise the contract option for the subject contract for the period of performance of March 1, 2011 through February 29, 2012. Thus, at the conclusion of the current period of performance, which ends February 28, 2011, the contract will be considered complete.

Please address any questions regarding this action to me at (614) 693-1338 or email: [Normand.Gomolak@dfas.mil](mailto:Normand.Gomolak@dfas.mil).

  
Normand G. Gomolak, Jr.  
Contracting Officer  
DFAS Contract Services Directorate

It's a very bad situation this building industry is in. We have many homes in foreclosure with many others getting ready to enter, including homes with reverse mortgages.

I'm in my 35<sup>th</sup> year in the construction/building industry and have weathered the ups and downs many times. This time is not a good one. We are seeing home builders losing their company's, sub-contractors losing theirs, and other members of the building industry suffering too. Many are ready to hang it up.

I don't see any incentive any more for purchasing a home. Why wouldn't Fannie Mae work with my neighbor who wanted to adjust their mortgage down to \$300,000? They wouldn't so my neighbors walked away from their home. Now it's on the market, has been for about 10 months now and cannot sell for \$234,000!

For my industry to get better, this HUGE inventory of foreclosed homes will have to decrease. Get people in them, allow them to fix the homes, buy materials and shop the nurseries and home improvement stores. The whole economy gets better, just by addressing one element; the biggest and most out of control component.....Fannie Mae.

I cannot do anything but try to market better, find that one avenue that perhaps leads to an open door and give the best service I possibly can. Luck is another.

I have to spend money on better ways to expose my company, advertise and increase it's exposure. There sure isn't much return for my investment. There are many Americans who are in this business who I know that are hard working, knowledgeable and make great employees. There are many others who are working in this industry who don't know much about it. Yet they're paid cheap, get taken advantage of and do terrible work.

When I entered this field in 1976, I was an apprentice in the Carpenters union. It was a proud industry, with proud members. We went to school one night a week for 4 years to become a journeyman carpenter. Now it's gone. They come from Mexico to do one specific job and don't understand any other. And people hire them. I have been involved with many Construction Defect cases and see the terrible work many builders have put out. It's pathetic and what's even more disturbing is they tried to get away with it.

I've been luckier than many and as I said earlier, I have been able to get through many tough times. The government cannot help me other than give me a small loan or some kind of tax break but still, that won't help if I can't get any clients or customers. Who wants to take that chance? What's a tax break going to do if I have no income to tax?

The reason to me is Fannie Mae and the housing dilemma is the result of this problem. I truly believe that Fannie Mae at many levels is incompetent, corrupt and has no idea what they need and should be doing. Corruption feeds itself with more corruption and aligns itself with those who too are corrupt. Every company dealing with this problem including the Congressman and Senators who claim there is no problem, are either hiding something, don't know what they're doing either or in "bed" with Fannie Mae.

When this big old blob quits sucking the oxygen out of the housing market, things will probably get better for me and others like me. I cannot turn this market around I can only help it when it's got some legs and things start to look brighter. I'm 56 years old and have never been so disgusted with what is going on in this industry I've been a part of. One I've enjoyed and really wanted to succeed in. It hurts.

We are crushed by the current economy; our business has flat-lined. We used to employ three and now it is only my husband and I trying to keep our business afloat.

Our business was wholesale and retail, the bulk was wholesale to other stores and holistic practitioners; we import items from Australia and Switzerland, as well as from other countries.

The regulations after 9-11 really made it quite difficult to do business with our smaller trade partners, especially in India, Pakistan, Afghanistan and other countries that we are now at war with and they are on the terrorist watch list.

We would source out and find exquisite essential oils, jewelry, crystals, and minerals from all around the globe and bring them back into the US, needless to say that is not as easy as it was prior to 9-11 or as safe as it was for us to travel. We still have our contacts worldwide and they are able to get some of their products into the US but the prices are very high as you can imagine.

Our products would be considered discretionary so as the economy has suffered and businesses have closed, we have lost hundreds of accounts. Currently we took our website down, as we are waiting to see what is in store for the new taxes that we keep hearing tossed about. Even though we are based out of NH which is tax-free we are loathing the thought of having to collect taxes for shipping out to other states, that would be hideous and the \$600 fee involved in the healthcare bill if that is not repealed we don't know if it is even worth staying in business any more.

It was difficult for us to let go of our employees, they worked for us part-time and full-time for many years. My husband actually went to work for Lowes so we keep folks on while they found work and we paid them and almost lost our own home during these past few years.

We consider ourselves lucky that he is working full-time and we can now pay our mortgage maybe not on time but at least within 30 days and have faith that if the laws do not become too restrictive we can rebuild and re-brand ourselves. Phoenix rising but no one will be able to do this if spending in Federal and State governments is not reigned in! Folks cannot be taxed into giving up their businesses and walking away. All the stores that we sold to employed folks and all the smaller holistic centers had office help, massage therapists, acupuncturists, etc working and now they are either collecting unemployment or trying to cobble together a living by working multiple jobs. How many of these folks are not counted in the 9.8% unemployment ranks?

I am sure there are many folks like my husband and I out there that are in a holding pattern, sitting on inventory waiting to see when the next shoe will drop from DC and then make the final decision to shutter the business. Right now, we still buy from some of our wholesalers and are making the decision whether or not to go to the huge gem and mineral show that starts next week and runs through mid February out in Tucson. But it will hinge on the email/mailer we sent out that questioned folks about what their needs would be in the upcoming year and what they might be looking; and would they be starting to spend a bit more in their stores on x, y or z items. Depending on what we get back on this survey, we will book our airfare, call friends and let them know we will be coming in to stay for a few days to shop and visit and then fly home or we will be staying here in snowy NH contemplating our next move.

Love what you are doing and hope it makes a difference. Kudos!

Sincerely,

Judy Gallauresi

Our company Bechtel Property Services, Inc. has been in business for 22-years. We maintain shopping center in the Southern California area. The complaint I have is that as a small business owner, we are on our own without help from the state of California or the Federal government. All they want is money. Ok that's my complaint. What I would like to see is that the government would give larger companies 10 employee plus companies a tax break to hire smaller companies like ours. Also the SBA is not working for the small businesses. We are just trying to make a living. The small business needs to be qualified by the government. Let's face it there is small business out there that should not be in business, because they don't play by the rules that a good small business needs to do. The Government should help to promote by marketing. Once that small business becomes a larger company it will help the small business. It's a domino effect. Give the small business promotions as for example. Our company could help shopping centers be more green. I looked into having us become an Inspector. This cost to take this class is \$3,000.00, Too much. I know I am being very broad. I could give more detail if I had a chance to talk to someone.

Hunter 3d Inc. is a small business started up by my husband, Dan Huston, and I in April of 1994. We are both licensed geophysicist and consult for several companies located here in the Houston, Texas area. We have seen our business income drop by almost 50% in the past four months. What is killing our business is the Dept of Interior's slow action in evaluating drilling permits, seismic acquisition permits and just about anything to do with the oil and gas companies from offshore Gulf of Mexico to Alaska. Since the larger oil and gas companies are basically at a "stand-still" regarding domestic drilling, my company, whom is subcontracted by Shell, BP, etc has seen our workflow drop drastically. I know several contractors who have no work at all and since we are all self employed, have no way to collect unemployment insurance. Our business is hurting and we are in a panic trying to sell anything we can to try and pay our bills. Please help our industry!

Sincerely,  
Holly Hunter Huston  
President  
Hunter 3-D Inc.



# Super Soundproofing

First Online Soundproofing Resource

455 E. CARMEL ST.  
SAN MARCOS, CA 92078  
PH: 760-752-3030  
FAX: 760-752-3040

[www.soundproofing.org](http://www.soundproofing.org)

Email: [support@soundproofing.org](mailto:support@soundproofing.org)

January 24, 2011

I am just aghast at the new ocean wave of regulations coming from the Federal Government and the State of California, in addition to the thousands already in place.

How am I to find the time to become proficient enough to negotiate the pitfalls and roadblocks they entail, some with criminal penalties, without a mistake???

This uncertainty already has an impact on my business as I am actually considering downsizing the business to a more manageable size, with less employees and associated risk of regulation violations.

William Nash  
Owner

To: Darrell Issa, Listening to America's Job Creators

From: David Bengtson, Lighthouse Construction of North Carolina

Re: How Washington has hurt our business

Date: January 24, 2011

About us:

*Lighthouse Construction of North Carolina is an award-winning remodeling contractor servicing Charlotte and the surrounding communities. At Lighthouse, we're different because we listen. Really! We pay close attention to your needs, the home environment you want to create, and the way you want to live. The end result is a finished project that is exactly what you had envisioned.*

<http://www.lighthousenc.com>

#### 1. Housing Bubble

The government created the entire housing crisis. As a result of the government's intrusion, home values have declined more than 20% in our area and are still declining. Most of my customers have used home equity to fund their projects. This equity has disappeared, and as a result, the customers have disappeared with it. Because of the government's intrusion, we went from 11-12 employees, to 1 employee.

2008 was one of the best years we had in our industry, until the housing bubble burst. In September, things slowed down, and in November, our business stopped. We had 3 jobs in all of 2009.

#### 2. Lead paint rules

The Obama EPA has issued new regulations of lead paint, requiring special testing and procedures for homes built more than 25 years ago. If lead is found, it must be removed. These rules apply to interior work if more than 6 sq ft, and to exterior work if more than 20 sq ft on the exterior are disturbed (basically all work).

We are a lead-certified company and have followed the rules for years, as have my peers. However, because of the particulars of our liability insurance, our company will now not remove components containing lead. Rather, we will hire an abatement company, at significant cost, to remove any lead-containing components. Many of my competitors, who are unaware of the new lead requirements, will continue to operate as they have been and remove lead components themselves. Consumers do not know about the new lead regulations, and will not understand why my costs must now be higher than my competitors. This effectively eliminates pre-1978 houses from my market.

Basically, lead removal has been working fine for years, but the EPA decided to make the regulations even more stringent. If you do not follow the procedures, you can be fined up to

\$32,500 per violation, plus jail time, and if it's a willful violation, then the fine can be up to \$65,000. There are other fees to be paid to be certified and in compliance – that's another story, but one which hurts my business even further.

### 3. Health Care

(Provision that requires 1099 for any purchase over \$600)

I now have to get W-9 forms for everyone, including Staples, Home Depot, Lowe's, and all the counties where I work. I spend more than \$600 on permit fees from counties. Have you ever tried to get a 1099 from a county office?

I've already spent more than 4 hours chasing 1099s so far this year, and we're only 3 weeks into the month. It will be a whole work day they will have taken away from me per month.

### 4. Light bulbs

Have you read the EPA guidelines on how to clean up after dropping a CFL? My clients hate them, and they cost more. These bulbs are much more harmful than incandescent. I have to purchase, handle and install them as my clients expect light bulbs in the fixtures we install.

### 5. Social Security

As a self-employed person, I pay both parts: the employee's contribution and the employer contribution. Let me keep the employer portion and contribute it to a Roth-type savings account. I will not receive anything from Social Security, as it will be bankrupt by the time I retire. Not only am I penalized twice as much as the normal person, but I have to save for my own retirement. I should be able to keep that money which I have to contribute as an employer. It's double taxation, because I have to pay twice what someone working for a company has to pay. Let me keep that and save it.

Being able to keep that extra 6.2% would be a big incentive to people starting companies, and would generate extra revenue, as company owners would be more likely to take income as salary than as dividends.

### 6. Energy costs

I drive 100+ miles a days on average, and I have to drive an SUV or truck for my work. (A smart car won't haul lumber.) Gas is now over \$3.00 a gallon, increasing my overhead significantly.

Drill at home and build nuclear power plants, to lower fuel costs, employ more people and keep this wealth in the United States. Americans will have more expendable dollars for major purchases, including remodeling projects.

### 7. Housing tax credit and Energy credit

These credits did not "create" demand; they just pulled demand from the future. Housing sales have slumped, as expected. The same thing will happen to the HVAC industry since the energy

tax credit just expired. HVAC companies replaced at least 5-7 years worth of heating/air conditioning systems this year. Look for layoffs now from HVAC companies soon.

## Summary

We business owners know what to do to create jobs. My company created wealth, and we provided employment and health care. Lighthouse paid a premium salary and offered outstanding benefits. We were known as one of the best employers in this field in this area. We had to be to retain the best employees we could. Our customers demand this level of service. In addition, we assisted our employees when they were sick or in need. For example, one of our employees got cancer, and we kept him on salary and helped out his family after he passed away. We started a scholarship fund for his children, for which donations eventually amounted to over \$200,000.

When we started having to lay off employees, my brother (and business partner) and I stopped taking a salary so we could keep our employees on salary as long as possible. As a result, when business got so bad that we were no longer bringing in any income, we were not eligible for any unemployment compensation, because we had not drawn a salary for so long.

The media portrays business owners as "fat cats." We are not. We are hand to mouth, having lived off of our savings and depleted that because the government has effectively put us out of business, forcing us to use our "safety net." I don't want the government to help me out; I just don't want them to hurt us anymore than they already have. We need to get back to work; I have a family to support.

My peers are in the same situations. Many deferred salaries to keep their employees on, sacrificing personally to keep their companies alive and running. At this past fall's area home show, I was the only remodeling contractor present. In the past, there would have been as many as 20 companies represented there.

We would like to go back to employing people, providing benefits and a positive work environment, as well as providing a service to people in this area. The government needs to get out of the way so we can get to work.

## Crippling Small Businesses

I am the first person in my family to start my own business. It started from the 4<sup>th</sup> bedroom in my house after I had been let go and my wife was 9 months pregnant and we had just bought our house. I was 38 years old. That was the first time I HAD TO file for unemployment and I was ashamed. It was a huge motivational tool to, not only start my own business, but to make it successful quickly so I could get off unemployment. My upbringing does not let me living off other people or the governments sit well in my stomach. That is one thing this country needs to work on.

I believe government assistance should be there for people the truly need it, but the problem is we let people live off these programs. Who pays for this I do twice because I am a business owner and an employee of my company. I have people come in to my office when I run an ad for a job and they haven't worked in years. They didn't have to because the government was footing their bill. This is not a few cases. I can honestly say out of 10 applications I get 2-4 have been living off the government for over a year. Some have a reason, but at no time show we have 20- 40% of our work force out of work for over a year. That is not why those programs were put into place.

Each profession is compensated in different ways. Our company is in the Commercial Collection Industry. We help banks and business across the nation recover money that people promised to pay. Not by strong armed tactics, not by yelling at them, not by doing the things wrong you read about in the papers about collection firms. We negotiate, we listen, we counsel and we collect. What I am not able to do is allow my people to work the time they want to and they need to so they can make their full potential of compensation. Since they are considered hourly employees and it would cost me more than it would be worth to allow them, they can't work over time. So a willing person who I would give the option to work if they wanted to or not cannot work to make the money they can and want to make.

I know the government does not set out to make sure I can't succeed, but they must take a better look at their ways of making decisions. You make massive changes after talking to a few. This will never work and has made it hard or impossible for small business to start or continue. Finding out today that it costs about \$8000 per employee for a small business to exist and more regulations and taxes are coming so this will be going up is crazy.

Things need to be fixed and none of you want to be the first one to start it. You keep putting band aids on severed artery. Start by hiring a few people to look at where all this \$1.75 trillion dollars in expenses are going to. Then cut out all the wasted spending. WE all know what that is and if you don't know then please call me I will be more than happy to spend months on a list of things you have spent money on and tell you what MUST be cut. ITS OBVIOUS!!

My wife and I have had our company now for 12 years and we love Southern California and our country. I am a Cub Scout leader a Rotarian and we both like to volunteer. We are the type of people you never hear from, we never complain, we don't protest, we vote, we raise our kids teaching them right and wrong, and we should probably go to church more but we don't. When you talk about voters we are in

the majority. We are part of the back bone of this country and we starting to realize that you are not listening to us, you don't care about us, you send us or are kids to war, you tell us things during campaign speeches you know you will never be able to do and then I know most of you go home or somewhere and you look in the mirror and cry. You know what you are doing is wrong, but you just thinking fighting between each other is what we want. No we want RESULTS that's why we sent you there.

Actually, I am doing ok as a small business, keep the fees you are charging me in place, just use them for things to help us. Set some asides to help new small businesses. Use it to help find a way to cut our insurance costs, and when you're done I have a special place to spend the rest;

I know this will be a tuff road but we need to reel in our media. I am all about free speech and allowing the papers to help police our society, but now they are gasoline of our family and international problems.

Ask yourself if you're my age (48), "How many school shooting did you have when you were growing up?" "How many mass killings were there when you were growing up?" What would the terrorists do if no one knew what they were doing? If we never published anything about terrorist attacks why would they continue to do them?

Just think how much extra money we would have if this war on terror was not advertised and ended.

Until today I had never wrote to my any elected official that I can remember and I probably should get more involved. I really do appreciate what you do for us. Just want you to do it better.

Thanks

Mark Van Dinter

CEO

Van Dinter & Associates, Inc.

It is long overdue that the Govn't STOP hiring Co'.s and Agencies that are UNIONIZED!! Unions have been obsolete since Labor Laws were established. This notion that we need to have UNION WORKERS to get things accomplished is and oxymoronic concept and has long outlived its usefulness!

UNIONS ARE CORRUPT. Workers have become UNION BOSSES slaves. The intimidation tactics and abuses are appalling. Unions should be banned from GOVNM'T contracts!!

Govnm't employees SHOULD NOT be UNIONIZED!! This twisted concept is destroying this countries work ethic, production, quality of product and economy, with exorbitant salaries and benefit packages to boot!

Get Govm't OUT of BUSINESSES and out of RUNNING PRIVATE BUSINESSES!

For this administration to take over any private businesses was COMPLETELY ABSURD!

SOCIAL SECURTIY IS A MESS (&BROKE), POSTAL SERVICE IS A MESS, (&BROKE), MEDICAID another mess - and Obummer thinks 'HE' can design and run a National Health system!! This man needs to get a real job first! Make it be successful and then I will listen to 'Him' talk reform, hope and change.

Once the above is accomplished BILLIONS will be saved OR JUST NOT WASTED!! WHAT A CONCEPT!

Then, we can move on to the implementing of using our NATURAL RESOURCES that have been denied the AMERICAN PEOPLE FOR DECADES. OPEN the oil fields, DRILL BABY DRILL, INSTEAD of paying billions to all these foreign DICTATORS and KINGS again, making our citizens SLAVES to POLITICAL WHEELING AND DEALING.

Allowing our country to access our resources and stop the needless outsourcing will reduce our debt and allow our country to grow and recover. Get the politics out of our way. We the People, are feed-up with Govn't JUST PLAYING POLITICS! Enough!!

**Raise The FMLA Threshold to 100 employees.**

A high-unemployment period is exactly the right time for Congress to revisit rules such as the 50-employee FMLA limit. A labor econometrician could calculate quickly the number of jobs that would be created if the limit were raised to 75, 100, or higher. It would also spark a healthy debate between conservatives and liberals on the appropriate levels of workforce rules in a radically changed economy.

In a non rite to work state a Family shop or a shop with less than 25 employees should not have to unionize or utilize union labor to perform or compete for Jobs of any sort especially Government Jobs. Michigan, PA, NY for example are a nightmare for someone with a small shop or start-up shop to get a foot in the door because of the union bullying.

## Message to IHI and/or Prospective Innovation Enablers

For me, this year's Fourth of July was like no other I've ever experienced. During the long warm holiday weekend I was a member of a team of rescuers working around the clock to watch over and care for nine nurse mare foals (baby horses) that were saved from euthanasia earlier in the week. I'd like to share my experience with you and kindly ask for your assistance in turning my idea into reality sooner-rather-than later; ie. Having rescued foals play a therapeutic role for the wellness of individuals challenged by numerous ailments.

The rescued foals range in age from 1 week to 3 weeks old and were taken from their mothers and put in a pen and left to starve. When we arrived at the Slaughter House, there were 15 foals. Due to financial constraints, only 9 of the 15 abandoned foals were saved. We got them back to Bolton, MA and went to work. Once the foals arrived at a stable in Bolton, MA, veterinarians assessed their health. Three were in critical condition needing around the clock monitoring and intravenous ; three were severely dehydrated and had open wounds including sun damage; and those 3 deemed to be the healthiest were severely malnourished and traumatized.

I cried all weekend and have decided to completely dedicate my time getting my Non-Profit business, EPONA up and running so that I can at least help with the financial side of assisting with the rescue. It's clear to me that the biggest obstacles facing those involved with a rescue are not where the foals are to be housed, not how and who will care for these foals, BUT where and how will the funds be generated. Each foal cost \$500, cash only. These rescue facilities do not have the bandwidth or time to go out and Seek Corporate, or individual funding. My mission and vision of EPONA, LLC is to be the resource they come to for any type of financial need as it relates to the rescue and aftercare costs. There are millions of dollars in federal and local grants along with other monetary funding initiatives that EPONA will apply for and manage. The rescue facilities and coordinators will only need to work with Epona's financial team on estimating the amount of rescues they anticipate they will receive calls on. Each rescue group will have access to funds instantly via a debit card unique to their organization. EPONA will take care of the justification once the foals are back safe and sound. This alleviates the reactive panic these groups experience whenever called upon since the window to save the foals is only 48 hours.

Now that I am helping with the physical side of things, I clearly see how this is an overwhelming task, but so and rewarding a rescue can be. I went to the midnight feeding Saturday night and Jimmy, the foal that was only one week old when rescued and in the most critical condition, was up and eating. He came right over to me, along with Velvet and Gilligan (the 2 other critical foals). I was crouched down, my back turned putting food in a syringe and all 3 came up behind me at the same moment, began to snort, blow and nuzzle my head and back. This is an inherent action a horse does to show affection. I was JUNK....DONE! I have been challenged, like many Americans over the past few months affected by the economy and the plethora of emotions that come with it. I have experienced some dark feelings that I have never been faced with. I've found that when I'm challenged with these difficult emotions, I tend to dwell on the negative instead of focusing on the positive. This is a typical reaction of Humans due to the world we live in. We are always preparing ourselves to fight through obstacles and protect ourselves from pain or sadness. Negativity is contagious and can fester and spread if allowed. Though natural, it's detrimental to our mental wellbeing. The question I pose....How can we as a society of professionals turn this around, if only one person, one rescue at a time? How can we bottle it up and prescribe it?

Since working on my EPONA Business Plan, I have spent 80% of my time doing research on the Problem, and how I could turn it around to help people. I have personally felt emotions that, even as a mother, I've NEVER experienced. It's crazy, but the positive emotions you receive

from these foals completely overwhelm you and nothing else in the world exists at that moment. All of the negativity we receive outside of their world is forgotten and irrelevant. It's the recipe or prescription for success ("wellness on steroids").

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My mission of EPONA is to eventually utilize the foals and train them in Equine Psychotherapy philosophies, and provide them free of charge to anyone who needs therapy as it relates to Mental, Physical, and Psychological disorders. I have created specification sheets on each of the Topics within my plan and how they tie in together to deliver a true Innovative Healthcare Solution that could be duplicated in ANY culture. It is truly an idea that can be Global. The clinical studies that have been instituted and documented for the past 20 years show an Autistic Patient experienced a 20% increase in retention when utilizing Equine Assisted Therapy, versus a visit to a Therapist in an office environment. These same philosophies can be applied in countless scenarios and industries including helping the handicapped to healing a soldier returning from war.

If you look at the Federal Healthcare Budget, in relation to the Mental Health and Suicide Prevention Budget, you will see that the total approved budget for 2010 is 3.5 BILLION. That has an increase of 59 million over 2009. This is clearly showing signs that the Mental Wellbeing of the US Population is teetering at Epidemic proportions. If these numbers were applied to a cost saving model, that's a 13 Million dollar savings in Mental Health Alone. These same philosophies can be applied in countless scenarios including rehabilitation for the Dept of Corrections.

With that said, I'm a technologist - Idea gal, and have never launched a business. My original goal was to do nothing but raise money for Nurse Mare Rescue Facilities. I have now created an offering that is utilizing organizations, who are subject matter experts, and who are already operating as well oiled machines. I am developing Strategic Alliances, and by tying them together, you have a complete Strategic Solution which will potentially reduce the cost of Healthcare cost within this department by MILLIONS! All while making individuals with physical and mental challenges a little happier than they were before. If I can help those challenged by ailments feel the way I them feel, what I felt during this Fourth of July weekend, I felt last night, I can't imagine a better feeling - perhaps some of their darkness, despair and sense of hopelessness will dissipate.

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The bottom line: (1) saving foals is the right thing to do; (2) Equine Therapy works. I'm researching firms now that help launch innovative ideas, but it's difficult to determine whose best interest they have in mind. Does IHI or any other organization you are affiliated with do this? I would also like to discuss with you, if you're interested, being part EPONA at least as an Advisor, I have discussed my ideas with some highly educated individuals (who may be tempted to lock me up and throw away the key), and after they read the facts I have assembled, they now have expressed an extreme interest in the company. they have viewed my due diligence and have agreed that your participation would be beneficial. However, Please understand I want a select number of individuals who bring a unique perspective and have experienced the good, the bad, and the UGLY of US Healthcare. I want Humanitarian souls with Pit-bull business senses as part of my team. I will not compromise the integrity of my vision.

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EPONA, LLC  
Providing Innovative Wellness  
Delivering Quality Healthcare

*... One Horse Life at a time*

So, Lucky You...another really long message from Cindi! I truly respect your opinion and value your friendship. I'm thinking there was a reason that flight was cancelled in New Orleans. I have never felt this kind of enthusiasm, passion, focus or clarity about anything. This is what I'm supposed to do.

I would be happy to share the facts and details of EPONA, LLC if you are interested. I understand that you are very busy, so any direction is appreciated! The pictures I've attached are from the past 3 days. The last picture, which is a group photo, is from our first rescue a few months ago. As you can see, they are doing great!

BTW, How are you?? I wish you the best in your new endeavor and hope that DC treats you well.

Cindi

**Dear Darrell Issa,**

**#1. First off I believe all agencies of the federal government need to be audited for government waste or for shutting down agencies that are not really necessary.**

**#2. The Federal EPA, the guidelines for the greenhouse emissions for automobiles has caused our state of California to go completely overboard.**

**#3. Healthcare Reform is an absolute must. It is killing jobs.**

**#4. Tort reform**

**#5. Amount of unnecessary paperwork to track new tires, junk tires and the duplication of agencies that track it.**



January 25, 2011

Subject: Government Intrusion in Small Business

Engagent in 2008 missed submitting payroll withholding amounts to the IRS for the month of July, 2008. Due to the excessive penalties and IRS harassment caused a significant distraction from Engagent's business operation. The IRS are not nice people.

Much talk is given to how we create jobs in the USA. Give small businesses a payroll tax holiday for several quarters. This would give EVERY small business the opportunity to hire. The current program of the US government giving dollars to companies/industries it thinks deserve it does not filter down to the smaller businesses that can really affect the job creation opportunity.

Our company Bechtel Property Services, Inc. has been in business for 22-years. We maintain shopping center in the Southern California area. The complaint I have is that as a small business owner, we are on our own without help from the state of California or the Federal government. All they want is money. Ok that's my complaint. What I would like to see is that the government would give larger companies 10 employee plus companies a tax break to hire smaller companies like ours. Also the SBA is not working for the small businesses. We are just trying to make a living. The small business needs to be qualified by the government. Let's face it there is small business out there that should not be in business, because they don't play by the rules that a good small business needs to do. The Government should help to promote by marketing. Once that small business becomes a larger company it will help the small business. It's a domino effect. Give the small business promotions as for example. Our company could help shopping centers be more green. I looked into having us become an Inspector. This cost to take this class is \$3,000.00, Too much. I know I am being very broad. I could give more detail if I had a chance to talk to someone.

Obama wants to get rid of cumbersome rules and regs yet his NLRB board is making rules making it easier to join and organize unions. They want us to post signs saying you can join the union. Maybe we need signs telling them they can take a break, eat lunch or quit. We don't need more distractions. If unions get into the service industry like they have the government our country is done. Cause business owners like I will sell out to conglomerates and not fight the fight with unions. Mr. King claims they have learned yet he threatens the imports with pickets and blackmail if they won't agree to their terms. Autos has the new FACTA act which requires us to do the governments job of paperwork. Kill the power of the overreaching NLRB.

From: Eric Basu, CEO, Sentek Global  
To: Congressman Darryl Issa  
Subj: Request for input on government regulation impediments

Congressman Issa, Doug Sain from the New Majority asked the New Majority members to provide input to you on restrictive regulations that are impeding business growth. Please find my input, in bulletized format, below.

1. Obamacare - This leviathan of regulations has resulted in increased insurance premiums of 25% in CY 2011. Our premiums historically have increased between 6 and 12% per year, which has always been an issue, but the dramatic increase in costs in 2011 will force us to reduce our benefits to our employees. We have always paid 100% of our employees' insurance premiums and 25% of dependents' insurance premiums, but this most recent increase in costs will force us to eliminate the payment for dependent premiums and possibly force us to require employees to pay a portion of their own premiums. In addition, our ability to move to a less expensive plan is restricted by the "grandfather" status of our old plan. I can't find an adviser who can explain to me the ramifications of moving to a non-grandfathered plan which limits my ability to make an informed decision of what to do with our health care plans. This is partly as a result of the difficulty of understanding the legislation and partially because the implementation of the legislation appears to include waivers for many categories of businesses that appear to have the "proper" political connections, so the actual enforcement and execution of the legislation is as yet not easily predicted. As a result we're simply holding what we have and assuming continually increasing costs in the future.
2. Taxes - Between state and federal tax burdens and complexities I spend 20-35K/year on accountants to advise me what I can and cannot do. Often even my tax experts need to consult other experts to provide advice on a particular business decision. A simpler tax code, even if it resulted in slightly higher taxes would likely save us money if I didn't need to spend as much money on advisers.
3. ITAR and FCPA - We are trying to expand into international markets, but the ITAR export regulations and FCPA regulations are convoluted, contradictory, opaque and often Orwellian in their application. As an example, an international firm is required to voluntarily report any violations of the FCPA by their employees or affiliated parties annually. A firm which does not voluntarily report "sufficient" violations will be targeted for investigation. During investigations, the voluntarily reported violations are used to assess penalties which often are so high as to force bankruptcy. The solution offered by the government is then to assess the company's financials, then agree to a solution that takes the majority of the company's profits for a period of several years, so this effectively becomes a tax rather than a penalty for companies to try to disincentivise a particular behavior. The cost to comply with ITAR and FCPA regulations in the form of an internal set of policies and compliance is between 25K-60K for my company annually, and offers no guarantees of not being targeted for investigation and the resulting penalties. In addition, once targeted for investigation, investigators often become emotionally invested and continue to investigate until they find something to which

they can assess the maximum penalty allowed in order to justify their efforts. Costs of complying with investigations, regardless of the outcome, result in 100s of thousands of dollars. The risks of attempting to do work overseas because of a prosecutorial U.S. regulatory environment severely limits the ability of small U.S. companies to do business overseas. Combined with the high tax rates of the U.S., if a business is going to do the majority of its business overseas it makes much more sense to be based overseas, which deprives the U.S. of both tax revenues and employment opportunities.

4. DCAA and Federal Acquisition compliance - As a DoD contractor, we spend about 25% of our total overhead costs ensuring compliance with DCAA and Federal Acquisition regulations. We have had a junior auditor come to our office and pace out the square footage to ensure that the space was appropriate for the work that we were performing. The time and effort spent ensuring compliance with cost plus contract requirements, both on the government and contractor side, could have been saved for the taxpayers had the government simply let the contract for a fixed price vs. a cost plus contract. Many of these contracts are easily defined (i.e. 12 engineers for a man year) and have no reason to be let as cost plus contracts. The DoD has pushed all acquisitions to Cost Plus in the last five years, ostensibly to limit "contractor profits", but effectively resulting in far greater costs to the taxpayer in the form of both compliance costs and in an industry that has become accustomed to increasing their costs well above what is required to perform the contract. In addition, the acquisition process has become a joke, with 90% of contract acquisitions delayed 90 days or longer past the projected date, an average of a 273 day delay being touted in government-industry events as "not bad", and a not insignificant subset of acquisitions being delayed 24 months or more. This makes it very difficult to plan ahead with respect to hiring, business development investment, and capital investment as a business owner.
5. Government waste - although not a regulatory issue, government waste in the DoD would be considered criminal were it not institutionalized. At SPAWAR, it is an openly stated fact that most civil servants cannot be fired (it's called a job benefit), they are paid the same or more as their counterparts in industry, and most do not work even a full 40 hour week (rare itself in any professional industry), taking every other Friday off and working in a culture where time off takes priority over getting work done. The insourcing trend in the DoD recently typically resulted in contractor positions being converted to government positions, with the new government employee immediately turning around and hiring a contractor to do their previous job so that they could enjoy their new-found three day weekends. The "use or lose" mentality of the government is anathema to efficient use of taxpayer dollars. As long as a program manager is incentivised to spend his or her program funds fully at the end of a quarter and offered no incentive for actually saving the funds and putting them back into a pool to pay down the federal deficit, we will always be fighting the system itself when we try to combat waste. There are numerous examples in the DoD, with combat troops dumping ammo off the side of ships because NALCOMIS would not accept the ammo back after a deployment, fighter squadrons dumping fuel at the end of a quarter to ensure that they receive their full allocation the next quarter, etc.

I can provide numerous other examples and would be happy to meet in person if you'd like a business owner's perspective, from the trenches, on how much time I spend dealing with nonsensical regulations rather than job creation.

Very Respectfully,

Eric Basu  
President and CEO, Sentek Global

# Financial Oversight Committee

## Job Creation Needs:

1. Stop thinking big banks know everything about small business when they cannot even run their own companies well.
2. Put an SBA loan officer in each bank to deal with small businesses. They already guarantee the deal so let them work it closer.
3. Stop making every small biz owner or potential owner pledge his house. Today with values down, how does he qualify?
4. How do people qualify with no house?
5. Make the EEOC do something other than sit on their ass. Age, race and sexual discrimination is rampant. People that have many jobs should be fired as they discriminate and then hire good people. It is TOO easy to discriminate – everyone knows it is unlikely they will be caught – much less convicted.
6. Give special consideration to the small biz owner who has been driven out of business when the economy failed. He likely only failed due to a bank pulling his credit line or lack of sales due to the whole economy.
7. FIX the foreclosure mess. DEMAND that the banks modify loans and not foreclose. Foreclosing is just going to keep dumping cheap houses on the market and keep driving prices down and reducing owners equity further. As I said above, no house, no equity – no loan – no business.
8. Not dumping houses on the market will mean they will start to build again sooner and create jobs.
9. Tell OCC, FDIC and SEC to put the criminals in jail that caused the meltdown and the ones that are continuing the economic frauds on the citizens. TELL these agencies to do their job –AND THAT DOES NOT MEAN TO COZY UP TO THE BANKS AND WALLSTREET THEIVES.
10. Business incubators are needed to teach potential entrepreneurs HOW to be in business. TELL SBA to do that IF they know how. If they do not – CALL ME, I KNOW HOW.
11. Make the Feds and GSA purchasing buy more from small biz. They need to spread out the spend to more companies NOT less. They also need to re-define what a small biz is – they deal with people who are too large. They also let many get by with saying they are small or disadvantaged when they are not. There is no real oversight on that.
12. STOP sending money to any foreign country that is not buying from the USA.
13. STOP the war in Afghanistan – that way we are not just throwing cash at criminals to like us. If they cannot run their own country and are a danger to us, bomb the mountains they hide in so they are flat. Same goes for Pakistan. Bring the troops back and the \$\$\$\$\$\$
14. IF any company is employing overseas employees to replace American jobs, TAX then an amount at least equal to the pay.
15. Tax incentives do not mean jobs today – ONLY CASHFLOW AND CASH DO THAT FOR SMALL BIZ..

16. Change the bankruptcy laws so that the personal mortgage can be handled there, JUST LIKE COMMERCIAL REAL ESTATE LOANS ARE.
17. Let Student loans fall under the bankruptcy as well, otherwise you are going to have students and parents never get out of debt due to student loans. OBAMA SAYS WE NEED TO EDUCATE BETTER – HOW IS THAT TO BE PAID FOR ????? NO JOBS AND NO EQUITY IN A HOUSE – THAT WILL NOT GET A KID THRU COLLEGE.

## **A hell of a way to run a railroad**

**Glenn Bogart, J.D.**

The U.S. Department of Education (ED) has published, as a final regulation to take effect in just four months, a definition of “credit hour” that will not just destroy a few programs – it will render unprofitable nearly all programs that are offered by proprietary schools. In theory, it puts all postsecondary institutions at risk, whether the school is for-profit, non-profit, or even government supported.

No doubt your committee is aware of the controversy surrounding the gainful employment rule that is to be published soon by ED. But you may not have heard much about the credit hour definition, and it's even worse!

The new rules on defining the credit hour (34 CFR 600.2) were published as final regulations on November 1, 2010, as scheduled, and are to take effect on July 1, 2011 – a mere four months from now.

Under the new credit hour definition, all schools will have to be able to demonstrate that students spend at least two hours in lab or studying for every hour they spend in class. Of course that is impossible. It may be that a college's best student spends that much time studying, but this is a “minimum,” – not even an average.

This time spent in outside preparation or lab will be evaluated by the accrediting agencies, and those agencies will be required to report what they find to the colleges' federal masters at the U.S. Department of Education. Any valid inquiry into how much time students actually spend in outside preparation is going to show that the students fall short of the requirement.

Then the accrediting agencies will be required under another section of the new regulations to make their reports to ED, and they will have to report that students at the school being reviewed do not spend a minimum of 2 hours in outside preparation for every hour they spend in class, as we all know.

ED will then undertake administrative proceedings to take back a fair part of the school's Pell Grant money, which was received for students who were full time according to historical standards when they were attending during the period under review, but who are now deemed to be  $\frac{3}{4}$  or  $\frac{1}{2}$  time based on how much, or how little, homework they reported having done when they were asked by the accreditor (or, I suppose, by program review officers from the Department of Education).

Do not suppose this is fanciful. I assure you, it is not. I have worked in Title IV compliance for more than 30 years. I have seen cases where ED program reviewers have sought to denigrate the

credit hours awarded by a school in order to seek repayment of “liabilities,” even under the regimen currently in place. They did it, in that case, by getting instructors to brag about how many “hands-on” hours their courses offered, and then claiming that there were too many hours of lab, and not enough hours of lecture, to justify the credit hours awarded. This new credit hour definition will make it that much easier for the destroyers of schools at ED to do exactly the same thing, only this time, it will be based on how much homework the students report.

Will Harvard or the University of Chicago or Stanford face such scrutiny? Will community colleges? Well, the definition of the credit hour is supposed to apply to every institution that participates in the Title IV programs. However, it is absurd to suppose that this will be enforced equally to all participating institutions – even though the law says that it must be applied equally throughout the 50 states.

I can just imagine ED telling the University of California and the California State University system to pay back Pell Grant money for every student who carries 12 credits per term next Fall. Yet, unless those schools can demonstrate that such students universally spend 24 hours per week in lab or studying, their students will receive full-time Pell Grant payments but should be ruled as eligible to receive only  $\frac{3}{4}$  time payments or less. If a reviewer can find just one student who claims not to have spent any time at all on homework, then presumably every student in his class may be deemed less than half time, and the school will have to pay back all the federal student aid except for a fourth of the Pell Grant money.

I’m not making this up. If you read the comments and the Secretary’s responses to them in the Federal Register, you will see that ED intends to cite liabilities in cases where schools cannot demonstrate compliance.

What happens under the new definition of the credit hour at community colleges? They have lots of students carrying 6 credits per term. If those students get Direct Loans, but it is found that they did not spend a minimum of 12 hours per week in lab or doing homework, they become less-than-half-time students, and are not eligible for student loans – so the school will be required to purchase the loans – or at best, to pay estimated losses to the government on them. And to pay back half of the Pell money they received, as well.

Look – I didn’t spend two hours studying for every hour I spent in law school from 1982 thru 1986, and I still managed to get a juris doctor degree at an ABA and AALS accredited law school. Maybe you did spend that much time reading cases – but if you did, I can assure you that you are in the minority.

But for-profit schools are the real target here, and in all likelihood, the new regulation, **34 CFR 600.2, definition of credit hour**, will be ignored by nearly all institutions except proprietaries, and will be enforced only at proprietaries. Why? Because proprietaries are always the target of the U.S. Department of Education. ED wouldn’t dare enforce this against traditional institutions – because not a single one of them could meet the standard. Those kinds of schools will not

worry about it, because they know ED cannot go around demanding payment of liabilities from every single state university, private non-profit college, and community college.

ED can do that to proprietary schools, though. And they will, unless they are stopped by Congress.

I have been an independent consultant for private career colleges since 1992. I am a former program review officer with the U.S. Department of Education, and I have a law degree, as mentioned. I know what I am talking about, Congressman Issa, and I am telling you, this regulatory definition of credit hour is giving fits to my industry – and they are the only ones who are concerned about it, because they alone can see the danger of it and will suffer the brunt of regulatory enforcement.

In order comply, most schools will have no choice except to abandon credit-hour measurement and revert to clock-hour measurement. Under the current regulations, a degree-granting institution (associate degree or above) generally uses a conversion ratio of 15 hours of lecture, or 30 hours of lab, or 45 hours of externship, or a ratable combination of these, to one semester credit hour. This is required by diverse accrediting agencies, including ACCSC and ACICS, and is even generally what regionally-accredited schools (such as the afore-mentioned Harvard, University of Chicago, and Stanford) generally do.

Under the new definition of credit hours, all of these schools are in jeopardy, technically. The new definition means that a student carrying 16 credits must spend at least 32 hours a week outside of class or in lab, every week – not just some weeks, and not just on average. Every week, and every student!

There may be a few students who do that, but I can guarantee you, there are not many. And remember, the regulation requires this as the minimum, not even the average.

I should like very much for you to have a hearing on this, and have Education Secretary Arne Duncan testify. Ask him how many hours he spent studying as an undergraduate at Harvard for every hour he spent in class. What with basketball practice and most likely, a work-study job handing out towels, I will bet you any amount of money that even he will not have the nerve to tell your committee that he spent two hours studying for every hour he was in class. Bring in a dozen or two U.S. Department of Education employees who have college degrees, especially the moron who actually wrote this regulation. Ask them all. See what kind of “minimum” hours of study for each hour in class you can come up with for ED employees with college degrees.

**This is urgent**, I repeat. My clients are, right now, trying to figure out how to comply – and they are coming to the conclusion that there is no choice but to switch to clock hours. This will mean either an increase of around 300 clock hours of instruction per academic year, or a reduction of about 1/3 of the Title IV dollars their students can receive. When a school has to incur a loss of almost 1/3 of its revenue, or has to pay instructors for ½ more hours than they are currently

paying, there is a real question whether the school can continue to break even, much less earn a profit.

My clients, every one of them a proprietary school that tries very hard to operate in complete compliance with all Title IV regulations, are sweating blood over this thing. Unless you can stop this final regulation, here is what will happen. The conscientious schools will do their best to comply, to their great financial detriment. The others will just hope they don't get caught. This is a hell of a way to run a railroad.

Being taxed too much is definitely a hardship for any small company.  
I employ 7-10 people plus individual outside sales reps and sports team.

I am barely holding on and have so much debt from this bad economy for 2 years.  
Any little thing can send us into bankruptcy.

I hear the government is coming after small business' to get more revenue into the system by scrutinizing their employee records.

I keep good records but am scared to death of our government. They seem to want to destroy the very companies that are employing people. If an agency is going out to generate money by fining small business' you are going to find a lot of companies going under. They won't be able to afford a fine.

Not to mention health insurance, I can't afford to give my employees health insurance as of this year. 35% increase every single year from the health provider. It is just too much.

Add that China comes in with product that competes with my company and I can't raise prices, in fact I have to bring prices down to compete with China product.

So this year, less sales, more taxes, higher insurance. Very bleak for every business I know.

1. We are barely holding on. Please keep government agencies off our backs so we can keep people employed.

2. Do something about healthcare prices. We just want affordable insurance.

January 26, 2011

To Whom It May Concern:

My name is Clyde C. Kerns; I am president of Kerns Trucking, Inc. A seventeen million gross sales 3<sup>rd</sup> generation family business founded in 1933. Kerns is an equal opportunity employer whom values the qualities of hard work, honesty and professionalism. Currently Kerns employees 50 drivers, managers, and administrators, additionally Kerns contracts 55 independent owners to serve a diverse business base in 28 states. Founded originally as a sand and gravel dump truck operation, over the years Kerns has expanded to over the road operations transporting recyclables, agricultural and aggregate materials; additionally Kerns provides dry van, flat and logistics services all part of our attempt to diversify our business to meet the challenges of the marketplace. This business model enables us to serve both individuals and Fortune 500 companies. At Kerns, the company is our employee and our employees have often worked for over four decades with two decades of service commonplace. Kerns takes great pride in these employees, as well as being safe, tax paying responsible citizens within all the many communities we serve.

My purpose for this letter stems from the physical and laudable threat excessive government regulation has rendered upon Kerns in recent years. Government bureaucracies such as DOT, EPA, FMSHA, MSHA, NHTSA, OSHA all are bringing ever heavy burdens upon Kerns business with redundant, misguided, irresponsible regulation. Noteworthy are the following headlines:

- (a) 1/4/2011 NHTSA clears path for speed limiter proposal
- (b) 12/29/2010 FMSHA proposes seven changes in hours of service rules
- (c) 12/17/2010 DOT proposes rule to ban hand held cell phone use for commercial drivers.
- (d) 12/7/2010 FMSHA appoints 3 new members to medical review board
- (e) 12/1/2010 DERA reauthorization makes progress in senate
- (f) 11/19/2010 FMSHA makes changes in CSA2010
- (g) 9/10/2010 FMSHA amends performance standards for EBOR rules
- (h) 7/21/2010 Broad OSHA reform hidden in MSHA 2010 reform bill

- (i) 6/2010 CSA severity scores released
- (j) 1/2010 CSA2010 announced by Secretary LaHood with threat that 176,000 CDL drivers would loose their jobs and that many small trucking companies would be closed but that needed to be done for the safety of our highways.

In closing government regulation is stifling entrepreneurial capability to create jobs and generate profitable revenue. Government regulation issued under the mantra words of clean air and safety are the greatest threat to our continued success which enables Kerns Trucking to provide for its employees and share with its community. Safety is a trained behavioral attitude, it cannot be achieved with heavy handed ever changing one size fits all regulation.

Sincerely,

Clyde C. Kerns  
President

CCK/ag



Representative Issa,

My experience with prevailing wage jobs is that although it may have good intentions it creates an atmosphere of cheating. It should be as simple as taking the amount that you would normally pay an employee and adding the difference between his or her normal wage and the prevailing wage. In the public sector where I add my eight percent overhead cost and no profit I am consistently outbid by fifteen to twenty five percent. This is a law in my opinion that takes honest business owners and makes them compromise our values just to get a job.

Sincerely,

Jack Austhof  
Sobie Company, Inc.  
3276 Industrial Drive  
Dutton, MI 49316  
Ph: 616.698.9800

**Sandra Moffitt Adams  
2357 La Mirada Dr.  
Vista, CA 92081  
760-803-4454**

Jan. 27, 2011

Dear Congressman Issa,

In response to your request to hear from businesses throughout the country, I would like to submit a few thoughts.

I own a promotional products business in the Vista Business Park that employs 14 people, and we have been in business for 12 years. I am active in the community including the Chamber of Commerce and Rotary, just to give some background on me. Directed Electronics is actually one of our customers.

Here are some regulations that come to mind that affect my business negatively:

-I have 3 full time employees, 3 Independent Contractor sales reps, and 7 part time employees that are mostly college students; who work for my company while they go to school at either Cal State San Marcos, Palomar or Miracosta. They work part time and get no benefits other than the fact that I work around their school schedules and they all love working here. I cannot afford anymore full time employees because I cannot afford it. My college workers make between 11-\$15/hour, and I pay them more than minimum wage because I want them to stick around – at least until they graduate and need to get a full time job.

-The minimum wage is for entry level workers who usually have no job skills and need to get some. I will occasionally hire a high school kid at minimum wage to do low level work and as they become more proficient and knowledgeable about my business, I pay them more because they are more valuable. The minimum wage is not meant for a family to live on, but should be used as a way for employers to afford entry level workers who have no job skills. The Democrats need to stop raising it.

-My 3 full time employees receive health insurance that the company pays 50% for, plus 401K. My health insurance costs are almost double now than what they were a year ago. We need healthcare reform but I think we could solve the problem with tort reform and opening up cross state completion. The 1099 mandate will be incredibly costly for my business and very time consuming. And the additional 16,500 IRS agents in the bill make me feel very much like a target.

-Prop 65 really affects my industry ( Promotional Products) which is a multi billion dollar a year industry. Prop 65 mandates that any paint used in custom imprinting mugs and glassware needs to have a sticker on each item saying "This paint might contain lead" or something like that. Now many of my mug suppliers will not ship to customers in California.

-I like the Republican's ideas to cut spending 10% across the board. Every government agency has room to cut 10%. We could even make it 15%. Businesses have to cut back when they have less money. Government should do the same.

-The drug cartels are taking over our border cities, and it is appalling that the Federal government would actually sue Arizona when they came up with a bill to protect themselves. The Fed should be protecting all of the borders.

-California and other states that are near bankrupt, should be able to file bankruptcy so they can re-do their pension contracts and start over. It is not fair to taxpayers to have their taxes raised in order to pay bloated pension costs. States need to bail themselves out because they got themselves into their own mess. The Fed should not step in to bail out states because it is not fair for taxpayers in states that spend within their means to help fund bailouts for states that are irresponsible.

-The real estate market will not come back until the paperwork becomes easier to process and we bring back stated income loans, but require 25% down and great credit. My husband and I own 7 rental houses and would like to buy more, but will not even attempt it right now.

Thank you for taking the time to read my long letter. I really admire you and met you at the Meg Whitman rally at Directed Electronics.

Respectfully,

Sandra Moffitt Adams  
President  
LOGO Expressions Inc.

## D. A. GRIFFIN FINANCIAL, LLC



*For All Your Mortgage Needs!!*

Dora Ann Griffin, Broker  
48 Sterling Avenue  
Ft. Thomas, KY 41075

Phone: 859-442-9700  
Fax: 859-442-9705  
E-mail: dora.griffin@insightbb.com

January 27, 2011

Rep. Darrell Issa, CA

Dear Mr. Issa:

I am writing this in response to a you tube video I just watched regarding the subject of how the government is stifling growth in my industry in general and my business in particular. I am a mortgage broker. I have over 13 years experience originating loans; I have always done conforming "A" paper loans; all of my business is referral based.

An issue that has had a deep impact on small businesses, and which started out as not a government regulation is HVCC, which now is called Appraisal Independence. This ruling has had a huge impact on the lives and businesses of brokers and appraisers. I never engaged in appraisal fraud and I am a firm believer that that is not the source of the housing meltdown. I believe, as many in my industry do, that can be placed at the feet of government regulators who did not do their jobs.

I personally lost \$20,000 in income in the last year due to faulty appraisals. This is a result of appraisers who do not know the market, or who give the lowest value possible, taking up to six weeks to deliver an appraisal, or refusing to look at any other data. Slowly my base of business is eroding because local banks break the rules and speak with appraisers, while I'm stuck using appraisal management companies with some lenders. I will attach just such a scenario to this letter.

The appraisal problems are vast and never ending. You will note in the attached letter I sent to my Ky reps in Washington the list of things I've seen happen since HVCC. Continuing with the current appraisal rules is devastating to my brokerage and to the good, hard working, honest appraisers who cannot make a living because of Washington.

I am closing my Ohio branch office because I can no longer afford to keep it open. The extra fees for NMLS plus the fact we had to pay a full boat in costs to transition on the NMLS in the first half of 2010 and again in December, I simply cannot afford to keep it open. I have worked hard to get where I am and every day a situation like this



Now, with the HVCC/AIR problems we are faced with as brokers, the NMLS costs, and numerous changes of good faith and TILA requirements, we are going to be hit with another and perhaps a final blow to YSP payments on April 1<sup>st</sup>. Very aptly this is to happen on April Fools' Day.

The latest is a Federal Reserve initiative I realize. It is not well thought out, as all the other changes have not been. The good faith estimate went from one page to four. The TILA changes have caused delays up to a week. Now if the Feds limit compensation to loan officers, there will be a further increase in costs to the consumer.

In a nutshell, currently my company receives Yield Spread Premium. I receive wholesale pricing from lenders, who pay me the YSP. On any given day in the current environment I am either pricing exactly the same or better than the banks in my region. With the loan officer compensation, I will no longer be able to adjust what I earn to get a loan closed. If, heaven forbid, I made an error I could not make a correction to the benefit of the consumer to get that loan closed. I cannot give the consumer funds from the YSP to get them to closing because every loan has to pay exactly the same YSP to me.

With the April 1<sup>st</sup> proposal, it likely will send many more brokers out of the business. From what I understand each lender can do it differently. Many of them will begin doing it in February, not waiting for April. Also, once I set what I want to get paid on every loan, I cannot change it loan to loan. For instance if I say 1%, then I won't have the funds to operate my company. If I say 2%, then I won't be able to compete on the larger loans. This latest proposal will increase costs to the consumer just as all the regulations have.

Lastly, you must realize that I agree housing was out of control, thus the melt down, however, lenders have made the changes they needed and should have made. Now it is downright punitive to brokers and appraisers when we were not the root of the problem. Wall Street, rating agencies, the SEC, and some greedy banks are the problem. If we do make corrections now, a valuable source of financing in an already depressed housing market will be gone. The fix has been to generalize and punish the masses vs seeking out and punishing those who caused the problem.

I thank you for the opportunity share this information with you. I am forever hopeful someone in Washington will realize the damage being done to not only an industry, but that this is not the American way. If income can be set for my industry, then where does it stop? It is seriously a bad precedent.

Sincerely,

Dora Ann Griffin 

D A Griffin Financial, LLC

January 17, 2011

Geoff Davis

Rand Paul

Mitch McConnell

I am writing today about AIR (appraisal independence regulation) -- HVCC reworked. I am one individual but I assure you that my story and other versions of my story are prevalent in the lending industry today.

I am an independent broker with a decent following of loyal customers who have a high degree of trust in my ability to assist them with financing. I have had my own mortgage shop since 2007, but worked in retail lending for 9 years prior. I am going to tell you about one situation I have just recently encountered. I, like many in my industry, have many such stories.

I had a transaction I began working on with a past customer about a year ago. We discussed the qualifications for a move-up buy many times over the months leading up to November 2010. They are very loyal customers.

These customers wrote a contract for a "for sale by owner" home in November with a sale price of \$382,500, it took them until December 20 to fully work out the details. When I received the contract I followed protocol, placed the appraisal order through my lender, who in turn gave it to an appraisal management company (AMC), JVI who assigned an appraiser.

The appraiser in this case took one week to view the property and about a week and half to prepare the report. When the report came in the value was stated as \$350,000; substantially less than the agreed upon price. I delivered this information to the borrower who was understandably upset. The borrower called the seller and determined the seller had an appraisal done by Rodney Huff in November and the value was \$400,000. Rodney Huff did the appraisal for First Security Trust Bank in Edgewood KY.

The borrower further informed me that the appraisal done by Huff was for a blanket loan for the seller. Immediately this is a red flag since the lender would want the appraisal as high as possible to make the two deals work. I stated this to the borrower; that they may want to protect their interest by not putting so much weight in that appraisal.

The borrower obtained a copy of the \$400,000 appraisal. The comp properties used were dated and none of the more current sales were used. They further stated they wanted the home even if they had to over pay, so they called First Security Trust Bank to get an approval. The loan officer at First Security called Rodney Huff. Rodney Huff called the borrower and assured them that the value would be high enough for this transaction.

While this activity is taking place I am exploring other sales to see if the appraiser my lender used was knowledgeable about the market and had found all the sales to determine if we had a valid appraisal in our hands. It is commonplace in the market today that appraisers will value the property at the lowest possible price. I found a few sales for the AMC appraiser to consider. The AMC appraiser refuted all the data provided to consider, so we hit a brick wall, very common result of any dispute.

I understand the borrower really wants this home. They proceeded with an application at First Security and when I spoke with her last Friday she told me that she has again spoke with the appraiser who assures her that even if he has to use newer comps than he used on the old appraisal his value will be there for this property.

So, as a result of all this activity, this borrower will most likely overpay for this home. The loan officer at First Security is hand picking and discussing the appraisal value with the appraiser. All the regulations that are written to contain mortgage fraud and protect the housing market are for naught when this is the result. Let me be clear, all the regulations do nothing to contain appraisal fraud at the banking level. What has happened is that the brokers are forced into using the lender's AMC's who have hired the bottom of the barrel. It puts the broker at a severe disadvantage to compete or stay in business.

In this particular case, I live in the neighborhood the subject property is in and my research indicates that the value should have been in the neighborhood of \$165,000 to \$170,000. The appraiser my lender used refused to consider any data to support these figures.

Appraisal independence is flawed just as HVCC was flawed. It has been modeled after a program that did not work. No one in my industry argues that there was appraisal fraud. The bigger issue is that the wrong people are being punished for it. It was not 100% present at the broker level in years prior. I would argue it was nearly 100% at the banking level, such as it is today. When my company has to forgo income because of fraud on the part of competition, when I risk losing my customer base because of the appraisal value, it is not helping the economy. I am one person, but I can assure you I know many appraisers and loan originators who have lost their livelihood. I am writing this on their behalf as well.

I actually closed less in volume last year due to appraisals. I am experienced in this business; I do my homework before I submit loans. Here is what I dealt with in the last 12 months.

- Appraisers taking six weeks to deliver a report; in the meantime interest rates increased dramatically.
- Appraiser who traveled 14 miles from the property to get the lowest comps, ignoring those within ½ mile.
- Appraiser who would not consider the sales within one block of the subject.
- Appraisers travel 50 miles plus from the subject
- Appraisers who consistently would not reconsider any additional data
- Appraisers who consistently used the very lowest sale price

- Multiple appraisers assigned to the task who would after weeks refuse to turn in a report, sometimes even after showing up to inspect. Or who looked so unkempt the owner did not want to let them in.
- Finally an appraiser who performed an appraisal for the seller, hand picked by the bank for that transaction to perform an appraisal for the buyer of that property.

What I have not witnessed is any increase in service or quality of the appraisal, or any reduction in fraud or errors. As a matter of fact I've seen an increase in fraud, considering I had no knowledge of these issues prior to HVCC on transactions I was involved with. Appraisers routinely ask the borrower about value now and occasionally offer to expedite a report for a cash bonus. These bad appraisers were out there prior to HVCC; I would not have used them on my jobs.

I am without a doubt living in appraisal hell. I have lots of company. I am so frustrated that we cannot seem to get attention to this matter in Washington. I think the reason for that is that each real estate transaction can be difficult, but when it is done, buyers, sellers, Realtors, etc., chalk it up as a bad experience, and turn the page on it and move on. Unfortunately, this leaves the next transaction open for the same problems and those of us who work every day in the industry unable to thrive in this business through no fault of our own.

Dodd -Frank needs to be evaluated for the damage it is causing our industry. If the appraisal regs are working as designed, then the design was to eliminate my job as well as the qualified appraisers' jobs. I have spent my life savings and am on the verge of bankruptcy because of primarily this issue. It is not the way I envisioned ending up my career. Further I ask you to advise me as to how the enforcement agencies are handling the cases of appraisal fraud. I can see from the regs who is supposed to police it, but is it really happening? Does First Security Trust fall outside of the regs? I believe this FSBO sale I discussed is one that needs investigated. I'd like to know if you agree.

The last thing I want is to cause a problem for my past customer, but I need to stand up for our industry. If I have as many appraisal horror stories as I do, imagine how many really exist. I believe there were plenty of rules and regulations in place to police this industry, it was simply not done. Mortgage brokers and appraisers are paying the price for that failure.

Dora Ann Griffin

D A Griffin Financial, LLC

859 442 9700



Impact Mortgage Management Advocacy & Advisory Group

3945 S. Allison Court • Lakewood, Colorado • 80235

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January 24, 2011

The Honorable Ben S. Bernanke  
Chairman  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, D.C. 20551

Sandra F. Braunstein  
Director, Consumer and Community Affairs Division  
Board of Governors of the Federal Reserve System  
1709 New York Avenue, NW, Room 8021  
Washington, D.C. 20006

Dear Chairman Bernanke and Director Braunstein:

**IMPACT Mortgage Management Advocacy and Advisory Group (IMMAAG)**<sup>1</sup> joins other industry representatives in the request for a delay in the effective date of the final compensation rule published by the Board in the Federal Register 75FR58509-58538 dated September 24, 2010.

However, beyond the request for a delay, which we believe should serve the dual purpose of meeting the SBA Office of Advocacy request to the Board to publish compliance guidelines and providing formal written answers to the myriad industry questions regarding the implementation of the rule; **IMMAAG** requests that the Board reevaluate the foundation for the rule and withdraw the rule in its entirety.

**IMMAAG** and its users strenuously object to the rule on the grounds that the Board relies on authority offered in TILA 129(l) yet has failed to provide any empirical evidence of a correlation between mortgage loan originator compensation and consumer abuse, unfairness or deception. We further object to the totally unsupported (and unsupportable) characterization that loan originator compensation, particularly for those representing the traditional broker channel, has in any way abused, deceived or created unfairness with respect to consumers. The fact is that since 1992, traditional brokers have been required to fully disclose all forms of compensation and since 1996 non-depository based loan originators have, as a business practice, routinely provided consumers a Mortgage Loan Origination Agreement which details the nature of both the consumer/broker relationship and the manner of compensation. Lastly, in spite of assertions to

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<sup>1</sup> **IMMAAG** serves thousands of mortgage loan originators and other industry professionals by providing timely, concise, and actionable information regarding legislative, regulatory and mortgage industry activities.

the contrary there are no meaningful studies that empirically link originator compensation to consumer abuse, deception or unfairness.

In the face of:

- more than a decade of complete consumer disclosure by mortgage brokers
- the total absence of any empirical link between originator compensation and the practices that trigger any of the requisite FTC definitions of the offending criteria on which the Board relies in its final rule,
- the fact that the exclusive focus of what limited research has been done to support the rule's assertion is based on HOEPA and subprime markets,
- the Board's apparent disregard of its own 2004 collaborative (FDIC) interagency guidelines requiring case law to substantiate abuse, deception and unfairness,
- the evidence produced in the 2010 Harvard study, *Rebuilding the Housing Finance System*<sup>2</sup> which clearly shows that originator compensation is no more than a footnote and not a contributor to the root causes of the financial collapse of the housing market and the fact that,
- the fact that the Board has repeatedly been made well aware that reliance on the existence of deception, abuse and unfairness resulting from loan originator compensation is an unsupported, unproven, untested hypothesis that will not stand up to empirical evaluation;

**we ask the Board to withdraw the rule immediately.**

The withdrawn rule should be followed by the commissioning of an independent third party study coordinated with the Bureau of Consumer Financial Protection. The study should be designed to gather and analyze as exhaustively as possible, empirical data that either support or disprove the Board's heretofore unsupported assertions about the correlation between consumer awareness of originator compensation and the ability for consumers to shop and make informed decisions. Only after such a study is completed should a conclusion be drawn about the subject of originator compensation in the context of its contribution to consumer abuse, deception and unfairness.

To this point in time, the Board has chosen to handle inquiries informally and without broad dissemination of its answers. The rule carries significant operational implications. The industry impact is acknowledged in the body of the rule itself. While it is IMMAAG's primary desire to see the rule withdrawn to allow for a meaningful independent study, if the Board refuses to withdraw the rule, we reiterate our request to delay the effective date to allow for the publication of the statutorily required compliance guidelines and formal, written answers to industry questions. Further we suggest that efforts be made to coordinate with the Bureau of Consumer

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<sup>2</sup> Excerpt "... this [Yield Spread Premium] may have provided brokers and loan officers an incentive to originate loans in the nonprime market where pricing was more opaque, although no studies have confirmed that this was the case. In fact, even in the FHA channel with simpler mortgages and easier price discovery, yield-spread premiums show a wide dispersion (Woodward 2008). Also brokers do have offsetting incentives to treat customers fairly and transmit quality loans to aggregators. The mortgage lending business is highly competitive. Customer service and referrals matter to brokers, and so act as a check on their rent-seeking behavior. In addition, many lenders monitor the relative performance of loans originated by brokers and loan officers and will cease doing business with those with poor track records.

Financial Protection to allow the new agency the opportunity to assess our requested study and to have the opportunity to address its regulatory authority with respect to the Enumerated Consumer Financial Laws as provided for in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Board's rush to action is unsupported except for empty and unsubstantiated claims of the need to act in the name of consumer protection.

Your attention to this serious request is appreciated. **IMMAAG** offers any assistance it might provide and is available to answer any questions you may have.

Sincerely,

William F. Kidwell, Jr.  
President

I would like it if you had to go through a third party for your lively hood HVCC is going to put me out of business by the end of this year. I am in honest appraiser and HVCC is trying to make me a dishonest one! I will put it in simple terms, how would you like it I get to chose what doctor you go to and I charge you \$500 (what AMC charge the borrower) them I (the AMC) puts it out to bid to the lowest person and he gets the job, now he has no idea how or what is wrong with you (you still pay the (\$500) and you die (don't get your loan). I use to get \$350 to \$500 depending on the property, now AMC's pay \$100 to \$225. What does that equal I have to do twice as many in the same time I use to do one. Something has to give, I do it faster with less research and or cut some other corner. Next USPAP says I have to disclose to the client if I ever appraised the property in the last three years before I except the assignment, so that means the AMC will kick you right out because they have to have a fast turn around time. WHAT has this gotten US. I will tell you MORE FRAUD. IF YOU WOULD JUST ENFORCE THE RULES WE ALREADY HAVE THERE WOULD BE NO PROBLEM. BOTTOM LINE DISHONESTY IS AWARDED AND THE REST ARE SENT TO HELL.

IF I COULD AFFORD IT I WOULD COME TALK TO CONGRESS IT WOULD BE NICE IF THE CONGRESSMAN WOULD SIT DOWN AND TALK TO ME. As I see it, like my grand mother said 30 years ago, THIS COUNTRY IS GOING TO HELL IN A HAND-BASKET.

January 28, 2011

Honorable Congressman Issa  
U.S. House of Representatives  
211 Cannon Building  
Washington, D.C. 20515

**Re: Change in Regulations**

Honorable Congressman Issa;

Our company manufactures soil amendments, playground wood chips, decorative bark and stable bedding from 100% virgin wood. We are a secondary user purchasing these materials from logging and lumber mills and manufacturers after their process (i.e. trusses, cabinets, spas, etc.) are completed. We are on the front lines of recycling and the front lines of both the recession and the recovery. As building comes back both our supply and the demand for the products we produce will rise.

When you visited us in 2005 we had recently launched our own bagging label which is now sold in three western states. And although we experienced tremendous growth in the last decade we have also seen a tremendous constriction of our operation and are now back to the size we were before the building boom.

While we are well positioned to take advantage of the recovery Government regulations seem to be limiting the recovery as a whole:

Clean Air (Act)  
Clean Water (Act)  
Endangered Species (Act)

While everyone wants to protect the environment the good intentions of the 1970's have morphed into something almost unreal. In California we now preserve Sage Scrub and Kangaroo Rats. Yes, scrub brush & rats are sacred and must not be disturbed. Improving an existing freeway interchange where these two species may have one day been present can take a decade or more to move through the environmental review process.

The Army Corp of Engineers can rebuild a complete levee system in New Orleans in a matter of a few years, but hold individual (Public & Private) projects hostage to costly requests for environmental mitigation sometimes killing the project altogether. Rehabilitating a decaying boat launch (where 5 people drowned) in Lake Elsinore on a one acre site required the "Donation" of 11 acres of mitigation lands before the ACE would issue a permit.

In Iraq & Afghanistan our troops and contractors have built roads, sewer systems, airports, hospitals, schools, electrical and water delivery systems all since 9-11. Yet an interchange in Lake Elsinore that started through the permitting process in the year 2000 is still 4 years away from being cleared by the regulators to allow construction to start!

The Chinese have High Speed Rail because they don't have NEPA or CEQA! We need to balance our concerns for the environment against our need to continue to improve our Country and keep people working.

The EPA, The Army Corp. & FHWA all need to be reformed and streamlined. Bureaucrats work to serve the people and guide projects forward not make entire careers out of mindless processing of paperwork without any real net gain. We must stop trying to save the fish by killing the trees.

The term "Shovel-Ready" meant something during the WPA era. It has no meaning now. Even if you complete all your environmental reviews (hurdles) you could still wait years for funding and then only if you agree to pay Prevailing Wage...yet another needless increase in costs to the American public.

We could put people back to work tomorrow if Congress would simply move to table these regulations for the next 12 months. Then you would see private business and local government working together to build things again.

We have strangled our own potential with well meaning do-gooder regulations which have created a noose around the throats of both entrepreneurs and local City leaders. The time is right for the Federal Government to lead and roll back these regulations that are crippling the American people.

Stop debating unemployment benefits and get us back to work and back growing again.

Respectfully Submitted,

Robert E. Magee  
Executive Officer, Forest Wood Fiber Products  
Mayor Pro Tem City of Lake Elsinore

To Darrell Issa

I am a member of the San Diego New Majority. I have been manufacturing here since 1963, employeed 77 families and am the world leader in my field. I know how to create jobs and I do compete all over the world effectively.

I am responding to your request to "listen to American Job Creators"

1. Much of our costs are to protect ourselves from frivolous law suits. In my industry we spend 8% to 9% on unnecessary expenses just to foil groundless law suits. If we adopt the British system in which the "Loser pays" and in the case of a contingency lawyer the lawyer pays if the jury finds against the plaintiff.
2. Do not apply government social programs to be paid for by business. Our competitors worldwide do not have that burden.
3. Make government workers compensation and benefits equal to the medium of the privet sector. Put all government workers into the Social Security system and have no retirement pensions just like the rest of the American population.
4. Do not allow government to spend more than it takes in just like U.S. business must do.
5. The government is taking the money out of my customers pocket so that he cannot buy our products or services. Making money available for small business loans can not cure this practice.

If you need any backup information or testimony please contact me.

Thank you for listening.

Dick Long

Chairman of the Board

Diving Unlimited International inc.

8312 Beaver Lake dr.

San Diego California 92119

Phone 619-742-197rlong@cox.net

For three years we worked with a young Venezuelan rider in the AMA Pro Superbike Series, Robertino Pietri. His father Roberto Pietri was a racer in the series in the late 1970s and early 1980s and funded his son's racing in the U.S. We prepared racing motorcycles and provided all the elements of a racing program, including transportation, crew members, the works and we made money on the deal. However, the father Roberto Pietri had so much trouble getting a U.S. Visa, and once he had a Visa had so much trouble renewing it, that he took his son racing in Europe instead. I have corresponded and have spoken with your office about this problem before. The majority of the problems with his visa seem to stem with an encounter with one agent one time when he landed in Atlanta en route from Caracas to a race his son was participating in. We lost this valuable business, because a rogue agent at Atlanta decided to hassle Roberto Pietri for no good reason. The wonder of it all is, individual agents apparently answer to no one and have the unilateral ability to keep somebody out of the country for no good reason, even if they have a valid Visa and even if they are a well-known sportsman with no political involvement and even if they are spending money and providing jobs in the U.S. This whole affair has me questioning the basic fairness of our government.



January 31, 2011

Chairman Darrell Issa  
Committee on Oversight and Government Reform  
U.S. House of Representatives  
2157 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Issa,

As you gather input on the various government regulations that have negatively impacted job growth, we would like to draw your attention to the opportunity to generate tens of thousands of new jobs and tens of billions in domestic gross expenditures should the federal government replace a failed attempt to prohibit Internet gambling with a system to legitimize the thriving activity.

Existing government regulations prohibiting Americans who want to play games online that involve placing bets of the kind they are allowed to make in casinos or on reservations and in some states, even in airports, are having a negative impact on both jobs and the economy. Changing this to permit Internet gambling activity will not only guarantee protections for American consumers, but will create jobs and generate billions in new government revenue – money that could possibly be used to pay down the deficit.

### **Prohibition of Internet Gambling Has Failed**

In spite of the Unlawful Internet Gambling Enforcement and Protection Act (UIGEA) of 2006, which sought to prohibit Internet gambling activity, Americans continue to wager close to \$100 billion annually online without guaranteed mechanisms in place to protect them from fraud, identity theft, and in some cases, themselves. The U.S. economy does not benefit in any way from this thriving marketplace, based almost entirely offshore (there is a federal exemption for wagers on horse racing and lotteries). The current beneficiaries are offshore gambling operators.

### **Bi-Partisan Approach to Control Internet Gambling Activity**

Last year, with Congress bitterly divided and only a handful of bi-partisan bills coming out of the Financial Services Committee, members of the committee from both parties approved legislation (H.R. 2267) by a 41-22 vote to control Internet gambling activity in the U.S.

The regulatory framework approved by the committee would have provided approved gambling operators with federal licenses to accept bets and wagers from individuals in



the U.S., subject to state laws. Importantly, the legislation required licensed operators to establish safeguards to protect against compulsive and underage gambling, money laundering, fraud and identity theft. Additional provisions in the legislation reinforced the rights of each State and Indian Tribe to determine whether to allow online gambling activity within their jurisdiction and to apply other restrictions on the activity as determined necessary. However, the legislation would have continued to ban online betting on sports, which is currently only legal in Nevada's land-based casinos.

On the revenue side, a companion bill (H.R. 4976) was introduced to ensure individual and corporate taxes owed from regulated Internet gambling activities would be collected, as they currently are from the land-based casino industry.

### **Opportunity to Create Jobs and Stimulate the Economy**

H2 Gambling Capital, the leading supplier of data and market intelligence regarding the global gambling industry, projected in a report released last year that regulating all forms of Internet gambling in the U.S., including sports wagering, would create close to 32,000 jobs over five years. Further, H2 concluded regulating all forms of Internet gambling would generate up to a total gross expenditure of \$94 billion over five years and \$57.5 billion in new tax revenue as a result of the projected wagering activity, related job creation and growth of supporting businesses over the same period.

A Joint Committee on Taxation analysis performed on previously introduced legislation to control the activity projected the new industry would generate up to \$42 billion in new federal government revenues. A separate estimate further projected up to \$30 billion in new state government revenues over 10 years would also be generated. And these estimates exclude consideration of sports betting within the proposed regulatory framework, a policy decision made to accommodate concerns of the major sports associations.

### **Business Community Voices Support for Internet Gambling Expansion**

Leading organizations, including the U.S. Chamber of Commerce, Financial Services Roundtable, American Bankers Association, Americans for Tax Reform and National Association of Federal Credit Unions, have endorsed previously introduced legislation (H.R. 2267) to control Internet gambling activity. Many of these groups also expressed concern regarding implementation of UIGEA, which has forced the U.S. financial services sector to police and block "unlawful" Internet gambling – a burdensome and difficult task especially since there is not a clear interpretation of which transactions should be deemed "unlawful."

### **Request for Support**

Rather than tell Americans what they can and cannot do online in the privacy of their homes, we encourage you to support a federal framework to protect the rights of U.S.



consumers and legalize and control Internet gambling activity. This is simply a common-sense approach to better protect American consumers, create thousands of new jobs and generate billions in new revenue to support our economy.

For your reference, enclosed are letters in support of Internet gambling expansion from the U.S. Chamber of Commerce, Financial Services Roundtable and Americans for Tax Reform, op-ed columns by George Will, John Stossel and Bob Barr, and opinion pieces in the Orange County Register, San Diego Union-Tribune and Los Angeles Times.

Thank you for your consideration.

Regards,

A handwritten signature in black ink that reads "Michael Waxman". The signature is written in a cursive, flowing style.

Michael Waxman  
Safe and Secure Internet Gambling Initiative

Enclosures (9)

Thank you for your letter of January 20 inviting our comments on Federal regulations that are impediments to our business. Since California and Federal regulations are literally killing our business, let me get right to the matters not at all in order of importance:

#### ADA

The American Disabilities Act is a sleeping job killer.

Last summer we needed to repair some rotted planks on a wooden deck at our airport restaurant. We began doing so. The city building inspector interrupted our work to inform us we needed a building permit to do even this basic repair work. In order to get a building permit, we needed to hire an architect to do an ADA study with detailed plans to show that we were accommodating wheelchair access. Never mind that this had already been done when the building was originally built. Never mind that we weren't reconfiguring the existing wheelchair ramp. We were already in full compliance with ADA, we were simply making repairs.

When we complied with the request by providing plans of our repairs to basically replace rotten boards with new ones and change some round pillars to square ones (or whatever it was we did with those), we were informed by city planning that federal reg's required that we show ADA compliance *all the way to the parking lot* (400 feet away). They sent us back for more studies.

To keep this story short, let me simply say we have since - in the middle of a recession when contractors are starving for work - and when we should be taking advantage of that by hiring cheap out-of-work contractors for a myriad of projects - we have put a stop to all but the most necessary projects because of, and ONLY because of, the ridiculous red tape government has put in our way.

We will happily hire contractors to do productive work. We will not waste money on ADA studies.

#### FAA

We own the world's only jet airliner, a DC9, certified for skydiving. Because this aircraft is generally classified and used as an airliner, the government regulates it to those standards. Since our aircraft does not operate at the tempo of an airliner, it does not need the actual maintenance or management that an airliner would need. Likewise, it does not generate the revenue that an airliner would generate to support the cost of maintenance. As a result, this beautiful, unique, innovative aircraft that was advancing the world of aviation (skydiving) is now parked in storage until the cost of unnecessary "regulatory" maintenance can be justified. The crews have been laid off (flight and cabin) and maintenance staff has been laid off or reassigned.

This aircraft should be hauling skydivers. It should be training military HALO ops. It should be used for covert military insertions. It has a tremendous and unique "hide in plain sight" capability. Instead, it's parked for no good reason.

Such current regulations and policies stifle the innovative, entrepreneurial spirit that built this country.

## Insurance

We desperately need tort reform. Insurance is the single biggest waste of money for any business, certainly ours. It costs a fortune and we gain nothing from it. The law is insane.

A pilot stole a single seat airplane at our airport, put two people in it, tried to land the wrong way with a tailwind, and crashed due to his own lack of judgment and skill. He severed his foot. The FAA found him at fault and revoked his license. He sued us (the airport). Our insurance, agreeing we are blameless, agreed to a six-digit settlement to avoid a trial because, under the law, the claimant would only need to prove us 1% liable to receive a substantial award. The law is crazy and it encourages such nonsense. The government is even worse. Last year, we were forced by our bank to buy tens of thousands of dollars worth of flood insurance. The bank was being forced to require it by the federal regulation (FEMA). Never mind that it would be impossible to flood the building the loan was funding. It is a vertical wind tunnel that sits 25-30 feet in the air and then extends upward to 96 feet. In a year when we were lucky to be breaking even, FEMA put us in the red. We laid off people and froze hiring and raises to pay for it.

## Energy

Energy cost is literally about to put us out of business.

Much of this is a State of California problem, but last year So Cal Edison (controlled by the state) almost ran us out. As it is, our customers are fleeing out of state and out of country because of our uncompetitive prices dictated in large part by energy cost.

We operate an indoor skydiving training facility (vertical wind tunnel) that is used to train skydivers from around the world. The tunnel operates on five 200 horsepower electric fans. Last summer we were operating through Q2 at a profit. Then So Cal Edison began slamming us with "summer demand charges". Our roughly \$800 cost per hour jumped to about \$900/hr due to So Cal Edison's demand charges alone! Our competitor in Arizona was, in the meantime, bidding military and international business at \$750/hr. California lost all that business. Some of it went to Europe. Next year, some will go to the Middle East and Asia, where new tunnels are now open. We ended the year at a small loss. Energy costs will kill us. State programs designed to encourage business to shift work to off peak hours are penalizing us to literally death. That said, federal roadblocks to drilling, nuclear power, and other energy programs must be removed so there is enough power to go around. As for interstate energy issues, I'd like to know why my competitor in AZ is able to get affordable power when I can't seem to.

I could go on and on citing one after another government policy that directly or indirectly inhibits productivity. The fact that I must carry staff in a business already barely breaking even or losing money just to manage Human Resource issues (all government regulation related), tax issues, compliance issues, etc. is often the difference between profit and not. (i.e. When did it become MY job to collect and deliver state-ordered child support by setting up special withholding and payment programs)?

Thank you again for asking for our input. We appreciate the job you're doing on our behalf!

Regards

Dave Cibley  
General Manager  
Perris Skyventure

Hi,

I'm not writing this on behalf of my current employer.

I have been providing labor and employment advice to small and Fortune 500 companies for over 25 years. Currently, I provide free legal services to small nonprofit charities.

We need a comprehensive set of federal wage hour and family and medical leave laws to replace differing, conflicting state laws. Small employers, many of whom have limited HR resources, are having difficulty in complying with overlapping laws.

In NJ, for example, there is the NJ Family Leave Act (similar to the federal FMLA), the NJ family leave insurance law (a/k/a paid family leave), the federal Family and Medical Leave Act (FMLA), etc. Each law has nuances that differ from each other. This makes compliance extremely difficult, especially since the government provides no guidance on how to comply with all the applicable laws at one time. No sample letters and forms that will satisfy all applicable federal and NJ leave laws.

Thank you.

Christine Michelle Duffy

978-317-4671

Posted at the request of Chairman Issa's staff

**Sent:** Monday, January 31, 2011 5:09 PM

**To:**

**Subject:** Regulatory impediments to economic expansion and job creation = Fw: 50% Reduction in Petroleum Dependence by 2015

**Importance:** High

To: Chairman Issa, House Oversight Committee 202/225-5074

House Oversight, Minority 202/225-5051

So, one of the debate is "value" of 1 million plug-in/Volt vehicles in 5 years ... the relative cost of such an effort ... and whether that is ENOUGH to improve NATIONAL SECURITY and OUR economy.

A similar situation applies to the FUEL FRUGAL, 45 and ABOVE mpg(US) "CAFÉ", small displacement Euro type turbo diesels ... sadly ... not even available from VW and Mercedes in the US **yet**.

Let's examine that possibility a little closer ...

In 2009, the US had the capacity to produce approximately **2 BILLION gallons of bio diesel annually**, only using 25% of that capacity.

That full capacity would be enough bio diesel to fuel **about 8 MILLION ... fuel frugal diesels ... PETROLEUM FREE ... saving about 5.6 BILLION gallons of gasoline ... roughly 290 million barrels of crude ... ANNUALLY ... eliminating about 36 days worth of oil imports at current rates ... a 10% reduction in oil imports.**

Think what that would do for the US balance of trade. Add in the jobs generated to DOMESTICALLY build 8 million fuel frugal diesel vehicles ... might be something to see! And, how about OUR economy? Balance of Trade?

That 8 MILLION FUEL FRUGAL diesel vehicles would be LESS THAN 3.2% of the current US registered vehicle population ... **JUST FOR THOSE THAT NEED or want them! To REDUCE oil imports 10%!!!???**

**Note that the entire Department of Defense is operating under a directive to reduce petroleum dependence 50% BY 2015!**

And ... **domestically (US) built FUEL FRUGAL, 45 and ABOVE mpg(US) "CAFÉ", small displacement (below 2 Liters) Euro type turbo diesel vehicles would go a long way toward meeting that INTERNAL objective for NON-TACTICAL vehicles!** A further opportunity to reduce petroleum demand! [VANS and pickups are already available with potential CAFÉ ratings ranging from about 30 mpg to ABOVE 50 mpg that may be applicable as well.]

**Failure to provide this level of technology to/for OUR NATION's DEFENSE ... in MY**

**opinion ... IS ... ANTI-AMERICAN!!!**

This is one gap that plug-in/VOLT technologies are NOT mature enough to address in terms of "readiness" (recharge time and grid dependence) and *payload*.

Now consider what would happen to oil import demand ... IF ... the **US Postal Service** also adopted these fuel fugal diesel power trains and used bio diesel. How much would that further REDUCE oil imports?

Note that the designs for these types of vehicles and powertrains are already in production elsewhere in the world by many OEMs with US presence, *more than a few* with US manufacturing ... the primary issue is ENHANCING emissions abatement of Euro Step 5 certified power trains for US compliance.

Little Federal funding should be required ... maybe help with advanced emissions abatement (although Bosch, Riccardo, and others may already have the needed emissions solutions "on the shelf" for 2014 Euro step 6 production requirements).

It is my opinion that 8 million 45 (*plus*) mpg combined diesel vehicles would sell themselves without incentives over the next 6 years (particularly if fuel prices continue to rise as expected). Keep in mind that is roughly the number of small displacement diesels manufactured and sold in the EU in 2010.

I'm guessing that would be far easier, faster, and more cost effective (for OEMs, consumers, and Federal government) than 1 million plug-ins over 5 years.

Of course, just my observations/opinions ...

This material should be viewed in conjunction with my email of 5 January 2011:

***Regulatory impediments to economic expansion and job creation = Fw: 50% Reduction in Petroleum Dependence by 2015***

To: Chairman Issa, House Oversight Committee  
% Seamus Kraft

If there are any concerns, questions, or I can be of further help ... please contact me immediately!

Please share this and the previous information with others!

Respectfully,

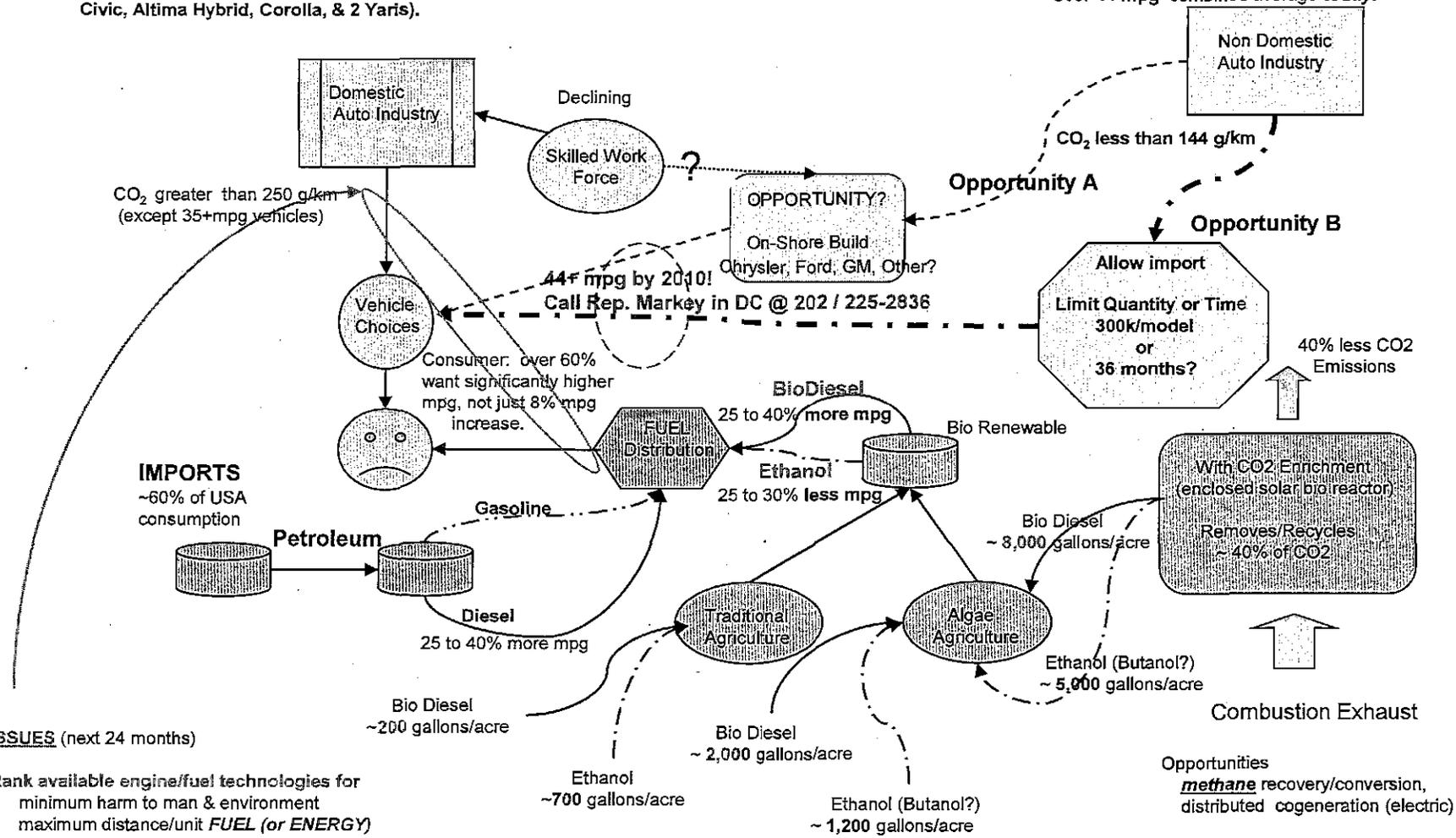
***Houston Smith***

Advisory Engineer/Scientist, IBM - Retired

# Vehicles, Fuel Economy, Environment, Oil Imports, Auto Industry Several Opportunities

USA offerings over 30 mpg combined average:  
50 models (including the **ONLY** over 35  
mpg combined average Prius, Camry,  
Civic, Altima Hybrid, Corolla, & 2 Yaris).

These same companies (or their partners)  
with significant sales in the USA have over  
47 models available in Europe that achieve  
over 44 mpg combined average **today!**



**ISSUES** (next 24 months)

Rank available engine/fuel technologies for  
minimum harm to man & environment  
maximum distance/unit **FUEL (or ENERGY)**

**Establish & execute best 2 sustainable strategies within next 24 months**

**Responsible:**

Auto Industry, EPA, DOE, Engineering/Scientific Community (**Congress MUST demand it**)

© Houston Smith 5/08/07  
houston.smith@wave-net.net

Opportunities  
**methane** recovery/conversion,  
distributed cogeneration (electric)  
  
"democratically distributed" energy  
supply with true "free market"

## Vehicles, Fuel Economy, Environment, Oil Imports, Auto Industry Several Opportunities

### Why the Interest

Since summer 2005, I have been sharing with others the warning given to me by a Congressional staffer in spring 2005 >> ***\$4/gallon GASOLINE IS EXPECTED IN 2007*** <<. I can't begin to guess how he knew. But, it certainly does cause one to wonder!

*A further thought:* Since gasoline prices are now hovering in the \$3-4 range, it is only a "hiccup" (any where in the world) away from \$6 per gallon. In the absence of 50 mpg vehicles, this will cost the "average" consumer between \$1,500 and \$2,500 per year in fuel cost assuming cost remains \$3-4 per gallon.

In the USA today there are no "domestic" vehicles that have greater than 35 mpg(US) combined average, UNLESS you consider HONDA, NISSAN, and TOYOTA "domestic" [Specifically: PRIUS, CAMRY, CIVIC, ALTIMA hybrids, COROLLA, YARIS(2)].

<http://www.fueleconomy.gov/feg/byMPG.htm>

On the other hand, the auto companies with significant sales in the USA (or their Euro partners) have over 48 vehicles in Europe that achieve over 44 mpg(US) combined average. A majority are diesels meeting Euro Step IV emission with CO2 emissions below 140 g/km. By comparison, the "domestics" typically range between 240 and 480 g/km.

Here is a [list of high mpg vehicles in Europe](#)

[http://www.40mpg.org/pdfs/021407\\_fuel\\_efficient\\_vehicle\\_gap.xls](http://www.40mpg.org/pdfs/021407_fuel_efficient_vehicle_gap.xls)

So, IF those that wanted/needed higher mpg machines could actually acquire them; then fuel consumption and emissions would decrease about 50% for every vehicle placed in operation. Further, if most of these vehicles were diesel, this would establish a clear path to and demand for bio diesel.

The problem of 44 mpg combined average, or better, vehicle availability seems to be a political one! So, many are taking the actions noted below.

You can help by calling and use the key words

**"44 mpg(US) by 2010"**

***"... not for ALL ... not for average CAFE ..."***

**"JUST MORE CHOICES for those THAT WANT better than 44 mpg ..."**

**"waive import restriction (for 36 months - including diesels) if that is the only way".**

House Speaker Nancy Pelosi's DC office at 202-225-4965

Speaker of the Senate Harry Reid's DC office at 202-224-3542

Rep. Ed Markey's DC office at 202-225-2836 or email him at [http://action.40mpg.org/campaign/MARKEY\\_MORE\\_MPG](http://action.40mpg.org/campaign/MARKEY_MORE_MPG)

Sen. Dan Inouye's DC office at 202-224- 3934

Senate Commerce Committee at 202-224-0411 and 202-224-1251

Rep. Bart Gordon's DC office at 202-225-4231

Rep. John Dingell's DC office at 202-225-4071

**If you think these ideas are worthwhile, please pass them on!**

© Houston Smith 5/08/07  
houston.smith@wave-net.net

----- Original Message -----

**From:** HoustonS

**To:** "BRC % Mary Woollen"

**Sent:** Tuesday, January 18, 2011 2:41 PM

**Subject:** Deliberately Small (Less than 300MW), Modular, Mass Produced, Distributed, 4 Generation Reactors and the Second Nuclear Era

To: BRC % Mary Woollen

[mary.woollen@blueribboncommission.net](mailto:mary.woollen@blueribboncommission.net)

Subject: *Deliberately Small (Less than 300MW), Modular, Mass Produced, Distributed, 4 Generation Reactors and the Second Nuclear Era*

Attachment:

1) *Deliberately Small Reactors and the Second Nuclear Era* Daniel Ingersoll  
[ingersolldt@ornl.gov](mailto:ingersolldt@ornl.gov)

2) *Safety and Licensing Aspects of the Molten Salt Reactor* Charles Forsberg, Oak Ridge National Laboratory

The specific reactor technologies considered should include **Molten Salt** (MSRs), **Liquid Fluoride Thorium** (LFTRs) ... other fission plus **Polywell** and other fusion.

*Deliberately Small* improves "granularity" of incremental capacity, cost, and time to start-of-power-delivery/revenue.

*Modular* and *Mass Produced* results in better learning curves, higher quality, lower manufacturing cost, and quicker "power ON delivery".

*Deliberately Small* also allows LOWER implementation cost for a smaller *Distributed* plant and site footprint which could *enable "waste heat"* as a utility since placement could potentially be closer to potential commercial/industrial consumers of lower grade heat. This increases overall reactor efficiency while reducing water consumption and "wasted" thermal emissions.

Further, a system of *Distributed* reactors reduces transmission losses and grid vulnerability ... strengthening the grid.

The fact that many designs of the *Deliberately Small (Less than 300MW), Modular, Mass Produced, Distributed, 4 Generation Reactors and the Second Nuclear Era* lend themselves to underground installations which improves security and safety. With proper site planning, additional modules can be cost effectively added in minimum time and cost as needed.

*Respectfully ... with HOPE for the FUTURE,*

***Houston Smith***

Advisory Engineer/Scientist, IBM – Retired

Mr. Issa:

I want to thank you for your efforts to ease regulatory pain on the business industry. Government officials, generally, do not take into account the damages inflicted on business from regulations imposed on us. You get it. I not only applaud you for your efforts, but for having the courage to stand up to the rest of government, and fight for what is right for the people.

I always knew that my biggest challenge in business would come from my competitors. I never thought my biggest competitor would be my own government. From taxes, to fees, to air pollution regulations from the EPA, it is a wonder how any business could thrive in this country.

You, sir, are a breath of fresh air when it comes to politicians.

Thank you

Ruben Ayala

VP / Tippy's Tow Service

President / Riverside Community Parks Association

President / Reid Park Advisory Team

Board of Directors / California Riverside Ballet

## City of Vista

Response to January 20, 2011 request from Congressman Issa's Office for feedback on existing and proposed federal regulations that obstruct job creation.

**Comments:** While the City of Vista recognizes that Congressman Issa's request is primarily directed at small businesses, the City's input is relevant because the staff time and costs associated with the City's compliance with federal regulations will most likely have some impact on Vista's residents, businesses and taxpayers. The brief descriptions below of regulation requirements includes a column for both Federal and State requirements. Both columns are listed, even though the request is directed only at Federal regulations, as the most difficult regulation compliance issue the City faces is the contradictory and/or duplicative State and Federal regulations that apply to many programs.

### Excessive or duplicate regulation requirements

Program Name / Agency	Federal	State
Community Development Block Grant (CDBG) /U.S. Department of Housing and Urban Development (HUD)	Inconsistent and contradictory guidance and enforcement of CDBG program requirements.	N/A
Fair Housing components / HUD	Although not required by HUD, the 5 Year Regional Analysis of Impediments to Fair Housing (AI) is approved by HUD. The April 2010 draft AI is still not approved by HUD. This delay causes a delay completing the HUD required Consolidated Annual Performance and Evaluation Report (CAPER) as the AI is needed to complete the CAPER.	
Neighborhood Stabilization Program (NSP)/ HUD	Program developed at the Federal level. Based on allocated dollar amount either the Federal or State agency administers the program. Agencies, like Vista, under state administration had to meet additional program requirements beyond Federal requirements.	
State Department of Housing and Community Development (HCD)	N/A	Housing element process has been onerous and unproductive.
	Inconsistent Income Limits (e.g. Very Low, Low, Moderate, etc.) between HUD and HCD.	
	Different Fair Prevailing Wages Schedules between Federal and State.	
Miscellaneous construction and infrastructure projects / various agencies	More intensive wage verification requirements. (Example: interview employees, verify payroll records.)	Contractor's usually more familiar with State wages.
	ARRA Stimulus Act - onerous reporting. (Example: Various reports such as Job tracking submitted to EPA in paper format where other Fed agencies require electronic, on-line same reports.)	N/A

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### Excessive or duplicate regulation requirements

Program Name / Agency	Federal	State
Economic Development Administration (EDA) / U.S. Department of Commerce	Lack of strategic support and funding dollars to stimulate jobs and business growth. Need greater emphasis on and implementation of initiatives to increase program's importance and levels of support available for businesses.	N/A
SBA (Economic Development Administration) / U.S. Department of Commerce	Similar to EDA lack of support. Need expansion of program services and loans available for "main street" businesses. (Example: Capital needs to be available at reasonable rates for business operations and expansion after the great recession versus the bailout efforts for banks.)	N/A
Federal Banking Regulators / Treasury Dept.	Intra-federal agency inconsistencies in program strategies. (Example: One agency directed to implement very cautious loan activity versus another directed to increase and expand loan activity.)	N/A
General bureaucracy issues	Businesses encounter complex system to obtain resources or assistance to operate.	No clear, single agency for businesses to obtain resources and/or assistance to operate. (Example: Gov. Schwarzenegger created GoED-Governor's Office of Economic Development, but has no line-item budget appropriated.)

To whom it may concern:

In 2003 my wife and I poured our hearts, minds and souls in to the American dream. We leveraged every financial avenue we could after educating ourselves as best we could when we decided to build our salon. Our salon, Hair Body and Sol, supports the livelihoods of 13 families. I am familiar with Congressman Issa's background and I am well aware that the speck of dust, if that, our small business is in comparison to his empire and those whose opinions are truly counted give us about that much say, worthy of a speck of dust. Our struggles are daily and many. I am one of the statistics myself in regards to having lost my job, I have only been able to find part time work since March 2010. I have had to work full time since 2007 so to help our business make ends meet, while also working as many aspects of our business as I can to save money as my wife works our business full time. It's not because we have a poorly ran business, quite the contrary, we are often sought after to coach others in growing their small business as we have ours, we have solid systems in place. If you cannot keep the money you earn, how strong your systems are mean nothing. We want profits, that goes without needing to be said, however, we cannot achieve profit levels as we desire more to ensure our those who work for us are taken care of. As you may know as vast as the hair services industry is very few are educated outside of high school and many come from less fortunate backgrounds. Sadly this means barely earning over poverty levels as we, even with all the sacrifices we make, cannot afford the increased burdens of paying the state and federal obligations associated with paying more in payroll. At the levels we currently are at it requires that my family goes without, which is often the case, which we gladly sacrifice for those who honor us by being loyal to our business. Now that I have been laid off and cannot find employment we are burdened even more so. Our house is "upside down" every penny we make goes to pay the mortgage's interest. I wish our story was uncommon, sadly it is the norm. Though I am discouraged, I have faith that someone will one day stand up for the small businesses of America, as we are the backbone of this state and great nation. One day I hope that our governing bodies will wake up to the fact that should you lessen the financial obligations on the small businesses of this nation the rewards to everyone will be no less than tremendous.

Addressing your request of pointing out the federal regulatory agencies that impede our growth, I cannot speak to that, though how very important all of your efforts in this battle are, are immeasurable. It is a culmination of many, many aspects that have hindered us from assisting in simple economic growth by hiring more and/or spending as the financial burdens increase daily. We pay a very large percentage of our revenue to the federal government (and all the agencies thereof), the rest to workers compensation and the plethora of state requirements, as all small business do, seemingly baring the blunt of the financial burden. There is nothing I can say that you do not already know. You know what has to be done.



## **E-WORLD RECYCLERS**

*Recycling for today's electronic world*

February 1, 2011

Over a period of three years, E-World Recyclers participated in a multi-stakeholder coalition of federal and state governments, electronics manufacturers, recyclers, trade associations and public interest groups to develop a voluntary consensus standard, the Responsible Recycling Practices of Electronic Recyclers (R2). This process was facilitated and supported by the EPA and has been accredited by the ANSI-ASQ National Accreditation Board (ANAB) as a third party auditable standard. The purpose of the R2 Standard is to provide a set of practical procedures for electronics recyclers to help ensure that used and end-of-life electronics are properly recycled to protect the environment and health and safety of workers.

E-World Recyclers, a California based electronics recycler, is one of several locations across the nation who has achieved certification and is implementing these practices in their recycling operations. We've learned that it's not an option for any of us in this industry to act irresponsibly when managing this material. The R2 Standard is comprehensive yet practical and provides electronic recyclers with an excellent tool for proper environmental management of used electronics. Every R2 Certified Recycler is expected to ensure worker safety, promote reuse and recovery of electronic components, reduce emissions during recycling operations, and obtain assurances from their downstream vendors regarding the disposal and export of material.

E-World is very much aware of the backyard smelting and processing operations that occur in other countries as this has been in practice for many years. Several environmental groups have brought awareness to the improper export and disposal of e-waste in developing countries but they have also made it difficult on recyclers that are responsible stewards of the environment. The sensationalism of this type of reporting should be put into its proper perspective.

Unfortunately, some in the environmental community abandoned the EPA-led R2 Standard before its completion and have instead worked to undermine the regulatory certainty this particular certification program presents to recyclers, exporters and global consumers of scrap. These environmental groups have urged EPA to eliminate the R2 program and codify an industry wide ban on exports of used and end-of-life electronics that would disrupt legal trade. These groups have also convinced a few Members of Congress to introduce ill-conceived legislation that would place unnecessary restrictions on recyclers who lawfully and responsibly export their products.

Recycling obsolete electronics is the fastest growing sector in the recycling industry. We have discovered that if we take the time to dismantle materials, we can produce valuable commodities such as gold, copper, aluminum, metal, glass and plastic. Some recyclers will even process these materials to a raw material which is sold as feedstock in the manufacturing of new products. Most markets for this material is outside the U.S and because of this demand, there are established global markets for material in the countries that still find it cost effective to manufacture. Our trade association, ISRI, located in Washington D.C., has made this statement regarding the economic impacts:

*Banning exports of end-of-life exports will detrimentally harm the fastest growing sector of the US recycling industry, reduce important US exports, and slow the further creation of these "green jobs" in the United States. Additionally, the regulatory uncertainty caused by these harmful efforts could possibly extend to other sectors of the scrap recycling industry that have relied on exports for over 100 years by restricting access to ever-growing overseas markets.*

We tend to agree with this perspective because at this time, the U.S. has too many restrictions which make it cost prohibitive to participate in the manufacturing industry. The demand for this type of scrap is primarily overseas, as the regulatory environment, high insurance premiums, and cost of labor have made it impossible to compete with other countries that use this as feedstock to produce their products.

Our strength in this industry is that we can supply these materials because we are a country that consumes so much. Providing tax relief, low interest equipment loans and workforce partnerships would be a worthwhile topic for further discussions.

Thank you for the opportunity to express our concerns.

Cindy Erie  
President  
E-World Recyclers, LLC  
[cindy@eworldrecyclers.com](mailto:cindy@eworldrecyclers.com)

Bombshelter  
2091 Goetz Road  
Perris, Ca. 92570  
(951) 259-6750

February 1, 2011

To: House of Representatives, Darrell E. Issa

Dear Senator Issa,

First of all, Congratulations on being elected as a Member of Congress representing the State of California. Myself and my entire family voted for you and are pleased to see the positive action you are already taking to try to help small businesses in our failing State.

My family has owned and operate the Perris Valley Airport for 34 years. It has been through HONEST, hard work and our love for Aviation that we have survived this many years and desire to continue for as long as possible.

We have created one of the largest and well- known skydiving centers in the World in a little City called Perris in Riverside County. We employ just under 100 people, throughout all of the Airport business.

It has become increasingly more difficult and we are fearful of what's ahead. This past year, all of our companies were audited for nearly 6 months to find an honest and very minor discrepancy and all of the other businesses without a single issue. We had to hire accountants and bookkeepers to work with the IRS auditor so we could continue normal daily operations. The Board of Equalization (State level, but still aggravating) has been auditing us for over a year and is draining to see the amount of energy and manpower placed on prying to find errors with small businesses.

We are very concerned about the ongoing Government scrutiny towards small businesses, between that, the fear of increase taxes and potential health care demands for our employees, not to mention inappropriate approved development too close to airports, we know that our days, as a privately owned public use airport, are numbered.

We hope that you can be the voice for small business owners, for those of us who have believed in working hard, providing a good service and NOT living off the Government dole.

Sincerely,

//Signed//

Melanie Peschio

Co-Owner

Bombshelter Restaurant & Sports Bar

Perris Valley Aviation Services, Inc.

P.M. Leasing, Inc.

Perris Valley Skydiving School, Inc.

[Melanie@skydiveperris.com](mailto:Melanie@skydiveperris.com)

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[www.skydiveperris.com](http://www.skydiveperris.com)

February 1, 2011

To: Congressman Darrell Issa

Cc: Fritz Hitchcock, Andy Gharakhani

From: David K. Hall, Senior Vice President, Hitchcock Automotive Resources

Subj: Governmental Strangulation of U.S. Economic Activity

Fritz Hitchcock, the Chairman/CEO of Hitchcock Automotive Resources and President of the Los Angeles New Majority, has asked me to pass on some of my personal thoughts regarding the negative economic impact of federal and state laws and regulations. My qualifications for doing this include prior employment as a Professor of Government at Brown University as well as my current positions as Senior Vice President of Hitchcock Automotive Resources, publicly elected Board of Trustee Member of Mt. San Antonio Community College, and Chairman of the City of Industry's Human Resources Committee.

#### Cost of Medical Care Regulation

Hitchcock Automotive Resources and its employees will absorb a 20%--that is a \$454,000— increase in their medical plan costs for 2011 with no change in the company's medical plan benefits from 2010. For the past decade Hitchcock medical plan costs have increased an average of 8% per year. This tells me that approximately \$250,000 of this year's medical insurance premium increase is due to ObamaCare. This December a few of our employees discontinued their medical insurance coverage because, even though our company agreed to pay most of this staggering rate increase for 2011, some of our employees simply could not afford an even marginal increase in their medical insurance cost because of the decline in their income caused by the Great Recession.

In other words, American companies and their employees are now starting to absorb the staggering new costs of ObamaCare regulations (the elimination of lifetime benefits, extending coverage for young adults, etc.). Comparable insurance rate increases are likely to occur for many more years to come, as ObamaCare is gradually phased in, and these anticipated insurance costs are a major reason why many American businesses will be unable and/or unwilling to add new employees to their payroll in coming years.

If ObamaCare is to remain national policy, then something must be done to rein in the medical care costs that ultimately drive insurance premiums. Medical malpractice reform— through reasonable national caps on noneconomic and punitive damages, sanctions for frivolous malpractice lawsuits and limits on attorney fees—are one of the most obvious ways to attack U.S. medical care costs without doing serious damage to the amount and quality of U.S. medical care. And, in fact, to the degree that such malpractice reform reduced malpractice insurance costs and allowed some physicians to remain in practice, the amount of medical care in America will actually expand because of malpractice reform.

### Reining in Federal Regulatory Agencies

It is well understood that the Obama Administration will make every effort to implement its policy agenda through regulatory decision making now that it has lost control of the House of Representatives. To prevent the Administration from imposing its agenda by administrative fiat may require legislative action, as in the case of Senator Barrasso's recently introduced bill to halt any action by the Environmental Protection Agency (EPA) to limit greenhouse gas emissions without specific Congressional authorization.

The U.S. auto industry is strongly in need of consistent government regulation, which is why the industry is united in its support for one national fuel economy standard to regulate vehicle emissions. In December 2007, President George W. Bush signed the Energy Independence and Security Act (EISA), which fortified the Corporate Average Fuel Economy (CAFE) program's preemption of state regulations and set a national CAFÉ standard of 35 miles per gallon for 2020. Following enactment of the EISA, the EPA denied California's request for a waiver from the federal standard that would have allowed the California Air Resources Board to impose an even higher state standard. In September 2009 the White House, automakers, governors, EPA and National Highway Traffic Safety Administration all agreed on new federal standards that would impose an average fuel economy of 35.5 miles per gallon by year 2016. And yet in 2009 the EPA also granted the State of California a waiver from federal CAFE standards, and did so again in 2010. Given the need to balance job creation and environmental concerns at this crucial point in our nation's history, the federal government and not individual states should be in control of the regulatory process which sets fuel economy and greenhouse standards. The alternative is a patchwork quilt of varying state standards which increases costs to manufacturers, auto dealers and consumers.

A second area where American businesses are worried about rulemaking at odds with congressional sentiment is the continuing struggle over the so-called Employee Free Choice Act (EFCA), or what is more commonly referred to as Card Check. Under the proposed Card Check legislation, American workers would have been required to publicly declare their vote on workplace unionization in front of union leaders and fellow workers and therefore lose their historic right to a secret ballot election on such matters.

With the Democrat Party loss of control in the House of Representatives, the concern is now that the National Labor Relations Board will use its rulemaking power to put in place various elements of the EFCA that would never be approved by Congress. This potential threat became real on December 22, 2010 when the NLRB began a 60-day comment period on its proposed rule to require private sector employees to notify employees of their right to unionize through various workplace postings and communications. This proposed notice ("at least 11 inches by 17 inches in size, and in such colors and type size as the Board shall prescribe") would state that employees have the right to act together to improve wages and working conditions, to form, join and assist a union, and to bargain collectively with their employer. The notice would also provide examples of unlawful employer conduct and tell employees how to contact the NLRB with questions or complaints. NLRB member Hayes dissented from the issuance of the proposed rule, stating that the NLRB lacks the statutory authority to issue or enforce this new

rule. To prevent piecemeal implementation of Card Check through administrative rulemaking, Congress is going to have to rein in the NLRB.

A third area where administrative rulemaking is of particular concern to the retail automobile industry is financial regulation. The industry is understandably worried about the regulatory authority and actions of the new Bureau of Consumer Financial Protection which was created in the Dodd-Frank bill. Rather than allow the marketplace to govern credit availability and rates for consumers, the Bureau may so regulate and limit auto finance contracts as to effectively deny many Americans access to financing and thereby delay significantly the post-Recession recovery of the retail automobile industry.

#### Efforts to Eliminate Pre-Dispute Arbitration Agreements

Every U.S. business owner knows that the heavy cost of litigation is one reason why job creation has slowed in America. Hundreds of billions of dollars are spent annually in defending businesses from various lawsuits. Anything that can be done to reduce the time and cost of resolving these legal disputes will enable American businesses to put more of their money into job creation. The best way to do this is to support the use of pre-dispute arbitration agreements that allow parties to a conflict to resolve dispute through the use of an agreed-upon, unbiased arbitrator rather than put their complaint into the slow and costly federal and state court system. In the State of California the average court case is resolved in 3 years, while the average arbitration case is concluded in 1 year.

In spite of the economic benefits of pre-dispute arbitration agreements, some elected officials—at the encouragement of plaintiff lawyers—have tried to eliminate the use of pre-dispute arbitration agreements in the retail automotive industry. During the 100<sup>th</sup> Congress, Congresswoman Sanchez introduced H.R. 5312 for the purpose of effectively banning all pre-dispute arbitration agreements in the sale or lease of a motor vehicle. The assumption that somehow pre-dispute arbitration agreements favor business over consumer interests is simply untrue. An Ernst & Young study of arbitration outcomes found that 79% of all arbitration cases are resolved in the consumer's favor and 69% of consumers are satisfied with the arbitration process. The real losers in pre-dispute arbitration agreements are plaintiff lawyers who make less money in a swift-moving legal process. The U.S. Congress should do everything it can to encourage and protect the use of arbitration agreements if the primary goal in America is to support job creation.

The attack on pre-dispute arbitration agreements has also been seen in efforts (notably in California) to invalidate the use of pre-dispute arbitration agreements between employers and employees and to make it unlawful for employees to take any adverse action in retaliation for an employee refusing to waive Fair Housing and Employment Act (FEHA) rights and procedures at the time of their employment. Only a veto of SB 1538 (Burton) in 2003 by then-Governor Gray Davis stopped SB 1538 from going into effect, even though the Federal Arbitration Act allows for arbitration of discrimination claims and the U.S. Supreme Court has consistently upheld the right of employers to require pre-dispute arbitration agreements at the time of employment.

Again, it is widely understood that any successful effort to invalidate pre-dispute arbitration agreements between businesses and customers or between employers and employees would dramatically increase the cost of doing business in the U.S. and thereby make American companies even less competitive than they currently are. The U.S. Congress must do everything in its power to legitimate and defend the use of pre-dispute arbitration agreements.

#### Incompetent Federal Inspectors

The Chief Financial Officer of an Irvine, California defense contractor recently told me that a federal inspector had accused his company of failing to pay employee overtime and as a result served his company with the notice of a fine. Upon looking into this overtime dispute the CFO came to realize that the federal inspector did not understand the weekly pay periods the company was using (even though they coincided with some federal pay periods) and had therefore mistakenly concluded that the company's employees had worked more than 40 hours during a work week. Furthermore, when this CFO asked the inspector how he could appeal the proposed penalty, the inspector was shocked to learn that the company planned to challenge the fine. In fact the inspector could not tell the CFO how an appeal to the proposed fine could be filed. After hiring a lawyer to assist in the appeal process, the proposed fine against the company was completely rescinded, but of course this outcome occurred only after the company had absorbed the considerable cost of legal defense.

The point I am making is that at least some American businesses are being "shaken down" by federal inspectors (some of whom are clearly incompetent) just as surely as American businesses are being shaken down by plaintiff lawyers. To the extent that the federal government's dominance of the U.S. economy grows, so too will the economic costs associated with poorly trained federal inspectors who must hand out fines to justify their existence. Seldom do stories surface about misapplied federal rules and regulations because very few businesses want to shoulder the expense and the risks associated with challenging the U.S. Government.

#### Ignoring Market Forces and Signals

The recent proposal by Senator Carl Levin and Representative Sander Levin to double the current \$7,500 tax incentive to buy an electric car is an example of the tendency for some lawmakers to ignore the basic principles of supply and demand and in so doing impose enormous inefficiencies on the American private sector. To give away additional tax dollars to pay for the purchases of electric vehicles by a few well-to-do Americans at a time when the federal government is already running a \$1.5 trillion dollar deficit is simply economically irrational. (For an insightful column by George Will on this very subject, see Will's recent "Why Liberals are the ones who cry for 'more.'" ) The use of federal tax subsidies to support the mass production of ethanol as a vehicle fuel is a real life example of such Government-driven inefficiency. If the American economy is going to regain its international competitiveness and its job-creating ability, the U.S. Government must stop distorting the price system which has historically guided the efficient use of scarce resources.

February 2, 2011

Dear Representative Issa:

My name is Clyde C. Kerns; I am president of Kerns Trucking, Inc. A seventeen million gross sales 3<sup>rd</sup> generation family business founded in 1933. Kerns is an equal opportunity employer whom values the qualities of hard work, honesty and professionalism. Currently Kerns employees 50 drivers, managers, and administrators, additionally Kerns contracts 55 independent owners to serve a diverse business base in 28 states. Founded originally as a sand and gravel dump truck operation, over the years Kerns has expanded to over the road operations transporting recyclables, agricultural and aggregate materials; additionally Kerns provides dry van, flat and logistics services all part of our attempt to diversify our business to meet the challenges of the marketplace. This business model enables us to serve both individuals and Fortune 500 companies. At Kerns, the company is our employee and our employees have often worked for over four decades with two decades of service commonplace. Kerns takes great pride in these employees, as well as being safe, tax paying responsible citizens within all the many communities we serve.

My purpose for this letter stems from the physical and laudable threat excessive government regulation has rendered upon Kerns in recent years. Government bureaucracies such as DOT, EPA, FMSHA, MSHA, NHTSA, OSHA all are bringing ever heavy burdens upon Kerns business with redundant, misguided, irresponsible regulation. Noteworthy are the following headlines:

- (a) 1/4/2011 NHTSA clears path for speed limiter proposal
- (b) 12/29/2010 FMSHA proposes seven changes in hours of service rules
- (c) 12/17/2010 DOT proposes rule to ban hand held cell phone use for commercial drivers.
- (d) 12/7/2010 FMSHA appoints 3 new members to medical review board
- (e) 12/1/2010 DERA reauthorization makes progress in senate
- (f) 11/19/2010 FMSHA makes changes in CSA2010
- (g) 9/10/2010 FMSHA amends performance standards for EBOR rules
- (h) 7/21/2010 Broad OSHA reform hidden in MSHA 2010 reform bill

- (i) 6/2010 CSA severity scores released
- (j) 1/2010 CSA2010 announced by Secretary LaHood with threat that 176,000 CDL drivers would loose their jobs and that many small trucking companies would be closed but that needed to be done for the safety of our highways.

In closing government regulation is stifling entrepreneurial capability to create jobs and generate profitable revenue. Government regulation issued under the mantra words of clean air and safety are the greatest threat to our continued success which enables Kerns Trucking to provide for its employees and share with its community, please read enclosure. Safety is a trained behavioral attitude, it cannot be achieved with heavy handed ever changing one size fits all regulation.

Sincerely,

Clyde C. Kerns  
President

CCK/ag  
Encl 3

## Internalizing CSA 2010

The cost dynamics of CSA 2010 lie in the assignment of severity codes to each regulation in CFR part 49. The implementation of this law is not without cost and has placed a huge financial burden upon small trucking companies like Kerns. Each violation of code regardless of severity, implicates guilt and demands immediate correction. Additionally CSA causes shared blame by paint brushing responsibilities of both driver and employer making each other responsible for the others offense. An example would be a seatbelt violation by the driver adversely affects the safety rating of the employer. Further complicating the implementation of CSA is the random assignment of severity codes. A good example is a severity rating of 7 for the driver not wearing a seatbelt CFR part 49 392.16, yet only a severity rating of 5 for running a stop light CFR part 49 392.2c. In Kerns view the severity risk to the motoring public is much greater for running the stoplight.

More direct cost damage to Kerns occurs by the multiple inspections endured each and everyday on the nations highways and the immediate action that must be carried out once the inspection is complete. An example experienced by a Kerns contract hauler occurred recently during such an inspection. The Kerns unit was cited the following violations

393.9ts	Inoperative turn signal right rear of truck	severity risk 6
393.9t	Inoperative tail lamp on right rear of truck	severity risk 2
393.25(f)	Stop lamp violation right rear of truck	severity risk 6

CSA indicates with the inspection a greater than average safety hazard to the motoring public, however; the facts were that the vehicle had all other lights in working order including turn signal, running light, and stop light on the right rear of the trailer, as well as turn signal and clearance on the right side of the trailer and running light and turn signal on the right front of the tractor representing no safety hazard to the motoring public. Kerns in the end was punished by having to cease operations seeking repair of the lights immediately at a much higher repair cost to prevent the possibility of incurring additional penalties.

Another example occurred when Kerns received the following citation:

392.9 Failure to secure load severity risk 10

This ticket was received transporting a load of gypsum from a power plant to a farm. Gypsum is a high concentrate lime scattered on land to supplement the soil. This product is powder dry and must be transported in an open top dump truck to be dumped in the farmer's field. Despite being covered air circulating over the sides of the load caused dust to escape. The severity index for this violation is the most severe that can be assessed reflecting great danger to the motoring public, however; it is Kerns' view that the danger to the motoring public was non-existent, yet the implication under CSA is irresponsible endangerment of the motoring public. Kerns' costs, \$100 citation plus the decision to never transport this product for any customer ever again.

Unfortunately I could write many examples where standard enforcement under CSA 2010 has resulted in lost revenue, unnecessary expense, and punitive damages to Kerns Trucking. In an attempt to quantify the true cost to Kerns in calendar year 2010 due to CSA enforcement please notate the following table.

1. 172 inspections on 74 units.
  - a. Average inspection 1 hour
  - b. Loss revenue per hour \$75.00 cost \$12,900
  
2. Every 4 inspections result in 1 loss load
  - a. 43 loads lost
  - b. Average revenue lost per load \$500.00 cost \$21,500
  
3. New employees hired to handle CSA 2010
  - a. Manager Cost \$57,250
  - b. Mechanic Cost \$49,000
  - c. Shop laborer Cost \$27,500

4. Maintenance expense increase year over year in cost per mile
  - a. Total parts and service excluding wages 2010 \$.1099
  - b. Total parts and service excluding wages 2009 \$.0771
  - c. Sum difference \$.0328
  - d. Total cost  $$.0328 \times 6,240,000$  miles run \$204,672

Total cost incurred by Kerns from CSA2010 enforcement in calendar year 2010.

**\$372,822**

Representative Issa I hope these examples drive home the threat continued regulation has upon small business in our country. Unfortunately there are many other regulatory threats to our business, CSA2010 is by far the worst for my industry but by no means is it alone. In closing Kerns Trucking closed out 2010 with sales of \$17,560,230 and net profit of \$222,848; obviously our ability to continue investing in our people and company is threatened.

Sincerely,

Clyde C. Kerns

CCK/ag



To whom it may concern:

My name is Captain Steve Papen, owner and operator of Fintastic Inc based out of St. Petersburg Florida. I have been in business for 11 years. My business is offshore fishing charters here in the Gulf of Mexico.

In the past few years I feel that my government has left me out to dry, in more ways than one. The National Marine Fisheries has made it almost impossible for me to make a living fishing, by the use of closed seasons on species of fish such as Grouper and Snapper that are in NO shortage. In the past 20 years offshore fishing here in the Gulf I have seen numbers of these species grow and grow.

The Red Snapper for instance are so great in numbers that we are having to leave spots we Grouper fishing on just to get away from them, and I am not talking about a few fish here, I am talking about there being so many of them that we can't catch anything else. Yet NOAA says they are overfished and there are none out there. Our current Red Snapper season is only around 45 days per year.

Grouper is yet another species that has grown to numbers this fisherman has never seen. These fish along with the Red Snapper are in high demand in the commercial fishery. Our 2011 Gag Grouper season is currently closed to all recreational fisherman until further notice, yet the commercial fishery is open for harvest.

Now I am no rocket scientist but I find myself asking: Why would the Government shut down an industry like our fishing business like this. These business generate billions upon billions of dollars per year. I have just one customer that had so much fun fishing down here that he bought 2 condo's on the water for over 1 million dollars each, a \$230,000 boat, \$35,000 in fishing gear, 2, \$50,000 dollar cars, ect. This one customer lives up north and spends about 80 days a year here in Florida. When his boat leaves the dock for a 1 day trip he spends in excess of \$1500.00

in fuel, food, tackle, ect. This 1 person has said to me that if they keep these regulations going like this he is going to sell everything and start going out of the country to fish. In addition his entire family eat out every night, pay unreal taxes on his properties, and in general spend hundreds of thousands of dollars here in this little area. How many others are like this one guy?

Our regulations and outdated regulatory methods are out of control and we need the help of OUR government to make things right. We are being exploited on every level and we too have the right to make a living doing something we love. Is this so wrong? We are being left out in the cold and uncle sam is doing nothing to help us out. In fact NOAA is supposed to receive 40 million dollars of our tax paying dollars to put all of us out of work this year, with their new "catch shares" policy. There are many documented fisheries around the globe that prove these catch shares DO NOT WORK, and put many, many people out of work, all over the country.

You said you were listening, well, we are asking for your help. Please throw us a line, because we are all going to sink with our vessels without some help from "Our Government".

Please feel free to contact me if you need more information.

Capt. Steve Papen  
Fintastic Fishing Charters

## BOB ZALES CHARTERS

This is a small family charter fishing business located in Panama City, FL. My father and mother started this business when I was 12 years old in 1965. Until the passage of the Magnuson Stevens Fishery Management and Conservation Act in 1976, the business did very well with little government intrusion. Once the MSA was passed then implemented the business continued to do well. When the MSA was amended in 1996 the fishing business began to slow down. After the last amended MSA in 2006 the business is almost nonexistent. The NOAA/NMFS has used the amended MSA of 2006 to destroy small family fishing businesses which is destroying local fishing communities.

The new regulations promulgated by the amended MSA are overly restrictive with no flexibility. The NOAA/NMFS under the leadership of Dr. Jane Lubchenco (former Vice President of the Environmental Defense Fund) is now pushing catch share management on fishing fleets which is drastically reducing the number of vessels on the water thus eliminating jobs. This reduces the number of fish houses that process fish, reduces the number of charterboats available to recreational anglers, and put more people in the welfare line. On top of eliminating jobs, the NOAA/NMFS FY budgets for 2010 and 2011 contain \$54 million to push catch shares on people who do not want them. Now they are requesting an additional \$18 million to continue this push while small family businesses continue to go under.

Our charterfishing business grew from one vessel in 1965 to 5 vessels as off 1995. Since that time we have been reduced to only one vessel again. The NOAA/NMFS has reduced our fishing season from year round to 6 months and last year only 53 days. The NOAA/NMFS is too powerful, does not care about people, and does not care about fishing communities. I could go on but will keep this short. Thank you for this opportunity to tell our story.

Capt. Bob Zales, II