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MEMORANDUM

To: Reporters and Editors
Re: State of the union address
Da: Tuesday, Jan. 23, 2007

Sen. Chuck Grassley, ranking member of the Committee on Finance, with jurisdiction over issues including taxes and major federal health care programs, made the following comments in anticipation of President Bush's state of the union address tonight.

"A lot is being made of this being President Bush's first address to a Democratic-led Congress. I appreciate that President Bush has proven he'll take a stand and fight for his programs and initiatives. It's the kind of leadership that makes things happen.

"On the specifics, the President's focus on making America energy independent and less reliant on fossil fuel is good for the nation and good for Iowa. He's describing a very ambitious agenda. Based on the performance thus far in reaching the renewable fuels standard, his goal of increasing the standard is very realistic. That will benefit agriculture and rural America. Most importantly, though, this goal is necessary. Major goal-setting is the only way we're going to wean ourselves off of foreign sources of energy. Tonight's goal is admirable, but only if it doesn't come at the expense of existing supportive policies for renewable fuels, such as the ethanol excise tax credit and import tariff.

"I also appreciate President Bush's leadership in putting forward a plan to help more Americans get health insurance. There's no one-size-fits-all solution to the uninsured problem because people are uninsured for a lot of different reasons. The President has correctly identified a flaw in health care tax policy. Similarly situated workers are treated very differently, depending on their employer's choice to provide or forego health coverage. The Joint Committee on Taxation estimates that over the next decade, Americans will receive more than \$1 trillion in tax benefits for health care under our current tax law. We need to make sure those benefits are being directed wisely, get the most bang for the taxpayer's buck, and help to meet the needs of the millions of Americans without health insurance. A plan like the President's could help level the playing level by extending the tax incentives for purchasing health coverage to the self-employed and those who purchase health coverage on their own. It also would make health insurance portable as people

change jobs. I'll study the details of this plan and work with Senator Baucus in the Finance Committee to work to address these issues and expand health insurance coverage.

“The President understands his role first and foremost is protecting Americans from harm. Terrorism remains a threat to the security of our country and the world, and to the peace of mind of every American. His focus is right where it should be.

“I'm glad the President continues to see the need to address immigration reform. As I see it, any proposal should contain stronger border and interior enforcement measures, a temporary worker program that requires illegal immigrants to return home before entering our country legally, and a better system to ensure that employers hire by the rules by verifying the status of their workers.”