

"I thank Chairman Rogers for yielding to me, and I'd like to thank him, Chairwoman Emerson, Ranking Member Serrano and the staff on both sides for what they have been able to do to accommodate some of the priorities of Democratic members as they have assembled the bill.

"This is an important bill, providing critical funding for essential government functions, the federal courts, the Small Business Administration, the Consumer Product Safety Commission and other agencies as well as the Treasury Department.

"This bill, like others we have considered in this Committee recently, is derived from an allocation that is wholly inadequate, once again stemming from the illogical economic concept of "cut and grow." If this bill as proposed by the Subcommittee were ever to become law, the only thing it would cut is jobs for Americans and the only thing it will grow is the deficit.

"No place in the bill is this better demonstrated than the proposed allocation for the Internal Revenue Service – a reduction of \$606 million below the FY 11 enacted level and almost \$1.8 billion below the Administration's request.

"According to the IRS, this reduction will result in the loss of 4,100 jobs– many of them enforcement agents who actually bring in revenues to the Treasury and help to reduce the deficit. Enforcement resources have a historic return-on investment of about 5 dollars for each dollar spent, so this reduction will reduce revenues and increase the deficit by about \$4 billion a year.

"So the big losers from this cut are U.S. taxpayers trying to comply with the law, who will get bigger deficits and worse service from the IRS. And the big winners are those whose tax avoidance could have been discovered and curtailed. These are deeply distorted priorities.

"Another cut that costs more than it saves is the gutting of the GSA Federal Building Fund, which will result in delayed construction, costly hold-over leases, and it could potentially leading to lease terminations with costly penalties. GSA has told us that such a reduction would likely cause the loss of 16,000 private-sector construction jobs and 40,000 jobs maintaining existing government facilities.

"Simply kicking expenses down the road is not good governance; it will kill tens of thousands of jobs; and, it is fiscally irresponsible in the long run.

"Another concern we have is the funding level for the Securities and Exchange Commission, which would be funded at the same level as FY 2011 and \$222 million below the President's request. Once again, that would mean cutting jobs, leaving fewer people to investigate potential misconduct and to police securities markets to prevent another financial crisis. After our financial system came dangerously close to collapse in 2008, we passed meaningful reforms and instituted more serious oversight of practices on Wall Street. By suggesting cuts of this magnitude, it seems clear that what the Majority is doing here is using the appropriations process to obstruct those important Dodd-Frank reforms, and I would say to my friends on the other side that this is neither the time nor the place to try to re-litigate those issues.

"I would like to commend the Committee for the cooperation that has thus far resulted in the passage of the Military Construction/VA, Homeland Security and Agriculture Appropriations bills. Though we were certainly not in agreement on the levels included in those bills, I agree with Chairman Rogers that the Committee and House should be allowed to do its will and consider Appropriations bills under regular order and with open rules. While I believe this Financial Services Appropriations bill is critically flawed, it is my intention to continue to cooperate with my Republican colleagues to ensure it is considered in a responsible manner and that Members on both sides of the aisle are able to suggest amendments and improvements to this legislation under an open rule during House debate."

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