

ROB CORNILLES RESPONSES

FEDERAL CANDIDATE QUESTIONNAIRE

Congressional estimates suggest that the Social Security Retirement fund will be able to pay only 75% of currently calculated benefits by 2040. Currently, Social Security is funded by a payroll tax and a tax on self-employed persons ("FICA") on annual wages up to \$106,800 (2011).

Which do you support regarding Social Security:

- Tax all earned income equally so that higher income earners pay on all their income, including that over \$106,800 per year
- Tax all income equally (earned and investment) up to \$106,800 per year
- Increase the taxes on earned income below \$106,800
- Reduce or eliminate cost of living adjustments for all retirees
- Raise the "full" benefit retirement age from 67 (current) to 70
- Eliminate Social Security for all workers under 50 and allow them to opt into voluntary personal savings accounts
- Impose some form of means testing so that benefits for high-income seniors are reduced but benefits for lower income seniors remains unchanged
- Leave the system alone
- Other *I oppose privatization, period. Politicians should also stop spending annual Social Security surpluses on other government programs, robbing money from future retirees. Common sense reforms need to be embraced and we need to stop kicking the can down the road by continually ignoring good starting points, like the bipartisan Bowles-Simpson Commission Report. I truly believe that Social Security can be preserved for future generations with just a few bipartisan changes.*

Congressional estimates suggest that the current Medicare funding system will run out of funds as early as 2017. Medicare is funded separately by a payroll tax and a tax on self-employed persons on all earned income (no ceiling). Currently Medicare provides some hospital coverage (Part A) at no charge to everyone at age 65, and provides other coverage (Parts B, C for

equipment, doctor's visits, procedures) for about \$40/month for everyone at age 65 (Rx coverage is another add-on premium).

Which do you support regarding Medicare:

- Raise the age for Medicare coverage
- Expand Medicare to younger workers to spread costs
- Allow Medicare to negotiate drug prices on prescription drugs to lower costs
- Reduce hospital costs and costs of procedures by stricter controls and audits
- Impose means testing so that high-income seniors pay higher premiums for their Medicare (Parts B, C, D) coverage
- Eliminate Medicare and offer coupons or vouchers to cover some part of the cost of private insurance premiums
- Leave the system alone
- Other Medicare is in far worse shape than Social Security and will require harder work and more difficult decisions by those in Congress. This is why we should not send a partisan who votes 98% of the time with her party in Salem to DC. We already have too many folks in Congress who put party over people. There are two main plans in DC regarding Medicare. I oppose the Republicans' so-called Ryan Plan and do not support privatizing Medicare. Period. However, I also oppose the Democrats' approach, which is a mix of keeping the status quo of Medicare heading towards insolvency AND cuts to Medicare of \$500 billion. The cuts largely come out of a program called Medicare Advantage, which is an alternative to traditional fee-for-service Medicare. In Oregon, over 254,000 seniors have chosen Medicare Advantage for their health care. It is estimated by Medicare's Chief Actuary that these cuts will force nearly half of Oregon's seniors who've selected this option back onto fee-for-service Medicare. This plan would also rely on Medicare's existing revenue structure, which the President's bipartisan actuaries and the nonpartisan Congressional Budget Office tell us will not be enough to cover Medicare's costs by the end of this decade. The result will be catastrophic cuts and premium increases that will harm seniors and, over time, cause an end to the system as we know it today. I cannot support this plan of "no action." In addition, the Center for Medicare and Medicaid Services estimates that \$70 billion in improper payments were made in 2010. We need members of Congress who have the skills to lower costs and eliminate fraud and corruption. Finally, we must look, again, to Bowles-Simpson as a starting point, preserve the system for today's seniors and continue to allow seniors a choice between traditional fee-for-service and Medicare Advantage.

Money spent by wealthy individuals and businesses on campaign contributions and lobbying is more important to politicians than opinions of constituents.

- Agree
- Disagree

The United States Supreme Court has ruled that corporations can make unlimited independent expenditures in federal elections. Do you support or oppose that decision?

- Support
 Oppose

Why? I support the rights of individuals and those who belong to companies, labor unions, trade associations, issue advocacy groups, and political parties to exercise their First Amendment right to free speech, including political speech. I adamantly oppose, however, shadow groups that do not have to disclose their donations. Just as organizations have a right to speak, voters have a right to know who is speaking. I support the strongest possible disclosure and transparency requirements on political advertising.

What should the federal government do to increase jobs in the United States?

- Reduce taxes
 Build and repair infrastructure, such as roads, rails, and schools
 Provide zero-interest money for banks to lend to businesses that create jobs
 Other Simplify the overly complex tax code that too often favors the politically connected and mega-corporations over the middle-class and small businesses. Increase predictability in taxes and regulations so employers can feel more comfortable expanding and hiring. Send a true independent voice to Congress who has not only proven he knows how to create jobs through his own small business (60 employees in 16 years), but will be a champion and strong advocate for the First District rather than a lawyer-turned-career politician who has voted 98% of the time with their party in the state legislature.

The federal budget deficit has been \$1.3 trillion in each of the past 2 years. What should the federal government do, if anything, to reduce the deficit?
Increase taxes on:

- The wealthy only
 Everyone
 Corporations

Cut spending on:

- Social Security
 Medicare
 Military (and CIA)
 Education
 Agriculture
 Homeland security
 Environmental protection
 Assistance to state and local governments
 Foreign aid
 Other: Raising taxes on the wealthy – as has been proposed – would increase taxes by less than \$100 billion per year. So, instead of a \$1.3 trillion deficit in 2011 we would have a \$1.2 trillion deficit. That assumes that they won't simply shelter income in the hundreds of loopholes

that riddle our complex tax code. The problem isn't that we are under-taxed; it's that we have a broken tax system and our government continues to excessively borrow money that even the greatest tax on the wealthy cannot satisfy. With crony capitalism benefitting the career politicians and the well-connected on Wall Street, it is absolutely critical that we send new leaders to Washington. In 1997, President Bill Clinton and a Republican Congress joined together to control spending and grow the economy through tax reform. The result was a booming economy and four straight years of government surpluses. Cooperation can bring results, but we need to elect people who have shown a willingness to break from their party.

Real wages have not increased in the United States for middle class jobs in the past 25 years. Wealth is now more concentrated in the top 10% (and top 1%) of individual taxpayers than it has been since 1929. Anyone born into a low-income family faces great hurdles in financing education and acquiring a secure middle-income job.

- This is fair, because it depends on individuals bringing themselves up by their own initiative and talent.
- This is a problem, because the changes are structural and opportunities do not exist for workers to gain secure employment.

Is there anything government can or should do about it?

- No, it's up to individuals
- Yes, government has to enact appropriate laws and regulations regarding trade, tax rates, and social programs to ensure that all segments of our economy share equally in national prosperity.
- Other Yes, government has to enact appropriate laws and regulations regarding trade, tax rates, and social programs to ensure that all segments of our economy **have an equal opportunity to share in (and create more) national prosperity. I have spent my professional life employing people (60 here in Oregon) and launching the careers of 500 others nationwide by giving them skills they needed to thrive. I launch careers. I am a job creator, not a job constrainer like so many lawyers-turned-career politicians.**

During the period after the financial crisis of 2008, Congress enacted TARP (Troubled Asset Relief Program) or the "Wall Street Bailout" of \$700 billion to insurers such as AIG and institutions which had held a form of insurance on debt called credit default swaps. In addition, the Federal Reserve offered trillions (\$3.8 - \$4.2 trillion) more in zero interest (taxpayer) loans to large banks (Goldman Sachs, Bank of America, Societe General) which were "too big to fail." Corporate officers paid themselves huge bonuses and stockholders profits increased (about \$104 billion of TARP money flowed between banks and Wall Street and was paid to private interests). As for the zero interest loans to banks, the banks are holding onto that money or loaning it at credit card rates to consumers or loaning it to the government, making "free money" on the float.

Should the federal government file lawsuits to "claw back" the \$100 billion + bonus and profit money paid by Wall Street and banks to themselves with taxpayer money?

Yes However, this is yet another example of the unintended consequences that occur when Congress rushes to pass legislation without fully considering and planning for the long term consequences. The Wall St banks should not have spent taxpayer money in this way, but Congress also should not have passed the bill without constraining such spending of taxpayer money on bonuses in the first place.

No

Should the federal government investigate possible crimes committed by financial institutions and prosecute?

Yes

No

The "auto industry bailout" was separate from TARP and Federal Reserve actions. Congress approved \$80 billion in loans to domestic auto producers, and the U.S. Government now owns stock in GM and Chrysler.

This was a good investment as those companies are now hiring and GM has become very competitive in the market.

No, it was a waste of money since Ford improved sales and product without taxpayer money.

I don't know yet.

The average U.S. household pays about 14% of its income in federal income taxes and, effectively, an additional 15.3% of its income for Social Security and Medicare taxes. The combined rate is close to 30%. The average rate of federal taxes paid by households in the top 5% of income is less than 30%, mainly because (1) there are no Social Security taxes on annual income over \$106,800 and (2) capital gains and some dividends are taxed at 15%. The average rate of federal taxes paid by households in the top 1% of income is also about 30%.

It is fair that people with average incomes pay the same overall federal tax rate as people in the top 5% or top 1% of incomes.

Federal tax rates should be adjusted so that people in the top 5% or top 1% of incomes pay at a significantly higher overall rate than people with average incomes.

Other. Fiddling with tax rates is insufficient. Our federal tax system is broken and needs to be overhauled. A dizzying number of credits, deductions, and loopholes have created a maze where people spend money on things designed to avoid taxes rather than generate economic growth. In fact, in 2009 there was a nearly 80% increase in filers claiming over \$200,000 in annual income who paid no federal income tax due to an aggressive use of credits, deductions and loopholes. As a result, according to Congress's Joint Committee on Taxation, 51% of federal tax filers paid zero federal income tax for the 2009 tax year. A majority of Americans paying no income tax? How can any reasonable person see that as a sustainable trend?

And it's not just individuals. General Electric deployed an army of lobbyists and tax attorneys in a tax avoidance scheme that became a profit center for the corporation. In 2010, GE generated \$14.1 billion in revenue worldwide and had zero tax liability. In fact, the company enjoyed \$3.2 billion in tax benefits.

Who gets stuck paying a full tax bill? People like you and me, and small and medium-sized companies like the ones in Oregon that don't have tens of millions of dollars to stuff the tax code with special interest perks.

Average annual income for the top 1% of households is about \$1.8 million. Adjusted for inflation, it has tripled in the past 25 years, while the average annual income of the median household has dropped by 7% over the past 10 years. Democrats in the U.S. Senate have proposed a 5% surtax on household incomes in excess of \$1 million per year. Do you support such a surtax?

- Yes
- No Raising taxes inside a broken tax system will simply encourage people to shelter income through loopholes in the code. We need to simplify the code, as I indicated in the previous question. Additionally, by simplifying the code, we can increase revenue to the government. It is estimated that American businesses are sitting on \$2 trillion in cash. By simplifying the tax code, we can provide these businesses the predictability they need to start investing that large sum in expanding the businesses and hiring more Americans.

What other changes should be made to the federal tax code?

- Get rid of all deductions and lower the rates
- Flat income rate tax on all income of 16-22% (average cost of government over last 30 years was something close to 19-20%)
- Tax dividends and capital gains at the same rates as earned income (e.g., wages)
- Increase inheritance taxes
- Reduce inheritance taxes
- Eliminate the step-up basis for assets at death, which allow inheritance of appreciated assets without payment of capital gains tax
- Tax hedge fund income the same as income from wages
- Reduce tax rate on income from controlled foreign corporations, so that money can come back to the United States. Such a reduction must be coupled with a requirement that these corporations spend the savings on job-creating activities.
- Other To borrow a phrase, we don't need more taxes, we need more taxpayers. We do that by simplifying the tax code. It should not be a system that benefits only those with political connections. It cannot be a way for politicians to raise taxes or for corporations to avoid them. It should be straightforward, stable, and designed to fund government while leaving as much money as possible in private hands.

There can be no argument that in this stalled economy investors, entrepreneurs and employers need a predictable and simpler tax code in order to plan and hire. I support eliminating the

loopholes that encourage tax avoidance behavior and lowering rates to encourage job-producing activities. The tax code drives too many decisions, meaning individuals and companies are allocating resources based on a tax avoidance benefit rather than a job creation benefit.

As President Clinton and a Republican Congress did in 1997, we need to fix our budget deficit by growing the economy and reforming the tax code. It is estimated that businesses are holding nearly \$2 trillion in cash reserves right now because they are uncertain about the tax and regulatory future. We need to reform the tax code so that employers are willing to put that money to work here in Oregon and throughout the United States.

Which federal tax subsidies should be eliminated or greatly reduced:

- Oil and natural gas exploration in the United States
- Ethanol production
- Renewable resources, such as solar cells and wind turbines
- Home ownership (interest deduction; exclusion of capital gain on sale)
- Health insurance
- Retirement plans (including 401k plans)
- Charitable contributions

Other The home mortgage interest deduction should be eliminated for second homes.

The United States has 100,000 troops in Afghanistan, which is 30,000 more than 2 years ago.

How many U.S. troops should be in Afghanistan as of January 2012?

How many U.S. troops should be in Afghanistan as of January 2013?

How many U.S. troops should be in Afghanistan as of January 2014?

We want our troops home as quickly as possible. Absent more input from military commanders, it would be irresponsible of me to provide a specific number on what the size of the military force should be in Afghanistan. Generally, however, I can say that I've supported President Obama's policies there. Most of all, we need to care for our returning troops by providing them, access to good jobs, transition training, and the best possible health care, including mental health care.

The United States has 45,000 troops in Iraq, a number which is 5,000 lower than one year ago. The Government of Iraq has requested that all be withdrawn by the end of 2011.

How many U.S. troops should be in Iraq as of January 2012? Only enough to secure our safe and efficient withdrawal.

How many U.S. troops should be in Iraq as of January 2013? Only a small security contingent at the US embassy.

Should the Federal Government set the standards for food and consumer product safety or should we rely on manufacturers to self-police?

- The Government needs to enact and enforce minimum standards to protect the consumer from harmful products and ensure food safety.
- We should let the marketplace determine what people want and what risks they are willing to take. If there is harm, the damaged consumer can then sue the manufacturers in court as their remedy.
- Other _____

Should the United States approve the construction of the Keystone XL Pipeline that would deliver to U.S. refineries synthetic crude oil extracted from tar sands in Canada?

- Yes As part of a strategy to make us less dependent on Mideast petroleum products, and assuming it is constructed with appropriate oversight for safety and environmental concerns.
- No

Should Congress approve the proposed free trade agreements with South Korea, Colombia, and Panama?

- Yes I was pleased that the Congress approved in a bipartisan manner these trade agreements that President Obama rightly asked Congress to approve to help with job creation in this difficult economy. Few districts in the country are as trade-dependent as the First District of Oregon. The Brookings Institution estimates that there are 268,000 jobs in the Portland region that rely on trade. These jobs tend to pay higher average wages than jobs in the same market that do not depend on international trade. So, not only does international trade create sustainable jobs, it creates good-paying careers and a positive future for our communities, schools, and children. The South Korea deal will especially benefit the First District of Oregon, as South Korea is a huge market for Oregon goods already, but they have suffered tariffs placed on them by the Koreans. This deal eliminates those tariffs. These products include agriculture, electronic components, machinery and many other products. As the congressman from the First Congressional District, I will champion our region's employers and workers, manufacturers, and agriculture and promote their goods and services domestically and internationally.
- No

Should the Federal Government continue to subsidize interstate high speed rail and Amtrak service?

- Yes
- No
- Other Such subsidies should be reviewed and approved on a case-by-case basis only where they make sense from a geographic location standpoint as well as considerations such as demand, other nearby infrastructure and transportation options, etc.

What should the next CD 1 Representative do about the Columbia River Crossing (new planned bridge across the Columbia between Oregon and Washington)?

- Get local leaders to agree on a plan and fight for federal funding
- Tell local leaders the costs are out of control and must be contained before any federal funding

[X] Other We need to replace the Eisenhower-era bridge to help update our infrastructure so we can compete with the Austins, Denvers and Shanghais of the world. But the waste so far has been inexcusable and reinforces the skepticism people feel towards government. We don't just need a new bridge, we need new leaders in Congress who will be partners with local leaders and constituents instead of acting via fiat. I am not going to dictate to local officials from a federal seat what should be happening on a local level. Rather, I will partner with them to make sure local priorities have an advocate in Washington – as long as these projects have a federal purpose, can honestly account to Oregonians that dedicated monies are being properly used, and that there is no crony capitalism as part of the project.

What should the next CD 1 Representative do to help the rural areas in the District?

I invite you to join me in raising our expectations of what a member of Congress can be. First, the next OR-1 Representative needs to truly be an advocate and champion for the District. For far too long, we have been without a strong voice representing this dynamic District, and now we have no voice at all. Secondly, we need to stop sending par ti san “ button-pushers” to Congress.

I intend to represent the people, not a party.

Rural areas are hurting. I will fight for our farmers, forestry workers, fishermen and vintners. We must expand global markets for our goods, including our produce, wine, wood products and fish. Unemployment remains unacceptably high, and we need someone in Congress who has built a business from scratch and employed 60 people rather than a lawyer-turned-career politician who has no real world concept of how to grow a business in tough times. Our education system must be a priority. I will resist more top-down solutions like the well intentioned but flawed No Child Left Behind Act, and instead focus on local control. Finally, we must preserve our natural environment and habitats while also sending Oregonians back in to responsibly manage our forests.

What should the next CD 1 Representative do to help the urban and suburban areas in the District?

Job creation must be the top priority of the next CD Representative. I have spent my professional life not as an attorney-turned-career politician, but as a job creator who has hired 60 Oregonians at my own company and helped launch the careers of 500 others from diverse backgrounds of varying ethnicities, genders and socioeconomic backgrounds. The suburban and urban areas of the district need a representative who will advocate on a national stage for their needs, their products, and the diverse assets of NW Oregon. The mom working full-time yet also finding the time to take her kids to soccer practice needs to know her Representative is fighting for jobs here in Oregon for when her kids graduate college. She needs to know her Representative will not saddle those kids with a mountain of debt. She also needs to know that her Representative cares about improving education for all kids. And she needs to trust that her Representative will protect Medicare and Social Security so that she doesn't have to assume the costs of providing the basics for her aging parents. She can be assured I do not support privatization of Social Security or Medicare.

How should Congress respond to the decision of the U.S. Supreme Court (Citizens United) that the First Amendment prohibits limits on independent expenditures by corporations and unions in federal election campaigns?

- Congress should refer to the States for ratification a constitutional amendment stating that the First Amendment does not forbid limits on political campaign contributions or expenditures.
- Congress should by statute remove the jurisdiction of the U.S. Supreme Court to invalidate laws pertaining to political campaign contributions and expenditures.
- Congress should remove all limits on political campaign contributions or expenditures in federal races.
- Congress should do nothing.
- Other Removing Supreme Court jurisdiction regarding fundamental rights is a slippery slope. As stated earlier, I believe that the right to free speech comes with a right to know who is speaking. We should have full and immediate disclosure and transparency on political advertising, and that disclosure should accompany all political communications. No shadow groups should be allowed to anonymously and unfairly attack candidates.*