

Susan- Good evening and welcome to Senator Mike Crapo's live I-TownHall conference call. This is Susan Wheeler, Senator Crapo's chief of staff in Washington DC and I'll be your moderator this evening. Thank you for joining us tonight and we hope that you will find this call informative and useful. In just a few minutes Senator Crapo will be joining us for a one hour live question and answer session, but first here's a short rundown of how the next hour will proceed. This is a live conference call with Senator Crapo but in order for everyone to hear, you are in listen only mode, in other words you can hear me but I cannot hear you nor can you hear each other at this time. This I-Townhall meeting is not intended to take the place of a physical town hall meeting where the senator will meet with Idahoans in person in the state, rather it's an addition, and lets him use technology to put thousands of Idahoans on a conference call with him at a time when he cannot be in Idaho to meet in person. Throughout the call you are welcome to join in with a question or comment. If you would like to ask a question please press star (\*) 3 on your telephone keypad, you will then be transferred to one of our staff members who will then get some brief information from you, your name and question basically, and then you will be able to listen to the call until we have an opportunity to take your question and if your question does come up, we'll speak your name and generally your hometown and ask you to go ahead and ask the question. The call will last an hour, and you can stay with us as long as you wish, we hope it will be for the full hour, during the call it might work well for you to place the call on speaker phone if you have that capability and it makes it easier for you to listen. Since the senator would like to get to as many of your questions as possible we try to move quickly. If you aren't interested in asking a question tonight you're still welcome to stay with us to learn about the issues confronting our country. Senator Crapo is now waiting to hear from you and our phone lines are open, remember to press star (\*) 3 if you are interested in asking a question and you will be transferred into the question queue.

With that let's welcome Senator Crapo to the I-Townhall meeting. Senator, good evening. Thank you for hosting this call tonight, I think this our first one of 2012, perhaps you can take a couple of minutes to talk about the issues before we get to the questions.

Senator Crapo- Thank you Susan and welcome to all of our participants in this I-Townhall meeting. I'm going to take just a few minutes at the outset here and talk about some of the issues that are on the floor of the Senate as well as a couple of the issues that though not on the floor, are critical issues that are brewing in Washington DC. On the floor of the Senate right now is the Highway Bill, this actually is one of those bills which I support in that it authorizes the construction and improvement of our interstate transport system and it focuses on our roads and bridges and the basic infrastructure that is so critical to our small businesses and our economic development around the country, particularly in rural areas. That being said, this is a time when we face very significant budget shortfalls, and we're going to be facing some tough decisions on this bill with regard to how to fund it. I think most people know that our highway system is supposed to be funded by our gasoline tax and the vast majority of this bill can be covered by the revenue into our gasoline trust fund, our highway trust fund. But there is a shortfall in terms of

the needs versus what the trust fund is generating in revenue and there will be a significant debate about whether we can find other ways in our budget to reduce spending to allow for what I consider to be the appropriate spending in this bill on our highway system. We will also be debating and voting tomorrow on an amendment, though it's not related to the highway bill, an amendment that I think is very important to most Americans. It's actually an amendment to the Obamacare legislation that responds to a recent Health and Human Services rule that essentially forces people to purchase contraceptive products and other services that are in violation of their religious beliefs through health insurance exchanges that they are required to utilize. This bill would not eliminate any such contraceptive products or services from being purchased by those who wish to purchase them voluntarily or wish to have them included in their insurance products but it would respect the rights of conscience and religious freedom among those organizations that have a religious objection to some of these products and services and do not feel it would be appropriate for them to be forced to purchase them through federal law. It'll be a very important vote and I intend to support this correction so that the rights of religious liberty can be protected while not infringing on the rights of anyone else to purchase the products they desire in the marketplace. We are also dealing with broad budget issues. I think most Americans are very, very aware of the debt crisis that we face. Our debt today is over 15.4 trillion dollars, we've added over 5 trillion dollars of that debt in just the last three and a half years. The President's budget that he has submitted to us would increase spending significantly rather than starting to control it, and would actually add another 1.3 trillion dollars to that debt over the next year, and over 11 trillion dollars to that debt over the next decade. This is a spending spree that we simply cannot sustain, I've spent most of the last two or three years fighting aggressively to put together a plan to deal with our mounting debt crisis and will continue to fight to put such a plan together. I think the President's budget which raises taxes by 1.9 trillion dollars and does not reduce the level of spending and in fact increases the level of spending rather than helping us to find spending controls that would protect our budget is not acceptable and I think that this is one of the key battles we are having in Washington right now. I think it's very important to note that many people say well there's so many critical federal programs and so many critical federal spending needs that we simply can't control the budget and unfortunately there is a tremendous amount of waste, fraud, and abuse, there's a phenomenal amount of duplication in our federal budget and frankly a significant amount of spending that is not economically justified and the threat to our economy that is posed by this mounting national debt can't be overstated. I personally think it's the greatest threat that our country has faced, clearly the greatest internal threat that our country has ever faced and it literally threatens the American Dream. If we do not in some way control this explosive spending and mounting debt that we are creating in the country. So this is another one of the key battles that we are facing. There are many, many other issues that are before us whether they deal with our energy policy, our regulatory policy with regard to numerous issues, the general question of regulatory burdens and the list goes on and on. But I will stop here and throw it open for questions and I look forward to having a very good discussion with you over the next hour.

Susan Wheeler- Thank you Senator Crapo. For those of you just joining us, welcome and thank you for participating. I am Senator Crapo's chief of staff, Susan Wheeler, your moderator for this evening. You're part of Senator Crapo's I-TownHall meeting which will last about an hour. If you want to ask Senator Crapo a question, please press star (\*) 3 to be placed in the question queue, you can do that at any time during the call and we'll try to get to as many questions as possible. Let's start with Marvin, from Buhl. Marvin, you have a question for the Senator about the price of gas.

Caller 1- Yes, Senator on the price of gasoline: do you know the price that we get it from Saudi Arabia per barrel?

Senator Crapo- I don't know the exact price that we get from Saudi Arabia, no.

Caller 1- It's 43 dollars a barrel. And why do we pay 43 dollars a barrel and constantly that's what the going rate is over there to the United States. And I was wondering how come when it gets over here, the price of gasoline is going up and up and up.

Senator Crapo- Well, although I didn't know the exact price that we're paying for the oil from the Middle East, one thing that I and unfortunately every American painfully knows is that we are far too dependent on oil from the Middle East and frankly from other parts of the world that are not always friendly to United States interests. The reason for that is that notwithstanding the votes that I've taken and the efforts I've undertaken to expand our oil production and open our production in places like ANWAR and the Outer Continental Shelf, the shale oil that we have in the interior part of the country. We have lost those votes in the Senate for the last 5, 6, 8, 10 years and the United States has actually seen its oil production go down which results in our dependency not only a high dependency on oil in this country but a high dependency on foreign oil. And it's when the supply of this foreign oil that can be managed or manipulated by these other countries faces the increasing demand for oil globally that we see these price spikes and the most important thing that our country could do right now is to aggressively engage in producing our own oil, we can do so in an economically safe way and an environmentally safe way. And by doing so we would have a dramatic impact on our own ability to develop our own resources and not be dependent on foreign sources of oil.

Susan Wheeler- So, let's move on to another question. We've got a number coming in on national debt and budget issues so let's go to Charles in Tensed, you have a question about the budget. Charles, go ahead.

Caller 2- Yes. I think there is a good way to get that budget passed and that would stop the crazy spending.

Senator Crapo- Go ahead, did you want to say more Charles?

Caller 2- Oh yeah. If all the Republicans would pass something that would stop Congress from getting paid. No more money, you don't get any wage when you don't do your job. So you know, the Democrats would get on board real quick, and it would get passed. That would stop all this crazy spending.

Senator Crapo- You know I actually think that you're probably right Charles.

Caller 2- I'm sure I am.

Senator Crapo- The House of Representatives which is controlled by the Republicans, has passed and will this year again pass a budget and in fact in the Senate, the Senate Republicans brought the House-passed budget forward and all of it voted for it but it was defeated in the Senate and so the Congress did not have a budget last year. It's been over three years since the budget committee in the Senate has passed out a budget and the Senate has not operated with a budget which results in phenomenal overspending in Washington. So Charles I think you're absolutely right that kind of a pressure tactic I think would work well, the problem is that it would not pass in the Democrat-controlled Senate. In fact, I don't think it would be allowed by the Senate Majority Leader Harry Reid to come to the floor for a vote. But it would be the kind of thing that I think the country would rally around because they're tired of watching Congress simply refuse to even budget, let alone control its budget and its spending habits.

Susan Wheeler- So we're going to stick on the budget issue for right now, go to Isaac in Shelley, he has a question about the national debt.

Caller 3- I was wondering if Congress is trying to pass any bills to pay off our debts, not just budget, but pay off our debts.

Senator Crapo- That's an excellent question and unfortunately the short answer is that Congress has not passed any legislation this year or even last year that would help us pay off our debt. Instead, Congress continues to spend in excess of the amount of revenue that the country collects in our tax structure. The difference in that is stunning. The United States Congress spends about 3.5 to 3.8 trillion dollars a year and they borrow about 40 to 42 percent of that. So out of every dollar the federal government spends, not only are they not paying it down, they are adding to it, to the tune of about 40 cents for every dollar spent. Many of us have fought very hard to put some spending restraints in place, the most significant one in recent months was our effort to get a vote late last year on the balanced budget amendment, and although we were able to force a vote on the balanced budget amendment, it did not pass in the Senate. And because of that, an opportunity to put a very powerful budget enforcement mechanism in place that would have ultimately forced Congress to start paying down our debt, was not put out to the states for ratification. There are many, many other bills that have been introduced in Congress to do exactly what has been suggested here and that is, to help put us in a position where we will pay down our debt. But unfortunately at this point we have not had the votes in Congress to pass those bills, and the last thing I will say is many of you may be aware that I've been involved in

the President's fiscal commission, the Bowles-Simpson commission, as well as with a group that has been dubbed by the media to be called the Gang of Six, which is three democrat and three republican senators who are negotiating a proposal that would actually reduce our national debt by over 4 trillion dollars over the next decade, and that step though not completely adequate for the need, would at least help us to stop spending more than we take in and to start reducing the growth of our debt and reduce the trend line that would help us to ultimately pay down our national debt, so there's a lot of work going on in terms of trying to build a pathway toward controlling our debt but at this point, I'm sorry I have to say that those efforts have not made it through to the President's desk to see if the President would sign them.

Susan Wheeler- Well, we're going to stick with the tax and deficit issue, going to Bill in Moscow you have a question with regard to budget issues.

Caller 4- Yes, my question is if you don't like the President's proposals of increasing taxes on corporations to get the many corporations that virtually avoid all the taxes, are you also open to something else that would make all corporations taxed fairly rather than the unfair sequence we have now.

Senator Crapo- Well, the answer is yes. And although the president uses very strong language and rhetoric about how those who make over 250,000 dollars are those frankly, millionaires he says, millionaires in the country whether they be corporations or individuals, are not paying their fair share. The statistics show that the average millionaire's tax return for example in the United States pays a tax rate of 30 percent or 29.6 percent, I think is the average. The reason I point that out is there are some circumstances in which we need to eliminate the loopholes because there are some cases, there are some cases in which very wealthy corporations or very wealthy individuals are able to pay much lower rate of taxes than others, and I do think it should be fair, and I do think those loopholes should be closed. That being said, my point earlier was that it doesn't generate the hundreds and hundreds of billions of dollars of revenue that the President implies and in fact it doesn't generate anywhere close to the kind of revenue that would help us to deal with our debt crisis. In the context of this though, I really do believe and agree with you that our corporate tax structure and our individual tax structure need to be reformed. There are over a thousand pages of what are called tax expenditures or deductions, credits, and exemptions in the tax code, many of which are valid and proper deductions and credits. For example, the home mortgage deduction or the deduction for contributions to retirement plans or the deductions for charitable contributions and those are proper, but among that thousands of pages of deductions, there are many that are not proper and they need to be identified and removed and as a part of that, some of the studies that I've seen and in fact the Bowles-Simpson commission that was appointed by the President concluded, that we could actually generate a significant amount of revenue to help us pay with our debt crisis, pay for parts of our debt crisis, while at the same time reducing the overall tax rates that are paid by individuals and corporations and generate an extremely significant amount of new economic activity through the kinds of tax reform that would make our economy bigger and stronger and thereby generate greater revenue

to help us deal with our debt crisis while at the same time reforming the code, making it less complex, less expensive to comply with, and frankly making American businesses more competitive. That's the direction I think we ought to take with our tax code, and there is a mounting support for that on both sides of the aisle, republicans and democrats which I hope ultimately will help us get to the kind of reform that we've discussed here. I want to say one last thing, that all being said, the real problem, the biggest part of the problem by far is not that our taxes are too low, but that our spending is too high. And so while we do need to reform our tax code and take out the inappropriate loopholes where they exist, and make our economy stronger, we also need to remember that that's not a substitute for dealing with the phenomenal explosion of spending in Washington which also needs to be a key part of the solution.

Susan Wheeler- For the next question, well first we probably should remind folks that we are going for an hour, we're about a third of the way through that so we've got about 40 more minutes. If you would like to ask Senator Crapo a question, you can press star (\*) 3 on your telephone keypad, that will put you in the question queue and one of our staff members will get brief information from you, you'll be able to continue listening throughout that time and at the end of this call, if you don't want to ask a question, at the end of this call you'll have an opportunity to leave a voicemail message for Senator Crapo and he'll be able to listen to your comments, thoughts, your opinions on whatever issue might be concerning you. So, for the next question let's go to Brenda in Twin Falls, you have a question regarding health insurance.

Caller 5: Hi, Senator Crapo I was just wondering, how much do you pay for health insurance for you and your family, and do you have co-pays on your prescription? I just want to know if your health insurance is comparable to the ones that us Americans have.

Senator Crapo: Yes Brenda, I'm on the very same health care plan that government employees around the country are on. Many people think that Congress has a special health care plan, they don't, they are on the government employee health care plan that is a very favorable plan. I don't remember the exact premium rates right now, but I can tell you that there are co-pays and deductibles just like everyone else. As a matter of fact, in the Obamacare legislation, which I voted against, but there was one provision that was in there, there were a number that I did support that were in it, this one was one that actually was brought by a republican senator to amend the bill and put into it, but there was a provision included that provided that members of Congress had to live in the same health care system that they were creating through the Obamacare legislation and that amendment was adopted and was included in the Obamacare legislation and so the bottom line here is that as we move forward with the implementation of Obamacare, now I for one would like to see us repeal it, but as long as it is on the books, we will be transitioning to a system where members of Congress are in the same system and everyone else and like I say today that's the same system that is in place for federal employees nationwide.

Susan Wheeler: And just to add a little bit more to that, that would be any forest service worker, BLM employee has the same health care options that you do or any of your employees as a

member of Congress. And there are a few options, we get to make some choices with regard to what kind of health care we want, if we want to go with the premium health insurance or if we want to do an HMO.

Senator Crapo- And then the cost to the employee changes depending on the choices they make.

Susan Wheeler- Right. Next question, we're going to go to Ray in Buhl, you have a question with regard to how Congress is operating.

Caller 6- Yes sir, Senator. I've listened to you tonight, and I've watched you on TV, and I've watched a lot of other members of Congress on TV and they all decry the fact that they can't seem to get anything done back there. You talk to the people out in the street here in Idaho and they're sick to death, saying that Congress isn't working and they don't know what to do. So my question to you is if Congress can't work or can't get things done and we're going to go bankrupt because we can't pass a budget or we can't control our spending, how do we fix it?

Senator Crapo- Well, it's an excellent question and it's a question that goes to the core of the political problems we face in the country in my opinion. To just elaborate a little bit before I give you my answer to the question, right now I believe that Congress is gridlocked worse than I've ever seen it and the partisanship and the personal attacks are as bad as they ever were and it has resulted in a situation in which Congress literally is deadlocked as you've said and the American public knows that and they see that and people across this country are asking the same question that you asked. My answer to the question is this: many of the same people who object to the deadlock and the gridlock in Congress are also objecting to the solutions that are presented in Congress and actually helping to create the political opposition to the bills that are brought before Congress that are ultimately, consistently defeated. Let me just give you an example by saying it a different way: as I mentioned earlier when a group of us, six of us brought forward a plan to reduce our debt pattern in the United States by four trillion dollars, we put pretty much everything on the table, whether it was defense spending, or entitlement spending, or our farm programs, or what have you, we said everybody's got to participate in a fair and even-handed way but everybody needs to participate in this and when we did that, when our ideas came out, special interest groups across the country that were so well organized and have been for years became very active, the knives came out, the political attacks came on, and the political support for moving forward with this kind of a plan was aggressively attacked and I have to say that members of Congress respond to the input they receive from their constituents and so I personally believe that two things need to happen. Members of Congress need to be willing to vote in a way that will help to literally save the country on a fiscal basis regardless of whether these special interest groups are organized and actively opposing them and members of Congress need to step up and recognize that our nation's future is literally on the line. But secondly, these special interest groups need to take a greater consideration of the overall good of the American people and the protection of our nation in this tremendously dangerous debt crisis that we face and to allow the political system to move forward with some of these solutions, so I think that

the responsibility lies on both sides. I think members of Congress need to have greater courage and to stand up and stand behind these kinds of plans that can help us to save our country but I also think that the American public needs to be much better engaged and much more supportive of some of these tough decisions that are going to need to be made rather than supporting some of the special interest opposition groups.

Susan Wheeler- Well, we've got a lot of questions that are coming in on debt and deficit. I think maybe, you have already dealt with answering the question that Mike from Boise has regarding the debt and Bowles-Simpson but we'll go to him and see if you missed something.

Caller 7- No, I appreciate it, see my name is Mike and I'm from Boise, I happen to unfortunately be living hopefully just temporarily in California and first off I saw Alan Simpson on C-SPAN. I think everything that Bowles-Simpson or I think they were calling it Simpson-Bowles because he was the one that they were talking to. He was great, and I think that whatever we can do to kind of get the middle road on both raising taxes and reducing spending at the same time is definitely the way to go. Actually I am concerned mostly about the incredible spending and deficits we are creating here and all that but I guess I also have other observations that it seems like on the Republican side and this might be on the tea party side everybody's concerned about raising taxes and that would put a damper on the economy and I guess I just kind of totally disagree with that, I think that in corporate America there's a record amount of cash and balance sheets and there's no demand out there, unfortunately the economy's so weak that if taxes were reduced I think the corporations would just have more money available but would not spend it and all that and I know that there's a lot of controversy about Bernanke and keeping the interest rates really super low right now and whether you agree with it or not I think it's actually kind of a gift right now if we as rates are low if we can pay off as much of our debt as possible that would just go a long ways to get things going because I think once the economy gets going and the interest rates rise the debt is just going to mushroom big time and unfortunately I also think that the more wealthy individuals are going to have to pay more and I think that in the long run I think they'll still benefit and the economy in the future will start to grow again and all that and they'll make it up in the long run but getting the deficits down I think is just actually really, extremely important. I guess a couple other observations is that when it comes down to what is considered to be wealthy, as far as I think Obama's concerned it's 250,000. I can tell you that moving from Boise to California, 250,000 dollars is nothing I mean I can barely scrape by with the cost of housing here and even though the housing in California has plummeted at least everybody tells me this, the cost of living here is so incredible that 250,000 is not wealthy and I think that the Buffet rule should be increased considerably up to maybe a million or 5 million dollars or something like that because I think that the middle class is just going to be creamed by just going down to 250,000. I wish I was back in Boise where the cost of living is much less but that's just kind of an observation from being in here in California which from my standpoint almost looks like what appears to be Greece here it just looks like the economy here is just terrible. I wish I was back in Boise and hopefully I'll be back in another six months.

Senator Crapo- Well, we hope you will too and let me respond to some of those issues that you've raised. First with regard to the Simpson-Bowles commission or the Bowles-Simpson commission as I indicated earlier I served on that commission and I voted for its work product which would have been a very balanced approach, would have put everything on the table and would have literally been I think one of the strongest shots in the arm to our economy that we could have had because it would have shown that contrary to Europe and Greece as the common example is given, the United States is willing to deal with its problems, we continue to fight, that's also what the Gang of Six was all about was trying to maneuver forward with a plan to implement the Bowles-Simpson commission report. And in that context, as you mentioned that you believe that tax revenue needs to be a part of the solution just like spending restraints need to be a part of the solution, I agree with that but with one important clarification. As I said earlier, our tax code is probably one of the most complex, one of the most unfair, and one of the most offensive to comply with that we could have designed, and on top of all that, it's also one of the most anti-competitive to US business interests. And I personally believe like the Simpson-Bowles commission or the Bowles-Simpson commission did that the way to approach the revenue side of the equation is not to just continue to stay in the age-old battle that Republicans and Democrats have over whether to raise tax rates or whether to lower tax rates and whether the taxes are high enough on this group or too high on that group instead we need to move out of that paradigm and this is what the non-elected officials the non-Congressional members of the Bowles-Simpson commission who were members of the private sector recommended, they recommended that we move instead to a reform of both our corporate and individual tax codes that would weed out a lot of the special interests politics and provisions that have worked into it over the years and would deal with the kinds of inequalities that exist in the code and flatten the code and broaden the base in a way that would actually help to generate much greater revenue for the country through a stronger economy. I do with regard to the comments you've made about the question about what level of revenue is high enough and should we follow the proposal that the President made that those with high incomes should pay a minimum level of tax. I think the President's proposal that those making a million dollars or more should pay a minimum of thirty percent tax rate, I personally think that 30 percent tax rate is too high for anybody but in our current system the point I made earlier in the program that the average that is paid by those making a million dollars or more is 29.6 percent and so there are some on the bottom half of that average who may be taking advantage of loopholes that should be eliminated, and some on the top half of that average who are paying a higher percentage because they are not taking advantage of the loopholes. One way or another, we need to flatten the code and actually allow ourselves to reduce the rates while still generating greater income. I know I probably haven't hit every issue that the caller raised but the bottom line here is I really appreciate the point that this caller and other callers have made that we've got to recognize like I said I think the greatest threat that we face today and maybe the greatest threat we've faced ever, I think particularly in terms of internal threats the greatest threat we've faced ever may be the national debt that we are

creating right now that could literally devastate our economy in a very short time if we don't take strong action to deal with it.

Susan Wheeler- So clearly debt and deficit issues remain a top priority for folks in looking at the questions that we've got and there are still a number of questions, a little but different but on the same kind of theme but we're going to take some on some other issues so we're going to go with Don in Rexburg, you have a question about right to carry. Go ahead

Caller 8- Hi there, Senator Crapo. I was kind of curious to see if the right to carry reciprocity act had moved in the Senate yet. I have a permit to carry and it's just odd to me that I can visit my uncle in Post Falls without a problem but when if I wanted to visit my uncle in Spokane my permit isn't valid even though my driver's license is and so I'd like to see national legislation to fix that problem and it doesn't seem to me that the right for self-defense should be paused along the state border.

Senator Crapo- Well Don I actually agree with you and yes the reciprocity act for firearms is in the Senate and I am a co-sponsor of that bill. What this bill would do would be to provide as you've indicated that those who have a concealed weapons permit and are allowed under the law of their state to carry a concealed weapon would be allowed to do so in other states with a very important clarification and this is something that's very important to me. They would still have to comply with all of the firearms laws of the state into which they traveled and the reason I believe that's important is I believe very strongly that firearms legislation should be a matter of state law to the maximum extent possible and not federal law and because of that I believe that this act facilitates the ability of states to design a system for concealed to carry of firearms in fair ways but still protects the rights of states to honor all of their firearms laws and because of that like I say I am a co-sponsor of this legislation. I don't know whether it will move to be honest with you because unfortunately I don't believe that it is supported by the current leadership in the Senate and if the current leadership in the Senate does not support it then they have the ability to keep it from moving to the floor for a vote. That being said, the more political pressure that people can bring and the more concern that people can raise about getting this legislation moved, then the better our odds of being able to create the pressure necessary to get Senator Reid to put it on the floor of the Senate for consideration.

Susan Wheeler- Well, moving to another issue we have a number of questions regarding oil and relying on foreign oil so we're going to go to Adam in Basalt. Go ahead, you have a question for Senator Crapo.

Caller 9- Yes, Mr Crapo. I want to kind of talk about, we're overseas for the oil and it's a tremendous expense for the oil yet here we have our own oil so why don't we use our own oil instead of using foreign countries' oil?

Senator Crapo- Well Adam, you have asked a very, very good question. And I alluded to this briefly earlier but let me expand. Right now, the United States economy is very heavily

dependent on petroleum, on oil, and although we do need to diversify, just like we should have a diversified investment portfolio America needs a diversified energy portfolio and we need to have much more than petroleum as significant sources of our energy in this country whether that be a significant expansion of nuclear energy or other renewable and alternative fuels or frankly a very, very aggressive focus on conservation because of every gallon of gas that is not used is equal to one that was produced. That being said, we still are a very heavy oil dependent economy and will be for years and years if not decades and we are not producing our own oil. We have very significant oil reserves in Alaska, in our outer continental shelf areas, in the shale oil in the interior part of the country, and in addition to the oil we also have the natural gas resources that are extensive as well as coal resources that are extensive. America is a very energy-rich country if we would simply develop our own energy. Our failure to do so has put us in a dependency position with nations in the Middle East, we have to buy our oil from places like the Middle East or Venezuela, we do get a lot of our oil from friendly nations like Canada and others, but the bottom line is the United States should not put itself in such a heavily dependent position. So in my opinion there is not a good answer to your question that explains why we won't do it, the answer is that we have tried and tried, time and time again in the Senate to get legislation moved that would free up and frankly incentivize, our aggressive development of our own oil resources, but we have failed. We have failed to get the necessary votes to pass that legislation and my hope is that people across the country will start asking the question that you've asked and encouraging their Senators and Congressmen to stand up for an aggressive energy posture of the United States, our failure to do so jeopardizes not only our economic security but our national security and we can develop this oil without harming our environment and I believe we should aggressively get engaged in doing it.

Susan Wheeler- We're going to go next to Susan from Harrison, she's got a suggestion to go along with what you just had to say.

Senator Crapo- All right.

Caller 10- Good evening, Senator. I'm an accountant, my background is accounting and I know that there is some oil production here in this country and my thought would be that there should be incentives to keep it here as far as selling to it to our own country by means of investment tax credit, which was a number of years ago but investing USA credit, keeping it here so there would be credits to the oil companies. And then to the opposite, when it is being sold to places such as India, or China that there would be a surcharge tax that would be opposed so there would be more of an incentive to keep it in this country.

Senator Crapo- Well, first of all, I think, it's Susan, right? Yes, Susan, I think that your idea has some merit, let me comment on some of the problems it might face, however. As you may know, President Obama has decried provisions in our tax code that have given some kind of tax benefit to oil companies, claiming that they have record profits and should not be allowed to have these benefits. These tax provisions, whether they are good or not, were put in by previous Congresses

and Presidents in an effort to incentivize oil production in the United States and the notion that we could perhaps incentivize the marketing of that oil in the United States is not a bad idea, in fact I think that there would be a lot of willingness to consider at least the credit for selling oil in the United States rather than simply taking the production here and then selling offshore. There's one other piece of this though, it's a little complicated and I don't profess to be a strong expert in this but there's an example of how oil is marketed that was explained to me recently that would make it necessary for us to be very careful about how we implemented such a provision. What I mean is this, I'm told that for example, when we refine oil in our refineries in the gulf in the southern part of the country that we don't have enough production of oil from US sources to keep those refineries operating at full power or at a full source so the refineries end up purchasing oil on top of that which we produce from elsewhere, places like Saudi Arabia or Venezuela, that's part of what the battle over the XL pipeline is all about, is they would like to purchase that oil at least from Canada, that excess oil that they need beyond our production and once those refineries have produced the various products that they get by refining the oil they end up with a number of different products, two of them are gasoline and diesel and they don't end up with as much gasoline as they need for US markets and they end up with more diesel than they probably need and the reverse is true in Europe, Europe uses more diesel than gasoline, and so there's a bit of a trade between refineries as I understand it, they will ship gasoline from Europe to the United States and ship diesel from the United States to Europe and in that process we're able to gain advantage to the better balance that we need in our various trade relations for the kind of product that we want in the United States. All that being said, I'm confident that we can take all of these things into consideration, and craft a policy that would create incentives for higher levels of marketing of our oil here in the United States and I think that the idea you've proposed is a good one.

Susan Wheeler- Well, we only have about ten minutes left, I think we can probably get in another couple of questions so we'll try and make these a little diverse, we're going to go to Tonya from Rexburg, you have a question with regard to the current administration, go ahead.

Caller 11- Yes, I do. Hi Mike, it's good to hear you and we're glad to hear that you're still working hard.

Senator Crapo- Hi Tonya.

Caller 11- Hi, our question is that we're very concerned about President Obama saying that he is going to circumvent going through Congress and he won't even ask for permission or have votes on things and he'll just do whatever he wants and that's a dictatorship.

Senator Crapo- It is a very disconcerting thing, you may recall that back when the Congress went Republican when Bill Clinton was President, he did the same thing or at least tried to and that's when we saw a significant amount of executive orders and other independent acts by the President to basically have the executive agencies of government which he controls through

rulemaking or through enforcement policy or what have you, simply do things the way he wanted them done without getting congressional authorization. We are starting to see President Obama do similar things in regard to this Congress, one of the most outrageous examples has been his appointment of czars who basically don't have to come before the Senate floor for confirmation but perform the roles, essentially the roles that fit the description of people or servants in our civil system who should come before the Senate for confirmation hearings. One of them, recently, the head of the CFPB, the Consumer Financial Protection Bureau, one of the most powerful, maybe the most powerful agency ever created by Congress, last Congress by the Dodd-Frank legislation dealing with our financial system, this individual was appointed in what's called a recess appointment so that he could simply bypass Congress and not even have a Senate hearing or a Senate confirmation vote on his position, and the position that this individual takes is one which is not accountable to Congress financially for its budget, it's not accountable to the President, it's not accountable to a board of directors. This individual can simply adopt rules and regulations at his own will and I think we're unfortunately going to see him doing some of that soon. So this is just one of many, many examples of where the President is going to try and go around Congress. I can tell you that to a certain extent under our system of law the President does have a significant amount of flexibility in the administration of the executive branch where he can just by avoiding dealing with Congress, try to do as much as he wants through regulatory actions. Those regulatory actions though, can be challenged in Court, not only by members of Congress but by individuals in the country and we will be conducting in Congress significant oversight of these agencies and I think what we will find out is that there will be a significant pushback which will ultimately result, I believe, in the President having to come and deal with Congress much more than it currently looks like he is willing to do.

Susan Wheeler- Well, it appears that we probably just have time for one more caller tonight and it's been terrific, we've had a lot of people who entered the question queue and unfortunately if we were not able to get to your question, please stay on the line because at the end of this call you'll be able to leave a message for the Senator on voicemail, there will be some instructions, you'll hear a beep and the Senator will be able to listen to everything that you wanted to leave for him to listen to. Also I wanted to remind our listeners that Senator Crapo can be reached at (202) 224-6142 in DC or one of the six state offices that we have in Idaho, the website address is <http://crapo.senate.gov>. We will continue to have these calls in the future and if you'd like to ensure that you participate in our next call please sign up on our website, you can also sign up for Senator Crapo's monthly e-newsletter there. Senator Crapo, our last question tonight, we're going to go to Molly in Eagle and I think that she expresses something that a lot of people feel and that is that their individual input doesn't seem to count. Go ahead, Molly.

Caller 12- Senator, I want to say that I appreciate the work that all of you Senators do, we hear a lot about negative reports but I think it's a hard job. I also want to ask you, inside of the fact that there is so much weight with special interest groups, how much weight does my personal communication with the Senator or Representative have?

Senator Crapo- Well, Molly I'm glad you asked that question. I get asked that question in one way or another in most town halls and other meetings that I have with Idahoans and actually there is an answer to it. Many people feel that Congress is a distant entity, that it's not responsive to individuals anymore and that it is controlled by special interest groups and I will not deny that special interest groups have phenomenal power in Congress but those special interest groups are made up of individuals and the way that special interest groups are able to be so influential is they have organized their members to get very active in advocating with their members of Congress when an issue comes up that they want to either block or support and so it's not because some organization called XYZ calls up a member of Congress and says we would like you to do something, it's because hundreds and hundreds if not thousands of constituents of a member of Congress call him or her up and say well we support this particular effort and my point is this, grassroots politics actually still works really well in the United States. It is people getting involved and contacting their member of Congress that still makes the biggest difference. Now some Idahoans then ask me well, I tend to agree with you and the other members of the Idaho delegation so what can I do, should I even tell you if I like what you're doing? Well the answer there is first and foremost, yes, contact us, and tell us if you know that I'm going to vote for something that you want me to support call me and tell me that you support it because that gives me the strength back here to advocate with my colleagues about the level of support that I'm seeing for this from my constituents but secondly and this is probably the key point that I want to make in answering your question: everybody has what I call a circle of influence, everybody has friends, neighbors, family members, business associates, people that they know through associations that they are members of, who they can influence, and encourage to also get involved. I tell people if you have a specific issue that you want to pursue whether you want to stop something or support something or advocate something, look at your Christmas card list, look at your e-mail contacts in your e-mail system, look at your facebook friends, or your twitter tweets, or you know there's all kinds of social media now whereby people can communicate with each other and people have a pretty broad circle of influence if they'll stop and think about it and I encourage people to magnify their own individual voice by getting everyone in their circle of influence informed and encouraged to do the same thing, to contact their Senators and their Congressmen and many of them will live in other states so that's just my suggestion but I want to assure you and I know I speak for the entire Idaho delegation, I very carefully watch the input that my constituents provide to me on issue after issue after issue. In fact, every day I see a tally of the input that's coming into my office and I review the specific points that the people who contact me are trying to make and I know that our entire delegation does that and that it does make a difference and so I hope that that helps you but I encourage you to not only keep it up but to encourage everyone you know to get engaged and to do the same thing.

Susan Wheeler- And on that note, that's going to have to be your last word, we're almost out of time, we've covered a large number of topics tonight from deficit spending and taxes to high energy costs and energy availability, all of this will be posted on the Senator's website within the next day or so, along with the transcript. Thank you for participating tonight, we hope that you

found this call useful and informative, you are welcome and in fact encouraged to leave Senator Crapo a voicemail message following this call. If you'd like a response to your voicemail message, please make sure that you leave your contact information including your full name and mailing address and it probably works best if you spell your last name so that we can make sure that we get it addressed properly, additionally the audio from this whole meeting will be posted on the Senator's website should you wish to listen to it again or recommend it to your friends and family, you can also sign up to be on the VIP call list for the next call. We appreciate your participation this evening, you're welcome to keep up with how Senator Crapo is representing you and other Idahoans in the US Senate through his website, iTunes where he posts podcasts of hearings, statements and floor speeches on YouTube, and Facebook where many items on what the Senator is doing in Congress are available. We hope to visit with you again soon, good night.