

January 23, 2008

Last Updated Monday, 21 April 2008

Ambassador's Corner

WEEKLY MESSAGE FROM AMBASSADOR JOHN BRUTON

Montgomery County and County Meath – the challenge of rapid growth

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I spent 35 years as a local politician representing County Meath, a part of Ireland that was once rural but which has rapidly become suburban as a result of commuting to Ireland's capital city, Dublin. I was interested to see how a comparable US county met similar challenges and did so last week when I visited Montgomery County in Maryland, which is close to Washington, DC.

I met Ike Leggett, the County Executive; Dr. Ulder Tillman, the County Chief Medical Officer; Scott Ullery, the City Manager of Rockville, the biggest city in the County; Sharan London of the Coalition for the Homeless and Robert Lee Spector, Executive Director of Mobile Med which provides community medical care to immigrants and other at risk groups.

Finding and paying for a home

Ike Leggett told me that his county has long operated an affordable housing scheme, whereby developers, who make available a given proportion of housing at affordable prices for low income families, are allowed to build to a higher overall density. The scheme has worked well. If a person getting an affordable home sells it on within 30 years, a declining proportion of the sale price has to be handed back to the county. A similar scheme, known as Workforce Housing, operates for those further up the income scale, such as members of the police, whose incomes might be too low to buy a home in the high-priced housing market of the county in which they are working.

Property taxes paid by the homeowners in Montgomery County are high. These taxes fund one of the best public education systems in the United States, but they are a burden for people who have retired and no longer have high incomes. Many such people have to sell up and move elsewhere. The property tax is based on the actual market value of the house, which is updated every three years and is at a rate of 90 cents a year for every \$100 of house value.

The more house values and rents rise, the greater is the risk that some will be unable to keep up and will find themselves homeless.

Sharan London showed me around a county-financed converted motel that gives sheltered housing for people who would otherwise be homeless. One part of the development is for single homeless people, mostly in the late middle age, and the other is for families.

People become homeless for a variety of reasons – including loss of a job, mental illness and bankruptcy.

Ninety percent of the homeless families are headed by single mothers and in most cases the mother has a job, but one that does not pay enough to meet a commercial rent. Accommodation is provided for such families on a time-limited basis.

Getting healthcare

I have written a previous weekly message about the issue of healthcare in a time of ever-rising demands and costs.

Dr. Ulder Tillman (below) briefed me on how the Medicaid system works in Montgomery County. Medicaid provides free or subsidized medical care for the poorest section of the community. It was introduced in 1965. It is partly funded by the Federal Government (50% or more) and partly by the state (50% or less, depending on state income levels). Income limits to qualify for Medicaid vary from state to state. In some states one has to be exceptionally poor to qualify for care, in other much less so.

On average, American families with incomes that are less than 65% of the Federal Poverty Level can qualify for Medicaid. But that is only an average. In Minnesota, one can qualify for Medicaid with an income as high as 275% of the Federal Poverty Level, but in Texas one cannot qualify for Medicaid unless one's income is less than 29% of the Federal Poverty Level – that is just one tenth of the income that would qualify one in Minnesota!

These wide variations show how social priorities vary greatly between States within the US, just as they vary between States in the European Union.

Early diagnosis is best

It is important that people be treated early in an illness. Many low income people leave it to the last minute to seek help, and then turn up in the emergency departments of hospitals where treatments are costly. The Mobile Med service headed by Robert Lee Spector (extreme right) aims to bring mobile clinics around local Montgomery County communities to encourage people to seek help in good time.

These mobile clinics are often operated in association with particular immigrant and church communities. This reassures those in need that they will get help without regard to their immigrant or residency status. The Mobile Clinic I saw was visiting the Kammsa Clinic at the Korean Presbyterian church in Quince Orchard Boulevard, Gaithersburg.

Preparing for a flu pandemic

A year or two ago there was public alarm about the possibility of a global 'flu pandemic. The onset of such a pandemic – or of other analogous natural disasters – would mean large numbers of people staying away from work, thus shutting down services we all take for granted. A pandemic would put a dramatic stress on the public health services, most of whose employees also have families of their own to care for. A high percentage of those employed in public health are also approaching retirement age.

Dr. Tillman and her team told me that they would like to share experiences with public health services in the 27 Member States of the European Union on how best to prepare to meet such challenges.

They gave me a copy of a Stay at Home Toolkit for Influenza, which offers practical advice to families on what to do, and what to stockpile, against the possibility of being confined to their homes by a 'flu pandemic. It is available on their website at <http://www.montgomerycountymd.gov/hhstmpl.asp?url=/Content/HHS/phs/communicabledisease/Immunization/panflu/PandemicFlu/pandemicflu.asp>.

Protecting the environment

Montgomery County is a commuter county and most of its residents use their cars to get to work. For example, 68% of Rockville residents drive alone to work, and only 14% use public transport although there is an excellent metro service. This results in traffic congestion.

Those who can walk to work often complain of the risks they run because motorists do not respect pedestrian crossings.

I discussed these problems with Scott Ullery, City Manager of Rockville, and asked him if concentrating housing units in high-rise developments close to Metro stations would help ease traffic congestion. There are proposals to put high-rise developments, including numerous residential units, at Rockville's three Metro stations. Scott Ullery said that some local residents had problems with this and some questioned whether there would be demand for these residential units. Bigger trains could carry more passengers, but that might require longer platforms at stations and that required investment.

The European Commission has recently released a handbook assembling best practice methods to estimate and monetize the external costs generated by transport activities. The handbook shows that, per mile travelled, rail journeys impose fewer costs on the rest of the community than car journeys (Handbook on estimation of external cost in the transport sector, CE Delft, 19 December 2007).

Congressman Jim Oberstar

I met Jim Oberstar of Minnesota last week, who has represented the northeastern area of the state since 1975. He is Chairman of the Transportation and Infrastructure Committee of the House of Representatives and is the man in Congress who guides transport policy in the US. He is currently working to repair the existing US road infrastructure. A collapse of a bridge in Minneapolis last year highlighted the urgency of this. He also wants to reduce delays at US airports. In Europe between 18% and 25% of planes arrive late. We also discussed the next phase of negotiations on the EU/US Air Service Agreement. Jim takes pride in his Slovenian heritage and is looking forward to attending a May conference in Ljubljana hosted by the Slovene EU Presidency.

Congressmen Robert Wexler and Eliot Engel

The Slovene Ambassador, Samuel Zbogar and I met Congressmen Wexler (left) and Engel (right-hand photo) of the

Europe Sub-Committee of the House of Representatives to discuss the transatlantic relationship. As noted above, there will be a meeting of the Transatlantic Legislators' Dialogue between members of Congress and of the European Parliament in Ljubljana, Slovenia, in May.

Consumer loans & shopping around

One of the advantages for Europe of having a single market and a single currency & the euro & is that it should provide a means of driving down prices through competition.

The European Parliament took an important step last week to promote competition to help reduce the cost of consumer loans used to buy a car or pay for a holiday. Even though the basic interest rate in the eurozone is the same, the rate of interest charged on consumer loans varies widely between countries. The rate of interest on consumer loans is as low as 6% in Finland, but is as high as 9.4% in Italy and Spain.

The Directive on Consumer Credit, approved by the European Parliament last week, will enable consumers easily to compare the cost of consumer loans in other EU countries with loans on offer at home. It will come into effect in 2010. It may lead to a lot of Spaniards borrowing from Finnish banks!

Please send me your comments about this or any of my weekly messages or other EU matters. I look forward to hearing from you!