

Congress of the United States
Washington, DC 20515

April 17, 2008

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

Speaker Pelosi,

We write today to urge consideration of a second economic stimulus package. You are to be applauded for the swift and well reasoned economic stimulus action taken earlier this year. However, it is our sincere feeling that the ongoing economic downturn demands further action. Moreover, we must have a strategy to create well-paying jobs and prepare a workforce in transition, in addition to stimulating the economy.

Extension of Unemployment Insurance Benefits

Given the decrease in nationwide job creation and the growth of state unemployment rates we strongly encourage you to support an emergency extension of unemployment compensation. We believe the program should begin immediately, without a trigger, because long-term unemployment is already nearly double what it was in the last recession and because unemployment insurance is a proven vehicle to get money into the hands of people who need it and will spend it to stimulate the economy. We support a framework that would provide an extension of 20 weeks, to be followed by 13 additional weeks for high unemployment states. Additionally, we suggest that the level of unemployment compensation be increased in order to help displaced workers better cope with increased fuel costs.

Increase Food Stamp Payments

Currently, approximately 27 million households are served by food assistance programs. Increased food stamp benefits would quickly and easily stimulate the economy as approximately 80 percent of all food stamp benefits are redeemed within two weeks of issuance. Additionally, including this increase in a stimulus package could reach many low income consumers who do not receive unemployment insurance benefits and are not eligible for the individual tax rebate passed earlier this year.

Healthcare

As the country continues to endure an economic downturn, the number of uninsured continues to rise. Currently 47 million Americans are without health insurance. We continue to believe that an increase in the Federal Medical Assistance Percentage would be the simplest, fastest, and best ways to provide stimulus to states. Legislation has been introduced that would provide a temporary increase of FMAP by 2.95 percent. H.R. 5268 has nearly 50 cosponsors and will ensure that current Medicaid enrollees and those who become eligible during the coming months do not face an interruption in their coverage. When considering a second economic stimulus package, we would strongly urge that an increase in FMAP is included.

Increased investment in health information technology has the potential to streamline the U.S. healthcare system, thereby reducing overall healthcare costs. Similarly, we continue to support the increased use of generic equivalents of brand-name prescription drugs. This would improve the ability of middle- and lower-class Americans to afford prescription drugs, while at the same time saving the country hundreds of millions of dollars in healthcare costs.

The small percentage of the population needing catastrophic coverage generates the bulk of U.S. healthcare costs. To reduce such costs, we suggest that the tax code be amended to allow the federal government to pay for 50 percent of catastrophic healthcare costs above a certain threshold for all workers with company-provided coverage and employed by manufacturers that operate in the United States.

Housing

The housing crisis continues to threaten both individual homeowners and local governments that have been negatively affected by increased foreclosures, declining home values, and a decrease in property tax revenues. The House of Representatives responded to this by passing legislation, the National Affordable Housing Trust Fund Act of 2007 (H.R. 2895), designed to assist these homebuyers and communities. This legislation would provide between \$800 million and \$1 billion in grants to state and local governments for the creation, rehabilitation, or financial support for rental housing as well as down payment and closing cost assistance for first-time homebuyers without increasing government spending. The need for this legislation has become more urgent as the economic situation worsens, and making this legislation part of the stimulus package would provide much needed assistance to communities that have been hardest hit by this crisis.

In addition, swift action is needed to assist the over two million homeowners who, as a result of this crisis, are otherwise predicted to face foreclosure over the next year. When families lose their homes to foreclosure, the personal emotional and economic consequences are devastating. As neighborhoods become scarred by vacant and abandoned properties, the consequences for the whole community are dire, far-reaching, and potentially irreversible. It is clearly time for Congress to take bold action and authorize the government refinancing of some troubled mortgages. This type of program was implemented during the Great Depression and not only did it successfully keep many families in their homes, the program was run at a profit to the government.

Support for Advanced Technologies and Manufacturing

Support for the development and production of advanced technologies is key to the American manufacturing industry's ability to compete globally. Such technologies also would aid in weaning our country from its dependence on foreign oil.

We need to strengthen and enhance the Technology Innovation Program (TIP), the American Competitiveness Initiative (ACI), and the Manufacturing Extension Partnership (MEP). Moreover, we recommend that joint industry-government research and development on advanced batteries, clean diesel, and hybrid technologies be increased via grants and loan programs. Due to the precarious financial situation of certain manufacturing companies, we would submit that these loans be repayable with

unclaimed tax credits. Lastly, we must support further development of the nation's alternative fuels infrastructure, which is paramount to the greater penetration of such technologies into the U.S. market.

We strongly support measures that would help promote advanced technologies by providing manufacturers with assistance to re-tool or expand existing facilities to produce advanced technology vehicles and their component parts. In particular, this can readily be accomplished by immediately funding programs authorized in *The Energy Independence and Security Act of 2007*. A sensible complement to this would be an increase in the amount and extension of the current consumer tax credit for the purchase of advanced technology vehicles. Moreover, a permanent extension of the research and development tax credit, which expired in 2007, would assist greatly in industry efforts to make more fuel-efficient vehicles available for consumers domestically and abroad.

Infrastructure

Investment in schools, roads, water and sewer projects, and other public infrastructure projects that are ready to go will put people to work and build or repair needed capital assets while pumping up the economy. Short-term infrastructure initiatives that will have a more immediate impact should be considered for inclusion in a stimulus package. This includes advancing \$3-5 billion for ready-to-go highway/transit projects for the FY 2008 construction season; directing some federal general funds to transportation and water projects and waiving non-federal match for states and local governments to expedite projects and to help states with budget shortfalls. In the longer term, an increase in funding for EPA's Clean Water and Drinking Water State Revolving Fund is important for upgrading our Nation's aging infrastructure and improving the economic climate.

Education

Maintaining American competitiveness does not start with our industries or our displaced workers. Competitiveness should and must start with our students entering college. Tuition at a four-year public college has increased 30.5 percent since 1999 to \$7,164 a year. When our families are earning less, every bump in tuition fees makes it harder for students to afford college. Congress has worked diligently on this issue by increasing the Pell Grant scholarship by \$500 over the next five years to \$5,200 and cutting interest rates on student loans in half. But this is not enough. We must ensure that Pell Grants, Perkins Loans and Federal Work study receive full funding to accommodate low-income students. We cannot educate a 21st century workforce unless we ensure open and fair access to each and every student who wishes to attend a higher education institution.

Trade

It is imperative that we expand the trade adjustment assistance to cover more workers and enhance the training to enable workers impacted by globalization to transition from one career to another. We must create a more level playing field for U.S. businesses and workers by enforcing trade agreements, ending the unfair trading practices of other nations, including currency manipulation, and knocking down unfair trade barriers that discriminate against U.S. goods in foreign markets.

Workforce Investment Act

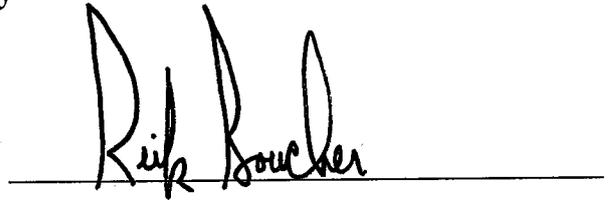
A targeted temporary funding increase is needed for job training programs in the Workforce

Investment Act (WIA) which provides increased flexibility for state and local officials to establish broad-based labor market systems using federal job training funds for adults, dislocated workers and youth. The law mandates coordination among a range of federal job training programs, including the Employment Service, adult education and literacy programs, welfare-to-work, vocational education and vocational rehabilitation. WIA's goal is to provide workforce development services to employers and workers through a universally accessible, information-driven, one-stop career center system.

Again, we fully support all your efforts to bring about quick stimulus for the national economy. We hope that the abovementioned items will be considered part of the next step to focus on the needs of middle income families, the national manufacturing jobs crisis, and the need to create well-paying jobs and support workers in transition.

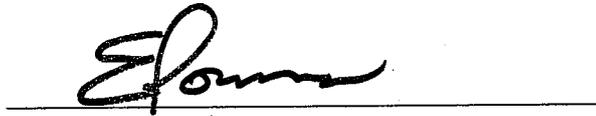
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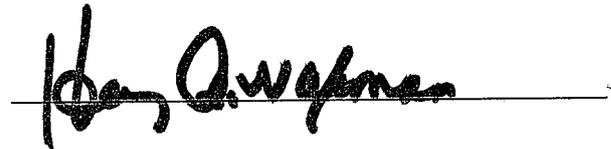




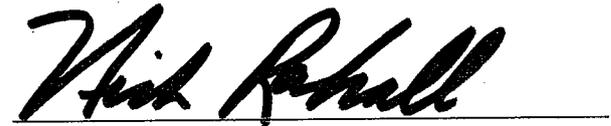


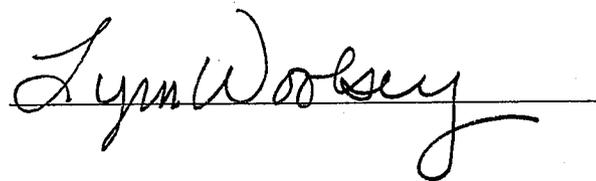














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