



U.S. Senate Committee on Appropriations

PRESS RELEASE

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REID AND BYRD UNVEIL ECONOMIC RECOVERY PACKAGE THAT CREATES MORE THAN 635,000 JOBS

Washington, DC Senate Majority Leader Harry Reid and Senate Appropriations Committee Chairman Robert C. Byrd today unveiled a \$100.3 billion economic recovery package that will create hundreds of thousands of jobs, support a struggling auto industry and help families hurting in this flagging economy.

“Families across the country facing rising prices and disappearing jobs cannot wait until January for help making ends meet, and they shouldn’t have to,” Reid said. “Congress can act now by passing a recovery package that creates more than 635,000 jobs, protects the auto industry that is the backbone of our manufacturing sector, and helps families cope with ever-increasing costs of living. If Democrats and Republicans come together this week, all Americans can have a little more to be hopeful about when they sit down for Thanksgiving next week.”

Said Byrd: “In response to higher unemployment, rising food costs, higher energy costs, State budgets in crisis, increased dependence on foreign oil, and our housing crisis, this stimulus bill is designed to jump start the economy and help Americans recover from the recession. It is time to deliver to Main Street.”

Key provisions of the bill are below.

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Reid/Byrd Economic Recovery Act of 2008

Major points on the \$100.3 billion economic recovery package, which would create over 635,000 jobs, follow:

Unemployment

The unemployment rate now stands at 6.5%, the highest rate since March 1994. The unemployment rate is up by 1.7 percentage points since October, including an increase of 0.4 percentage points in the last month alone. The U.S. economy has lost jobs every month this year, a total of 1.2 million jobs, with almost half of the job losses coming in the last 3 months alone. New unemployment claims filed exceeded 500,000, the highest

number since just after 9/11 and long-term unemployment, those jobless for 27 weeks or more, has greatly increased to 2.3 million Americans.

Helping States Deal with a Flagging Economy

The stimulus package includes \$37.8 billion to reduce the States' share of Medicaid costs by increasing the Federal share by eight percent.

Auto Industry Assistance

The second stimulus proposal provides \$25 billion in loans to the auto industry from the Emergency Economic Stabilization Act of less than 4 percent of the \$700 billion. It requires a long-term financial plan from the companies and has robust provisions for oversight, taxpayer protection, and executive compensation.

Tax Relief for New Car Purchases

The bill includes provisions to help taxpayers afford new car purchases and to save jobs in the auto industry. Specifically, the bill creates "above the line" tax deductions for interest payments on car loans and state sales/excise taxes for new cars purchased between November 12, 2008 and December 31, 2009.

Housing, Health and Small Business

The bill includes \$1 billion for the National Institutes of Health, over \$22 billion in loan authority for small businesses, and over \$1.5 billion for housing programs.

Addressing High Food Costs

The stimulus package temporarily increases Food Stamp benefits by 10 percent and includes \$445 million for the Women, Infants, and Children (WIC) program (which would allow 600,000 women and children to receive WIC benefits, meet some of the rising demand due to a faltering economy, and allow states to avoid creating waiting lists). \$50 million is included for Food Banks, \$8 million for the Commodity Supplemental Food program, and \$60 million for senior meals programs (18 million more meals).

Addressing High Energy Prices

In order to help Americans cope with spiraling energy costs, \$500 million is included for weatherization programs.

Energy Independence

The stimulus makes major investments in electrifying vehicles with \$300 million for advanced battery research, and \$1 billion for the advanced battery manufacturing loan guarantee program which will authorize over \$3.3 billion in loan guarantees. In addition, the stimulus includes \$500 million to help local governments improve energy efficiency; \$500 million for additional energy efficiency and renewable energy research, development and deployment; and \$140 million for electricity transmission improvements.

Building Infrastructure and Creating Jobs

The stimulus package includes: \$13.5 billion for building and repairing highways, bridges, mass transit, airports, and AMTRAK, creating 470,000 jobs:

Education and Job Training

To promote education and job training, \$2.5 billion is included for school repairs, \$600 million for youth training and dislocated workers, \$200 million for the Community Services Block Grant, and \$36 million for homeless education. Job training funds would provide 160,000 dislocated workers and youth with education, training, counseling, and job search assistance.

Border Security and Crime Fighting

The bill includes over \$1 billion for border security and other homeland security investments.

- **Byrne Justice Assistance Grants.** The bill provides \$490 million for Byrne Justice Assistance Grants to support State and local police fighting crime in our communities. Specifically, this funding will help keep over 6,000 cops on the beat in our local communities and aid in the installation of almost 45,000 mobile laptops in police vehicles.
- **COPS Hiring.** The bill includes \$500 million for the competitive COPS hiring grant program, which will put 6,500 new cops on the street across the country. This is the first time since FY 2005 that this program would receive substantial dedicated funds to help communities hire new police.

Disaster Assistance

This bill includes language that will provide relief to American farmers and ranchers for losses in 2008 in the same manner as in previous years as an alternative to assistance for 2008 that would be provided through the Farm Bill.

- **Community Disaster Loans.** A provision is included which will provide access to additional loan amounts for communities that have been devastated by the 2008 disasters, including those impacted by the Midwest floods and Hurricanes Ike and Gustav. Communities whose local economies have been impacted by 25 percent or more will now be able to apply for loans for up to 50 percent of their pre-storm revenue.
- **Commerce Survey on Impact of Natural Disasters.** The bill includes a directive for the Department of Commerce to assess the lost economic output caused by major natural disasters in 2008 across all impacted states. This information will be used by the Department of Housing and Urban Development (HUD) in determining the appropriate allocation of a portion of the CDBG funds that were provided for disaster recovery within the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009.

Consumer Protection

- **Commodity Futures Trading Commission.** The second stimulus also includes \$13.1 million to permit prompt implementation of new authorities enacted in the 2008 Farm Bill (P.L. 110-246). The stimulus bill will enhance enforcement, market surveillance, and oversight of the futures markets in response to

significant public concern about record energy and agricultural commodity prices, including escalating costs at the gas pump, and the impact on American consumers and our national economy.

- Stopping Mortgage Fraud. The bill includes \$75 million for the FBI for agents to investigate rising claims of mortgage fraud.
- Treasury Inspector General. The financial system is grappling with an unprecedented number of bank failures. The bill provides \$10.5 million for the Treasury Inspector General to conduct critical reviews of these bank failures.