



# U.S. Senate Committee on Appropriations

*PRESS RELEASE*

For Immediate Release: July 30, 2008

Contact: (202) 224-3904

## **BYRD COMMENTS ON SECOND STIMULUS SUPPLEMENTAL APPROPRIATIONS BILL, RELEASES DETAILS OF CHAIRMAN'S MARK**

### **Statement of Senator Robert C. Byrd (D-W.Va.) Chairman, Senate Appropriations Committee On Supplemental Funding for Investments in Infrastructure, Energy, and Economic Recovery; Natural Disasters; and Other Critical Matters**

Washington, D.C...U.S. Senator Robert C. Byrd, D-W.Va., Chairman of the Senate Appropriations Committee offered the following summary of the Chairman's mark for the second stimulus supplemental bill. The Senate Leadership, in consultation with the other relevant Senate Committees, will determine what mandatory or revenue provisions will be added to the legislation when it comes to the floor of the U.S. Senate in September.

Chairman Byrd's remarks:

"During the past several days, I have been working diligently with members of the Senate Appropriations Committee in the hopes of reaching an agreement to mark up an important second supplemental appropriations bill. It is my desire to provide funding for critically needed investments in our infrastructure, for energy and economic recovery, and to alleviate the effects of natural disasters."

"Unfortunately, it became clear that an attempt to add language to the supplemental, repealing the two-decade-old ban on offshore oil and gas drilling would be successful, resulting in the necessity of having to produce 60 votes on the Senate floor to strip the repeal."

"Repealing the moratorium on OCS drilling is a bad idea. It is a sham solution intended to quiet the understandable anger of voters in an election year over the high price of gasoline. Such drilling will have no impact on gas prices for years and will only mean more profits for the oil companies. Politicians will pat themselves on the back and claim that we have achieved something. The consequence of such pretense is that a real attempt to wean this country from foreign oil will, once again, be postponed. I will not be a party to shielding such bad policy in the text of a much-needed supplemental."

“I have been advised that the joint leaders in the Senate are working to find the most appropriate way to move forward on these energy-related issues.”

“But the need for a second stimulus supplemental bill is clear. The U.S. economy has largely stagnated, with an anemic growth rate of 0.6 percent in the fourth quarter of 2007 and 1 percent in the first quarter of 2008. The Treasury Secretary has warned that slow growth could continue for months.”

“The U.S. economy has lost jobs every month this year, a total of 438,000 jobs. Construction has lost 528,000 jobs since September 2006. Manufacturing has lost 353,000 jobs since June 2007. Two weeks ago, the Department of Labor reported consumer prices increased 5 percent overall compared to last year. Food costs were 5.3 percent higher compared to last year, and energy prices were 24.7 percent higher.

Consumer confidence is at a near fifty-year low. In June 2008, more consumers than at any time since the survey has been conducted reported that their financial situation has worsened.”

“The Chairman’s mark would create over 200,000 jobs here in America and thousands of Americans would be trained for new job opportunities. Retooling for more energy efficient vehicles would create 60,000 new jobs, and the \$6 billion of loans in this bill would begin that effort. The \$4.8 billion transportation infrastructure component of this supplemental would produce at least 166,000 jobs. Over 13,000 jobs would be created for renovating schools, and more than 133,000 youths and dislocated workers would receive job training and services.”

“The Congress needs to act now and do its part to stimulate the U.S. economy and put our Nation back on the right track.”

Key investments in critically needed programs for America included in the Emergency Supplemental Appropriations for Infrastructure, Energy, Economic Recovery, and Natural Disasters Act, 2008, follow:

## **Infrastructure, Energy, and Economic Recovery (\$10 billion)**

### **Energy (\$1.5 billion)**

The supplemental includes \$1.5 billion for Energy Efficiency and Renewable Energy activities.

- This includes \$900 million specifically for the Advanced Technology Vehicles Manufacturing Incentive Program (Section 136, Energy Independence and Security Act, 2007), which provides up to \$6 billion in Direct Loan Authority for the retooling of vehicle manufacturing plants in the United States toward the goal of building more efficient cars.

- Another \$300 million provides for Advanced Battery technology to help resolve problems in developing long-term, cost-effective storage systems, the biggest hurdle to bringing plug-in hybrid or pure plug-in vehicles to the marketplace.
- Finally, the supplemental includes \$300 million for competitively awarded grants to local, county, State, and tribal governments for innovative energy efficiency and renewable energy demonstration projects.

### **Transportation** (\$4.762 billion)

- Additional Highway Funding. The Committee bill includes \$3.57 billion for highway investments. Funding from the general fund would be sent by formula to every State in order to improve deficient roads and bridges. These investments would also generate over 124,000 jobs right here at home. In addition, the bill includes a provision that transfers cash into the Highway Trust Fund so that it remains solvent through fiscal year 2009 and States will continue to make infrastructure investments.
- Public Transportation. The first quarter of 2008 saw 88 million more transit trips than the same period last year. The bill includes \$892.5 million for transit agencies to address capital and operating needs in order to meet this growing demand. Legislative language is also included to allow for an increase in the Federal Transit Administration's contingent commitment authority to allow additional major transit projects to progress to construction in the coming months.
- Investing in Amtrak. As an increasing number of Americans are turning to rail transportation in the wake of high gas prices, the bill includes funding to address the increasing demands on Amtrak across the country. The bill includes \$100 million to fund capital projects along Amtrak's corridors, including funding to rehabilitate inactive rolling stock.
- Airport Investments. The Committee bill includes \$200 million for capital improvements to airports across the country. These funds would support projects that are ready to begin construction immediately, bringing necessary improvements to our aviation system and supporting jobs in the local communities.

### **Nutrition Programs** (\$570 million)

- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The bill provides \$450 million for WIC, which will prevent more than 625,000 low-income women, infants, and children from losing WIC benefits, according to USDA's latest food and administrative cost estimates. The funding

will also prevent States from having to create waiting lists due to funding uncertainty.

- The Commodity Supplemental Food Programs (CSFP). The CSFP currently serves approximately 466,075 low-income senior citizens, women, infants, and children in 32 States and the District of Columbia and allows USDA to purchase specific commodities and make them available to participating States. Recent and rapid increases in commodity prices have forced USDA to use up much of its inventory for CSFP food. The additional \$30 million that the supplemental provides will allow USDA to replenish its food stocks, preventing smaller food packages or a forced decrease in participation.
- The Emergency Food Assistance Program (TEFAP). TEFAP allows USDA to purchase commodities and make them available for free to the States, which then provide them to approved food distribution centers, including food banks and homeless shelters. The amount of food distributed to each State is determined by that State's low-income and unemployed population. The supplemental includes \$50 million for TEFAP that will allow USDA to buy additional food at a time when food prices are at record highs and the economy is weak at best.
- Senior Meals. The supplemental provides \$40 million to help senior meals programs cope with steep increases in food and fuel costs. This will result in an additional 12 million meals served in FY 2008. Skyrocketing food and gas prices have forced senior meals programs to make cuts; nearly half of programs have been forced to eliminate meal delivery routes or consolidate their meal services. These cutbacks put our most vulnerable seniors at risk of hunger, poor health, and isolation.

#### **Housing (\$309 million)**

- Supporting the Federal Housing Administration (FHA). In the midst of the Nation's housing crisis, the Federal Housing Administration has seen its role in the housing market increase substantially. In addition, with the recent passage of the housing legislation, FHA is expected to guarantee an estimated 400,000 additional loans to prevent more Americans from facing foreclosure. The supplemental provides FHA with \$51.8 million to modernize its systems and hire additional staff. These resources will be critical to ensuring that FHA's mortgage fund remains solvent, and that the agency serves the needs of homeowners while protecting the interests of the taxpayer.
- Stopping Mortgage Fraud. The bill includes \$5 million for the FBI for agents to investigate rising claims of mortgage fraud.
- Help for Families Facing Foreclosure. The supplemental provides \$37.5 million for the Legal Services Corporation to provide legal assistance to families whose homes are in foreclosure.

- Public Housing Capital Assistance. The bill includes \$215 million for public housing agencies to address critical and urgent safety, security, and energy-related needs. Priority will be given for funding to be used to rehabilitate vacant rental units in order to meet the increasing demand for affordable rental housing.

#### **Clean Water (\$400 million)**

- The bill includes \$200 million for the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund, which provides funding to States for low-cost loans to make local sewer projects affordable.

EPA estimates that \$202 billion will be needed to keep pace with aging sewer infrastructure needs over the next 20 years, which would require an average commitment of \$10 billion per year. The President's FY 2009 request of \$555 million for the Clean Water State Revolving Fund funds just 5 percent of that annual need.

It is estimated by the State and local water pollution agencies' association that this \$200 million investment would create at least 8,000 jobs and generate an additional \$380 million in economic benefits for communities.

- A substantial and longstanding backlog exists of approved applications for clean water and waste disposal projects in rural communities. The recent Farm Bill provided some funding for this purpose, but a backlog of \$1.4 billion in loan and grant applications remains. This bill includes \$200 million in budget authority for the United States Department of Agriculture that will support over \$500 million in loans and grants for needed water and waste disposal facilities in remote rural areas.

#### **Job Training (\$500 million)**

- Department of Labor Employment and Training. Over the past year, unemployment has grown to 8.5 million people nationally, an increase of more than 1.5 million people. Long-term unemployment is up by more than 60 percent over the level at the beginning of the last recession in March 2001. At that time, the number of workers unemployed 27 weeks or more was 703,000, or 11.4 percent of the unemployed. Last month, more than 1.5 million people were unemployed for at least 27 weeks, which is 18.4 percent of all unemployed individuals.

Additional funds are needed to help get the economy moving. The second supplemental appropriations bill includes \$250 million for employment and training activities for dislocated workers. These funds will help more than 66,000 people receive services, which include job search and career counseling, as well as training.

Additionally, the national jobless rate for teenagers was 18.1% in June, and unemployment rates for minority teens were worse -- for example, about 30% for African American teenagers. These are near historic highs. Funds are needed to improve these rates, and this second supplemental appropriations bill includes \$250 million for this purpose. These funds will support part-time jobs after school, paid internships, and community service jobs for older youth, and will help low income youth acquire work skills and income that can help families living in poverty or experiencing economic turmoil. Communities and cities will also benefit by engaging young people in productive activities. More than 67,000 youth would receive services under this supplemental appropriations bill.

### **Safer Schools (\$850 million)**

- School Repair and Renovation. Too many of America's children go to school in overcrowded buildings with leaky roofs, faulty electrical systems, and outdated technology, all of which compromise their ability to achieve, succeed, and develop the educational skills necessary for the workforce of the 21<sup>st</sup> century. An emergency public school renovation and repair program will help States meet the school facility needs of local communities by providing resources to repair, renovate, and modernize America's schools. Equally important, its enactment will stimulate the creation of thousands of new jobs in construction-related services. The supplemental appropriations bill includes \$850 million for this purpose, an amount that would be sufficient to create an estimated 13,700 jobs.

### **Rural Programs (\$2.262 billion, including loan levels)**

- Rural Housing. The bill includes \$1.4 billion in direct and guaranteed single family housing (SFH) loans that will provide about 14,000 very low to moderate-income rural households the opportunity of homeownership, especially during this period of uncertainty in the housing market.
- Rural Utilities & Community Facilities. The supplemental includes \$792 million in loans and grants for essential rural community facilities, including hospitals, health clinics, health and safety vehicles and equipment, public buildings, and child and elder care facilities. The bill also provides \$26 million for distance learning and telemedicine infrastructure grants to improve access to these services in remote rural communities.
- Rural Business. The supplemental includes approximately \$70 million for loans and grants to support income and employment expansion through improved business opportunities in rural areas.

### **Border and Homeland Security (\$561 million)**

- Customs and Border Protection (CBP). The bill provides \$100 million to U.S. Customs and Border Protection for construction at CBP-owned inspection facilities at land border ports of entry.
- General Services Administration. The supplemental also includes \$100 million to the General Services Administration for construction and repair/alteration of border stations (land ports of entry) to help address the backlog of these facilities needed for our Nation's security and commerce. Significant increases in trade and vehicle traffic, as well as the hiring of new personnel, have placed strains on the many outdated border inspection facilities.
- Consolidating Department of Homeland Security (DHS) Headquarters. The supplemental includes \$361 million for DHS to begin construction of a

consolidated headquarters in Washington, D.C. Currently operating in 70 buildings located on 40 sites across the National Capital Region, DHS has a critical need for a permanent, unified headquarters.

### **Support for Small Businesses (\$101 million)**

- Small Business Administration. The supplemental provides \$100 million to support over \$7.5 billion in reduced-fee loans to small businesses. Reducing loan fees will provide needed relief to small businesses as the market for credit continues to tighten. Of the \$100 million, \$64 million would provide reduced fees on \$5.8 billion in general small business loans; \$25 million would support \$1.3 billion in loans with even lower fees for veterans; and \$11 million would support \$490 million in loans with even lower fees for small businesses purchasing energy efficient technologies.

The bill also provides \$1 million to support \$10 million in new microloans for small businesses and \$4 million for critical technical assistance for these “micro” borrowers.

### **Excessive Oil Price Speculation (\$13.1 million)**

- Commodity Futures Trading Commission. The second supplemental also includes \$13.1 million to permit prompt implementation of new authorities enacted in the 2008 Farm Bill (P.L. 110-246) and to 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.

## **Natural Disasters (\$10.1 billion)**

Within two weeks of the Midwest floods, Congress approves \$2.65 billion of funds not requested by the President to meet the critical needs of victims of those and other disastrous floods. The second supplemental will continue Congress’s commitment to help the victims of natural disasters rebuild.

- Federal Emergency Management Agency (FEMA). The supplemental provides \$1.8 billion for FEMA Disaster Relief.
- Community Development Block Grants (CDBG) Funding for States Impacted by Midwest Floods and Recent Disasters. The bill includes \$1.82 billion in CDBG funding to assist States that have been impacted by the severe storms in the Midwest and other presidentially declared major disasters. This funding will help States address needs including: the rehabilitation of homes and buildings; repair or replacement of public facilities, including water and sewer; and debris removal. A portion of this funding will be dedicated to the restoration and repair of

affordable rental housing, including public housing or other HUD-assisted housing.

- Repairing Federal Highways Damaged by Natural Disasters. The bill includes \$1.2 billion for the Federal Highway Administration's Emergency Relief program, which funds the repair or reconstruction of roads and bridges that have been damaged by unexpected catastrophes or natural disasters. This funding will meet the backlog of requests from 23 States, as well as funding the needs of States impacted by the storms in the Midwest and other recent presidentially-declared major disasters.
- Economic Development Assistance. The supplemental provides \$250 million for Economic Development Assistance for infrastructure and economic recovery in communities affected by the Midwest floods.
- Help for Small Businesses. The bill includes \$3.5 million for small business development centers in the Midwest for providing critical assistance to small businesses recovering from recent floods, storms, and tornadoes.
- Repairing Federal Projects Damaged by Natural Disasters. The bill includes \$360 million for repair of eligible levees and other Federal flood control projects in 21 States damaged by flooding and natural disasters as well as funding for emergency dredging of waterways and ports impacted by natural disasters.
- Rural Housing and Communities. The supplemental provides almost \$700 million for direct and guaranteed single family housing and multifamily housing loans, and housing repair grants to address housing reconstruction needs resulting from recent flooding. In addition, \$1 million is made available for housing vouchers for residents of Sec. 515-financed multifamily housing projects displaced by natural disasters.

The bill provides over \$132 million in loans and grants for essential rural community facilities, over \$25 million in loans and grants for water and waste disposal repair and reconstruction, \$25 million in loans and grants to assist with business recovery in rural areas, and \$7 million for electric and telecommunications project repair and loan modifications.

- Other disaster-related items include:
  - \$300 million for emergency loans for family farmers affected by disasters in the Midwest and other parts of the country;
  - \$182 million for construction of the new Cedar Rapids Courthouse, which has recently received emergency designation by the Judicial Conference of the U.S. Courts after the current courthouse was severely damaged due to flooding;

- \$100 million for the Emergency Watershed Program for recovery from floods, storms, and other natural disasters;
- \$91 million to address public health and social service needs;
- \$75 million for the Emergency Food and Shelter program;
- \$70.8 million to assist farmers and ranchers in recovery from floods, storms, and other natural disasters;
- \$50 million for the Watershed Rehabilitation Program to repair dams that were damaged by recent floods;
- \$24.6 million to rebuild Army National Guard facilities in Mississippi and Indiana damaged by tornadoes;
- \$22 million for schools, libraries, and museums; and
- \$13 million for volunteer disaster relief activities.

### **Hurricane Katrina**

Funding is still critically needed to revitalize the Gulf Coast after the devastation caused by Hurricane Katrina almost three years ago. The supplemental includes the following sums:

- \$1.5 billion to ensure that the 100-year hurricane protection system can be completed on the President's schedule of June 2011. Without the funding provided, project completion will lag as the State has indicated that they cannot provide a \$1.5 billion cost share over the next three years. Legislation provided with the funding directs that the non-Federal share be repaid over 30 years as opposed to during project construction;
- \$953 million for Mississippi coastal protection and restoration;
- \$350 million to improve hospital care in Louisiana and Mississippi;
- \$75 million for Byrne Justice Assistance Grants to help fight the rise of violent crime in areas affected by Hurricane Katrina;
- \$50 million for the Community Development Fund in Alabama;
- \$10.5 million for Navy Family Housing construction in Gulfport; and
- Expedited rebuilding of police, fire, and criminal justice facilities in the Gulf Coast region following Hurricanes Katrina and Rita.

### **Western Firefighting (\$910 million)**

- Department of the Interior and the U.S. Forest Service. The supplemental provides \$910 million for the Department of the Interior and U.S. Forest Service to fund firefighting, rehabilitation, and risk reduction programs. Of these funds, \$610 million would fund fire suppression activities, including \$500 million for the Forest Service and \$110 million for the Department of the Interior.

This has been another severe fire season, and Federal agencies and departments are spending funds at an unprecedented rate. The Forest Service alone has already spent \$893 million – more than 70 percent of its \$1.26

billion in available firefighting funds – and is likely to run out of firefighting funds and begin borrowing from other programs in August 2008.

The \$910 million also includes \$300 million for rehabilitation and risk reduction activities, including:

- \$175 million for hazardous fuels reduction activities on Federal, State, and private lands to prevent future fires;
- \$100 million for burned area rehabilitation to restore and prevent erosion on the 3.4 million acres that have already burned this fire season nationwide; and
- \$25 million to fund firefighter recruitment and retention for high risk areas that are facing staffing shortages.

#### **Fisheries (\$75 million)**

- Fisheries Disasters. The supplemental includes \$75 million for fisheries disasters to assist fishing communities around the Nation recover from the effects of natural disasters and regulations that have reduced economic opportunities for industry and related businesses.

### **Other (\$4.04 billion)**

#### **Assistance with High Energy Costs (\$1.5 billion)**

- Low-Income Home Energy Assistance Program (LIHEAP). Additional funds are needed to help low-income families pay arrearages from last winter's high cost of home heating, pay for summer cooling, and begin preparing for the soaring energy prices that are expected this upcoming winter. Only 16 percent of eligible LIHEAP recipients currently receive assistance with their home energy bills. The supplemental provides \$1.25 billion that would allow an additional 2.9 million households to get LIHEAP assistance.
- Weatherization Assistance. The bill also provides \$250 million for the Weatherization Assistance Program, which improves the energy efficiency of low-income housing. This amount of funding will support more than 8,000 existing jobs, weatherize about 100,000 homes, and save each household about \$400 in energy costs this coming year.

#### **Investments in Science and the Environment (\$1.28 billion)**

- National Institutes of Health (NIH). Even with the \$150 million included in the first supplemental bill, NIH funding failed to keep up with biomedical inflation in FY08 for the fifth year in a row, a trend that has discouraged many young scientists from this field and puts the Nation at risk of losing a generation of talented investigators. The second supplemental includes \$500 million to

restore some of the purchasing power of NIH that was lost because of inflation in the past five years and allow NIH to award at least 700 new research project grants that could lead to cures and treatments for cancer, Alzheimer's, heart disease, and many other devastating diseases.

- NASA. The bill provides \$250 million for NASA to help shorten the projected 5-year gap between the retirement of the Space Shuttle in 2010 and the availability of the new U.S. space vehicle in 2015. During this gap, the only way U.S. astronauts will be able to access space will be aboard Russian vehicles.
- Department of Energy. The supplemental includes \$250 million for the Department of Energy's Environmental Cleanup program of former nuclear weapons production plants, which will restore about 200 cleanup jobs around the nation that were going to be lost due to the Administration's budget cuts in FY 2008 and 2009.

The supplemental increases the Department of Energy's Science program by \$150 million to meet international and domestic research priorities.

Finally, the bill includes \$100 million for implementation of Section 1051 of the 2004 Intelligence Reform and Terrorism Prevention Act (\$30 million) and enhanced cyber and site security across the National Nuclear Security Administration complex (\$70 million) in the Department of Energy.

- Centers for Disease Control (CDC). The bill provides \$26 million for the CDC for combating infectious diseases.

### **Other Provisions**

- Rural Schools. The supplemental includes \$400 million for a one-year extension of the Secure Rural Schools Act. These funds are critically urgent to over 775 rural counties and 4,400 schools nationwide that are facing permanent cuts to teaching positions and school and road improvement programs. Nearly 7,000 teachers and educational staff across the country have received pink slips and will otherwise not have a job when the new school year begins this September.
- 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.
- U.S. Marshals Service. The supplemental also includes \$50 million for the U.S. Marshals Service to implement the Adam Walsh Act. This funding will allow the Marshals to hire 200 new Deputy U.S. Marshals dedicated to apprehending fugitive sex offenders who threaten children in our communities.

- Capitol Police Interoperability The bill provides \$55 million for interoperability upgrades for Capitol Police radios.
- Farm Bill Implementation Costs. The bill provides \$172 million to assist USDA in upgrading computer systems and implementing the new Farm Bill.
- Fighting Violence on the Southwest Border. The bill includes \$100 million to help communities along the Southwest Border fight the illegal flow of guns and drugs between the U.S. and Mexico that is fueling violence along the Border.

###