Economy and Jobs

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EXECUTIVE SUMMARY

The economy and jobs is one of – if not the – most critical issue out there at this time. As you will see in this chapter, Democrats and Republicans differ greatly on how to "fix" our economy when it is doing poorly, how to deal with high unemployment and how to make the environment better for job creators. Democrats clearly believe that more government spending is the answer, while Republicans believe in pro-growth policies like lower taxes, less government spending and less regulation of America's businesses and job creators.

Our national unemployment rate has consistently been above eight percent this year. And last year, it consistently lingered right around nine percent. This time just four years ago, the national unemployment rate was right around five percent. But, in between those two highs and lows of our unemployment rate, a "credit crunch" and the collapse of the housing bubble dampened job creation and a procession of harmful economic policies elevated what started out as a complicated and difficult economic situation into a catastrophic financial crisis. The collapse of several U.S. banks and holding companies coupled with plummeting home prices and a rash of foreclosures and defaults led to our financial system nearly completely unraveling in late 2007 and 2008.

Editor's Note: *For more information regarding the collapse of the housing bubble, the financial crisis and responses to each, please refer to the Financial Crisis, Bailouts and Financial Reforms chapter of the 2012 NRCC Issues Book.*

The U.S. economy was most recently in recession from December 2007 to June 2009. This recession had the biggest percentage point increase in the unemployment rate of any recession since World War II. As President Obama took office in January 2009, the economy had been in recession for more than a year, contracting rapidly toward the end of 2008. President Obama and the Democrats' response to dealing with the recession was a massive $787 billion economic stimulus package that included $575.3 billion in new funding over 11 years for a wide range of programs.

The stimulus was put together so quickly and so secretively that no member of Congress had a chance to read it before it passed and it shows. After passage of the stimulus, the economy only got worse. When President Obama took office in January 2009, the national unemployment rate was 7.6 percent. National unemployment rates rose from 8.5 percent in March 2009, the month after the stimulus act was passed, to 9.7 percent in August 2009. In October 2009, the unemployment rate reached 10.2 percent, which was a 26 year high. Counting those who had settled for part-time jobs or stopped looking for work, the unemployment rate at that time was 17.5 percent. In October 2009 it was reported that 15.7 million people were out of work.

On the one year anniversary of the stimulus package having been signed into law, more than three million more Americans had lost their jobs, unemployment hovered near 10 percent, and the federal deficit was projected to be well over $1 trillion annually, years into the future. The stimulus has become a lightning rod issue. From widely reported wasteful spending to the Administration's touting of stimulus-funded projects in congressional districts that do not even exist, an overwhelming majority of Americans now are opposed to the stimulus program.

House Republicans proposed a better solution to the Democrats' stimulus package in the 111th Congress, but it of course was struck down. It would have provided fast-acting tax relief to help the economy create jobs as opposed to the congressional Democrats' bill which was loaded with government spending on programs and projects.

In the 112th Congress with the new Republican majority in the House, House Republicans proposed and have been pushing a pro-growth legislative agenda focused on job creation and economic growth. This plan, appropriately called the "House Republican Plan for America's Job Creators," is meant to address our economic challenges, foster innovation and investment and help job creators without raising taxes on working families and small business owners. You can view the plan in its entirety by clicking here.

This chapter will cover both the Democrats' response to the recession and the Republicans' response to the recession. This chapter also overlaps slightly with the Financial Crisis, Bailouts and Financial Reforms chapter, so please make sure to refer to that chapter to fill in the holes regarding what led to the stimulus action and the recession.

DEMOCRATS' STIMULUS PACKAGE

As President Obama entered office in January 2009, the economy had been in recession for more than a year, contracting rapidly toward the end of 2008. Job loss and an increasing unemployment rate were both becoming major concerns for lawmakers. The new Obama Administration and the new Democratic Leadership in Congress went to work developing a stimulus program which they said was necessary to soften the recession, mitigate job loss and accelerate economic recovery. The incoming president's economic advisors predicted that unemployment would rise to nearly nine percent by 2010 if Congress did not pass the stimulus bill and that with the stimulus, downturn in the job market could be curbed and unemployment would stay below eight percent. The Obama Administration argued that 3.5 million jobs would be saved or created as a result of the stimulus package.

On Jan. 28, 2009, the House passed an $819.5 billion version of the package. The Senate needed another two weeks while moderates of both parties negotiated a compromise that could win the 60 votes required to overcome a filibuster. The Senate passed their $838.1 billion bill on Feb. 10, 2009. Republicans rejected the plan because it focused too much on spending, not enough on tax cuts and was clearly designed to promote the Democrats' policy goals rather than genuinely boost the economy.

In the end, the final negotiated version of the legislation resulted in a $787 billion package which included $575.3 billion in new funding over 11 years for a wide range of programs including projects intended to "save or create" jobs, such as road construction and energy initiatives; programs to assist the jobless, such as extended emergency unemployment benefits and food stamps; education programs; and initiatives to expand health information technology and the extension of broadband service to rural areas.

The rest of the package was made up of $211.9 billion in tax benefits over 11 years for individuals and businesses. The final version of the bill, H.R. 1, was passed with no Republican support. You can see how they voted here.

What was in the Stimulus Package?

Type	Description	$ in Millions
Aid	Extra money for women, infants and children (WIC) special nutrition program	$500
Aid	Extra commodities for food banks	$150
Aid	Adult and child day care meals and snacks	$100
Aid	Crop insurance reinstatement for farmers who failed to keep up with payments, emergency loans and grants to farmers	$749
Aid	13% increase in food stamp payments	$19,991
Aid	Costs to Internal Revenue Service of providing health coverage help to workers laid off because of outsourcing overseas	$80
Aid	Extra emergency food and shelter funding for homeless	$100

Aid	Increase in Pell Grant to $5,350 in 2009 and to $5,550 in 2010, and other increases to student aid	$17,114
Aid	Money to increase size of colleges' student aid funds	$60
Aid	Grants for short-term help with rent and housing relocation for homeless families	$1,500
Aid	Aid to states to balance education budgets, prevent cutbacks and modernize schools	$40,600
Aid	Aid to states in form of bonus grants for meeting key performance measures in education	$5,000
Aid	Aid to states for public safety and critical services	$8,000
Aid	U.S. lumber, steel and other companies can keep money they were given from Canadian and Mexican import duties	$90
Aid	Two-year extension of program providing income support and training benefits for workers who lose their jobs because of outsourcing overseas	$1,600
Aid	Extension of jobless benefits for up to 33 weeks	$26,960
Aid	Increase in weekly unemployment benefits by $25	$8,800
Aid	Grants for states modernizing unemployment compensation coverage among low-wage, part-time and other workers	$2,975
Aid	Waiver on interest payments and accrual in interest on loans held by state unemployment trust funds	$1,100
Aid	Extension of unemployment compensation by 13 weeks for railroad workers	$21
Aid	Aid to states to administer extended benefits	$138
Aid	Aid to states for temporary assistance to needy families payments (TANF)	$2,418
Aid	Extra aid to states with high population group or increased poverty for TANF payments	$319
Aid	Extra funding for child support enforcement	$1,000
Aid	Costs of providing health coverage help to workers laid off because of outsourcing overseas	$457
Aid	65% subsidy for laid-off workers to continue paying premiums for former employer's health plan for nine months	$24,749
Aid	Incentive payments to hospitals and physicians who computerize medical-records systems	$17,559
Aid	Federal aid to states for Medicaid spending	$90,044

Spending	Repairs, security improvements and rental payments at Department of Agriculture	$24
Spending	Repairs and security improvements at Agricultural Research Service	$176
Spending	Salaries for staff to modernize IT system at Farm Service Agency	$50
Spending	Funding for watershed and flood prevention projects	$290
Spending	Funding for watershed rehabilitation	$50
Spending	Loans to rural homeowners	$200
Spending	Guaranteed loans for rural community facility building	$130
Spending	Guaranteed loans for rural businesses	$150
Spending	Grants for rural waste and waste disposal	$1,380
Spending	Broadband grants to rural communities	$2,500
Spending	Oversight of Department of Agriculture spending	$26
Spending	Urban industrial core and rural economic recovery programs	$150
Spending	Extra money for Census	$1,000
Spending	Salaries and expenses for program to create broadband inventory map of the country	$350
Spending	Grants to provide wireless and broadband infrastructure to communities, including public computer centers and sustainable adoption of broadband service	$4,350
Spending	Coupons, education and consumer support for digital to analogue converter box program	$650
Spending	Oversight of Commerce Department spending	$6
Spending	National Institute of Standards and Technology work, including research into technology with high-growth potential and technology grants to small and mid-size manufacturers	$220
Spending	NIST facilities construction and maintenance backlog	$360
Spending	Extra money for National Oceanic and Atmospheric Administration facilities and research	$230
Spending	Extra money for NOAA satellite development including climate data sensors and modeling	$600

Spending	Grants to state and local law enforcement	$2,225
Spending	Grants to rural law enforcement	$125
Spending	Grants to law enforcement on southwest border	$40
Spending	Grants for victims compensation programs	$100
Spending	Grants for tribal law enforcement	$225
Spending	Grants for state and local law enforcement to pursue Internet sex offenders	$50
Spending	Grants to state and local law enforcement to hire extra police officers	$1,000
Spending	Grants for violence against women prevention and prosecution programs	$225
Spending	Costs of administering extra grant money	$10
Spending	NASA shuttle construction	$400
Spending	NASA climate research	$400
Spending	NASA aeronautics research	$150
Spending	NASA rebuilding of facilities damaged in 2008 floods	$50
Spending	NASA spending oversight	$2
Spending	National Science Foundation research	$2,500
Spending	Construction of new research equipment and facilities for NSF	$400
Spending	NSF education activities	$100
Spending	NSF spending oversight	$2
Spending	Restoration and modernization of Defense facilities in U.S. and territories	$3,840
Spending	Research and development of renewable energy generation for military	$300
Spending	Improvements and reparations to military medical facilities in U.S. and territories	$400

Spending	Department of Defense spending oversight	$15
Spending	Flood control and water management construction, regulation and investigations	$4,125
Spending	Mississippi River and tributary construction	$375
Spending	Clean-up of 'brownfield' former industrial sites	$100
Spending	Water reclamation and reuse projects	$1,000
Spending	Home weatherization grants to low and middle-income families	$5,000
Spending	Funding for Energy Star program offering tax credits to consumers purchasing new, efficient appliances	$300
Spending	Advanced batteries manufacturing grants	$2,000
Spending	Energy efficiency grants to states and local governments	$6,300
Spending	Transport electrification grants	$400
Spending	Funding for states and local governments to buy efficient alternative fuel buses and trucks	$300
Spending	Research and development of renewable and efficient energy technology	$2,500
Spending	Loan guarantees for standard renewables	$4,000
Spending	Transmission loan guarantees	$2,000
Spending	Fossil energy research and development	$1,000
Spending	Research into low-emission coal plants	$800
Spending	Grants for industrial carbon capture and energy efficiency improvement projects	$1,520
Spending	Grants for identifying sites to store carbon dioxide emissions	$50
Spending	Grants for training and research on safe storage of carbon emission\	$20
Spending	Administration of funding program	$10
Spending	Physics research including high-energy physics, nuclear physics and fusion energy sciences	$1,600

Spending	High-risk research into energy sources and energy efficiency	$400
Spending	Cleanup of former nuclear sites	$483
Spending	Uranium enrichment decontamination and decommissioning	$390
Spending	Cleanup of former nuclear defense sites	$5,127
Spending	Money for federal power marketing administrations in electric power transmission systems	$6,500
Spending	Construction and repairs for federal marketing administration	$10
Spending	Modernization of the electric grid	$4,400
Spending	Training of electric grid workers	$100
Spending	Oversight of Energy Department spending	$15
Spending	Oversight of payroll tax credit and economic recovery payments	$7
Spending	Treasury grants to community financial services and economic development groups	$100
Spending	Construction, repair and energy alterations to federal buildings and facilities	$5,550
Spending	Purchase of fuel efficient vehicles for federal fleet	$300
Spending	Oversight of General Services Administration spending	$7
Spending	Funding for Recovery and Accountability Transparency Board	$84
Spending	Small Business Administration loans to businesses	$651
Spending	Extra money for Small Business Administration disbursement of loans	$69
Spending	Oversight of Small Business Administration spending	$10
Spending	Funding for departmental site security, IT infrastructure, furniture, fixtures and other costs for headquarters	$200
Spending	Oversight of Homeland Security spending	$5
Spending	Construction, repairs and equipment for ports of entry to the U.S.	$420

Spending	Purchase and deployment of non-intrusive inspection systems for Customs and Border Protection	$100
Spending	Tactical communications equipment for Customs and Border Protection	$60
Spending	Border security fencing and technology	$100
Spending	Immigrations and Customs Enforcement information-sharing technology	$20
Spending	Explosive detection systems for airports	$1,000
Spending	Funding for Coast Guard acquisitions and construction	$98
Spending	Repairing and removing bridges hazardous to marine navigation	$142
Spending	Grants for security upgrades to mass transit	$150
Spending	Grants for security upgrades to ports	$150
Spending	Competitive grants to upgrade state and local fire stations	$210
Spending	Deferred maintenance on federal lands	$125
Spending	Priority road, bridge and trail repairs	$180
Spending	Wildland fire management	$15
Spending	Wildlife refuge and fish hatchery construction, deferred maintenance, road maintenance and energy efficient visitors centers	$280
Spending	National Park Service deferred maintenance	$735
Spending	Preservation grants for historically black colleges and universities	$15
Spending	Repairing facilities and equipment for U.S. Geological Survey seismic, volcano, monitoring and stream gages	$140
Spending	Repair of schools, detention centers, roads, bridges, housing, irrigation and dams on Indian reservations	$490
Spending	Indian guaranteed loans	$10
Spending	Interior spending oversight	$15
Spending	Cleanup of hazardous and toxic waste sites	$600

Spending	Cleanup of petroleum leaks from underground storage tanks	$200
Spending	Loans for communities to upgrade wastewater treatment systems and drinking water infrastructure	$6,400
Spending	Environmental Protection Agency spending oversight	$20
Spending	Renovation of forest roads, bridges and trails, remediation of abandoned mines, removal of barriers to fish and other critical habitat	$650
Spending	Fire hazard reduction on federal and state lands	$500
Spending	Indian Health Facilities construction, maintenance and equipment	$347
Spending	Indian Health Facilities sanitation construction	$68
Spending	Indian Health Services IT development and deployment	$85
Spending	Smithsonian Institution	$25
Spending	Grants to fund arts projects in non-profit sector	$50
Spending	Grants to states for adult employment and training activities	$500
Spending	Grants to states for youth training, including summer jobs	$1,200
Spending	Grants to states for dislocated worker employment and training activities	$1,250
Spending	Grants to states with highest unemployment numbers for employment and training	$200
Spending	Funds to national reserve assistance for dislocated workers	$750
Spending	Training high-risk youth in construction job skills	$50
Spending	Community service program for low-income over-55s	$120
Spending	Funding for states' unemployment insurance and employment service agencies	$400
Spending	Extra funds for department to manage enforcement of labor laws	$80
Spending	Office of Job Corps construction and modernization of residential facilities for at-risk youth	$250
Spending	Department of Labor spending oversight	$6

Spending	Renovation and health IT purchases for community health centers	$2,000
Spending	Training of nurses, primary care physicians, dentists to practice in underserved communities in the National Health Service Corps	$500
Spending	National Institutes of Health biomedical research	$9,500
Spending	National Institutes of Health buildings and facilities repairs and renovations	$500
Spending	Funding for research comparing effectiveness of treatments funded by Medicare, Medicaid and SCHIP	$1,100
Spending	Grants to states for childcare services for low-income working parents	$2,000
Spending	"Head Start" programs for low-income preschoolers	$1,000
Spending	"Early Head Start" programs for low-income infants	$1,100
Spending	Grants for community employment, food, housing and healthcare projects	$1,000
Spending	Grants to faith-based and community organizations	$50
Spending	Grants for elderly nutrition services including Meals on Wheels	$100
Spending	Extra money for Office of the National Coordinator for Health Information Technology	$2,000
Spending	Funding for community preventative health campaigns, vaccination programs, healthcare-associated infection reduction strategies	$1,000
Spending	Funding to improve IT security at the Department of Health and Human Services	$50
Spending	Oversight of Department of Health and Human Services spending	$17
Spending	Funding for 'Title I' education programs for disadvantaged children	$13,000
Spending	Construction funding for school districts without a local property-tax base	$100
Spending	Funding for school computer and science laboratories and technology training for teachers	$650
Spending	Funding for services to homeless children including meals and transportation	$70
Spending	Grants for states to address teacher shortages	$200
Spending	Grants for special education programs	$12,200

Spending	Grants to states for vocational rehabilitation for disabled people	$540
Spending	Grants to states for independent living centers and services for elderly blind people	$140
Spending	Money for colleges' work-study programs	$200
Spending	Grants for teacher training and professional development	$100
Spending	Funding for grants for states to create systems tracking individual student data	$250
Spending	Department of Education spending oversight	$14
Spending	Extra money for AmeriCorps volunteer programs	$160
Spending	Extra money for National Service Trust volunteer programs	$40
Spending	Corporation for National and Community Service spending oversight	$1
Spending	Construction of new National Computer Center for Social Security Administration	$500
Spending	Extra money for Social Security Administration to process disability and retirement claim backlogs	$500
Spending	Oversight of SSA spending	$2
Spending	Oversight of economic recovery package	$25
Spending	Army child development centers	$80
Spending	Army "warrior transition complexes"	$100
Spending	Navy and Marine Corps troop housing	$100
Spending	Navy and Marine Corps child development centers	$80
Spending	Navy and Marine Corps energy conservation and alternative energy projects	$100
Spending	Air Force troop housing	$100
Spending	Air Force child development centers	$80
Spending	Defense hospital construction	$1,330

Spending	Defense energy conservation investments	$120
Spending	Army National Guard construction	$50
Spending	Air National Guard construction	$50
Spending	Army family housing construction and repairs	$38
Spending	Air Force family housing construction	$97
Spending	Programs for military homeowners facing mortgage problems	$555
Spending	Improvements to Veterans Affairs benefits administration, IT and claims processing	$200
Spending	Renovations and energy efficiency improvements to veterans medical facilities	$1,000
Spending	Grants for construction of state extended care facilities for veterans	$150
Spending	National Cemetery renovations and repairs	$50
Spending	Oversight of Veterans Affairs and military spending	$1
Spending	Passport and training funding for State Department	$90
Spending	Creation of information management backup facility for State Department, funding for participation in cybersecurity program	$290
Spending	State Department spending oversight	$2
Spending	Repair and rehabilitation of flood control levees on Rio Grande, with remainder of money for IT investments at U.S. Agency for International Development	$220
Spending	Grants for airport improvements	$1,100
Spending	Upgrades to Federal Aviation Administration power systems, air traffic control centers and towers and airport lighting, navigation and landing equipment	$200
Spending	Grants for highway improvements	$29,000
Spending	Grants to Amtrak	$1,300
Spending	Grants for capital investments in designated high-speed rail corridors	$8,000
Spending	Public transit improvements and infrastructure investments	$8,400

Spending	Grants for investments and improvements to small domestic shipyards	$100
Spending	Department of Transportation spending oversight	$20
Spending	Repairs and modernization of public housing projects	$4,000
Spending	Grants to rehabilitate and improve energy efficiency on Native American housing programs	$510
Spending	Grants for community and economic development projects	$1,000
Spending	Energy efficiency retrogrades to low-income housing, including new insulation, windows and furnaces	$2,250
Spending	Funds for communities to buy and rehabilitate foreclosed and vacant properties	$2,000
Spending	Funds for building and rehabilitating low-income housing using green technology	$2,250
Spending	Grants for removing lead-based paint in low-income housing	$100
Spending	Department of Housing and Urban Development spending oversight	$15
Spending	Increase in government-sponsored mortgage provider conforming loan limits	$50
Tax provisions	Tax breaks for low-income housing investors	$143
Tax provisions	$400 payroll tax credit for workers earning up to $75,000; married couples filing jointly get $800 for income up to $150,000	$116,199
Tax provisions	Increase in earned income tax credit for working families with more than three children	$4,663
Tax provisions	Increased eligibility for refundable child tax credit, with all income over $3000 qualifying	$14,830
Tax provisions	Tax credit of up to $2500 for tuition and college expenses	$13,907
Tax provisions	Computers and computer technology will qualify for inclusion in tax-advantaged savings plans	$6
Tax provisions	A tax credit for first-time homebuyers increases from $7500 to $8000, and will not have to be repaid	$6,638
Tax provisions	Taxpayers earning less than $125,000 can deduct sales and excise taxes paid on new cars	$1,684
Tax provisions	$2400 of unemployment benefits will not be subject to federal income tax	$4,740
Tax provisions	Middle-income taxpayers get an exemption from the alternative minimum tax of $46,700 for an individual and $70,950 for a married couple	$69,759

Tax provisions	Businesses will be able to more quickly deduct the cost of investments in plant and equipment from their taxable income	$5,074
Tax provisions	Businesses will be allowed to recover alternative minimum tax and research and development credits faster	$805
Tax provisions	Small businesses will be allowed to write-off up to $250,000 of capital expenditures in the year of acquisition	$41
Tax provisions	Unprofitable small businesses with annual receipts of less than $15 million can recoup taxes paid in the past five years, up from two	$947
Tax provisions	Companies will be allowed to defer taxes for five years on several transactions aimed at restructuring balance sheets, and repay the taxes over the following five years	$1,622
Tax provisions	Businesses will be able to claim a tax credit for 40% of the first $6000 of wages paid to unemployed veterans or 16-25-year-olds hired	$231
Tax provisions	Small businesses will be able to exclude 75% of the gain from the sale of some stock held more than five years	$829
Tax provisions	Taxable corporations converting into S corporations will have a 7-year holding period for assets subject to built-in gains tax, from 10 years	$415
Tax provisions	Restoring tougher rules on taxpayers claiming losses incurred by a company before they bought it is projected to raise money	-$6,977
Tax provisions	Some companies restructuring may not be subject to those tougher rules	$3,163
Tax provisions	Manufacturing facilities producing "intangible property" such as patents can qualify for industrial development bonds	$203
Tax provisions	Facilities making advanced energy property may be able to claim a new 30% investment tax credit	$1,647
Tax provisions	$10 billion "new markets tax credits" will be available for 2008 and 2009	$815
Tax provisions	$25 billion of bonds for investment in economic recovery zones will be created	$5,371
Tax provisions	Tribal governments will have fewer requirements on their ability to issue tax-exempt bonds	$315
Tax provisions	High-speed rail facilities for trains capable of going at 150 miles per hour will qualify for facility bonds	$288
Tax provisions	Rules affecting state and local government bonds will be changed to improve marketability	$3,789
Tax provisions	A 3% withholding on payments to government contractors will be delayed for one year	$291
Tax provisions	$22 billion in new tax credit bonds for construction or repair of public schools	$9,877
Tax provisions	$2.8 billion of bonds for schools working with businesses	$1,045
Tax provisions	35% credit to bondholders for infrastructure bonds, 35% refundable credit to issuers of bonds	$4,348

Tax provisions	Extending by three years the placed-in-service date for renewable energy investments	$13,143
Tax provisions	Investment credits in lieu of production credits for renewable energy purchases	$285
Tax provisions	Removal of cap on tax credits for purchase of small wind systems	$604
Tax provisions	$1.6 billion extra allocation of clean energy bonds	$578
Tax provisions	$2.4 billion extra qualified energy conservation bonds	$803
Tax provisions	30% cap on tax credit for energy efficiency purchases by homeowners, up to $1500 per residence	$2,034
Tax provisions	Credit for purchase of residential solar, geothermal, wind and fuel cells	$268
Tax provisions	50% tax credit for purchase of alternative refueling stations	$54
Tax provisions	Tax credit for plug-in electric vehicle conversion	$2,002
Tax provisions	Equalization of parking and transit tax-free employer benefits at $230 for 2009	$192
Tax provisions	Grants to states for low-income housing projects in lieu of credits	$5
Tax provisions	Grants to states for energy projects in lieu of credits	$69
Tax provisions	One-time payment of $250 for retirees, disabled people, SSI recipients, railroad retirees and disabled veterans	$14,225
Tax provisions	One-time refundable tax credit of $250 for some government retirees not eligible for social security benefits	$218

Broad Category Description	Funds allocated	Estimated cost at time of passage ($ Millions)
Food and farming	$26,466	$26,431
Commerce, justice and science	$15,920	$15,810
Defense	$4,555	$4,531
Energy and the environment	$50,825	$50,775
Government	$6,858	$6,707
Homeland security	$2,755	$2,744
Outdoors, Indian reservations and the arts	$10,950	$10,545
Labor and volunteering, healthcare and social services, education,	$72,564	$71,271

social security		
Oversight	$25	$25
Military and veterans	$4,281	$4,246
Foreign relations	$602	$602
Transportation and housing	$61,795	$61,051
Aid to states	$53,600	$53,600
Tax cuts	$301,278	$288,482
Individual aid	$45,788	$58,143
Individual healthcare aid	$24,749	$24,677
Health IT	$17,559	$17,559
Aid to states for Medicaid	$90,044	$90,042
TOTAL=	$790,614	$787,241

Chart courtesy of *The Wall Street Journal

Selected Points on the Stimulus Legislation

- **According to the non-partisan Congressional Budget Office (CBO), the cost of the stimulus package could reach $1 trillion:**
    - According to CBO, combining the spending and revenue effects of H.R. 1 upon enactment of the conference report would increase federal budget deficits by $787 billion.[1]
    - The package would be financed by borrowing, which would result in additional interest costs. CBO estimated these costs would reach $347 billion for the House-passed version of the stimulus package. When these interest costs are taken into account, the total cost of the package could reach $1trillion.[2]
- **The Economic Stimulus bill included a loophole that allowed AIG executives to receive millions in bonuses after receiving federal assistance**
    - In a March 20, 2009, article, *Politico* reported, "To be fair, what actually transpired is a complicated tale. In the middle of closed-door conference negotiations over last month's stimulus package, Dodd was asked by Treasury Department officials to carve out a loophole in language he was seeking to impose strict compensation limits for firms receiving federal bailout money.

[1] Congressional Budget Office, "Cost estimate for the conference agreement for H.R. 1, American Recovery and Reinvestment Act of 2009," Feb. 13, 2009
[2] Letter from Douglas W. Elmendorf, Director, CBO to Rep. Paul Ryan, Jan. 27, 2009

"The Treasury Department, fearing the language would spark costly litigation, wanted him to ensure it would not affect contractual bonuses issued before Feb. 11 - effectively allowing the now-controversial AIG bonuses to move forward.

"But the Obama administration and Dodd each sought cover as news broke over the weekend about the bonuses - and each appeared to give conflicting statements about how AIG was able to shower its executives with $165 million at a time when the public owns about 80 percent of the company, which is at the heart of the economic crisis.

"It seemed that Dodd and the Treasury Department were worried about taking ownership of the controversy - until Dodd said Wednesday that he had watered down the language at the request of Treasury.

"'So the modification occurred; it was at their suggestion,' Dodd told CNN. 'We wrote it together at the time, obviously, a month and a half ago.'"[3]

- **The economic stimulus provided federal spending for the following items in our country's time of severe economic needs:**

    - $50,000 grant for the Frameline film house, which recently screened Thundercrack, "the world's only underground kinky art porno horror film, complete with four men, three women and a gorilla."[4]

    - $25,000 grant to help fund the weekly production of "Perverts Put Out" at San Francisco's CounterPULSE, whose "long-running pansexual performance series" invites guests to "join your fellow pervs for some explicit, twisted fun."[5]

    - $25,000 grant for "The Symmetry Project," a dance piece by choreographer Jess Curtis. The show depicts "the sharing of a central axis, [as] spine, mouth, genitals, face, and anus reveal their interconnectedness and centrality in embodied experience," according to a description offered on Curtis' Web site.[6]

    - $219,000 grant for a psychology professor at Syracuse University to study the "hookups" of 500 freshmen women.[7]

    - $850,000 for a backup runway at the Murtha Johnstown-Cambria Airport, named after Chairman of the House Defense Appropriations subcommittee, Rep. John Murtha (D-PA). While the airport can handle the largest commercial jets, it is served by only six commercial flights a week, and those are small planes.[8]

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[3] Manu Raju, "Dodd draws fire for tortured tale," *Politico*, March 20, 2009
[4] Joseph Abrams, "Stimulus Bill Funds Go to Art Houses Showing 'Pervert' Revues, Underground Pornography," Fox News, July 31, 2009
[5] Joseph Abrams, "Stimulus Bill Funds Go to Art Houses Showing 'Pervert' Revues, Underground Pornography," Fox News, July 31, 2009
[6] Joseph Abrams, "Stimulus Bill Funds Go to Art Houses Showing 'Pervert' Revues, Underground Pornography," Fox News, July 31, 2009
[7] Michelle Breidenbach, "Stimulus funding for Syracuse University sex study questioned," *Syracuse Post-Standard*, Aug. 24, 2009
[8] Tom Schatz, "Stimulus not stimulating," *Citizens Against Government Waste*, May 29, 2009

- $3.4 million for a wildlife crossing, otherwise known as an "eco-passage." It will serve as an underground wildlife road-crossing for turtles and other animals that live in Lake Jackson, Florida.[9] [10]

- $9.38 million to renovate a 97-year-old train station building that has sat vacant for more than 30 years[11]

- $2.5 million to dead people from the Social Security Administration (SSA) who blames a strict mid-June deadline for mailing out $250 checks to 10,000 deceased persons.[12]

- $578,661 to the Town of Union New York, which did not request the money, to spend on a homeless problem it does not have.[13]

➢ **The stimulus bill is turning out to be far less stimulating than its architects expected**

- On July 14, 2009, *Time* reported, "The $787 billion stimulus plan is turning out to be far less stimulating than its architects expected. Back in early January, when Barack Obama was still President-elect, two of his chief economic advisers — leading proponents of a stimulus bill — predicted that the passage of a large economic-aid package would boost the economy and keep the unemployment rate below 8%. It hasn't quite worked out that way. Last month, the jobless rate in the U.S. hit 9.5%, the highest level it has reached since 1983."[14]

➢ **The president's economic advisors predicted that unemployment would rise to nearly 9 percent by 2010 if Congress did not pass the stimulus bill; with the stimulus, unemployment would stay below 8 percent**

- In a Jan. 9, 2009, report, the President's nominee for head of the Council of Economic Advisors wrote, "In the absence of stimulus, the economy could lose another 3 to 4 million more. Thus, we are working to counter a potential total job loss of at least 5 million. As Figure 1 shows, even with the large prototypical package, the unemployment rate in 2010Q4 is predicted to be approximately 7.0%, which is well below the approximately 8.8% that would result in the absence of a plan."[15]

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9 The Florida Office of Economic Recovery, "List of State of Florida Transportation Enhancement," http://flarecovery.com/_resources/documents/fdot-hwys-enhancement-list-4-15-09.pdf , accessed June 2, 2009.
10 Mark Hohmeister, "Lake Jackson Ecopassage Advances At A Turtle's Pace," *Tallahassee Democrat*, January 10, 2009
11 Michael Yoder, "Elizabethtown Amtrak project feted," Lancaster Newspapers, April 4, 2009
12 "Dead Woman Gets Federal Stimulus Check: Son Wants To Keep Check As Souvenir," WBAL-TV, http://www.wbaltv.com/news/19435100/detail.html, May 12, 2009
13 Nancy Dooling, "$578,661 for Union Homeless Questioned," *Binghamton Press & Sun-Bulletin*, March 5, 2009
14 Stephen Gandel, "Obama's stimulus plan: failing by its own measure," *Time*, July 14, 2009
15 Christina Romer and Jared Bernstein, "The Job Impact of the American Recovery and Reinvestment Act," Council of Economic Advisors, Jan. 9, 2009

- **National unemployment rates rose from 8.5 percent in March 2009, the month after the stimulus act was passed, to 9.7 percent in August 2009, six months after the act was passed**

    - In a Sept. 16, 2009, article, *The Wall Street Journal* reported, "The most visible figures available to evaluate the job market are unemployment rates, which don't speak well for the stimulus package. The national rate of joblessness last month was 9.7%, up from 8.5% in March, the month after the stimulus act was passed."[16]

- **In June 2009, President Obama said that unemployment would reach 10 percent**

    - In a June 16, 2009, article, *Bloomberg* reported, "President Barack Obama said in an interview today with Bloomberg News's Al Hunt that the U.S. unemployment rate will reach 10 percent this year even as the economy begins to emerge from the recession, and "sensible" new rules are needed to tighten oversight of U.S. markets."[17]

- **In October 2009, unemployment rate reached 10.2 percent, which is a 26 year high. Counting those who have settled for part-time jobs or stopped looking for work, the unemployment rate would be 17.5 percent**

    - In a Nov. 6, 2009 article, *The Hill*, reported, "The national unemployment rate jumped higher than expected in October, reaching a 26-year high at 10.2 percent."[18]

    - In a Nov. 6, 2009 article, The Associated Press reported, "Counting those who have settled for part-time jobs or stopped looking for work, the unemployment rate would be 17.5 percent, the highest on records dating from 1994."[19]

- **The White House originally estimated that the stimulus would increase employment by 3.5 million jobs**

    - In a Sept. 16, 2009, article, *The Wall Street Journal* reported, "As the $787 billion federal stimulus package was being deliberated by Congress in February, the White House estimated that the act would increase employment by 3.5 million jobs, including 24,000 combined in New Hampshire and Wyoming."[20]

- **In October 2009, it was reported that there were 15.7 million unemployed Americans**

    - In a Nov. 6, 2009 article, The Associated Press reported, "The jump in the jobless rate reflects a sharp increase in the tally of unemployed Americans, which rose to 15.7 million from 15.1 million. The net loss of jobs occurred across most industries, from manufacturing and construction to retail and financial. That tally is based on a separate survey of businesses."[21]

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[16] Carl Bialik, "To count new stimulus jobs, help really wanted," *The Wall Street Journal*, Sept. 16 2009
[17] "Obama says unemployment will reach 10% this year," *Bloomberg*, (http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a4CiAWTRWxMs), accessed Sept. 25, 2009
[18] Sam Youngman, "Unemployment jumped to 26-year high in October at 10.2 percent," *The Hill*, Nov. 6, 2009
[19] Christopher S. Rugaber, "Jobless rate tops 10 pct. for first time since '83," The Associated Press, Nov. 6, 2009
[20] Carl Bialik, "To count new stimulus jobs, help really wanted," *The Wall Street Journal*, Sept. 16 2009
[21] Christopher S. Rugaber, "Jobless rate tops 10 pct. for first time since '83," The Associated Press, Nov. 6, 2009

- **Too much stimulus money was spent on things "that do nothing for jobs and growth"**

    - In a July 14, 2009, editorial, *The Wall Street Journal* wrote, "How could this happen when Washington has thrown trillions of dollars into the pot, including the famous $787 billion in stimulus spending that was supposed to yield $1.50 in growth for every dollar spent? For a start, too much of the money went to transfer payments such as Medicaid, jobless benefits and the like that do nothing for jobs and growth. The spending that creates new jobs is new spending, particularly on infrastructure. It amounts to less than 10% of the stimulus package today."[22]

- **Much of the plan isn't short-term stimulus and only about a tenth of the money had been spent entering July 2009, and only about half of it will have been spent by October 2010**

    - In a July 7, 2009 article, *McClatchy* reported, "Within a month of taking office, President Barack Obama and Congress pushed through a $787 billion economic stimulus plan that many economists warned would be slow in delivering help. Much of the plan isn't short-term stimulus, but at laying a foundation for Democrats' long-term policy priorities, such as alternative energy projects. Only about a tenth of the money has been spent so far, and only about half of it will have been spent by October 2010, according to the nonpartisan Congressional Budget Office."[23]

- **States hardest hit by the recession are getting less stimulus money than states faring better**

    - In a July 1, 2009, article, *The Wall Street Journal* reported, "Some of the states worst hit by the recession are getting far less federal economic-stimulus money per person than states faring better. Nevada, where unemployment stood at about 10% when the plan was passed, is getting $541 for each resident from the stimulus money allocated so far, a Wall Street Journal analysis found. Wyoming, where the 3.9% jobless rate was the lowest in the country in February, is getting $1,074 per person."[24]

- **The nation's neediest communities are not first in line for money to jump start the economy**

    - In a July 20, 2009, article, The Associated Press reported, "Under the Obama administration's economic stimulus plan, needy communities were supposed to be first in line for money to rebuild highways and jump start the economy. It hasn't worked out that way. The rules required that states give priority to counties considered "economically distressed." Yet less than half the federal highway money announced so far is directed toward those high-unemployment, low-income areas, according to an Associated Press analysis of more than $16 billion in spending announced by the U.S. Transportation Department."[25]

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22 Editorial, "The economy is even worse than you think," *The Wall Street Journal*, July 14, 2009
23 Kevin G. Hall and David Lightman, "Did team Obama get it wrong on the stimulus?," *McClatchy*, July 7, 2009
24 Louise Radnofsky, "Some hard-hit states get less stimulus," *The Wall Street Journal*, July 1, 2009
25 April Castro, "Stimulus watch: neediest areas not first for money," The Associated Press, July 20, 2009

- **Vice-President Joe Biden wrote that the stimulus has a "high level of transparency and accountability"**
    - In a July 26, 2009, *New York Times* editorial, Vice-President Joe Biden wrote, "More than 30,000 projects have been approved, and thousands are already posted on recovery.gov — providing a high level of transparency and accountability."[26]
- **Yet, in June 2009, Vice-President Biden acknowledged waste is inevitable in the spending of a $787 billion economic stimulus package and that some people would be "scammed"**
    - In a June 2, 2009, article, Reuters reported, "Vice President Joe Biden acknowledged on Tuesday that some waste is inevitable in the spending of a $787 billion economic stimulus package, in a characteristically blunt assessment."[27]
    - The article went on to say, "'There are going to be mistakes made,' said Biden. 'Some people are being scammed already.'"[28]
- **"The conventional estimate is that 7 percent of government spending is lost to waste, fraud or abuse. Some government officials are warning that using that percentage, $55 billion worth of the $787 billion stimulus package would be lost"**
    - In a Sept. 17, 2009 article, *The New York Times* reported, "But investigators are bracing for more serious efforts on the public money. The conventional estimate is that 7 percent of government spending is lost to waste, fraud or abuse. Some government officials are warning that using that percentage, $55 billion worth of the $787 billion stimulus package would be lost. To try to prevent that, the various federal inspector general offices, state comptrollers and auditors, and federal and local prosecutors have trained their sights on the stimulus money."[29]

Stimulus – Success or Failure?

The trillion-dollar stimulus was put together so quickly and so secretively that no member of Congress had a chance to read it before it passed, and it shows. After passage of the stimulus, the economy only got worse. When President Obama took office in January 2009, the national unemployment rate was 7.6 percent. National unemployment rates rose from 8.5 percent in March 2009, the month after the stimulus act was passed, to 9.7 percent in August 2009. In October 2009, the unemployment rate reached 10.2 percent, which was a 26 year high. Counting those who had settled for part-time jobs or stopped looking for work, the unemployment rate at that time was 17.5 percent. In October 2009 it was reported that 15.7 million people were out of work.

Editor's Note: *There is more information on the unemployment rate that measures unemployed who have settled for a part-time job or stopped looking for work later on in this chapter.*

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[26] Joe Biden, "What you might not know about the recovery," *The New York Times*, July 26, 2009
[27] Pedro Nicolaci da Costa, "Biden says some waste inevitable part of stimulus," Reuters, June 2, 2009
[28] Pedro Nicolaci da Costa, "Biden says some waste inevitable part of stimulus," Reuters, June 2, 2009
[29] Michael Cooper, "On the lookout for stimulus fraud," *New York Times*, Sept. 17, 2009

In January 2010 it was reported that the unemployment rate had lowered slightly to 9.7 percent and that rate actually rose to 9.9 percent by April of that year. The unemployment rate remained at nine percent or higher for the next 10 straight months. Candidates are highly encouraged to visit the [Department of Labor's Bureau of Labor Statistics]() website for the most accurate unemployment rate information. These can be viewed [nationally]() and by [state](). Both are updated monthly, though generally at different times.

On the one year anniversary of the stimulus package having been signed into law, more than three million more Americans had lost their jobs, unemployment hovered near 10 percent, and the federal deficit was projected to be well over $1 trillion annually, years into the future. The stimulus has become a lightning rod issue. From widely reported wasteful spending to the Administration's touting of stimulus-funded projects in congressional districts that do not even exist, an overwhelming majority of Americans now are opposed to the stimulus program.

Solyndra

Solyndra and everything surrounding it receiving hundreds of billions of taxpayer dollars from the 2009 economic stimulus package through a Department of Energy (DOE) federal loan guarantee program is a highly controversial and volatile issue. To understand who did what and what went wrong, let us start by taking a look at the basics first. There is also quite a bit of confusion as to whether the loan guarantee program through which Solyndra received its loan was created under the Bush Administration or was created by the American Recovery and Reinvestment Act of 2009 (otherwise known as ARRA or the 2009 economic stimulus package). Solyndra received its loan guarantee under DOE's Section 1705 loan guarantee program which was created with enactment of the 2009 economic stimulus package. This section should clear up any confusion.

Federal Loan Guarantees: In general, a loan guarantee is defined by the Congressional Budget Office (CBO) as" a loan or security on which the federal government has removed or reduced a lender's risk by pledging to repay principal and interest in case of default by the borrower." Historically, loan guarantees have been used as a policy tool for many different purposes including home ownership, university education, small business growth, international development, etc. Today, 14 federal agencies manage approximately 68 loan guarantee accounts that include approximately $1.9 trillion of primary guaranteed loans outstanding in 2010, according to the Office of Management and Budget (OMB).

DOE Loan Guarantee Programs and the 2009 Economic Stimulus Package: Federal loan guarantee authorizations for demonstrating alternative energy technologies date back to the 1970s when the Geothermal Energy Research, Development and Demonstration act of 1974 (P.L. 93-410) authorized loan guarantees for geothermal demonstration facilities. Additionally in the 1970s, loan guarantees were also authorized by DOE for alternative fuel demonstration facilities and to create a domestic synthetic fuels industry in response to the energy price shock of 1979.

Most recently, loan guarantees have been used as a mechanism to encourage development and deployment of innovative clean energy technologies.

The Energy Policy Act of 2005 (and later the 2009 economic stimulus package), or EPACT 2005, resulted in the creation of DOE's Loan Programs Office (LPO) which was chartered to administer clean energy loan guarantee initiatives. EPACT 2005 (P.L. 109-58) was signed into law by then-President George W. Bush on Aug. 8, 2005 and established loan guarantee programs for multiple energy technologies. It enabled loan guarantees to be used in support of projects for: commercial byproducts from municipal solid waste and cellulosic biomass; sugar ethanol; integrated coal/renewable energy systems; coal gasification; petroleum coke gasification; and electricity production on Indian lands.

The DOE LPO administers three loan programs:

- **Section 1703** - loan guarantees for innovative clean energy technologies with high degrees of technology risk (**this is the program that was created by EPACT 2005**);

- **Section 1705** - loan guarantees for certain renewable energy systems, electric power transmission and innovative biofuel projects that may have varying degrees (high or low) of technology risk (**this is the program that was created by ARRA and this is through which Solyndra received its loan guarantee**); and

- **Advanced Technology Vehicle Manufacturing (ATVM)** - loans to support advanced technology vehicles and associated components.

The Section 1703 and Section 1705 programs are the two of the three of relevance here. Solyndra was the first company to ever receive a loan guarantee under either the Section 1703 or Section 1705 programs. Since then, nearly 40 projects have received loan guarantees through the two programs totaling nearly $35 billion. You can click here to access a list of and information about these companies.

Section 1703: The Section 1703 program was created under section 1703 of Title XVII of the Energy Policy Act of 2005. It was designed to help support U.S. companies developing "a new or significantly improved technology that is NOT a commercial technology," according to DOE's description of the program. Intended as a temporary program, Section 1703 was a self-pay credit subsidy program, meaning the companies receiving the loan guarantee would have to pay the government a fee "equal to the present value of estimated payments the government would make in the event of a default."As of the time of this writing, the Section 1703 program has issued conditional loan guarantee commitments to four projects with a total loan guarantee value of approximately $10.6 billion.

Section 1705: The Section 1705 program was created with the enactment of the ARRA in 2009. The ARRA amended EPACT 2005 to create section 1705 for "commercially available technologies," as DOE explains in a 2009 report about ARRA funding. The ARRA provided more funding for the loan guarantee programs. The loans under the new program – Section 1705 – came with no credit subsidy fees making them more attractive and less expensive than those under the Section 1703 program which was signed into law by President Bush. It was under this ARRA program – Section 1705 – that Solyndra was able to get financing, although the company had actually initially applied under the Section 1703 program.

As of December 2011, all finalized loan guarantee commitments have been for 28 projects within the Section 1705 program, which equal approximately $16.15 billion of federal loan guarantee commitments.

Solyndra and the Section 1705 Program: Solyndra was a company that manufactured cylindrical panels of copper indium gallium selenide (CIGS) thin-film solar cells based out of Fremont, Calif. In simpler terms, Solyndra designed, manufactured and sold solar photovoltaic (PV) systems composed of panels and mounting hardware for large, low-slope commercial rooftops.

Editor's Note: *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information on solar energy and PV systems.*

Solyndra would sell its products to value-added resellers that resell Solyndra systems to end-users such as businesses and utility companies. Unlike most solar modules manufactured for electricity generation (which use flat panel silicon technology), Solyndra's proprietary PV technology was based on a cylindrical design that used CIGS material to convert solar energy into electricity. Since its founding in 2005, Solyndra reportedly raised more than $1.5 billion: $1 billion in private investment and a $535 million loan facility from the Federal Financing Bank that is guaranteed by the DOE.

Solyndra's loan approval process actually began under the Bush Administration and the Section 1703 program since the Section 1705 program had not yet been created. But, the DOE under the Bush Administration never approved Solyndra for a Section 1703 loan.

On March 20, 2009, the DOE announced the $535 million loan guarantee for Solyndra. To further confirm that Solyndra's loan guarantee funding came solely from Section 1705, the announcement said, "This loan guarantee will be supported through the President's American Recovery and Reinvestment Act, which provides tens of billions of dollars in loan guarantee authority to build a new green energy economy."

In brief, proceeds from the DOE-guaranteed loan were used to construct Phase I of a manufacturing plant, known as Fab 2, that would have been capable of manufacturing 250 megawatts per year of Solyndra solar modules. Construction of Fab 2 began in September 2009 (which is when Solyndra received its loan guarantee commitment from DOE valued at $535 million) and first module shipments from the new production plant were scheduled to occur the first quarter of 2011. Total cost of Fab 2 Phase I was estimated to be $733 million. By July 2011, Solyndra reportedly had sold approximately 750,000 modules throughout the world totaling roughly 100 megawatts of installed capacity. On Sept. 6, 2011, Solyndra filed for Chapter 11 bankruptcy, laying off 1,100 employees and shutting down all operations and manufacturing while providing no severance for the fired employees or even providing back due vacation day credit. At the time of the bankruptcy announcement, Solyndra had drawn down $527 million of the DOE loan guarantee.

Solyndra Investigation: There has been a full-blown investigation by the Federal Bureau of Investigation, the U.S Treasury Department and Congress into whether Solyndra fabricated or misrepresented its finances to the government in seeking the loan or engaged in accounting fraud. House Republicans were investigating Solyndra and its loan guarantee approval long before it declared bankruptcy based on hearing of questionable methods used by DOE to analyze the loans. On one side, the Democrats are saying that Solyndra had already been approved for a conditional loan guarantee commitment by the Bush Administration's DOE, but Republicans countered this claim producing internal DOE emails indicating that DOE had made the unanimous decision to shelve Solyndra's application under the Section 1703 program.

Additionally, it has been asserted that the White House and DOE and Treasury were all aware that Solyndra's finances were deteriorating, but approved them for the loan guarantee anyway. And, even further, DOE officials continued to make loan payments to Solyndra even after it had defaulted on the terms of its loans. As of this writing, the Solyndra issue will continue to be investigated.

The House Energy and Commerce Committee, which has been the primary investigatory House committee on this issue, has compiled a timeline of its investigation of Solyndra's $535 million DOE loan guarantee which candidates may find helpful:

Timeline of Energy and Commerce Committee Investigation of Solyndra's $535 Million DOE Loan Guarantee

November 30, 2011

February 17, 2011 - Committee Leaders submit a letter to Energy Secretary Chu seeking documents and information about the $535 million loan guarantee awarded to Solyndra, Inc.

March 14, 2011 - Committee Leaders submit a letter to OMB requesting key documents and information concerning the review of the Solyndra loan guarantee. A two-week deadline is set.

March 17, 2011 – Subcommittee on Oversight and Investigations holds a hearing on "Oversight of DOE Recovery Act Spending."

March 28, 2011 – OMB fails to meet the Committee's deadline to produce documents.

April 11, 2011 – OMB finally provides an initial briefing in response to March 14, 2011, request for documents. OMB staff are unable to answer key questions about OMB's actions regarding the Solyndra review.

April-May 2011 – Committee investigators in ongoing negotiations with OMB over document production related to Solyndra. Despite repeated pledges to produce documents, OMB continues to give the Committee the run around. Committee investigators especially interested in credit subsidy and cash flow documents.

May 25, 2011 - Subcommittee on Oversight and Investigations Chairman Cliff Stearns directly contacts OMB Deputy Director Jeff Zients to demand production of the documents and communications requested in the March 14 letter.

June 7, 2011 – After weeks of negotiations, OMB agrees to allow Committee staff to participate in an in camera review of certain documents. However, when the review takes place, OMB produces only eight emails between OMB and DOE to make available to Committee staff, and refuses to produce the rest of the emails or the agreed-upon internal OMB emails and documents.

June 23, 2011 - Oversight and Investigations Subcommittee Chairman Cliff Stearns submits a letter to OMB expressing serious concern about OMB's refusal to produce agreed upon documents and reiterating the need for the administration's cooperation.

June 23, 2011 - Solyndra submits a document to the Committee proclaiming its sound financial status and optimistic outlook: "Exceeding Expectations: Solyndra Today."

June 24, 2011 - The Subcommittee on Oversight and Investigations holds a hearing regarding "OMB's Role in the DOE Loan Guarantee Process." Sole witness Jeffrey Zients, Deputy Director of the Office of Management and Budget, does not show up. (A full chronology and explanation of committee investigators' efforts to secure OMB cooperation with document requests can be found HERE.)

July 11, 2011 - Committee staff conduct a second in camera review. Again, OMB does not produce all requested documents, specifically declining to turn over OMB's internal communications and documents relating to Solyndra or its communications with the White House. As they have done for months, OMB staff refuses to provide an answer about whether they would produce these materials.

July 12, 2011 - Energy and Commerce Committee leaders schedule an Oversight and Investigations Subcommittee business meeting for Thursday, July 14, 2011, to consider a motion authorizing the issuance of a subpoena for certain OMB records relating to DOE's issuance of a loan guarantee to Solyndra, Inc. on September 2, 2009.

July 13, 2011 - Oversight and Investigations Subcommittee Chairman Cliff Stearns submits a letter to OMB Director Lew to provide a final opportunity to avoid the issuance of a subpoena. OMB refuses to cooperate.

July 14, 2011 - The Subcommittee on Oversight and Investigations holds a business meeting to consider the issuance of a subpoena. The subcommittee votes to issue the subpoena 14 to 8 – a straight party-line vote. A letter from Solyndra's CEO Brian Harrison regarding the company's finances is entered into the hearing record - the letter claims that Solyndra is fiscally sound.

July 15, 2011 – The subpoena is issued to OMB, setting a July 22, 2011, deadline.

July 22, 2011 – OMB fails to meet the subpoena's deadline. Oversight and Investigations Subcommittee Chairman Cliff Stearns informs OMB that they have failed to comply with the subpoena issued on July 15, 2011 regarding the Solyndra loan guarantee. Chairman Stearns requests that OMB produce the documents no later than 9:00a.m. Monday, July 25, 2011.

July 25, 2011 – OMB fails to produce the documents by 9:00am deadline. Committee investigators enter into another round of negotiations with OMB staff to secure their cooperation with the subpoena.

August 2011 – OMB agrees to produce all documents necessary to the Committee's investigation, with appropriate safeguards relating to proprietary information. Production continues.

August 31, 2011 – Solyndra announces it will file for bankruptcy. Committee leaders comment.

September 1, 2011 - Committee leaders ramp up investigation, press White House for documents.

September 8, 2011 – Committee leaders comment on FBI raid of Solyndra.

September 10, 2011 – In an e-mail, Solyndra company lawyers assure committee investigators that Solyndra executives will voluntarily appear and answer Committee questions.

September 14, 2011 – Oversight and Investigations Subcommittee holds a hearing on "Solyndra and the DOE Loan Guarantee Program." Executive Director of DOE's Loan Programs Office Jonathan Silver and OMB Deputy Director Zients testify. Subcommittee investigators release emails indicating that, due to political pressure from the White House, corners were cut and OMB was rushed in approving Solyndra loan. White House press secretary attempts to dismiss concerns that White House pressured OMB on loan guarantee as "scheduling matter."

September 20, 2011 – Committee leaders express concern to Energy Secretary Steven Chu as his agency rushes to dole out nearly $9 billion in loan guarantees by September 30, 2011. The leaders request financial details for 14 loan guarantees DOE is poised to award. Jonathan Silver responds on September 23, 2011.

September 21, 2011 – Oversight and Investigation Subcommittee members seek answers from Solyndra investors. In the letters to Argonaut Private Equity and Madrone Capital Partners, members request all materials related to now-bankrupt Solyndra's $535 million loan guarantee, the company's cancelled initial public offering, the $75 million credit facility, the February 2011 loan restructuring, the company's bankruptcy, as well as materials related to communications with the Obama administration.

September 21, 2011 – Oversight and Investigations Subcommittee members seek all materials related to communications between DOE and the White House, as well as all communications between DOE and the Treasury Department.

September 23, 2011 – Solyndra CEO and CFO invoke the Fifth Amendment during an Oversight and Investigations Subcommittee hearing on "From DOE Loan Guarantee to Bankruptcy to FBI Raid: What Solyndra's Executives Knew."

September 28, 2011 - As DOE continues its effort to quickly finalize billions in loan guarantees over the program's final 48 hours. Stearns expresses concern: "We cannot afford DOE rushing out more Solyndras in these final hours."

September 30, 2011 – DOE extends $4.7 billion in loan guarantees in program's final hours.

October 4, 2011 – President Obama finally ends silence on Solyndra during interview with ABC news. President Obama states that he had "no regrets," "hindsight is always 20/20," and that Solyndra "went through the regular review process."

October 5, 2011 – Committee leaders expand investigation, seeking all White House internal communications on Solyndra, between January 20, 2009, to the present.

October 6, 2011 – Committee leaders renew calls for details on financial condition of all loan recipients in Solyndra program. This was the Committee's second request to DOE.

October 6, 2011 – Jonathan Silver, Executive Director of DOE's Loan Programs Office, resigns. Committee leaders state: "Mr. Silver's resignation does not solve the problem."

October 7, 2011 – Upton and Stearns discover Treasury Department believed DOE violated law in restructuring Solyndra's loan. Committee leaders request information from Secretary Geithner and schedule a hearing on Treasury's concerns.

October 7, 2011 – White House allows a select number of hand-picked reporters to review explosive documents prior to delivering them to the Committee late Friday afternoon of Columbus Day weekend. Upton and Stearns declare the documents reveal a disturbingly close relationship between the President's inner circle, campaign donors, and wealthy investors that spawned the Solyndra mess.

October 14, 2011 – Oversight and Investigations Subcommittee holds a hearing on "Continuing Developments Regarding the Solyndra Loan Guarantee."

October 14, 2011 – White House Counsel refuses to turn over any additional Solyndra-related documents.

October 14, 2011 – Committee leaders reveal OMB questioned the legality of DOE's restructuring of Solyndra loan. OMB official: DOE "stretched this definition beyond its limits."

October 17, 2011 – Upton and Stearns ask "What is the White House trying to hide?" in response to White House's refusal to turn over internal Solyndra communications.

October 18, 2011 – Committee leaders renew request for all internal White House Solyndra-related communications.

October 20, 2011 – In response to DOE saying author of Solyndra restructuring legal memo cannot be interviewed under oath, Committee leaders press Energy Secretary to make DOE officials available.

October 25, 2011 – White House Counsel again refuses Committee requests for internal White House communications related to Solyndra.

October 27, 2011 - Stearns announces Energy Secretary Steven Chu will testify before the Oversight and Investigations Subcommittee on November 17, 2011.

October 27, 2011 – Chairman Upton phones White House Chief of Staff William Daley in an effort to negotiate document production without the need for a subpoena.

October 28, 2011 – Energy and Commerce Committee leaders announce plans to convene a business meeting to consider White House subpoena if final effort to secure White House cooperation is unsuccessful.

October 28, 2011 – In wake of Solyndra mess, White House announces plans to conduct 60-day review of DOE loan guarantee program.

November 2, 2011 –Upton and Stearns invite Ranking Member Waxman (D-CA) and Subcommittee Ranking Member DeGette (D-CO) to join them for a meeting with White House Counsel Kathryn Ruemmler to gain White House cooperation. Despite committee leaders' attempts to broker a deal with the White House Counsel, the White House fails to turn over requested documents or answer basic questions about the documents.

November 2, 2011 – DOE produces additional documents in response to February 17, 2011, document request.

November 3, 2011 – Committee approves subpoenas by a 14 to 9 vote after White House fails to turn over internal Solyndra documents.

November 3, 2011 – Committee serves subpoenas to William Daley, White House Chief of Staff, and Bruce Reed, Office of the Vice President Chief of Staff. The subpoenas set a November 10, 2011, deadline for the White House to comply.

November 4, 2011 – Chairman Upton expresses disappointment with White House's partisan response to the subpoenas.

November 9, 2011 – As White House threatens to defy subpoena, Committee releases sampling of emails that offers glimpse of close ties between Solyndra investor and West Wing, directly contradicting public comments by White House.

November 10, 2011 – In face of deadline, Committee leaders continue seeking good faith efforts of compliance from White House regarding Solyndra subpoenas. White House informs committee that letter and responsive materials would be forthcoming by 5:00p.m.

November 11, 2011 – White House produces limited number of documents in response to Solyndra subpoena. Upton and Stearns look forward to "further productive discussions" with White House.

November 17, 2011 – The Subcommittee on Oversight and Investigations convenes the hearing, "The Solyndra Failure, Views from DOE Secretary Chu." According to a preliminary legal analysis prepared for DOE by outside counsel, subordination of the loan guarantee was prohibited under the 2005 Energy Policy Act. Secretary Chu acknowledges during the hearing that DOE never sought to have this analysis from outside counsel finalized, instead relying solely on a legal analysis prepared within DOE.

The "Jobs" Bill, a.k.a., the "Second Stimulus"

Perhaps no more evidence is needed that the stimulus package did not achieve its stated goals than the Democrat leadership's scramble at the end of 2009 through the beginning of 2010 to assemble so-called "jobs" legislation.

With 2009 coming to a close, House Democratic leaders hastily assembled and passed a $154 billion bill that they said was focused on stemming the tide of unemployment and creating jobs. The House bill, dubbed the Jobs for Main Street Act, proposed funding in three broad categories: infrastructure investment ($48.3 billion), public service jobs ($26.7 billion) and assistance to families and small businesses ($79 billion). Under the bill, the first two categories would be funded by shifting money from the Troubled Asset Relief Program (TARP) (a far cry from the original purpose of this funding) and would fund many of the same priorities as the earlier stimulus package.

Editor's Note: *For more information regarding TARP, please refer to the Financial Crisis, Bailouts and Financial Reforms chapter of the 2012 NRCC Issues Book.*

The $79 billion in assistance for families and small businesses would come from general funds and would be treated as emergency spending. The bill would extend through June both supplemental federal unemployment benefits and eligibility for a 65 percent subsidy for laid-off workers to help pay federal COBRA premiums. It would also postpone a cut in Medicaid pay to doctors, provide money to continue nutrition services for children and the poor, and continue two temporary Small Business Administration loan guarantee programs. The bill passed the House, but was not considered in the Senate due to health care reform dominating the agenda in that chamber.

Selected votes hits on Democrats who voted for the second stimulus

- **A $154 billion jobs package, which was called "hastily assembled," used redirected funds from the Troubled Asset Relief Program (TARP), also known as the financial industry bailout, and funded many of the same programs as the $787 billion stimulus package**

    - The Obey (D-WI) motion to concur in the Senate amendment with a House amendment to the bill that would appropriate $154.4 billion for infrastructure projects, jobs programs and aid to state and local governments. It would redirect money from the Troubled Asset Relief Program. Of the total, $48.3 billion would be for infrastructure projects and $26.7 billion in aid to state and local governments. It also would extend unemployment benefits, COBRA health care premium subsidies and provisions requiring the federal government to assume an increased share of Medicaid funding through June 30, 2010. It would extend federal highway, transit and safety programs through the end of fiscal 2010, and expand eligibility for the child tax credit. (Motion agreed to by a vote of 217-212: D:217-38, R: 0-174)[30]

- **The legislation was "hastily assembled," providing little time for lawmakers to study the bill before voting on it, and had little chance of being considered by the Senate**

    - In a Dec. 17, 2009, article, *The Wall Street Journal* reported, "The bill passed late Wednesday on a 217-212 vote, with no Republicans voting for the plan. The hastily assembled legislation was completed late Tuesday night, leaving lawmakers little time to study it and prompting criticism from Republicans who said it was a waste of taxpayer money.

      "The Senate won't take up jobs legislation until next year, but with the highest unemployment rate in decades, House Democrats didn't want to return to their districts for

[30] H.R. 2847, CQ Vote #991, Dec. 16, 2009

the holiday recess without taking some action. As the 2010 midterm elections near, Democrats are framing their appeal to voters on job creation while Republicans seek to tap into voter unease about the rising federal deficit."[31]

- In a Dec. 17, 2009, article, *The Washington Post* reported, "But Democrats put off until next year some of the thorniest political issues facing the chamber. While the House passed on party lines a largely symbolic $150 billion job-creation bill, that legislation has virtually no chance of seeing action in the Senate this year and was a reflection of Democrats' belief that addressing the nation's unemployment crisis will have to be their top priority when they return to business in January. Likewise, the vote to temporarily raise the debt limit by $290 billion allowed House leaders to kick down the road tougher questions about deficit spending that have become a focal point for Republican attacks."[32]

➢ **Speaker Nancy Pelosi personally lobbied members to vote in favor of the bill during the vote**

- In a Dec. 17, 2009, article, Bloomberg.com reported, "House Speaker Nancy Pelosi, a California Democrat, lobbied colleagues on the bill's behalf even after the vote began as she struggled to win its passage. Afterward, Representative James Clyburn of South Carolina, the Democrats' chief vote-counter, said he hadn't been sure the bill would pass."[33]

➢ **Speaker Nancy Pelosi and other Democrat leaders "yelled, pleaded and cajoled reluctant Democrats worried over deficit spending" to vote for the bill or change their votes to "yes" as time for the vote ran out**

- In a Dec. 16, 2009, article, *The Hill* reported, "The House narrowly passed Speaker Nancy Pelosi's (D-Calif.) $174 billion [sic] jobs bill Wednesday, only after Pelosi and other party leaders yelled, pleaded and cajoled reluctant Democrats worried over deficit spending."[34]

- The same article went on to say, "But the crucial vote came without any apparent arm-twisting. When the clock ticked down to zero, the bill was losing 208-212. But as leaders worked the floor, the numbers in the 'yes' column slowly grew. Then Baird stepped to the desk and picked up a green card and signed it to change his vote from 'no' to 'yes,' given Pelosi the majority she needed."[35]

➢ **About half of the funding for the bill comes from funds redirected from the Troubled Asset Relief Program (TARP), also known as financial industry bailout. Republicans have called for these funds to be used to pay down the National Debt, which has climbed to more than $12 trillion in 2009, instead of being used for other federal spending.**

- In a Dec. 17, 2009, article, *The Wall Street Journal* reported, "Democrats said that half the cost of the package would come from money repaid by financial firms who received cash infusions from the Treasury's financial stabilization program. Republicans say the law

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[31] Corey Boles, "House Approves $154 Billion Job Bill," *The Wall Street Journal*, Dec. 17, 2009
[32] Paul Kane and Perry Bacon, Jr., "House passes temporary measures to end 2009," *The Washington Post*, Dec. 17, 2009
[33] Brian Faler, "U.S. House Approves $154 Billion Jobs Bill, Debt Limit Increase," Bloomberg.com, Dec. 17, 2009
[34] Mike Soraghan and Jared Allen, "House narrowly passes Pelosi's $174B jobs bill," *The Hill*, Dec. 16, 2009
[35] Mike Soraghan and Jared Allen, "House narrowly passes Pelosi's $174B jobs bill," *The Hill*, Dec. 16, 2009

establishing the Troubled Asset Relief Program requires repaid funds to be used to pay down the federal budget deficit, and that the jobs bill would add to deficit."[36]

- In a Dec. 17, 2009, article, *The Washington Post* reported, "Congressional Republicans continued their criticism of the Democratic stewardship of the economy. Republicans called for using the leftover funds from the financial bailout to pay down the national debt, which has climbed to more than $12 trillion this year. 'Democrats in this new stimulus bill are simply voting to extend policies that have failed to create jobs, failed to get the American economy back on its feet,' said Rep. Mike Pence (R-Ind.), who ranks third in the House GOP leadership."[37]

- **Many of the ideas are renewals of programs started in February's $787 billion economic stimulus bill even though as of September 2009, much of that money has not yet been spent**

  - In a Dec. 16, 2009, article, Reuters reported, "The bill reprises many approaches taken in the $787 billion stimulus bill that Congress passed in February. Congressional budget analysts say that effort has created up to 1.6 million jobs and blunted the impact of the recession."[38]

  - In a Dec. 16, 2009, article, The Associated Press reported, "Many of the ideas are renewals of programs started in February's $787 billion economic stimulus bill, which has earned mixed reviews from the public as unemployment has hit 10 percent."[39]

  - In a November 2009, report on the Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output, the nonpartisan Congressional Budget Office (CBO) reported, "CBO estimates that the enactment of ARRA raised federal outlays by about $100 billion and reduced tax collections by about $90 billion through September 2009."[40]

  - In a Dec. 2, 2009, article, CBSNews.com reported, "As of late September, only one-quarter of the $787 billion in stimulus funds have been spent. Some lawmakers say even that unspent money is on the table."[41]

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[36] Corey Boles, "House Approves $154 Billion Job Bill," *The Wall Street Journal*, Dec. 17, 2009
[37] Paul Kane and Perry Bacon, Jr., "House passes temporary measures to end 2009," *The Washington Post*, Dec. 17, 2009
[38] Andy Sullivan, "U.S. House approves $155 billion jobs bill," Reuters, Dec. 16, 2009
[39] Andrew Taylor, "House narrowly approves Democratic jobs plan," The Associated Press, Dec. 16, 2009
[40] Report, "Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output as of September 2009," Congressional Budget Office, November 2009
[41] Jill Jackson, "Democrats Turn Their Attention to Jobs," CBSNews.com, Dec. 2, 2009

HOUSE REPUBLICAN PLAN FOR AMERICA'S JOB CREATORS

In the 112th Congress with the new Republican majority in the House, House Republicans proposed and have been pushing a pro-growth legislative agenda focused on job creation and economic growth. This plan, appropriately called the "House Republican Plan for America's Job Creators," is meant to address our economic challenges, foster innovation and investment and help job creators without raising taxes on working families and small business owners. You can view the plan in its entirety by clicking here.

The plan focuses around eight primary solutions that are explained below, courtesy of the House Republican Conference:

Reduce Regulatory Burdens: Job creators are being bogged down by burdensome regulations from Washington that prevent job creation and hinder economic growth. These regulations are particularly damaging for the real job creators in the country: small business owners. We must remove onerous federal regulations that are redundant, harmful to small businesses, and impede private sector investment and job creation.

In order to ease the regulatory burden on the economy and to promote job creation, we will approve legislation that requires a congressional review and approval of any proposed federal government regulation that will have a significant impact on the economy.

Tax Code Reform: America's tax code has grown too complicated and cumbersome, and it is fundamentally unfair. It is filled with loopholes and giveaways. Congress should eliminate the special interest tax breaks that litter the code and reduce the overall tax rate to no more than 25% for businesses and individuals including small business owners. This would make the tax code flatter, fairer, and simpler. Common sense changes to the tax code will ensure that everyone pays their fair share, lessen the burden on families, generate economic expansion, and create jobs by making America more competitive.

We will set the top tax rates at no more than 25% for job creating businesses. This would level the playing field with our competitors and would help to generate investments and create American jobs allowing the U.S. to be more competitive in the global marketplace and attract business.

Free Trade: For more than three years free trade agreements with Colombia, Panama, and South Korea have sat idle, blocked by House Democrats' political posturing. As President Obama said on January 27, 2010, "If America sits on the sidelines while other nations sign trade deals, we will lose the opportunity to create jobs on our shores."

We will pass three pending free trade agreements with Colombia, Panama, and South Korea. This will be a shot in the arm for businesses small and large and will create thousands of jobs. We will build on those successes by looking for other ways to expand market access for U.S. made products while vigorously enforcing our rights to protect American jobs from unfair practices by other countries.

Patent Reform: America has historically been on the cutting edge of innovation and technological development, but we are increasingly falling behind our global competitors. Stronger protections for new ideas and products, greater access to a well-educated workforce, and a more efficient and predictable government approval process will empower American business owners to compete in the 21st Century economy. We will make it easier for existing businesses to grow and allow more start-up companies to flourish.

We will modernize and improve the patent system to discourage frivolous lawsuits, expedite reviews, and provide better protection for job creating entrepreneurs. Streamlining the system will make it easier for existing businesses to grow and allow more start-up companies to flourish. The House Judiciary Committee voted to approve a bipartisan patent reform bill to address these challenges.

Visas for Highly Skilled Workers: Our current visa system is failing job creators who need access to a skilled and specialized workforce. America has always stood as a beacon of opportunity to the best and brightest from around the world and the nation has benefitted from their contributions. Yet today, our visa system is not addressing our economic needs. Leading high-tech companies in America are struggling to hire qualified employees while the government visa system sends home highly skilled workers educated in America's universities.

After a systematic review of our visa system, the Congress should undertake prudent reforms. The House Judiciary Committee is reviewing our visa system to determine the needs of American employers and the reforms necessary to ensure that American businesses maintain their leading edge in innovation and technology development. Possible solutions include keeping the most accomplished graduates in math, science and other critical fields here in America as well as making it easier for start-up entrepreneurs to obtain visas.

FDA Approval Process: Innovators need certainty and timeliness from the government's product approval process in order to create and sustain jobs. While some have referred to the U.S. Food and Drug Administration's approval process as the "gold standard" for the world, the life sciences and medical device approval process lacks transparency and consistency. This delays access to potentially lifesaving treatments, hinders job creation in this critical growth sector of our economy, cripples the ability of companies to make major investment decisions about new research projects, and sometimes bankrupts promising opportunities with millions of dollars in unexpected costs.

There are two major programs that must be reauthorized next year by Congress to improve the FDA approval process: the prescription drug user fee program and the medical device user fee program. Under these two programs, the FDA collects funds from industry to help expedite the drug and device approval process. These two reauthorizations present an opportunity to bring transparency and consistency to the FDA approval process, and with that, more efficiency, growth, and American jobs.

Maximize Domestic Energy Production: The energy sector is crucial to our economic growth, and high energy costs have a major impact on job creation. We have an abundant supply of natural resources in America that we must use to meet our nation's energy needs. We need policies that allow us to harness our own resources, develop new sources of energy, and create jobs here at home.

Over the past 220 years, America has created the greatest economic success story in the history of the world. Our innovative society has dramatically improved the length and quality of life for billions of people around the globe. This same ingenuity must be unleashed to meet our energy and employment needs. House Republicans are taking immediate action through our American Energy Initiative by passing bipartisan legislation to expand energy exploration and production. This will help create American jobs, grow our economy, and enhance our security.

Start Living Within Our Means: The federal government is spending and borrowing so much that the United States will soon go broke. Washington's spending binge has put our nation in debt, eroded economic confidence, and caused massive uncertainty for private sector job creators.

We will work to control the federal deficit to assure investors and entrepreneurs that our nation's elected leaders are finally getting serious about paying off the debt over time and will bring back confidence by supporting long-term economic growth.

House Republicans have already begun to reduce spending in a meaningful way by approving legislation to decrease spending for the rest of the year and adopting a budget that reduces government spending by almost $6 trillion over the next ten years.

The House Republican Plan for America's Job Creators Legislative Agenda

Along with the eight tenets listed and described above, House Republicans have been pushing dozens of "jobs bills" with the intent of each to creates jobs and grow the economy without increasing federal spending or taxes on small businesses and families. At the time of this writing, there have been 41 jobs bills that have originated in and passed the House. Of these, 30 have moved no further in the Senate since House passage and 11 have been signed into law by President Obama. You can click here to track these bills as they move (or do not move) through the legislative process.

Below are the 11 bills that have passed the House and Senate and been signed into law by President Obama:

H.R 4, Small Business Paperwork Mandate Elimination Act: H.R. 4 was passed by the House on March 3, 2011, by a vote of 314 to 112 (R: 238-0; D: 76-112). You can see how they voted here. It was then signed into law by President Obama on April 14, 2011.

H.R. 4 repealed the burdensome and unpopular 1099 provision of the Democrats' government takeover of health care law. It would have required all businesses to file a 1099 tax form with the Internal Revenue Service (IRS) for every vendor that they pay more than $600 per year starting in the year 2012. This was offset by allowing the federal government to reclaim a higher percentage of overpayments of health insurance subsidies to families under the Democrats' government takeover of health care law. It requires families and individuals to repay the entire federal subsidy they receive to purchase health insurance under the law when their income exceeds 400 percent of the federal poverty level. Before this change, families and individuals would have made partial and incremental repayments of their subsidy when their income was between 400 and 500 percent of the federal poverty level with full repayment being made at 500 percent.

Below are selected vote hits against Democrats who voted against H.R. 4:

- **Voted against eliminating the tax requirement that businesses file a 1099 form with the IRS for every vendor whom they pay more than $600 in a year, known as the 1099 provision of the 2010 health care overhaul, commonly known as "ObamaCare"**

  - Voted against passage of the bill that would repeal an information-reporting requirement, enacted as part of the 2010 health care overhaul, under which businesses must submit a 1099 form to the IRS for each vendor to whom they pay more than $600 each year in certain circumstances. It also would repeal a similar requirement for owners of rental real estate. It would offset the repeal costs by changing the schedule of a recapture tax imposed on low-income families who receive advanced payments of a health insurance tax credit in excess of the amount for which they are eligible. (Passed: 314-112; D: 76-112; R: 238-0)[42]

- **The 1099 provision is widely opposed by a number of business groups including the U.S. Chamber of Commerce and National Federation of Independent Businesses**

  - In an Aug. 17, 2010, release, the U.S. Chamber of Commerce wrote, "The U.S. Chamber of Commerce today led more than 1,099 local chambers of commerce, associations, and businesses of all sizes in sending a letter to Congress calling for a repeal of the burdensome reporting mandate included in the health care law. This tax filing requirement imposes a substantial burden on nonprofits, governments, and businesses—especially small businesses.

    "'By including this burdensome reporting requirement in the health care bill, Congress prioritized regulation ahead of job creation,' said Bruce Josten, executive vice president of Government Affairs at the U.S. Chamber. 'Small businesses will now have to spend time and money implementing new accounting systems and filling out stacks of forms instead of growing their businesses and hiring new employees.'

    "The letter expresses the business community's commitment to repealing Section 9006 of the Patient Protection and Affordable Care Act before it goes into effect in 2012. It outlines the major concerns, including:

    - Forty million entities—including businesses of all sizes, nonprofits, and governments—will be required to report to the IRS on virtually all non-credit card purchases totaling $600 or more from any vendor in a tax year.

    - The 1099 reporting mandate will impose substantial paperwork and reporting requirements on these entities, with the burden falling particularly hard on small businesses. Compliance will require these entities to institute complex record-keeping systems that can track every purchase by vendor and payment method.

    - This provision will dramatically increase accounting costs, expose businesses to costly and unjustified IRS audits, and subject more small businesses to the challenges of electronic filing.

[42] H.R. 4, CQ Vote #162, March 3, 2011

- The mandate could alter marketplace behavior to the detriment of small businesses and startups. In order to minimize reporting, customers may consolidate their purchases by using several large vendors with broad geographic presence and more diverse product lines instead of a number of small vendors.

- The cost of repealing this provision should not be offset by levying higher taxes on—or removing existing tax incentives from—business, as this would only erode American competitiveness and private sector job creation"[43]

  - In a July 13, 2010, press release, the National Federation of Independent Businesses (NFIB) wrote, "Bill Rys, tax counsel for the National Federation of Independent Business, America's leading small business association, issued the following statement on efforts to repeal the 1099 provision in the healthcare law:

    "It's clear there is bipartisan agreement that the 1099 provision contained in the healthcare law will have a direct negative impact on small businesses. We appreciate Senator Johanns putting forward an amendment to repeal this provision of the law. We also commend Senators Begich, Nelson (Neb.), Shaheen and Bayh for flagging concerns over this particular issue and encourage them to go a step further and work to repeal this measure.

    "On the House side, last month Congressman Lungren led the effort and offered a bill (H.R. 5141) to repeal the 1099 provision. It currently has 91 co-sponsors. Congress is not alone in voicing their concerns over this particular part of the healthcare law and its harmful financial impact on small businesses. The Office of Taxpayer Advocate recently released a report highlighting their concerns about the harmful effects this will have on small business. Additionally, NFIB has met with administration officials to voice their concerns on this important problem and are eager to find a solution.

    "As the administration and congress spend this week focusing on reducing regulations that harm small business, this is one that everyone agrees on and can be fixed today."[44]

- **According to the bi-partisan Joint Committee on Taxation (JCT), the bill will save the federal government $116 million between FY2011 and FY2021**

  - The Joint Committee on Taxation (JCT) released an estimate on Feb. 15, 2011, that stated HR 4 would reduce deficits by $116 million between FY2011 and FY2021.[45]

H.R. 1249, America Invents Act: H.R. 1249 was passed by the House on June 23, 2011, by a vote of 304 to 117 (R: 168-67; D: 136-50). You can see how they voted here. President Obama signed H.R. 1249 into law on Sept. 16, 2011.

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[43] Press Release, "U.S. Chamber Leads Effort to Repeal Burdensome Reporting Requirement Impacting Small Businesses," U.S. Chamber of Commerce, Aug. 17, 2010, http://www.uschamber.com/press/releases/2010/august/us-chamber-leads-effort-repeal-burdensome-reporting-requirement-impacting
[44] Press Release, "Small Businesses Push for Removal of 1099 Provision in Healthcare Law," National Federation of Independent Businesses (NFIB), July 13, 2010, http://www.nfib.com/nfib-on-the-move/nfib-on-the-move-item?cmsid=52010
[45] "ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 4, SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON FEBRUARY 17, 2011," Joint Committee on Taxation (JCT), Feb. 15, 2011, http://www.jct.gov/publications.html?func=startdown&id=3736

H.R. 1249 changed the U.S. Patent system from the then-current "first to invent" to a "first inventor to file" as well as made certain business method patents subject to review. It amended federal patent law to define the "effective filing date" of a claimed invention as the actual filing date of the patent or the application for patent containing a claim to the invention (thus, replacing the then-current "first inventor to use" system with a "first inventor to file" system). Additionally, H.R. 1249 requires the patent office to establish a post-grant review process to review the validity of "business method patents," which are patents that claim a method for performing data processing or other operations used in the practice, administration or management of a financial product or service that is not a technological invention.

H.R. 3078, U.S.-Colombia Trade Promotion Agreement Implementation Act: H.R. 3078 was passed by the House on Oct. 12, 2011, by a vote of 262 to 167. You can see how they voted here. President Obama signed H.R. 3078 into law on Oct. 21, 2011.

H.R. 3078 was one of three free trade agreement (FTA) bills passed and signed into law in October 2011. The Colombia FTA was the most contentions of the three FTAs because many Democrats and labor unions were concerned over alleged violence against labor organizers and union members. While most international observers agree that Colombia has made significant and sufficient progress in curbing violence against unions, many pro-labor Democrats still refused to support the measure. Under the Colombia FTA, most consumer and industrial exports from the United States to Colombia will enter duty-free immediately with rates for other products gradually decreasing over time. The agreement also increases protections for intellectual property and enhances Colombia's labor and environmental standards.

H.R. 3079, U.S.-Panama Trade Promotion Agreement Implementation Act: H.R. 3079 was passed by the House on Oct. 12, 2011, by a vote of 300 to 129. You can see how they voted here. President Obama signed H.R. 3079 into law on Oct. 21, 2011.

H.R. 3079 was another one of the three FTAs passed and signed into law in October 2011. Very similar to the Colombia FTA, most consumer and industrial exports from the United States to Panama will enter duty-free immediately with rates for other products gradually decreasing over time. The agreement also increases protections for intellectual property and enhances Panama's labor and environmental standards.

H.R. 3080, U.S.-South Korea Free Trade Agreement Implementation Act: H.R. 3080 was passed by the House on Oct. 12, 2011, by a vote of 278 to 151. You can see how they voted here. President Obama signed H.R. 3080 into law on Oct. 21, 2011.

H.R. 3080 was the last of the three FTAs passed and signed into law in October 2011. Under H.R. 3080, most tariffs and duties currently affecting trade between the U.S. and South Korea would be reduced. In addition, the FTA reduced barriers for services, increased protections for intellectual property and reduced tariffs imposed on U.S. automakers seeking to export to South Korea.

H.R. 2433, Veterans Opportunity to Work Act: H.R. 2433 was passed by the House on Oct. 12, 2011, by a vote of 418 to 6 (R: 235-5; D: 183-1). You can see how they voted here. It was later rolled into H.R. 674 (more on this bill later) that was signed into law by President Obama on Nov. 21, 2011.

In brief, H.R. 2433 does the following (per the House Veterans Affairs Committee):

- expands education and training opportunities for older veterans by providing nearly 100,000 unemployed veterans of past eras and wars with up to 1-year of additional Montgomery GI benefits to go towards education or training programs at community colleges or technical schools for high-demand jobs.

- makes the Transition Assistance Program (TAP)—an interagency workshop coordinated by Departments of Defense, Labor, and Veterans Affairs—mandatory for most service members moving on to civilian life to help them secure jobs in the 21st Century.

- provides disabled veterans up to 1-year of additional Vocational Rehabilitation and Employment Benefits.

- works with the states to create licensing and credentialing standards to break down the barriers to find meaningful employment in their military occupations.

- allows service members to begin the federal employment process prior to separation in order to facilitate a truly seamless transition from the military.

- strengthens USERRA protections for service members in the workforce to clarify what constitutes a hostile work environment.

- provides a tax credit of up to $5,600 for hiring veterans who have been looking for a job for more than six months, as well as a $2,400 credit for veterans who are unemployed for more than 4 weeks, but less than 6 months. Also provides a tax credit of up to $9,600 for hiring veterans with service-connected disabilities who have been looking for a job for more than six months.

H.R. 674, 3% Withholding Rule Repeal: H.R. 674 was passed by the House on Nov. 16, 2011, by a vote of 422 to 0. You can see how they voted here. President Obama signed it into law on Nov. 21, 2011.

The final version of H.R. 674 was a combination of the language from three separate bills: H.R. 2433 (see above) and H.R. 2576. In its entirety, H.R. 674 repealed the three percent withholding requirement for government contractors and offset the costs of doing so by making changes to the way Social Security income is calculated to determine eligibility for Medicaid, health care exchanges subsidies (under the Democrats' government takeover of healthcare) and the Children's Health Insurance Program (CHIP).

H.R. 658, Federal Aviation Administration (FAA) Transportation Modernization and Safety Improvement Act: H.R. 658 was passed by the House (in its final version) on Feb. 3, 2012, by a vote of 248 to 169 (R: 224-12; D: 24-157). You can see how they voted here. President Obama signed it into law on Feb. 14, 2012.

In brief, H.R. 658, for the first time in more than four years, authorized a long-term authorization for federal aviation programs. It authorized about $15.9 billion annually for the FAA through fiscal year (FY) 2015. This was the first multi-year FAA reauthorization since the last 2003 renewal expired at the end of FY 2007. H.R. 658 provides stable funding and policy for FAA, boosts safety, creates jobs and ensures the implementation of the FAA's effort to modernize the national air system.

H.R. 3630, Middle Class Tax Relief and Job Creation Act: Two different versions of H.R. 3630 were passed by the House over the course of the Social Security payroll tax rate negotiations at the end of 2011 and beginning of 2012. The final version that was signed into law by President Obama on Feb. 22, 2012, was passed by the House on Feb. 17, 2012, by a vote of 293 to 132 (R: 146-91; D: 147-41). You can see how they voted here.

Editor's Note: *The original version of H.R. 3630 that was passed by the House in December 2011 was the House Republican-preferred version as it had many more reforms attached to it. For more information on the entire process surrounding H.R. 3630 and details about each version of it, please refer to the Tax Policy chapter of the 2012 NRCC Issues Book.*

In brief, H.R. 3630 extended the lower Social Security payroll tax rate for American employees and self-employed through December 2012.

H.R. 3606, Jumpstart Our Business Startups (JOBS) Act: H.R. 3606 was passed by the House (its final version) on March 27, 2011, by a vote of 380 to 41 (R: 235-0; D: 145-41). You can see how they voted here. President Obama signed it into law on April 5, 2012.

H.R. 3606 is an amalgamation of six separate bills – three that have previously passed the House (H.R. 2940, H.R. 2930 and H.R. 1070); one that is similar to another bill that previously passed the House (H.R. 4088) and two others that had not been previously taken up in the House (H.R. 2167, H.R. 3606). In brief, H.R. 3606 is aimed at scaling back Securities and Exchange Commission (SEC) regulations in an effort to make it easier for small businesses to go public and raise capital in the private market. Among its provisions, it:

- allows companies to pool up to $1 million worth of securities without registering with the SEC, but would require anyone acting as a "crowdfunding" intermediary to register with securities regulators;

- raises the threshold for the number of shareholders triggering an SEC registration from 750 to 2,000;

- raises the number of shareholders that would trigger an SEC registration requirement for a bank to 2,000; and

- scales back disclosure requirements for some companies seeking to sell shares to the public, creating what supporters call an "on-ramp" for initial offerings – companies with gross annual revenue of up to $1 billion, designated as "emerging growth companies," could sell shares to the public without complying with some requirements of the 2002 Sarbanes-Oxley law;

H.R. 4105, Apply Countervailing Duty to Nonmarket Economy Countries: H.R. 4105 passed the House on March 6, 2012, by a vote of 370 to 39 (R: 194-39; D: 176-0). You can see how they voted here. President Obama signed H.R. 4105 into law on March 13, 2012.

H.R. 4105 would allow the Commerce Department to impose countervailing duties on imports from countries like China and Vietnam – countries without market economies. Countervailing duties are allowed under World Trade Organization WTO) rules to neutralize the cost-cutting effects of government subsidies for exported goods.

The following 11 bills are either stuck in the Senate or are currently in the process of having certain provisions tweaked in order to move forward:

Editor's Note: *The following provides very brief descriptions of each bill or, since many of these bills overlap with other issues in addition to jobs and the economy, please take notice of notes made regarding some of the bills in this list directing you to other chapters of the 2012 NRCC Issues Book (rather than repeating an explanation of a bill that is already covered in other chapters.) For example, several of the bills below deal with domestic energy production and are also outlined in the Energy chapter. If you have any questions, please contact the NRCC.*

H.R. 872, Reducing Regulatory Burdens Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 910, Energy Tax Prevention Act (***Note:*** *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information.*)

H. J. Res. 37, Disapproval of the Federal Communication Commission's (FCC's) Net Neutrality Regulations (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2018, Clean Water Cooperative Federalism Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 1315, Consumer Financial Protection and Soundness Improvement Act (***Note:*** *Please refer to the Financial Crisis, Bailouts and Financial Reforms chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2587, Protecting Jobs From Government Interference Act (***Note:*** *Please refer to the Labor and Workforce chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2401, Transparency in Regulatory Analysis of Impacts on the Nation (TRAIN) Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2681, Cement Sector Regulatory Relief Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2250, Environmental Protection Agency (EPA) Regulatory Relief Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2273, Coal Residuals Reuse and Management Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 3094, Workforce Democracy and Fairness Act (***Note:*** *Please refer to the Labor and Workforce chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 3010, Regulatory Accountability Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 527, Regulatory Flexibility Improvements Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 10, REINS Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 1633, Farm Dust Regulation Prevention Act (***Note:*** *Please refer to the Regulations and the Federal Rulemaking Process chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 1837, Sacramento-San Joaquin Valley Water Reliability Act: H.R. 1837 would facilitate increased water access in the San Joaquin Valley for agricultural and municipal use and limit the enforcement or consideration of certain environmental rules and regulations.

H.R. 2087, Land in Accomack County, Virginia Act: H.R. 2087 would remove deed restrictions on a 32-acre parcel of county-controlled land in southeastern Virginia being eyed for development.

H.R. 9, Small Business Tax Cut Act: H.R. 9 would give companies with fewer than 500 employees a one-time tax deduction of 20 percent.

H.R. 1904, Southeast Arizona Resource Utilization and Conservation Act: H.R. 1904 would open part of southeastern Arizona to copper mining by permitting a land swap between the federal government and Resolution Copper Mining.

H.R. 3012, Fairness for High-Skilled Immigrants Act: H.R. 3012 would eliminate country-based caps on the number of employment visas issued annually and boost similar limits for immigrants sponsored by a spouse or relative in the United States.

H.R. 1230, Restarting American Offshore Leasing Now Act (***Note:*** *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 1229, Putting the Gulf of Mexico Back to Work Act (***Note:*** *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 1231, Reversing President Obama's Offshore Moratorium Act (***Note:*** *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2021, Jobs and Energy Permitting Act (***Note:*** *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 1938, North American-Made Energy Security Act (***Note:*** *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 3408, Protecting Next Generation Energy Security (PIONEERS) Act (***Note:*** *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2842, Hydropower Development and Rural Jobs Act (***Note:*** *Please refer to the Energy chapter of the 2012 NRCC Issues Book for more information.*)

H. Con. Res. 112, Budget for FY 2013 (***Note:*** *Please refer to the Budget and Federal Spending chapter of the 2012 NRCC Issues Book for more information.*)

H. Con. Res. 34, Budget for FY 2012 (***Note:*** *Please refer to the Budget and Federal Spending chapter of the 2012 NRCC Issues Book for more information.*)

H.R. 2560, Cut, Cap and Balance (***Note:*** *Please refer to the Deficit, Debt and Debt Limit chapter of the 2012 NRCC Issues Book for more information.*)

PRESIDENT OBAMA'S AMERICAN JOBS ACT

In September 2011, President Obama announced a plan which he submitted to Congress called the American Jobs Act. Republicans by and large were opposed to the President's plan. It was subsequently introduced in the Senate as S. 1549.

To read President Obama's speech which accompanied the announcement of the American Jobs Act, please click here.

For an outline of the proposals contained within the American Jobs Act, please click here.

The primary concern that Republicans had with the President's plan was that President Obama wanted to pay for this $447 billion "jobs bill" by raising taxes on the wealthy and businesses in the following ways:

- limiting itemized deductions for people making more than $200,000 a year and families making more than $250,000 a year;

- taxing the income investment fund managers make, known as "carried interest," as regular income instead of as capital gains (which currently has a 15 percent tax rate);

- eliminating tax breaks for the oil and gas sector;

- changing the way corporate jets depreciate.

In addition to its proposed tax increases, there were other parts of the President's proposal that Republicans disagreed with and/or were concerned with (per House Republican Leadership):

> Payments to State and Local Governments: The 2009 stimulus bill included $53.6 billion in state stabilization funds under the guise of preventing the layoff of teachers, law enforcement officers, and other municipal employees. This band-aid approach masked over the true fiscal problems facing states and local governments. Some jurisdictions used the funds to provide one-time raises; others retained employees for a short-period of time, only to lay them off later. The President is proposing more of the same with an additional $30 billion in spending.
>
> Federal School Construction: School construction has historically been a state and local function. In his 2009 stimulus proposal, President Obama proposed approximately $20 billion for school construction, but the Democrat-controlled Senate rejected the proposed funding.
>
> Neighborhood Stabilization Grants: The President has proposed a $15 billion initiative to rehabilitate and refurbish homes. This proposal is strikingly similar to the Neighborhood Stabilization Program which has already received $7 billion in funding. There have been allegations of misuse of funds and little evidence that the program delivered the promised results. Five Democrats actually joined with House Republicans in voting to terminate the program earlier this year.

Tax Increases: As the President himself has said, "…you don't raise taxes in a recession." With respect to the tax increases the President has proposed to pay for this package, many in his party seem to agree.

Consider these quotes from just *one* news story this week:

"Terrible," Sen. Jim Webb (D-Va.) told *POLITICO* when asked about the president's ideas for how to pay for the $450 billion price tag. "We shouldn't increase taxes on ordinary income. … There are other ways to get there."

"That offset is not going to fly, and he should know that," said Democratic Sen. Mary Landrieu from the energy-producing Louisiana, referring to Obama's elimination of oil and gas subsidies. "Maybe it's just for his election, which I hope isn't the case."

"If we're going to change something, we got to be sure that we do it in the total [tax reform] package, that they know what the rules of the road are," said Sen. Kay Hagan (D-N.C.).

Democratic Sen. Mark Begich, from the oil-rich state of Alaska, said it was "frustrating" to see the president single out the oil industry after calling on the congressional [Joint Select Committee] in last week's address to Congress to find savings. "When you start singling out certain industries, there's an unfairness to it," he said in an interview. "On the pay-fors, I have a problem."

Tax Deductions and Exclusions: The President's largest proposed tax increase is, as he describes it, on "the wealthiest Americans." Perhaps it would more aptly be described as a tax increase on charitable contributions, mortgage interest deductions, and municipal bonds for states, etc. The President proposes to limit the value of certain deductions and exclusions for those with income above $200,000 ($250,000 for a couple). All but three Senators opposed an even more limited version this proposal when it was voted on in 2009, hardly the type of bipartisan agreement the President has claimed is his goal. It is understandable why this proposal is so vehemently rejected by the American people. Consider the impact of this proposal just on charities: more than 40% of all tax deductible charitable contributions are made by families impacted by this tax increase. Raising taxes on charitable contributions will mean smaller contributions and fewer resources for churches, food banks, universities, and other non-profits. During a week when it was reported that an astounding one in six Americans are living in poverty, why would anyone want to essentially penalize soup kitchens, hospitals, and churches that provide essential services to those hurting the most? Finally, this tax increase is the linchpin of a nearly half-trillion dollar permanent tax increase to offset another round of temporary stimulus spending and other tax changes. We actually changed the Rules of the House this year to prevent the use of tax increases to pay for more spending, a standard this proposal would violate.

But, there were also parts of the President's plan on which Republicans largely agreed. They included the following (per House Republican Leadership):

Extension of 100 Percent Bonus Depreciation: The President has proposed extending through 2012 the ability of businesses to expense 100% of the cost of certain property they place in service. Bonus depreciation, which has historically been a bipartisan proposal, makes it easier for businesses to invest now in new machinery and equipment.

<u>Addressing the Pending Application of Withholding on Government Contractors:</u> Under current law as of January 1, 2013, businesses that provide goods or services to federal, state, or local governments will have 3% of their payments for such goods or services withheld. The President has proposed delaying this requirement until December 31, 2013. In the House Republican Fall Jobs Agenda, we proposed repealing this onerous withholding requirement.

<u>Small Business Capital Formation:</u> The White House fact sheet accompanying the President's speech includes a proposal to "reduce the regulatory burdens on small business capital formation in ways that are consistent with investor protection, including expanding 'crowdfunding' opportunities and increasing mini-offerings." While the legislative proposal transmitted by the President failed to include any language to advance these goals, the House Financial Services Committee is in the process of considering legislation that (1) increases the threshold at which small companies are subject to full SEC regulation (the current threshold is nearly twenty years old); (2) increase the number of shareholders a company can have before triggering SEC registration; (3) remove the SEC restrictions on "crowdfunding" so businesses can use marketing, such as social networks, to raise capital from a large pool of small investors who may or may not be SEC accredited; and (4) remove SEC restrictions so businesses can use marketing to seek unlimited amounts of capital from SEC accredited investors.

<u>Incentives for Hiring Veterans:</u> Current law includes employer tax credits for hiring disabled veterans (up to $4,800) and unemployed veterans (up to $2,400). These tax credits will expire at the end of 2011. The President has proposed expanding these credits. The House Veterans' Affairs Committee is considering a more comprehensive effort to assist returning heroes, examining the range of challenges they face entering the workforce, including the need for education and training assistance and to address other barriers to employment. We believe there is an opportunity to make meaningful and significant progress in this area.

<u>Unemployment Insurance System Reforms:</u> The President has proposed a number of reforms to the Unemployment Insurance (UI) system, including "bridge to work" programs that allow the unemployed to pursue work-based training and enhanced reemployment assistance programs to target those most likely to be unemployed for an extended period of time. House Republicans recommended some of these very ideas to the President at the end of 2009. While the President links these reforms to a blanket extension of extended (up to 99 weeks) UI benefits and new federal spending, there is no reason we cannot move forward on these areas of agreement.

<u>Free Trade Agreements:</u> The President stated in his speech that, "Now it's time to clear the way for a series of trade agreements that would make it easier for American companies to sell their products in Panama and Colombia and South Korea…" He also characterized this as a step that, "will require congressional action." We agree. We will take action. But first, we need the President to take action and send us the agreements for our approval. We have repeatedly called on the President to unlock these agreements and clear the way for the creation of hundreds of thousands of new American jobs, while ensuring that we do not lose

any more ground in our global competitiveness. In fact, last week we passed a bipartisan measure to extend the Generalized System of Preferences (GSP). We hope this action, and pending action in the Senate, will allow us to move forward on all three agreements.

Infrastructure Funding: The President has proposed $50 billion in "immediate" surface transportation funding and the creation of a new $10 billion national infrastructure bank. While spending to repair and improve infrastructure can play an important part in both short- and long-term economic growth, adding more money to the same broken system is more likely to produce waste and inefficiency than meaningful results. There are more than 100 federal surface transportation programs, many of which are duplicative or do not serve a federal purpose. Before spending new money, for example, we could act to end the mandatory set aside that diverts 10% of current surface transportation funds from roads and bridges to transportation museums and other "enhancements." And the money we do spend ought to get to the job site faster. For example, of the highway funds provided over two and half years ago under the President's stimulus bill, over 18% is still unexpended. In part, this is because of an overly complicated and bureaucratic approval process that everyone agrees ought to be fixed. Rather than adding more money to a broken system, Congress and the President should spend the next few months working out a multi-year transportation authorization bill that fixes these problems.

Payroll Tax Relief: The President has proposed an extension and a significant expansion of the current payroll tax holiday. The President would more than double the amount of the holiday (up from $110 billion this year to $240 billion in 2012, including an expansion of this proposal to some of the employers' share of these taxes), and would sunset the entire payroll tax holiday effective January 1, 2013. So while employees would see an additional temporary benefit from this proposal in 2012 (the President would modestly expand the current payroll holiday), they would experience a larger effective tax increase 12 months later when the payroll tax reverted back to its full level. There may be significant unforeseen downsides to large temporary tax cuts immediately followed by large tax increases. Compounding this negative effect is the scheduled increase in all individual tax rates, capital gain and dividend rates, and the elimination/reduction of various individual credits and deductions. In short, we are creating significant new uncertainty in an already uncertain economy. Moreover, the proposal increases general fund transfers to Social Security, something that needs to be carefully considered given the long-term challenges facing that program and the implications of those challenges for taxpayers. Finally, the President proposes to pay for this one-year expanded tax holiday by permanently limiting the ability of those earning more than $200,000 a year to take full advantage of their itemized deductions, including their charitable deductions. With over 40% of charitable deductions being claimed by those impacted by this proposed policy, the practical effect is a tax on and a reduction in charitable giving. This will negatively impact thousands of churches and non-profits. House Republicans are supportive of tax relief for working families and small businesses, but the temporary relief proposed by the President must not cause unforeseen harm to the economy 15 months from now and it shouldn't be offset with permanent tax increases; and it shouldn't come at the expense of the nation's charities. That said, a commitment to honest and fruitful discussions between the White House and Congressional Leaders could lead to potential bipartisan agreement on a plan that avoids these downsides and provides tax relief for the middle class that encourages short- and long-term economic growth and job creation.

FREE TRADE

Editor's Note: *When it comes to the issue of free trade, candidates really need to know their respective District and understand how the District, by and large, feels about free trade. Please contact the NRCC with any questions.*

Introduction to Free Trade Agreements (FTAs)

A free trade agreement is an agreement between the United States and another country or countries designed to remove barriers to trade and allow goods to be freely imported and exported between the countries. The most well known part of FTAs is the elimination or significant reduction in taxes and tariffs imposed on goods entering or exiting a country; however, FTA's often include additional agreements and legal reforms designed to normalize the business climate between the two nations. Common examples of reforms included in FTAs are:

- Improved intellectual property right protection
- Enhanced labor rights
- Opening government procurement and service sectors to competition
- Enhanced rules on foreign investment
- Consistent environmental standards
- Improved customs facilitation

Free Trade Agreement Approval Process

For the United States, FTAs are first negotiated by the executive branch of the government (typically through the U.S. State Department and the U.S. Trade Representative) and signed by the president. Once an agreement has presidential approval, it must be ratified by both chambers of the United States Congress in order to go into effect.

The Arguments for Free Trade

GDP Growth: According to the U.S. Departments of Agriculture, Commerce, and State, FTAs have proven to be one of the best ways to open foreign markets to U.S. exporters. In 2007, U.S. trade with these countries accounted for over 42 percent of U.S. exports while the same countries only accounted for 7.5 percent of total global GDP (not including the U.S.). Additionally, U.S. exports to a given country typically experience robust growth in the years following ratification of a free trade agreement (click here for a breakdown by country).

Reliable Business Environment: The legal reforms that often accompany FTAs make partner nations more reliable for U.S. firms who know that their legal rights will be protected should they choose to do business there.

Support Political Allies: FTAs strengthen ties between the U.S. and its key regional allies by increasing economic cooperation and opening their goods to the U.S. market. Additionally, the greater market stability and consistency adopted as part of the agreement will often make the partner country more attractive to third party foreign investors seeking a country where their investment will be protected.

The Arguments against Free Trade

Increased Trade Deficit: Some economists and think tanks, such as the left leaning Economic Policy Institute (EPI), observe that some FTAs entered into by the U.S. (most notably the North American Free Trade Agreement or NAFTA) have resulted in imports growing at a faster rate than exports creating an increased trade deficit with partner countries. While there is nothing inherently negative about a trade deficit, many left leaning economists contend that it represents a weakening of the U.S. manufacturing sector claiming that a deficit shows U.S. goods are losing domestic customers to foreign competitors. This viewpoint assumes that trade with foreign nations is zero-sum, meaning that dollars spent on a foreign goods would have otherwise been spent on domestic goods. From a macroeconomic view, FTAs increase total economic output for both nations, generating new wealth through economic growth which is then added to the overall economy. Further, a trade deficit can also lead to substantial growth in shipping, transport, and retail industries as well as improving the purchasing power of Americans by reducing the cost of goods.

Job Loss: Some economists argue that eliminating barriers to trade creates job loss in the U.S. by opening access to labor markets where wages are significantly cheaper. While the impact of individual trade agreements on job loss varies, most free trade opponents point to the implementation of NAFTA to support job loss claims. While there is no official consensus on job loss numbers, the EPI places job loss as a result of NAFTA at 1 million.

Currency Manipulation: There is some concern that countries entering into FTAs with the U.S. will artificially undervalue their currencies. By holding exchange rates low, free trade partners could make it prohibitively expensive for their own population to purchase goods from U.S. exporters since their domestic currency is worth fewer dollars. Conversely, U.S. consumers will be drawn toward the foreign goods since the exchange rate advantage will mean that those goods are cheaper for American consumers who use dollars.

Please see the following for more detailed arguments against free trade:

- EPI study on pending trade agreements
- EPI Report on NAFTA

FTAs in the 112th Congress

H.R. 3078, U.S.-Colombia Trade Promotion Agreement Implementation Act: H.R. 3078 was passed by the House on Oct. 12, 2011, by a vote of 262 to 167 (R: 231-9; D: 31-158). You can see how they voted here. President Obama signed H.R. 3078 into law on Oct. 21, 2011.

H.R. 3078 was one of three free trade agreement (FTA) bills passed and signed into law in October 2011. The Colombia FTA was the most contentions of the three FTAs because many Democrats and labor unions were concerned over alleged violence against labor organizers and union members. While most international observers agree that Colombia has made significant and sufficient progress in curbing violence against unions, many pro-labor Democrats still refused to support the measure. Under the Colombia FTA, most consumer and industrial exports from the United States to Colombia will enter duty-free immediately with rates for other products gradually decreasing over time. The agreement also increases protections for intellectual property and enhances Colombia's labor and environmental standards.

H.R. 3079, U.S.-Panama Trade Promotion Agreement Implementation Act: H.R. 3079 was passed by the House on Oct. 12, 2011, by a vote of 300 to 129 (R: 234-6; D: 66-123). You can see how they voted here. President Obama signed H.R. 3079 into law on Oct. 21, 2011.

H.R. 3079 was another one of the three FTAs passed and signed into law in October 2011. Very similar to the Colombia FTA, most consumer and industrial exports from the United States to Panama will enter duty-free immediately with rates for other products gradually decreasing over time. The agreement also increases protections for intellectual property and enhances Panama's labor and environmental standards.

H.R. 3080, U.S.-South Korea Free Trade Agreement Implementation Act: H.R. 3080 was passed by the House on Oct. 12, 2011, by a vote of 278 to 151 (R: 219-21; D: 59-130). You can see how they voted here. President Obama signed H.R. 3080 into law on Oct. 21, 2011.

H.R. 3080 was the last of the three FTAs passed and signed into law in October 2011. Under H.R. 3080, most tariffs and duties currently affecting trade between the U.S. and South Korea would be reduced. In addition, the FTA reduced barriers for services, increased protections for intellectual property and reduced tariffs imposed on U.S. automakers seeking to export to South Korea.

ONGOING ECONOMIC CONCERNS

Unemployment

It is a given that the historically high unemployment rate we have been experiencing in the United States is and continues to be of great concern. But the national unemployment rate that we typically refer to is not the only measure of unemployed individuals out there. The Department of Labor's Bureau of Labor Statistics (BLS) actually has an assortment of labor measurements labeled as U-3 through U-6. These measurements of "labor underutilization" (as the BLS calls them) can be found here. This section will provide a brief overview of these different rates and what they mean.

U-3: This is what BLS calls the "official unemployment rate." It represents unemployed workers who are actively searching for a new job. This is the rate that is at 8.2 percent at the time of this writing.

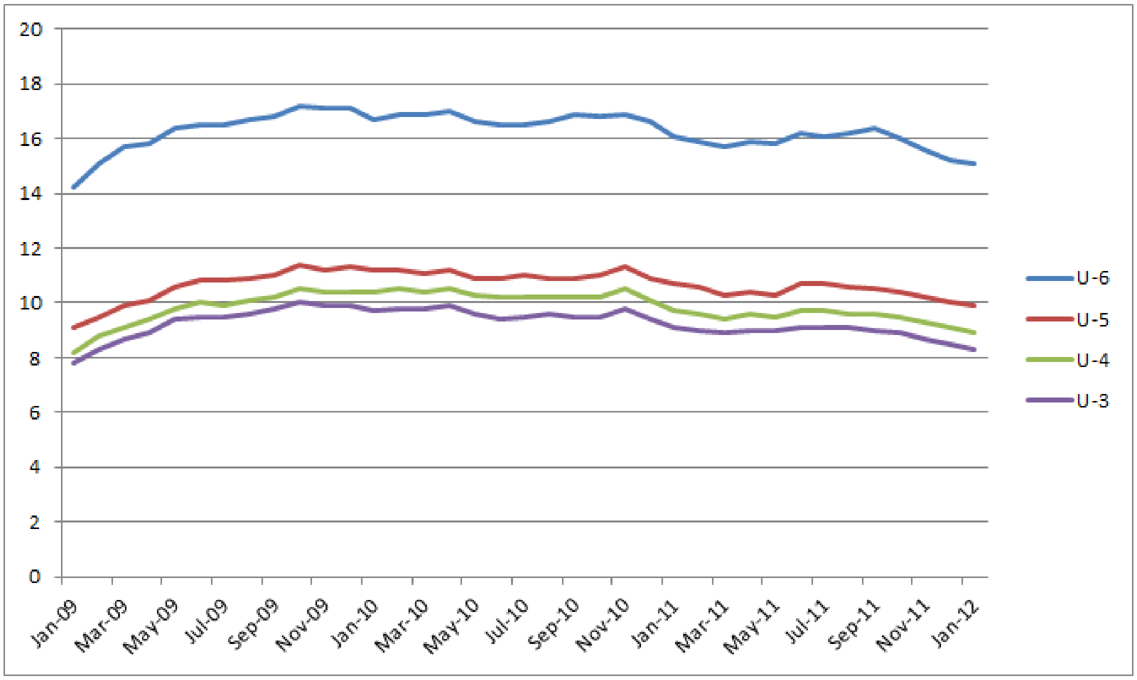
U-4: This is the total unemployed plus "discouraged workers." Discouraged workers are those who have given up looking for a job because they are convinced there are not any available for them. This rate was 8.7 as of May 2012.

U-5: This is the total unemployed, plus discouraged workers, plus "other persons marginally attached to the labor force." The marginally attached are people who are neither working nor looking for work, but indicate they want and are available for a job and have looked for work sometime in the last year. But, they are not counted as unemployed (in the national numbers of unemployed or the national unemployment rate) because they did not actively search for work in the last four weeks. This rate was 9.5 percent as of April 2012.

U-6: This rate includes all of the above groups – total unemployed, discouraged workers and the marginally attached – PLUS part-time workers who say they would like to be working more, but for economic reasons could only find part-time work. This rate was 14.5 percent in April 2012.

Some refer to the U-6 unemployment rate as the "real" unemployment rate, but each of these labor measurements has value when analyzing our nation's unemployment rate(s) and unemployed numbers. Further, each of these different measures has in general trended mostly in the same direction at the same times.

Please view this chart below provided by the Annenberg Public Policy Center showing the trending of these rates during President Obama's Administration, for example - that while the levels of each respective rate differs (and some come in at much higher levels than the others), each one has been trending roughly in the same direction:



It is important to understand the different rates and what comprises each in order to have a better understanding of our economy and our employment and unemployment situation. But it is also important to understand that some may classify the U-6 unemployment rate as the "real" rate – this is not accurate because each rate is real because it conveys different measures and aspects of our economy.

Inflation and Consumer Price Index (CPI)

Since the end of World War II, the United States has experienced almost continuous inflation – the general rise in the price of goods and services. First, inflation refers to the movement in the general level of prices – it does not refer to changes in one price relative to other prices. These changes are common even when the overall level of prices is stable. Second, the prices are those of goods and services, not assets. Third, the rise in the price level must be somewhat substantial and continue over a period longer than a day, week or month.

There has been practically no period in American history in which a significant change in the price level has occurred that was not simultaneously accompanied by a corresponding change in the supply of money. This has led to a widely held view that inflation is always and everywhere a monetary phenomenon resulting from and accompanied by a rise in the quantity of money relative to output. Although this view is generally accepted, it is, in fact, consistent with two quite different views as to the cause of inflation.

One view is that a more rapid rate of money growth plays an active role in inflation and results either from mistaken policies of the Federal Reserve or because the Federal Reserve subordinates itself to the fiscal requirements of the federal government and finances budget deficits through money creation. Examples of Fed policies that are likely to produce inflation are those that fix rates of interest too low or that support unrealistic foreign exchange values of the dollar.

Another view is that the major upward pressure on prices comes from activities that could produce a fall in real output. An example of this is the attempt by organized labor to obtain increases in real wages. Other activities include the monopolistic pricing behavior of OPEC, major crop failures or changes in the terms of international trade produced by a decline in the foreign exchange value of the dollar. The decline in real output that these activities produce will, in general, lead to rises in unemployment. In most years, inflation tends to rise when unemployment falls, and vice versa.

Concern regarding the ongoing rate of inflation and any tendency for it to accelerate is founded because inflation can distort incentives to save, invest and work. Inflation has risen modestly preceding the 2001 and 2009 recessions, showing that this is still an important measure to watch for evaluating the state of the economy.

Measures of Inflation: There is no single measurement of inflation. The rise in the general level of prices – the essence of inflation – is measured by using a price index that aggregates the price of different goods and services. Ideally, the price index used should be broad-based and one in which the individual prices are weighted to indicate their importance to the economy. Many different price indexes are available in the United States that measure different types of inflation rates.

According to the Congressional Research Service (CRS), there are mainly two price indexes used to measure inflation:

> "The first is very broad based and derived from the measurement of the nation's gross domestic product (GDP), covering price changes of consumption, investment, government and traded goods. The other is the Consumer Price Index (CPI), which prices a "market basket" of goods and services purchased by an urban family, a market basket whose individual items are weighted by how much the urban family spent on them in a base year period – currently 1982-1984. Inflation rates according to the two measures are usually similar. Inflation, according to the CPI, was very low (usually below 2%) in the 1950s and early 1960s, began rising in the late 1960s, was relatively high in the 1970s and early 1980s (rising above 10% in 1974 and 1979-1981), began falling in the mid-1980s, and generally remained in the 2%-3% range in the 1990s and 2000s. Inflation tends to rise over the course of an economic expansion and decline during an economic recession, for reasons discussed above."

Current CPI data can be accessed at http://www.bls.gov/news.release/pdf/cpi.pdf.

Current data for the GDP price deflator can be accessed at http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm.

CPI: The BLS publishes two important measures of inflation: the CPI for all Urban Consumers (CPI-U) and the CPI for Urban Wage Earners and Clerical Workers (CPI-W). CPI might seem like just another economic indicator, but it can be a powerful policy level because the CPI-W is used to calculate annual cost-of-living adjustments (COLAs) to Social Security retirement benefits and the CPI-U is used to calculate annual inflation adjustments to personal income tax brackets. For example, changing the basis of the automatic adjustments could substantially affect outlays and revenues, and thereby, the budget deficit.

There have been suggestions by economists, one being former Fed Chairman Alan Greenspan, that Congress consider replacing the standard CPI with the Chained CPI for all Urban Consumers (C-

CPI-U) to make automatic COLAs to federal programs. Below are BLS' Frequently Asked Questions regarding chained CPI:

What is the C-CPI-U and when did the Bureau of Labor Statistics (BLS) begin publishing it?
BLS began publishing the Chained Consumer Price Index for All Urban Consumers effective with the release of July 2002 CPI data. Designated the C-CPI-U, the index supplements the existing indexes already produced by the BLS: the CPI for All Urban Consumers (CPI-U) and the CPI for Urban Wage Earners and Clerical Workers (CPI-W).

The C-CPI-U employs a formula that reflects the effect of substitution that consumers make across item categories in response to changes in relative prices.

C-CPI-U data can be found on the BLS web site at http://data.bls.gov/cgi-bin/surveymost?su.

What is substitution and substitution bias? And does the C-CPI-U eliminate it?
Traditionally, the CPI was considered an upper bound on a cost-of-living index in that the CPI did not reflect the changes in consumption patterns that consumers make in response to changes in relative prices.

Since January 1999, a geometric mean formula has been used to calculate most basic indexes within the CPI; this formula allows for a modest amount of substitution within item categories as relative price changes.

The geometric mean formula, though, does not account for consumer substitution taking place between CPI item categories. For example, pork and beef are two separate CPI item categories. If the price of pork increases while the price of beef does not, consumers might shift away from pork to beef. The C-CPI-U is designed to account for this type of consumer substitution between CPI item categories. In this example, the C-CPI-U would rise, but not by as much as an index that was based on fixed purchase patterns.

With the geometric mean formula in place to account for consumer substitution within item categories, and the C-CPI-U designed to account for consumer substitution between item categories, any remaining substitution bias would be quite small.

When did you decide to use a cost-of-living (COL) index as a framework for the CPI, and why is the CPI still not a COL?
The C-CPI-U does not represent a fundamental change in the underlying objective of the CPI. BLS has long used the concept of a cost-of-living (COL) index as a framework for dealing with practical questions that arise in the construction of the CPI.

While the C-CPI-U accounts for consumer substitution, the CPI still differs from a complete, or "unconditional," cost-of-living measure. While the CPI measures changes over time in the cost of consumer goods and services, an unconditional cost-of-living index would go further, and take into account changes in non-market factors, such as the environment, crime, and education. The CPI is said to be "conditional" on those factors.

How is the C-CPI-U constructed and how is it different from the CPI-U and CPI-W?
Both the CPI-U and C-CPI-U are indexes designed to measure price changes faced by urban consumers, while the CPI-W is designed to measure price changes faced by urban wage earners and clerical workers. Population coverage is the only difference between the CPI-U and CPI-W. The C-CPI-U is further distinguished from the CPI-U and CPI-W based upon the expenditure weights and formula used to produce aggregate measures of price change.

As background, all three of the CPI indexes are built in two stages. In the first stage, prices for each of the 8,018 item-area combinations (211 item categories X 38 geographic areas) are averaged together to form 8,018 basic indexes. This stage is often referred to as "lower-level aggregation" as it involves averaging the prices within item-area groups. For example, price changes for apples within Chicago are averaged together to produce the Chicago-apples index. In 1999, the BLS introduced a geometric mean formula for averaging prices within most of these item-area combinations, in order to approximate the effect of consumer response to changes in relative prices within these item categories. The geometric mean estimator is used in the C-CPI-U in the same item categories in which it is used in the CPI-U and CPI-W.

In the second stage, sometimes referred to as "higher-level aggregation", these 8,018 elementary indexes are averaged together to yield various aggregate indexes and ultimately the All-Items, U.S. City Average index of price change. It is at this second stage where the C-CPI-U is different from the CPI-U and CPI-W. The use of a superlative formula for upper-level aggregation, used in the final C-CPI-U, is designed to address consumer substitution across item categories. In contrast, the CPI-U and CPI-W use a formula that assumes consumers do not substitute across item categories.

In the CPI-U and CPI-W, expenditures from a previous (or lagged) two-year period are used to calculate aggregate indexes. These weights remain fixed for 24 months before being replaced with updated expenditures. For example, the CPI-U for the years 2004 and 2005 uses expenditure weights drawn from the 2001-2002 Consumer Expenditure Surveys. The final C-CPI-U, on the other hand, utilizes contemporaneous monthly expenditure estimates for each of the 8,018 elementary indexes. For example, the final C-CPI-U for May 2003 is based on monthly expenditures for April and May 2003. As such, expenditure data required for the calculation of the C-CPI-U are available only with a time lag. Thus, the C-CPI-U is issued first in preliminary form, and is subject to two subsequent revisions. For example, "final" values of the C CPI-U have been issued for data through 2003. "Interim" values are available for the 12 months of 2004, and "initial" values are available for 2005 data. In February 2006, with release of the January 2006 index, revised interim indexes for the 12 months of 2005 will be published, and the index values for 2004 will be revised and become final. In each subsequent year, indexes for the months in the year two years prior will be issued in final form and those values for one year prior will be revised and issued as interim.

In its final form, the C-CPI-U is a monthly chained price index with the expenditure weights varying each month. The CPI-U and CPI-W, on the other hand, are biennial chained price indexes where their expenditure weights are updated every two years. Within the two-year span, these indexes are fixed-weight series, where the changes in these indexes reflect only changes in prices, and not expenditure shares, which are held constant.

More detailed information on how the C-CPI-U is constructed can be found in "Introducing the Chained Consumer Price Index" (PDF).

Where is the C-CPI-U currently being used? Wouldn't the C-CPI-U be a more appropriate index to tie Social Security or other adjustments to?
The C-CPI-U, which in final form is said to be a "superlative" index, is designed to be a closer approximation to a cost-of-living index than other CPI measures.

That said, BLS publishes thousands of indexes each month; these indexes can vary by which items, geographic areas, and populations are covered. As different users have different needs, BLS cannot say which index is necessarily better than another. As such, BLS takes no position on what the Congress or the Administration should use to make adjustments to Social Security or any other federal program.

The C-CPI-U to our knowledge currently is not used in any federal legislation as an adjustment mechanism.

Is it possible for the C-CPI-U to increase faster than the CPI-U?
At lower levels, and for short periods of time, it is possible for the C-CPI-U to increase faster than the CPI-U. That said, the evidence suggests that the C-CPI-U over time will trend slightly lower than the CPI-U.

Is the difference between the CPI-U and the C-CPI-U expected to be fairly stable over time?
Earlier evidence suggested that the difference between the CPI-U and the C-CPI-U would be around 0.2 percent a year. For the period December 1999 to December 2000, however, the difference was 0.8 percentage point. There were a number of reasons for the larger difference, including the relative age of the weights in the CPI-U, and the increased variation in price movements across CPI item categories, causing the divergence between the CPI-U and C-CPI-U to grow. In each of the last four years (including 2004, for which the C-CPI-U values are not final), the difference in December-to-December changes was 0.3 or 0.4 percentage point.

The C-CPI-U is subject to revision. How small are these revisions expected to be?
The C-CPI-U is issued first in preliminary form, and subject to two subsequent revisions. These revisions have been relatively small, and are expected to be small in the future. Revisions to 12-month changes in the All Items index, for example, generally have been 0.2 index points or less.

For a given month, will the initial release of the C-CPI-U always be lower than the interim or final release?
No. The initial release uses an "adjustment factor" to estimate the initial indexes. This adjustment is designed to prevent the initial indexes from being systematically higher or lower than the interim and final indexes.

ECONOMY AND JOBS TALKING POINTS

- Democrats used the "Great Recession" and the "bursting of the housing bubble" as excuses to justify their job-crushing agenda that includes a nearly $1 trillion wasteful stimulus package, a government healthcare takeover and crippling regulations on small businesses.

- Under President Obama, the national unemployment rate has been above eight percent for 39 straight months and at least 572,000 jobs have been lost.

- We need common sense, pro-growth policies to give small business owners renewed confidence in our economy and to remove Washington's roadblocks to job creation.

ADDITIONAL INFORMATION AND RESOURCES

- Bureau of Labor Statistics (BLS), Department of Labor – http://www.bls.gov/
- House Republican Plan for America's Job Creators Jobs Bills Tracker, Republican Leader Eric Cantor's website – http://www.majorityleader.gov/JobsTracker/
- House Republican Plan for America's Job Creators, House Republican Conference website – http://www.gop.gov/resources/library/documents/jobs/theplan.pdf
- National Bureau of Economic Research - http://www.nber.org/
- Recovery.gov – http://www.recovery.gov/