

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

June 24, 2011

Minority Views of the House Ways and Means Committee Democrats to the Report on the Legislative and Oversight Activities of the Committee on Ways and Means during the 112th Congress as of May 31, 2011

The Legislative Activity Report (LAR) submitted by the majority is more notable for what is missing. Six months into the Republican majority this much is clear: Republicans have failed to produce a single jobs-producing bill even as nearly 14 million Americans continue to look for work.

In fact, H.R. 1745, the one measure Republicans passed out of committee that they claimed would spur economic growth – which they hailed as “the Jobs Act” – would have quite the opposite effect, ending the guarantee of federal unemployment insurance and leaving millions of Americans with yet more uncertainty about their futures. This legislation, opposed unanimously by Democrats on the Committee, was so blatantly mislabeled a jobs bill by Republicans that even Members of their own caucus have questioned whether the measure should be brought to the House floor for a vote.

Ending the unemployment insurance for millions of job seekers is just the start. Republicans have put forward measures to end Medicare and double seniors’ health care costs by 2022. They have spent an inordinate amount of time focused on repealing health care reform, a move that would end vital benefits already in place, including the provision to close the so-called prescription drug donut hole and the measure that enables parents to keep their adult children on their health insurance plans until they turn 26.

On tax reform, Republicans have proposed reducing the top individual and corporate rates to 25 percent and, in the process, failed to identify how they would make up the \$2.9 trillion in lost revenue over 10 years. But it is clear that doing so would result in a tax hike for millions of American families through the elimination of deductions and credits that broadly benefit middle class Americans.

Americans in survey after survey tell pollsters that jobs should be the top priority for Congress, yet Republicans turn a blind eye to obvious opportunities.

China, for instance, continues to manipulate its currency to the detriment of American workers. A measure nearly identical to the one passed by the House last fall with broad

bipartisan support that would crack down on that manipulation and boost the American economy has sat idle, with the majority saying it shouldn't be a focus of the committee.

China's currency manipulation makes its exports to the United States cheaper and makes U.S. exports to China more expensive – contributing significantly to our unprecedented trade imbalances with China. H.R. 639, the Currency Reform for Fair Trade Act, will help American businesses compete on a more level playing field, by allowing for the imposition of “countervailing” import duties to offset the undervalued currency where imports have caused “material injury” to a U.S. industry.

Two leading economists, Paul Krugman and Fred Bergsten, have estimated that China's undervalued currency costs the U.S. between 500,000 and 1.5 million jobs. Without spending a dime, we could immediately and in a bipartisan fashion pave the way for new manufacturing jobs with above average wages. House Republicans have expressed no interest in moving this legislation.

Republicans in February let expire the expanded Trade Adjustment Assistance program, which supports American workers who have lost their jobs because of globalization. For decades this retraining program has been supported on both sides of the aisle, so much so that the 2009 expansion of the program to include service workers and make other important improvements was hailed by Republicans as example of bipartisan achievement. Instead of seeing the program for what it is – a jobs-producer for so many Americans in need of retraining – Republicans have claimed it picks winners and losers. If that argument won out, Congress would never do anything to help equip American workers for the 21st century.

As a result of the Majority's failure to extend the expanded TAA program, tens of thousands of fewer workers are eligible for the TAA for Workers program. Moreover, current and future program participants have more limited training opportunities because of the dramatic cuts in training funding – from \$575 million a year to \$220 million a year – and because of less flexible training options. This inevitably inhibits the ability of unemployed workers to obtain the skills they need to secure new, good paying jobs. Additionally, current and future individuals who take advantage of the Health Coverage Tax Credit face higher health care costs and, as a result, many will be forced to go without health insurance coverage altogether.

Meanwhile, despite the urging of Democrats, Republicans have failed to move legislation to end unjustified tax breaks for the Big Five oil producers, which reported more than \$32 billion in first quarter profits. As Committee Democrats wrote to Chairman Camp in May, repealing the three largest tax breaks for the Big Five oil companies would raise billions of dollars a year. More than a billion dollars a year of that comes from one tax break enacted under the last Republican Majority. This tax break, the Sec. 199 domestic manufacturing deduction, should never have benefited the Big Five in the first place. At a time when our constituents are feeling

the pain of rising gas prices, it is unjustifiable that our tax code subsidizes Big Oil to the tune of billions of dollars a year.

In March, Democrats on the Ways and Means Committee introduced HR 992, the Building American Jobs Act of 2011, which extends eight bond, tax credit and loan guarantee programs for states and municipalities, anchored by the wildly successful Build America Bonds program, which helped finance \$181 billion in infrastructure projects in the last two years. Yet Republicans have opted to ignore this important measure.

This measure is part of a Make it in America agenda unveiled by Democrats that is focused on creating jobs while responsibly reducing the deficit, strengthening the middle class, and growing the economy. We should focus on protecting – not destroying -- the health, unemployment and retirement benefits that are the underpinning of stability for middle class families.

Charles Rangel

Sam Rayburn

John Lewis

Earl Blumenauer

Richard Durbin

Mike Shuman

Barack Obama

Pete Stark

Joseph R. Crowley

Bill Pascrell

Shelley Berkley

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