

February 10, 2009

I rise today in support of the American Recovery and Reinvestment Act of 2009 (H.R. 1). We are told that America is in the midst of the worst economic storm since the Great Depression. Millions of people are hurting across the United States and in my home state of New Jersey, New Jersey's unemployment rate has risen to 7.1 percent from 4.2 percent just a year ago. Our nation's economy is in recession, and we must respond with every tool in our toolbox to put Americans back to work and rebuild our struggling economy. Economists have predicted that the unemployment rate may exceed 12 percent this year.

What to do? We could let the free market continue to spiral downward or we could pass a bill with a smaller price tag, ignoring the lessons learned from Congress's previous attempt at stimulating the economy through rebate sent out in spring of 2008, last year's so-called check in the mail. The time has come for a bold, national response. Economists, business leaders, financial experts, almost everyone says that the federal government—and only the federal government—can inject into the economy a stimulus of sufficient size to make up for the frozen, collapsing economy. The package we are considering today has the potential to create 3.5 million much needed new jobs in the short term.

The American Recovery and Reinvestment Act, is designed to help the United States climb out of the current recession through targeted, job-creating spending, responsible investments in the nation's social safety net to help Americans weather the difficult months ahead, and tax cuts for 95 percent of Americans. Importantly, this bill includes critical investments in research and development, which lay the ground work for innovation and sustainable, long-term economic growth. The political process to this point has been torturous. However, the President, the Speaker, and the Committee chairs have produced promptly what the President has called for and what the country needs. Agreed, not all parts of the bill are going to be equally stimulative. But we want a broad approach; we want our stimulative eggs in various baskets, This Act is huge and hugely important.

The American Recovery and Reinvestment Act would help to put our economy on the right track by quickly creating up to 3.5 million new jobs for Americans suffering during this depression. Some of these jobs, more than 1.2 million, would be created in the construction industry through a strong investment in improving our nation's transportation and water infrastructure. The Act will inject \$29 billion to repair our nation's crumbling roads and bridges, including funding for ready-to-go road and bridge modernization projects in my home state of New Jersey. This investment would create 835,000 jobs in the next two years. Additionally, this bill would invest \$16.4 billion in public transportation, helping transit agencies such as NJ Transit that are struggling to meet increased demand and \$18 billion for clean water, environmental restoration, and flood control projects creating another 375,000 jobs.

H.R. 1 would invest in additional projects that my Central New Jersey constituents refer to as “green stimulus.” These investments would create good American jobs that cannot be outsourced, while reducing our reliance on fossil fuels and protecting our environment. These jobs will be the kind of jobs that will be in demand for many years, once the economy gets going again and as we make the transition to a sustainable energy system; as we must and as we surely will. The American Recovery and Reinvestment Act would provide \$30 billion to transform the nation’s energy transmission, distribution, and production system so they can handle decentralized renewable energy sources. This legislation includes more than \$23.2 billion in incentives to promote renewable energy, help low and middle income Americans weatherize their homes, and decrease energy consumption by the federal government. It will also provide \$20 billion in tax incentives such as the renewable energy production tax credit, the advanced energy manufacturing tax credit, and the consumer energy-efficiency tax credits.

Responding to the nation’s rising unemployment rate, this bill would devote \$4 billion to job training programs and would extend unemployment benefits through December 31, 2009, increasing benefits by \$25 per week for individuals looking for work.

The current economic downturn has forced painful cuts in services. The American Recovery and Reinvestment Plan would make sound investments in public education. This legislation would provide \$13 billion to help disadvantaged students reach high academic standards and \$12 billion for special education. While the bill includes a \$54 billion state stabilization fund to prevent teacher layoffs and cutbacks in education, I regret that it no longer contains the \$20 billion provided in the House version to help states rebuild our nation’s crumbling schools. Still, there is much here to cheer for our local school boards and the taxpayers who support the schools through our property taxes. These school bonds can be used for construction.

Additionally, to ensure that families can send their children to college, this bill would increase the maximum Pell Grant by \$500, to \$5,350 and would help 4 million more students attend college with a new \$2,500 college tuition tax credit for families.

What pleases me most is the commitment in this legislation to science. I am deeply gratified that this bill reflects a profound commitment to renewing our nation’s innovation infrastructure. Research not merely luxury to be undertaken only in times of economic prosperity. The truth is that scientific research is perhaps the most powerful economic engine, creating jobs in the short-term and building our economy for the long-term.

All together, the recovery package includes nearly \$23 billion to support scientific research and facilities, including \$3 billion for the National Science Foundation, \$2 billion for the Department of Energy's Office of Science, and \$10 billion for the National Institutes of Health. There is no doubt that these funds will create jobs. Lab technicians will be hired to carry out projects that previously went unfunded. Electricians will be put to work wiring new laboratory work. And construction workers will begin refurbishing our neglected laboratories and building the facilities that will transform science for the twenty-first century.

Of course, the ideal project is one that keeps on giving, and that is exactly what scientific research does. The innovation and discoveries that come from research form the roots from which our economy grows and prospers. For too long, we have underinvested in science, and we will never know the resulting costs to our prosperity. But we know that science will be the foundation of our nation's future economic vitality. In his inaugural address, President Obama said, "We will restore science to its rightful place." That place is at the very heart of our nation's progress. The American Recovery and Reinvestment Act acknowledges this fact and provides an important first step toward the sustained investment that will prevent the need for future recovery packages.

As American workers lose their jobs, more and more face losing their health insurance coverage as well. Job losses have caused Medicaid and SCHIP rolls rise by 1.0 million, further straining state budgets already stretched thin due to lower tax revenues. This bill would increase temporarily the federal government's contribution to Medicaid, giving New Jersey an additional \$2 billion. For workers able to continue their health coverage through COBRA, the bill would subsidize COBRA premiums by 65 percent for nine months. This two-prong approach will provide health care for millions of newly unemployed workers and their families.

In addition to helping families maintain their health insurance coverage, this bill seeks to improve health care quality and its value. This bill would promote Health Information Technology systems, which could help reduce medical errors while lowering administrative costs by accelerating their adoption and usage among doctors and hospitals. This bill provides additional funding for prevention, which improves health at a good value by treating problems at the earliest stage before they become costly health care crises. Finally, this bill includes \$1.1 billion for medical research to improve the value of health care spending by identifying the most effective treatments for given health conditions,

The American Recovery and Reinvestment Act would address the struggling economy by

putting money back in the pockets of American families, workers, students and businesses through \$276.5 billion worth of tax cuts. Ninety-five percent of working Americans would receive a tax cut through a refundable tax credit of up to \$400 per worker that will be quickly distributed by reducing tax withholding from workers' paychecks. It would prevent 26 million Americans from getting hit by the Alternative Minimum Tax and lower the taxes of more than 16 million families by increasing the child tax credit and expanding the earned income tax credit.

This bill includes a number of provisions that would help businesses create new jobs in this difficult economy. It would allow businesses to improve cash flow by allowing businesses to write off 90 percent of losses incurred in 2008 and 2009 against taxes assessed over the previous five years. In addition, it would help businesses expand by extending the increased bonus depreciation for businesses making investments in new plants and equipment in 2009. Finally, this legislation would double the amount of money businesses can deduct on their taxes for capital investments and new equipment.

Through this comprehensive approach, we can begin to put the American economy back on the right track. We must approve the American Recovery and Reinvestment Act, and I urge my colleagues to support this legislation.