

*Washington, DC* - After a very busy week of legislative negotiations and votes on the financial bailout bill and various other pieces of critical legislation, Congressman Maurice Hinchey (D-NY) today held a press conference to recap the week and give his assessment of the situation. In addition to discussing the financial bailout plan, Hinchey will talk about other critical pieces of legislation that the House voted on this week, including: an economic stimulus bill; critical solar energy tax credits to help The Solar Energy Consortium (TSEC) flourish in New York and make solar energy become more mainstream across the country; a bill that dramatically increases home heating and home weatherization aid for low-income Americans; a measure to protect 25 million families from the alternative minimum tax (AMT) this year, including more than 54,000 families in the congressional district he represents; and an extension of unemployment insurance.

"This country is in desperate need of an economic shot in the arm, but it's imperative that we grow our economy by investing in the working and middle class. We need to build up our economy, not bail it out," Hinchey said. "Yes, we need to provide financial stability to the financial market, but more importantly we need to invest in making improvements to our nation's crumbling infrastructure, which will create jobs. We also need to extend unemployment insurance and expand Food Stamp assistance, which will put more money into our economy and create growth. We know for a fact that every time we invest \$1 in our own infrastructure that we get a return of \$1.25 in economic growth. No so-called bailout plan will work unless we also invest heavily in Main Street."

The congressman voted against the Wall Street bailout yesterday because he said the measure was far too expensive and failed to make any investment in the working and middle class to stimulate job creation and economic growth. Hinchey favored a plan to spend just \$150 billion on financial rescues to stabilize the market and another \$150 billion for an economic stimulus bill that would create jobs and spur economic growth amongst the working and middle class through investments in the nation's infrastructure, health care, and education systems. Hinchey is the second highest ranking House member on the influential Joint Economic Committee (JEC). Last week during a JEC hearing, the congressman questioned Federal Reserve Chairman Ben Bernanke on the matter and had conversations with congressional leaders, including Speaker Pelosi.

"Without a doubt, Congress must act swiftly, but we must do so in a fundamentally sound way," Hinchey said. "We cannot just throw \$700 billion at Wall Street and expect all of our problems to be fixed. We need to make fundamental changes in the way the market is regulated and we need to invest in the American people. All across the country people are hurting financially as they struggle to keep up with the rapidly increasing price of gas, food, and housing. The

American people know that those financial struggles will not go away with a \$700 billion bailout for Wall Street. We need to invest directly in the American people in order to grow the economy and make the American dream viable again for everyone who works hard and plays by the rules -- not just those who work on Wall Street." Last month, 84,000 Americans lost their jobs, including 61,000 manufacturing jobs. More than 9.4 million Americans are currently unemployed. That figure includes 1.8 million Americans who have been desperately seeking jobs for over 27 weeks in an economy that is further weakening. In New York, the unemployment rate is 5.8 percent, which means that more than 110,000 New Yorkers are unemployed now as compared to this time one year ago. Those who have jobs are seeing their wages hold steady; failing to keep up with inflation let alone skyrocketing gas prices.

Hinchey did help the House pass an economic stimulus bill last week that addressed the need for major investments that would strengthen the working and middle class to grow the economy. The bill, which President Bush threatened to veto and his allies in the Senate blocked, would have grown the economy and created jobs by making investments in our nation's infrastructure -- transportation systems, schools, and housing structures. The measure extended unemployment benefits for the growing number of Americans who can't find jobs, helped ensure low-income families don't go hungry by expanding Food Stamp assistance, and ensured that Americans don't lose health coverage as a result of state budget crises.

Among other things, the economic stimulus bill that Hinchey helped pass last week would have invested more than \$1.94 billion in infrastructure improvements in New York that would create jobs throughout the state. Specifically, the bill would have invested more than \$590 million for highway and bridge improvements in New York and committed more than \$708 million for water quality protection projects for wastewater treatment, nonpoint source pollution control, and watershed and estuary management. The House-approved economic stimulus bill would have extended unemployment insurance for an additional seven weeks in New York, bringing the total amount of potential extended benefits to 20 weeks. More than 70,000 New Yorkers would have benefited from the unemployment insurance extension. The bill would have also relieved states of the growing burden associated with Medicaid by providing additional federal support for the cost of the program. New York would have gained more than \$2.44 billion in Medicaid funds under the bill. The measure would have also provided \$175 million in Food Stamps to help more than 2 million New Yorkers pay for groceries. It's estimated that the \$175 million figure would have created \$320 million in economic growth in the state.

"New York would stand to benefit greatly from an economic stimulus plan and I intend to work very hard in the days ahead to convince my colleagues in Washington that we get something passed quickly and efficiently to stimulate economic growth in a real way for all Americans, not just those who work on Wall Street," Hinchey said.

Hinchey focused much of his attention on the abuse of the financial system under the Bush administration by hedge funds such as Bear Stearns. Right now, hedge funds do not have to register with the SEC, yet these funds oversee more than a trillion dollars in assets -- roughly ten times the amount overseen a decade ago. On average, hedge funds account for 20-30 percent of the trading volume in U.S. stocks. In June 2007, Bear Stearns announced that two of its hedge funds that were significantly invested in the sub-prime mortgages were in trouble. Hinchey said that regulation of hedge funds could have helped prevent such short-sighted, greedy investments in sub-prime mortgages.

The congressman pointed to the Gramm-Leach-Bliley Act of 1999, which repealed the Glass-Steagall Act of 1933, as the source of much of the deregulation of the financial markets. Glass Steagall was put in place in order to keep investment banks separate from commercial banks. Hinchey was one of just 57 members of Congress to vote against the Gramm-Leach-Bliley Act, which essentially enabled both banks and investment firms to offer financial services. The bill allowed banks to not only sell mortgages, but also to take those mortgages and put them in risky investment schemes. Hinchey agrees with many economists who have now concluded that the current sub-prime mortgage crisis came about as a result of this legislation.

The congressman helped lead the effort to pass a renewable energy tax bill in the House last week. The Renewable Energy and Job Creation Tax Act bill focuses aggressively on helping to boost solar energy research and development while also making it more affordable for consumers to purchase solar panels for their homes. The bill extends a 30 percent tax credit on solar products purchased by consumers and doubles the annual cap to \$4,000. The measure also extends the business solar energy tax credit at a level of 30 percent for six years, a long-term action that will spur investments and in turn make solar equipment more competitive and less costly. The legislation has not yet been approved in the Senate.

Hinchey said that the renewable energy tax bill was absolutely critical to his ongoing efforts to grow The Solar Energy Consortium (TSEC) in upstate New York and make the state a national and international hub for solar energy research and development. According to a new economic study commissioned by the Solar Energy Research and Education Foundation, more than 1.2 million new jobs, including 440,000 permanent jobs, and \$232 billion in new investment would be generated in the U.S. by the solar energy sector alone through 2016 with the enactment of a solar investment tax credit for eight years.

"The United States has an opportunity to become the world leader in renewable energy research and development. All we have to do is make the appropriate investments in solar, wind, geothermal and other types of renewable energy research and development," Hinchey said. "Unfortunately, these solar tax credits remained blocked in the Senate, preventing the U.S. from creating more than 440,000 new permanent jobs at a fraction of the \$700 billion bailout proposal. It's critical that these solar and other renewable energy tax credits get passed once and for all so that New York can continue to advance its global position as a solar energy leader. The days of having to worry about the cost of oil can be over if we harness the brilliance of American innovators and let them advance the technology needed to power our country on renewable sources. A renewable energy industrial revolution has the potential to cure the country's economic troubles through extraordinary job growth that will be associated with transforming our country from a fossil-fuel based economy to one that is centered on renewable energy power."

Locally, Hinchey was able to secure final approval in the House and Senate of his request for \$2.4 million for C9 Corporation and PrecisionFlow Technologies to further develop their solar technology for the U.S. military. C9 and Precision Flow Technologies will conduct their work in conjunction with TSEC. C9 currently has a contract with the U.S. Department of Defense to develop Silicon Carbide-type semiconductors for the military. It is anticipated that the newly developed solar application technology will be used for civilian and commercial use as well. The company and PrecisionFlow Technologies plan to collaborate with TSEC and serve as a link between the consortium and the federal government for future partnerships. PrecisionFlow Technologies will construct the machines that C9 will use to develop its solar products. It's expected that PrecisionFlow Technologies will be adding new jobs at its Saugerties site to adequately handle this new business. Hinchey successfully secured \$3.2 million for C9 as part of the Fiscal Year 2008 budget.

Hinchey also helped the House pass legislation that would protect more than 25 million families from the alternative minimum tax (AMT) this year, including more than 54,000 families in the congressional district Hinchey represents. Without this patch, those families and individuals would be forced to pay \$61.5 billion more in taxes, which would mean an average tax increase of more than \$2,400 per affected taxpayer. Hinchey and his Democratic colleagues in the House sought to pay for the AMT fix by closing tax loopholes, but President Bush and his allies in the Senate blocked that attempt. It's unclear how the Senate will proceed with the measure.

"At the same time we need to protect ourselves against an all-out collapse on Wall Street, we must keep our eye focused on ensuring that more middle class Americans don't take a huge financial hit with the alternative minimum tax," Hinchey said. "We must also ensure that low-income Americans don't have to spend a winter freezing because they can't afford to heat their home. I was very pleased to help double the federal program that provides federal aid to

low-income Americans in order to help them stay warm during the winter months."

Hinchey also helped the House pass a bill last week that more than doubles the amount of federal aid available to help low-income Americans pay for home heating costs. The measure includes \$5.1 billion for the Low Income Home Energy Assistance Program (LIHEAP), which is \$2.5 billion more than the previous year. The \$5.1 billion figure includes an additional \$590.3 million in emergency contingency funds. New York is slated to receive more than \$476 million in LIHEAP funds, but that figure could very well surpass \$500 million if those contingency funds are released sometime over the course of the next year. Hinchey had worked aggressively over the past several months to pass the additional LIHEAP funds.

The bill also allocates \$477.2 million for the Energy Weatherization Assistance Program, which pays for a variety of energy efficient upgrades and appliances for low-income households in order to help lower their monthly energy bills. New York is slated to receive \$45.2 million from the program. The new funds will help weatherize more than 190,000 homes across the country, including approximately 18,000 homes in New York, saving each household about \$400 in energy costs. The Senate also passed the funding increases.