

Kingston, NY - Just hours before Congress begins its first legislative action of 2008, Congressman Maurice Hinchey (D-NY) today unveiled the legislative priorities facing Congress this year and highlighted ways to spur economic growth in New York and across the nation through a variety of actions, including income tax cuts for low and middle class Americans. Among other items, Hinchey laid out a broad legislative agenda for 2008 encompassing economic growth, energy reform and gas prices, veterans health care and services, and the need to invest much more heavily in domestic priorities, particularly education, which will relieve the financial burden that continues to be shifted toward local property taxpayers.

"The U.S. is teetering on the brink of a recession in large part due to President Bush's complete mismanagement of the economy, including a costly and completely unnecessary invasion and occupation of Iraq as well as massive tax cuts that benefit only the wealthiest Americans at the expense of everyone else," Hinchey said. "Since President Bush has failed for the past seven years, Congress needs to give our economy a shot in the arm through targeted income tax cuts for low and middle class Americans. Between the rising cost of gas, mortgage and rent payments, food, health care, and other necessities, more and more New Yorkers are struggling to make ends meet. A tax break for those who need it most will not only make their lives easier, it will also strengthen our economy due to those people's ability to spend the extra money that's in their paycheck as the result of a tax cut."

Hinchey said Congress should pass an economic stimulus package in early 2008 that includes critical income tax breaks for working and middle class individuals and families who will in turn spend that money and help further stimulate economic growth. The congressman said that working class Americans need more money in their pockets rather than the wealthiest Americans who aren't struggling to meet daily expenses. Hinchey said the economy would see a big boom if Americans started receiving more money in their paychecks as a result of lower federal taxes. He said that businesses would see profits increase, which would result in more jobs as well.

The congressman said he plans to work with House Ways and Means Chairman Charlie Rangel (D-NY), whose committee has jurisdiction over tax policy, to discuss ways in which tax cuts for low and middle class Americans can be included in any forthcoming economic stimulus package. House Speaker Nancy Pelosi has already indicated her intention to move such legislation through the House in the first part of this year.

Hinchey is one of only 10 House members on the Joint Economic Committee (JEC), which is a House-Senate panel that holds hearings, performs research, and advises other Members of Congress on the economy. The congressman has pressed U.S. Federal Reserve Chairman Ben Bernanke at JEC hearings on the state of the economy, only to have the chairman refute those concerns.

When Chairman Bernanke came before the JEC last November, Hinchey told him that the problems with the economy reminded him of the stagflation that gripped the country in the 1970's -- the combination of stagnation and inflation used to describe a period of out-of control price inflation combined with slow-to-no output of growth, rising unemployment and eventually recession. However, Chairman Bernanke disagreed and said he anticipated that economic performance would be much better than the 1970's. Hinchey said today that the recent unemployment figures highlight the country's current economic crisis and reinforce the fact that the country is mirroring the economic circumstances of the 1970's.

Hinchey said the military invasion and subsequent occupation of Iraq, which has totaled nearly \$500 billion, is by far the most real example of wasteful spending that is resulting in a budget deficit and a rising national debt. The congressman again pressed for the withdrawal of U.S. forces from Iraq, which is costing the country \$10 billion a month -- money that could be put to much better use on domestic issues. The congressman said House Democrats would again offer various pieces of legislation in 2008 to begin the withdrawal of troops from Iraq and to put limits on the use of funds for troops.

Over the course of 2007, Hinchey and his fellow House Democrats passed legislation to increase funding for a broad set of domestic initiatives, including programs focused on veterans, local first responders, education, health care, transportation and infrastructure, clean energy and environmental protection, job training, medical research, and economic development. All of those critical domestic programs were put into jeopardy because President Bush threatened to veto any increases over his original budget proposal and Republicans in the Senate threatened to filibuster many of the same increases.

Ultimately, the Democratic leadership reached a deal in December to avoid a presidential veto. While acknowledging that far more could have been accomplished with a Democratic president, Hinchey and his fellow Democrats passed a funding package that countered some of Bush's critical cuts by investing approximately \$13 billion more than the president wanted in medical research, health care access, rural health care, K-12 education, student aid, vocational education, state and local law enforcement, homeland security grants, highway infrastructure, and renewable energy and energy efficiency. While these increases are more modest than Democrats wanted, they are significantly more than what President Bush proposed for these critical areas of need.

"It's time for the United States to start investing heavily in its own schools, roads, bridges, health

care, medical research, and other domestic priorities rather than spending \$10 billion a month in Iraq," Hinchey said. "The amount of progress we could make in this country would be extraordinary if we simply shifted the money being wasted in Iraq to important areas of need here at home."

Additionally, the funding bill that passed in December, which was subsequently signed into law, provides \$3.7 billion in additional funding for veterans health care -- the largest increase to the VA in 77 years. Democrats didn't reach that record funding level for veterans without a fight. President Bush's budget request for veterans' health care was so grossly inadequate that it wasn't even enough to maintain current services. His budget proposal even required some veterans to pay a start-up fee for health care usage and doubled the prescription drug co-payment for these same veterans. Eventually, Democrats as well as some Republicans in Congress, exerted enough pressure on the White House to get the increase in veterans funding approved. The new funds will allow the VA to address the significant backlog of hundreds of thousands of veterans' claims and begin to more fully deal with cases of Traumatic Brain Injury and Post Traumatic Stress Disorder, two of the hallmark injuries facing U.S. troops involved in the invasion and subsequent military occupation of Iraq.

Hinchey also highlighted some of the progress made last year in improving education and making it more affordable for New Yorkers and all Americans. The congressman helped pass and get signed into law The College Cost Reduction and Access Act of 2007, which provides the single largest increase in college aid since the GI bill -- roughly \$20 billion over the next five years at no new cost to taxpayers, by cutting excess subsidies paid by the federal government to lenders in the student loan industry. Under the law, 6.8 million students who take out need-based federal student loans each year will see the interest rates on their loans halved over the next five years, saving the typical borrower (with \$13,800 in need-based loan debt) \$4,400 over the life of the loan, once fully implemented. The bill also boosts maximum Pell Grant scholarships to \$5,400 over the next five years, up from \$4,050 in 2006, provides loan forgiveness for public service members, such as nurses, police officers, firefighters, and first responders, makes loan payments more manageable, and gives upfront tuition assistance to students who commit to teaching in high-need public schools.

The congressman also helped sign and pass into law the Improving Head Start for School Readiness Act of 2007, which helps more children start school ready to succeed by improving teacher and classroom quality, expanding access to Head Start for more children, improving comprehensive services for children in Head Start and their families, and ensuring that taxpayer dollars only fund well-run and high-quality Head Start centers. Head Start has been the premiere early education program in this country for more than 40 years, serving more than 20 million children in that time. Additionally, Hinchey and his colleagues passed The 21st Century Competitiveness Act law year, which is designed to make major investments in education and

job training programs. The measure provides 13 training programs for students who want to enter into science, technology, engineering and math career paths, creates programs to enhance teacher education in those fields, and places highly qualified teachers in high need schools.

While acknowledging this important progress, Hinchey criticized the president for failing to support substantial increases in federal funding for education. Congress funded the U.S. Department of Education at \$59.2 billion, \$1.7 billion (or 2.9 percent more than 2007); and \$3.2 billion more than the Bush budget request. Hinchey said funding for education needs to be increased dramatically.

"As New Yorkers know full well, when the federal government shortchanges education, our local property taxes rise to cover the difference. That is an unfair shift of the tax burden that needs to stop," Hinchey said. "Congress needs to pass significant increases in education funding and President Bush needs to realize he can't continue to issue unfunded mandates. A well-educated population will enable the United States to remain as a leader in the increasingly competitive global economy."

The congressman also addressed the need for energy reform beyond the measure passed in December. That bill contained a provision that increases the fuel efficiency of vehicles to 35 miles per gallon by 2020. Hinchey said that one of the first orders of business in 2008 would be to pass renewable energy tax credits to provide incentives for manufacturers to develop alternative energy products such as solar panels and for Americans to purchase them so that renewable energy becomes much more mainstream in New York and across the country. Hinchey is continuing to advance The Solar Energy Consortium (TSEC), which he helped establish in 2007. TSEC is a new industry-driven, non-profit organization that provides leadership, organization, resources, and support for the establishment of a major solar energy industry cluster in New York. Hinchey has already secured \$4.67 million in federal funds for TSEC and one of its partners. Additionally, Hinchey helped convince Empire State Development to contribute a \$1.5 million grant to attract solar energy companies to TSEC with additional funding from other state agencies expected in the future. The Ulster County Legislature also recently approved \$200,000 for TSEC. TSEC is expected to provide 300-500 jobs in its initial phase and create upwards of thousands of jobs in the region within the next several years. Statewide, TSEC has the potential to create tens of thousands of new jobs over the next decade while establishing New York as a global leader in the development of solar technology.

While saying that investing in alternative energy is the long-term solution to increased energy

prices, Hinchey said Congress must take further action to help ease the rising cost of gas, which is taking a toll on the wallets of New Yorkers and all Americans. Hinchey is continuing to work with Congressman Bart Stupak (D-MI) to pass the Prevent Unfair Manipulation of Prices (PUMP) Act to regulate off-market trading of oil. An increasing amount of crude oil, gasoline, and natural gas trading is being done in off-market, non-regulated deals. The PUMP Act would require off-market traders to play by the same rules that traders participating in on-market trading already do. By providing transparency and oversight to off-market trading, this legislation would allow regulators to better monitor these deals to prevent market manipulation, and improve confidence in the market. The PUMP Act would provide better oversight, quicker enforcement, and stricter penalties to prevent market manipulation. Economists estimate that if OTC markets were properly regulated, the price of crude oil could drop by as much as \$20 a barrel. Last year, Hinchey worked with Stupak to pass the Federal Price Gouging Prevention Act, which is designed to crack down on the price gouging of gasoline, natural gas, and other energy sources. The Senate now needs to follow the House's lead and pass that same bill.

Hinchey is also continuing to work with Congresswoman Louise Slaughter (D-NY) and Congressman John Larson (D-CT) to pass the Eliminate Gas Price Discrimination Act. That measure would end the practice of zone-pricing whereby oil companies control the price individual gas stations charge by allowing stations to purchase gas from only one local wholesale distributor and prevent them from shopping around for lower prices offered by other wholesale distributors not in their local "zone."

The congressman also talked about the need to increase funding for the Low Income Home Energy Assistance Program (LIHEAP), which helps pay the heating and cooling bills of low-income people and elderly people living on fixed incomes. Two-thirds of the families received these funds have an income of less than \$8,000 a year. For 2008, Congress funded LIHEAP at \$2.57 billion, which includes \$586 million in contingency funds, which only become available if President Bush authorizes them. Hinchey is sending a letter to President Bush this week with his House colleagues to urge him to release the funding. President Bush had sought to cut funding for LIHEAP by \$379 million this year, but Congress pushed back and blocked that proposal.

"Gas prices continue to be exorbitant at a time when the major oil companies are continuing to enjoy record profits. Congress needs to step in and hold these energy companies accountable for their bilking of the American public," Hinchey said. "We're a year away from having a new president, which is when we can expect to see real change in our energy policy. However, Congress needs to put as much pressure as possible on President Bush this year to go after the energy companies and pressure them to stop taking advantage of Americans while making record profits so drivers at the pump and Americans who use oil to heat their home can keep more money in their pocket instead of funding vacation getaways for energy company

executives and their families."

Hinchey, who is currently serving his eighth term in Congress, is a member of the House Appropriations Committee, the House Natural Resources Committee, and bicameral Joint Economic Committee.