



For Immediate Release
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**Floor Statement of Senator Max Baucus (D-Mont.)
Regarding the American Jobs and Closing Tax Loopholes Act of 2010**

Madam President, 15 million Americans have lost their jobs in this Great Recession. Although the unemployment rate came down some last month, it remains near 10 percent.

At the depth of the Great Recession, during the first months of last year, the economy lost an average of 750,000 jobs a month. That's practically the population of my state.

We've come a long way since then. Even if you exclude temporary census jobs, in the first five months of this year, the economy has created nearly half a million new jobs.

But we still have a lot more to do. We have to get more Americans back to work.

We began doing just that with the Recovery Act. We enacted that as one of the first things that the new Congress did in February of last year. According to the nonpartisan Congressional Budget Office, the Recovery Act increased by between 1.2 million and 2.8 million the number of Americans employed.

We continued getting more Americans back to work with the Hiring Incentives Act that we enacted in March of this year. The HIRE Act should help to bolster job creation in coming months.

And we are continuing again today with the American Jobs and Closing Tax Loopholes Act. This bill would create jobs by improving our nation's infrastructure. It would reduce the cost to local governments to build roads, bridges, and water treatment facilities. And that would create jobs.

This bill would also extend provisions that expire at the end of May. These provisions would provide important relief for many Americans.

Americans who are out of work are depending on our job creation efforts. This bill extends the needed lifeline of unemployment benefits to more than five million Americans who would not be able to support themselves or their families without this help.

We are talking about people who have worked, want to work, and will work again. These are our neighbors. And they need our help.

In my home state of Montana, we have seen some promising signs of recovery. In Yellowstone County, unemployment is down from six percent in March to 5.2 percent in April. That's good news. But there still remain many people who need our help.

Some counties in Montana have unemployment as high as 16.8 percent. In Montana, as with the rest of country, we have seen an increase in people looking for work.

Unemployment rates will continue to hover around 10 percent even as the economy improves.

As the economy adds jobs, many unemployed people grow more hopeful and resume their search for work. That's one reason why economists call unemployment a lagging economic indicator.

The bill that we are considering today includes improvements to the unemployment insurance program. This bill would eliminate the penalty in unemployment insurance for getting part-time or temporary work. Under current law, if people who are unemployed take part-time or temporary jobs — and then lose that job — they receive lower benefits than people who did not take short-term work. This bill corrects that inequity.

This bill also expands the Trade Adjustment Assistance Community College and Career Training program. The bill would broaden the program to include workers who are eligible for unemployment insurance. This will help more Americans who are looking for work to get the education and career training that they need.

If we do not pass this bill, doctors who see Medicare and TRICARE patients will take a 21 percent pay cut. More and more physicians are threatening to leave the Medicare and TRICARE programs if this happens. Seniors and military families could lose access to their doctors.

We cannot keep postponing this issue every month or two. Seniors worry they will lose their doctors. And physicians cannot run a business with this much uncertainty.

We need to pass a long-term reform. I would like to fix the problem permanently. But the votes are not there today. We will permanently reform Medicare's system to compensate doctors as soon as we can.

In the meantime, this bill provides security to doctors and the patients they see for the next year and a half — through 2011. It provides a modest payment increase to physicians for the rest of this year and next year.

This multi-year provision would prevent the untenable cut in physician payments. And this bill would provide a pathway to a permanent change in how doctors are paid.

The budget rules have to score a permanent reform as a cost. But we all know that this is something that we have to do for America's seniors, military families, and doctors.

This bill would also provide tax relief for American families and businesses. This bill would help communities that have suffered a natural disaster. And this bill includes important tax incentives to improve America's energy independence.

For individuals and families, this bill provides much-needed tax relief in a time of economic uncertainty.

This bill would extend the teacher expense deduction for teachers who buy school supplies for their classrooms. And it would extend the qualified tuition deduction to help with college costs.

This bill would extend much-needed relief for communities that have suffered from natural disasters.

And it would extend important business tax provisions to help create jobs and make our companies competitive in a global economy.

The bill would extend the research and development credit to help businesses to continue to be on the cutting edge.

The bill would also extend important energy tax incentives. For example, the bill would extend the dollar-per-gallon credit for biodiesel and renewable diesel. And the bill would extend the manufacturer's credit for the construction of new energy-efficient homes.

In addition to these important provisions that provide direct assistance in job creation, the bill includes other proposals that will provide relief for businesses and individuals.

One such provision is pension funding relief.

With the weak economy, American employers are faced with the need to make higher pension contributions. Several factors have combined to require these higher contributions; there's the funding changes of the Pension Protection Act of 2006, there's the slide in the stock market in 2008, and then there's the ensuing Great Recession.

These requirements for higher contributions are coming upon employers just when they are facing lower asset values and lower cash flow. Meeting the new funding rules could divert resources that employers could use to keep workers on the payroll.

We addressed this bind temporarily in 2008. But employers are still facing the prospect of closing plants and stores. Employers are still faced with the possibility of letting workers go in order to make up for lost asset values.

This bill contains additional temporary, targeted, and appropriate relief for these employers. And at the same time, the bill still maintains the pension security system. These tough economic times have hit the states hard, as well. In last month's employment report, for example, state and local governments cut 22,000 jobs.

So, included in the substitute amendment is a six-month extension of the additional Federal financial assistance for state Medicaid programs. This would allow states to plan for their next fiscal year with greater certainty.

Additional Federal Medicaid match money — known as FMAP — helps the economy grow. According to the economist Mark Zandi, this funding has a return on investment of about \$1.40 for every dollar invested.

The Nation's Governors have repeatedly asked for an extension of this Federal assistance. And this bill answers their pleas.

With so many Americans out of work, our country needs Congress to enact this legislation. This bill continues valuable tax incentives to families and businesses that will help them in these difficult economic times. And the bill sustains vital safety-net programs that will also help foster economic growth.

Madam President, this legislation is important to the American people. It would prevent millions of Americans from falling through the safety net. It would extend vital programs that are set to expire. It would put cash in the hands of Americans who would spend it quickly, boosting economic demand. And it would extend critical programs and tax incentives that create jobs.

And so, let us help America's businesses to create more jobs. Let us join together to work across the aisle on this common-sense legislation. And let us enact these tax incentives and safety-net provisions into law.

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