

News from Congressman

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Edwards Fights to Prevent Housing Freeze for 50,000 Military Families *Housing Cap Raised by \$500 Million in Appropriations Committee*

(Washington, DC) – – The House Appropriations Committee today approved a \$10 billion military construction bill. Also approved was language sought by U.S. Representative Chet Edwards to relieve the Pentagon from a statutory spending limit on building and renovating under a military family housing program he helped to initiate in 1996. The language would lift the \$850 million cap under the public-private housing program by \$500 million starting Oct. 1. The Pentagon is expected to reach the spending ceiling in November. The committee's bill is \$450 million above President Bush's request and \$162 million over last year's level.

Edwards, the Military Construction Appropriations Subcommittee's Ranking Member, has pushed for months to lift the military housing cap. The House Armed Services Committee tried to solve the problem, but was only able to solve it beginning in Fiscal Year 2006.

"Today was a positive bipartisan step forward and I am pleased we have been able to address what would have been a terrible injustice to military families," said Edwards.

Edwards has worked to lift the cap with Chairman of the Military Construction Appropriations Subcommittee Joe Knollenberg. Appropriations Chairman Young also supported the program calling it "one of the best programs ever" but said there may be difficulty protecting the language against a point of order on the House floor next week.

Despite the bipartisan agreement on the committee level, Edwards also has concern that there will be efforts by the leadership to strip the provision from the bill when it goes before the Rules Committee. Edwards plans to alert military organizations to help ensure the provision stays in the bill.

"The Rules committee next Tuesday will make a crucial decision. They will either vote to continue the most successful military housing program ever or tell 50,000 military families at 27 military installations in 22 states that their housing will be put on hold despite all the sacrifices they have made during a time of war."

It was Edwards who led the fight in the 1996 to implement the innovative public-private military housing program which has saved billions of taxpayer dollars while providing better and more affordable housing for military families. Under the program, the government creates public-private partnerships to construct, renovate,

and maintain military family housing. The government provides some funds up front, and provides military families to rent the homes sending their Basic Allowance for Housing to the developer while the developer provides the bulk of the capital for the rapid construction.

Because of the program, homes are constructed more affordably and more quickly. The government saves money (estimates are 10-15% over the life of the project) and military families are receiving improved homes in one-tenth of the time it would take using old methods of family housing construction.

Last year, Edwards was a leader in efforts supported by the Military Coalition to eliminate the disabled veterans' tax, known as "concurrent receipt" as well as the push to end the drastic reduction in the Survivor Benefit Plan (SBP) for spouses of deceased veterans. In both cases, he worked with military and veterans groups to highlight the issue before action was ultimately taken.

The Committee also approved \$85.2 million for Ft. Hood construction projects. Edwards was able to win support for \$49.9 million for new barracks, \$28.2 million for a new training range, and \$7.1 million for a command and control center despite early recommendations by the Pentagon to zero out funding for military construction projects at Ft. Hood in 2005.

“HOW” DO REPUBLICANS EXPLAIN THE LOSS OF 1.8 MILLION JOBS? Failing to Enact Responsible Tax Cuts Won’t “Hire Our Workers”

House Republicans say they are tired of being “whacked” by their constituents and the media on outsourcing and record job losses. So they’ve launched an eight-week public relations offensive to repackage their special interest agenda of environmental pollution, forcing Americans to pay more for health care, and taking away their right to seek redress if they are harmed. They’ve chosen to label their eight-week public relations offense “Hire Our Workers” or HOW. Next week, the seventh week of this Republican initiative, is “tax simplification week.”

The only major tax bill Republicans are bringing up next week is the extension of tax cuts, including marriage penalty relief, child tax credit, the 10 percent bracket, and alternative minimum tax relief. Republicans only need to extend these tax cuts now because last year, they made these middle-income provisions temporary in order to pay for their tax cuts for the wealthy – rate cuts for millionaires and corporate dividends and capital gains. The fact is Republicans have spent the last four years making the tax code more complicated and less fair to middle-class Americans. While middle-income Americans will receive some tax cuts, their tax relief is far outweighed by the rising federal budget deficits -- that will slow economic growth and ultimately could cost even more jobs, and could mean higher taxes or reduced government services in the future. Democrats strongly support middle-income tax cuts, including extending the new 10 percent bracket, child tax credit, and marriage penalty relief, but believe they should be fully paid for. We are fighting for a tax code that is simpler and fairer to the middle-class.

Republican tax cuts have mortgaged our futures for generations to come. Republicans have already taken us from a \$5.6 trillion 10-year surplus to a nearly \$3 trillion deficit over the next decade. In fact, the Citizens for Tax Justice found that the per capita share of federal borrowing will increase beyond the tax cuts received -- for every \$1,000 of additional debt, taxpayers are getting only \$250 in tax cuts. This explosion of debt under the President’s economic stewardship means that American's will face larger future tax bills – or equally large cuts in government spending – to pay for the President’s tax cuts for wealthy corporate interests. Not only have these record deficits heaped more debt on our children and grandchildren, they also threaten job creation. Economists agree that federal budget deficits threaten to crowd out private investment and raise interest rates on mortgages, consumer credit and business borrowing, which will slow economic growth and job creation.

Democrats support middle-income tax cuts, including extending the new 10 percent bracket, child tax credit, and marriage penalty relief, but believe they should be paid for. Democrats support middle-class tax cuts. In fact, last year, Democrats worked to provide longer-lasting tax cuts for middle-income families, including the marriage penalty and the child tax credit, than Republicans. But we also know that middle class families would be much better off if additional tax cuts were paid for. Given the loss of 1.8 million private-sector jobs over the last three years, Democrats believe tax cuts should not add to the budget deficits, as ballooning deficits threaten economic growth, raise interest rates and cost jobs.

Republicans have made the tax code far more complicated. Since 1994, Republicans have made 3533 changes to the tax code and added more than 2,000 pages to the tax manual. The 2003 changes in taxes on dividends and capital gains, in particular, have been a nightmare for taxpayers. The IRS estimates that it takes 7 hours, 58 minutes – essentially, one whole work day – just to complete Schedule D for reporting the sale of any capital assets such as stocks or mutual funds or dividends

received. Today, it takes a typical family 7 1/2 hours longer to fill out their tax return than it did in 1994, when Republicans took control of the House. The FSC/ETI bill passed by the House in June would make an additional 109 changes in the tax code, as well as encourage even more outsourcing of good-paying U.S. jobs to other countries.

Democrats are working to make the tax code simpler and fairer. Democrats are committed to making it easier for middle-class families to comply with the tax law, while ensuring that the Internal Revenue Service cracks down on those who cheat or hide behind tax shelters. We are determined to stop the individuals and corporations that game the current system, and thus force middle-income families to pay more. We are working to address the middle-class time-bomb – the Alternative Minimum Tax. Democrats have a plan to enact international tax reform that eliminates tax breaks that encourage American companies to move jobs overseas, not increase them as the Republican plan does.

Republican policies have led to the loss of 1.8 million private-sector jobs. Since the beginning of the Bush Administration, 1.8 million private sector jobs have been lost. The average length of unemployment is at the highest level in 20 years and the overall job picture is the worst in almost 40 years. We need a change in direction, not more votes on the same tired proposals.

Their strategy just doesn't work. Democrats have a track record on creating jobs. With virtually the same “regulatory, judicial and tax environments” during the 1990s, Democrats were successful in creating 22 million new jobs. By turning record deficits into record surpluses and investing in initiatives that made U.S. businesses more competitive, Democrats created the longest economic recovery in history.

Democrats know HOW to create jobs and help workers. Democrats have been fighting for measures that would create jobs immediately. Instead of launching publicity stunts, Republicans should work with us to adopt bipartisan, job creation strategies such as:

- Ending the current tax incentives for shipping jobs overseas.
- Enacting the bipartisan manufacturing tax cut bill that would keep good-paying manufacturing jobs here in the U.S.
- Dramatically expanding the nation's commitment to innovation by investing an additional \$40 billion over the next 10 years in R&D funding.
- Enacting a robust highway bill that would create 1.8 million additional good-paying jobs beyond those under the bill backed by the Republican leadership.
- Passing measures to reduce the health care costs of employers and employees, including providing a health care tax credit for small businesses.
- Extending tax cuts for the middle class, such as the child tax credit, without adding to the deficit.
- Extending federal unemployment benefits for 2.9 million out-of-work Americans, with each dollar of unemployment benefits leading to \$1.73 in economic growth.
- Ensuring that individuals develop the skills that U.S. employers need, by helping families afford college and through effective job training initiatives.
- Returning to the fiscal responsibility of the 1990s, by passing “pay as you go” legislation.

