

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS



815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

RICHARD L. TRUMKA
PRESIDENT

ELIZABETH H. SHULER
SECRETARY-TREASURER

ARLENE HOLT BAKER
EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5057



May 11, 2011

Dear Representative:

On behalf of the AFL-CIO, I am writing to urge you to oppose the Jobs, Opportunity, Benefits, and Services Act of 2011 (H.R. 1745), which would allow states to deny federal unemployment insurance benefits to over four million Americans unemployed for over 6 months so they can lower taxes for business. This senseless piece of legislation would undo the thirteen month extension of unemployment benefits enacted by Congress last December as part of a bipartisan deal to extend tax cuts for the wealthy.

H.R. 1745 would allow state officials to divert federal funds from temporary extended unemployment benefit programs to use for other purposes, such as reducing employer tax obligations or repaying state loans from the federal government. At the same time, H.R. 1745 would require every state to impose new educational eligibility, job training, and job search requirements on unemployed workers, without regard to the administrative burden on already overburdened state agencies that enforcing these new requirements would entail.

Now is not the time to be withdrawing federal unemployment compensation from the long-term unemployed. The unemployment situation is actually worse now than when Congress first established the federal extended benefits program, and the employment-to-population ratio has barely improved since the trough of the recession. There are still five unemployed workers for every job opening, the unemployment rate is 9 percent, nine states have unemployment rates over 10 percent, and 22 states have unemployment rates above the national rate. In April the average jobless worker had been unemployed for more than 38 weeks.

Nor can the U.S. economy afford the withdrawal of the economic stimulus that unemployment benefits provide. The Congressional Budget Office has determined that unemployment compensation is the single most effective stimulus to the economy. CBO estimates that the \$32 billion that will be paid in federal emergency unemployment compensation and extended benefits under current law will generate \$40 billion in economic activity and create about 322,000 jobs.

Members of Congress should reject H.R. 1745, which reflects cruel indifference to the hardship suffered by people who have been unemployed for more than six months—not through any fault of their own, but because Wall Street drove the economy off a cliff and still refuses to take any responsibility for the mistakes it made.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Samuel', written in a cursive style.

William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT