

Jobs/Economy



Securing America's Prosperity: Promoting Jobs and a Strong Economy



The nation is enjoying sustained job creation and robust economic expansion under Republican leadership, and rapidly falling energy prices are helping to restrain inflation pressures and ease costs for consumers. The economy is making progress, but many American families still are struggling with the high cost of living. Republicans are continuing work on a pro-growth agenda that will promote more and better jobs and improve the standard of living for all Americans.

Republican tax relief policies have fueled 5 years of economic growth and 3 years of job creation. The economic outlook is positive. More Americans are working today than ever, and unemployment is low. Gas prices are falling rapidly, and wages are increasing. Tax revenues are surging, helping expedite efforts to balance the budget.

- **JOBS:** The nation's unemployment rate is a low 4.7%. Since August 2003, the economy has created more than 5.7 million jobs in 36 consecutive months of job gains (128,000 new payroll jobs in August).
- **GDP:** The economy has experienced 19 consecutive quarters of growth, expanding at an impressive annual rate of more than 4% in the first half of the year, faster than any major industrialized nation. Annualized second quarter economic growth is 2.6%, an expected and welcome moderation from the rapid 5.6% first quarter growth.
- **WAGES/PRODUCTIVITY:** Nominal wages increased 4.1% in the first half of the year, evidence that real wage gains are beginning to catch up with worker productivity growth. Productivity has increased at an average annual 3% rate since the economic recovery began five years ago, and 2.4% rate over the past four quarters.
- **TAX REVENUES:** Federal tax revenues are surging, aided by Republican pro-growth tax policies. Tax revenues are up 11.6% to date this fiscal year, on top of last year's 14.6% increase. Federal revenues for FY 2005 totaled \$2.2 trillion – the highest level ever.
- **DEFICIT:** The budget deficit has shrunk rapidly, from \$412 billion in 2004 to roughly \$260 billion in 2006, as a result of surging federal tax receipts. This has put us on track to cut the deficit in half by 2009.
- **BUSINESS INVESTMENT:** Business investment has grown at a strong average annualized rate of nearly 7% in the 13 quarters since 2003 tax relief lowered tax rates on dividends and capital gains.

Republicans continue to work to prevent a massive Democrat-supported tax increase that would raise Americans' cost of living. If Democrats make Republican tax relief expire, a family of 4 making \$65,000, the midpoint of income for all families, would see their taxes increase 58% in just one year.

- Republicans last year enacted \$70 billion in extended tax relief that is helping sustain job creation and economic growth.
- Republicans are working to prevent Democrat-supported automatic tax increases on American families and make tax relief permanent to lower the cost-of-living.
- Democrats' tax-and-spend policies would reverse the jobs and economic gains we have made and lower the standard of living for American families.

Republicans are working to restrain government spending and are reducing the deficit to keep the economy and job creation strong.

- Republicans last year enacted the Deficit Reduction Act to curb wasteful spending and cut entitlement growth, saving American taxpayers \$100 billion over the next decade.
- The budget deficit has shrunk rapidly, from \$412 billion in 2004 to roughly \$260 billion in 2006, as a result of surging federal tax receipts. This has put us on track to cut the deficit in half by 2009.

109th Senate Accomplishments: Promoting Jobs and a Strong Economy

- More than 5.7 million new jobs since August 2003 and a low 4.7% unemployment rate
- 19 consecutive quarters of economic (GDP) growth
- Tax increase prevention, \$70 billion in extended tax relief
- Froze non-defense, non-homeland security spending (2007 Budget Resolution)
- Cut entitlement spending growth, saves \$100 billion over 10 years (Deficit Reduction Act)
- Lawsuit abuse reform for class action and gun liability
- Bankruptcy reform protection for small businesses and lower costs for consumers
- Retirement security for American workers (Pension Protection Act)
- Free trade agreements with Central America and Bahrain
- Federal Funding Accountability and Transparency Act

SENATE 109TH ACCOMPLISHMENTS: PROMOTING JOBS AND A STRONG ECONOMY

Tax Relief Act of 2005 (Tax Reconciliation) – P.L. 109-222

This law prevents a number of scheduled tax increases from going into effect and ensure that more middle-class, working Americans do not become subject to the Alternative Minimum Tax. America's economy grew by more than 3 percent for 10 consecutive quarters through 2005, and the law helps to ensure this pro-growth environment. Several important provisions of this law include small-business expensing provisions, a research and experimentation tax credit, deductions for tuition to help students and families afford college, deductions for state and local taxes, and the low-income savers credit.

Pension Protection Act of 2006 (H.R. 4) – P.L. 109-280

This law increases the retirement security for American workers by helping to ensure the solvency of American pension plans. The law also adjusts Pension Benefits Guaranty Corporation (PBGC) insurance premiums and establishes minimum funding standards to strengthen private pension plans, including multiemployer pension plans.

FY07 Concurrent Budget Resolution (S. Con. Res. 83) – Passed Senate

This budget resolution sets total spending at \$2.787 trillion and total revenues at \$2.428 trillion. As approved by the Budget Committee, the budget meets the President's goal of cutting the budget deficit in half by 2009 a year early; the projected budget deficit will be reduced to 1.7 percent of GDP by FY 2008. Most non-defense discretionary spending will remain flat or will be cut this year, as it was last year.

Deficit Reduction Act (Spending Reconciliation) – P.L. 109-171

This law reduces federal outlays by \$39.675 billion for FY 2006-2010 (and \$101.6 billion over the 2006-2015 period). The law includes provisions that would provide net savings in Medicaid of \$4.76 billion over five years and Medicare savings of \$6.41 billion over five years. This law is the first deficit reduction reconciliation bill since 1997; it affirms Republicans' commitment to controlling spending even while rebuilding the Gulf Coast following Hurricane Katrina.

Bankruptcy Abuse Prevention and Consumer Protection Act – P.L. 109-8

This law, the first major revision to the U.S. Bankruptcy Code since 1978, makes improvements to the bankruptcy code in consumer, small business, and corporate contexts. In particular, the law ensures that only those individuals who earn less than their state's median income or those who are otherwise unable to pay their debts are able to wholly discharge them. At the same time, it ensures that those who have the ability to pay back some of their debt actually do so, rather than abuse the system. This law will save approximately \$3 billion annually for consumers through lower interest rates and better products and services.

Dominican Republic – Central America – United States Free Trade Implementation Act (DR-CAFTA) – P.L. 109-53

This law implements the United States-Dominican Republic-Central America Free Trade agreement. This is the first free trade agreement between the United States and the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, as well as the Dominican Republic. This agreement benefits U.S. businesses by leveling the playing field with America's 12th largest market for exported goods; 80 percent of U.S. exports to this region are immediately duty-free with the remaining 20 percent becoming duty-free by 2010. This "win-win" agreement also benefits Central American countries by helping to provide economic stability in these democracies, an issue vital to our national security interests.

United States-Bahrain Free Trade Agreement Implementation Act – P.L. 109-169

This law strengthens the economic and diplomatic ties between the United States and the State of Bahrain. Bahrain is one of America's closest allies in the Middle East. This law affirms the United States' commitment to supporting allies overseas and encouraging reform by promoting open markets.

Class Action Fairness Act – P.L. 109-2

The law curbs abuses in our courts that have driven up costs to consumers without benefiting the public. Over the past decade, class action lawsuits have grown over 1,000 percent nationwide, leading to increasingly unjust settlements that enrich a select few lawyers, while hurting plaintiffs and businesses in virtually every sector of America's economy. This law addresses these abuses by moving certain large, interstate class actions from state courts into federal courts and creates a consumer bill of rights to ensure that the class-action legal process protects the rights of plaintiffs.

The Protection of Lawful Commerce in Arms Act – P.L. 109-92

This law addresses the politicization of our court system by a small number of anti-gun activists who have attempted to hold the firearm industry legally responsible for the criminal conduct of others. These frivolous lawsuits have forced the firearms industry to spend nearly \$200 million defending the right to produce a legal product. In the event of a large verdict, this relatively small industry could be destroyed, and Americans' ability to exercise their Second Amendment rights could be dramatically curtailed.

Impact on Taxpayers If Tax Relief Expires

Nationwide a family of 4 making \$65,000 – the midpoint of income for all families – would see their tax bill increase over \$2,000 in just one year, up 58%.

A single individual making \$28,300 – median income – would experience a 42% increase in their taxes, up nearly \$400, due entirely to the lost 10% bracket.

Married couples with average income would experience a 12% tax penalty just for being married – an increase in taxes of nearly \$200.

Seniors, for whom dividends and capital gains account for nearly a quarter of their income, would experience an immediate 10% and possibly 20% tax on this income.

Small businesses that file as individuals would see their taxes increase 13%.

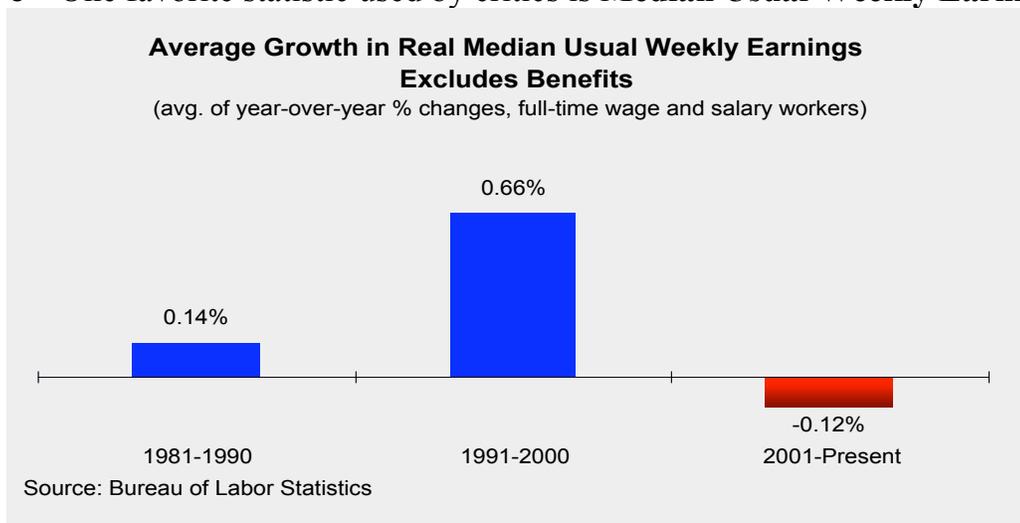
Understanding Worker Pay (Wages, Salaries, and Benefits)

Critics Claim:

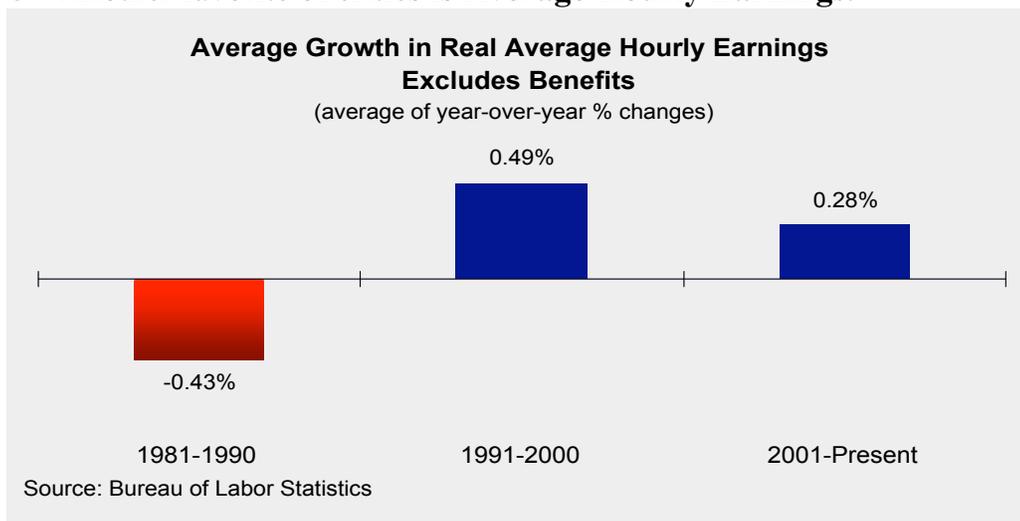
- Workers pay is declining after adjusting for inflation.
- Workers have not benefited from productivity gains in recent years.

Background: Narrow Measures of Worker Pay Give Misleading Views

- When you look only at wages, and ignore benefits, productivity growth has often outstripped inflation-adjusted (“real”) wage growth.
- When benefits are included in measuring worker compensation, productivity growth and real wage growth are tightly linked.
- Critics invariably focus on *wages and salaries alone*.
 - One favorite statistic used by critics is **Median Usual Weekly Earnings**.

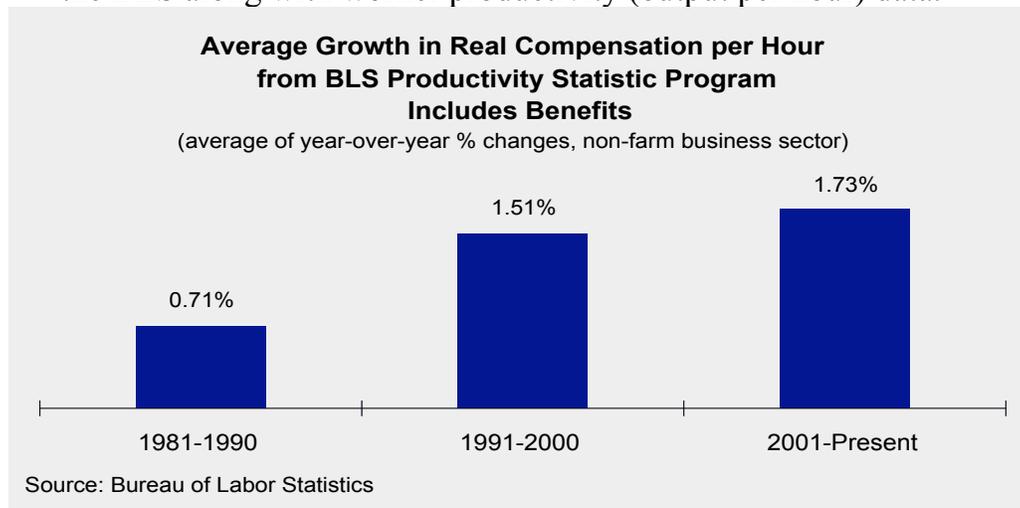


- This ignores *worker's benefits*, which represent 30% of total worker pay.
- Another favorite of critics is **Average Hourly Earnings**.

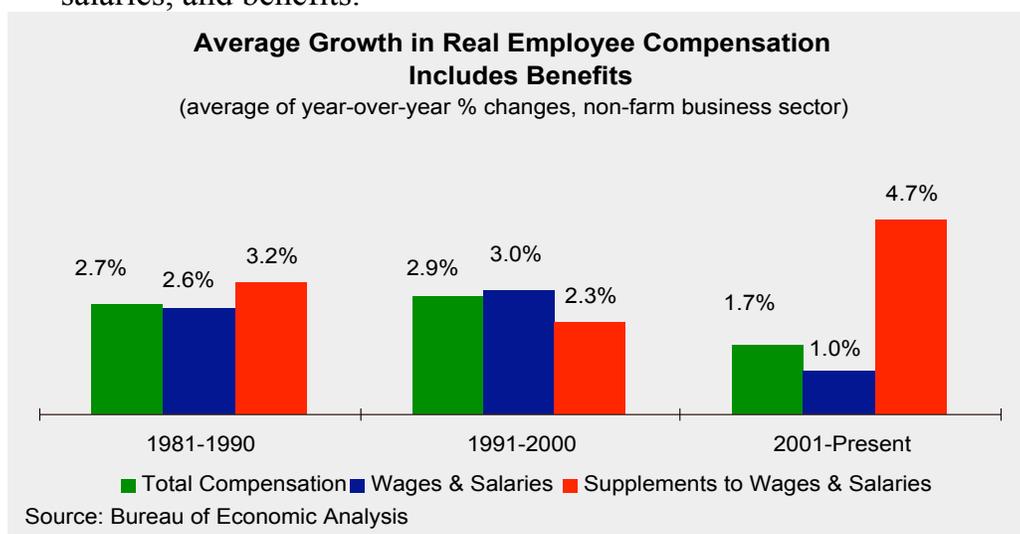


- This ignores *worker's benefits* (30% of pay).
- This also ignores around 20% of American workers, by counting *only production and non-supervisory workers*.
- The Bureau of Labor Statistics (BLS) acknowledges that this measure is not accurate or relevant in measuring pay of today's workers (BLS plans to drop the average hourly earnings series in 2009).

- Include benefits, along with wages and salaries, gives a complete view of pay.
 - One comprehensive measure is **Real Compensation per Hour**, compiled by the BLS along with worker productivity (output per hour) data.



- By this measure, since the beginning of 2001, workers have fared better than in prior decades.
- Another comprehensive measure is the **Employment Cost Index (ECI)**, which gives data on total worker pay along with a split between wages and salaries, and benefits.



- Data show that over the past five years, real wage and salary growth *has* been very modest on average.
 - However, benefit growth has been especially strong, leading to healthy real gains in *overall worker pay* in the past five years.
 - Critics will say: The reason overall pay, which includes benefits, has risen is because workers need more benefits just to keep up with rising health-care costs, but workers aren't really gaining.
 - The data suggest that they are wrong. According to ECI data, on average over the past five years, workers have realized healthy gains not only in health benefits, but also in the medical-care value (how much they get) of those benefits.

Achieving Greater Transparency And Accountability In Government

Today's Presidential Action

Today, President Bush Signed The **Federal Funding Accountability And Transparency Act Of 2006 To Improve The Quality And Accessibility Of Information About Federal Spending**. This legislation calls on the Office of Management and Budget to oversee a new website through which the public can readily access information about grants and contracts provided by Federal government agencies, except for those classified for national security reasons.

- **The Act Is Part Of President Bush's Ongoing Commitment To Improve Transparency, Accountability, And Management Across The Federal Government.** The Administration has implemented a number of initiatives allowing American taxpayers to see how their tax dollars are spent and what they are getting for their money. Greater transparency has made programs more accountable for their performance and more responsive to the American public. Two of these initiatives include:
 - **ExpectMore.gov:** This website was established earlier this year to allow the American people to see how well Federal programs are performing. To date, the Administration has evaluated the effectiveness of nearly 800 Federal programs, representing over 80 percent of the Federal budget. Agencies and OMB post these candid assessments of Federal programs in jargon-free language on ExpectMore.gov, so taxpayers will know which programs work, which ones do not, and what programs are doing to improve.
 - **Results.gov:** Since 2002, this website has provided detailed information on the President's agenda for improving Federal agency management. It also tracks agencies' progress in meeting their goals. Federal agencies are held accountable for developing and adopting better management disciplines under the President's Management Agenda. The status of agencies' management reform efforts is made public through scorecards updated on Results.gov every quarter.

Transparency Produces Quantifiable Results

The President's Push To Publicly Provide Federal Program Performance Information Has Helped Make Agencies Accountable For Producing Results. Agency management improvement efforts are measured based on clear, transparent, quantifiable goals. For example:

- **With The Support Of Congress, And After Publicly Disclosing Clear Justification, The President Was Successful In Reducing Or Ending Spending On 89 Programs That Weren't Getting Results Or Serving Essential Priorities.** This year, the President proposes to end or reduce 141 programs that are not achieving results or serving essential priorities, saving nearly \$15 billion.
- **By Making Agencies Verify Payment Eligibility And Publicly Measure Accuracy, Improper Payments Have Been Reduced By \$7.8 Billion, Lowering The Government-Wide Improper Payment Rate By 17 Percent.**
- **By Subjecting Federal Government Activities To Competition From The Private Sector, The Federal Government Is Now Operating More Efficiently And Saving Taxpayers \$900 Million Per Year.**
- **By Creating An Inventory Of Property Held By The Federal Government, The President Has Been Able To Dispose Of More Than \$3.5 Billion In Unneeded Federal Assets.**

Transparency And Accountability For Spending Taxpayer Dollars – The Line Item Veto

In Order To Turn Information About Wasteful Spending Into Concrete Action, The President Needs The Line Item Veto. The House of Representatives approved Line Item Veto legislation earlier this year by a strong bipartisan majority, and the President calls on the Senate to do the same. The Line Item Veto would be a tool to further improve government transparency and accountability and ensure wise financial stewardship of taxpayer resources.

Health Care



Major Health Care Accomplishments of the U.S. Senate During the 109th Congress



HELPING TO ENSURE QUALITY HEALTHCARE FOR ALL AMERICANS

State High Risk Pool Funding Extension Act of 2006 – P.L. 109-172

This provision reauthorizes funding for grants to each state that has not created a qualified high risk pool for the state's cost of creation and initial operation of a high risk health insurance pool. The legislation also provides relief to certain states that experience losses in connection with the operation of existing high risk pools and sets forth reporting requirements for the Secretary of Health and Human Services relating to high risk pool funding.

Pandemic Flu Preparedness (Provision in the Department of Defense Appropriations, FY 2006) – P.L. 109-148

This provision provides \$3.8 billion for pandemic flu preparedness. It will help the United States prepare for a potential outbreak of pandemic flu by authorizing funding for stockpiling antivirals and medical supplies, promoting vaccine development and research, monitoring global avian influenza, providing grants for local public health centers, and providing additional funds for risk communication and outreach.

Pandemic Counter Measure Protections (Provision in the Department of Defense Appropriations, FY 2006) – P.L. 109-148

The provision provides targeted liability protections under State and Federal law for manufacturers and distributors of pandemic and epidemic products (including vaccines) and security countermeasures, in the event that the Secretary of Health and Human Services makes a declaration of a public health emergency as a result of a disease or other health condition. The provision also provides a process for providing compensation for any cases in which the administration or use of a product covered by the emergency declaration caused injury or death.

Stem Cell Therapeutic and Research Act of 2005 – P.L. 109-129

This law provides for the collection of human umbilical cord blood to be used for treatment, transplant, and research, and creates the C.W. Bill Young Cell Transplantation Program, an umbrella program containing activities related to the National Bone Marrow Donor Registry and the new Cord Blood program. An advisory council will be created to coordinate with the Secretary of Health and Human Services to oversee this program and ensure that donated cord blood not appropriate for transplant use will be made available for use in peer-reviewed research. The collection of umbilical-cord-blood stem cells after child birth causes no harm to mother or child, and research has shown that cord-blood stem cells can be effectively used to treat several diseases, including leukemia, Fanconi anemia, and sickle cell disease.

Fetus Farming Prohibition Act of 2006 – P.L. 109-242

This law prohibits any person or entity from soliciting or knowingly acquiring, receiving, or accepting a donation of human fetal tissue knowing that a human pregnancy was deliberately initiated to provide such tissue. The law also prohibits knowingly acquiring, receiving, or accepting tissue or cells obtained from a human embryo or fetus that was gestated in the uterus of a nonhuman animal.

Alternative Pluripotent Stem Cell Therapies Enhancement Act (S. 2754) – Passed Senate

This bill would direct the Secretary of HHS to conduct and support basic and applied research to develop alternative techniques for the isolation, derivation, production, or testing of pluripotent stem cells. However, research authorized under this bill could not derive such cells from a human embryo, but is intended to encourage the derivation of pluripotent cells from alternative sources or techniques.

Medicare Cost Sharing, TMA, and Abstinence Programs Extension – P.L. 109-91

This law extends the qualified individual Medicare program through September 2007. This program provides medical assistance for Medicare cost-sharing for individuals who would be qualified Medicaid beneficiaries but for the fact that their income exceeds the state-established income level, and is between 120% and 135% of the official poverty line. The law also provided a three-month extension of Transitional Medical Assistance and the abstinence education program through December 31, 2005.

Veterans Medical Services Supplemental, FY 2005 (Section 601 of the Interior Appropriations, FY 2006) – P.L. 109-54

This provision provides an additional \$1.5 billion in funding to the Department of Veterans Affairs to cover budget shortfalls in veterans' healthcare. This funding reflects our commitment to supporting the troops both overseas and at home, and will ensure that our returning service members receive the quality care that they deserve.

Patient Safety and Quality Improvement Act – P.L. 109-41

This law creates and implements a voluntary system of medical error reporting, so that preventable medical errors can be identified and actions can be taken to ensure that they do not continue to occur. The confidentiality protections provided in this law give more incentives for providers to voluntarily report errors. Such reporting is critical to efforts to ensure patient safety and improve the quality of patient care.

Wired for Health Care Quality Act (S. 1418) – Passed Senate

This bill formally establishes the Office of the National Coordinator of Health Information Technology (ONCHIT), previously organized by Executive Order. The National Coordinator, through ONCHIT, serves as the principle advisor to the Secretary of Health and Human Services and the President for federal health information technology programs. ONCHIT is responsible for developing, implementing, and overseeing national health information programs that protect the privacy of health information, facilitating patient access to information while protecting it against unauthorized access. The bill also requires the Secretary to develop or adopt a system to measure the quality of care that patients receive.

Genetic Information Nondiscrimination Act (S. 306) – Passed Senate

This bill would prohibit discrimination on the basis of genetic information with respect to health insurance and employment. It would prohibit a group health plan or other provider of health insurance from adjusting premiums on the basis of genetic information and requesting or requiring an individual or a family member of such individual to undergo a genetic test. In the employment context, it prohibits the use of genetic information for employment decisions, such as hiring, firing, job assignments, and promotions.

Topline Message Points on Medicare's Open Enrollment Season

- Medicare offers personalized information – on-line, in person in the community and on the phone – that will help people better understand their health care options, make smarter Medicare health and drug plan choices, and ensure they get the most out of their Medicare.
- Medicare's open enrollment, which begins November 15 and ends December 31, is the one chance this year people with Medicare have to make a change to their health and prescription drug plans.
- People with Medicare can significantly reduce their chances of having to stand in long lines and encountering potential problems on January 1 if they enroll or make changes to the Medicare health or prescription drug plan by December 8.
- Medicare partners with many people in the community to provide assistance in helping consumers make confident and informed health care decisions.
- http://www.cms.hhs.gov/MyHealthMyMedicare/01_Overview.asp

Medicare Important Dates:

- October 1: Plans begin to marketing
- Mid-October: 2007 Plan Data and enhanced Plan Finder available
- October 31: Annual Notice of Change (ANOC) and Medicare & You Handbook in mail to beneficiaries
- November 15: Open enrollment begins
- December 8: Optimum date for early enrollment
- December 31: Open enrollment ends

Resources:

- The Medicare Rx Education Network provides information and assistance with outreach and education for the Medicare Part D prescription drug benefit. The network, which includes 79 national organizations, is chaired by former U.S. Sen. John Breaux. Members share an interest in educating Medicare beneficiaries about the Medicare prescription drug benefit and work closely with the appropriate federal agencies to obtain up-to-date information to ensure that information disseminated about Medicare Part D is factual and accurately conveyed so that beneficiaries and their caregivers can make informed choices.
 - For more information about our activities or for assistance with events, please contact us at 1-866-459-2600 or check us out on the web at <http://www.medicarerxeducation.org>

- Your state office(s) will be receiving a supply of the new publication, "Medicare Prescription Drug Guide: How to Choose Your 2007 Plan" within the next week. Published by America's Health Insurance Plans, the goal in developing the guide was to make it a consumer friendly tool available for beneficiaries, family members, and those who assist them, as they prepare to select Medicare prescription drug plans that best meet beneficiary needs. The book begins with the a "top 10" list of things beneficiaries should know about the new prescription drug benefit, and then guides beneficiaries as they focus in on whether stand-alone prescription drug coverage only or a Medicare health plan with both health and prescription drug coverage will work better for them. There is also a section of the book focusing on each type of coverage, with accompanying worksheets that encourage beneficiaries to set priorities and compare plans.
 - For more information contact Jill Dowell, Vice President, AHIP, (202) 778-3253.



Medicare Part D Beneficiaries September 2006

"This program has been a financial and emotional savings for me. I say emotional savings because I'm raising a grandchild and my drugs were costing \$325 a month. Now [since enrolling in Part D], I pay \$20 a month for my medications. That kind of emotional security is a blessing...especially when you're raising a child at my age."

Rochelle L.
Grand Junction, CO

"I now have more money to spend on other things we need. My sister also benefited. She's saving \$450 a month. I told my friends about it and six of them enrolled (in Part D). They are pleased with the returns and the savings. It's helped not only us, but others as well."

Vernell J.
Gainesville, FL

"I've had a lot of (financial) trials and tribulations. It (Part D) saved me money. It has paid off."

Wilma N.
Logansport, IN

"I was spending \$6,700 a month on medication. I couldn't afford most of my medications because they were too expensive. Now they cost \$200 a month. I don't have to worry about affording my prescriptions anymore."

Vallie C.
Charleston, WV

"For the past 10 years I didn't have health insurance and it was tough. I was spending \$600-\$1,000 a year for blood pressure medication. Now I pay \$90 a year."

Richard E.
Albuquerque, NM

"It (the benefit) saved us a lot of money. I've saved \$3,000 this year. My wife doesn't take drugs, but we have her in a plan. It's like having collision coverage for your car...just in case."

Bob S.
Cherry Hill, NJ

"Before MMA I had no coverage for my prescription drug expenses. I was paying out-of-pocket to the tune of around \$6,500 a year. ...When the Part D benefit came along I enrolled...and saw savings of about \$100 a month immediately. After factoring in my out-of-pocket costs and Medicare Part D premiums, I project I'll save approximately 15 percent of my (former) annual drug cost."

Bill E.
Little Rock, AK

"It (the part D benefit) has made living more livable. My mother is 95. My wife has colon cancer and I have diabetes. We've now gotten all of our prescription costs down to a reasonable amount."

Thomas S.
Leesville, LA

FACTS ON THE MEDICARE PRESCRIPTION DRUG BENEFIT

- **More than 38 million beneficiaries** – 90 percent now have prescription drug coverage. **Nearly 23 million beneficiaries** enrolled in the Medicare drug benefit.
- Part D premiums are averaging **less than \$24 per month** – 40 percent lower than the projected \$37 per month premium.
- On average, beneficiaries enrolled in the prescription drug benefit are **saving \$1,100 a year**.
- Beneficiaries are overwhelmingly satisfied, with more than **80 percent of seniors surveyed expressing satisfaction** with their Medicare prescription drug plans.
- **Plans that offer coverage in the gap are available to every beneficiary in the nation.** Although plans that offer additional coverage have higher premiums than the standard Medicare prescription drug plan, the premiums are far less than premiums for a Medicare supplemental policy, which for many beneficiaries, was financially out of reach.
- Ten million beneficiaries with limited incomes have comprehensive coverage **with minimal copayments and no coverage gap.**
- PriceWaterhouseCoopers estimated that **only 8 percent of all beneficiaries** with coverage are in a plan with a donut hole and will spend enough to reach it.
- Prescription drug plans are **required by law** to give beneficiaries who reach the gap discounted prices on their medications.
- **Beneficiaries can get help paying for their prescriptions in the coverage gap.** The Centers for Medicare and Medicaid Services (CMS) publicly released tip sheets on where to find help in the gap, including: charitable programs, private and state pharmaceutical assistance programs, and continuing to access the plan's discounts by using your Medicare drug plan card.
- All beneficiaries with Medicare prescription drug coverage have **insurance against catastrophic prescription drug costs.**

Sources: Department of Health and Human Services, CMS, Kaiser Family Foundation, Healthcare Leadership Council, PriceWaterhouseCoopers

Democrats Obstruct Medical Liability Reform and Small Business Health Plans Block key provisions that would improve access to quality, affordable health care



Democrats have once again blocked urgently-needed medical liability reform from even reaching the floor of the Senate for an up or down vote.

Senate Republicans are committed to delivering a balanced approach to medical liability reform that improves access to quality health care and reduces health costs:

- Medical Care Access Protection Act of 2006 (S.22), a comprehensive medical liability reform bill, and
- Healthy Mothers and Healthy Babies Access to Care Act (S.23), a targeted ob/gyn medical liability reform bill.
- Both bills address our nation's current medical liability crisis which is forcing physicians, hospitals, and other health care providers to move out of high-liability states, limit the scope of their practices, and even close their doors permanently.

Republicans seek to implement reasonable, comprehensive, and effective reforms to:

- Reduce the incidence of costly "defensive medicine,"
- Provide appropriate financial relief to the injured,
- Improve the fairness and cost-effectiveness of our current liability system, and
- Lower the premiums and reduce health costs.

Senate Republicans will work to overcome Democrat obstruction of medical liability reform to deliver a solution that protects patients, access, and quality.

- Patients are the #1 priority.
- Patients have lost their doctors and the care they provided.
- Patients have been forced to travel great distances because doctors have been driven out of their communities by unnecessary costs.
- Every time another \$100 million verdict is awarded:
- Patients' monthly premiums and deductibles will increase,
- Patients' health care costs will increase, and
- Patients even less fortunate won't be able to afford the medical care they need.

Democrats refused to allow a vote on Small Business Health Plan legislation that would help America's small business owners and working families.

Senate Republicans will consider legislation that will make health insurance more affordable for America's small business owners and working families.

- Small Business Health Plans (SBHP) would give a small or family-owned business the opportunity to choose the health plan that is best for the owners, their families, and their employees.
- SBHP legislation will also cover more than one million uninsured Americans in working families.
- This bill will reduce the cost of health insurance for small employers by 12 percent – that's \$1,000 per employee – according to a respected actuarial firm.

Senate Republicans are working to make health care more affordable, portable, transparent and efficient.

- Republicans passed the Patient Safety and Quality Improvement Act which created a voluntary system of medical error reporting to identify and resolve preventable medical errors.
- Republicans passed legislation to encourage adoption of information technologies in health care to reduce medical errors, improve quality of care, and lower health care costs.
- Republicans passed legislation to continue federal support for bone marrow and umbilical cord blood research that will make profound difference in the lives of thousands of patients.

Energy/Conservation



Securing America's Energy Future

Gas Prices Falling, Need to Reduce Our Dependence on Foreign Oil

Republicans are continuing work on energy security proposals to provide affordable and reliable American energy and reduce our dependence on unstable foreign oil...

Rapidly falling gas prices are giving American consumers relief. The national average price for a regular gallon of gas is \$2.42, a drop of more than 60 cents in only six weeks.

Our dependence on unstable foreign oil amid tightening global supply-demand fueled this summer's spike in energy prices that hurt U.S. employers, farmers and families.

For our energy security, we need to access all appropriate American energy resources, including clean coal and natural gas, and redouble our efforts to find an alternative fuel to replace oil and gas.

The only sure way to reduce our dependence on foreign oil is to develop and diversify our own energy resources. Republicans have pushed for environmentally friendly American energy production for decades, including oil and gas exploration on the Coastal Plain of ANWR and in the Gulf of Mexico.

The Senate recently passed a bill to expand energy exploration on the Outer Continental Shelf in the Gulf of Mexico (awaiting conference committee). This bill would open an area estimated to contain 1.26 billion barrels of oil and 5.8 trillion cubic feet of natural gas – enough natural gas to heat and cool nearly 6 million homes for 15 years.

Republicans are working to develop clean alternative fuels and cutting-edge technologies. Over the last decade, the government has spent more than \$13 billion on alternative fuel research and development.

The Republican-enacted Energy Policy Act, which marked its first anniversary in July, is making significant progress in promoting clean alternative fuels like ethanol and increasing efficiency standards.

Democrats have no energy agenda except blocking sensible supply and infrastructure development and raising taxes, which increase consumer prices...

Democrats have wasted decades blocking sensible domestic energy supply and infrastructure development proposals that would have helped stabilized supply.

Democrats' only energy plan is to block production, increase regulations and raise taxes, which increase consumers' prices. For example, if President Clinton hadn't vetoed legislation allowing exploration on the Coastal Plain of ANWR 10 years ago, today we would have 1 million additional barrels of oil a day coming from ANWR. And many Senate Democrats continue to oppose environmentally friendly deep sea exploration.

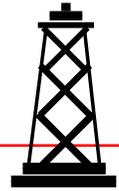
109th Senate Accomplishments:

Securing America's Energy Future and Reducing Gas Prices

- **Comprehensive Energy Bill**
(alternative energy sources, greater efficiency/conservation)
- **American oil and natural gas exploration**
(Gulf of Mexico Energy Security Act)

Gulf of Mexico Energy Security Act

(S. 3711/LEASE SALE 181)



American Energy Production:

The Senate passed this significant energy exploration legislation this summer, directing new oil and gas leasing in 8.3 million acres on the Outer Continental Shelf in the Gulf of Mexico. The area contains an estimated 1.26 billion barrels of recoverable oil and 5.8 trillion cubic feet of natural gas. The natural gas supply made available through this bill is enough to heat and cool nearly 6 million homes for 15 years.

Leasing Prohibitions:

- ◆ No oil and gas leasing, pre-leasing and other activities within 125 miles of State of Florida in the New Eastern Gulf of Mexico Planning Area until June 30, 2022.
- ◆ No oil and gas leasing, pre-leasing and other activities within 100 miles of the State of Florida in the New Central Gulf of Mexico Planning Area, and east of the western boundary of the 181 Area until June 30, 2022.
- ◆ No oil and gas leasing, pre-leasing and other activities east of the Military Mission Line until June 30, 2022, after which the Department of Defense may veto leasing.
- ◆ Secretary of the Interior to establish within one year of enactment a regulation that provides for an option to exchange leases in areas unavailable for leases within 125 miles of Florida coastline in New Eastern Gulf Planning Area for leases in areas available for leasing in the Gulf of Mexico.

Revenue Sharing:

- ◆ Revenue sharing on new areas of production made available by this agreement beginning in FY 2007 and each fiscal year thereafter (181 Area on the eastern Gulf side and 181 South Area):
 - 37.5 % to Gulf producing states
 - 12.5 % to Stateside LWCF
 - 50 % to Federal Treasury
- ◆ Revenue sharing on new leases after date of enactment in existing planning areas beginning in FY 2016 and each fiscal year thereafter (Gulf of Mexico planning areas):
 - 37.5 % to Gulf producing states
 - 12.5 % to Stateside LWCF
 - 50 % to Federal Treasury

There is a \$500 million annual net spending cap on revenue. Net is spending in excess of receipts coming in from new areas opened up under this bill.

Congress of the United States

Washington, DC 20515

By the Numbers – Energy Policy Act of 2005 Impact

Since Congress passed the Energy Policy Act last July:

42	New ethanol plants that have broken ground
5.8 billion	Gallons of annual ethanol production online by end of 2006
979	E-85 pumps installed
30	New nuclear reactors planned
38,000	Megawatts of electricity will be generated by 2020 if all 25 plants are built
28 million	Households can be powered by the electricity from the 25 plants
0	Airborne emissions will be generated by the 25 plants
163,686	New hybrid vehicles purchased since Jan. 1, 2006
1.34	Billion cubic feet/day of new Liquefied Natural Gas (LNG) capacity online
13.3	Billion cubic feet/day of new LNG capacity approved by FERC
7	New LNG terminals or terminal expansions approved by FERC
30	Emergency fuel waivers granted following Hurricane Katrina
2,000	Megawatts of new wind power online
543,000	Homes that can be powered by new wind power
3 billion	Dollars in economic activity spurred by new wind power production
7.5 billion	Pounds of CO ₂ offset by new wind power production
4,200	Megawatts of new wind power slated to be online by end of 2006
1 million	Homes that can be powered by new wind power by end of 2006
100	Percent increase in CA and NJ applications for photovoltaic systems
30	Percent increase nationwide of solar thermal collectors installations
15	New efficiency standards implemented for large appliances
50,000	Megawatts of energy saved by 2020 because of the 15 new efficiency standards
80	600-watt power plants won't be needed because of the new efficiency standards
120	New coal-based facilities in various stages of planning
2 million	Barrels of oil daily that can be replaced by clean, synthetic fuel from coal by 2025
5 trillion	Cubic feet of natural gas that can be replaced by coal fuels by 2025
55,000	Coal miners expected to join workforce over next five years

Energy Facts:

Oil Consumption/Importation/Production

The United States consumes 20.7 million barrels of oil per day, according to the Energy Information Administration, and U.S. oil consumption will increase to 26.1 million barrels per day in 2025.

Global energy consumption is projected to grow by 71% between 2003 and 2030, according to Energy Information Administration.

The United States imports 13.5 million barrels of oil per day. Petroleum imports likely will represent 60% of U.S. demand in 2025, up from 58% in 2004, according to the Energy Information Administration.

65% of U.S. petroleum imports come from Canada, Mexico, Saudi Arabia, Venezuela, and Nigeria, according to the Energy Information Administration, and 17% of U.S. petroleum imports come from the Middle East.

The world's top petroleum producers include Saudi Arabia, the former Soviet Union, Iran, China, and Venezuela, and six of the eleven largest oil fields are located in Saudi Arabia, Venezuela and Iran, according to the Energy Information Administration.

Nearly two-thirds of the world's proven oil reserves are located in the Middle East; 45% of these reserves are located in Saudi Arabia, Iraq and Iran.

American Energy Sources

About 94% of the energy used by Americans is provided by fossil fuels and nuclear energy, according to the Energy Information Administration.

The United States has approximately 25% of the world's coal reserves, according to the Energy Information Administration.

The United States will import less than 2% of its coal needs through 2025, according to the Energy Information Administration.

Over 56% of all U.S. electricity is produced through the utilization of coal, according to the National Mining Association.

All the corn grown in the United States today could be used to produce enough ethanol to displace about 12% of the gasoline consumed.

There are over 100 ethanol plants in operation, 42 under construction, over 60 in various planning stages, and seven are expanding, according to the Renewable Fuels Association.

Ethanol production in 2005 totaled 4 billion gallons, which is the equivalent of approximately 3% of the nation's gasoline consumption. When the construction and expansion of planned ethanol facilities is finished, annual ethanol capacity in this country will be 7.7 billion gallons.

There are now 65 biodiesel plants operating in the United States and nearly 60 under construction. Last year, production in the United States reached 91 million gallons, up from 2 million gallons in 2000.

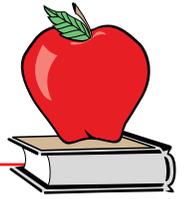
Ethanol production from cellulosic feedstocks could be the most promising renewable alternative for reducing U.S. dependence on crude oil imports, according to the U.S. Department of Agriculture.

By 2030, the land resources of the United States could produce enough biomass to displace the equivalent of at least 30% of current U.S. petroleum consumption without seriously disrupting food production, according to a report by the U.S. Department of Energy and the Department of Agriculture.

Education



Major Education Accomplishments of the U.S. Senate During the 109th Congress, To Date



ENSURING OPPORTUNITIES FOR LIFELONG LEARNING

Increasing Grant Aid for Students Studying Math and Science (Provision in the Deficit Reduction Act) – P.L. 109-171

This provision authorizes \$4.53 billion in spending over five years to create a new program that awards Academic Competitiveness Grants (for first or second academic year) and SMART grants (for third and fourth academic years) to Pell-eligible students in an undergraduate program of study. Students in their first and second years may receive awards of \$700 and \$1300 respectively, provided that they have completed a rigorous program of study at the secondary level. Undergraduate students in their third and fourth years may receive up to \$4,000 in grant aid if they major in a math or science subject or foreign language determined to be critical for national security and make progress toward a degree.

Student Loan Loophole (Provision in the Deficit Reduction Act) – P.L. 109-171

This provision closes loopholes in existing law that made the student loan program too expensive for taxpayers. Provisions include the elimination of the guaranteed 9.5 percent floor rate for student loans, which was instituted in 1980 when interest rates were much higher. The bill would fix the borrower interest rate at 6.8 percent, and fix the parent interest rate at 8.5 percent. The law also increases loan limits for first and second year students to \$3,500 and \$4,500 respectively, and increases graduate borrowing limits to \$12,000.

Teacher Incentive Fund (Provision in the Departments of Labor, HHS, and Education Appropriations, FY 2006) – P.L. 109-149

This law provides \$100 million for the Teacher Incentive Fund, a pilot program for states and school districts to provide additional compensation to teachers who make a measurable impact on raising student achievement, and to provide an incentive to attract effective teachers to what the Department of Education calls “high-need” schools – schools with high poverty rates and poor performance on state assessments. The Teacher Incentive Fund was first proposed in the President’s FY 2006 Budget, and offers an appropriate incentive to states and local education agencies to advance the goals of the No Child Left Behind Act.

Perkins Career and Technical Education Improvement Act (S. 250) – Passed Senate

This bill would reauthorize the Carl D. Perkins vocational education program with a number of reforms. These reforms would improve the academic focus and performance of all students, create a more effective and accountable system, build stronger partnerships between technical education and related businesses, and require states to develop an integrated curriculum of high school, college, and technical coursework to create an industry-recognized degree.

Workforce Investment Act Amendments of 2005 (S. 1021) – Passed Senate

This bill would give states and local areas the flexibility to provide training for jobs in high-skill, high-wage, and high-demand occupations needed to ensure America’s competitiveness in the global economy. Specifically, the bill would do the following: improve the existing One-Stop Career Center delivery system; remove barriers that have discouraged business involvement in workforce training, while finding new mechanisms to increase and improve local business and industry participation in job training decisions across the nation; improve access to services; and improve youth job training activities by directing more resources to those out-of-school youth who are most in need of assistance.

Schools Safely Acquiring Faculty Excellence (SAFE) Act (Provision of the Adam Walsh Child Protection and Safety bill) (H.R. 4472) – Passed Senate

This provision would allow schools to access existing national databases of child predators when making hiring decisions. Allowing schools to access this information would provide another tool to help ensure that our nation's classrooms are secure and our children are protected from those who might seek to do them harm.



U.S. DEPARTMENT OF
EDUCATION



Action Plan for Higher Education: Improving Accessibility, Affordability and Accountability

September 26, 2006

"Over the years, we've invested tens of billions of dollars in taxpayer money and just hoped for the best. We deserve better."

-- U.S. Secretary of Education Margaret Spellings

A college diploma has become increasingly essential to achieving the American Dream. One year ago, Secretary Spellings formed the bipartisan Commission on the Future of Higher Education to launch a robust national dialogue on the need to strengthen higher education to remain competitive in the 21st century. **The Commission's Sept. 19, 2006 final report—A Test of Leadership: Charting the Future of Higher Education**—found that "U.S. higher education needs to improve in dramatic ways," changing from "a system primarily based on reputation to one based on performance."

Today, Secretary Spellings announces an Action Plan designed to improve higher education's performance and our ability to measure that performance. The proposals will make higher education more **accessible, affordable and accountable** to students, parents, business leaders and taxpayers.

Accessibility

"There are far too many Americans who want to go to college but cannot—because they're either not prepared or cannot afford it." – Secretary Spellings

To expand access to higher education we must better educate and prepare our students, beginning with high standards and accountability in our public schools.

The Secretary's proposal:

- **Strengthen K-12 preparation and align high school standards with college expectations.**
- **Work with Congress to expand the successful principles of the *No Child Left Behind Act* to high schools.**
- **Redesign the 12th-grade NAEP (Nation's Report Card) test to provide state-level estimates of college and workforce readiness.**
- **Raise awareness and mobilize leadership to address the issue of adult literacy as a barrier to national competitiveness and individual opportunity.**
- **Develop a federal research agenda for adult literacy to identify strategies, models and programs that work.**

Facts and Findings:

"Access to American higher education is unduly limited by...inadequate preparation, lack of information about college opportunities, and persistent financial barriers." – Commission on the Future of Higher Education

- While about 34 percent of white adults have obtained bachelor's degrees by age 25-29, the same was true for just 18 percent of African American adults and 10 percent of Hispanic adults in the same age cohort.
- Forty percent of college students will take at least one remedial education course, at a cost of over \$1 billion yearly.
- Over 60 percent of the U.S. population between the ages of 25-64 has no postsecondary education credential (source: U.S. Census Bureau, 2004).

Affordability

“There is little to no information on why costs are so high and what we’re getting in return.” – Secretary Spellings

Tuition continues to outpace inflation, health care costs and family income levels. While funding for Pell Grants has increased nearly 50 percent over the past five years, the financial aid system remains in urgent need of reform. We must streamline the process to help students and families prepare, plan and pay for college.

The Secretary’s proposal:

- **Simplify the process by partnering with states to use existing income and tax data to help students complete the Free Application for Federal Student Aid (FAFSA) in half the time.**
- **Notify students of their estimated aid eligibility before spring of their senior year in high school.**
- **Work with Congress to provide new funds for need-based aid through the federal financial aid system.**
- **Commission an independent management consultant review of the federal financial aid system.**
- **Revitalize the Fund for the Improvement of Postsecondary Education (FIPSE) to promote innovation and productivity.**
- **Encourage organizations that report annual college data to develop consistent affordability measures.**

Facts and Findings:

“Too many students are either discouraged from attending college by rising costs, or take on worrisome debt burdens in order to do so.” – Commission on the Future of Higher Education

- From 1995 to 2005, average tuition and fees at public four-year colleges and universities rose 51 percent after adjusting for inflation (for private schools, the increase was 36 percent).
- Median debt levels among students who graduated from four-year colleges and universities were \$15,500 for public and \$19,400 for private institutions.
- State funding growth for higher education has fallen to its lowest level in over two decades.

Accountability

“No current ranking system of colleges and universities directly measures the most critical point—student performance and learning.” – Secretary Spellings

In the Information Age, it is essential that clear, comprehensive and comparative data about colleges and universities be collected and made available to students, parents, and policymakers.

The Secretary’s proposal:

- **Work with a consortium of states to build on and link together the 40 existing, privacy-protected higher education information systems.**
- **Explore incentives for states and institutions that collect and report student learning outcome data.**
- **Convene members of the accreditation community to recommend changes to the standards for recognition that will place a greater emphasis on results.**
- **Redesign the Department of Education’s college search website to allow consumers to weigh and compare institutions based on their individual interests and needs.**

Facts and Findings:

“Because data systems are so limited and inadequate, it is hard for policymakers to obtain reliable information on students’ progress through the educational pipeline.” – Commission on the Future of Higher Education

- The U.S. college attainment rate has fallen to 12th among major industrialized countries (source: Organization for Economic Cooperation and Development).
- Total per-student expenditures for higher education averaged over \$22,000 annually in 2001, almost twice the average of other major industrialized countries.
- The percentage of college graduates deemed proficient in prose literacy (able to read and extrapolate from a complex text) has declined from 40 to 31 percent in the past decade (source: National Assessment of Adult Literacy).



FOR RELEASE
Sept. 26, 2006

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**SECRETARY SPELLINGS ANNOUNCES PLANS FOR MORE AFFORDABLE,
ACCESSIBLE, ACCOUNTABLE AND CONSUMER-FRIENDLY U.S. HIGHER
EDUCATION SYSTEM**

*Secretary takes action on final report by her Commission on the Future of Higher
Education*

WASHINGTON, D.C. – To help keep America competitive and provide students and families with more information and more affordable access to higher education, U.S. Secretary of Education Margaret Spellings today announced her plans to improve the U.S. higher education system, based on the recommendations in the final report of her Commission on the Future of Higher Education. Secretary Spellings made the announcement during remarks at the National Press Club in Washington, D.C.

“There is an urgent need for change in America’s higher education system,” said Secretary Spellings. “We know higher education is the key to our children’s future and the American dream yet it is becoming more unaffordable and less attainable.”

“While our universities are known as the best in the world, 90-percent of the fastest-growing jobs require post-secondary education and only one-third of Americans have a degree,” said Secretary Spellings. “Over the years, we’ve invested tens of billions of dollars in taxpayer money and just hoped for the best -- we deserve better. To remain competitive in the 21st Century global economy, we must act now and continue the national dialogue and work together to find the right solutions.”

Secretary Spellings created the Commission on the Future of Higher Education in Sept. 2005 to develop a comprehensive strategy for postsecondary education that would better serve Americans and address the economic and workforce needs for our nation's future. Over the past year, the Commission held public meetings and hearings across the country and engaged students and families, policymakers, business leaders and the academic community in a national dialogue about all key aspects of higher education. As part of today’s announcement, Secretary Spellings plans to continue to strengthen K-12 education, align high school standards with college expectations and increase access to college-prep classes such as Advanced Placement. The Secretary will work with Congress to expand the successful principles of the *No Child Left Behind Act* to high schools and hold these schools accountable for results.

To help make a higher education more affordable and a reality for every American who chooses to pursue it, Secretary Spellings also announced plans to increase need-based aid, simplify the financial aid process and hold costs in line. The U.S. Department of Education will work to simplify the process of applying for federal student aid by cutting the application time in half and notifying students of their aid eligibility earlier than Spring of their senior year to help families plan. Secretary Spellings also

intends to streamline the process by partnering with states to use existing income and tax data to help students complete the Free Application for Federal Student Aid (FAFSA).

In addition, Secretary Spellings has called for a privacy-protected student-level data system - similar to what currently exists for K-12 students - that would create a higher education information system and provide transparency and ease when students and families shop for colleges. Armed with this information, the Department's existing college search website can be redesigned and made more useful to answer such basic questions as how much a school is really going to cost and how long it will take to get a degree. In recent years, the number of non-traditional students has increased as more Americans of all ages seek additional degrees mid-career or attend college for the first time. Secretary Spelling's plan would facilitate their access to information on colleges, financial aid and provide data on affordability.

"Believe it or not, we can't answer the most critical and basic questions about student performance and learning at colleges and that's unacceptable," says Secretary Spellings. "Information will not only help with decision-making - it will also hold schools accountable for quality. We want to work with Congress, states and institutions to build a system that is more useful and widely available to every student. The information would be closely protected and would not identify individual students, nor be tied to personal information. I challenge states and universities to provide the information to make this system a reality."

In an effort to increase transparency and accountability, Secretary Spellings plans to provide matching funds to colleges, universities and states that collect and publicly report student learning outcomes. She will also convene members of the accrediting community this November to move toward measures that place more emphasis on learning and less on inputs. These proposals will improve higher education's performance and the ability to measure that performance.

This Spring, Secretary Spellings will convene a Summit with representatives from the higher education and business communities and student, parent and policy maker groups to address the challenges families face when planning for college and the need for more graduates in the workforce.

The Commission presented its final report with findings and recommendations to Secretary Spellings on Sept. 19. To view the Commission's final report, visit www.ed.gov/about/bdscomm/list/hiedfuture/reports/pre-pub-report.pdf.

For a fact sheet on today's announcement, please visit www.ed.gov/about/bdscomm/list/hiedfuture/actionplan-factsheet.html.

The full text of Secretary Spellings' prepared remarks is available at www.ed.gov/news/speeches/2006/09/09262006.html.

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109th Congress

Securing America's Future



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