

# United States Senate

WASHINGTON, DC 20510

December 23, 2008

The Honorable Harry Reid  
Majority Leader, U.S. Senate  
S. 221, U.S. Capitol  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker, U.S. House of Representatives  
H-232, U.S. Capitol  
Washington, DC 20510

The Honorable Robert C. Byrd  
Chairman  
Committee on Appropriations  
Washington, DC 20510

The Honorable Thad Cochran  
Ranking Member  
Committee on Appropriations  
Washington, DC 20510

The Honorable Barack Obama  
President-Elect  
The Office of the President-Elect

The Honorable Joseph Biden  
Vice President-Elect  
The Office of the Vice President-Elect

Dear President-elect Obama, Vice President-Elect Biden, and Congressional Leaders:

We are writing to urge that the economic stimulus package include “disaster relief” for communities that are not only being battered by the credit crisis, the foreclosure crisis, and the national economic recession, but are weathering the consequences of sudden and extreme changes in the local economy.

What may start as an isolated layoff or plant closing can quickly ripple through an entire community. Mass layoffs and plant closings undermine the local tax base, at the expense of key government services, Main Street businesses, schools, and libraries.

As you know, there are pockets of the country with unemployment rates well above the national average, including Providence County, Rhode Island with a 9.6 percent rate. In addition, DHL’s plans to exit the U.S. market mean the loss of an estimated 8,000 jobs in Wilmington, Ohio. Chrysler recently closed a plant in Newark, Delaware, while GM laid off some 1,600 hourly workers at plants in Detroit and Pontiac. This is in addition to the proposed 20,000 to 30,000 job cuts included in GM’s long-term viability plans presented to Congress.

These communities cannot recover from the double blow of national economic recession and massive local job loss without specialized assistance from the federal government. Absent such assistance, communities that could contribute to national prosperity may instead require long-term safety net assistance. Investing now in the economic revitalization is not only the right thing to do, it is the smart thing to do.

In addition to components already under consideration, which include substantial investments in infrastructure spending, state fiscal relief and assistance for workers, we recommend that the economic recovery package include:

- Investing \$2 billion through the Economic Development Administration's (EDA) "Economic Adjustment Assistance" programs, including its University Centers program, with priority consideration given to areas that have experienced sudden and severe economic dislocation or persistent and long-term economic distress due to corporate restructuring.
- Increasing by \$50 million the "TAA for Firms" program, administered by EDA, which helps trade-impacted firms make adjustments that allow them to remain competitive.
- Investing an additional \$700 million through the Wagner Peyser Act for reemployment services for unemployment insurance claimants, labor market information to help guide state and local decisions about economic development strategies, and other labor market exchange services.
- Investing an additional \$1.5 billion in the existing WIA dislocated worker fund to retrain workers recently laid off, with \$300 million reserved for National Emergency Grants (NEG) and for the remaining \$1.2 billion, 25 percent reserved at the state level for supporting rapid response efforts in economically distressed areas.

In addition to providing emergency relief now to severely economically distressed communities, we look forward to working on a national strategy to better coordinate federal rapid response efforts in the future.

Pressures facing American workers, firms, and communities are likely to intensify in the coming months. The short- and long-term vulnerability of economically distressed communities in our states depends upon their ability and resources to avert layoffs, generate new job opportunities, train and connect displaced workers with these new jobs, and attract new business and investment.

We are confident that working together, we can help communities in economic distress thrive.

Sincerely,

Sherrod Brown  
United States Senator

Debbie Stabenow  
United States Senator

Thomas R. Carper  
United States Senator

Sheldon Whitehouse  
United States Senator