

## House Passes Economic Recovery Package; Michaud: "Not perfect, but a step in the right direction"

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WASHINGTON, DC &ndash; Today, the House passed H.R. 1, the American Recovery and Reinvestment Act. Michaud supported final passage of the bill, but had reservations about the makeup of the package and its effect on the nation's deficit. "The package that the House passed today is not perfect, but it will create millions of jobs at a time our nation desperately needs it," said Michaud. "Many of the investments provide a significant return on taxpayer investment. For example, every \$1 billion invested in transportation infrastructure creates about 35,000 jobs and up to \$6 billion in additional gross domestic product. I believe there should have been more investments like these in the package so that we can truly jumpstart this economy. We have a lot of work to do, but the combination of targeted investments and tax incentives is a step in the right direction."

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As passed by the House, the package would invest \$194.56 million in infrastructure investments in Maine, benefit 70,629 Mainers with the unemployment provisions, and invest \$75 million in education modernization, renovation, and repair in Maine, in addition to other important investments.

"I am pleased that the House plan extends unemployment benefits and increases food stamps," said Michaud. "These programs deliver help to those who need it, while at the same time stimulating our economy."

Michaud and his colleagues on the House Small Business Committee fought to make sure that small businesses benefited from the economic recovery package. As passed, the provisions in the bill for the Small Business Administration (SBA) will yield \$13 billion in additional investment and lending for small businesses. Putting this fresh capital in the hands of small business owners will result in the creation or retention of 400,000 jobs, more than 15 percent of the jobs the economy shed last year. The bill also targets \$30 billion in tax relief to small businesses, which will also help spur growth.

"The success of our nation's small businesses is vital to our economic recovery," said Michaud. "In recent months, smaller firms have struggled with sinking demand and frozen credit markets. The small business provisions in the legislation are designed to help address these problems with new authorities for the SBA and targeted tax relief for small businesses."

Yesterday Michaud opposed a procedural motion which designated all of the funding in the stimulus package as an emergency, thereby avoiding pay-as-you-go budget rules. While Michaud voted against the Democratic Leadership's motion with a bipartisan group of his colleagues, the motion still passed. As such, the cost of the stimulus will be funded by borrowing.

“Most of the spending in this bill is emergency in nature — our economy is truly struggling. But some of it should have been appropriated through the normal budget process, where we can make sure the provisions are paid for and that we are not adding unnecessarily to our ballooning budget deficits. We need to get our nation’s fiscal house in order and live by a budget, just like all American families must,” said Michaud.

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