



Contact Information

WASHINGTON, DC
 413 Cannon HOB
 Washington, DC 20515
 (202) 225-3101 Phone
 (202) 225-3354 Fax

NORTH CAROLINA
 Wilson District Office
 216 West Nash Street
 Wilson, NC 27893
 (252) 237-9816 Phone
 (252) 291-0356 Fax

Weldon District Office
 311 West 2nd Street
 Weldon, NC 27890
 (252) 538-4123 Phone
 (252) 538-6516 Fax

Williamston District Office
 415 East Boulevard
 Williamston, NC 27892
 (252) 789-4939 Phone
 (252) 729-8113 Fax

Strengthening Workers' Trade Adjustment Benefits

The House voted this week to significantly improve and expand a 40-year-old program which provides financial and retraining assistance to workers who lose their jobs because of foreign competition.

The House approved the Trade and Globalization Assistance Act, H.R. 3920, by a vote of 264 to 157. The bill strengthens and extends the Trade Adjustment Assistance (TAA) program which was created in 1962 to help workers who have lost their jobs as a result of imports or plant relocation.

The bill would extend benefits to service workers as well as to workers employed "downstream" from an affected firm or industry, covering all workers affected by trade. Additionally, the bill would double funding for job retraining, and increase the length of time a person can receive income support to 130 weeks to allow time to complete a college degree.

In fiscal year 2006, nearly 120,000 workers were eligible to receive TAA benefits, and about 60,000 started to receive cash and training benefits.

The bill increases the ceiling on training funds from the current \$220 million to \$440 million and then to \$660 million by 2010. The bill still needs approval by the Senate before it heads to President Bush's desk to be signed into law.

In addition to cash payments and job the expanded TAA program would provide:

In This Week's Issue:

- Trade Adjustments
- Eastern N.C. Drought
- Internet Tax
- Alternative Energy

INDUSTRY WIDE COVERAGE: Allows certification of an entire industry, instead of on a firm by firm basis as under current law, whenever three petitions from companies in the same industry are certified within a six-month period.

AUTOMATIC COVERAGE: Provides automatic coverage for workers if the International Trade Commission (ITC) has already certified that the company and its workers have been harmed in an anti-dumping, countervailing duty or safeguard proceeding.

IMPROVED HEALTH CARE TAX CREDIT: Increases the Health Coverage Tax Credit (HCTC) from 65% to 85%. The HCTC is a tax credit for unemployed workers used to help the purchase of health coverage lost from their previous job.

IMPROVE UNEMPLOYMENT INSURANCE: Provides financial incentives for states that enact policies to improve unemployment insurance coverage for low wage, part-time and workers separated from their jobs as a result of a compelling family reason, including domestic violence and care for an ill relative.

MINIMUM NOTICE OF LAYOFF: Increases the minimum advance warning employers are required give to workers who will lose their jobs as a result of a mass layoff or plant closing from 60 days to 90 days.

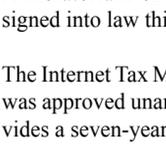
EXTEND ELIGABILITY FOR COBRA COVERAGE: Extends the right of workers 55 and older, and who have worked for a company for at least 10 years, to buy health insurance through COBRA until they find new health coverage. Currently, eligibility to buy health insurance under COBRA expires after 18 months.

Eastern N.C. Struggles with Drought

This week I toured several farms and met with farmers to talk about the affects of North Carolina's worst drought in 50 years.



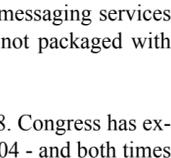
Farmers told me that the drought has been so severe that it could put many of them out of business. The drought has been destroying crops and driving up costs for farmers. Hay, for example, has been difficult to find and costs three to four times what it usually cost.



I visited V&V Farm on Pleasant Hill Road in Edgecombe County and met with local farmers at the West Edgecombe Volunteer Fire Department building on N.C. 43. I also toured Overman Farm in Wayne County and talked with farmers over lunch at Wilber's Barbecue in Goldsboro.

The farmers said that they've never seen anything like this before and that they need help. While the USDA did declare 85 of North Carolina's counties as disaster areas last month making farmers eligible for low-interest emergency loans, our farmers still need more help.

I told the farmers that I understood the seriousness of the problem and that I am seeking federal assistance by year's end, hopefully in the form of grants, to help them survive.

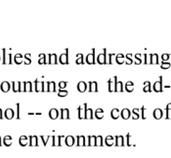


Any time farmers suffer, the entire nation feels the pain. Congress must move quickly to avoid worsening this natural disaster.

Agriculture is North Carolina's top industry, with an estimated impact of \$66 billion and a work force that includes nearly one in five employed North Carolinians.

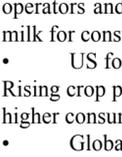
Internet Tax Access Moratorium

A moratorium on Internet access taxes was passed by the House and signed into law this week.



The Internet Tax Moratorium Extension, H. R. 3678, was approved unanimously by the House and it provides a seven-year ban on Internet access taxes.

The tax ban, first approved in 1998 and twice renewed, was set to expire November 1st.



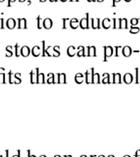
In addition to extending the ban, the legislation also contains a provision aimed at preventing state and local governments from assessing taxes beyond those levied on simple Internet access. The legislation specifically prohibits taxation on e-mail and instant messaging services "that are provided independently or not packaged with Internet access."

The Internet tax moratorium was first enacted in 1998. Congress has extended the moratorium twice before - in 2001 and 2004 - and both times included provisions to make specific needed adjustments in the moratorium statute's provisions. By providing a seven-year extension, Congress will be able to re-visit the moratorium in 2014 and determine if further adjustments need to be made.

Boosting Alternative Energy

I am leading an effort to boost the production of cellulose-based alternative energy as part of Congress' legislative energy package.

One of the major topics of discussion is whether to increase the Renewable Fuel Standard (RFS). The Senate proposal would increase the RFS from 7.5 billion gallons of ethanol to 36 billion gallons of ethanol, including 15 billion gallons of ethanol derived from corn.

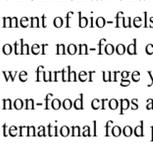


Forty five of my colleagues have joined me on a letter to Congressional leadership expressing concerns about serious unintended adverse consequences of implementing such an increase.

While I support diversifying our nation's energy supplies and addressing the challenge of global warming, the evidence is mounting on the adverse consequences of an over-reliance on corn ethanol -- on the cost of food, both domestically and internationally, and on the environment.

Instead, I believe this is an opportunity to jumpstart the cellulose industry. In recent months, studies have found:

- Cellulose ethanol has an approximately 90 percent lifecycle green house gas emission reduction when compared to gasoline.
- Farmers are growing 93 million acres of corn -- up from 80 million acres last year -- displacing soybeans, wheat, cotton and other row crops.
- Despite major increases in corn production, corn prices have nearly doubled to more than \$3.50 per bushel. Soybean and wheat prices have also dramatically increased as supplies of those crops have tightened.
- Feed prices have increased, placing new pressures on livestock operators and dairy farmers and increasing the cost of eggs, dairy and milk for consumers.
- US food prices have risen well above the Consumer Price Index. Rising crop prices caused in part by the current RFS have contributed to higher consumer prices for staples such as eggs, dairy, and meat.
- Global food prices have also increased, harming efforts to end hunger in the developing world.
- Increases in irrigated corn production -- combined with increases in ethanol production -- have increased substantially water usage by agriculture.
- Increases in corn production expand the application and loss of fertilizers into rivers, lakes and bays, imperiling fisheries and threatening drinking water. The Chesapeake Bay Commission recently concluded that ethanol development could increase nitrogen pollution in the Bay by more than 8 million pounds.
- Increases in corn production have also contributed to the conversion of grasslands and other valuable wildlife habitat into farmland.
- The energy intensive process of producing corn-based ethanol may actually limit the reduction of greenhouse.



Several plants designed to produce cellulose ethanol are now under construction, and many more plants are being planned for construction. The focus of any increase in the RFS should be on the development of cellulose bio-fuels from non-food crops, such as perennial grasses, crop wastes and wood wastes. In addition to reducing pressure on food crops, ethanol produced from cellulose stocks can produce significantly more energy and environmental benefits than ethanol produced from corn.

North Carolina is rich in cellulose materials, and this could be an area of enormous potential for our state.

Congress should embrace an aggressive approach to the production of cellulose bio-fuels and minimize the effects of fuels made from food crops. In particular, proposals to increase the RFS from food or feed crops should be linked to a multi-agency certification that proposed increases would not increase food or feed prices, exacerbate world hunger, degrade the environment, or contribute to global warming, and that such increases could be handled by the distribution and transportation infrastructures.

The letter was addressed to Senate Majority Leader Harry Reid, Senate Minority Leader Mitch McConnell, House Speaker Nancy Pelosi, House Minority Leader John Boehner, House Energy and Commerce Chairman John Dingell and Senate Energy and Natural Resources Committee Chairman Jeff Bingaman.

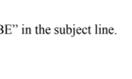
The text of the letter signed by 46 House members is as follows:

Dear Leaders:

As you complete work on energy legislation that will give the U.S. a new direction towards energy independence and help fight global warming, we urge you to consider some concerns when crafting a Renewable Fuel Standard (RFS). We believe that this legislation can advance our nation's energy independence without compromising our hunger and environmental challenges. In particular, we urge you to make the development of bio-fuels from crop wastes, wood wastes, perennial grasses and other non-food crops the centerpiece of a new and expanded RFS, and we further urge you to link incremental increases in bio-fuels from both non-food crops and food crops to potential impacts on domestic and international food prices, feed prices, and environmental health.

We have the opportunity to jumpstart the cellulose industry by making aggressive demands through the RFS and ensuring that we move towards a cleaner transportation system for generations to come. According to the EPA, cellulose ethanol has an approximately 90 percent lifecycle green house gas emission reduction when compared to gasoline.

As you know, the current RFS has unleashed unprecedented development in ethanol, reducing America's dependence on foreign sources of gasoline. Indeed, the production of ethanol is outpacing the current RFS. Americans have stepped up to this challenge -- new technologies that develop cellulose biofuels are growing by the week.



Rapid expansion of ethanol made from corn and other food crops has also created new unforeseeable challenges, including rising food prices, rising animal feed prices, heightened competition for water, water pollution, and the loss of grasslands and other valuable wildlife habitats. US food prices have risen well above the Consumer Price Index. Rising crop prices caused in part by the current RFS have contributed to higher consumer prices for staples such as eggs, dairy, and meat. While we support efforts to reduce America's dependence on foreign sources of energy, we are concerned a major increase in ethanol production from food crops such as corn could hurt those Americans in greatest need of assistance and who are least able to weather rising food and energy prices. Any package that is sent to the President must include guarantees for the use of cellulose fuels within the RFS.

We urge you to craft an RFS that strongly encourages the development of bio-fuels from non-food crops. The development of advanced forms of biofuels will have a lesser impact on food crops because they have the potential to provide a higher energy yield per acre. Congress should minimize the impact on food prices and the environment by ensuring that high efficiency crops are utilized to fulfill the requirements of any RFS mandated by the government.

We strongly support your efforts to reduce America's dependence on foreign sources of energy and to promote the domestic production of bio-fuels and look forward to working with you to craft an RFS that meets America's energy, economic, and environmental needs.