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NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
SEPTEMBER 24, 1991

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EXTENDING UNEMPLOYMENT BENEFITS

DOLE/DOMINICI/ROTH PLAN THE RESPONSIBLE APPROACH;
DEMOCRAT PACKAGE A BUDGET BUSTER, DIALS 1-800-DEFICIT

A VERY IMPORTANT DEBATE WILL OCCUR TODAY -- A DEBATE THAT IS CRITICALLY IMPORTANT TO A LOT OF PEOPLE.

IT IS IMPORTANT TO THOSE WHO ARE UNEMPLOYED AND WHOSE REGULAR BENEFITS UNDER THE UNEMPLOYMENT INSURANCE SYSTEM HAVE OR WILL RUN OUT. THE ONE THING I AGREE WITH MY COLLEAGUES ON THE OTHER SIDE OF THE AISLE ON IS THAT SOMETHING SHOULD BE DONE FOR THE UNEMPLOYED WORKER. IT IS NOTHING SHORT OF A TRAGEDY WHEN SOMEONE WANTS TO WORK AND CAN'T FIND A JOB -- A TRAGEDY FOR THAT MAN OR WOMEN, FOR THEIR CHILDREN, FOR THEIR FAMILIES.

BUT THIS DEBATE IS ALSO IMPORTANT TO OTHER INDIVIDUALS -- SOMETHING I THINK THE PROPONENTS OF THE SO-CALLED BENTSEN BILL HAVE FORGOTTEN. THIS DEBATE IS IMPORTANT FOR ALL AMERICANS, THEIR CHILDREN AND THEIR GRANDCHILDREN FOR THE ISSUES IN THE BENTSEN LEGISLATION GO FAR BEYOND EXTENDED BENEFITS FOR THE UNEMPLOYED.

THE ISSUES HIT UPON SUCH CRITICAL QUESTIONS AS WHETHER LAST YEAR'S BUDGET AGREEMENT SHOULD BE MAINTAINED AND WHETHER THE FEDERAL DEFICIT -- ALREADY OF STAGGERING PROPORTIONS -- SHOULD BE BURDENED WITH ANOTHER \$6 BILLION IN DEBT. THE QUESTION THAT EVERY SENATOR IN THIS CHAMBER SHOULD BE ASKING HIM OR HERSELF IS WHETHER IT IS GOOD FOR AMERICA -- THOSE WHO ARE WORKING AND THOSE WHO ARE NOT WORKING -- TO SAY CONGRESS HAS NO BUDGET DISCIPLINE -- CONGRESS DOES NOT CARE HOW BIG THE FEDERAL DEFICIT GROWS.

CONTRARY TO MY COLLEAGUES ON THE OTHER SIDE OF THE AISLE, THIS SENATOR DOES CARE ABOUT SUCH ISSUES AND THAT IS WHY I, ALONG WITH SENATORS DOMENICI, ROTH, LUGAR, SIMPSON, DURENBERGER AND OTHERS, ARE OFFERING AN ALTERNATIVE WHICH PROVIDES HELP TO THE UNEMPLOYED WITHOUT MORTGAGING THE FUTURE OF ALL AMERICANS.

DOLE/DOMENICI/ROTH ALTERNATIVE

LET ME SAY UP FRONT, THAT WHILE OUR BILL MAY NOT BE AS GENEROUS AS THE BENTSEN BILL, IT IS A RESPONSIBLE PIECE OF LEGISLATION THAT GETS BENEFITS TO THOSE WHO NEED THEM WITHOUT RUNNING UP THE DEFICIT. IF THE ISSUE WAS MERELY WHO COULD PROVIDE THE BIGGEST PACKAGE OF BENEFITS, I WOULD HAVE OFFERED A BILL WITH 25, 30, OR 35 WEEKS OF BENEFITS. UNDER THAT ANALYSIS, I WOULD WIN. BUT UNFORTUNATELY, AS UNDER THE BENTSEN BILL, AMERICA WOULD LOSE.

TWO-TIER PROGRAM

OUR BILL ESTABLISHES A TWO-TIER EXTENDED BENEFITS PROGRAM PROVIDING SIX WEEKS FOR ALL STATES AND TEN WEEKS IN THOSE STATES WITH AN INSURED UNEMPLOYMENT RATE OR IUR -- ADJUSTED TO INCLUDE EXHAUSTEES -- OF 5% OR MORE.

SIMILAR TO THE BENTSEN PROPOSAL, THESE BENEFITS ARE 100% FEDERALLY FUNDED AND WOULD BE PAYABLE OVER THE NINE MONTH PERIOD BEGINNING THE FIRST WEEK IN OCTOBER AND ENDING JUNE 1992. IN ADDITION, THIS PROPOSAL PROVIDES FOR A REACHBACK IN STATES QUALIFYING FOR 10 WEEKS OF EXTENDED BENEFITS TO INCLUDE THOSE WHO HAVE EXHAUSTED THEIR BENEFITS SINCE APRIL 1991.

FINALLY, THE PROPOSAL ENSURES PARITY OF TREATMENT BETWEEN MILITARY AND CIVILIAN WORKERS. THE BENTSEN PROPOSAL UPS BENEFITS FOR ALL MILITARY PERSONNEL WHETHER THEY HAVE VOLUNTARILY OR INVOLUNTARILY LEFT THEIR JOBS. OUR PROPOSAL UPS BENEFITS FOR THOSE MILITARY PERSONNEL WHO THROUGH NO FAULT OF THEIR OWN HAVE LOST THEIR JOBS BUT UNLIKE THE BENTSEN BILL, DOES NOT REWARD THOSE WHO CHOOSE TO RETIRE OR NOT TO REENLIST.

BILL PAYS FOR ITSELF

AS I'VE ALREADY DISCUSSED THIS MORNING, THE CORNERSTONE OF OUR PROPOSAL IS THAT IT PAYS FOR ITSELF.

THE DISCIPLINE OF THE BUDGET AGREEMENT REQUIRES THAT NEW PROGRAMS BE PAID FOR AND IN DEVELOPING OUR PROPOSAL WE HAVE STUCK BY THOSE RULES.

FINANCING IS PROVIDED THROUGH TWO MECHANISMS. FIRST, AN AUCTION OF FREQUENCIES REALLOCATED FROM FEDERAL GOVERNMENT USERS TO THE FCC FOR DISTRIBUTION TO PRIVATE SECTOR USERS. AND SECOND, BY CERTAIN REFORMS TO THE STUDENT LOAN COLLECTION PROCESS.

(MORE)

SPECTRUM AUCTION. ON THE SPECTRUM AUCTION, \$1.2 BILLION COMES FROM THE AUCTION OF FREQUENCIES OWNED BUT NOT NEEDED BY THE FEDERAL GOVERNMENT. THERE IS A LOT OF MISINFORMATION OUT THERE AND I WANT TO MAKE PERFECTLY CLEAR THAT THIS BILL IS NOT A FEE AND ONLY AFFECTS NEW COMMUNICATIONS USE. IT HAS ABSOLUTELY NO EFFECT ON CURRENT FREQUENCY USERS OR RENEWALS OF SPECTRUM LICENSES. IN ADDITION, EXEMPTIONS ARE PROVIDED FOR BROADCASTERS, FEDERAL, STATE, AND LOCAL GOVERNMENT USERS, SMALL BUSINESSES, PUBLIC SAFETY SERVICES, PRIVATE RADIO END USERS, USERS DISPLACED BY THE EMERGING TECHNOLOGIES ACT, AMATEUR OPERATORS, PUBLIC RADIO AND TELEVISION, AND RADIO ASTRONOMY.

IT IS A FAIR APPROACH AND AN APPROACH THAT CAPTURES FOR THE PUBLIC TREASURY THE VALUES OF THESE FREQUENCIES THAT HISTORICALLY HAVE BEEN A GIVEAWAY TO THE RICH.

STUDENT LOAN COLLECTION REFORMS. THE SECOND PIECE OF THE FUNDING COMES FROM CERTAIN MODEST REFORMS TO THE COLLECTION PROCESS FOR STUDENT LOANS WHICH RAISES \$1.9 BILLION. THIS BILL WOULD PERMANENTLY EXTEND A PROVISION OF LAW SET TO EXPIRE IN JANUARY 1994 WHICH PERMITS THE IRS TO REDUCE THE AMOUNT OF ANY FEDERAL REFUND DUE TO A TAXPAYER BY THE AMOUNT OF DEBT OWED. WHILE THE PROVISION APPLIES TO ALL NON-TAX DEBT OWED TO FEDERAL AGENCIES, A SUBSTANTIAL PORTION OF THE SAVINGS ARE ASSOCIATED WITH THE GUARANTEED STUDENT LOAN PROGRAM WHERE DEFAULT COSTS ARE ESTIMATED BETWEEN \$3 TO \$3.6 BILLION.

IN ADDITION, OTHER FUNDAMENTAL REFORMS WOULD BE MADE INCLUDING REQUIRING CREDIT CHECKS ON BORROWERS UNDER THE AGE OF 21 AND THE INCLUSION OF SO-CALLED "CONFESS JUDGMENT" LANGUAGE IN ALL PROMISSORY NOTES TO SIMPLIFY THE COLLECTION PROCESS.

NO SEQUESTER

ONE ISSUE THAT I WANT TO CLEAR UP SOME CONFUSION ON IS THE QUESTION OF A SEQUESTER. LET ME MAKE IT LOUD AND CLEAR: NO SEQUESTER IS PRODUCED UNDER THIS LEGISLATION. LANGUAGE IS CONTAINED IN THE BILL EXPEDITING THE AUCTION PROCESS WITH THE EFFECT THAT APPROXIMATELY \$1.21 BILLION IS SCORED IN FISCAL YEAR 1992. COMBINED WITH RECEIPTS FROM THE GUARANTEED STUDENT LOAN REFORMS, THIS BILL RESULTS IN A DEFICIT OFFSET OF \$25 MILLION IN FISCAL YEAR 1992.

BENTSEN BILL IS A BUDGET BUSTER

NOW THAT I HAVE DESCRIBED MY BILL, I JUST WANT TO BRIEFLY HIGHLIGHT SOME COMPARISONS WITH THE SO-CALLED BENTSEN BILL.

THE BIGGEST FLAW OF THAT PROPOSAL IS THAT IT IS A BUDGET BUSTER. IT LOOKS THE BUDGET AGREEMENT SQUARELY IN THE EYE AND SAYS:

- THOSE RULES DON'T MATTER ANYMORE;
- THE FEDERAL DEFICIT DOESN'T MATTER ANYMORE;
- REQUIRING THE U.S. TREASURY TO SELL \$6 BILLION MORE IN PUBLIC DEBT DOESN'T MATTER ANYMORE.

IT IS THIS SENATOR'S OPINION -- AND I HAVE SAID IT OFTEN -- THAT THE WORST MESSAGE THAT CONGRESS COULD SEND RIGHT NOW IS THAT THE BUDGET AGREEMENT AND THE DEFICIT DON'T MATTER. IF WE SEND THAT MESSAGE, I CAN ASSURE MY COLLEAGUES -- AS FEDERAL RESERVE CHAIRMAN GREENSPAN HAS WARNED, THAT LONG-TERM INTEREST RATES WILL RISE CHOKING OFF BUSINESS GROWTH AND PRODUCING MORE UNEMPLOYMENT.

STRUCTURAL PROBLEMS WITH BENTSEN BILL

THE BENTSEN PROGRAM OF EXTENDED BENEFITS IS ALSO CUMBERSOME AND COSTLY TO IMPLEMENT. HISTORY HAS SHOWN THAT FOUR-TIER PROGRAMS ARE HARD FOR THE STATES TO ADMINISTER AND THIS ONE WILL BE NO DIFFERENT.

IN ADDITION, THE PROPOSAL USES THE TOTAL UNEMPLOYMENT RATE AS THE TRIGGER FOR EXTENDED BENEFITS WHICH IN THIS SENATOR'S OPINION MAKES NO SENSE. TUR HAS NEVER BEEN USED IN THE TWO DECADE HISTORY OF EXTENDED BENEFIT PROGRAMS TO TRIGGER BENEFITS. TUR IS ONLY AVAILABLE ON A CURRENT BASIS FOR 11 STATES AND ITS APPLICATION TO THE 39 REMAINING STATES IN AN EXTENDED BENEFIT PROGRAM IS SUSPECT AT BEST. TUR COUNTS GROUPS WHO ARE NOT AND SHOULD NOT BE SERVED BY AN EXTENDED BENEFIT PROGRAM AND ITS USE WOULD INEVITABLY LEAD TO THE WASTEFUL AND INEFFICIENT DISBURSEMENT OF FEDERAL FUNDS.

DEMOCRAT PLAN DIALS 1-800-DEFICIT

I URGE ALL OF MY COLLEAGUES TO CAREFULLY REVIEW THE TWO PROPOSALS AND TO PICK THE BEST ONE. PRESIDENT BUSH HAS LOOKED AT THE PROPOSALS AND SAID HE WOULD SIGN OUR BILL. IF THE DEBATE HERE IS REALLY ABOUT GETTING ADDITIONAL BENEFITS TO UNEMPLOYED WORKERS, THEN EVERY SENATOR SHOULD SUPPORT THE DOLE/DOMENICI/ROTH PACKAGE.

IT IS A RESPONSIBLE PACKAGE THAT PROVIDES ADDITIONAL BENEFITS FOR UNEMPLOYED AMERICANS. IT PAYS FOR ITSELF AND RATHER THAN INCREASING THE DEFICIT, IT PRODUCES DEFICIT REDUCTION OF \$1.2 BILLION OVER FIVE YEARS.

COMPARE THIS WITH THE SO-CALLED BENTSEN PROPOSAL. WE HAVE HEARD A LOT OF SPEECHES ON THE OTHER SIDE OF THE AISLE ABOUT EMERGENCIES. UNFORTUNATELY, INSTEAD OF DIALING 911, MY COLLEAGUES HAVE DIALED 1-800-DEFICIT. I THINK ALL AMERICANS WOULD AGREE THAT THE LAST THING THIS COUNTRY NEEDS IS \$6 BILLION MORE ADDED TO THE FEDERAL DEFICIT.

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