THE DEMOCRATIC NATIONAL COMMITTEE

WEEKLY UPDATE

BROUGHT TO YOU BY THE DNC COMMUNICATIONS DEPARTMENT

July 16, 2010

This week, the President celebrated final Senate passage of Wall Street reform. Last weekend, the DNC's Rules and Bylaws Committee voted to recommend new rules to increase the number of delegates nominated by the states, District of Columbia, and territories in the 2010 Presidential nominating process. In addition, the Council of Economic Advisors this week released a new quarterly report highlighting the job-creating impact of the Recovery Act, and the President made a visit to Holland, Michigan to discuss the Administration's recovery efforts. The President's trip to Michigan followed a visit to Kansas City, Missouri, emphasizing the Administration's ongoing focus on Recovery Act projects around the country. The Administration also continued its ongoing response to the BP oil spill this week.

What's Happening?

Wall Street Reform: This Thursday, the Senate passed the final conference report on Wall Street reform, overcoming the final hurdle to the enactment of reform legislation. That legislation ensures that Americans will be able to get the information they need to make the best financial decisions for their families, puts an end to taxpayer-financed bank bailouts, guarantees new oversight of financial transactions, and will help to prevent future economic crises and support stable economic growth. Following Senate passage of reform, the President said:

> "Even before the financial crisis that led to this recession, I spoke on Wall Street about the need for common-sense reforms to protect consumers and our economy as a whole. But the crisis came, and only underscored the need for the kind of reform the Senate passed today -- reform that will protect consumers when they take out a mortgage or sign up for a credit card; reform that will prevent the kind of shadowy deals that led to this crisis; reform that would never again put taxpayers on the hook for Wall Street's mistakes. The reform that Congress passed today will accomplish these goals…
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> "Already, the Republican leader in the House has called for the repeal of this reform. But America can't afford to go backward. We can't afford another financial crisis, just as we're digging out from the last one. I said when I took office that we cannot simply rebuild this economy on the same pile of sand – on maxed-out credit cards, houses used like ATM machines, or overleveraged firms on Wall Street…That's why I'm about to sign Wall Street reform into law – to protect consumers and lay the foundation for a stronger, safer financial system – one that is innovative, creative, competitive, and far less prone to panic and collapse. Along with the steps we're taking to spur innovation, encourage hiring and rein in our deficits, this is how we will ultimately build an economy that is stronger and more prosperous than it was before."

2012 Presidential Nominating Process: Last weekend, members of the DNC's Rules and Bylaws Committee made progress toward finalizing the Party's delegate selection rules for the 2012 Presidential nominating process. The new rules recommended by the Rules and Bylaws Committee would increase the number of delegates elected by the states, District of Columbia, and territories – increasing their influence at the Democratic National Convention and giving grassroots activists across the country even more opportunities to participate in the Presidential nominating process. The new rules will be put to a vote before the full DNC membership at the DNC's August meeting in St. Louis. Following the Rules and Bylaws Committee vote to recommend the rules, DNC Chairman Tim Kaine said:

> "I applaud the significant improvements to the presidential nominating process recommended this weekend by the Democratic National Committee's Rules and Bylaws Committee, which builds on the work of our Democratic Change Commission. These new provisions represent an important step towards increasing grassroots activists' involvement in our presidential nominating process. They guarantee that Democratic primary voters and caucus participants will have a larger voice in the nomination of our Party's presidential candidate, while at the same time respecting the important role that party leaders play in our nominating and political processes. Perhaps most importantly, the new rules open up the nominating process to even greater participation. I want to thank the RBC and the Democratic Change Commission for working so diligently on these important issues and focusing on ways to strengthen our Party and the presidential nominating process."

Recovery Jobs: This week, Vice President Biden and Chair of the Council of Economic Advisers Christina Romer released a new quarterly report from the CEA highlighting the job-creating impact of the Recovery Act. According to the report, the Recovery Act has already saved or created between 2.5 and 3.6 million jobs and is stimulating hiring and investment across the country. In addition, the CEA found that for every Recovery Act dollar that has targeted outside capital, the private sector has responded with almost three times as many dollars in outside investment – a big impact. Following the release of the CEA report, DNC Chairman Tim Kaine said:

> "President Obama has made job creation his top priority since he took office. At that time, the economy was shedding jobs at a pace of more than 700,000 jobs a month. Over the last year and a half, the President has made tough choices to stop this economic freefall and get America back on track, and as a result of those actions the economy is growing again. But…President Obama and Democrats in Congress are continuing to fight for legislation that would speed recovery and boost economic growth."

Recovery in Michigan: This Thursday, President Obama visited Holland, Michigan, where he delivered remarks at the Compact Power groundbreaking ceremony. The Compact Power plant will be the ninth new advanced battery factory constructed with support drawn from $2.4 billion in Recovery Act advanced battery and electric vehicle awards. Not only is the project expected to create hundreds of jobs, it will also increase the United States' competitive advantage in the advanced battery industry, helping to lay the foundation for future growth and prosperity. In his remarks at the groundbreaking, the President said:

> "This is about more than just building a new factory. It's about building a better future for this city, for this state, and for this country…This is the ninth advanced battery plant to begin construction because of our economic plan. These plants will put thousands of people to work…And in every case, we've been guided by a simple idea -- government can't generate the jobs or growth we need by itself, but what government can do is lay the foundation for small businesses to expand and to hire, for entrepreneurs to open up shop and test new products, for workers to get the training they need for the jobs of the 21st century, and for families to achieve some semblance of economic security."

Recovery in Missouri: Last Thursday, the President traveled to Kansas City, Missouri, where he met with workers at a Smith Electric Vehicles facility. The Smith Electric company manufactures all-electric, zero emissions commercial trucks and has received a $32 million Recovery Act grant that will enable it to open a regional assembly plant and create jobs in Kansas City – the first of 20 such plants that Smith Electric plans to open across the country. In his remarks to Smith Electric workers, the President said:

> "This recession was the culmination of a decade of irresponsibility – a decade that fell like a sledgehammer on middle class families. For the better part of ten years, folks faced stagnant incomes, skyrocketing health care costs and tuition bills, and declining economic security. This all came to a head in a massive financial crisis that sent our economy into a freefall and cost 8 million Americans their jobs, including many in this community.
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> "It was in the middle of this crisis that my administration walked through the door. And we had to make some difficult decisions at a moment of maximum peril…One of those decisions was to provide critical funding to promising, innovative businesses like Smith Electric. And because we did, there is a thriving enterprise here instead of an empty, darkened warehouse. Because of the grant that went to this company, we can hear the sounds of machines humming and people doing their jobs, instead of the quiet of an empty building where the workers were laid off long ago.
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> "And we made decisions like this all across America. We were guided by a simple idea. Government doesn't have all the answers. And it cannot generate the jobs or growth we need by itself. But government can lay the foundation for small businesses to expand and hire, for entrepreneurs to open up shop and test new products, for workers to get the training they need, and for families to achieve some measure of economic security. And that role is especially important in tough economic times."

Ongoing Response to the Oil Spill: This week, the Administration continued to direct efforts to contain and clean up the BP oil spill, help the people of the Gulf Coast, and guarantee that all those affected by the spill are compensated for their losses. As of this writing, the new containment cap has halted the leak and no more oil is currently spilling into the Gulf. However, as the President noted today, testing on the integrity of the cap continues and it is possible that more oil could leak into the Gulf before relief wells are completed next month.

More than 45,000 personnel are currently responding to the spill and working to protect the shoreline and the Gulf Coast environment. In addition, more than 6,800 vessels and dozens of aircraft are assisting in containment and cleanup efforts. Approximately 3.2 million feet of containment boom and 6.6 million feet of sorbent boom have been deployed to contain the spill, and more than 31 million gallons of an oil-water mix have been recovered.

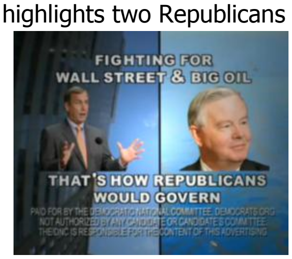
Organizing for America

Day of Action: This Saturday, Organizing for America volunteers will hold a national 'Day of Action' to register voters in advance of the midterm elections. At hundreds of events all across the country volunteers will go door-to-door, man registration tables, host registration phone banks, and encourage registered voters to go to the polls this fall.

This weekend's voter registration events come one month after the release of RaiseYourVote, a new website that empowers Americans across the country with all the information they need to register to vote and make their voice heard. You can find out how to participate in the 'Day of Action' by visiting http://my.barackobama.com/page/content/july17eventwide?source=sitefeature and check out the RaiseYourVote tools – including a new embeddable widget that makes it even easier for you to use the RaiseYourVote website to register and organize Democratic voters in your communities by visiting www.raiseyourvote.com.

Holding Republicans Accountable

'Meet Barton and Boehner': Last week, the DNC debuted a new television ad that highlights two Republicans who continue to defend big oil and Wall Street lobbyists to the detriment of ordinary Americans. The ad features Minority Leader John Boehner minimizing the worst financial crisis since the Great Depression by calling it an "ant" and shows Republican Congressman Joe Barton apologizing to BP while the Gulf of Mexico spill continues to threaten the livelihoods of Gulf Coast Americans.



You can check the ad out for yourself and see how Republicans are fighting for Wall Street and big oil by visiting http://www.youtube.com/watch?v=5TZbIWdf8d0.

'BP Republicans': Last week, the DNC launched a new website, "BP Republicans," which highlights Republicans across the country who have come to the defense of big oil in the wake of the BP oil spill in the Gulf of Mexico – and this week we added even more Republicans who are standing up for big oil to the detriment of ordinary Americans. The Republicans featured on the website include Senate candidate Sharron Angle, who referred to the $20 billion escrow fund created to help Gulf Cost residents whose lives and livelihoods have been affected by the spill as a "slush fund," and Representative Joe Barton, who apologized to BP for government efforts to protect the Gulf Coast after the BP spill began.

To see all of the Republicans who are standing with big oil, please visit the website at www.bprepublicans.com.

Key Issues in the News and Background

Talking Points: Exports and the Economy

- In his State of the Union address, President Obama set a goal: double American exports over the next five years. That increase is deficit-friendly, and it will increase economic growth and support and sustain good American jobs.

- With millions of Americans still searching for a job, increasing American exports is crucial, because by boosting exports we can stimulate economic and job growth.

- Ninety-five percent of the world's consumers live outside America, and it is important that American companies and workers are able to compete for those customers – because other nations already are, and as the President has said, the United States can't be playing for second place.

- That's the reason the President created the National Export Initiative, which takes a comprehensive approach to boosting American exports by partnering with American businesses to help them take their energy and innovation global and in doing so create new jobs here at home.

- The Obama Administration is bringing the full resources of the American government to bear in this effort, and the Initiative is off to a good start. Over the first four months of 2010, exports grew nearly 17 percent compared to the same months last year. While some of that growth is undoubtedly due to the global economic recovery, the Initiative is also making progress to improve opportunities for American exporters.

- Through the National Export Initiative, this Administration is advocating for American businesses and workers in the world market. On Commerce Department trade missions, in State Department roundtables with Secretary Clinton, and through new work at business assistance centers, this Administration is doing the hard work necessary to help American exporters expand by selling more of their goods and services abroad.

- In addition, the Export-Import Bank has boosted its support for American exporters with loans increased by more than 100 percent this year. Those loans have supported almost 110,000 jobs and given many small- and medium-sized businesses the help they needed to make the jump to global sales.

- The Administration has also increased its efforts to break down barriers to trade, open new markets, and create new business opportunities for American businesses and workers. They have concluded agreements with Russia and China that will expand access for American goods in those countries, creating market opportunities worth more than $1 billion for American firms. At the same time, the Administration continues to advance trade agreements with key trading partners including South Korea in a way that not only expands trade opportunities but also reflects American values.

- And the Administration is committed to leveling the playing field for American businesses and workers by addressing unfair trade practices wherever they exist. The United States has some of the lowest barriers to trade of any country, and when we offer other countries free and fair access to our markets, we expect the same from theirs.

- This Administration and this country are committed to competing for 21st century jobs and opportunities, and we have the capacity to compete with any country in the world. American brands are more dynamic and American workers are more productive than any others – and together we can grow our economy, create jobs, and build a prosperous future.

Talking Points: Obama Nomination of Jack Lew for OMB Director

- Jack Lew will ensure that as American families are forced to make tough decisions in budgeting their own income, that the federal government does the same.

- It's easy for an institution to get in the habit of doing things the way they have always been done, but we need to make changes that make for a more efficient and responsive government that can work for the American people.

- Jack Lew has already proven himself equal to the task of rethinking the old ways of doing things. During his time at the OMB, the national budget operated at a surplus for three straight years—he is the only OMB director in history who can make that claim.

- When Jack Lew left his post as OMB Director at the end of the Clinton administration, he handed the next administration a record $236 billion budget surplus.

- The day President Obama took office, eight years later, America faced a record $1.3 trillion deficit.

- During Jack Lew's service at OMB, as Deputy Director and later as Director:

    - We saw the longest peacetime economic expansion in history;
    - More than 11 million jobs were created;
    - Unemployment was at its lowest peacetime level in forty years;

- More American families owned their homes than at any other time;
- An inherited $290 billion deficit was turned into a surplus of more than $236 billion.

- Unlike the promising situation left by Jack Lew and the Clinton administration for the next, the Bush administration left in its wake an economy on the brink:
    - The annual deficit was a record $1.3 trillion;
    - Real GDP had declined at an annual rate of over 5 percent in the fourth quarter of 2008, leading to a more than 6 percent drop in the first quarter of 2009.
    - Job losses averaged 650,000 per month in the fourth quarter of 2008 and 750,000 per month in the first quarter of 2009;
    - In the fourth quarter of 2008, household net worth fell by almost $5 trillion;
    - The largest quarterly job losses since the end of World War II at 2.0 million jobs lost in the fourth quarter of 2008, which was then topped in the next quarter when 2.3 million jobs were lost.

- The President is making tough decisions on spending to put the budget back on track again:
    - The President has proposed more than $1 trillion in deficit reductions for the next ten years;
    - He has proposed a three-year freeze on non-security discretionary spending –a targeted cut so that we are investing in priorities like education and innovation to stimulate job creation and growth;
    - The President has identified more than $20 billion in program cuts and savings each year;
    - He has targeted more than 100 outdated or redundant programs for elimination or reduction;
    - The Administration has used new technology to make government easier to access and more responsive;
    - The President established a bipartisan budget commission to develop proposals that will put the nation back on the path to fiscal sustainability.