

# THE DEMOCRATIC NATIONAL COMMITTEE WEEKLY UPDATE

BROUGHT TO YOU BY THE DNC COMMUNICATIONS DEPARTMENT

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This week, President Obama enacted historic Wall Street reform, laying a solid foundation for economic growth based on sound financial regulations and strong consumer financial protections. Also this week, Senate Democrats overcame Republican obstructionism to pass unemployment insurance legislation that will extend aid to middle-class Americans who continue to depend on unemployment benefits as they seek new work. In addition, President Obama signed the Improper Payment Elimination and Recovery Act into law, the Senate Judiciary Committee approved Elena Kagan's nomination to the Supreme Court, and the Administration continued its ongoing response to the BP oil spill.

## What's Happening?

**Wall Street Reform:** On Wednesday, President Obama signed Wall Street reform into law, enacting the strongest consumer financial protections ever and the toughest new financial regulations since the Great Depression. The new law guarantees that Americans will have all the information they need to make the right financial choices for their families, ends unscrupulous and unfair lending practices, brings shadowy Wall Street transactions into the light, and ends the era of taxpayer-funded bailouts. At the signing ceremony, President Obama said:



"Over the past two years, we have faced the worst recession since the Great Depression. 8 million people lost their jobs. Tens of millions saw the value of their homes and retirement savings plummet. Countless businesses have been unable to get the loans they need and many have been forced to shut their doors. And although the economy is growing again, too many people are still feeling the pain of the downturn.

"While a number of factors led to such a severe recession, the primary cause was a breakdown in our financial system...

"Even before the crisis hit, I went to Wall Street and called for common-sense reforms to protect consumers and our economy as a whole. And soon after taking office, I proposed a set of reforms to empower consumers and investors, to bring the shadowy deals that caused this crisis into the light of day, and to put a stop to taxpayer bailouts once and for all. Today, those reforms will become the law of the land...

"In the end, our financial system only works – our markets are only free – when there are clear rules and basic safeguards that prevent abuse, that check excess, that ensure that it is more profitable to play by the rules than to game the system. And that is what these reforms are designed to achieve: no more, no less. Because that is how we will ensure that our economy works for consumers, that it works for investors, that it works for financial institutions – that it works for all of us."

**Unemployment Insurance Extension:** This week, President Obama and Democrats in Congress made a heroic push to move forward with legislation to extend unemployment insurance for millions of Americans who lost their job and who continue to look for work every day. In recent weeks, Republicans in the Senate have acted to prevent this legislation from receiving a fair up or down vote not once, not twice, but three times. As a result of that obstructionism, 2.5 million people have lost their unemployment benefits – making these tough economic times even more difficult for those Americans and their families.

On Monday, in advance of a fourth Senate vote on the matter, President Obama called on Republicans to stop blocking aid to middle class Americans and allow the unemployment insurance extension to move forward. The President said:

"Even as we work to jumpstart job growth in the private sector, even as we work to get businesses hiring again, we also have another responsibility: to offer emergency assistance to people who desperately need it -- to



Americans who've been laid off in this recession. We've got a responsibility to help them make ends meet and support their families even as they're looking for another job...

"We need to pass [the unemployment insurance extension] for all the Americans who haven't been able to find work in an economy where there are five applicants for every opening; who need emergency relief to help them pay the rent and cover their utilities and put food on the table while they're looking for another job."

Following the President's remarks, Senate Democrats were able to secure the votes needed to impose cloture and approve the unemployment extension. However, even once it was clear the legislation would pass, Republicans still did everything in their power to hold it up for another day, just to make a political point. The unemployment extension passed the Senate on Wednesday and House Democrats followed suit with their approval on Thursday. After the approval of the legislation in the Senate, DNC Chairman Tim Kaine said:

"The unemployment insurance extension passed today will ensure that hard-working Americans who lost their jobs through no fault of their own and who continue to look diligently for work every single day will have the support they need to make it through these difficult times. While the President and Congressional Democrats continue the work of pulling America out the economic ditch it was left in and help the economy create even more jobs, we need to ensure that Americans hardest hit by the recession are able to make ends meet...

"Unfortunately, the obstruction by Republicans of legislation extending unemployment insurance for the Americans who need it most has compounded the suffering of millions of individuals and families...While this hardship occurred, Republicans were simultaneously calling for the extension of tax breaks for the wealthiest Americans. It's clear that Republicans in Washington don't represent the interests of working Americans and middle class families. That is why it is so important that this fall we elect and reelect Democrats who will."

**Improper Payments Act:** On Thursday, President Obama signed the Improper Payment Elimination and Recovery Act into law. The Improper Payment Act is the Administration's latest step in their ongoing effort to reduce government waste and increase government efficiency and its responsiveness to the American people. Between now and 2012, the bill should save \$50 billion in improper payments, money that can be better spent supporting education, innovation, or job creation. At the signing ceremony, the President said:



"The Improper Payments Elimination and Recovery Act [will cut down] on waste, fraud and abuse, and ensur[e] that our government serves as a responsible steward for the tax dollars of the American people.

"This is a responsibility we've been working to fulfill from the very beginning of this administration. Back when I first started campaigning for office, I said I wanted to change the way Washington works so that it works for the American people. I meant making government more open and more transparent and more responsive to the needs of the people. I meant getting rid of the waste and inefficiencies that squander the people's hard-earned money. And I meant finally revamping the systems that undermine our efficiency and threaten our security and fail to serve the interests of the American people...[That's why] we've begun an unprecedented effort to put an end to a problem known as improper payments, which is the purpose of the bill that I'm signing into law today."

**Senate Judiciary Committee Approves Elena Kagan:** This Tuesday, the Senate Judiciary Committee voted to approve the nomination of Solicitor General Elena Kagan to the Supreme Court, taking her one step closer to becoming America's next Supreme Court Justice. Following the Committee's vote, DNC Chairman Tim Kaine said:

"Solicitor General Kagan is an incredible legal mind and an unwavering public servant who will faithfully uphold the Constitution on the Supreme Court. I applaud the Senate Judiciary Committee on its approval of her nomination and I hope that the full Senate will soon join the Committee in confirming her nomination.

"Throughout her career, Elena Kagan has been an advocate for all Americans and equal justice under the law. She is known for her ability to bring people of diverse beliefs together and for insisting that all sides be

given a fair hearing under the law. As a result of her work, her brilliance, and her fair-minded approach to the law, she has earned the support of Democrats and Republicans alike, including the support of every Solicitor General for the past 25 years. Given her broad support among the legal community, I hope that Senators of both parties will consider Elena Kagan's nomination quickly and without regard to partisan politics, and that they will move swiftly to ensure that Elena Kagan is seated on the Supreme Court as quickly as possible."

**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. Recently, the placement of a new containment cap halted the leak and oil has stopped spilling into the Gulf. However, testing on the integrity of the cap continues and it is still possible that more oil could leak into the Gulf before relief wells are completed.

More than 40,000 personnel are currently responding to the spill and working to protect the shoreline and the Gulf Coast environment. In addition, more than 5,300 vessels and dozens of aircraft are assisting in containment and cleanup efforts. Approximately 3.5 million feet of containment boom and 7.6 million feet of sorbent boom have been deployed to contain the spill, and more than 34 million gallons of an oil-water mix have been recovered.

### Organizing for America

**Day of Action:** Last weekend, Organizing for America volunteers held a national 'Day of Action' in advance of the midterm elections. At more than 600 events across the country, volunteers worked to register thousands of new voters and encouraged already-registered voters to go to the polls this fall. From the California State Fair in Sacramento, California to the Cesar Chavez Library in Laveen, Arizona to the Global Fusion Festival in Philadelphia, Pennsylvania, OFA volunteers were out in force and working to make a difference in this year's elections.

Highlighting the importance of the 'Day of Action' registration events, OFA Deputy National Director Jeremy Bird said:

"In 2008, voter registration and turnout was key to our victory, with more than 15 million new voters entering the political process. Now, in 2010, voter registration will be key to ensuring that Democratic candidates are successful and that President Obama has as many congressional allies as possible next year."

### Holding Republicans Accountable



**'Exact Same Agenda':** This week, the DNC released a new video highlighting Republican support for a return to the failed policies of the Bush era. The video features footage of National Republican Campaign Committee Chairman Pete Sessions, who recently told the media that Republicans' aim is to go back to the "exact same agenda" that they pursued during the Bush years – an agenda that led to the economic crisis; cost millions of American jobs; and put the interests of big oil, insurance companies, and Wall Street above the needs of middle-class Americans.

You can check the ad out for yourself at <http://www.youtube.com/watch?v=LnUnnu4pRUA>.

### Key Issues in the News and Background

#### **Talking Points: Wall Street Reform Bill Signing**

- Even before the economic crisis struck, President Obama was talking about the necessity of common sense reforms that would protect American consumers and the American economy. Since taking office, President Obama has worked to enact just such reforms – reforms that would empower consumers and investors, bring shadowy Wall Street trades into the light, and end taxpayer-funded bailouts. Now those reforms are law.
- The Wall Street Reform legislation is an unequivocal victory for the American people. It includes the most stringent financial reforms since those passed in the aftermath of the Great Depression. It will increase accountability on Wall Street. And it will provide more economic security for families and businesses on Main Street.

- This legislation is just one of a number of steps President Obama and Democrats in Congress have taken over the past 18 months to lay the foundation for economic recovery and future prosperity. From the Economic Recovery Act to health insurance reform to education reform, this Administration has taken seriously the importance of providing American families and businesses with economic security and stability.
- The financial sector is integral to our nation's growth and prosperity and enables Americans to compete and innovate. This legislation does not change that. The Wall Street reform legislation simply requires accountability and responsibility from the financial sector and, in so doing, it provides all Americans with a new level of certainty.
- From this point forward, all Americans will have the information they need to choose the right mortgage or credit card and to make the best financial decisions for their families. Companies will no longer be able to take advantage of consumers with fine print, hidden fees and penalties, or predatory practices. Students who take out college loans will have the information they need to make sure their lender is acting fairly. And Americans won't be trapped into paying unexpected overdraft fees on their checking account or be faced with unfair increases to their credit card rates.
- In short, the Wall Street reform legislation includes the strongest consumer financial protections ever, and it creates an independent agency with the singular job of enforcing those protections and standing up for American consumers.
- As a result of Wall Street reform, the American taxpayers will never again be left holding the bag for Wall Street's mistakes. This legislation spells the end of taxpayer-financed bailouts. If a large bank fails in the future, this legislation ensures we will have the tools to wind it down without using taxpayer money or threatening the broader economy. And new rules will stop financial institutions from ever becoming "too big to fail."
- In addition, Wall Street reform legislation will make America stronger in a number of other ways. It will end the kinds of lending that fed the recent debt-based bubble. It will make the financial system more transparent by shining new light on the types of complex financial transactions that helped lead to the economic crisis. And it will ensure that shareholders have a bigger say in decisions regarding CEO and executive pay, so that they can reward success and help to change incentive structures that led to excessive risk-taking.
- The American financial system only works when it is governed by clear regulations that include basic safeguards against potential abuse and excess, and that make it more profitable for all parties to play by the rules instead of cheating the system. That is exactly what Wall Street reform is intended to achieve.

#### **Talking Points: Improper Payments Bill**

- President Obama was elected with a determination to change the way Washington works, and he remains committed to changing Washington for the better by making government more open, more transparent, and more responsive to the needs of everyday Americans. To that end, the President is working hard to wring out waste, inefficiency, and other misuses of taxpayer money.
- One of government's chief responsibilities is to ensure that taxpayers' dollars are spent wisely. But unfortunately, every year the federal government disburses billions of dollars in improper payments to individuals and businesses. That's why President Obama is signing the Improper Payment Elimination and Recovery Act, which will bring America closer to reducing improper payments by \$50 billion between now and 2012 – a goal of the President.
- The bipartisan act will oblige all federal agencies to conduct yearly assessments to figure out which programs might be at risk of making improper payments and would also require agencies to audit more of their programs in order to recapture more taxpayer money. In addition, the law ensures more vigorous enforcement mechanisms that will hold agencies accountable for the money they spend.

- This Administration is dedicated to ending the policies that helped lead to the economic recession and to massive deficits, and to enacting new policies that will promote innovation, fiscal responsibility, and economic opportunity.
- Over the last year and a half, this Administration has strived to cut waste, modernize the government, and make government more open and responsive through the Accountable Government Initiative. In keeping with that Initiative:
  - President Obama recommended a three-year freeze on non-security discretionary spending. That freeze will result in targeted cuts that will enable the government to invest in national priorities such as education, innovation, and other initiatives to promote job growth.
  - President Obama has called for more than \$20 billion in spending cuts and savings each year, selecting more than 100 duplicative, outdated, or otherwise nonfunctional programs for elimination or reduction.
  - The Administration is on the road to cutting \$40 billion in contracting spending by the conclusion of the next fiscal year.
  - The Administration began an effort to sell or otherwise get rid of unneeded federal real estate, at a savings of \$8 billion.
  - The President signed Pay-Go legislation into law, ensuring that Congress finds a way to pay for everything it spends.
  - The Administration has put new technology to use to make government more responsive and responsible to the American people by putting government services online and making government accessible through mobile technology – the same changes many businesses have adopted to provide better savings and service.
- When the government fails to spend Americans' tax dollars wisely, that's wasting money that could help to provide better schools and more tax relief, or support innovation and job creation. And when government doesn't work as well as it should, that impacts people's real lives – small business owners who want loans, young Americans who want to pursue a college education, and military service members who deserve the benefits they've earned. And when government spends as though deficits don't matter, that leaves debts for our children and grandchildren that they may never be able to pay.