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Congress of the United States
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Washington, DC 20515

COMMITTEE ON ARMED SERVICES
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SUBCOMMITTEE ON WATER RESOURCES AND
ENVIRONMENT

December 7, 2010

President Barack Obama
The White House
Washington, D.C. 20500

Dear Mr. President:

In view of your and the Congressional Republicans' recently announced framework agreement regarding tax cuts and unemployment insurance, we must closely examine the proposal on its ability to create jobs and help our economy grow. As Speaker Pelosi said, "The tax proposal announced by the President clearly presents the differences between Democrats and Republicans. Any provision must be judged by two criteria: does it create jobs to grow our economy and does it add to the deficit?" Cutting taxes for the very rich is misguided in that it will not create jobs and needlessly adds \$140 billion to the deficit.

We must fight for the middle class. We must also recognize the need for compromise. Therefore, I propose the following changes to the announced framework agreement that I think make the package a victory for the middle class and our economy:

- Extend the middle class tax cuts for **two years** (up to \$250,000 in gross adjusted income for couples);
- Extend the tax cuts for earners above \$250,000 for **one year**, saving approximately \$70 billion from the framework; and
- Invest the saved \$70 billion in education and infrastructure (\$50 billion to hire at least one million teachers and \$20 billion for school and university building renovations and construction).

All other portions of the framework can remain as proposed. A report released today by the Program for International Student Assessment revealed that America has dropped to 17th in the world in science and 25th in math educational performance. Our economic competitiveness demands that we must prioritize education over tax breaks for millionaires and billionaires.

With the crucial changes I have proposed, we will help stimulate the economy, put well over a million more Americans back to work, and invest in the middle class and our future prosperity.

Sincerely,


JOHN GARAMENDI
Member of Congress