

THE RECOVERY ACT: STRENGTHENING OUR ECONOMY

HEARING BEFORE THE COMMITTEE ON THE BUDGET HOUSE OF REPRESENTATIVES ONE HUNDRED ELEVENTH CONGRESS FIRST SESSION

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THE RECOVERY ACT: STRENGTHENING OUR ECONOMY

FRIDAY, JULY 24, 2009

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC.

The committee met, pursuant to call, at 10:05 a.m., in room 210, Cannon House Office Building, Hon. John Spratt [chairman of the committee] presiding.

Present: Representatives Spratt, Schwartz, Kaptur, Doggett, McGovern, Tsongas, Etheridge, Yarmuth, DeLauro, Edwards, Scott, Langevin, Bishop, Moore, Connolly, Schrader, Ryan, Garrett, Diaz-Balart, Jordan, Lummis, Nunes, Harper, and Latta.

Chairman SPRATT. I call the hearing to order and welcome our three witnesses today. It is a distinguished panel indeed. Secretary Salazar, Secretary Vilsack and Secretary LaHood.

The topic of today's hearing is the Recovery Act. Seven months ago when President Obama took office, the country was on the brink of a financial meltdown. Credit was frozen, home mortgages—many of them subprime—were being foreclosed at record rates. The economy was losing an average of 700,000 jobs a month. The stock market had lost nearly \$10 trillion in wealth and headed downward. Congress and the Obama administration took action, bold action. The boldest came in late February when we enacted the American Recovery and Reinvestment Act, an unprecedented Act, but so were the circumstances.

The Recovery Acts has begun to bear fruit, although we still have miles to go before we can say we are at full recovery, a full economy. But we are faced no longer with the severe critical financial conditions that we found at the beginning of this year. The country has lost 6.5 million jobs since the recession began in December 2007, 6.5 million jobs. This is by far, the worst post-war downturn in employment, but we have now slowed down the rate of job loss. The housing market—beginning to pick up. Retail sales—beginning to turn up. The forecast is for the economy to grow in the third quarter.

The Recovery Act has provided a tax credit for 95 percent of all working families, assisted 12 million jobless Americans with extra unemployment benefits and increased food assistance to low-income families. Already States have drawn down more than an \$23 billion in additional Medicaid funds as they deal with record budget shortfalls. And the Recovery Act has already allowed tens of thousands of teachers, law enforcement officials, and firefighters to keep their jobs.

The economic recession that began during the previous administration has taken its toll on the Federal budget, no doubt about it, leaving the Obama administration and the Congress with a massive deficit. That is the bad news: a deficit of \$1.7 trillion—\$1.8 trillion this year. The good news is many of conditions that are swelling the deficit to these unprecedented levels are non-recurring, one-time events. And if we can avoid the recurrence of these events, I think we can credibly put the budget deficit on a downward glide path to a trillion dollars next year and \$525 billion in year 2014.

We are fortunate today to have three of the key officials who are charged with implementing the Recovery Act. They in order of when their agencies were incorporated, and I understand that is the protocol: Ken Salazar, Secretary of Interior; Tom Vilsack, Secretary of Agriculture; and Ray LaHood, our old colleague, the Secretary of Transportation. These three gentleman need no introduction, they have years of experience working to improve the lives of Americans across the country through their various previous positions in business, and government, and politics. We have a former governor, a former Senator, and a former Representative here this morning, and three cabinet secretaries, which is probably a precedent for this committee. We look forward to hearing your status report on the Recovery Act, what is working and what is not by the lags and results, and what you recommend for the months ahead. We very much appreciate your taking time to join us today, but before turning to you for your testimony, let me turn to Mr. Ryan for any statement that he cares to make. Mr. Ryan.

Mr. RYAN. I thank the chairman. I also want to welcome the witnesses, Secretary Salazar, Secretary Vilsack, and our good old friend Secretary LaHood. I appreciate the opportunity for this committee to once again meet on the subject of the stimulus bill. Committee hearings are a key component of Congress's fact-finding and oversight responsibilities. And I will note that I am generally disappointed that we apparently will not review in this committee the \$1 trillion health care expansion currently running through the House.

But let me turn to the subject of today's hearing, and that is the stimulus bill. Prior to enactment the administration said the key goal of the stimulus package was to save or create millions of jobs. They even released a report showing that the stimulus would cap the rise in the unemployment rate at 8 percent—and please bring the chart if you could.

Clearly, if look at this chart, that hasn't happened. The unemployment rate is already at 9.5 percent, a 25-year high, and nearly all economists see it rising further to 10 percent by late this year. Since the stimulus was enacted, nearly 2 million jobs have been lost. The administration continues to promise that we will see results soon and that we need to give the stimulus more time to work. But most experts are predicting a so-called jobless recovery. And least one member of the Federal Reserve's policymaking committee believes that the unemployment rate will linger at 10.5 percent through next year. But while the benefits of the stimulus have turned out to be meager and difficult to quantify, its costs have been large and crystal clear. It will add \$1 trillion to our debt; it

represents merely the first component of a spending-fueled budget, a budget that will triple the national debt over the next decade. And while the administration continues to tout its commitment to create jobs, it is formulating policies that will have the opposite effect in my opinion.

Their cap-and-trade plan will dramatically raise the cost of operating a business and push jobs overseas. And their health care plan will shackle individuals and businesses with new mandates and taxes as they struggle to get out of this recession. Economic growth and jobs will suffer as a result of these policies.

Small businesses create 60 to 80 percent of the new jobs in America. But the House health care plan will result in most small businesses seeing their tax rate increase from 35 to 45 percent—over 50 percent if you include State level taxes. In my home State of Wisconsin, the top tax rate on small businesses, which is where most of our jobs come from, will be 54.27 percent, higher than France and Germany.

On Wednesday, the Majority Leader Hoyer, a man for whom I have great respect, said the following on the House floor, “It is the private sector that drives our economy. It is the private sector that will give us wealth and that creates jobs, not the government. But the government can create policies within which the private sector and particularly venture capitalists can have the confidence that we are managing our finances responsibly.” I couldn’t agree more, but I only wish that the actual policies coming out of Congress were consistent with this sentiment. With that, Chairman, I yield. Thank you.

Chairman SPRATT. Thank you, Mr. Ryan. Just a couple of house-keeping details before starting. I ask unanimous consent that all members be allowed to submit an opening statement for the record at this point. Without objection, so ordered.

STATEMENTS OF HON. KEN SALAZAR, SECRETARY OF THE INTERIOR; HON. RAY LAHOOD, SECRETARY OF TRANSPORTATION; AND HON. THOMAS VILSACK, SECRETARY OF AGRICULTURE

Chairman SPRATT. Gentlemen, thank you for coming again. We look forward to your testimony and we have received it previously and made it part of the record without objection so that you can summarize it as you see fit. But you are the only panel today, you have an important message to bring, and we would encourage you to take as much time as you feel is needed to thoroughly cover the subject with respect to your cabinet departments. Let’s start in the order of recognition with Secretary Salazar.

**STATEMENT OF HON. KEN SALAZAR, SECRETARY,
U.S. DEPARTMENT OF THE INTERIOR**

Secretary SALAZAR. Thank you, very much Chairman Spratt and Ranking Member Ryan and all the members of the committee. It is an honor to be here today to speak on a subject that is very important to this Nation, and to all of you, and all the Members of the Congress. It is a particular honor to be here with my colleagues and friends, Secretary of Agriculture Tom Vilsack, and Secretary of Transportation, Ray LaHood.

When I was sworn in as President Obama's Secretary of Interior just over 6 months ago, we were in the throes of a crisis which is the worst economic crisis that we have seen since the great depression. We are losing 700,000 jobs a month, bank lending was frozen. And we were at the risk of falling off an economic cliff not seen for over 100 years in America.

The economic crisis that President Obama and this Congress inherited was years in the making. Years of lax oversight, years of irresponsible behavior at the highest level, years of problems that unfortunately cannot be solved over night. Let there be no doubt, America's recovery will take time. But make no mistake, we have come a long ways in the 6 months since January. Our economy is stabilizing, help is reaching those hardest hit by this recession, confidence is returning and America has begun to rebuild.

The Recovery Act is working. We see it working through the investments that the Department of the Interior is making through the Recovery Act. Congress entrusted the Department of the Interior with the responsibility of investing \$3 billion to create jobs restoring America's National parks and treasured landscapes, building clean drinking water infrastructure for rural communities, fixing and upgrading aging schools in Indian country, and taking on other critically important projects for the Nation.

We are making these investments swiftly on the 18-month timeline established by Congress. We are also making these investments responsibly. We want to make sure that we get it right, as you would want us to do. We want to ensure the taxpayer dollars are not going to waste. Every project must be worthy of the public's expenditures. Every contract must be competed in a fair and open manner. And everything we do must be transparent and open to public scrutiny. We are meeting these goals and I am proud of the results that we have seen so far.

Since Congress passed the Recovery Act, Interior and its agencies have identified 3,382 projects which meet the high standards that we have set, that is 3,382 projects which we are overseeing. Ninety percent of the \$3 billion we are investing is helping us meet long deferred maintenance needs that have built up in recent years, on roads, trails, facilities, water infrastructure and in habitat that we manage.

The national park system alone has over \$8 billion in deferred maintenance priorities and there are more deferred maintenance projects on the 500 million acres—or 20 percent of the Nation's land mass—that we manage on behalf of the American people. But we are making swift progress. Since we released our final list of Recovery Act projects in late April, the Interior has obligated \$305 million in Recovery Act funding which we estimate has already created more than 3,000 jobs, 400 projects are already underway.

By the end of October, we will have obligated nearly \$1.1 billion. And in the next 6 months, we expect to obligate another \$1 billion. The pace is consistent with the construction-based nature of the majority of projects. Just as you can't build a new house overnight, some of our projects will take time to complete. They will, however, employ people at every step of the way. Surveyors, architects, contractors, carpenters, plumbers, electricians, not to mention all those who build and sell the materials that are going into these

projects, companies that sell solar panels, firms that design stream gauges, all of these people and businesses will have an opportunity to go to work.

We are seeing the benefits of the Interior's Recovery Act investments in communities all across the country. It is companies like DLM Contracting in Bozeman, Montana, as you will see in this picture. In a normal summer construction season, DLM employs 25 to 30 people. But this year there was no work for the employees at DLM. They bid on 20 jobs last winter, that is how bad it was. Twenty jobs and got none, they got none. Since then, they have won two Recovery Act bids, including a \$7.1 million road project in Theodore Roosevelt National Park in North Dakota. Brad Lewis, this is a citizen of America, says the following, that the Recovery Act, "made the difference for the company this year." They have hired workers, they are getting moving again. It's companies like AGC Architects in Salt Lake City. Jill Jones is the owner of this company. She says she would have lost over a third of her staff without the Recovery Act working for her firm, and doing for the National Park Service and other Federal agencies the work that she is doing.

Thanks to the Recovery Act projects they are holding strong, Jill's employees know their jobs are secure. She says the Recovery Act has changed the confidence level of the 22 people working here. I believe it has a ripple effect that will move across the country as more and more of these Recovery Act projects hit the ground. It is people like Kelly Hanson, he is a carpenter for Northern Management Services of Boise, Idaho, one of 34 tradesmen and laborers who are working on the renovation of the San Francisco Bay National Wildlife refuge headquarters.

He says, "I come from Idaho where the little towns are getting hurt first. A lot of people I used to work for have lost everything. Here in California they have never seen it so bad. The stimulus money has cut through the red tape and put us to work. I would be out of a job without it." You are hearing from a lot of businesses like these. A large percentage of Interior's obligated funds have been awarded to small and disadvantage businesses. And we will hear more stories in the coming months.

In the next 8 months we will begin an additional \$1.8 billion of work that will create or save 19,000 more jobs in this country. Under the Recovery Act, we will see a school fixed in Standing Rock, North Dakota, and a school rise on the Indian lands in Chinle, Arizona. We will see 450,000 people in rural communities in South Dakota get clean drinking water from three new water treatment facilities. We will see drought-stricken communities in California get some help. And we will make down payments on long-term water infrastructure needs in California and around the country. We will see more and more young people get to work in the outdoors.

The Fish and Wildlife Service's northeast region has doubled the size of its youth conservation corps. Among our young people unemployment is the highest; we have brought young people to work on many of these public projects much in the same way as Franklin Delano Roosevelt did in the 1930s through the Civilian Conservation Corps.

Mr. Chairman and Ranking Member Ryan, members of the committee, I look forward to continuing to work closely with you to ensure that we are implementing the Recovery Act as swiftly, as openly, and as responsibly as the American people deserve. The Office of Inspector General at Interior is also a key partner with us, for they are helping us implement the Recovery Act with a very robust set of internal controls to ensure adequate oversight and management of these funds. We take our responsibility seriously under the law, very seriously. And we can report today that the Recovery Act is working. It is helping stabilize our economy, it is putting people back to work, and it is helping us protect our Nation's treasured landscapes for generations to come. Thank you, Mr. Chairman.

Chairman SPRATT. Secretary Salazar, thank you.

[The prepared statement of Secretary Salazar follows:]

PREPARED STATEMENT OF HON. KEN SALAZAR, SECRETARY,
U.S. DEPARTMENT OF THE INTERIOR

Chairman Spratt, Ranking Member Ryan, and Members of the Committee, thank you for giving me the opportunity to testify today. I am pleased to be appearing with Secretary Vilsack from the Department of Agriculture and Secretary LaHood from the Department of Transportation to discuss implementation of the American Recovery and Reinvestment Act.

INTRODUCTION

The Department of the Interior is investing \$3 billion under the Recovery Act in approximately 3,400 critical projects across this nation in our unique portfolio of irreplaceable national treasures and critical infrastructure in a manner that will create employment and economic activity.

With these funds we are making the most significant improvements to our buildings, trails, roads, and other public lands infrastructure since President Franklin D. Roosevelt mobilized the Civilian Conservation Corps in the midst of the Great Depression. We believe the Recovery Act program will have a similar legacy of success in creating desperately needed employment opportunities, while also making lasting impacts in the preservation and enhancement of America's timeless treasures, monuments to liberty, and icons of our culture and heritage. At the same time we are making investments that will restore functionality, improve energy efficiency, and advance important national goals for renewable energy, environmental restoration, and water conservation.

While we are implementing the Recovery Act with maximum focus on expediting these critical investments to create jobs as quickly as possible, we are placing equal emphasis on ensuring that projects are worthy of the public's expenditure, contracts are competed in a fair and open manner, and that our activity is transparent and open.

PROGRAM OVERVIEW

The Department of the Interior manages 500 million acres or approximately 20% of the land mass in the United States, including 391 National Parks covering 84 million acres, 96 million acres managed by the Fish and Wildlife Service, 56 million acres of Indian and tribal lands held in trust, and 256 million acres under the Bureau of Land Management. We are also the largest supplier of water in the Western United States through the Bureau of Reclamation, including the management of facilities such as the Hoover Dam, Glen Canyon Dam and a huge network of other equally essential facilities.

The Department's Recovery Act program emphasizes critical maintenance, rehabilitation and replacement of roads, trails, habitat, facilities, and water infrastructure with over 90% of our \$3 billion funding these essential projects. Additionally, some of the funds are going to important efforts in Indian Country such as construction and renovation of schools, roads, and housing projects, loan guarantees for small business, and workforce training. Finally, our program also will make important investments in improving our scientific monitoring network through the U.S. Geological Survey.

We are pursuing these investments in a manner that significantly increases our commitment to engaging young people on our public lands. Specifically, 346 of our Recovery Act projects will involve youth in rebuilding trails, restoring critical habitat and performing other essential activities.

Over 1,000 of our projects include energy efficiency and renewable energy components which will both conserve energy and bring cost savings to facilities across our system. In addition, the Bureau of Land Management will invest \$41 million in efforts to dramatically enhance its ability to efficiently permit commercial scale renewable energy projects on our public lands.

PROGRESS IMPLEMENTING ARRA

Five months ago, in February, when the Recovery Act was enacted by the Congress and signed by the President, we had already initiated a process to develop a set of projects using a merit-based process and transparent criteria. While understanding the need to move quickly, we continued this process in a careful and deliberate manner to ensure that each of our projects had merit and could be executed within the timeframe provided in the legislation. Each of our bureaus utilized their inventory of projects that had already undergone significant planning and design and clearances and developed plans consistent with congressional direction.

We released our final list of projects in late April and we have made great progress since then. As of July 17, 2009, DOI has obligated \$305 million in Recovery Act funding, creating approximately 3,300 job years. We are projecting obligations of nearly \$1.1 billion by the end of FY 2009 and another \$1 billion in the first and second quarters of fiscal 2010. This pace is consistent with the construction-based nature of the majority of our projects where each contract is fairly and openly competed and money is obligated and spent at an increasing pace over a 12 to 24 month period as work progresses. I am also pleased to report that Interior continues to meet its commitment to small and disadvantaged businesses.

We have initiated almost 400 projects to date, including:

- 27 Title XVI water reclamation and reuse projects totaling \$134.3 million in Recovery Act funds of which \$131.8 million is allocated to projects in drought-stricken California. This funding will be leveraged by local sources to deliver more than \$675 million in Title XVI projects.
- Three water treatment facilities totaling \$93 million which will provide better drinking water to approximately 450,000 people in rural communities in South Dakota, Iowa and Minnesota.
- A trail rehabilitation project on the South Kaibab Trail at Grand Canyon National Park.
- A \$56 million school replacement project for the Rough Rock Community School replacement project in Chinle, Arizona and another \$8.2 million major renovation of Standing Rock High School in Standing Rock, North Dakota.

One thing I need to make clear is that in our case, as with most construction-based projects, jobs are created beginning with the obligation of funds and are not tied to the actual outlay of dollars. The Department pays only upon the demonstration of progress or completion in the majority of our program. Thus, the discussion regarding the pace of actual spending and its relationship to economic activity is misplaced in our case, as obligations lead directly to new jobs and economic activity.

Interior is working aggressively to accelerate the pace of its contractual awards. We have engaged a highly qualified international engineering firm to support us in this effort and are implementing resource sharing, procurement and other strategies that will not only help us better execute the Recovery Act, but also permanently improve our efficiency and operating capacity.

While speed is critical, we are also very focused on doing good projects and investing the public's dollars wisely and transparently. We are working collaboratively with our Office of Inspector General to execute the Recovery Act with a very robust set of internal controls to ensure adequate oversight and management of these funds. The OIG is also providing us with timely and focused input regarding our business practices, areas of potential risk and mitigation strategies and opportunities to implement best practices across our organization.

CONCLUSION

The Recovery Act has already made significant contributions to the restoration of our nation's economic health, but its benefits are only just beginning to be fully felt as the Department of the Interior's work so clearly manifests. Over the next eight months, we will begin approximately \$1.8 billion of work creating at least 19,000 jobs in projects that will leave a permanent legacy of good stewardship in many of our most treasured landscapes, as well as providing critical water infrastructure in

rural communities across the West. We look forward to the contributions this work will make to our nation's economic recovery in the coming months on the timeframe established in the initial legislation.

Chairman SPRATT. Now Secretary Vilsack.

**STATEMENT OF HON. TOM VILSACK, SECRETARY,
U.S. DEPARTMENT OF AGRICULTURE**

Secretary VILSACK. Mr. Chairman, thank you to you and to the ranking member and to members of this committee for the opportunity to be here today, and I want to thank Secretary Salazar and Secretary LaHood for their service, and I am proud to be with them this morning.

I appreciate the opportunity to report to you on the United States Department of Agriculture's work on the Recovery Act. And I believe too that our report will reflect that the Recovery Act is working. It is transitioning America from bad times to better times and getting the work accomplished around the Nation that Americans want done. The investments we are making are not only creating economic stability, but also funding the technology and infrastructure that will lay the groundwork for future economic growth.

When President Obama took office, we were, indeed, as you have indicated, Mr. Chairman, facing the worst economic crisis in modern time. The economy was, in fact, losing 700,000 jobs per month and shrinking at a rate of 6.3 percent. Foreclosures were at record levels and housing investment had fallen by more than 40 percent. Major financial institutions were failing and credit was indeed frozen. Clearly, doing nothing in this economic crisis was not an option. Less than 8 decades ago we experienced the dramatic negative implications of inaction. We have seen that the people hit hardest are ordinary Americans who struggle to put food on the table, clothe their children and maintain housing. We also know that every day we fail to act, the long-term implications are that the road toward financial stability is pushed further away, if not years into the future. Thankfully, many of the folks who lived through the Great Depression are still among us. It would have been an affront to their experiences if we didn't do better this time and take action to save our children from some of the suffering and hardship they endured in their formative years.

The unraveling of the economy did offer a chance for us to be both responsive and proactive through the passage of the Recovery Act. Fortunately we will never know the full scope and duration of the pain America would have endured had the Nation not been mobilized into action. In less than 150 days, the Recovery Act has worked to stabilize economic conditions and helped those harmed by the economic crisis. The problems that led the Nation to the brink were created over several years and cannot be instantly solved. We have created the stability needed to get us there and are making strides in helping those negatively affected by the downturn.

From the respective of the USDA, we are reaching out to every American every day to improve lives and prepare for future economic prosperity. In less than 150 days, the USDA has announced the availability of \$27.4 billion of the \$28 billion of funds provided through the Recovery Act. We have provided more than 45,636

loans to Americans who are deeply impacted by the economic crisis, and have begun implementation of more than a thousand Recovery Act projects.

The USDA has provided additional resources through our nutrition assistance program. Over 33 million Americans received a 13.6 percent increase in benefits under the Supplemental Nutrition Assistance Program, or SNAP. For most families of 4, this is an extra \$80 per month at the grocery store. It, in fact, creates \$800 million a month in direct stimulus to the economy. Research suggests that every dollar in spending from SNAP results in \$1.84 in total economic activities. And further, our data indicates that 97 percent of funding received through this program is spent within 30 days of receipt.

Some of the other accomplishments to date at USDA include: 43,000 housing loans; 2,636 direct operating loans to farmers, with 1,081 of those going to beginning farmers and 600 of those going to socially disadvantaged farmers; 323 water and waste projects; 600 community facility projects; more than 100 watershed projects; 288 floodplain easement projects; 169 wild land fire management projects; and 343 capital improvement projects in our forest service.

We are particularly enthusiastic about the rural broadband funding provided under the Recovery Act, which provides \$2.5 billion to provide broadband services to underserved and unserved communities to position them for the next generation of technology and economic growth.

Mr. Chairman, considering the state of the economy at the close of 2008, we are in a remarkable position at present. Including loans and guaranteed loans, we have, in fact, announced \$48 billion of the \$52 billion in program level funding, or more than 92 percent of the program level funding provided to us in the statute.

Governmentwide, about 28 percent of the funds have been put to work in about 24 percent of the days of the Recovery Act. We are on track, but it is important for us to stay focused on the mission at hand and to continue our commitment. It is going to take time. The law was designed for 2 years of action. And it is critically important we see the plan through. It is going to take courage to hold our ground and remain committed to the program of recovery for the American people.

Mr. Chairman, USDA is up to this challenge. I am proud to represent the men and women of our Department here this morning, and I will be happy to respond to questions from members of the committee after Secretary LaHood has given his comments.

Chairman SPRATT. Thank you, Mr. Secretary.

[The prepared statement of Secretary Vilsack follows:]

PREPARED STATEMENT OF HON. THOMAS J. VILSACK, SECRETARY,
U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear here today before the House Committee on the Budget to provide an update and highlight the many successes of the American Recovery and Reinvestment Act of 2009 (Recovery Act) for the United States Department of Agriculture (USDA). I am pleased to be here, along with Secretary LaHood and Secretary Salazar, to report that the Recovery Act is working. The achievements of the legislation show the Recovery Act is transitioning America from bad times to better times and getting the work accomplished around the Nation that Americans want to see completed. The investments we are making are not only creating jobs and economic stability,

but also funding the technology and infrastructure that will lay the groundwork for future economic growth.

THE RECOVERY ACT IN HISTORIC CONTEXT

Some critics argue the Recovery Act was unnecessary or is not working. Some argue that because unemployment is rising, the legislation has failed. It is important to remember the Recovery Act was intended to slow the economy's downward spiral. Without this legislation, economists have argued that conditions would be much worse. The Recovery Act is working to slow the economic decline and stabilize our economy.

When President Obama took office, the United States was facing the worst economic crisis in at least two decades and the economy was in the worst recession experienced in modern times. The American economy was losing, on average, 700,000 jobs per month and shrinking at a rate of 6.3 percent. The worst level the United States had seen since 1982. Foreclosures were at record levels and the rate Americans were investing in housing had fallen by more than 40 percent in eighteen months. Major financial institutions, both private and government-chartered, were failing because of this crisis. There was a near halt at every level of the financial system from the commercial paper market to consumer credit. Millions of folks with retirement investments lost nearly \$10 trillion in wealth in the stock market, which was on a steady downward spiral. Americans' saving rate went from 8 percent of income to almost zero and many were running up debts as they tried to make ends meet.

Clearly, doing nothing in this economic crisis was not an option. Less than eight decades ago, we experienced the dramatic negative implications for inaction. We have seen the people hit hardest are ordinary Americans who struggle to put food on the table, clothe their children and maintain housing. We also know that every day we fail to act, the long term implications and the road toward financial stability is pushed further away—if not years into the future.

Thankfully, many of the folks who lived through the Great Depression are still among us. It would have been an affront to their experiences if we didn't do better this time and take action to save our children from some of the suffering and hardship they endured in their formative years. Unlike the case of an emerging natural disaster which does not always provide the luxury of time to take mitigation measures, the unraveling economy did offer a chance for us to be both responsive and proactive. Through the foresight and wisdom of Congress, and the Administration, swift action was taken to slow the economic tsunami. On February 17, 2009 President Obama signed the American Recovery and Reinvestment Act into law. Fortunately, we will never know the full scope and duration of the pain America would have endured had the Nation not been mobilized into action.

In less than 150 days, the Recovery Act has worked to stabilize economic conditions and helped those harmed by the economic crisis. The problems that led the Nation to the brink were created over several years and cannot be instantly solved. While the Nation may not be in full-scale recovery yet, we have created the stability needed to get us there and made strides in helping those negatively affected by the downturn. From the perspective of the United States Department of Agriculture, we are reaching out to every American everyday in every way through the far reach of our mission and authorities to improve lives and prepare for future economic prosperity.

UNITED STATES DEPARTMENT OF AGRICULTURE ACHIEVEMENTS IN RECOVERY ACT IMPLEMENTATION

USDA's goal is to quickly respond to current economic conditions by preserving and creating high quality jobs, spurring rural economic activity, and contributing to the Nation's overall financial health. USDA will be open and transparent and responsive and accountable to the American people as we deliver Recovery Act funding.

In less than 150 days, USDA has announced the availability of \$27.4 billion of the \$28 billion of funds provided through the Recovery Act. In terms of obligations, USDA has obligated approximately \$4.1 billion of the \$28 billion in budget authority provided to our Department. In considering this, it is important to remember that USDA's ARRA funds include almost \$20 billion in enhanced SNAP benefits to be distributed over a five year window. We have provided more than 45,636 loans to Americans who were deeply impacted by the economic crisis and begun implementation of more than 1,000 Recovery Act projects. In fact, just this week, I announced more than \$274 million in American Recovery and Reinvestment Act (ARRA) funds for 191 forest facilities, trails and related ecosystems projects.

Several of the facilities projects include new energy efficient technologies. In fact, the solar panels proposed for the Forest Service's San Dimas Technology and Development Center in southern California will produce enough electricity to meet all of the center's needs, thus making it a "zero-net-energy" facility. These projects exemplify President Obama's commitment to sustainability, reducing our environmental footprint and increasing energy efficiency, which will benefit the 178 million people who visit the National Forests each year, generate additional tourism activity and stimulate local economies.

Under the Recovery Act, we have taken the opportunity provided to reach those Americans who have been underserved and need assistance most. USDA has distributed 2,636 Farm Operating Direct Loans to assist eligible family farmers and ranchers in building and sustaining successful farm operations. Of these 2,636 recipients, 1,081 are beginning farmers and 600 are socially disadvantaged farmers. This is a statistic that we are proud of and one on which we will continue to focus on throughout Recovery Act implementation.

The additional funding provided by the Recovery Act has made it possible to reach more farmers and ranchers where no lender is available or able to provide credit. For farmers, the ability to absorb input costs up front such as fertilizer and seed purchases, equipment rental and labor costs is essential to ensuring a viable harvest. In cases such as this, our Direct Farm Operating Loans have meant the difference between agriculture producers growing a crop and perhaps a profit this year, or simply closing down the operation. A lost farm has serious negative ramifications to the surrounding community. The local feed store, the farm equipment dealership, and the food supply chain are all part of an interwoven connection across rural America.

USDA has provided additional resources through five major nutrition assistance programs, as a result of Recovery Act funding. Over 33 million Americans received a 13.6 percent increase in benefits under the Supplemental Nutrition Assistance Program (SNAP, formerly named Food Stamps). For most families of four, this is an extra eighty dollars per month at the grocery store, totaling \$800 million a month in direct stimulus to the economy. Our estimates show that money spent on SNAP may have even larger effects on economic activity than other types of government spending. And further, our data indicates that 97 percent of funding received through this program is spent within 30 days of receipt. Not only does this assistance allow families to provide more nutritious and abundant meals for families, it also a direct form of stimulus to our economy and goes to people who are already certified as being in need.

Some of our other Recovery Act accomplishments within the first 150 days include:

- Over 43,000 Single Family Housing Loans to purchase, construct, or rehabilitate a home in a rural area. With these loans, families can have a home, and contribute to a community.
- 323 Water and Waste Disposal loans and grants to construct or improve facilities that will provide communities safe drinking water and safe, sanitary waste disposal. Many of the benefiting communities are small towns that either have no existing water infrastructure or substandard or even unsafe facilities currently in place. These projects not only improve public health and safety, but also offer environmental improvements. And in some cases these projects provide the necessary infrastructure to attract businesses and industry to the area.
- 600 Community Facilities projects, including public safety vehicles, libraries, and health care centers. These are wealth creation projects that provide long-term economic and social improvements to communities.

An excellent example of this kind of work is the Darlington County Society Hill Library. This county received a Community Facility Loan in the amount of \$787,000 to construct a new 4,200 square foot library building to replace an existing 850 square foot building located in the in the town of Society Hill in South Carolina. The new library will provide informational, educational, and recreational needs for the 4,000 residents who live in the greater Society Hill area of Darlington County.

The need for a larger library to serve the needs of the community has become more and more apparent. This community is isolated from the larger more complete libraries in Darlington and Hartsville by nearly seventeen miles in either direction. Junior high and high school students depend on the library for research materials and computer access. The local textile plant has laid-off the remainder of its employees. These and other adults come to the library for help in locating jobs, instructions in completing a resume, and using computers to submit their resumes electronically.

The community and mayor support the library project and the County Council donated one and one-half acres of land for the library. The state senator secured \$250,000 in state funds for the project and several local corporations have donated

\$30,000. A local Friends Library Group has raised approximately \$10,000. This property is located in the heart of the town at a convenient location.

- 80 Watershed and Flood Prevention Operations projects providing flood prevention and mitigation for communities, improved rural water supply, environmental mitigation measures and formation of wetlands and wildlife habitat, and even increased water supplies for rural firefighting.

FUTURE ECONOMIC GROWTH

We are proud of the work we have accomplished so far, but realize there is a lot more work to be done. Through our work in the Recovery Act, we have taken action that is long overdue and are funding essential programs that benefit all of America. Clearly, these programs and services are doing more than providing dollars into rural communities. These projects represent the hopes and needs of people across the Nation. In many cases, local communities have been waiting for decades for these projects to be accomplished and the services to be made available. Completing them sets the stage for additional economic activity in the future. The Recovery Act has created the opportunity and provided the resources to get the job done. An even more expansive table illustrating the programs, services, and funding made available through USDA Recovery Act programs is attached for the record as Appendix A.

We are particularly enthusiastic about the Rural Broadband initiatives funded under the Recovery Act. The Recovery Act provides USDA with \$2.5 billion to provide broadband services to rural and underserved communities. In addition, the Recovery Act provides the Department of Commerce with \$4.7 billion to support grants to provide broadband service to unserved and underserved areas. Many individuals, schools, libraries, and healthcare facilities will obtain broadband capabilities for the first time. The legislation provided clear direction and a unique and historic opportunity to provide broadband into rural areas that otherwise would not have the resources to install broadband. Rural and poor areas are most often the ones that are not considered good investments by companies installing broadband. We also have an opportunity to give communities that might otherwise would be overlooked a chance to be positioned for the next generation of technology and the next phase of U.S. economic growth.

Rural Broadband means better and quicker access to information and the infrastructure to operate and compete in a 21st century economy. Access to rural high speed broadband will open up these areas to global markets and global economic opportunities. The future business development and the impact that broadband development can have on rural America can only be compared with our efforts to provide electrification and telecommunications to rural America in the 1930's and 1940's. In those days, having a viable farm meant having access to electricity for power for future equipment upgrades, refrigeration, and product enhancement. So to, the provision of rural broadband will prepare a generation of rural Americans for the 21st century economy by providing access to high speed internet access that is necessary to open up rural areas to global markets and global economic opportunities.

RECOVERY ACT IMPLEMENTATION—NOT JUST BUSINESS AS USUAL

With Recovery Act implementation, time is of the essence. Keeping farmers on the land and ensuring that local rural communities do not permanently cease viability, has required swift action. We are pleased that we are right on schedule with respect to obligating Recovery Act dollars under the timeframe provided in the statute. But more so than acting quickly and with a sense of urgency, we have set a goal throughout the Executive Branch, including USDA, to act effectively and also to seize the opportunity to also do business differently than in the past. Within the Administration, unprecedented standards of efficiency and accountability have been established. Recovery Act dollars are not going toward Congressional earmarks or purposes of political expediency. Government-wide, Recovery Act projects are coming in as much as 10 to 30 percent under budget, which means the ability to fund even more projects across the Nation. We have been pleased at USDA to see that individual projects have not exceeded projected costs to date and program implementation has been effective.

Beyond individual program efficiencies, we have also sought to achieve better leveraging and synergy between programs—both within USDA and also inter-Departmentally. Within our Department, we have established a Recovery Act implementation team, which looks at cross-cutting implementation issues, identifies barriers, and recommends solutions to levels of higher authority and policy decision-

makers. Also, the team functions to identify opportunities for coordination of funding, so communities can get the most out of government programs.

In addition, the Administration has established Rural and Urban coordinators across the Executive Branch to partner with federal Departments and find opportunities to partner up on programs and leverage government funding. For example, will installation of new high speed rail service under consideration by the U.S. Department of Transportation change the community needs for water and waste water service? Will the relocation of a business alter the needs for community facilities? Can investments made in rural broadband connect with potential healthcare facility improvements that may be under consideration through the U.S. Department of Health and Human Services? These are the questions that we are asking, and through better communication and collaboration, we will identify answers that better serve all programs and funding resources.

I am proud that the USDA has served as a central hub for web-based communication for the Federal government about projects supported by the Recovery Act. Our web-based geospatial tool and mapping program has provided a transparent means for the public to track the location, purpose, and funding provided for all of our Recovery Act projects and provide feedback. Thus far, the United States Department of Housing and Urban Development has partnered to include its data on the site, and many additional federal agencies will be coming online soon. The web-based tool provides an easy way to identify and connect common projects and achieve the kinds of synergy and efficiency that we are seeking.

LOOKING TO THE FUTURE

Mr. Chairman, considering the state of the economy at the close of 2008, we are in a remarkable position at present. In total, USDA has announced \$27 billion of the \$28 billion of funds provided through the Recovery Act. Including loans, we have announced \$48 billion of the \$52 billion in program level funding, or more than 92 percent of the program level authority provided to us in the statute. Government-wide, about 28 percent of the funds have been put to work in about 24 percent of the days of the Recovery Act.

Soon, the Administration will start awarding over \$15 billion in grant funding for three visionary Recovery Act programs, broadband, high speed rail and a smarter electric grid infrastructure. These activities will not only create jobs now, but will shape America's economy for tomorrow. Our efforts are contributing to stabilizing the economy and we are beginning to see signs of progress.

It is important we stay focused on the mission at hand and we continue our commitment to implement the Recovery Act approach that has been established. The economic challenges we are working to overcome were the result of years of deferred problems and accumulated negative effects. Reversing this course is going to take a strong commitment. It is going to take time. The law was designed for two years of action and it is critically important we see the plan through. It is going to take courage. It will take courage to stand our ground and acknowledge that we do not want to replicate the difficult lessons that our grandparents learned in the past. It will take the courage and commitment of the Nation's leaders to hold their ground and remain committed to the program of recovery for the American people. It is also going to take the commitment of all American's to carry this through and ensure a better tomorrow for our children.

Mr. Chairman, the United States Department of Agriculture is up to this challenge. I am proud to represent the men and women of our Department here this morning and I will be happy to respond to any questions that Members of the Committee might have.

Chairman SPRATT. Secretary LaHood.

STATEMENT OF HON. RAY LAHOOD, SECRETARY, U.S. DEPARTMENT OF TRANSPORTATION

Secretary LAHOOD. Thank you, Mr. Chairman. I am delighted to be here with my two colleagues from the Cabinet and to be back at the Budget Committee, of which I was a member for one term. And I thank you for the opportunity to discuss the U.S. DOT progress in implementing the American Recovery and Reinvestment Act of 2009.

The Recovery Act is an extraordinary response to a crisis unlike any since the Great Depression. This landmark legislation is the

most sweeping, complex and ambitious domestic aid package we have enacted in generations. It reflects an unprecedented effort to jump-start our economy, create or save millions of jobs, and put a down payment on addressing long neglected challenges so our country can thrive in the 21st century.

Since this legislation was enacted, the Department of Transportation has been working hard to ensure that the Recovery Act is implemented quickly, wisely and with unprecedented transparency and accountability to finance transportation projects throughout America.

Today I want to share with you our accomplishments and our plans for the future.

To date, the Department has made nearly half of its funds—\$22 billion—available to States so they can green-light priorities projects to rebuild and modernize roads, bridges, transit systems, airports and seaports. We have approved over 6,600 projects for highways and other transportation project nationwide. Of those, more than 3,200 roads, transit, and airport improvement projects are underway right now.

Within DOT, our modal agencies are doing an outstanding job of making recovery funds available as quickly as possible. So far, the Federal Aviation Administration has allocated virtually all of its stimulus funds—more than \$1 billion—to airports all over the country.

The Federal Highway Administration has obligated nearly two-thirds of the \$27.5 billion appropriated by Congress. More than \$1 billion in new Amtrak projects have been approved. And for public transit an unprecedented \$3.2 billion in grants have already been awarded, and another \$5 billion is in the pipeline.

In the coming months, we will begin awarding grants from our \$8 billion fund to develop new high-speed passenger rail corridors, which has generated a great deal of interest and excitement around the country. And our discretionary \$1.5 billion TIGER grant program will invest in priorities which are multimodal projects to ensure more competitive and enhanced liveability and sustainability.

Thanks to the excellent staff work and our productive relationships with State DOT officials, every state met the Congressional deadline to obligate 50 percent of the highway formula funds allocated to them within the first 120 days, which is what Congress asked us to do. Transit agencies around the country are on track to meet a September 1 deadline for the same milestone, with 50 percent of the formula funds obligated.

In speaking to governors, mayors, State transportation officials, and private contractors all over the country, I have been, since I was sworn in on January 27th, to 24 States and 41 cities. And I have found there is widespread agreement that without these well timed Federal investments in infrastructure and State services, our economy would probably be in much worse shape.

While the Recovery Act cannot make up for all the jobs our economy has shed, every single job these investments helped to protect or create counts as a victory. Over 5,000 jobs have already been supported through spending on transportation products. And we estimate that over 500,000 jobs will eventually be supported once the

full effect of the Recovery Act is felt in the Transportation industry; 500,000.

I also want to highlight our success in overseeing this complex program while keeping our promise to America to meet the high standards for transparency and accountability. I am happy to report that in all 50 States and territories, not a single case of serious abuse of funds has been identified. That is a remarkable achievement for the fast-moving program of this scope. I am very proud to say no earmarks, no sweetheart deals, no boondoggles. A share of the credit goes to our DOT management team for the Recovery Act, known as the TIGER team, which has helped to keep our implementation on track, keep our funds flowing and create a system for meeting all congressional requirements.

In addition, we have completed three phases of risk management plan for all Recovery Act programs and we will continue to update our plan to ensure that all dollars are spent effectively. As part of this plan we have developed a new risk assessment tool that has been adopted by the Office of Management and Budget for government-wide use. This tool provides a strong foundation for managing our internal control process.

And our accountability executive board continues to work closely with the DOT Office of Inspector General and the Government Accountability Office to maintain open lines of communications with our auditors, so we may identify and address any concerns as early as possible. I am confident that years from now when we look back on the American Recovery and Reinvestment Act, we will recognize that the investments we made in infrastructure, energy conservation, education and other vital needs mark a turning point in our economy. The American people have said loud and clear they want us to rebuild our crumbling roads and bridges, build clean and green public transportation systems to help ease traffic congestion. We are putting Americans to work doing just that.

I look forward to any questions that any of you may have. Thank you, Mr. Chairman.

[The prepared statement of Secretary LaHood follows:]

PREPARED STATEMENT OF HON. RAY LAHOOD, SECRETARY,
U.S. DEPARTMENT OF TRANSPORTATION

Chairman Spratt, Ranking Member Ryan, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the U.S. Department of Transportation's (DOT) progress in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). The Recovery Act is an extraordinary response to a crisis unlike any since the Great Depression. This landmark legislation is the most sweeping and ambitious domestic aid package we have enacted in generations. It reflects an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. Since this hallmark legislation was enacted, the Department of Transportation has been working hard to ensure that the Recovery Act is being implemented quickly, wisely, and with unprecedented transparency and accountability to finance transportation projects throughout America. Today, I want to share with you our accomplishments and our plans for the future.

Less than six months after the enactment of the Recovery Act, the Department has a great deal to show for taxpayers' investments. Congress provided the Department of Transportation with more than \$48 billion in Recovery Act funds. That is equal to nearly two-thirds of our entire annual budget request for fiscal year 2010. It is an enormous opportunity for us, and we are working overtime to make the most of it.

To date, the Department has made nearly half of its funds—almost \$22 billion—available to the States and others so they can green-light priority projects to rebuild and modernize roads, bridges, transit systems, airports, and seaports. We have approved over 6,600 projects for highway and other transportation projects nationwide. Of those, more than 3,200 road, transit and airport improvement projects are under way right now.

I am pleased to report to you that the Department has a strong momentum going in the implementation of these programs. The Federal Aviation Administration met the requirements in the Recovery Act and has allocated virtually all of its stimulus grant funds—more than \$1 billion—to airports all over the country. The Federal Highway Administration (FHWA) has obligated nearly two-thirds of the \$27.5 billion appropriated by Congress. More than \$1 billion in new Amtrak projects have been approved.

For public transit, an unprecedented \$3.2 billion in grants has already been awarded—and another \$5 billion is in the pipeline. In addition, we are currently reviewing grant applications that seek a portion of the \$100 million in stimulus funding intended to help improve dozens of small shipyards around the country.

Transportation accounts for roughly 10 percent of the United States Gross Domestic Product. The investments we make in this sector—and the jobs we protect or create—are enormously important to our economic recovery. To be sure, it is difficult to know the counterfactual. But there are indications that the recovery funds are already having a significant impact on state and local budgets and household budgets. And it is important to bear in mind that the stimulus plans are being implemented over the course of 18 months. As a consequence, the full effect of the recovery will not be felt for many more months. The Government Accountability Office (GAO) recently reported that the recovery funds have helped states avoid major service cuts, tax hikes, and widespread layoffs. As I talk to governors, mayors, state transportation officials, and private contractors on a weekly basis all over the country, there is widespread agreement that without these well-timed Federal investments in infrastructure and state services, we would probably be in much worse shape.

I am proud to say that the Department is showing how the Federal Government can move quickly, effectively, and ethically to invest in good projects and good jobs in every state in the Nation. Even before the Recovery Act was enacted, DOT had developed an implementation strategy to ensure that the agency would be prepared to implement our elements of the legislation as quickly and effectively as possible. We brought together an intermodal team of experts from our policy, legal, financial, and information technology disciplines to work alongside programmatic experts in our operating administrations to anticipate the requirements in the new legislation. This new team—termed the Transportation Investments Generating Economic Recovery, or TIGER, Team—was tasked with coordinating and overseeing the Department's responsibilities and reporting regularly to me on their progress.

The work of the TIGER Team has been instrumental in keeping our implementation on track and I am pleased to report that the efforts of our TIGER Team and many others throughout our Department have enabled the Department to achieve success. To keep the funds flowing and to ensure that accountability and transparency are maintained, our DOT TIGER Team is tasked with a broad range of responsibilities. We have established separate stewardship working groups to coordinate issues such as data reporting, financial management, procurement and grants, job creation, information technology, and accountability. The reporting requirements in the legislation are extraordinary and have required the Department to establish guidance on data and financial reporting to ensure that information provided to the public is accurate and easy to understand. For example, we have posted maps of the United States on DOT's Recovery Act website showing the number of projects by State and the amount of funds that have been obligated. We are constantly working to refine these helpful depictions of the progress being made to fulfill the President's objectives for the Recovery Act.

While implementation of the Recovery Act presents significant management challenges, DOT has taken steps through the TIGER Team to provide effective oversight to ensure that the funds provided by Congress are used efficiently and effectively, and to provide maximum benefit to the public.

For example, DOT has developed a systematic and comprehensive approach to risk assessment and management. The risk management tool developed by DOT was so well regarded by the Office of Management and Budget (OMB) that OMB subsequently adopted the tool for Government-wide use. The tool uses a four-step approach, which is built upon the sound foundation of internal controls assessments:

- Formal assessment of potential programmatic risks;
- Risk profile that categorizes the level of risk;

Risk management and mitigation plan; and
Validation and testing.

DOT has collaborated with other Federal agencies to share risk management best practices and develop a comprehensive standard risk assessment tool. The Department has completed three phases of its Risk Management Plan for all Recovery Act programs and is currently reviewing, validating, and evaluating all of its mitigation efforts. We are continuously updating our risk management efforts to ensure that Recovery Act dollars are effectively spent.

We have also created new business processes that make better use of the work done by both the Office of Inspector General (OIG) and the GAO. Early on, we established an Accountability Executive Board that includes top officials from throughout the Department. This group approached OIG and GAO seeking to better ensure that audit findings are thoroughly considered in our Recovery Act programs. First, we broadened the avenues of communication to make certain we had a clear understanding of their concerns as rapidly as possible. We created new mechanisms, including an Accountability Stewardship Group to bring management and the auditors together frequently for a frank, two-way exchange of information. Together with the Inspector General, I have convened a fraud awareness session broadcast throughout DOT to ensure everyone gets the message that we have zero tolerance for waste or fraud. Simply put, I have asked our people to say something if they see something. The Accountability Executive Board continues working with the auditors to identify new and innovative ways that will better enable DOT to anticipate challenges and incorporate the changes necessary to provide the public with meaningful and effective programmatic results.

To really understand how taxpayers and their communities are benefiting, you need a ground-level perspective. In Pennsylvania, for example, the Recovery Act has boosted the State's fiscal year 2009 highway and bridge construction program by more than half—adding over \$1 billion to the budget. That means more than 200 infrastructure projects are funded today that would not even be on the books otherwise. It also means that thousands of private-sector jobs will be saved or created, lay-offs will be avoided, and that Pennsylvania can count on good jobs for months to come.

Consider this: in April, contractors working in Pennsylvania reported that stimulus funds helped them sustain or create about 130 jobs. By May, the total jumped to over 700 jobs. The job totals this month will be even bigger.

In state after state, we are seeing a meaningful impact on jobs. The Maryland Department of Transportation has recalled all of its laid-off employees back to work. A private contractor in Massachusetts has brought back nearly its entire workforce—more than 300 people.

In Missouri, Texas, Colorado, Georgia and elsewhere, this story is being repeated. I have personally met with workers around the country who would not be getting paid this week without stimulus-funded transportation jobs. And because they are working, they can support their families, pay their bills, and pump some dollars back into their local economy.

While it will take time for the economy to recover, every single job these investments help to protect, every worker who is recalled from a layoff, and every new college graduate who finds that crucial first job counts as a victory.

There have been questions about whether stimulus-funded projects are in the communities that need them most. We have found that half the states have obligated at least half of their recovery highway dollars to economically distressed areas. I have urged the Nation's governors to spend the funds saved from low bids to highway and transit projects in depressed areas, wherever possible.

Our cities are benefiting too—making sweeping upgrades to transit facilities and equipment to help fight congestion, reduce emissions, and improve mobility for millions. Ninety percent of recovery funds for transit go to urban areas—cities large and small. This means that cities like South Bend, Indiana can finally replace a century-old transit center with a new multi-modal complex. Minneapolis-St. Paul, Fort Worth, and scores of other cities now have tens of millions of dollars each to buy clean-fuel buses, build new transit facilities, and make deferred repairs.

I am pleased to note that the Department continues to meet all of its deadlines. From the beginning, the FHWA has moved at rapid speed. On March 3, 2009, President Obama and Vice President Biden joined me at DOT to announce that nearly \$26.7 billion was available to the States for highway investment. Within hours of the President's announcement, states began approving projects—in full compliance with all Federal laws and regulations. Just six weeks after approving the first project, the President and Vice President returned to DOT on April 13 to celebrate the 2000th transportation project approved for funding—rebuilding a \$68 million interchange on I-94 in Portage, Michigan. Construction has now started on this

project, which the State expects will create 900 jobs this summer, increase safety, and reduce congestion along one of Michigan's most important freight corridors.

Under the Recovery Act, 50 percent of the funds apportioned to a State (excluding funds sub-allocated within the State) were required to be obligated under a project agreement before June 30, 2009. I am pleased to report that all States were able to meet the target by the 120-day deadline on June 29, which happened to be the 53rd anniversary of the Interstate system. A similar requirement is included in the Recovery Act for our transit programs. The Recovery Act calls for the obligation of 50 percent of transit formula dollars in specific geographic areas within 180 days of apportionment, which means by September 1, 2009. We are well on our way to meeting that deadline, as well.

I am confident that five years from now, when we look back on the American Recovery and Reinvestment Act, we will recognize that the investments we made in infrastructure, energy conservation, education, and other vital needs marked a turning point. The American people have said loud and clear that they want us to rebuild our crumbling roads and bridges, and build clean and green public transportation systems to help ease traffic congestion. We are putting Americans to work doing just that.

But there is also more to come. The Recovery Act included \$8 billion for a new high speed rail program. President Obama's vision for high-speed rail mirrors that of President Eisenhower, the father of the interstate highway system, which revolutionized the way Americans traveled. Now, high-speed rail has the potential to reduce U.S. dependence on oil, lower harmful carbon emissions, foster new economic development, and give travelers more choices when it comes to moving around the country. The Recovery Act also included a \$1.5 billion discretionary grant program for surface transportation to be administered under my direction. These "TIGER" grants will be awarded on a competitive basis for capital investments in surface transportation infrastructure projects that will have a significant impact on the Nation, a metropolitan area, or a region. In the months ahead, we will also work with Congress to find creative new ways to finance the kinds of transportation systems and services that Americans need and deserve for the 21st century.

In closing, I firmly believe that the American Recovery and Reinvestment Act is working, it is on track, and it will continue to benefit our communities for many, many months. I can tell you that we are making real progress in achieving the goals of the Recovery Act. I have had the privilege of standing along side the President and the Vice President at events marking the arrival of Recovery Act funds in cities throughout America. I have seen first hand the excitement on the faces of newly hired workers who now have a job. These people have families to care for and communities that are counting on them. In turn, they are helping to rebuild and refurbish our transportation infrastructure so we can together keep America moving.

I again want to thank Chairman Spratt and the Members of the Committee for inviting me here today. I will be happy to answer your questions.

Chairman SPRATT. Thank you all. Let me just review the bidding, so to speak. The Recovery Act provided \$787 billion in spending and in tax relief; \$183 billion of that has been obligated as of July 10th, which means 28.8 percent has been obligated—nearly a third, nearly 30 percent. And you gave powerful testimony, each one of you with concrete evidence and anecdotal illustrations. This is a fact that this is working and if it we had not done it, we would be suffering severe consequences, maybe even catastrophic conditions.

But in Main Street America, people are still saying, "I don't see the relief yet, I don't feel it." When can we tell the American people that more benefits and more effects of the Recovery Act are going to be felt and seen and in their daily lives, and their jobs, and in their work and things of this nature? Can you give us any sort of expectation like that, that we can carry back to our constituents?

Secretary SALAZAR. Mr. Chairman, I would say that first of all, we are already seeing the effects on the ground through the illustrations that I and my colleagues have provided. There are already people working who would not otherwise be working if the Congress not taken the action that it took and the President's leader-

ship had not resulted in the stimulus package. So I think the effects are already seen on the ground.

Secondly, the Recovery Act is a program that was supposed to work over time. It was not supposed to essentially be a magic wand that from one day to another would take the economy out of the deep ditch which it had gotten into. The Congress rightfully set forth a longer term program—over 18 months—to get the money out. And so you will see jobs created during that time period, but also into the future. In our own process in the Department of Interior we recognize the contracts that we are letting out will have people employed now and into the future. That is a very positive economic impact of these investments: they will create jobs in the long-term.

The kind of projects that we are investing in are going to create a part of the economic engine for 10, 15, 20 years on down the road. But I think the American people will see the effects over the next couple of years in a very significant way.

Chairman SPRATT. Thank you. Secretary Vilsack?

Secretary VILSACK. Mr. Chairman, I would start by saying that 33 million Americans are today receiving the benefits of increased SNAP payments and food assistance payments. As I indicated in my testimony, a family of four on average will get about \$80 more to be able to spend in a grocery store. And because it generates economic activity by virtue of the fact that about 97 percent of those resources are spent in the first 30 days, it means more grocery items have to be stocked, more have to be trucked, more have to be processed, more product has to be sold in order to be able to process the additional food that is being purchased. So 33 million Americans are getting benefits right now and have been for the last several months.

I would also say that if you spend any time at all in food banks, as I have, you will see that the additional emergency food assistance that the Recovery Act provided is really helping a lot of families have nutritious meals, particularly for America's children. We have, unfortunately, still today in this country, 600,000 of our children who are hungry. These food banks make a big difference in the lives of those youngsters.

Third, I would say that when you are looking at several hundred community facility projects, the projects are for the most part construction projects that are putting people to work. The chances are very good these are local contractors, they are expanding libraries, they are building daycare centers, or they are working on expanding health care facilities in rural communities.

At the same time those activities are taking place, several thousand people are already working today on the forest service projects, and roughly 3,700 folks are employed because of the watershed work that we are doing in the water treatment plants that we are building. In those communities—and there are roughly 40 States impacted by these benefits—in those 40 States when people turn on the tap in many of these communities they will have clean drinking water.

So while there will be time for additional jobs being created as a result of our investments, I think it is important to see this Recovery Act in three components. First, it is allowing people to tran-

sition through tough times. That is why you extend unemployment benefits, that is why you provide tax relief to 95 percent of working families, and that is why you increase SNAP benefits through the Recovery Act.

At the same time, we are doing the work that Americans want done: they want their roads improved, they want bridges to be safe, they want dams to hold the water, and they want to improve their community facilities in rural areas. That is taking place, and it will continue to take place for the next 15 months.

Third, Americans understand that we owe it to our children and grandchildren to build the foundation for a 21st century economy, which is why high-speed rail, the broadband initiative, and the smart grid investments will be made and will build a much stronger, long-term economy for this country. So it will take some time for folks to see unemployment rates drop, but the fact is that the stock market stabilized and credit is a bit more available. The fact that there is a better attitude in terms of the long term I think is a reflection of the some of the work the Recovery Act has done.

Chairman SPRATT. Mr. LaHood, I will add this to your question: Do you think that we undersold the potential of boosting expenditures and highway projects—in particular surface transportation projects? I think there was a request for \$32 billion and the amount that finally came through was \$28 billion—there was some dispute over whether or not the highway money could be put to quick use with shovel-ready projects. Do you think we undersold the potential of the highway investments?

Secretary LAHOOD. Well, Mr. Chairman, the reality is that much of this money is out the door. As I said, I have been to 24 States and 41 cities around the country. And everywhere I go, I see orange cones all over America, and I see thousands of people working, and I talk to these people. All of these people that I talk to, without exception, were on unemployment in January and February and March, and they are working today. They are building roads and they are building bridges, they are building runways and airports. Every airport that I have flown into has taken advantage of the billion dollars that is now out the door, and they are resurfacing runways and resurfacing roads.

Part of the problem for us at DOT is that we said we wanted projects that were ready to go. Well, in order to have the State spend money, the legislature had to—in some instances—appropriate the money for the project, and some legislatures have taken time doing that. Other legislatures had to pass capital budgets: in the instance of Illinois, the governor just signed the match money for some projects under TEA-LU.

Now, there was no match under the Recovery Act. So whatever delays were caused, were caused by the fact that legislatures in some States wanted to have their say on how our money was going to be spent. But there are a lot of projects going on in America. And there is a lot of money out the door—over \$20 billion is out the door—and almost 7,000 projects are funded, and many of them are underway.

I just met with some folks with the Michigan delegation where they don't have the kind of match money that they need for some of these projects under the TEA-LU bill. And we figured out a way

to help them. So in instances where States have had difficulty, we have worked with them, and I believe we have made a difference. I believe that if you look around your districts, and I say this to every member, and you go to these projects, and you talk to people that are working, what they'll tell you is they were on an unemployment roll in January and February. And now they can make their house payment, make their car payment, and put food on the table for their families. That could not have happened without these funds. And I thank Congress for having the courage to pass this kind of opportunity for America. We are putting people to work.

Chairman SPRATT. Thank you very much. Mr. Ryan.

Mr. RYAN. Thank you, Chairman. In Janesville, Wisconsin, which is my hometown and the town I represent, the unemployment rate is 13.2 percent. It is just about at that level in every other county I represent. So we all want to get this right. This is the worst we have seen in most of our lifetimes, so getting the stimulus and getting the recovery right really matters. That is why some of us are concerned that we are not applying the right medicine at the right time to the economy to get jobs growing. That is why we are concerned about the forecast of many economists that we will have a jobless recovery. That is why we are also very concerned that even though the stimulus is starting to possibly—maybe—kick in, right around the corner at the end of next year, massive tax increases are already coming into law. Tax increases on investment capital, tax increases on workers, tax increases on small business.

And now we have a proposal that we may voting on next week that is going to put even more tax increases on small businesses bringing tax rate up above 50 percent. And so, we think that the fiscal policy coming out of Congress just, candidly, is the wrong fiscal policy.

A week ago, I went over to the Bureau of Public Debt. Now Mrs. Lummis and I did this. And we spent about 5 minutes watching smart employees at the Treasury Department in a room with a bunch of flat screen TVs, sipping coffee, borrowing \$40 billion in about 4 minutes. And we are doing this every day at the Treasury Department. And we are being told by economists, by bond traders, there will come a day where we can't keep borrowing all this money. There is going to come a day where we will not be able to fill a bond sale or there is going to come a day where our financiers—48 percent of whom are foreign governments, namely China and Japan—they aren't going to do it. And so doing this on all this borrowed money has its limitation. And so that is a real concern that we have on this side of the aisle. Given that we were led to believe that this would cap our unemployment at 8 percent, now we are at 9.5 and going to 10, we are worried that this is not working.

I just have a quick question for each of the three of you. Secretary Salazar, one of the areas where we think we can get shovel-ready projects, where we think we can get good jobs, and one of the concerns we have with the Federal Reserve and what it's doing is we are fueling another commodity bubble. That means we are going to have higher oil and gas prices around the corner just like we had a year ago, which will dampen economic activity. We have

got trillions of cubic feet of natural gas and billions of barrels of oil on our country, under our own grounds, most of which are Federal lands. Will the administration—whether it is the intermountain region for gas and oil, outer continental shelf or Alaska—will the administration this year lift the moratorium on this drilling and accelerate and move toward increasing the leasing so we can drill for oil and gas in our own country, create all those jobs, and try and reduce not only our dependency on foreign oil, but keep prices low?

Secretary SALAZAR. Thank you very much, Ranking Member Ryan. Let me first say on your comment with respect to the debt issue, the fact of the matter is this is a challenge which was inherited by President Obama and this Congress.

Mr. RYAN. Absolutely.

Secretary SALAZAR. You were here at the time and you remember the conversations about the mountain of debt that was being created as Medicare Part D was passed and other actions that were taken that created this mountain of debt.

Mr. RYAN. If you bring that up, Mr. Secretary, I will simply add we just passed a budget resolution, the President's budget resolution that triples that debt in the next 10 years.

Secretary SALAZAR. And I will just say to all of you here, I think it is an opportunity for this Nation to come together and address the fiscal reality that we have to face, because it has been ignored for far too long. And as you heard from the President as he was in Ohio yesterday and other places, he is focused on making sure that we have accountability and that we address the fiscal challenge, including the huge deficits that have been built up. So it is something that is very much on the mind of the President and on the mind of the administration.

With respect to your question on energy, we are working and have been working hard on the comprehensive energy plan. We don't believe there is a one-way highway to energy independence in America. I think that one-way highway has proven to be a wrong highway. And the consequence of that has made America vulnerable to the dangers of over-dependence on foreign oil: to the dangers of pollution to our children, and has threatened the economy of our country because of the fact that we export so many dollars to bring in oil from places like the Middle East and other places. So what we have been doing is working as a team, people like Secretary LaHood and Vilsack and the whole host of us in the government, to develop the President's vision for a comprehensive energy plan. And you will see in that, Congressman Ryan, that there have been production components of what we are doing. We continue to lease vast swaths of land, over 1.5 million acres of land on BLM, for oil and gas production. We have held leases in the Gulf of Mexico, over a million acres have been leased, and we continue to look at opportunities for development.

So we will have a comprehensive plan that includes our conventional resources, but also at the same time charts a new beginning with renewable energy that really addresses the new energy frontier that ultimately will address these long term systemic challenges.

Mr. RYAN. I want to be kind with time. Just real quick again, on the remaining moratorium, the lands that are prohibited, will the administration in this comprehensive energy plan work to lift the moratoriums on those current lands that are now prohibited from drilling?

Secretary SALAZAR. We are looking very comprehensively at the Outer Continental Shelf and areas that are under existing moratoria and those areas where the moratoria was lifted. And under the plan that we have in place we have provided until September 20th for public comment on places that are appropriate for drilling and for exploration and for those that are not.

Mr. RYAN. Haven't decided yet basically, is that a have-not-decided-yet answer?

Secretary SALAZAR. The answer is that there are places where the debate has been a very theoretical and hypothetical debate in large part because we don't have the information to make decisions; for example, off the Atlantic. And so we are being thoughtful as we move forward, and the time that we have taken through September 20th will help us make sure that we are drilling in the right places.

Mr. RYAN. Okay, so stay tuned, you are saying?

Secretary SALAZAR. Stay tuned.

Mr. RYAN. Secretary Vilsack, you come from Iowa, I come from southern Wisconsin. We have similar agricultural economies, so I feel like you can relate to the kind of economy we have agriculturally. The administration had what I thought was a very good proposal in its budget to phase out direct payments from farmers with gross sales over \$500,000. That would produce \$9.7 billion in savings over 10 years. Mr. Blumenauer and I here on the Budget Committee tried to pass that amendment, but we failed to do that in the budget resolution. I encourage you to continue advancing these things because we have to find savings. What is the administration's proposal to continue on this? And have you had other success in other committees such as the Agriculture Committee?

Secretary VILSACK. Representative Ryan, we are working very hard with the Treasury Department to try to make sure that we first and foremost ensure that the payments that are to be received are received by those who are entitled to them. As you probably know, there were anecdotal reports of people who were not farmers receiving payments. We are working with the IRS and we hope to be able to ensure and verify that people receiving payments are in fact entitled to them, and we think there will be savings there.

We are in the process of taking a look at a number of other ways in which there could potentially be savings. This year is the year in which we will be discussing crop insurance and the deal that we have with insurance companies. We think that that deal needs to be examined and looked at so that taxpayers receive a fair shake and so that farmers receive a fair shake. So there are opportunities there as well.

So we are continuing to look for ways in which we can do a better job of shepherding the taxpayer money. The President challenged his departments to begin that process with \$100 million challenge. I can tell you that at USDA, just in our Department alone, we can meet about a third of that challenge in just the first

60 days in terms of resources that we are saving and resources that we are not spending as had been planned.

Mr. RYAN. I know we are mid farm bill, but the proposal was made mid farm bill to cap direct payments over 500,000 AGI. I just want to get clear, because I support this, I think you are going in the right direction. Are you going to be advancing the proposal in the next budget submission?

Secretary VILSACK. There have been criticisms about the format and we are going to continue to work with folks to look for ways in which we can ensure the assistance and the safety net that farmers rely on and depend on, and clearly we have seen a substantial need for it this year. You mentioned your State of Wisconsin—I was in Wisconsin recently and as you well know there is a serious problem with dairy farmers in this State.

Mr. RYAN. Yep.

Secretary VILSACK. And we have been actually spending a great deal of time trying to figure out how to help and assist them. I would ask you, since we are sort of neighbors, you might be helpful to us in terms of being able to respond to those kinds of crises if you gave us a little more flexibility in terms of section 32.

Mr. RYAN. Good point.

Secretary VILSACK. If you didn't direct quite as much of it and gave us a little more flexibility, we might be able to have responded even more effectively than we have.

Mr. RYAN. That's a good suggestion. Ray—Secretary LaHood. I am comforted you are in this job, because I know you are a man of great integrity who is going to watch how we spend our dollars wisely in transportation. I support the highway program and it is important to our State. The Highway Trust Fund was intended to be user financed and that was the original idea. And I think most people support that concept. But it is broken and needs to be fixed. Last year we transferred \$8 billion from the general funds to patch last year's shortfall. We provided \$27 billion in stimulus funds to the general fund. Now the Highway Trust Fund needs another \$20 billion.

We have two seasons in Wisconsin, winter and road construction season. So timing of these fixes really actually matters. So what is the administration's proposal to fix this problem, what is the timing in your mind, and do you support general fund financing of the highway program?

Secretary LAHOOD. Well, we have put forth a proposal to the leadership to extend the current highway bill for 18 months, which we believe would cost \$20 billion. And we have told Congress that we would find the money and pay for it. So we are not for the idea of just taking money from the general fund and lopping it over into the Highway Trust Fund. We think we should pay for it.

The Senate has passed that extension. There are three committees of jurisdiction in the Senate, and all three of those committees have passed that. We are looking now to the House to do the same thing.

We think the idea that Congress could pass a very comprehensive, robust transportation bill by the time this one expires is just not possible. You all know it is not possible to do it by September 30th. So rather than doing these 3-month or 6-month or whatever

extensions and just kind of leading people along here that we are going to get somewhere, we think an 18-month extension gives us a chance to work with all of you on a very robust bill that helps us find the resources. Not only use the Highway Trust Fund, which is deficient—I wouldn't call it broke, it is deficient, though. Because people are driving less, they are driving more fuel-efficient cars and so not as much money is going into the trust fund. And we have offered some sort of "think outside the box" ways of paying for our roads and bridges, including tolling, including the infrastructure bank, including public-private partnerships, and some other mechanisms for using the Highway Trust Fund. Our idea, which we think is a good one, is giving us an 18-month extension, we will find the \$20 billion to plug it—we are not going to transfer money from one fund into another to do it. And that gets us to the opportunity really to work with all of you on a very good comprehensive transportation bill.

Mr. RYAN. All right, thank you.

Chairman SPRATT. We have a vote on as you can see, and I am going to miss the first vote just so we can keep going, but the second vote we will recess so that we can go vote and cast four votes, I believe. I understand, Mr. Salazar, you may need to leave by 11:30, and if so, we appreciate you coming. If our other two witnesses could stay with us until we return, we will make available some office space to you so you can make use of the time. We thank you very much and those of you who been in Congress understand the situation, I am sure.

Now Mr. Doggett.

Mr. DOGGETT. Thank you, Mr. Chairman, and thanks to each of you. You have had about 6 months to clean up a great mess that took years to accumulate. And some of those who have had little to say about this economic Recovery Act but varying forms of the phrase "no, never" are ironically now complaining both that we are spending too much money in Washington, but we are not spending it fast enough. I think that you and your employees could stand at the front door with shovels, I guess, and shovel out government money as fast as you could. And when you listen to some of these taped cable shows, people are given the impression that is exactly what you are doing. That, of course, would be outrageous.

And I salute you for your efforts to see that we not only speed economic recovery, but we do it in a way where we are accountable to the taxpayers. I want to encourage you to continue spending that money as quickly as you prudently can, but spending it as if every one of those dollars was coming out of your personal wallet. I think if we do that, we will get economic recovery and we'll be responsible to the taxpayer.

Secretary Vilsack, I want to talk with you about what is the near-crisis situation we have in central Texas. I have farmers and ranchers in a number of counties there that are suffering from what is almost 2 feet low in the amount of rainfall. It is a very serious drought. I just had communication while we were here in the hearing from Judge Ronnie McDonald in Bastrop talking about the widespread and serious injury and damage to farmers and ranchers in his county. I know the same is true in Caldwell, in Gonzales, and Fayette and Lavaca counties. Day after day where the only ques-

tion is whether the temperature will be hot or hotter in 100-degree-plus weather just 1 day after another. In Colorado County, some of our rice fields are about to dry up because of such a shortage of water. It is estimated that already across the State of Texas, we have over \$3 billion of agricultural losses. It was to anticipate problems of this nature which could strike Iowa or Texas or Arizona or any other part of the country that we enacted the provisions of the Farm Bill last year. And I would just ask you to recognize how urgent the problem is in central Texas and to tell us a little bit under the SURE program, under livestock forage program, when our farmers and ranchers can expect relief and what form it will take.

Secretary VILSACK. Representative, we are certainly acutely aware of the situation in Texas. We have received correspondence from your office and from the office of a number of Members of Congress, as well as the Governor. A number of counties, I suspect, I don't know, but a number of counties that you mentioned probably already have been declared disaster areas.

Mr. DOGGETT. They have been.

Secretary VILSACK. By virtue of what action the President has taken and by virtue of the action that I have taken, I will tell you that we just recently concluded the rule-making process on the livestock indemnity program that is available for livestock operators who have been devastated by disaster. And I know that payments were actually beginning to be made from that program immediately after the rules were promulgated.

Mr. DOGGETT. So a rancher who has a livestock forage loss, as just about everyone in my area does, they can go now through their local farm service agency and make an application and begin to receive payments?

Secretary VILSACK. There are a number of different livestock and disaster programs. The forage program still in the process of rule making. We anticipate that being concluded this summer. And so opportunities will be available under that specific program as it relates to forage, most likely this fall, but if they fit within the LIP program they can begin making application today.

As it relates to the SURE program, which is a more general disaster relief program that Congress saw fit to create in the Farm Bill, we were somewhat pushed back on our timetable because of steps taken within the Recovery Act that altered the calculations that would have to be made. We anticipate the rules being completed on SURE this fall. The calculations and data that will be required in order to calculate payments will be available this fall and we anticipate later this year, the first part of next year payments being made under SURE.

Mr. DOGGETT. I believe that under livestock compensation program, previously you got 1 month of feed losses, now you will get 3 months based on the price of corn, which I believe has been rising. Does that mean that farmers and ranchers who are eligible under that program can expect to get as much as 3 times what they would have gotten previously?

Secretary VILSACK. Well, I think they can expect to hopefully get what they need to basically transition to better times so that they can stay in business. Our goal with these disaster programs is to keep people in business, not to force them out. I might also add

that to the extent that those farmers may have a direct operating loan with the Farm Service Administration we have asked our farm service administrators throughout the country to take a very close look at refinancing possibilities, extending payment periods of time. This is particularly true for dairy farmers as well, taking a look at interest rates that could be reduced, payments that could be reduced or deferred in an effort to try to make sure we are providing as much assistance and help as we possibly can.

Finally, we are continuing to encourage our institutional purchasers of commodities and goods to continue looking at areas where there are problems to see if we can boost the market rates a little bit to help those who are struggling.

Mr. DOGGETT. Thank you so much for your leadership. We do have really a crisis situation, and I hope you will be spurring along all of your employees to try to address it.

Chairman SPRATT. Mr. Nunes.

Mr. NUNES. Thank you, Mr. Chairman. Mr. LaHood, it is always a pleasure to see you. Congratulations on your new post. Mr. Vilsack, congratulations to you also and I want to thank the work that you are doing with Chairman Peterson to help out the Nation's dairy industry, and I appreciate the comments you have already made on that. And Mr. Salazar, great to see you again.

I want to draw your attention to the slide up here, this is the State that you guys would all recognize as the State of California. And as you are probably aware, there is a government imposed drought that has been occurring here where we have lost 40,000 jobs. This is an area the size of the State of Rhode Island that out of production, either been abandoned fallowed. The unemployment in this area is close to 20 percent with some enclaves as high as 40 percent or even higher.

Mr. Salazar, you visited this area on April 15th to tour the economic devastation. And on your visit you announced \$260 million in stimulus funds. And I will quote from your press release, "To mitigate the effects of the devastating drought that California is currently experiencing." Mr. Secretary, we have talked about this before, but there is not a drought in California. We have had 95 percent of average rainfall. What we have is a man-made government-imposed drought because of the Endangered Species Act as you are well aware.

Mr. NUNES. But you did take some action, and you provided Recovery Act funding.

And I would like to draw your attention to the next slide. As you can see on the monitor, the X's mark where the stimulus funds went to, and you can see that those X's are nowhere close to where the 40,000 jobs have been lost. After this was sprinkled over Northern California for environmental purposes, the crisis got worse in the San Joaquin Valley.

And, Mr. Salazar, you returned June 28 to hold a town hall with the victims of this manmade catastrophe.

I would like to show you the next slide.

You issued another \$130 million in stimulus funds, and according to your testimony today, the funds were for water-reuse projects with the goal to help alleviate some of the devastation in the region. You can see that where the X's are, that we still have

no stimulus money. In full disclosure, your press release also included \$20 million for small water infrastructure projects and \$40 million in drought relief. They are not reflected on this map because we don't know where the money went to.

Mr. Secretary, in your testimony, you said, "Over the next 18 months, we will begin approximately \$1.8 billion in work, creating at least 19,000 jobs."

Mr. Salazar, it doesn't take stimulus money to put 40,000 people back to work. As you know, all we have to do is get these pumps on and get water back to the San Joaquin Valley. It is free. It doesn't take a dime. So I would ask one question of you; simply, you know the situation with the biological opinion. So I am going to ask a very specific question. And that is, do you plan at this time to conduct a reconsult on the Delta smelt biological opinion that will put folks back to work?

Secretary SALAZAR. Congressman Nunes, first let me say, I appreciate your passion and your desire to address this issue which is causing a lot of pain in Central Valley in California.

I am fully aware of it. I have been in the area twice, including with Governor Schwarzenegger in a meeting that we had with you and other Members of the Congress in Fresno.

There really are two things that we have to do. First, we have to take some short-term action, including dealing with some of the projects that you and others here have suggested, and we are trying to move those forward as expeditiously as we can.

And, secondly, we have to look at the long-term issue in California relative to water supply. We have a system which was built for 18 million people, and actually California now has over 30 million people. And we have the kind of challenges there that really requires us to take a systemic view of the water supply and the other demands that are creating the major problem that we are encountering.

With respect to the Recovery Act dollars going into California, if Governor Schwarzenegger would not want to take these monies, he might have that option, although I think it would be in the best people of California. We have \$220 million for California—

Mr. NUNES. Mr. Salazar, I apologize, but I have to interrupt because I know your time is limited, and we have to go.

But Mr. Vilsack, I just want to ask one simple question to you. You are a farm guy from a farm State. Is it possible to grow crops in Iowa without water?

You know the answer is no. I want to yield my remaining time to Mrs. Lummis who has a question for you, Mr. Salazar.

Mrs. LUMMIS. Thank you, Mr. Nunes.

Mr. Salazar, one quick question on behalf of the Natural Resources Committee Republicans. We haven't seen you yet in front of that committee, and we would love to have you come and visit with us about how stimulus money is being spent and other issues. Can you tell me today whether you would be willing to come and testify in front of the Natural Resources Committee?

Secretary SALAZAR. The answer to that is yes.

And I would be remiss if I didn't say that I have worked closely with Chairman Rahall and will continue to work closely with him.

And if he were to request of me to come before the committee, I would be honored to do so.

Mrs. LUMMIS. Thank you very much.

I thank the gentleman for yielding. And I also want to add my concern about the situation in the San Joaquin Valley. There are rare, and I do mean rare, circumstances where the Endangered Species Act should not be allowed to destroy people's lives, destroy them. And that is happening in the San Joaquin Valley.

I am a person who has a State that is very impacted by the Endangered Species Act, including wolves and humpback chubs and other species. But nothing we are experiencing in Wyoming is as bad as what I see in the San Joaquin Valley.

And I do agree with Mr. Nunes that there have to be alternatives to this manmade drought in the San Joaquin Valley.

I thank you for your time, Secretary Salazar.

I will be back after we vote, Mr. Vilsack and Mr. LaHood, to ask you questions as well.

And I want to thank all three of you very much for appearing before the committee today.

Secretary SALAZAR. Thank you.

May I, Mr. Chairman, just respond for purposes of the record?

Mr. MCGOVERN [presiding]. Absolutely.

Secretary SALAZAR. Mrs. Lummis, both you and Congressman Nunes put the label on this as a manmade drought.

I beg to differ. We have been seeing very significant changes in water supply in California, including changes in precipitation and timing of precipitation. So this is an issue which has been going on for several years, and it has gotten worse over time. We are all hands on deck trying to figure out a solution to the problem.

But at the end of the day, as I have said to Mr. Nunes on several occasions, we need to figure out a way of moving forward together. And, frankly, labeling in terms of "manmade drought versus reality" is, frankly, not helpful to us. We have got to come together because there are a lot of people who are suffering in the San Joaquin Valley, as you say.

Mrs. LUMMIS. Mr. Chairman, I will pass your comments on to Mr. Nunes. And I thank you very much for being here.

Secretary SALAZAR. Thank you.

Mr. MCGOVERN. I have a couple of quick questions before we recess for these votes. I am going to take advantage of the fact that I got put in the Chair. As a Representative from Massachusetts, I have seen the stimulus work. I have seen what the Reinvestment and Recovery Act has done. We are seeing more infrastructure projects being created and being built.

And in my home City of Worcester, for example, I will give you just one example. The recovery money that has come for education alone has prevented the layoffs of over 500 teachers and support staff. Now, you don't get any credit for averting a disaster, but the bottom line is that my City of Worcester, Massachusetts, would have been devastated if that recovery money had not come. And of all the cities and towns I represent, the same thing is true.

What would have been the impact if you fired and laid off 500 teachers and support staff in the second largest city of Massachu-

setts? You would have had larger class sizes. The quality of our education would have suffered. It would have been a disaster.

The same for our law enforcement, our parks, and so many other things. So, I think maybe there is a problem with messaging here or maybe we are not crowing enough about the fact that some things are actually happening. But I think people need to understand that, without this stimulus package—and I think Secretary LaHood put it very clearly—you would have a lot more people unemployed and the state of the economy would be much worse.

I just have two quick questions, one first for Secretary Vilsack. As Chairman Spratt made clear at the beginning of this hearing, the economy was broken when President Obama took office, and it has taken an enormous toll on jobs and families. And because so many family circumstances have taken a turn for the worse, many more now qualify for Federal benefits like unemployment insurance, food stamps, and school meals. We have seen the numbers of people participating in the food stamp program climbing. In April of this year, 34 million people were on food stamps. That includes one in four children in the United States, a 20 percent climb over last year.

Now, I would think that this means millions more children are now eligible for free or reduced-price school meals but we haven't seen a rapid growth in those programs. Since all children on food stamps automatically qualify for reduced-price or free school meals, I would have expected to see an increase. And I wonder if the many families who are new to receiving unemployment benefits or food stamps might not be aware that their kids are also eligible for free or reduced-price school meals.

So my question is, can you tell me what steps the administration is taking to educate parents who may be recently unemployed or new applicants to food stamps about the free and reduced-price school meals program? And is there going to be an outreach campaign in the coming year to make sure that all eligible children are enrolled? And since we expect unemployment to continue to rise, how is the USDA working with States and with schools every month in an ongoing way to make sure that we reach newly eligible children with this benefit?

I raise this question because, my two sisters are school teachers, and sometimes kids come to school and they don't eat. You can't learn with a hungry stomach. And so I am curious to have an answer to that question.

But let me ask my other question to Secretary LaHood and then we can recess here. It is great to see you back, and we miss you in Congress. We miss your civility in particular.

But, Mr. Secretary, as you know the Commuter Benefits Equity Act was included in the Recovery Act, and the provision increased the monthly limit of transportation fringe benefits to \$230, making it on par with the parking benefit for the next 2 years. This helps get people out of their cars and into mass transit, provides families with much-needed relief in their commuting costs, and gives local companies a new benefit as a recruiting tool.

So as we continue to invest heavily in rail and public transportation, and this stimulus package does provide that, do you think the Commuter Benefit Equity Act should be made permanent?

And, do you have any other ideas to provide incentives to workers and employers to increase their use of public transit?

Secretary VILSACK. Thank you, Mr. Chairman.

The USDA is working with States and local communities and school districts as well as advocacy groups to make sure that the message does indeed get out about the opportunities that these programs can provide for families.

I will tell you that one of the most important recent changes we have made in the school nutrition programs is to have a direct certification process. As families apply for or qualify for TANF, they ultimately qualify their children for free and reduced-price lunch. We are making sure that that word gets out and that school districts do a good job of providing information on the direct certification program. We are mandating or requiring schools to provide applications for these programs for children when school begins. Many schools, in fact most schools, probably have a parent kit. Within that parent kit will be information relative to the school nutrition programs as well as other assistance programs.

This February we issued guidance to schools to develop strategies, including simplifying the process for allowing families to sign up, rapid action on benefit applications, conducting direct certification, as I indicated, and aggressively encouraging them to focus on outreach efforts.

Additionally, we are working to make sure that people are aware of these programs during the summer. As you know, there are summer feeding programs. We are continuing to figure out ways and strategies for expanding those opportunities. And we can assure you that we are also using every technology tool available. Our Web site promotes this. We are developing products and programs for schools, online tool kits that make it easy for them to develop programs for outreach. So all of this is being done.

Mr. MCGOVERN. I appreciate that.

Mr. LAHOOD.

Secretary LAHOOD. First, Mr. McGovern, let me say nobody in the Congress has provided the leadership you have on hunger and the anti-hunger and the coalition that you cochair. You have done an extraordinary job in highlighting it every day that you are here. And I know of your deep interest in that because I served with you on that coalition. So thank you for continuing your leadership and being very vigilant about it.

At our department, people think that I have a lot of power, but most everything that gets decided has to be run up 14 flagpoles before it can be decided.

I like the idea of the commuter benefit equity program because it gets people out of cars. It certainly works in cities like Washington, D.C., and other cities. If it was up to me—it is a good program, and we are going to do all we can to work with you and others in the Congress to promote it as a program that goes to everything we talk about in terms of livability and creating opportunities for people other than just an automobile.

Mr. MCGOVERN. I appreciate that. And your answer is good enough for me. I have always found it somewhat strange that we all talk about the need to try to get more people to utilize public transportation, and yet we provide more incentives for people to

drive to work than we do to take public transportation. I appreciate your answers. I appreciate you all being here.

Without objection, the committee will stand in recess subject to the call of the chair when these votes are over. Thank you.

[Recess.]

Chairman SPRATT [presiding]. I next recognize Mr. Garrett of New Jersey.

Mr. GARRETT. Just a couple questions actually. There were articles, as I am sure you are aware, in the Washington Post a short time back, and it talks about that a Republican proposal to halt spending on the Federal stimulus has prompted a partisan dustup. It refers to Senator Kyl, who called President Obama's economic plan ineffective. And following that, apparently several letters were written from the administration to the State Governor, and one apparently came from you.

And in it, as far as I know, you can correct me if I am wrong on this, it says to the Governor: If you prefer to forfeit the money we are making available to the State, please let us know.

Is that correct? And why would you pick his one State to send that letter to?

Secretary LAHOOD. It is correct that I did send a letter to the Governor. The money from our economic recovery portion is going to the States. It is not going through Congress. It goes to State DOTs.

Mr. GARRETT. So why did you pick his State? And why wouldn't you send it to all the States, saying that one Senator doesn't want this spent, so we are going to ask all the Senators? Was this just done because you were trying to make some political hay out of this situation? Why just pick one State?

Secretary LAHOOD. Well, because Senator Kyl, who is a friend of mine, was on national television on a Sunday talking show saying that he thought that the money didn't need to be spent, if they couldn't spend the money, then maybe we should send the money back to Washington. I just wanted to double check with the person who was in charge of the money.

Senator Kyl is not in charge of the money, Congressman; the Governor is. And I wanted to be sure that the Governor was not in the same line of thinking as Senator Kyl. And the reason I did it was—

Mr. GARRETT. Well, let me ask you a question.

Secretary LAHOOD. Let me finish. I want to answer your question.

Mr. GARRETT. It is my time.

Secretary LAHOOD. Well, it is your time. Do you want me to answer your question or not?

Mr. GARRETT. I will ask the questions, and I will look for your answers.

Secretary LAHOOD. I haven't answered the one yet.

Mr. GARRETT. Well, why did you just—did he say that he did not want the money going to his State?

Secretary LAHOOD. He did. That is exactly—if you go back and look at the transcript of that program, what he said was that we should send this money back, it is not being spent. And I wanted

to check with the person who is responsible for spending the money, the Governor. That is why I sent the letter.

Mr. GARRETT. So he only wanted it just spent from his State and not any other State.

Secretary LAHOOD. He was talking about Arizona.

Mr. GARRETT. When he was saying the money is being used ineffectively? He is not talking about the entire—regardless of whether he is talking about his State or all the States, is it appropriate for a Cabinet Secretary to contact the Governor of that State to request whether the money should come back? Could you see, if you were sitting on the other side, if you were still wearing your hat as a Congressman or a Senator, that you could see that as a veiled threat from the administration? Would you consider that if you were still a Member of Congress?

Secretary LAHOOD. Not at all.

Mr. GARRETT. You wouldn't think that?

Secretary LAHOOD. Not at all.

Mr. GARRETT. Should I have any concerns that I even raise this that I would get a letter sent to Governor Corzine of New Jersey saying, well, the Congressman voted against the stimulus and so, therefore, we are wondering whether you want to receive the money?

Secretary LAHOOD. Congressman, the letter was not sent because of anybody's vote. It was sent because of a statement that was made on national television about maybe we should send the money back. And I wanted to check with the elected official in the State that has responsibility. It had nothing to do with anybody's vote.

And, by the way, I have worked very closely with Governor Corzine and, as a result, your State, Congressman, has received millions of dollars for projects that are putting people to work who are working today that were on unemployment in January or February. Your Governor has been a real leader in this, by the way.

Mr. GARRETT. And so if I make a statement that there is legislation out there right now that suggests that the rest of the money that has not already been spent should go back to Treasury; so if I go out publicly and support that legislation, have not voted on it because I probably won't vote—or anybody else who supports that type of legislation, make public statements—would that lead anybody from the Cabinet—

Secretary LAHOOD. Congressman, we don't base our decisions on how people vote.

Mr. GARRETT. You do base them by public statements, apparently, though.

Secretary LAHOOD. I wanted to check to make sure that Arizona wanted to spend the money. And, by the way, the next day, we allocated over \$20 million for their transit program.

Mr. GARRETT. Did anyone else in the administration or outside the administration encourage you to write that letter?

Secretary LAHOOD. I don't need any encouragement to write letters to Governors, Congressman.

Mr. GARRETT. Did anyone inside or outside the administration contact you or encourage you to write that letter?

Secretary LAHOOD. I don't need any encouragement from anybody to write letters, Congressman. My job is to work with Governors.

Mr. GARRETT. Just answer that question. Did anyone else inside or outside the administration encourage you to write that letter?

Secretary LAHOOD. Congressman, my responsibility is to work with Governors—

Mr. GARRETT. Answer the question.

Secretary LAHOOD. Let me answer it.

Mr. GARRETT. It is a yes or no. Did anyone in or outside the administration encourage you to write that letter?

Secretary LAHOOD. I don't need any encouragement.

Mr. GARRETT. Can you answer the question, whether you need the encouragement or not—

Secretary LAHOOD. I don't need any encouragement.

Mr. GARRETT. Can you answer the question?

Secretary LAHOOD. That is my answer.

Mr. GARRETT. Mr. Chairman, would the witness please answer the question? Did anyone inside or outside the administration encourage you to write that letter? Whether you need the encouragement or not, did anyone encourage you to write that letter?

Secretary LAHOOD. No.

Mr. GARRETT. Did anyone talk to you about writing that letter?

Secretary LAHOOD. No.

Mr. GARRETT. It was all entirely your decision?

Secretary LAHOOD. Congressman—do you want me to answer, or do you want to go on? My answer is, we work with Governors all the time. That is our job. They are responsible. And so we wanted to contact the Governor of Arizona because of what the senior Senator or the junior Senator from Arizona had said on television.

Mr. GARRETT. Thank you, Mr. Secretary.

Chairman SPRATT. Mrs. Tsongas.

Ms. TSONGAS. Thank you for your testimony and for your hard work to help our economy recover and get our country back on track.

We have heard today and will continue to hear claims here and in the press that the Recovery Act has failed. And while we are not specifically discussing the education funding included in the Recovery Act, I did reach out across my district and wanted to share with you some quotes from school superintendents, because I think they reveal how critical this funding has been and will continue to be.

The superintendent of the Lowell School District, which is the largest city that I represent, told us, "Thank goodness for the stimulus, and thank goodness for stimulus money next year. Without it, we would have had to cut 120 teachers." 120 teachers represent roughly 10 percent of their teaching staff.

In Groton Dunstable, a much smaller community, we heard, "Without the stimulus funding, we would have had to let eight teachers go. With the funding, we were able to keep them."

And in Chelmsford, a mid-sized suburb, "We were able to replace outdated textbooks, replace some science equipment, train staff, and retain 14 teachers."

These communities and many others I have heard from have had to make real sacrifices and have suffered deep cuts. And while these numbers are not large in and of themselves given the tremendous loss in jobs, you can imagine how important they are to each community and how, when multiplied across the country, what a difference it has made in saving jobs and preserving education for our young people.

Furthermore, for those individuals who have lost their jobs, in my district the communities of Lowell, again, and Methuen, have unemployment in the double digits; while in Lawrence, a mid-sized city, unemployment is over 17 percent, almost twice the national average. And unemployment compensation, food stamps, and the other forms of nutrition assistance funds included in the Recovery Act have been a crucial lifeline.

And I thank you, Secretary Vilsack, for your work in getting that funding out.

But I have a slightly different question. When we passed the Recovery Act, we committed to closely monitor the use of funds to deter waste, fraud, and abuse. Very important, and we in Massachusetts have learned the hard lesson with the Big Dig of not closely monitoring how we spend public funds.

As a result, the Recovery Act has been one of the most transparent spending bills passed by Congress. But, unfortunately, one side effect of that is that the administrative burden required to get recovery funds out quickly is very high on local communities and agencies. In fact, I have communities who don't even have grant writers.

What is each of you doing to help overcome this burden, to help smaller communities and organizations access these funds and help get the money out quickly and efficiently to them as well?

Secretary VILSACK. Representative, I might focus on broadband for just a second because I think that is a good example in response to your question.

As you know, USDA and the Commerce Department received appropriations for broadband. Rather than having two separate applications and creating confusion and more difficulty for communities or for the private sector to apply for those resources, we worked with the Commerce Department to put out a single notice of funds availability, and we worked with the Commerce Department to have a single web-based application process on broadband.USA. We won't even ask the folks to determine whether they want to apply for the USDA or their Commerce Department money. We will do this by zip code and by virtue of the information that we have. We will make sure it gets funneled to the right department. This is one way of trying to get resources to people as quickly as possible and to have them be able to apply as easily as possible.

We are also very committed to transparency. We at USDA created a geospatial map of the country. You can click on every State. You can find out precisely what USDA has been doing and what HUD has been doing and other departments are joining as well. So, over time, you will have a single U.S. map that will allow you to have a sense of all of the projects and where they are located.

Ms. TSONGAS. Thank you.

Secretary LAHOOD. If you don't mind, Mr. Chairman, if I can just respond, because I just want you to know that, in those areas where people don't have the ability to have grant writers or—some of these areas have access to metropolitan planning groups who do have grant writers who can help the communities. But in the event there is a community that doesn't have anybody, maybe what we could do is try and be helpful to them and reach out to them through our offices, and put them in touch with people that can be helpful.

I would think that some of these metropolitan planning organizations would have people that could reach out to them, and we have relationships with them also. So maybe what we should do is get the names of some of these folks and see if we can be helpful in identifying people that can help them jump through the bureaucratic hoops to access some of these dollars.

Ms. TSONGAS. Well, we have been a resource to them, and they have worked with planning agencies. But I was just on the floor of the House today talking to a Member from Arizona who was saying that in communities who are very isolated, they really suffer in many ways, but one is that they just don't have the capacity to stay on top of it. And it is obviously our role as Members of Congress to do everything we can for our communities. But I think it is important that you hear it and be aware of it from your point of view.

Secretary LAHOOD. Good point. Thank you.

Chairman SPRATT. Mrs. Lummis.

Mrs. LUMMIS. Thank you, Mr. Chairman.

Secretary Vilsack, thank you to coming to the Ag Committee earlier this year on several occasions. It was great to have your testimony there.

That said, I do have a bone to pick with you about Forest Service stimulus funds.

As you know, the U.S. Forest Service has so far distributed nearly \$940 million, or over 80 percent of its total stimulus dollars. Of the portion of that spending that has gone to the Rocky Mountain region, an almost unnoticeable amount has reached our National Forests in Wyoming. The media has asserted that Wyoming may be getting punished as our congressional delegation all voted against the stimulus bill.

I am willing to assume that your Department is more above-board than that, but can you please explain to me and to my constituents the disparity between Forest Service stimulus dollars in Wyoming compared to our neighboring States?

Secretary VILSACK. Congresswoman, I would be happy to do that. But I should tell you that, as you probably know, we are in the process of continuing to make decisions about Forest Service projects. And while this is not public, I can tell you that I am fairly confident, based on what we have planned, that there will be about \$6.5 million going to Wyoming in this next allocation.

And the reason why we haven't gotten to Wyoming until now is the selection criteria was based on the unemployment circumstances and the conditions of the State. And so we ranked programs and projects based on the capacity to try to help folks get through difficult times.

Your State, because of the good leadership that it has with Governor Freudenthal and others, obviously did not have the unemployment rate quite as high as other States, and so we went through the process of making sure we got the money to the States that were most in need. So but money is coming, as has been the case with all of the other programs that I talked about earlier. Wyoming, as I look at this, received close to \$50 million in other stimulus money.

Mrs. LUMMIS. Mr. Chairman, I would like to point out that, right now, Utah, which has received \$12 million in Forest monies, has a lower unemployment rate than Wyoming. We have more forests, and we have an enormous problem with bark beetles. They are projected to destroy between 90 and 100 percent of the lodge pole pine in southern Wyoming, Northern Colorado by 2012. So we are in a desperate situation with regard to bark beetles.

And our unemployment rate now exceeds that of Utah, which has received \$12 million.

I am, however, encouraged to hear that we will be receiving \$6.5 million. Can you tell me when that will occur?

Secretary VILSACK. I think it is in the process of being reviewed by either my staff or OMB, so it should be relatively shortly. I should also indicate to you that there were other criteria in addition to unemployment: the risk of forest fire; the capacity to create and retain sustainable jobs; the capacity to use wood-to-energy or biomass projects; the opportunity and capacity to create jobs that would contribute to greener operations, recreation sites, roads, trails, and other facilities. In other words, there were 2,700 projects that were submitted to us. We did our best to try to rank them based on a variety of criteria.

I can reassure you that there was absolutely no determination relative to votes. Until you told me that you voted against the stimulus, I had no idea that that was your vote. And, frankly, in terms of my job, I don't care.

My job is to make sure that these resources are used to create jobs, to help people transition from bad times to better times, and create that 21st century economy. And we are very focused on doing that job.

Mrs. LUMMIS. Thank you, Mr. Vilsack. I appreciate that, because our press has been suggesting that our votes may have had something to do with the fact that Wyoming had not received the funds. I am pleased to hear they are coming.

Briefly, Secretary LaHood, I would just like to make a comment. Because Wyoming has 29 people per lane-mile and the national average is 128, Wyoming's per capita contribution to the highway fund is \$314, where the national average contribution is it only \$109.

And I want to tell you, I am grateful for the stimulus funds we have received for highways in Wyoming. That has been an area where we are pleased. But in terms of the long-term trust fund issues, I just wanted to suggest to you that because of our small population and huge amounts of highways, tremendously important economic and transportation corridors, and the fact that our small population puts a higher burden per lane-mile than other States, that as you are coming up with a long-term resolution to the High-

way Trust Fund issues, we hope you will take that into consideration.

And I want to thank you for being here, and I want to thank you, Mr. Chairman, for holding this hearing.

Secretary LAHOOD. Mr. Chairman, let me just say in response to the Congresswoman, I know this Highway Trust Fund formula is an issue for many, many Members. It was during the time that I served, and it continues to be.

I have talked to both of your Senators from Wyoming about this. And I think you will be in a good position, along with your Senators, to really work on this as we work through how to really make the formula fair.

I know how important these roads are to States like Wyoming. I really do. I mean, they are the lifeline for economic development and opportunities, and so we will work with you on that.

Mrs. LUMMIS. I will look forward to it. Thank you so much.

Mr. Chairman, thanks a lot for holding this hearing.

Chairman SPRATT. And, Mr. Secretary, you can include me in South Carolina among those who would like to see a new formula.

Mr. Yarmuth from Kentucky.

Mr. YARMUTH. Thank you, Mr. Chairman.

Secretaries, thank you very much for being here, and thank you for all you have done. I guess you have redefined the term "hit the ground running." And while you are both experts in your respective fields, I know that you didn't count on having to jump into this level of activity and this level of response. And I know the public officials of my State in Kentucky, both parties, are very grateful for the assistance and cooperation we have gotten from you.

I particularly am impressed by the evidence that you have provided today about the job creation and the economic stimulus that has taken place. There is a lot of cognitive dissonance out there right now. And the other day, we sat and listened as 130 of our Republican colleagues were on the floor repeating the mantra: where are the jobs, where are the jobs, where are the jobs.

And you have vividly demonstrated to us today where the jobs are. I would like to add one example of that. It didn't come from either of your Departments. But directly as a result of energy stimulus funds, General Electric's appliance park in Louisville, which is the head of their Consumer Products Division, has announced that they are bringing back 400 jobs from China to manufacture a revolutionary energy-saving water heater in our district. It would not have happened without the recovery funds that we provided.

And one other point I would like to make about this, and Mr. Garrett talked about possible legislation to rescind part of the stimulus funds or recall them back or change it in some way, and Mr. Ryan also referenced all these mythical tax increases that are going to occur. We never hear much from the other side about the tax cuts that were in the Recovery Act package, \$288 billion. 95 percent of American families are receiving about \$80 a month, which basically pays for their gasoline, for most people. And I wonder if our colleagues on the other side would want to rescind that part of the package.

And so I will ask a question eventually. I think Secretary Salazar referred to this, that these jobs are not only jobs for this period,

but they provide sustaining economic benefit. And my question to both of you is, is there any way we could have spent the nontax-cut portion of the stimulus money in a way that would not only create jobs but that would have more effectively created the jobs and provided sustained economic benefit for the country?

Secretary LAHOOD. Well, I don't know of another way. I think when you look at what the President was talking about during the campaign, he continued to talk about the idea that the quickest way to get people to work is to rebuild the infrastructure in America. And it is no secret around here or anywhere in America that a lot of our infrastructure had been ignored for a long time. There just weren't enough resources. Every State was either going broke or didn't have the money. And I think we have proven at DOT—if you just look at the airport money, \$1 billion is out the door. It is spent. And as I said, I have been to 24 States in 41 cities. Every city that I fly into, there is a runway either being resurfaced, rebuilt, or lengthened. That could not have happened.

And there are people out there working. You go out on the highways—and these are real people. These are people that were on unemployment, that didn't know whether they were going to have a paycheck by June or July. And now they do. I mean, this is real results. And it could not have been done any quicker or any better.

And, you know, Congress put some tough deadlines on us, and we have met them, thanks to the professional people at DOT, and our relationships with airport officials, with highway DOT secretaries, with transit officials. We have over \$3 billion out the door now so people can buy buses. There is a company up in St. Cloud, Minnesota, called New Flier Bus Company. They put on a third shift because of all the bus orders they have received from transit districts that are now ordering buses as a result of the stimulus money. There are people building buses. And so we see it working all over the country. We really do.

Mr. YARMUTH. Secretary Vilsack, I know you talked about the 33 million families having increased assistance through the SNAP program and so forth and the economic spin-off of that: 1.84 times the economic benefit. How does that preserve jobs as well?

Secretary VILSACK. Well, if you think about what happens with these SNAP payments, they get placed on electronic benefit cards. It gives families of four on the average about \$80 more a month; 97 percent of that \$80 is spent in 30 days. So if you want to talk about putting money to work quickly, there is no better, no quicker way to do it than the food assistance program.

Now, that family goes into the grocery store and purchases additional items, which means that grocery store has to stock additional items to replace the ones that have been sold. That means that they are able to maintain their workforce, and it puts a little more money into the grocery store's bottom line. So, perhaps in distressed areas, in areas where we are concerned about food deserts, grocery stores can make it.

I was at a ShopRite yesterday in Philadelphia that just got started during the toughest economic times, and they are making money in large part because of that \$80 a month for a family of four. And I will tell you, this is a company that employs 2,700 people.

Because there has to be more stocked, it means there has to be more trucked. That puts trucks on the road. It gives people the opportunity to continue transporting goods. If more has to be trucked, that means more has to be processed. If more has to be processed, that means people have to continue working to process that food and to produce it, to can it, to freeze it, to whatever. That means that more has to be purchased, and that ultimately helps those who are farmers and ranchers, who are just extraordinary individuals, because they have the capacity to create not just enough food for us but also enough food for many, many millions of people around the world.

So it is a process that basically cascades through the economy and does it quickly. It is sort of like an IV bolus of Lidocaine if your heart is standing still, that food assistance is getting your heart pumping again.

Mr. YARMUTH. Thank you very much for that. And, again, thank you for your service to the country.

Chairman SPRATT. Mr. Schrader.

Mr. SCHRADER. Thank you, Mr. Chair.

I appreciate both of you being here. You are doing wonderful work, and this country needs it in the most impressive way. Someone at the hearing here had talked about meager benefits of the recovery program. And when I look at the Department of Transportation's results, as of today looking at the Aviation Administration, Secretary, you have talked about the billion dollars that is out there, 347 projects, with tons of jobs for Americans. The Highway Administration already has 5,700 some odd jobs in all 50 States, with 64 percent of the funds already out the door. I look at the rail division and another \$1 billion worth of Amtrak grants, which is very big in my part of the country, quite frankly.

I just think this seems to me to be a little bit more than meager results. And I am very impressed with how the Department of Transportation has put that out there. I appreciate you coming to Oregon in particular. And I can speak personally that the jobs that are created in my county, the innovation with the American street car that is being born, if you will, in my State, puts us on a competitive basis that we have never had before. It is an innovation that would never have occurred, I don't think, without this recovery package.

If you could comment just briefly on how you are able to meet these deadlines. There also has been a lot of talk about how government can't do anything right, it is always screwed up, it is totally inefficient. I mean, based on the lack of fraud you have testified to and the deadlines that you seem to be meeting, I think you are doing a heck of a job. Could you comment on that?

Secretary LAHOOD. Thank you, Congressman. I appreciate that.

And I appreciate the chance to come to your beautiful State. And I have told people many, many times as I was riding in a vehicle to the event where we inaugurated the street car, I saw I would say between 50 and 100 people riding their bikes to work. I mean, you are the model for liveable communities. You are the model for what I think people around the country would like to replicate. And you have been way ahead of the curve on so many things. So we

have had great fun in your State and great opportunities to meet very, very innovative people.

The way that we have been able to meet all the deadlines, beat all the deadlines—not only meet them but beat them—was because of the extraordinary professional people we have at DOT. I mean, they have been waiting for a long time for this kind of opportunity. They love their work. They love to help people build roads and runways and create opportunities for jobs.

All of this is done by the professional people at DOT. They have done the work. They deserve the credit for getting the money out the door and beating the timeframes Congress gave us. And, again, I want to repeat this: no earmarks, no boondoggles, no sweetheart deals. If you look on recovery.gov, what you will see is where the money is being spent, how many jobs it saves state by State. This was really established by the White House. The President stated it: Get it right. Spend the money correctly. This is a lot of money.

And our people have done it, and we are grateful to them for carrying out what the President's vision is for transportation. And we are going to be doing it on high-speed rail. We are going to be doing it with our discretionary grants. People are working very hard to make sure that's is all done correctly, too.

Mr. SCHRADER. Thank you.

Secretary Vilsack, like Ms. Lummis, I appreciate your coming before the Ag Committee and all the hard work you are doing, especially since you are having trouble getting people appointed to actually do the work. You guys are doing yeoman's labors, I think, in the Department.

If you could comment, again, I am just impressed with the fact that a lot of the projects you are doing are coming in 20 and 30 percent under budget. How are you able to do that? That sounds like excellent work. I wish even private industry could get that advantage sometimes.

Secretary VILSACK. Well, thank you for the opportunity to talk about the hardworking folks at USDA. One of the things we have attempted to do is try to partner with local governments and State governments to try to streamline the process. We have encouraged our folks to take a look at ways in which applications can be simplified and reduced without sacrificing quality of evaluation. We have had people work long hours. Oftentimes it is not appreciated; this is not a 9-to-5 job at USDA. We say we are every way, every day, USDA. And that means we are working all the time around the clock.

Because we have 3,000 offices between our Rural Development Offices and our Farm Service Agency Offices, we've got people working overtime in all of those offices at the ground level trying to help people understand these programs and be able to apply for them. And so, through partnerships, through process improvement, we have been able to get the work done. We are very pleased with the progress. We are going to continue to push forward.

The fact that we have got 43,000 people, 43,000 families to have the opportunity to have home ownership in rural communities means a lot to me, because our rural communities have suffered from depopulation. And being able to have young families be able to purchase homes is a very meaningful thing for rural America.

So I am pleased with the progress so far. We have a lot of work yet to do.

Mr. SCHRADER. Thank you, Mr. Secretary.

It is working well in Oregon, farm loans, and the trade adjustment assistance is making a big difference in my State.

Chairman SPRATT. Mr. Etheridge.

Mr. ETHERIDGE. Thank you, Mr. Chairman.

Let me thank each of you for coming, and join the others for thanking you for your service.

I have run an agency before I got here, and it is not easy, because everybody else thinks they can do a better job than you can and they don't have to do it on a day-to-day basis. So thank you. And I mean that sincerely.

Let me just share a couple things and then ask you a question, because North Carolina is one of those unique States. When the unemployment comes, they are very seldom get hit. Unfortunately, this time we are the fourth highest State in the Nation in terms of job loss in the last 12 months. The unemployment rate now is over 11 percent statewide, and I have got counties in my district approaching 15 percent.

That being said, let me also turn to one other point, and talk about funds. The administration, through just your two offices and Education has announced \$2.3 billion; has made available \$1.5 billion. Department of Agriculture has announced \$26 million, made available \$98 million—I think that number may be off a bit since the \$98 million is more than the announced. But be that as it may, things are happening. DOT: \$844 million announced, \$416 million already made available.

The only thing I would say to you, Secretary LaHood, all we need to do is give you more resources so we can get it done. And count me on that group, because I really think for some of these projects, we can put a lot more people to work. The reason for that is our State and most States are suffering from a bad situation of shortage of funds. So if it had not been for these funds, they would be in deep mud. We are one of the few States yet to adopt a budget. They sent one to the Governor yesterday, almost \$1 billion, and that wasn't enough.

Secretary Vilsack, you understand that. Now they have got to go back and do it again and have more money to make things meet. So let me thank you for your help and what you are doing.

And, Mr. Secretary, let me ask you a question. Because I have visited a number of our emergency food assistance programs and shelters and food banks, and there are a lot of vulnerable Americans out there. We made money available in this fund as well as in the regular fund. I would appreciate your comment on the resources that have thus far been distributed and what impact they have had, and are there more in the pipeline? Simply because of increasing unemployment, more people now are turning to food banks and other help just to be able to sustain where they are.

The second question for you. I am sorry that this is all agriculture. We are in a situation where, in North Carolina, we have probably the most diverse agriculture or at least one of the most diverse in the country, as you well know. And our pork and poultry operations are suffering big time. Exports are a major part of it.

As they change operations through the economic times, I would like you to comment on direct loans in the Recovery Act: how many of those loans have been made so far, and are there more loans in the pipeline?

We have a number of farmers in my district, and in our State, but they are really spread across about 10 States. As a result of the economic downturn, a lot of these corporate contractors have pulled those contracts. And you have been trying to help us, I will go ahead and say that out front because we need to do something to get it resolved. They pulled the contracts. These guys are sitting there, and we are a State who doesn't protect all the homestead. Their homes are obligated, all the land and the livestock. And I think it will come back. But over the next 18 months, for those who can't get it refinanced, they could lose everything they have got and be out of business. And that is devastating to some of these communities, because they tend to be in groups.

And I would hope that we can continue to work with your office to find a way to give them a bridge over the next 18 months, even if it is nothing more than interest, so they can get back to where this recovery comes and save them. And I would appreciate your comments on the food banks and on the overall aspect.

Secretary VILSACK. Representative, as you indicated, you have seen directly the benefit of the Recovery Act on the capacity of food banks to meet ever-increasing needs. I am sure you have seen the stacks and stacks of food products and many of them wholesome foods. I have seen chicken and pork. I have been to food banks where people have said, "thank you for the stimulus money; otherwise, we would not be able to provide hundreds of thousands of additional meals for families who are struggling."

We have essentially announced most, if not all, of the emergency food assistance money that the stimulus provided for. There may be just a little left, but for the most part, it has been distributed. We tried to get this out as quickly as we possibly could on a State-by-State basis and put it to work as quickly as possible for two reasons: One, because there is the need; and, two, because more product being purchased obviously helps those poultry farmers and the pork farmers and all the farmers in the country.

And we are certainly aware of the stress that your poultry farmers have undergone and the pork farmers in your State, keenly aware. One of the reasons we have done that is that we have been able to use some of the powers that you have given us to purchase more product. We have been able to encourage our institutional purchasers to think about purchasing more pork and poultry. We have instructed the Farm Service Agencies and offices—in fact, we just recently sent a letter out to all of the direct loan borrowers asking them, if they are having difficulty, to consider going into the Farm Service Office and instructing the Farm Service folks to look for ways in which those loans can be restructured, refinanced, redone so that interest rates are reduced, so that payments are deferred, so that principal is reduced, if that is appropriate, in an effort to try to keep folks on the farm.

Now, we have also sent a similar letter to the commercial banks that have been working with us through our guaranteed loan program, encouraging them to do the same, because it is in their long-

term best interest to keep that customer on the farm. So we have also suggested the capacity of loans where collateral has been provided that has to be sold, that the collateral when it is sold, instead of the money going to us or to the bank, it is allowed to be used for essentials for farm families or to be able to put a crop in or to be able to survive and transition.

As it relates to the operating loans, we put into place 2,636 direct operating loans; 1,081 of them to beginning farmers; 600 of them to socially disadvantaged farmers. That used up all of the resources under the stimulus proposal. We obviously have our own appropriation, and it was recently supplemented. And we are in the process of getting those loans out the door as quickly as we possibly can to as many farmers as we can help as we can possibly can.

So, as it relates to direct operating loans, there is still supplemental money available.

Mr. ETHERIDGE. Thank you.

Thank you, Mr. Chairman, because that is an indication of a tremendous need out there. Thank you.

Chairman SPRATT. Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman.

Welcome, Mr. Secretaries. Thank you for your service to our country. It must be very difficult to inherit major departments of our government at a time of exceptional economic need and try to keep your staffs motivated and all pulling in the same direction. I really admire you both for the work that you are doing. Thank you very much.

I represent one of the 10 most economically challenged communities of over 250,000 people in the country. I also have an unusual district in that it is both industrial and agricultural. The unemployment rates in the agricultural regions are now over 18 percent, and in the major city I represent a minimum of 15.4 percent.

I wanted to ask Secretary Vilsack, I don't know if you have traveled through Cleveland, Toledo and Detroit, all along Lake Erie we have a series of communities in deep economic distress related to the washout in the automotive, steel and machine tool industries. I vote for all the programs—for food stamps and now renamed SNAP and so forth. And we appreciate the emergency assistance. But I would strongly encourage you, and we just met with Secretary Solis this morning, to look at the WIA and the TANF programs as well as your own authorities to think about the following: in communities like ours, around the Great Lakes we can grow our own food and we can harvest what is likely to be plowed under this fall. We need that food.

We have food banks where the increase has gone up anywhere 50 to 100 percent. We have volunteers serving food who are worn out. We have to find a way to supplement the emergency food efforts going on in our region and we can put some of the unemployed to work helping us. It would literally lift spirits in regions like ours where a pall has set over the community because of the continuing washout in jobs.

I understand you have hired someone there over at your department, Roberta Jeanquart, who came from the RC&D. You couldn't have a better person. She comes from the Midwest and has enor-

mous experience. We need somebody over there to think out of the box on how to meet the rising food needs.

I had a call last year from one of our companies saying Marcy, can you use 400 acres of cabbage? I said, yeah, how am I going to get it picked? So I called Silver Queen and I called the Ohio Farm Bureau, they helped us get trucks up there one weekend. But we can process, we can pick, we can grow in new vertical systems that we have put up. But we need USDA pulling with us, not fragmented. And one of the programs I want to mention to you is under the 2008 farm bill, section 6015, which is the Rural Business Cooperative Loan Program, we authorized over \$3 billion dollars for RBS. And to date not a single penny has been spent.

And that program can you directed to help the underserved. And we would very much like to see that program's muscle used, as well as the other Federal agencies in helping us glean what we can, not waste one piece of fruit, one vegetable this year, to process that. And I think if we work across the government we can get it done.

Would you be willing to work with us in Ohio and in Michigan looking at your broad authorities in order to do that?

Secretary VILSACK. Representative, absolutely. And I would tell you that we have been working on a program within USDA which is indeed thinking outside the box, which will be entitled Know Your Farmer, Know Your Food. The purpose of it is to try to directly link local production with local consumption, and not just farmers' markets but institutional consumers.

Now when you do that, in fact, I was in Philadelphia yesterday visiting with folks about this program that they have in Philadelphia. What you do is you have to take a look at the entire supply chain and you have to figure out how you can create sufficient quantities and be able to store it, process it, truck it and distribute it. We are and will be using our resources to create that supply chain to better link production with consumption. It is one of the wealth-creation strategies that we will be adopting as part of a new rural development initiative within the department. We wanted to make sure we had the structure right before we began committing resources.

Ms. KAPTUR. Well, Mr. Secretary, please look inside the urban areas where we have so many hungry people. We have them out in the rural areas as well. We were just talking to members from Arizona and South Carolina about that. And I would urge you to invite the members to USDA who represent communities with over 15 percent unemployment now, in both urban and rural America. There is a discrete number of those. We have thoughts about what we need in our areas and how to link them to the unemployment programs and the TANF programs across the government. It isn't just your jurisdiction, but this food need is truly severe and the helpers are wearing out.

I know my time is expired, Mr. Chairman. Let me just say on the Emerald Ash Borer Remediation Program, we are going to lose 10 percent of the tree cover in our area. We have been trying to work with the USDA, Department of the Interior, Department of Labor to hire people from the ranks of the unemployed. It has been almost impossible to try to get these big massive departments to work together to create jobs through the tree replanting programs.

We would like to draw that to your attention and hopefully get a better response out of the Agency.

Secretary VILSACK. I would be happy to take a look at that. I will tell you that we have not been a team for very long, but I think Secretary LaHood would probably agree with this, we are working across lines. We are not trying to work in our individual silos. There have been constant meetings with other cabinet secretaries to try to coordinate. That is one of the reasons on the Recovery Act we are working with other departments to provide the transparency that the President and the Congress wanted. We are going to continue to try to break down those barriers, because we recognize we can leverage resources more effectively when we do.

Ms. KAPTUR. Thank you. Thank you, Mr. Chairman.

Chairman SPRATT. Ms. DeLauro.

Ms. DELAURO. I want to say thank you to the Secretaries for being here. It is wonderful to see you both. I just want to stay to Secretary LaHood, we miss you on the subcommittee.

Secretary LAHOOD. Thank you.

Ms. DELAURO. It is great to see you here today. I am going to try to talk fast, Mr. Chairman, and get in a couple of questions to each of the Secretaries. Secretary LaHood, this is about the recovery program and maintenance of efforts that the governors have to certify to about not cutting their own transportation investment efforts.

In our State of Connecticut, the governor has made such a certification. The first question is, have all the governors made that commitment? What is the Department doing to make sure that States are maintaining their own investment plans? And second to that, again with Connecticut, \$440 million made available, \$262 million has been obligated, \$71,000 to date has been outlaid. And is it accurate to look at outlays as a measure of economic activity or should we view outlays as a lagging indicator here?

Secretary LAHOOD. Well, I think the maintenance of effort has been a problem and we are working with the States, but every State is required by law to meet it. We are holding people's feet to the fire, but we are working with them, because we know it is somewhat of a problem, but it is required by law. We talk about this every week when we talk about our recovery activities and we are working with folks.

We can check off the boxes, we can approve projects and then the States have to hire contractors and then the money begins to flow. A lot of money is beginning to flow now, because we have checked a lot of boxes. A lot of projects have been approved. The States have to award the contracts and then people really begin working.

Look, we know the unemployment figures are the lagging indicator. The reflection of unemployment a couple of months ago is what will be reflected in the figures. And we think unemployment has come down in the building trades, people that build roads, and bridges, and runways and buses and all of that, but it probably won't be reflected for a couple more months.

Ms. DELAURO. Thank you very much. I tried to explain it in a nanosecond, honestly for this institution in 4 weeks to pass the size of the effort that we did.

Secretary LAHOOD. Right.

Ms. DELAURO. Now you get newspapers and editorials saying, well, where is the Federal Government? The Federal Government has been there.

Secretary LAHOOD. Right, right, right.

Ms. DELAURO. I will submit some questions for the record—

Secretary LAHOOD. Okay.

Ms. DELAURO [continuing]. That have to do with the Federal highway authority requirement.

Secretary LAHOOD. Yes, we will answer them.

Ms. DELAURO. Secretary Vilsack, I appreciated your comments to Congressman Yarmuth in walking through how that \$1 triggers \$1.83, if you will, in economic activity. Quite frankly, there's real excitement about the opportunity and what kind of a stimulative effect food stamps and food assistance can be, whether it is food stamps or emergency food aid.

Let me ask a couple of questions related here. We also provided some additional administrative funds to address the rising demand for food stamps. Can you give us a sense of some of the ways in which States are spending those funds? And secondly, with regard to the emergency food assistance program, you talked about the States, how is that being distributed in the States? Is it competitive? Is it formula? What is the story on that and how are those funds being spent?

Secretary VILSACK. I must admit I am a little confused here, because I usually refer to you as Madam Chair.

Ms. DELAURO. No, no.

Secretary VILSACK. But I guess I can't do that here.

Representative, as it relates to your first question, the administrative expense money is going to States. As you know, States are very, very significantly strapped. As a former governor, what you generally do when you are faced with that is you take a look first and foremost at your State employment base. You try to determine whether or not there is any way that you can ride out the storm through retirements, not filling vacancies. The problem with that is that the work that was otherwise to be done by those individuals is not being done and you have to push it aside. In times of crisis the last thing you want to do is to reduce the workforce in your Department of Human Services or whatever it is called in the various States.

To the extent that we provided additional administrative money, States are using those resources to do two things. One is to maintain staff, and two is to make sure that they have adequate technology to properly fund and properly keep track of these resources.

Absent those monies, what you would probably see are delays in the distribution of those resources, glitches in the technology, families who are applying, not getting permission as quickly as possible, the emergency food assistance not being given out as quickly as possible and families would have been suffering. And we would have lost the stimulus effect of 97 percent of those monies being spent in the first 30 days. I must admit that I have lost your second question.

Ms. DELAURO. It was about TFAB.

Ms. SCHWARTZ. If the gentlewoman would yield, for just a moment.

Ms. DELAURO. I would be happy to.

Ms. SCHWARTZ. I just want to say I have to run for a conference call, but I would be happy to yield you my 5 minutes. I would be happy to do that, Congresswoman DeLauro has been very kind to me over the years. I just wanted to thank both of the Secretaries very much, they both have been in Philadelphia, of course, Secretary, just as recent as yesterday. I am sorry I couldn't be with you, we were here. But I can say for Pennsylvania's 13th congressional district, for Philadelphia and southeastern Pennsylvania, the resources and support you have provided—Secretary LaHood, we stood at the airport—those are very significant dollars, significant projects that are really helping us. We would love to see more, we would love to see more people back to work, but we look forward to working with you. And I would be happy to yield the remaining minutes I have to Congresswoman DeLauro.

Ms. DELAURO. I thank the gentlelady. It is much appreciated. I will not take the full 5 minutes. I know you have been here a long time this morning and I want to be cognizant of the chairman.

Secretary VILSACK. The TFAB monies were distributed based on a formula of each State receiving an amount. Connecticut, for example, received in TFAB administrative money \$221,000 and about \$884,000 of additional resources. The use of those monies has been predominantly to allow for transportation and storage of resources and the purchase of additional commodities.

I can tell you, as I said earlier, I have been in a number of these food banks and it is amazing. They actually have segregated the stimulus purchases from the regular purchases, and it is remarkable how much food has been purchased from stimulus dollars. And then they will turn to you and they will say, "this is feeding and providing hundreds of thousands of meals, hundreds of thousands of meals." And then you see folks who have never had to have assistance before, never have had assistance before, who are going to food banks. And thankfully, there are volunteers and there are people concerned about this who are manning those food banks and volunteering. I know I, as part of the President's United We Serve, I did some volunteer time at one of the food banks sorting some of the cans that were donated. It is a remarkable reaction by a very gracious and compassionate Nation.

Ms. DELAURO. You say it beautifully. I read a quote of a man who had a job, lost his job, a professional job. And his quote was, "I never felt so humiliated. I felt like a lowlife, but I had to go to the food bank because it was the only way I was going to be able to feed my kids."

First of all, we should never make anyone feel that way about struggling with real challenges in their life and having to reach their hand out for a need. But it is remarkable the role that these food banks are playing in today's difficult economy and making sure that people have food on their plate for themselves and for their kids. Let me just say a big thank you to the two of you for your commitment, but also for your own personal vision and compassion for what is happening in our country today, we are grateful.

Chairman SPRATT. Thank you.

Ms. DELAURO. Thank you, Mr. Chairman.

Chairman SPRATT. Thank you, Ms. DeLauro, Secretary Vilsack and Secretary LaHood, I know the demands upon your time are enormous this time of year.

Mr. RYAN. May I interrupt? Chairman, may I ask unanimous consent to submit a question for the record for the three Secretaries for some technical issues?

Chairman SPRATT. By all means, all members including the ranking member.

Mr. RYAN. Thank you.

Chairman SPRATT. Will have 7 days without objection to submit questions for the record.

Once again, I know the demands upon your time are enormous, but it speaks volumes for your commitment and this administration's commitment to turning this economy around, for you to come and give us these forthright, clear, credible answers. I think we leave here believing that the Recovery Act is working and will continue to work by design and it will help pull us out the worst slump since the 1930s. Thank you very much, indeed, for your contribution.

[Whereupon, at 12:40 p.m., the committee was adjourned.]

