Congress of the United States Washington, DC 20515

February 9, 2012

The Honorable John Boehner Speaker of the House of Representatives H-232, The Capitol U.S. House of Representatives Washington, DC 20515

The Honorable Nancy Pelosi House Minority Leader H-204 U.S. Capitol U.S. House of Representatives Washington, DC 20515

The Honorable David Camp 341 Cannon House Office Building U.S. House of Representatives Washington. DC 20515 The Honorable Harry Reid Senate Majority Leader S-221, The Capitol U.S. Senate Washington, DC 20515

The Honorable Mitch McConnell Senate Minority Leader S-321, The Capitol U.S. Senate Washington, DC 20515

The Honorable Max Baucus 511 Hart Senate Office Building U.S. Senate Washington, DC 20510

Dear House and Senate Leaders and Payroll Tax Cut Conference Committee Chairs,

While our economy is showing signs of recovery with the addition of 243,000 jobs in January 2012 and the reduction of the unemployment rate to 8.3%, over 12 million Americans remain unemployed. The long-term unemployment rate – the share of unemployed workers who have been unemployed for 27 weeks or longer – has been over 40% throughout the entirety of 2010 and 2011. This is an unprecedented level of long-term unemployment; the previous peak, in June 1983, was just 26%.

Unemployment benefits are a proven lifeline to families that they rely on to help pay for necessities such as rent, groceries, and utilities. Expansions to the unemployment insurance program enacted in the Recovery Act and subsequent legislation in 2009 and 2010 kept over 3 million Americans out of poverty in 2010, including over 900,000 children.

As the Conference Committee on H.R. 3630 negotiates legislation extending the payroll tax cut, we urge you to include language that will maintain current levels of federal unemployment benefits for American workers. The need to preserve federal unemployment benefits is amplified by unprecedented cuts to both the amount and duration of unemployment benefits made by a number of states.

We also have serious concerns about proposals that divert unemployment funds from direct recipients or that subject recipients to drug testing and education requirements which create barriers for our nation's unemployed. We encourage conferees to ensure that states use their unemployment funds, as they have historically done, to compensate recipients and not for any other purpose, and reject efforts to create new barriers for eligible individuals seeking unemployment benefits.

Additionally, even with a "clean" extension of current federal programs, many states will soon lose access to the Extended Benefits (EB) program, which provides up to 20 weeks of the current maximum 73 weeks of federal unemployment benefits. Eligibility for EB is determined by the unemployment rate in a state compared to the rate in the same state three years prior. Unfortunately, due to the unprecedentedly prolonged high rates of unemployment, many states will lose access to EB despite historically high levels of joblessness and need for unemployment benefits. There are a number of ways to remedy this problem: the three year "look back" provision can be extended to four years, the "look back" can be temporarily suspended, or the current Emergency Unemployment Compensation program can be expanded to address the reduction in EB.

While there are a number of legislative solutions, the fact remains that reducing federal unemployment benefits would plunge hundreds of thousands of Americans into poverty and jeopardize our nation's economic recovery. Congress has never allowed a temporary, emergency unemployment benefits program such as EB to expire when the unemployment rate was higher than 7.2%. With 5 million American workers relying on these benefits to make ends meet as our nation's economic recovery takes hold, now is not the time to roll back this critical lifeline. We urge you to come together and put forward a conference report that will ensure that current levels of unemployment benefits remain available to American workers when they need it most.

Sincerely,

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