

# Center for American Progress Action Fund



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## MEMO

**To: Interested Parties**  
**From: John D. Podesta, President and CEO, Center for American Progress Action Fund**  
**Date: November 28, 2006**

**Re: First 100 Days' Policy Agenda**

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Turnover elections traditionally bring with them both new hope and great expectations. With their votes, the American people have asked for change in Washington, tired of the partisanship and paralysis of the past. When elections are about change, the electorate, not surprisingly, actually expects change to occur.

The American people expect action and results. According to a post-election *USA Today* poll, approximately half of respondents said they expected the president and the Congress would cooperate with each other in the coming year.

While it received little attention in the media coverage of the 2006 campaign, the Congressional Democrats put forward a specific policy agenda that begins to implement real change to address our security failures and alleviate the economic pressures on the middle class and least fortunate. The House Democrats' 100-hour agenda provides the right start for the 110<sup>th</sup> Congress, and should pass with bipartisan support. Congress cannot credibly set out to address the nation's problems until it fixes its own, and the ethics and pay-as-you-go reforms will go a long way to restoring faith in government. Among its other important agenda items: raising the minimum wage, giving government the tools it needs to lower prescription drug prices for our nation's seniors, replacing tax breaks for polluting oil companies with clean energy technologies, lowering the cost of college, and promoting stem cell research. These are critically needed fixes that will go a long way to securing the trust of the American people in Congress' ability to work for them and hopefully begin to build a better working relationship between Democrats, Republicans, and the president that can bring effective new policies to our governing.

This past election, Americans asked Washington to stop ignoring our country's problems and get about the business of solving them. Progressives have an opportunity to show that their governing philosophy addresses real people's concerns. The righted ship of Congress should leave Americans feeling that progressives have delivered change that clearly opens the doors of opportunity to a growing middle class, reawakens our conscience, and commits us to the common good, reforms government, and restores the image of the US as a nation of both strength and a force for progress.

The Center for American Progress Action Fund offers our recommendation for new ideas and policies that the 110th Congress should take on and enact before the August recess, after the first 100 hours. In the weeks and months after those first hours, Congress will have an opportunity to demonstrate progress on fixing the problems Americans face. Indeed, we argue that instead of following the traditional Congressional course of an initial burst of activity followed by weeks and months of less action, the Congressional leadership can show the American people it continues to work to meet their needs by continually passing legislation in the spring and summer.

**While restoring order and accountability to the day-to-day business of the Congress is essential, a sense of urgency needs to become palpable in order to meet expectations set by the midterm elections. Internal and external deadlines with committees should be set on key deliverables. Doors should be opened to include the minority party in an unprecedented fashion. And recognizing the Senate may take longer to work its will than the House, the Senate leadership can continually promote the progressive agenda issues by pushing proposals onto the floor.**

The proposals that follow are concrete policy changes that Congress could pass in those months to demonstrate that progress is at the core of a progressive philosophy. By continually moving new proposals through the legislative process, the Congress can also dominate news coverage and communicate its intention to hold equal sway with the president on the domestic and foreign policy agendas of the country.

These policies would address aspects of the most pressing of our nation's problems—Iraq and national security, energy security, economic policy, health care, education, and the environment. We urge and underscore the need for dialogue across the aisle in addressing these issues, and especially in developing a plan for a swift and successful conclusion to the US presence in Iraq. The American people are looking for bipartisan agreement on that plan.

The opportunity voters have given progressives to lead cannot be overstated, just as the midterm election results cannot be over read. We have been given the chance to prove that our ideas and policies can help solve the nation's problems, but we also shoulder the responsibility to repair the damage our union has sustained at the hands of radical conservative ideologies. It is an opportunity that should not be wasted.

## **National Security**

The war in Iraq has gone on longer than the United States' involvement in World War II. The significant strain on the ground forces and our military equipment caused by this war has diminished our strength and harmed our ability to respond to other threats in the world. Moreover, the diversion of resources to this has detrimentally affected our ability to combat terrorist networks; indeed, the Iraq war has emboldened the terrorists. At the same time, our government has mishandled billions of dollars in spending in Iraq and the need for oversight in this area is patent. Most significant of all, America's moral authority in the world—which is the ultimate source of our power and the foundation of successful leadership—has been severely diminished.

Every two years Americans participate in the only poll that counts and on November 7 voters sent the clear message that it is time to change the course in Iraq—and fast. President Bush took a welcome, if late, first step in discharging Secretary Rumsfeld. It is now essential that the president work in concert with the new Congress to develop a new approach, forge a genuine consensus, and produce tangible results for the American people. Collaboration is required to respond to the urgency and to lead the nation toward a successful conclusion to the war in Iraq. Therefore, the Center recommends that the Congress immediately act on the following priorities:

- 1. Regain control in Iraq and reduce the threat from global terrorist networks.** The number one priority of the new Congress is to forge a consensus for achieving a successful conclusion to the war in Iraq in order to increase stability in Iraq and the Middle East, restore the strength of the U.S. military, and most importantly, free up our resources to bolster U.S. efforts to address the real threat: terrorist networks around the world. To this end, Congress should work energetically and collaboratively with the president to set a new strategy that places greater emphasis on using U.S. diplomatic, political, and economic power to meet the challenges in Iraq and makes a strategic shift away from over-reliance on conventional military operations that have been insufficient to stop Iraq's growing internal conflict. Our strategy must emphasize the need for a political solution in Iraq and encourage Iraqi leaders to take responsibility for the stability of their own country.

As the Center proposed in its plan for Iraq—Strategic Redeployment—the Congress together with the president should implement a plan for success that includes the following elements:

- (1) a responsible redeployment of troops that reduces the U.S. military footprint in Iraq in phases, beginning as soon as possible and resulting in a virtually complete drawdown within 18 months, leaving a small group of military advisors to the Iraqi government as well as counterterrorist units to work closely with Iraqi security forces;

(2) the development of a new strategy that will transition the military mission in Iraq toward training and support for Iraq's security forces and targeted counterterrorism operations;

(3) the creation of a Special Envoy for Iraq, based in the State Department, who will be responsible for organizing an international peace conference for Iraq that would include Iraqi leaders and other leaders from the region; and

(4) the creation of a Gulf Stability Initiative to develop a regional security framework to enhance security and cooperation among countries in the region going forward.

As Congress works with the administration to forge this new consensus, it must demand accurate and timely information regarding facts on the ground and move swiftly to adjust the strategy as new events require. Accordingly, Congress should:

(1) establish a special bipartisan and bicameral working group that will meet with top administration officials on a weekly basis to collaborate on getting policy in Iraq right;

(2) demand complete and detailed responses to the reporting requirements already in law and hold monthly hearings with field commanders and administration officials to ensure that accurate and complete information is received regarding all developments including: the status of success toward helping Iraq's leaders achieve a peaceful resolution of their conflict, eradicating global terrorist groups operating in Iraq, achieving progress in the reconstruction efforts, and garnering greater international support for rebuilding Iraq; and

(3) pass a resolution requiring the Baker-Hamilton Iraq Study Group to submit its final recommendations no later than January 30, 2007.

2. **Restore military readiness.** The military operations in Iraq and Afghanistan have taken a large toll on essential Army and Marine Corps equipment. Because of these operations, necessary equipment has been used as much as nine times the planned rate, abused by harsh environments, and depleted due to losses in combat. To maintain acceptable readiness levels, equipment has been taken from non-deployed units and pre-positioned stocks have been drawn down, including equipment stored in Europe. This limits our military's ability to respond to contingencies outside of Iraq. Therefore, in order to ensure that Army and Marines' equipment readiness fully recovers from these operations, Congress should fully fund the replacement and repair of Army and Marine equipment. The Army alone estimates that it needs more than \$40 billion to fully reset the force. The Marines estimate reset costs at about \$10 to \$15 billion.
3. **Ensure wise use of U.S. taxpayer resources in Iraq and Afghanistan.** The United States should not abandon the effort to achieve success in Afghanistan. In order to

enhance the viability of the government in Afghanistan and the security of the Afghan people, more investment in reconstruction assistance is required. Congress has recognized the wisdom of reinstating and extending the mandate for the Office of the Special Inspector General for Iraq Reconstruction, the federal oversight agency probing corruption and mismanagement. Similarly, to ensure that U.S. money is well spent in Afghanistan, Congress should create a Special Inspector General for Afghanistan Reconstruction (SIGAR). This office should probe for corruption and mismanagement and should ensure that increased assistance is invested wisely to achieve the following priorities: (1) strengthening Afghanistan's security services, police, and judiciary; (2) fostering economic and rural development; and (3) supporting the Afghan government's drug control strategy. The SIGAR should report to Congress on an ongoing basis.

4. **Demand accurate, unbiased intelligence reports on pressing national security threats.** As a down payment toward more robust oversight and in response to demand for accountability by the American people, Congress should enact a requirement that the Intelligence Community provide new or updated National Intelligence Estimates as soon as possible, but not later than May 31, 2007, on: (1) Trends in Global Terrorism; (2) Iraq; (3) Afghanistan; (4) Iran's nuclear weapons development and delivery capability; and (5) North Korea's nuclear weapons development and delivery capability. Thereafter, Congress should require that these Estimates be updated every 180 days. In addition to the classified reports, the Intelligence Community should provide unclassified summaries of the key findings for the benefit of the Congress and the American people.
  
5. **Demand Sudan end the violence in Darfur.** The United States cannot countenance the ongoing genocide in Darfur. Rhetorical commitment to protecting innocent lives is no longer enough and the U.S. government must take concrete steps to back up its words. It must be prepared to work with international partners to take coercive action to force Khartoum to stop the killing. Congress should request from the Bush administration detailed reports within 30 days: (1) outlining U.S. plans for obtaining UNSC support for multilateral targeted sanctions on senior government officials and the ruling National Congress Party, consistent with UNSC 1706; (2) describing planning for U.S. military participation in support of a no-fly zone imposed over Darfur; (3) detailing planning for U.S. military and diplomatic support of the rapid deployment of the UN peacekeeping force in the event of Khartoum's acceptance of UNSC 1706; and (4) outlining military and diplomatic contingency plans, including in cooperation with other countries, to constitute and deploy the peacekeeping force should Khartoum continue to reject the terms of UNSC 1706.

## Domestic

The opportunities squandered by the administration are most acutely felt by low and middle class families. Six years ago the country enjoyed a budget surplus, decreasing rates of poverty and increasing wages. Today, those fortunes have reversed.

The administration's dogged pursuit of tax cuts for the wealthiest Americans has left the country with mind boggling deficits and in a poorly position to address our most pressing problems. Forty-six million people lack health insurance coverage and for most, preventative care is a pipe dream. In addition, a health care crisis—along with job loss—often precipitates a crushing debt burden on families, yet little has been done to address the root of the debt problem in America. While the administration pressed for education reform early in its tenure, much remains to be done. And, if past is prologue, rhetoric will outweigh the resources necessary to properly educate our children. The administration's willful ignorance of the science has not only failed to address the critical issues of climate change and energy independence, it has turned back the clock. With the goal of aggressively tackling these problems, American innovation could create new jobs, rebuild communities, and alleviate poverty. Instead, the administration has turned a blind eye to the problem and muzzled our most effective resource—the ingenuity of the American people.

Americans know these are among our country's most urgent problems, and they want solutions. The Center for American Progress Action Fund proposes the following ideas to immediately address the issues faced by American families. The domestic/economic issues that are the focus of our agenda are at the core of a progressive effort to further the well-being of every American and advance opportunity for all. Our agenda would seek to address existing economic disparities for low and middle income families struggling to make ends meet and further future economic growth and opportunity through greater energy security, education reform, and investments in health prevention.

- 6. Expand the Child Tax Credit and Earned Income Tax Credit to help workers and working families.** Currently, the amount of the Child Tax Credit that families can receive is limited if they have low incomes, and hence low federal income tax liabilities; however, many low income families still have significant payroll tax liabilities. Over 95 percent of those in the bottom 20 percent of the population pay more in payroll tax than in federal income tax. Congress should make the Child Tax Credit available to more low income families by making the credit refundable to all families with payroll tax liability. Congress should also improve the Earned Income Tax Credit by reducing the marriage penalty that can cause over half of low income married couples to have lower benefits. It should also triple the small EITC for childless workers as an important step to increase employment among disadvantaged young adults. This change would benefit about four million people, yielding an average tax savings of about \$750 annually. Finally, while the EITC does increase as family size rises from zero to two kids, it does not provide additional benefits for three or more kids. Congress should create an additional credit for families with three or more children, which would benefit about three million low income families. These EITC changes would make it fairer to all Americans and would cost approximately \$7 billion annually.
- 7. Improve teacher quality.** At the heart of improving education is ensuring high quality instruction for all students. Congress should enact proposals that use bonuses and other rewards to help ensure that high quality teachers are teaching in hard-to-serve schools as well as helping attract teachers to teach in shortage areas, such as math and science. Such proposals are contained in the Teacher Excellence for All Act (TEACH Act) introduced by Congressman Miller and Sen. Kennedy and Sen. Obama's Innovation Districts for

School Improvement Act. The purpose of the TEACH Act's several grant programs is to improve recruitment, preparation, distribution, and retention of public elementary and secondary school teachers and principals, while the Innovation District Act is a program to award competitive grants to urban, rural, and suburban local education agencies to create innovation districts that implement systemic reforms in the areas of teaching, assessment, school leadership, and administration.

8. **Power the next generation of cars on home-grown fuel.** Congress should establish a benchmark of producing 25 percent of the nation's fuel from renewable resources by 2025. It can begin to implement that goal by tying an extension of the CAFÉ credit for Flexible Fuel Vehicles to reductions in the mileage penalty and increases in the percentage of auto fleets built as FFVs to run on both ethanol and gasoline. Congress should also use the credit as an incentive for increased investment in ethanol pumps and other alternative-fuel distribution infrastructure.
9. **Strengthen workers rights by extending the right to form a union based on card-check recognition.** Congress should enact legislation requiring employers to bargain with unions who have demonstrated majority support on the basis of "card-check recognition." Card-check recognition would allow employers to recognize a union if the majority of employees sign union recognition cards in support of union representation. As an alternative to the current National Labor Relations Board election process, card-check recognition offers workers greater freedom from employer interference and intimidation.
10. **Eliminate Corporate Subsidies and Reduce the Deficit.** There are myriad corporate subsidies that should be eliminated. Allowing the federal government to negotiate for lower drug prices would provide further savings to the government and Medicare beneficiaries. If Medicare beneficiaries doubled their use of mail-order pharmacies to fill prescriptions, Medicare could save \$34 billion over five years. Reversing the corporate tax giveaways included in the 2004 FSC/ETI corporate tax bill would increase revenue by up to \$22 billion over five years. Repealing elements of the recent energy bill, including repealing subsidies to the fossil fuel industry would save approximately \$8 billion over the next five years. And cracking down on offshore tax shelters, would save \$65 billion over five years. Reducing highway earmarks by half would save at least \$5 billion.

### **By August Recess**

Some progressive policy prescriptions simply cannot be accomplished by the new Congress in 100 days. By the August recess, however, the Center believes that several key issues critical to the national security and economic health of our country can and should be tackled by the new Congress.

For too long the Bush administration and the leadership of the previous Congress have ignored major gaps in our ability to fight our real terrorist enemies abroad and to protect the United States from their terrorism plans here at home. Similarly, the conservatives who have run our country for the past six years have refused to acknowledge that most American families are running in place or worse amid an economic recovery that only rewards the wealthiest among us while leaving the rest of us less wealthy and less healthy every year.

The Center's first national security and domestic policy recommendations in our progressive 100 Days agenda will quickly address some of the more egregious examples of such failed conservative policies. But in addition, we believe that specific moves to promote savings, address the problems of increasing debt, reform our health care and education systems, and enact serious immigration reform can be enacted by this summer. Accordingly, between now and the August recess we recommend that the congressional leadership take the following eight steps to help restore the common good as the primary goal of progressive government policy.

**11. Level the playing field between credit card companies and consumers.** Congress should enact legislation that protects consumers from abusive credit card lending practices and empowers consumers with the financial information they need to make the best decisions for themselves. From 1996 to 2003, the money credit-card companies made from fees more than quadrupled, to \$7.7 billion. Penalty fees and interest combined now cost average credit-card holding households more than \$800 each year. All told, Americans pay about \$90 billion annually in interest and penalty payments on credit cards. As a start, Congress should: 1) enact legislation to ban retroactive application of interest rate increases so credit card companies can no longer raise a customer's interest rate and then apply that higher rate to earlier purchases; 2) ban the practice of universal default to prevent credit card companies from changing the terms of a card based on a customer's experiences with another issuer; 3) ban abusive and excessive fees (such as unilateral over-the-limit fees when the issuer approved the over limit transaction, and processing fees when consumers pay their bill by phone or online); 4) improve disclosure by fully adopting the recommendations made in the GAO's September 12, 2006 report entitled "Credit Cards: Increased Complexity in Rates and Fees Heightens Need for More Effective Disclosures to Consumers" to more clearly explain and identify the true costs of credit cards, reduce the complexity and volume of disclosures, and improve the organization and formatting so that the most important information is not buried in fine print; and 5) crackdown on predatory debt collection companies by updating and strengthening the Fair Debt Collection Practices Act (FDCPA).

**12. Create a Universal 401(k) to promote ownership, savings, and bipartisanship.** Congress should protect Social Security's guaranteed benefit and promote ownership with a new Universal 401(k) that offers all Americans a private retirement account on top of Social Security. The Universal 401(k) would include generous \$2 to \$1 government matching contributions for initial savings of low income families, and \$1 to \$1 matches for middle income families. It would also include a new Flat Tax Incentive for 30 percent of savings done by all workers and replace our current tax deductibility savings schemes. These schemes offer little incentives to save for lower and moderate income families. Finally, a Universal 401K system would include a single, portable account that benefits families by continuing to provide savings incentives for those between jobs or for parents



who take time off to raise children. A Universal 401k Plan would spread individual savings and wealth creation to tens of millions of American families currently falling through the cracks by offering all Americans the generous incentives and automatic savings opportunities that the best employer-provided 401(k)s offer their employees.

13. **Create a new Wellness Trust.** Congress should establish an independent agency with private trustees to set priorities and pay for health prevention and promotion. Its mandatory funding would consolidate existing public health spending on clinical preventive services and health promotion activities. It would use the U.S. Preventive Services Task Force to set priorities, develop a national information clearing house on prevention, and focus state grants. It would also lay the groundwork for carving preventive services out of public and private insurance by developing an electronic prevention record, certification for workers in schools, supermarkets, workplaces and other sites, and incentive-based payment systems.
14. **Enact comprehensive immigration reform.** Congress should enact meaningful, comprehensive reform to protect our security, allow our economy to grow, protect the wages of U.S. workers, honor our value of rewarding hard work, and restore the rule of law and respect to America's traditional embrace of immigrants. Comprehensive reform requires: effective enforcement—at the border and in the workplace; a tough but fair path to earned legalization for the undocumented who are willing to apply for a lengthy temporary status, have a job, pay taxes, obey the law, learn English, pay a fine for entering the country illegally, and pass criminal and terrorism background checks; and a means of regulating future flows of immigrants into our country.
15. **Ensure that surveillance of terrorists is effective and on a sound legal footing.** Electronic surveillance of terrorist communications is one of our best lines of defense against future attacks. The Foreign Intelligence Surveillance Act (FISA) of 1978 gave the president specific powers to conduct such surveillance within the United States while protecting innocent persons from unreasonable searches and seizures. National security programs so vital to the defense of the country cannot protect Americans if they are forced to shut down because they do not comply with the law or the Constitution. Congress has updated FISA repeatedly—five times since September 11 alone—to ensure that it is still working effectively to detect and prevent terrorist activity. Yet the president has secretly authorized warrantless surveillance that does not comply with the law. Congress should pass legislation that directs the president to: (a) ensure that electronic surveillance of persons in the United States is conducted in accordance with FISA or the criminal wiretap statute (title III); (b) report to Congress if he determines that the procedures for applying for an order for electronic surveillance under FISA are no longer adequate for the timely and efficient electronic surveillance of appropriate targets; and (c) make recommendations as to whether any new resources are needed to facilitate the “near real-time approval” of emergency warrant applications to the Foreign Intelligence Surveillance Court or to streamline their processing and review. Congress should pass additional appropriations to the National Security Agency and the Department of Justice

to ensure the timely and efficient processing of such emergency applications. These important provisions are in the LISTEN Act (H.R. 5371).

- 16. Adopt a national target to avoid dangerous climate change.** In order to galvanize action and guide policy development, Congress should establish a long-term objective to prevent global average temperature from increasing by greater than 3.6 F above pre-industrial levels. Scientists believe that a temperature increase above this level will cause substantial agricultural losses, greatly increase the risk of water shortages, cause widespread adverse health impacts, and increase the risk of abrupt and dramatic climate impacts. From just a 1.4 F rise since the Industrial Revolution, the nation is already feeling the impact of climate change through extreme weather events, record-breaking temperatures, and the economic and human costs associated with them. Adopting a temperature target will lay the foundation for the strong legislation that lawmakers need to develop and adopt in the 110<sup>th</sup> Congress to reduce greenhouse gas emissions and avoid dangerous climate change. As a first step, Congress should implement the basic requirement for tracking and accounting of emissions and emission reductions by making the Department of Energy's voluntary emission reporting program mandatory in a way that allows the nation to identify greenhouse gas emission sources and track the progress of absolute emission reductions.
- 17. Require 25 percent of electricity production from renewable sources by 2025 and establish a new cross-cutting research division at the Department of Energy.** Congress should enact a national Renewable Portfolio Standard that would require generating 25 percent of America's electricity from renewable sources by the year 2025. This would start the nation on the path to the greenhouse gas emission reductions necessary to avoid dangerous climate change, create new jobs and technologies in the renewable energy and efficiency sectors, and further reduce air and water pollution from traditional coal-fired power plants. Recent national and global studies have indicated that a clean energy future can be achieved for lower costs than continuing our current path. To facilitate this energy transformation, Congress should also establish an entity like DARPA within the Department of Energy for breakthrough energy research that can bridge the gap between basic research and industrial deployment and help transform the energy marketplace. A recent National Academies of Science report recommended funding such an entity at \$300 million in the first year and at \$1 billion per year over 5-6 years, at which point the program's effectiveness would be evaluated and any appropriate actions taken.
- 18. Attack the problem of climbing high school dropout rates by passing the Graduation Promise Act.** Improve high school graduation rates by enacting the Graduation Promise Act, which will: hold schools and districts accountable for meeting graduation rate targets while providing sufficient flexibility to meet these targets; identify and intervene in the districts and high schools losing the most students; and through competitive grants, develop and disseminate best practices to educate students who are not on track to graduate. By focusing on evidence-based strategies the Graduation Promise Act will establish a federal commitment to seed and scale effective strategies

and school designs for keeping high school-aged students in school and achieving at a high level of academic performance.