

Telephone Town Hall March 2010 : Working together to meet our challenges

Recently I held my most successful telephone town hall ever. We had over **ten thousand people** join the call, and express their opinions on issues they care about. It was great to see participation from such diverse backgrounds. Our nation faces many obstacles, but with all of us working together—I am sure that we will continue to meet the challenges ahead of us.

Learn more about our discussion:

- Download the [full call](#) .
- Read several [follow-up questions](#) that we didn't have time to discuss during the call.
- Leave a [comment](#) .

Listen to the full call

Followup Questions Submitted After The Call

Karen from Cupertino, Vincent from Cupertino and Penny from Los Gatos

I would like to know what Mike Honda is going to do for unemployment. I know so many people that are unemployed. I was unemployed. I am working part time barely making it. What is the country going to do with so many unemployed people? Further, what is Congress and the Administration doing about jobs that are leaving particularly the ones leaving Silicon Valley going to India and China?

REP. HONDA:

Thank you for your questions Karen, Vincent and Penny. Americans are still struggling to find jobs and small businesses, the engine of our employment, still cannot get credit financing to survive or expand their operations. I am committed to helping our economy recover from this crisis and create more jobs. That is why my office is aggressively taking efforts to bring resources and information to small business owners about how to access capital. On Friday, April 9, 2010 between 9 AM and 12 PM, I will host a "Resource Fair for Small Businesses and Non-Profits" in Santa Clara to make sure that constituents know how to access capital and other start-up and support resources available through the federal government. Additionally, on March 24 of this year, I voted for the Small Business and Infrastructure Jobs Tax Act of 2010, which includes provisions to encourage investment in local construction projects and a range of bipartisan proposals to help our small businesses grow, hire and continue to fuel our economy. Additionally, in June 2009, I voted for the Hiring Incentives to Restore Employment (HIRE) Act, which President Obama signed into law on March 18, 2010. The HIRE Act includes a payroll tax holiday for businesses that hire unemployed workers, to create some 300,000 jobs, and an income tax credit of \$1,000 for businesses that retain these employees. It also includes tax cuts to help small businesses invest, expand, and hire more workers, provisions to make it easier for states to take up infrastructure projects such as school construction and energy retrofitting, and an extension of the Highway Trust Fund that allows for billions of dollars in infrastructure

development around the country and saves American jobs ([Click here for more information on the HIRE Act](#)). It is my intent as well as that of the Democratic majority to focus on supporting job creation and small business assistance. As we bring our economy back from the brink of a depression, we must ensure that working Americans, and not only corporations, also benefit from an economic rebound.

I also know that many workers across America and Silicon Valley are losing their jobs as a result of companies closing their operations in the U.S. and moving abroad. Under the Trade Adjustment Assistance (TAA) current law, manufacturing sector workers who lost their job as a result of the closure of a U.S. business that then moves its operations abroad are eligible to receive up to 130 weeks of income support equal to workers' weekly unemployment benefits if they are participating in approved training programs. However, current law only includes workers who manufacture or make articles or products; much of the recent job loss due to global trade has taken place in the service and support service industries such as a call center that ships its customer service operations abroad. As Congress moves forward in evaluating options to not only get our economy back on the right track but also to ensure that our trade transactions are fair and accountable, I will remain committed to ensuring that American workers benefit more from our foreign trade agreements rather than lose out.

Albert from Los Gatos

What will health care reform do for veterans in the tri-care, tri-care fly and VA health systems? I would like to know if Congressman Honda can provide assurance that those valuable health care programs which are promises made to soldiers in active duty can be protected and cooperated.

REP HONDA:

Thank you for your question Albert. American veterans deserve the best health care that our country can provide. This is why Congress has worked tirelessly to ensure that veterans who

receive health care coverage through TRICARE, TRI-CARE Fly, and the VA health system will essentially be unaffected by the health reform. They will continue to receive the same high-quality care that they received before the passage of the health care reform law. The reform also includes an exception from requirements or fees for individuals who receive health care from a federal program due to their status as members or veterans of the Armed forces. Further, Congress has also taken into consideration possible unintended consequences that veterans deal with due to new provisions in the reform law. For example, Congress included a mandate asking the Secretary of the U.S. Department of Veterans Affairs to review and report to Congress on the effect that the fees assessed on pharmaceutical and medical device manufacturers and health insurance providers will have on the cost of medical care provided to veterans, veterans' access to medical devices and branded drugs.

On March 21, 2010, the chairmen of the Committees on Veterans' Affairs, Armed Services, Education and Labor, Ways and Means, and Energy and Commerce issued a statement declaring that health care reform as proposed and later passed does not undermine or change the Department of Defense and Department of Veterans Affairs operation of their health care programs or interfere with the care that Armed Services members or veterans receive under TRICARE. Further, the House unanimously passed HR 4887, the TRICARE Affirmation Act, which provides assurances to the American people that care provided to those in the military and their families, as well as military retirees under the age of 65 and their families, would indeed meet the requirement for coverage under health care reform. Rest assured that I will continue to advocate for the protection and improvement of health and other medical care for veterans of our armed forces and their families.

Lena from Cupertino and Wayne from Cupertino

What can be done in the near future to change campaign contribution laws so big corporations don't have a strangle hold on our government?

REP HONDA:

The Supreme Court overturned more than a century of law on January 21, 2010 when it declared that campaign finance limits violated free speech, thus opening the flood gates for third party contributions and backtracking on our hard fought efforts to control undue influence of special interests and lobbyists over the elections. The ruling goes against a long-standing bipartisan campaign finance law written by Senators John McCain and Russ Feingold that previously barred corporations from using their financial clout to directly interfere with elections by running advertisements for or against candidates in the critical closing weeks of the election. This was a destructive blow to the public interest. The Democratic majority, along with the leadership of President Obama, are working arduously to come up with strong limits that can protect the right of average working Americans to a clean and fair election free from corporate or special interest influence.

Several of my colleagues have introduced proposals to address this decision by the Court. For example, some proposals call for requiring that corporations get a majority of their shareholders to approve the specific campaign finance actions they take. Other proposals call for closing a loophole that allows foreign individuals or countries to spend money on American campaigns by funneling it through corporations they control. I will continue to monitor upcoming proposals and support the one that best protects our democracy.

Russell from Cupertino and Dena from Los Gatos

Thank you for this. It was really great. Best part was that you called me. Question is, huge deficit caused by Bush Wars and Bush Tax breaks. What is Congress going to do about getting us out of these wars and rolling back tax breaks that are going to expire? Is there are plan for this? Thank you very much.

REP HONDA:

Thank you for your question Russell and Dena. Last year, the 111th Congress convened in the middle of two mismanaged wars with the worst budget deficit in our nation's history and an economic recession of a magnitude not seen since the Great Depression. As President Obama focuses on Afghanistan and Iraq, I am encouraged by his new direction in all aspects of foreign policy – pursuing diplomacy and development first and foremost – and its application to these wars. The President's mission is to minimize the cost on taxpayers and bring home the brave men and women in the military.

As our nation struggles to overcome the current financial difficulties, I strongly believe that there is a great need to invest in our future with strong budgetary commitments to our energy independence, healthcare reform, and education. Key investments in these areas of need will return profound advancements to our economy and wellbeing. For example, health care reform is absolutely essential to meeting the needs of our current and future generations without bankrupting our nation. It is estimated that without reform, by 2020 one out of every five dollars spent in the United States would be spent on health care. The reform law signed into law last week will reduce the deficit by \$143 billion over the next 10 years and by \$1.2 trillion in the following decade. About half of the cost of the bill is paid for by targeting waste, fraud, and inefficiency in Medicare and Medicaid.

In addition to reform, over the last year, I've been continuing my work on behalf of everyday Americans to repair the damage left behind by a decade of excessive spending and "Wall Street first politics". Specifically, I have been focusing on the issues that families across the country discuss around the dinner table:

1. Creating jobs and rebuilding our economy on sound footing.
2. Holding big banks accountable for the economic crisis they helped create.
3. Getting the deficit under control as our economy recovers.

While we are not all the way there yet, there are some good signs that the economy is finally starting to grow again. In the year since President Obama took office, the Democratic-led Congress has stemmed the tide of job losses. For example, the United States was losing more than 700,000 jobs a month when President Bush left office, now more than a year later we've cut those job losses 97%. This combined with several key economic indicators are showing we are finally on the right track again:

- The economy is growing again – GDP has swung from negative 6.4 to 5.7 percent growth—the biggest 9 month swing in nearly 30 years.

- American's pensions and savings are rebounding – The stock market has increased from around 6500 when President Obama took office to over 10,000 now.
- American companies are producing again – Manufacturing has grown 6 months in a row to the highest level in six years.
- Mostly importantly however, March 2010 marked a 3-year record for job hiring. Private employers added 123,000 jobs. Leading the way, manufacturers added 17,000 jobs, the third straight month of gains. Temporary help services added 40,000, while health care added 37,000. Leisure and hospitality added 22,000 and the construction industry added 15,000 positions.

Despite this, President Obama and this Congress understand there is still much to do. The deficit is very much a worry to everyone here in Washington and actions are being taken to insure our nation's long term stability. President Obama has pledged to examine every line of the budget to identify ineffective programs for elimination. His administration identified 121 programs that he proposed to eliminate or reduce, for an estimated savings of \$17 billion in FY2010. Further, when Democrats regained control of the House of Representatives in 2007, we adopted a Pay-As-You-Go (PAYGO) budgeting rule. This rule forces all legislation in the House that increases mandatory spending or decreases tax receipts to be offset with a revenue increase or spending cut elsewhere. PAYGO rules played a large part in the budget discipline enjoyed during the Clinton Administration, but was abandoned by President Bush and Congressional Republicans in 2002.

As we continue through the 111th Congress, providing jobs to the American people and reestablishing the financial stature of our nation through deficit reduction are one of my main goals.

Lynne from Campbell

Thank you Mike for all you done for public education. My question is about the reauthorization of Elementary and Secondary Education Act (ESEA). Will you still continue speaking out for teachers and their students against so called reform like tying teachers to test scores, measures that fire all teachers like in Rhode Island and race to the top measures? I'm concerned that Secretary Duncan and President Obama are headed in the wrong direction and are continuing the damage that we saw under President Bush.

REP HONDA:

As a former teacher, I feel strongly about the work that today's teachers are doing, and the national attitudes about teachers and schools. Beyond the rhetoric of "failing schools" is a reality in which teachers in classrooms all across the country are doing incredible work, despite limited resources, in many cases with students who bring difficult issues affecting their motivation for learning. Most teachers are devoting extra time and personal resources to help struggling students to learn new teaching techniques and to develop innovative strategies and programs to improve student achievement.

The previous administration imposed major setbacks to our educational system by enacting the No Child Left Behind (NCLB) Act in 2001. NCLB makes teachers "accountable" for student's academic performance based on snap-shot test scores, does not include other stakeholders in the "accountability" equation and does not use other indicators of student progress to define a fair assessment of the schools.

The Obama administration has committed itself to reverse the failing policies of the Bush's administration: the proposed reauthorization of the Elementary and Secondary Education Act (ESEA) defines realistic parameters to assess student's academic achievements, based on academic growth models, where academic improvement over time will be the main criteria to evaluate teacher performance. Congress is working closely with the Obama Administration to ensure that adequate federal funding is provided to States.

Another approach advanced by Secretary of Education Arne Duncan is to promote healthy competition for funding amongst stakeholders in States who develop and implement best practices and successful and innovative strategies for instructional delivery. Competitive grants initiatives such as Race to the Top program do not eliminate formula funding for successful programs like Title 1, TRIO. Also Pell grants and Perkins loan programs increase opportunities for students to attend college without depending on private lending institutions.

These new approaches in the ESEA reauthorization will inspire States to adapt successful stories while searching for better new ways to improve their education levels. You can rest assured that as the ESEA reauthorization moves through Congress, I will be sure to keep your views in mind.

Randall from San Jose and Michael Powell from Gilroy

I want to know about what is going to be done to help homeowners refinance their mortgages because banks aren't cooperating with changes in the law, especially with the especially in FHA?

REP HONDA:

In response to the housing crisis, Congress and the Obama Administration's efforts for homeowners have focused on giving responsible households opportunities to remain in their homes when possible while they get back on their feet, or to relocate to a more sustainable living situation. Today, mortgage rates are at record lows and, thanks in large part to programs put in place over the last year, more than four million homeowners have refinanced their mortgages to more affordable levels helping to save more than \$7 billion annually. Additionally, more than one million homeowners are saving an average of over \$500 per month through the Administration's modification program while home equity has increased by more than \$12,000 for the average homeowner in the last three quarters of last year.

Even with this success, however, many Silicon Valley families continue to see challenges. For example, servicers have been slow to implement the Home Affordable Modification Program (HAMP), which has resulted in a slow start for the program. While recent improvements in the program have accelerated the pace of modifications, we know that the federal government's strategy to address the crisis must evolve because our challenges have also evolved.

On March 26, 2010, the Obama Administration announced an enhancement to HAMP to provide additional resources for struggling homeowners. These changes will provide temporary assistance to some unemployed homeowners; encourage servicers to write-down mortgage debt as part of a HAMP modification, allow more borrowers to qualify for modification through HAMP, and help borrowers move to more affordable housing when modifications are not possible. The changes will be implemented in the coming months.

Unemployed borrowers meeting eligibility criteria will have an opportunity to have their mortgage payments temporarily reduced to an affordable level for a minimum of 3 months, and up to six months for some borrowers, while they look for a new job. If homeowners don't find a

job before the temporary assistance period is over or if they find a job with a reduced income, they will be evaluated for a permanent HAMP modification or may be eligible for HAMP's alternatives to foreclosure program.

In order to expand the use of principal write-downs, servicers will be required to consider an alternative modification approach that emphasizes principal relief. This alternative modification approach will include incentive payments for each dollar of principal write-down by servicers and investors. The principal reduction and the incentives will be earned by the borrower and lender based on a pay-for-success structure.

Other program enhancements are designed to help more borrowers complete a HAMP modification. Borrower outreach and communications rules will be clarified and strengthened to protect responsible borrowers from unnecessary and costly foreclosure actions and to expand modification opportunities for borrowers in bankruptcy. Servicers will receive increased incentives, allowing them to expand borrower outreach and counseling efforts. With the introduction of FHAHAMP, the HAMP pay-for-success incentives will be expanded to include borrowers with FHA loans.

Last week, the Obama Administration also announced FHA refinance options that are aimed at providing more opportunities for lenders to restructure loans for some families who owe more than their home is worth. This program is especially important for the state of California, where one-third of mortgage borrowers are underwater. These adjustments will provide more opportunities for qualifying mortgage loans to be responsibly restructured and refinanced into FHA loans as long as the borrower is current on the mortgage and the lender reduces the amount owned on the original loan by at least 10 percent. This option should be available by the fall.

The new FHA loan must have a balance less than the current value of the home, and total mortgage debt for the borrower after the refinancing, including both first and any other mortgages, cannot be greater than 115 percent of the current value of the home—giving homeowners a path to regain equity in their homes and an affordable monthly payment. This refinancing will help homeowners by setting monthly payments at affordable levels and decreasing the mortgage burden for families owing significantly more than their homes are worth. Keeping more responsible families in their homes should support the continued recovery of the housing market.

I am encouraged by the Administration's efforts to constantly look for new, innovative ways to address the foreclosure crisis. However, my colleagues and I in Congress must make sure that these efforts show real results on the ground. Middle-class families, struggling just to get by in these hard times, frankly can't wait another day, another month, or another year for genuine foreclosure relief. While we cannot stop every foreclosure, we can and must provide responsible homeowners more opportunities to obtain a modification or to refinance and stay in their homes.

[Click here for more information about the Home Affordable Modification Program](#)

Gary from San Jose and Margaret from Santa Clara

Which provisions of the healthcare law are going to have to wait and which ones are going to go through now? How are we going to reduce the cost of prescriptions? I am unemployed and about to lose coverage, what is going to be done in order to help people like me who need help ASAP. Thank you for your efforts.

REP HONDA:

Thank you for your questions Gary and Margaret. While the bulk of the health care reform law, including many of the cost containment and insurance exchange provisions, do not take effect until 2014; there are still a multitude of immediate effect provisions that are designed to help individuals now. For those who currently have private insurance, these immediate effect provisions are designed to make your coverage work better for you. For those who are currently without a health care plan, the immediate effect provisions will extend insurance to you through several ways. Below you can find out more information:

If You Have Private Insurance:

NO DISCRIMINATION AGAINST CHILDREN WITH PRE-EXISTING CONDITIONS—Prohibits health plans from denying coverage to children with pre-existing conditions. Effective 6 months after enactment. (Beginning in 2014, this prohibition would apply to adults as well.)

NO RESCISSIONS—Bans health plans from dropping people from coverage when they get sick. Effective 6 months after enactment.

NO LIFETIME LIMITS ON COVERAGE—Prohibits health plans from placing lifetime caps on coverage. Effective 6 months after enactment.

TIGHTLY REGULATES ANNUAL LIMITS ON COVERAGE—Tightly restricts new plans' use of annual limits to ensure access to needed care. These tight restrictions will be defined by HHS. Effective 6 months after enactment. (Beginning in 2014, the use of any annual limits would be prohibited for all plans.)

FREE PREVENTIVE CARE UNDER NEW PLANS—Requires new private plans to cover preventive services with no co-payments and with preventive services being exempt from deductibles. Effective 6 months after enactment.

For Those Uninsured

IMMEDIATE HELP FOR THE UNINSURED WITH PRE-EXISTING CONDITIONS (INTERIM HIGH RISK POOL)— Provides immediate access to insurance for Americans who are uninsured because of a pre-existing condition through a temporary high-risk pool until the Exchanges are up and running in 2014. Effective 90 days after enactment. (Beginning in 2014, health plans are banned from discriminating against all people with pre-existing conditions, so high-risk pools would phase out).

EXTENDING COVERAGE FOR YOUNG PEOPLE UP TO 26TH BIRTHDAY THROUGH PARENTS' INSURANCE – Requires health plans to allow young people up to their 26th birthday to remain on their parents' insurance policy, at the parents' choice. Effective 6 months after enactment.

[Click here for a summary of the law passed last week.](#)

Lynorn from Cupertino and Leslie from Campbell

I was wondering when Congressman Honda will have another town hall meeting. I think this method is great and it was nice to hear congressman speak in his own voice.

REP HONDA:

Thank you for your question Lynorn. With the diversity of our district, I use a multi-faceted outreach effort that includes community meetings, telephone town halls and in-person town halls to communicate with constituents. Rest assured, much like the several telephone and in-person town halls I held last year, I intend to hold several more town halls this year. Please stay tuned to my website <http://honda.house.gov> for information.

John from Santa Clara

The new health care law has a tax on what is called a "Cadillac Plan," however, I've already paid a tax because I've given up raises to get the benefits that I have and I don't want to see getting taxed again. I'd like to know what the Congressman is going to do to make sure that taxing benefits doesn't hurt the middle class and the working people of the country. Thank you.

REP HONDA:

Thank you for your question John. In the health care law, there are a number of tax provisions related to so-called “Cadillac plans.” The law levies an excise tax of 40 percent on insurance companies and plan administrators for any health coverage plan with an annual premium that is above the threshold of \$10,200 for single coverage and \$27,500 for family coverage. The revenue collected by the tax is reduced by 80 percent as compared to the original Senate passed bill. The tax is effective in 2018 and applies to the amount of the premium in excess of the dollar threshold. The tax applies to self-insured plans and plans sold in the group market, and do not apply to plans sold in the individual market (except for coverage eligible for the deduction for self-employed individuals). Stand alone dental and vision plans are disregarded in applying the tax. An additional threshold amount of \$1,650 for single coverage and \$3,450 for family coverage applies for retired individuals age 55 and older and for plans that cover employees engaged in high risk professions. The dollar amount thresholds are automatically increased if the inflation rate for group medical premiums between 2010 and 2018 is higher than the Congressional Budget Office estimates in 2010. Employers with age and gender demographics that result in higher premiums are allowed to value the coverage provided to employees using the rates that would apply using a national risk pool. The dollar thresholds are indexed to inflation.

During the debate over health reform, there was much discussion about “Cadillac plans” but little understanding that expensive plans are not only those that cover wealthy individuals. More common are the health benefits provided to working men and women in unions who, during negotiations, usually forego wage increases for more generous health benefits. These premiums tend to be higher because they cover populations that are generally older and sicker.