



Senator Maria Cantwell



Focusing on Jobs and the Economy

Dear Friend,

I would like to take this opportunity to update you on what I believe should be our top national priority: jump-starting the economy and creating new jobs.

Our economy is still suffering. Too many people who want to work can't find a job. There are currently 8.2 million unemployed Americans. That doesn't count the 1.7 million people who are so discouraged they have stopped looking for work, or the 4.7 million workers who are on part-time jobs, but want full-time work and can't get it.

Yet just 21,000 jobs were created in February. If we continue at that rate, it would take almost nine years to recover all the 2.2 million jobs lost during the last three years. If that wasn't bad enough, job growth in December and January was worse than originally believed. There simply aren't enough new jobs to support laid-off workers. For those of us in Washington, the problem is particularly acute: our state's unemployment rate remains above the national average.

We need an agenda for jobs and growth that encourages job creation, trains dislocated workers for new jobs, and doesn't turn a cold shoulder to laid-off workers and their families while they search for work. We must encourage our innovation economy by promoting research and development and boosting existing fields like composites manufacturing and biotechnology, and fostering emerging industries, like nanotechnology. We should also do more to help two important pillars of our economy: trade and small business.

I will continue to work with my colleagues to advance just such an agenda on behalf of Washington's workers and businesses. As always, I look forward to hearing your thoughts on these issues, and I hope you will continue to keep me apprised of your concerns.

Best wishes,

Maria Cantwell

Investing in our workforce

Any strategy to improve our economy must include critical investments in our workforce. We must make sure that our workers are prepared to compete in the global economy. Since we will never have the cheapest labor in the world, we must make sure that we continue to have the world's most highly skilled workforce.

With so many people looking for a job, it may not feel like there are jobs available, but many industries are actually facing a shortage of skilled workers. For example, there are 6,900 health care jobs available in Washington state right now, and 140,000 openings nationwide. But 59 percent of Washington state employers reported difficulty finding qualified applicants.

Unless we invest in our workforce, this problem is going to get worse. The U.S. will face a shortage of 12 million

highly skilled workers by the year 2020. At the same time, all ten of the fastest growing occupations require some type of skills training.

I have made workforce investment one of my top priorities in the Senate. I'm glad to report that, in March, I managed to get an amendment passed that would increase the budget for the Workforce Investment Act (WIA) by \$250 million. This means that as many as 72,500 new job-training opportunities could open up for U.S. workers. Investing in our workforce is a win-win: it helps dislocated workers learn new skills to find good jobs, and it helps American companies fill vacancies and continue to compete.

Helping Dislocated Workers

It's not enough simply to offer training to dislocated workers. As I mentioned earlier, the economy is simply not

creating enough jobs to satisfy demand. That means that many families are facing tough choices, such as paying the power bill or putting food on the table. I've heard from a number of Washingtonians who are also having trouble paying their mortgages, or affording prescription drugs.

Yet in December 2003 Congress allowed the federal Temporary Emergency Unemployment Compensation (TEUC) to expire. As a result, nearly 50,000 workers laid-off workers in Washington state will run out of state unemployment benefits in the first half of 2004 and have no federal program to pick them up. By the middle of the year, two million people nationwide will have run out of their state unemployment benefits.

I think it's unconscionable not to help these dislocated workers and their families. That's why I'm continuing to lead the fight in the Senate to extend federal unemployment insurance. I have repeatedly proposed an amendment to restore these vital benefits. But each time, the leadership in Congress has rejected it. These workers and their families need and deserve immediate action, and I won't stop fighting for them until I get results.

Helping existing industries . . .

I strongly believe that Washington state can be a leader not just in our national economy, but in the global economy, because of our unique competitive advantages. As a March 2004 report by the Department of Commerce noted, Seattle is one of several areas in the country where science and technology economic development is soaring, and our region boasts a strong concentration of research universities and private sector research centers.

That's exactly why I proposed and secured a new Federal Aviation Administration Center of Excellence at the University of Washington to study the use of advanced composite materials in aerospace. As Boeing's new 7E7 demonstrates, the use of composites will revolutionize aerospace manufacturing. This research center – a consortium of business, academic, and government interests – will coordinate research efforts to encourage a broader use of these materials and ensure that we have highly trained workforce that can lead the way in their use.

It's also why I continue to champion the biotechnology industry. With Senator Pete Domenici, I introduced the

Genomes to Life Act last year. Our bill will provide funds for national research laboratories and universities. Pacific Northwest National Laboratory's scientific research and development successes makes it a natural fit for one of the four genome research laboratories in the bill, a potential \$250 million investment in Washington state.

Washington state has more than 190 biotechnology companies that employ more than 11,000 people. In 2001, the annual revenue of these companies exceeded \$1.2 billion. Biotech offers the promise of not only improving our economy, but improving our health and well being. With continued investment and support, Washington state can be a leader in the biotech industry.

. . . and Promoting New Technologies

We must make investments not just in existing industries that are making leaps forward, like aerospace and biotech, but in entirely new industries that will help drive the 21st century economy. That means promoting research coordination, and encouraging research and development.

Nanotechnology is a great example. This new field will affect almost every aspect of our lives – from how we combat disease

and aging to the energy supplies we need – with devices and instruments built on the scale of atoms and molecules. In a little over a decade there will be a \$1 trillion global market for nanotechnology.

Here, too, Washington can lead the way. The University of Washington is a recognized leader in nanotechnology – it boasts the first nanotech Ph.D. program in the nation. That's why I helped secure \$250,000 for the Washington Technology Center to develop a plan for effective coordination and partnerships between research institutions, large companies, start-ups, capital providers, and the local, state, and federal governments.

At the same time, I believe that we should be wary of regulating emerging industries because of the risk of stifling innovation. Recently I attended hearings on an exciting new telecommunications technology: voice over Internet protocol (VOIP). VOIP allows users to use Internet connections for phone calls. Some businesses are already shifting to VOIP to reap huge savings, and there is great potential for consumer use, too.



However, industry has not yet developed a set of common standards – a necessary step for the technology to mature. As a former technology executive, I recognize the critical importance of this stage of research and development. Since this is a fledgling technology, Congress must allow it to develop and permit competition to flourish. Some want to rush to regulate this field, but I believe that risks involving the government in picking the industry’s winners and losers, and stifling innovation in the process.

Investment in research and development is our competitive advantage in the information economy. We can do more to encourage investments in R&D. I have introduced a permanent extension of the R&D tax credit to give businesses the certainty they need when they make R&D funding decisions.

Washington is poised to lead the way in the new industries of the 21st century. But if we are to take advantage of our state’s competitive advantages – public and private research facilities, and a world-class workforce – we must make investments that leverage these assets, encourage research into new industries, ensure that government regulation does not stifle innovation, and actively promote R&D.

Boosting Trade

Another linchpin of our state’s economy is trade. Washington is the most trade-dependent state in the nation: trade accounts for nearly twenty percent of our gross state product and more than one in three state jobs are dependent on trade. Our region produces some of the best and most innovative products and ideas and I am committed to remaining a forceful advocate for getting Washington state products to consumers around the world.

I am dedicated to getting Washington products into foreign markets and I am proud of the opportunities that I have had to help open previously closed markets to Washington products.

For example, last year after I traveled to Mexico with the Washington State Potato Commission, we were able to announce that Washington state potato growers made the historic first-ever shipments of Washington fresh potatoes to Mexico.

We are the second-largest potato-producing state in the nation, and Mexico is the second-largest potato market in the world. The first shipment was worth \$400,000, and will pave the way to further boost a sector of our agriculture industry that helps secure 28,000 jobs and more than \$3 billion in annual sales. To farmers and our state economy, that’s not small potatoes.

I also helped open the British Columbia wine market to more than twenty Washington state wineries. B.C. is the

largest per capita wine market in North America, and our state’s \$2.4 billion wine industry is in a prime position to compete there. In addition, I led a successful trade mission to Cuba that resulted in the historic first shipments of Washington state apples, peas, and lentils to Cuba in over forty years.

Working together, we can build on this record, and ensure that Washington continues to lead the way on trade.

Supporting Small business

Our economy is still stagnant, and too many people are out of work. But small businesses have the promise to lead our economy back to full health. As a former executive of a small company that succeeded and a member of the Senate’s Small Business Committee, I know that encouraging small business growth should be a top priority for boosting the economy. In fact, nearly 75 percent of new jobs created in Washington state since 1996 came from small businesses.

Unfortunately, the Bush Administration has proposed



cutting a loan program that’s vital for small business owners, the Small Business Administration (SBA) 7(a) loan program, which provides loan guarantees to small businesses that are not able to obtain private financing through normal lending channels.

That’s why I will soon introduce legislation to boost this program, not curtail it, by increasing lending authority, removing the Bush administration’s suffocating caps on 7(a) loans, stopping increases to loan fees, and ensuring the Administration does not succeed in tying the hands of lenders by slashing current loan guarantee levels. By giving small business owners the tools to succeed, together we can turn this economy around.

Working for you

In August 2001, I met with employees of NW Alloys, an aluminum mill in the town of Addy, in northeast Washington. The company had announced that due to low aluminum prices, it would have close down and lay off its more than 200 employees. That kind of news is hard for any community, but for a small town like Addy, it's devastating.

I learned that NW Alloys had recently applied for Trade Adjustment Act (TAA) support for its employees, since the low aluminum prices stemmed from foreign imports. TAA funds can be invaluable to dislocated workers in these situations. If the company's petition were approved, its employees would be assured 52 weeks of retraining benefits. But the company had yet to hear from the U.S. Department of Labor whether its petition had been approved, and the 60-day review period had expired.

After my visit – literally while driving away from the mill – I called the Deputy Assistant Secretary in charge

of the TAA program to find out why NW Alloys had not received word on its petition. I told him the situation at NW Alloys was dire and required immediate action. Within 36 hours of my visit, NW Alloys was told it had been approved for TAA benefits and that all its workers would be eligible for TAA retraining benefits.

One of those workers was Chris Carpenter, who had worked at the aluminum mill for 15 years. Thanks to the TAA funding, Chris decided to pursue his life-long dream to become a nurse, and serve his community. He enrolled at the Community Colleges of Spokane and began the prerequisite courses and work toward being accepted into the Intercollegiate College of Nursing in Spokane. Now, Chris is scheduled to complete his RN license this year.

That's why I have worked to secure TAA funding for more than 25,000 workers from Bellingham to Goldendale. Chris's story proves that TAA funding is a vital investment that pays dividends not just to individuals, but to entire communities.



To contact me by U.S. Mail: 717 Hart Office Building / Washington, DC 20510
e-mail: <http://cantwell.senate.gov/contact/> **To get service help:** <http://cantwell.senate.gov/services/>
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