



Securing Kentucky's Farm Heritage

Fletcher Works to Pass 2001 Farm Bill for Kentucky Farmers

On October 5, 2001, the House of Representatives passed the 2001 Farm Bill, the "Farm Security Act of 2001." By using his position on the House Agriculture Committee, Rep. Fletcher was able to help ensure the best possible legislation for Central Kentucky's farmers.

The House Agricultural Committee has worked for over two years to produce a fair and balanced product that is responsive to both program and conservation concerns. This legislation allows for assistance that is more reliable for Kentucky's farmers. It will eliminate the need for Congress to pass annual market loss support payments.

The 2001 Farm Bill addresses critical farm program needs and makes significant investments in and improvements to our conservation, rural development, export promotion, research, nutrition and other programs. It maintains the flexibility provisions of the current farm bill while creating a counter-cyclical program

to help our farmers weather adverse market conditions.

While the House crafted the bill along a bi-partisan approach that passed by an overwhelming vote of 201 - 120, the Senate farm bill, which passed out of committee by a vote of 12 - 9, failed to reach any resolution on the matter this year. Rep. Fletcher hopes that the farm bill can be completed early next year to ensure Kentucky farmers have the support they need.



Rep. Fletcher visits South County High School to discuss the War on Terrorism and accept a framed photograph from a Future Farmers of America trip to Washington, D.C.

Fighting for Kentucky's Tobacco Farmers

Rep. Fletcher was successful in securing \$129 million in direct payment for tobacco farmers in the crop year 2001 Agriculture Assistance Act.

Since entering Congress in 1999, Rep. Fletcher has secured over \$1.4 billion in assistance for tobacco farmers, including \$789 million in direct payments and \$650 million in loan ref.

When it Comes to Ensuring Kentucky Remains the Horse Capital, Fletcher Won't Take "Neigh" for an Answer

On June 21, 2001, Rep. Fletcher and Rep. Karen Thurman (D-FL) founded the bipartisan Congressional Horse Caucus to educate Members of Congress on the importance of the horse industry.

"The horse industry is vital to Kentucky's economy. Over 125,000 people are involved in the industry and it has a total economic impact of over \$3.4 billion," said Rep. Fletcher. "Now is the time to educate Members of Congress on an industry that contributes over \$110 billion annually to their economies."

Rep. Fletcher found the need to educate Members of Congress on the importance of the horse industry when he was initially unable to secure a loan program for farmers affected by

Mare Reproductive Loss Syndrome (MRLS) in a House supplemental appropriations bill. Undaunted by this setback, he founded

the Horse Caucus in June and immediately started educating his colleagues about the economics, regulations and legislative issues of the industry.

Rep. Fletcher was rewarded for his perseverance when Chairman Larry Combest (R-TX) and other members of the Agriculture Committee voted to include the low-interest loan program in the House version of the "Farm Security Act of 2001". Senator Mitch McConnell included the program in the Senate agricultural appropriations bill for fiscal year 2002.



Rep. Fletcher talks to Mr. and Mrs. John Ward about MRLS at 2001 Derby Winner Monarch's looky after the race.

The legislation will require the Secretary of Agriculture to make loans available to only those horse farmers facing bankruptcy due to foal losses resulting from MRLS. Farmers are eligible if 30% of the mares owned or boarded by the farmer failed to conceive, miscarried, aborted or otherwise failed to produce a healthy foal. They also must not be able to obtain sufficient credit elsewhere. The term of the loan can not exceed 20 years or \$500,000.



Securing Tax Relief and Economic Growth

Fletcher Votes to Help Unemployed Workers

On October 24, 2001, Rep. Ernie Fletcher voted for legislation that would stimulate economic growth and job creation, while providing health care and financial assistance to unemployed workers.

The 'Economic Security and Recovery Act of 2001' passed by the House would create nearly one million jobs by 2006 according to the Heritage Foundation. It would also block grant nearly \$12 billion to states to provide health care and unemployment benefits to unemployed workers.

Under this legislation, Kentucky would receive \$122 million in its unemployment benefit account to offset possible state tax hikes, benefit cuts or expensive borrowing. The flexibility allows states to use the new funds to provide a larger benefit to those who are unemployed or provide training and job placement services to help workers get back to work. For those workers who have lost health care coverage, Kentucky would receive \$43.5 million to cover those who are not eligible for other federal programs.

A stimulated economy will benefit Kentucky through increased tax receipts. This will offset any short-term revenue reduction stemming from the link of our state tax code to the federal tax code.

HOUSE-PASSES ECONOMIC PACKAGE STIMULATES JOB CREATION AND RAISES CONSUMER CONFIDENCE.

- Accelerates tax relief for working families by speeding up the 25 percent marginal rate cut.
- Pays people who received a partial rebate or filed a 2000 return but were ineligible under this spring's tax bill will receive another payment in order to bring their total rebate to the full \$300 for individuals and \$600 for couples.
- Provides grants to states to supplement current unemployment and health benefits.
- Allows deductions for capital losses for individuals who have suffered losses in the current economic environment to minimize the impact of those losses.
- Helps small businesses by allowing them to write off more of their capital investments - \$35,000 annually for two years.
- Allows an increase to five years for net operating loss carryback for corporations and individuals. This provision will help stabilize businesses affected by the current downturn by allowing them to claim refunds based on losses they've suffered.
- Simplifies capital gains taxation by repealing the five-year holding period giving businesses a lower tax burden and less paperwork.

Fletcher and 107th Congress Successful in Giving Tax Relief to All Working Americans

Rep. Ernie Fletcher supported the following legislation in the U.S. House of Representatives, which was enacted into law during the 107th Congress:

- Immediate tax relief through permanent reduction of individual income tax rates.
- Marriage Penalty Tax Repeal.
- Death Tax Repeal.
- Doubling the Child Tax Credit to \$1,000 for a family of four to get an additional \$1,000 in tax relief.
- IRA Contribution Limit Increase to \$5,000.
- 401K Contribution Limit Increase to \$15,000.
- Adoption tax credit increased to \$10,000 for all adoptions and increases the employer adoption assistance tax credit to \$10,000.

Rep. Fletcher supported the following legislation which has passed in the U.S. House of Representatives but is awaiting action in the Senate:

- Faith-Based Initiative - Stimulates charitable giving and allows community and religious groups to better help the poor and the needy.
- Balanced Energy Plan - Provides a balanced, tempered approach to meet our energy needs, lessen our dependence on foreign oil and OPEC, and promote conservation measures.
- \$2.4 trillion federal debt reduction by 2011 - Devotes 100% of the Social Security and Medicare funds to retirement security. Under Republican leadership, Congress has paid off a record \$625 billion of public debt since 1998.
- Small Business Paperwork Relief Act - Aims to reduce government red tape by taking steps to lessen the paperwork burden for small businesses without compromising safety and health protections.



Rep. Fletcher talks to a constituent about the economic stimulus package at the Irvine Kwanis Farm City Night in Powell County.