



September 24, 2008

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

The Honorable Harry Reid
Senate Majority Leader
S-221, The Capitol
Washington, DC 20510

Dear Speaker Pelosi and Majority Leader Reid:

On behalf of the more than 1.4 million members of the American Federation of Teachers (AFT), I write concerning the economic bailout plan proposed by the U.S. Department of the Treasury.

We share the deep concern of most Americans about the economic crisis facing our nation. However, an undertaking of the magnitude proposed by Treasury Secretary Paulson will have short-term and long-term effects, some of which are not completely clear at this time. Although it is imperative that Congress responds swiftly to the current crisis, it must also take the time required to enact a plan that will work for Main Street, not just for Wall Street.

Congress must not give Secretary Paulson carte blanche to create and manage the proposed bailout program. Vesting total authority to run this program in the hands of the secretary of the treasury, as outlined in the administration's proposal, runs counter to our tradition of checks and balances, and would do little to give the public the confidence in our government that is sorely needed at this time. Instead, Congress should establish an independent board to administer this massive bailout program and make that board accountable to the president, the Congress, the courts, and through them, the public. Transparency not only is necessary, it should be mandated.

The unprecedented cost and nature of this bailout have the potential to severely limit the next administration's ability to address other serious issues facing the country. This includes tackling the rising costs of healthcare, energy and higher education, climbing unemployment rates, declining state and local revenues that are forcing cuts in K-12 education in some states, and a crumbling national infrastructure. If the bailout is successful and the distressed Wall Street firms become profitable, it should be American taxpayers, not financiers, who benefit from any profits. Given the large investment being contemplated, any gains that

American Federation
of Teachers, AFL-CIO

AFT Teachers
AFT PSRP
AFT Higher Education
AFT Public Employees
AFT Healthcare

555 New Jersey Ave. N.W.
Washington, DC 20001
202/879-4400
www.aft.org

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are realized must become available to address the national priorities that await the next president.

The AFT believes that the final package should protect deserving homeowners from foreclosure and offer an opportunity through the bankruptcy process to restructure their mortgages so that individuals and families can remain in their homes. It would be unconscionable for Congress to advance a plan that would help the firms involved in predatory lending practices and would do nothing for the victims of such actions. In addition, at a time when too many Americans are facing economic insecurity, the final package should not allow any "golden parachutes" for the individuals who have mismanaged their companies while doing great harm to the economic health of our nation.

Finally, the agreement should include provisions for an economic stimulus package that protects vulnerable citizens and recognizes the fiscal challenges facing state and local governments that provide essential services to their residents.

The stakes are high, and the pressure to take action is rising. Nevertheless, Congress must be deliberate in structuring a plan that truly protects taxpayers and repairs the glaring weaknesses in our financial regulatory system.

Thank you for considering my views on this vital issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Randi Weingarten". The signature is fluid and cursive, with a long horizontal stroke at the end.

Randi Weingarten
President

RW: gd opeiu#2 afl-cio

cc: Chairman Christopher Dodd
Chairman Barney Frank
Congressman Steny Hoyer
Senator Richard Durbin
Senator Charles Schumer
Senator Hillary Rodham Clinton