

FRANK KRATOVIL, JR.
1ST DISTRICT, MARYLAND

COMMITTEES:
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HOUSE ARMED SERVICES
NATURAL RESOURCES

Congress of the United States
House of Representatives
Washington, DC 20515-2001
December 17, 2009

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Thomas Cromwell
5235 Westview Drive, Suite 100
Frederick, MD 21703-8397

Dear Mr. Cromwell:

Thank you for contacting my office to share your thoughts on the Social Security cost-of-living adjustment (COLA) that is currently based on the Consumer Price Index. As your Representative, I am guided by the perspectives of my constituents, and I appreciate you taking the time to convey your opinion on this important issue.

A recent report by the Bureau of Labor Statistics regarding the Consumer Price Index (CPI) for the month of July has shown zero growth in the CPI since June. Over the last 12 months, the CPI has actually declined by 2.1%. Because Social Security cost-of-living adjustments are tied to changes in the consumer price index, the declining CPI over the past year means that Social Security recipients are unlikely to receive an increase in their payments beginning in January of 2010.

I understand that the impacts of these difficult economic times are often felt most by those on a fixed income. One possible solution to this problem can be found in a bill called H.R. 2365, the Consumer Price Index for Elderly Consumers Act of 2009. This legislation was introduced on May 12, 2009 by Representative Peter DeFazio and has since been referred to the following House committees: Ways and Means, Energy and Commerce, and Education and Labor. H.R. 2365 would direct the Bureau of Labor Statistics of the Department of Labor to prepare and publish a monthly Consumer Price Index for Elderly Consumers (CPIEC) that indicates changes over time in expenditures for consumption which are typical for individuals aged 62 years of age or older. Furthermore, H.R. 2365 would require the use of the new CPIEC in the computation of cost-of-living increases for Social Security and Medicare benefits, replacing the CPI. Although I am not a member of the committees of jurisdiction, I will review the legislation and take it under consideration as it moves through the legislative process.

Please do not hesitate to contact me again in the future regarding issues that concern you. I believe that continuous communication with the residents of the First District is essential to helping me be an effective advocate for you in Congress. To stay informed, please visit my website at www.house.gov/kratovil.

Thank you again for contacting me and I look forward to hearing from you.

Sincerely,



Frank M. Kratovil, Jr.
Member of Congress