

JOBS FOR AMERICA

*The Senate Republican Plan
for Creating Jobs and Prosperity*





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The American people continue to suffer through high unemployment and the weakest recovery since the Great Depression. It has been more than five years since President Obama's massive economic stimulus plan was signed into law, yet job creators are still reluctant to hire, families are hurting from job loss, take-home pay has shrunk for the middle class, and in many areas our economy is losing its competitive edge. What Senate Democrats and the Obama Administration have tried has not worked. It's time for a new approach. Government should help create an environment for private sector growth through fiscal discipline and pro-growth economic policies that will add jobs and increase middle-class paychecks.

Below is a 7 Point Plan for getting people back to work. This involves health care reform that reduces costs and puts the consumer in charge—not the government; an aggressive new energy policy that makes us less dependent on foreign oil and uses American resources to ensure reliable and affordable energy; spending restraint to address the record debt and staggering deficits that are dragging down the economy; new tax policies that encourage innovation and investment while making American businesses more competitive; sensible regulatory reform that makes America more competitive; improvements to our job-training system to strengthen the American workforce; and export agreements that open new markets for job creators.

- ✓ **Adopt Common Sense Health Care Solutions** – Health care is one of the greatest costs and concerns for job creators. Any meaningful health care reform must begin with repealing Obamacare—including the job-killing medical device tax—and replacing it with reforms that reduce costs, increase choice, and stop the mandates.
 - ***Allow the Purchase of Insurance Across State Lines.*** Allowing for the purchase of insurance across state lines would induce competition among insurance companies, driving down costs and improving access.
 - ***Allow Small Businesses to Band Together to Lower Costs.*** Providing additional risk pools for small business would allow small businesses to benefit from the economies of scale enjoyed by larger corporations and insurance plans in the group-market.
 - ***Strengthen Health Savings Accounts and Patient-Centric Health Care.*** HSAs offer flexibility for employees and reduce costs for employers. Improving HSAs will bring down costs for job creators and encourage personal responsibility. Reforms should also build on successful state-level initiatives to strengthen the transparency and value of health care services.
 - ***Level the Playing Field on Tax Treatment.*** Allow individuals purchasing insurance in the individual market similar tax advantages as those receiving employer-sponsored coverage.
 - ***Enact Meaningful Legal Reforms.*** Common-sense medical liability reform would lessen the wasteful practice of defensive medicine, save billions of dollars, and reduce health care costs passed on to all of us.

- ✓ **Power America's Economy** – American workers will benefit from taking full advantage of vast new supplies of accessible domestic energy. We need a low cost, low tax national energy plan that ensures we have access to these resources. We must champion policies that responsibly harness all of our nation's natural resources—including oil, coal, natural gas, biomass, hydro, solar, wind, geothermal, nuclear, and energy efficiency—and match them with our skilled workforce, advanced technologies, and strong research and manufacturing capabilities in a way that creates more jobs and opportunities. Further, we should not single-out American energy producers through higher taxes, particularly at a time when we should be supporting efforts for American development of energy sources.
 - *Lift the Outer Continental Shelf Prohibitions.* Increasing access to U.S. oil and natural gas reserves on the Outer Continental Shelf (OCS) will create jobs, drive investment, and reduce our nation's dependence on foreign sources of oil. The Department of the Interior estimates OCS reserves to be 8.5 billion barrels of oil and 29 trillion cubic feet of natural gas. "Undiscovered resources" may total 86 billion barrels of oil and 420 trillion cubic feet of natural gas.
 - *Approve the Keystone XL Pipeline.* More than 70 percent of Americans support the construction of the Keystone XL pipeline, which would carry up to 830,000 barrels of oil per day from Canada to the United States and increase our energy security and job growth. Construction of the pipeline alone is estimated to create 42,000 jobs at no taxpayer expense. Operation of the pipeline would drive millions in state and local revenues.
 - *Require Greater Access to Federal Lands for Exploration of Resources.* The U.S. has a natural abundance of energy resources including coal, natural gas, solar, wind, oil, bio-mass, and water resources. Expansion of access to federal lands for the development of these resources would take advantage of these resources while diminishing our reliance on foreign sources of fuel.
 - *State Control of Job-Creating Energy Production.* The shale boom seen in recent years has greatly expanded our access to affordable energy, lowered costs for consumers, and created thousands of good-paying jobs. To ensure that America's energy potential is not impeded by unnecessary Federal mandates, states should have primary authority in regulating hydraulic fracturing.
 - *State Control over Water Resources* Water resources are the lifeblood of all communities, especially in rural America. The EPA and the U.S. Army are attempting to federalize state water by expanding Washington's reach into non-navigable waters. Additional regulatory costs associated with changes in jurisdiction erect bureaucratic barriers to economic growth, negatively impacting farms, small businesses, commercial development, road construction, and energy production.
- ✓ **Begin Living Within Our Means** – The explosion of federal spending and the record-setting \$17 trillion debt should alarm all American families who struggle to live within their means. Washington's fiscal irresponsibility passes the problem to future generations, mortgaging the future of our children and grandchildren. Not addressing the record debt also creates uncertainty in the economy and stops the investment and risk taking that will jump-start the economy and encourage economic growth.
 - *Pass a Balanced Budget Amendment to the Constitution.* A balanced budget amendment to the Constitution would limit the ability to raise taxes to pay for runaway spending and codify what every family and small business owner already knows: you can't spend more than you take in.
 - *Cut Spending to Immediately and Substantially Reduce Deficits.* Getting spending under control includes better oversight of federal agencies and programs and rooting out waste, fraud and abuse, and reforms to our important entitlement programs to strengthen them for future generations.

- ✓ **Reform Tax Code To Spur Economic Growth** – We must create incentives for job creators to invest in the future, innovate, and grow. Unfortunately, instead of rewarding job creators, the government penalizes their success by hitting them with high taxes and high compliance costs. We should pursue policies that provide incentives for entrepreneurs for investment in plants, equipment, and workers.
 - ***Simplify and Reduce Business and Individual Tax Rates.*** High marginal tax rates discourage work, savings, and investment, and reduce incentives for businesses—small and large—to grow and invest. The U.S. can't be competitive with the highest business tax rate in the world. We should reform both the individual and corporate tax systems in a comprehensive manner to provide lower rates with fewer deductions and credits and transition towards a territorial system for international businesses. These changes would encourage growth and job creation. For example, reducing corporate and individual tax rates to 25% would create millions of private-sector jobs and increase wages for American workers.
 - ***Make the Research and Development Tax Credit Permanent.*** This would support innovation in the United States by providing the assurance and certainty that the temporary nature of the credit currently does not provide.
 - ***Extend and Make Permanent the Small Business Investment Tax Incentive.*** Small businesses should be able to immediately write off equipment purchases as tax deductions.
 - ***Keep Lower Taxes on Capital Gains and Dividends.*** Low rates should be pursued because capital taxation harms economic growth and productivity, and ultimately lowers wages for workers.
 - ***Death Tax Repeal.*** Layering a second tax on earnings and wealth that has already been taxed previously punishes savings and investment, destroying family farms, ranches, businesses, and the jobs they create.

- ✓ **Unburden The Economy From Washington Regulations** – Business owners are often forced to fight cumbersome rules and regulations rather than invest in creating new jobs. A Competitive Enterprise Institute study puts the cost of wasteful regulations to the economy at \$1.8 trillion annually. Reforms are needed to reduce the increasing regulatory burden imposed on employers by the regulatory state.
 - ***Require Cost Benefit Analysis in the Formulation of Regulations.*** This would ensure that regulations put forth by the Administration consider the economic burden on American businesses, ensure stakeholder input, and promote innovation. These metrics should be applied to independent agencies and to costly new mandates and burdens, including those associated with Dodd-Frank, Obamacare, and the EPA.
 - ***Require Congressional Approval*** of any federal rule that may result in an effect on the economy of at least \$100 million.
 - ***Prohibit EPA from Regulating Greenhouse Gases under the Clean Air Act.*** The uncertainty being created by this regulatory overreach—a continuation of the failed cap and tax proposal that Congress has already rejected—threatens to harm employment and economic growth.
 - ***Streamline the Federal Permitting Process.*** Improve the federal permitting process for major capital projects across all sectors, including renewable or conventional energy production, electricity transmission, surface transportation, aviation, ports and waterways, water resource projects, water storage, broadband, pipelines, and manufacturing. The federal permitting process is currently laden with uncertainty and unpredictability that hinders investment, economic growth, and job creation.
 - ***Help Small Businesses.*** Focus on small businesses and the disproportionate impact felt by small businesses in regulatory compliance.

- ✓ **Create Competitive Workforce** – Each year, the federal government spends approximately \$18 billion to operate 47 different job training programs spread across nine different federal departments and agencies. Unfortunately, this heavy investment is not producing results for workers who are trying to find new work. Forty-four of the programs overlap with at least one other program, and the GAO has concluded that little is known about the effectiveness of most programs. It is time for workers, taxpayers, and businesses to get a better return on this investment.

Our education system is also failing us. We need to educate the children of today to be the innovators, entrepreneurs, and workers of tomorrow. This means opening up education to competition at both the K-12 and post-secondary level. Parents and families would have more choices by allowing federal dollars to follow the student to the school he or she attends. Encouraging Charter schools, more parental involvement, and a focus on the STEM disciplines would give children more opportunities and teachers more freedom.

- *Reform Federal Workforce Development Programs.* U.S. workers looking for retraining deserve better than the bureaucracy and red-tape associated with federal training programs. Instead of paperwork, forms, applications, and eligibility determinations, workers should be able to quickly access relevant training that will help provide them with the skills they need to return to the workforce.
 - The federal government must reduce the bureaucratic complexities of the federal workforce development programs, steer resources toward programs that equip workers with the skills necessary to get a job in today's dynamic job market, and require programs to measure their performance.
 - Consolidate the multitude of different federal programs
 - Empower states to make decisions on best uses of job training funds.
 - Ensure limited federal resources are used for jobs in demand and driven by needs in the local community.
 - *Education.* Create greater opportunity for state experimentation at the K-12 level and non-traditional education at the post-secondary level, as well as better coordination and efficiency of the multitude of federal STEM programs.
- ✓ **Increase Exports to Create More American Jobs** – In order get our economy moving, America's workers, farmers, and service providers need the ability to send "Made in America" products to consumers and markets around the world. American exporters are falling behind their global competitors. Export agreements reduce barriers to entry, level the playing field for our workers, and increase job growth here at home.
 - *Level the Playing Field on Trade.* The United States has one of the most open markets in the world for imports entering our country. However, U.S. exporters face higher tariffs and countless barriers when entering most foreign markets. Leveling the playing field will make it easier to sell American goods around the globe.
 - *Provide Trade Promotion Authority to Open Markets for U.S. Workers.* Providing trade promotion authority will ensure that U.S. negotiators can secure and conclude the best agreements for American exporters and job creators.