

THE HOUSE REPUBLICAN PLAN FOR
**AMERICA'S
JOB CREATORS**

Empowering Families, Small Businesses and Entrepreneurs

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INTRODUCTION

Free markets, free enterprise, innovation and entrepreneurship are the foundation for economic growth and job creation in America. For the past four years, Democrats in Washington have enacted policies that undermine these basic concepts which have historically placed America at the forefront of the global marketplace. As a result, most Americans know someone who has recently lost a job, and small businesses and entrepreneurs lack the confidence needed to invest in our economy. Not since the Great Depression has our nation's unemployment rate been this high this long.

Enough is enough. More taxation, regulation, and litigation will not create more jobs. Government takeovers of the economy have failed while the size and the scope of the federal government has exploded. Washington has tied the hands of small business owners and job creators with onerous regulations and backward fiscal policies that have stalled the economy, slowed innovation and destroyed jobs. We need common sense, pro-growth policies to give small businesses and entrepreneurs renewed confidence in our economy and to remove Washington as the roadblock to job creation.

America is at a crossroads and House Republicans are committed to taking every possible step to spur job creation and get our economy back on track so that Americans can do what they do best: create, innovate and lead. The pro-growth agenda detailed below builds on the GOP Pledge to America, our governing agenda focused on job creation and economic growth. It will address our economic challenges, foster innovation and investment, and help job creators without raising taxes on working families and small business owners.



Empower Small Business Owners and Reduce Regulatory Burdens

Job creators are being bogged down by burdensome regulations from Washington that prevent job creation and hinder economic growth. These regulations are particularly damaging for the real job creators in the country: small business owners. We must remove onerous federal regulations that are redundant, harmful to small businesses, and impede private sector investment and job creation.

PROBLEM: BURDENSOME REGULATIONS

The Small Business Administration has reported that government regulations are estimated to cost our economy over \$1.75 trillion a year. To make matters worse, in 2009, the Administration had – under various stages of consideration – another 184 regulations that are estimated to cost the economy in excess of \$100 million each, and likely to cause more Americans to lose jobs.

REPUBLICAN SOLUTION

In order to ease the regulatory burden on the economy and to promote job creation, we will approve legislation that requires a congressional review and approval of any proposed federal government regulation that will have a significant impact on the economy.

- While such legislation will impact future regulations, House Committees are actively conducting an audit of existing and pending regulations to identify and address those that are hindering economic growth.
- Background: The House has already acted on several regulations that hurt job creators both large and small including: The EPA's regulation of greenhouse gases, the Federal Communications Commission's net neutrality proposal, and duplicative and burdensome pesticide regulations.



Fix the Tax Code to Help Job Creators

America's tax code has grown too complicated and cumbersome, and it is fundamentally unfair. It is filled with loopholes and giveaways. Congress should eliminate the special interest tax breaks that litter the code and reduce the overall tax rate to no more than 25% for businesses and individuals including small business owners. This would make the tax code flatter, fairer, and simpler. Common sense changes to the tax code will ensure that everyone pays their fair share, lessen the burden on families, generate economic expansion, and create jobs by making America more competitive.

PROBLEM: AMERICA'S GLOBAL COMPETITIVENESS

At a combined state and federal rate of just over 39%, the U.S. currently has the second-highest corporate tax rate among the developed nations of the world (those in the OECD). The U.S. federal rate of 35% is nearly 10 percentage points higher than the average of our competitors. This wasn't always the case. In 1990, the U.S. corporate tax rate was below the average of our competitors. As a result of today's high U.S. tax rates and other antiquated features of our tax rules, U.S. based firms are placed at a competitive disadvantage against their foreign counterparts when trying to sell their goods and services around the world.

REPUBLICAN SOLUTION

We will set the top tax rates at no more than 25% for job creating businesses. This would level the playing field with our competitors and would help to generate investments and create American jobs allowing the U.S. to be more competitive in the global marketplace and attract business.

- Congress should also reform the tax code to allow worldwide American companies to bring back their overseas profits without being subject to double taxation so they can invest in our economy.
- Background: Unlike almost all of our major trading partners, the United States taxes its companies on their foreign income when that income is brought back to the United States, even though that income has already been taxed in a foreign country. This discourages our companies from bringing profits back to the United States to invest at home.
- In 2004, Congress allowed companies a limited time to bring money earned overseas into the United States and pay a reduced tax rate of 5.25%. The policy resulted in more than \$300 billion dollars of profits being returned to the U.S.



Increase Competitiveness for American Manufacturers

The more that businesses export, the more they produce. The more businesses produce, the more workers they need. This means job creation.

PROBLEM: IDLE TRADE AGREEMENTS

For more than three years free trade agreements with Colombia, Panama, and South Korea have sat idle, blocked by House Democrats' political posturing. As President Obama said on January 27, 2010, "If America sits on the sidelines while other nations sign trade deals, we will lose the opportunity to create jobs on our shores."

REPUBLICAN SOLUTION

We will pass three pending free trade agreements with Colombia, Panama, and South Korea. This will be a shot in the arm for businesses small and large and will create jobs. We will build on those successes by looking for other ways to expand market access for U.S. made products while vigorously enforcing our rights to protect American jobs from unfair practices by other countries.

- Background: The independent International Trade Commission has estimated that implementation of the three pending free trade agreements would increase U.S. exports by more than \$10 billion -- an increase that according to the Obama Administration, would create over 250,000 jobs.



Encourage Entrepreneurship and Growth

America has historically been on the cutting edge of innovation and technological development, but we are increasingly falling behind our global competitors. Stronger protections for new ideas and products, greater access to a well-educated workforce, and a more efficient and predictable government approval process will empower American business owners to compete in the 21st Century economy. We will make it easier for existing businesses to grow and allow more start-up companies to flourish.

PROBLEM: PATENT BACKLOGS

Our patent system protects American ideas and products. It has historically been the envy of the world, but today it is failing to meet the challenges of the 21st Century. Under our current patent system there is a backlog of 700,000 patent applications. The current system of filing, challenging, and litigating patents can also lead to costly and unnecessary delays.

REPUBLICAN SOLUTION

We will modernize and improve the patent system to discourage frivolous lawsuits, expedite reviews, and provide better protection for job creating entrepreneurs. Streamlining the system will make it easier for existing businesses to grow and allow more start-up companies to flourish. The House Judiciary Committee voted to approve a bipartisan patent reform bill to address these challenges.

PROBLEM: VISA SYSTEM FOR HIGHLY SKILLED

Our current visa system is failing job creators who need access to a skilled and specialized workforce. America has always stood as a beacon of opportunity to the best and brightest from around the world and the nation has benefitted from their contributions. Yet today, our visa system is not addressing our economic needs. Leading high-tech companies in America are struggling to hire qualified employees while the government visa system sends home highly skilled workers educated in America's universities.

REPUBLICAN SOLUTION

After a systematic review of our visa system, the Congress should undertake prudent reforms. The House Judiciary Committee is reviewing our visa system to determine the needs of American employers and the reforms necessary to ensure that American businesses maintain their leading edge in innovation and technology development. Possible solutions include keeping the most accomplished graduates in math, science and other critical fields here in America as well as making it easier for start-up entrepreneurs to obtain visas.

PROBLEM: FDA PRODUCT APPROVAL PROCESS

Innovators need certainty and timeliness from the government's product approval process in order to create and sustain jobs. While some have referred to the U.S. Food and Drug Administration's approval process as the "gold standard" for the world, the life sciences and medical device approval process lacks transparency and consistency. This delays access to potentially lifesaving treatments, hinders job creation in this critical growth sector of our economy, cripples the ability of companies to make major investment decisions about new research projects, and sometimes bankrupts promising opportunities with millions of dollars in unexpected costs.

REPUBLICAN SOLUTION

There are two major programs that must be reauthorized next year by Congress to improve the FDA approval process: the prescription drug user fee program and the medical device user fee program. Under these two programs, the FDA collects funds from industry to help expedite the drug and device approval process. These two reauthorizations present an opportunity to bring transparency and consistency to the FDA approval process, and with that, more efficiency, growth, and American jobs.



Maximize Domestic Energy Production to Ensure An Energy Policy for the Twenty-First Century

The energy sector is crucial to our economic growth, and high energy costs have a major impact on job creation. We have an abundant supply of natural resources in America that we must use to meet our nation's energy needs. We need policies that allow us to harness our own resources, develop new sources of energy, and create jobs here at home.

PROBLEM: RISING ENERGY COSTS

Since President Obama has taken office, American energy production has been halted and the average national price of gasoline has doubled. The rising cost of gasoline and dependence on foreign oil mean less money for families struggling to make ends meet and for business owner who are trying to get our economy moving again.

REPUBLICAN SOLUTION

Over the past 220 years, America has created the greatest economic success story in the history of the world. Our innovative society has dramatically improved the length and quality of life for billions of people around the globe. This same ingenuity must be unleashed to meet our energy and employment needs. House Republicans are taking immediate action through our American Energy Initiative by passing bipartisan legislation to expand energy exploration and production. This will help create American jobs, grow our economy, and enhance our security.



Pay Down America's Unsustainable Debt Burden and Start Living Within Our Means

The federal government is spending and borrowing so much that the United States will soon go broke. Washington's spending binge has put our nation in debt, eroded economic confidence, and caused massive uncertainty for private sector job creators.

PROBLEM: THE NATIONAL DEBT

President Obama and congressional Democrats have overseen the largest budget deficits in the history of the U.S. In the last two years, non-defense discretionary spending has increased by over 80%. They've maxed out our nation's credit cards and are asking us to increase their credit limit so they can spend more. To create jobs and save our country from national bankruptcy, we must stop spending money we don't have.

REPUBLICAN SOLUTION

We will work to control the federal deficit to assure investors and entrepreneurs that our nation's elected leaders are finally getting serious about paying off the debt over time and will bring back confidence by supporting long-term economic growth.

House Republicans have already begun to reduce spending in a meaningful way by approving legislation to decrease spending for the rest of the year and adopting a budget that reduces government spending by almost \$6 trillion over the next ten years.