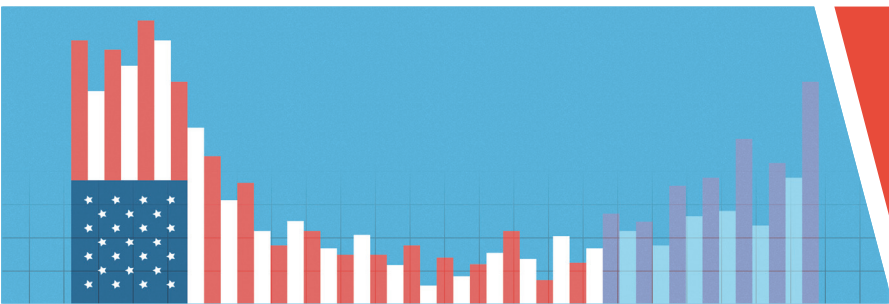




ACHIEVING AMERICA'S FULL POTENTIAL:
More Work, Greater Investment, Unlimited Opportunity



January 2015

A Plan to Move America Forward

TO REACH AMERICA'S FULL POTENTIAL AND CREATE GREATER OPPORTUNITY FOR ALL AMERICANS, THE U.S. ECONOMY NEEDS TO FIRE ON ALL CYLINDERS. THAT LEVEL OF PERFORMANCE REQUIRES PRO-GROWTH POLICIES THAT FACILITATE BUSINESS INVESTMENT, WHICH DRIVES PRODUCTIVITY GAINS, ACCELERATES ECONOMIC GROWTH AND PROMOTES JOB CREATION.

AMERICA'S BUSINESS LEADERS SUPPORT POLICIES THAT ENSURE THE UNITED STATES IS THE BEST PLACE IN THE WORLD FOR PRIVATE SECTOR INVESTMENT, EXPANSION AND HIRING – POLICIES THAT WORK FOR THE ECONOMY AND THE AMERICAN PEOPLE.

THE CEO MEMBERS OF BUSINESS ROUNDTABLE HAVE IDENTIFIED THE FOLLOWING PRIORITIES AS THE BEST WAY TO ACHIEVE AMERICA'S FULL POTENTIAL, AND WE URGE CONGRESS AND THE ADMINISTRATION TO WORK TOGETHER TO ENACT THEM IN 2015:

- » **FISCAL STABILITY**
- » **PRO-GROWTH TAX REFORM**
- » **EXPANDED TRADE**
- » **IMMIGRATION REFORM**
- » **INVESTMENT IN PHYSICAL AND DIGITAL INFRASTRUCTURE**
- » **SMART REGULATION**

Fiscal Stability

While America's annual federal deficit has declined in recent years, the U.S. federal debt as compared to the nation's gross domestic product (GDP) remains at levels not seen since the end of World War II. Social Security, Medicare and interest on the debt will account for an increasing share of federal spending, crowding out other priorities and squeezing public investment. America needs long-term fiscal stability solutions that create the right conditions for sustained business investment, economic growth and job creation.

87%

Share of American voters who think the current level of the national debt is stifling the economy.

\$3.11T

Reduction in the federal deficit over a 10-year period attainable with a 1 percent increase in GDP growth.

2x

Ratio of publicly held federal debt to GDP doubled between 2007 and 2014.

P O L I C Y R E C O M M E N D A T I O N S

Congress and the Administration should:

- ✔ Address the debt limit in a timely manner to allow for required borrowing and to protect the full faith and credit of the United States.
- ✔ Pass annual budgets on time and appropriate funds early enough in the legislative session to allow for proper planning and avoid disruptions to government operations.
- ✔ Constrain federal spending in a manner that reduces long-term spending growth rather than imposing abrupt and arbitrary reductions in near-term outlays, regardless of effectiveness or priority.
- ✔ Strengthen Medicare and Social Security by gradually increasing the eligibility age for full benefits, updating the method of computing cost-of-living adjustments, implementing means testing for higher-income recipients and expanding competitive models of care within Medicare.

Pro-Growth Tax Reform

With the highest corporate tax rate in the developed world, America's outdated, anti-competitive business tax system frustrates business investment and limits both the potential of the U.S. economy and opportunities for American working families. Business tax reform that results in a modern tax system with competitive rates and competitive international tax rules may be the single most effective means of accelerating business investment, jumpstarting U.S. economic growth and boosting job creation.

America needs a simplified tax system that is permanent in law, minimizes the burden of compliance costs on individuals and businesses and enhances the competitiveness of all our enterprises, regardless of whether they are global or domestic.

39.1%

U.S. combined corporate tax rate, the highest in the developed world.

+2.2%

Boost to U.S. GDP after 10 years if former Representative Camp's plan for comprehensive tax reform were enacted.

71M

Number of American jobs supported by U.S. globally engaged companies.

P O L I C Y R E C O M M E N D A T I O N S

Congress and the Administration should enact pro-growth tax reform that:

- ✔ Sets the corporate tax at a competitive 25 percent rate;
 - » Domestic reform will require broad repeal of many of the so-called "tax expenditures" to offset the revenue loss of the corporate rate reduction.

- ✔ Adopts a modern international tax system ("territorial-type" tax system) that ends the double taxation of U.S. corporations' foreign earnings and is consistent with the practices of America's major trading partners;
 - » Reform of the U.S. international tax system should be accompanied by appropriate safeguards to protect America's tax base, consistent with the rules of our major trading partners.

Expanded Trade

With more than one in five American jobs supported by trade and 95 percent of the world's consumers living outside of the United States, expanding U.S. trade opportunities is critical to support U.S. growth, well-paying American jobs and U.S. business investment.

1 in 5

More than one in five U.S. jobs – nearly 40 million – are tied to trade.

3x

Trade-dependent jobs grew more than three times faster than the rate of overall U.S. job growth between 2004 and 2013.

46%

Nearly half of all U.S. goods exports go to the 20 countries that have a free trade agreement with the United States.

P O L I C Y R E C O M M E N D A T I O N S

- ✔ Congress and the Administration should work together to enact updated Trade Promotion Authority legislation as soon as possible.
- ✔ The Administration should aggressively pursue and secure high-quality results in trade and investment negotiations, including the Trans-Pacific Partnership, Transatlantic Trade and Investment Partnership, Trade in Services Agreement, expanded World Trade Organization Information Technology Agreement and U.S. Bilateral Investment Treaty talks with China and India.
- ✔ Congress and the Administration should enact a multi-year reauthorization of the U.S. Export-Import Bank to help U.S. companies compete for sales abroad and support the U.S. jobs that depend on those sales.
- ✔ The Administration should continue to implement reforms to outdated U.S. export controls.

Immigration Reform

As business leaders representing every sector of the economy, Business Roundtable members understand the importance of fixing America's broken immigration system. Immigration reform, done right, will help keep America secure and is essential for a healthier economy – accelerating growth, encouraging hiring and creating American jobs.

\$1.2T

Reduction in the federal deficit over 20 years from enacting immigration reform.

+4.8%

Boost to U.S. GDP over 20 years from enacting immigration reform.

40%

Percentage of Fortune 500 companies that were founded by immigrants or their children.

P O L I C Y R E C O M M E N D A T I O N S

Congress and the Administration should:

- ✔ Enact reforms that welcome legal immigrant workers, including increasing visas for higher-skilled workers and establishing a new system for lower-skilled workers.
- ✔ Find a solution for undocumented immigrants that integrates them into our society, including allowing those already residing in the United States to earn a legal status.
- ✔ Improve the technological capability to enforce U.S. immigration laws, ranging from increased resources for border security to an E-Verify system for all U.S. employers.

Investment in Physical and Digital Infrastructure

America relies on a platform of digital and physical infrastructure that facilitates the movement of people, information, physical goods and financial assets that drives economic activity.

Business Roundtable supports prudent investments in public infrastructure, policies that encourage increased private investment and a smarter, more agile approach to cybersecurity that protects the freedom to innovate and more effectively counters rapidly evolving threats.

65%

Share of U.S. manufacturing leaders who believe U.S. infrastructure cannot meet the demands of a growing economy over the next 10-15 years.

-11%

Decline in public infrastructure investments between 2003 and 2012.

100%

Share of multinational corporations that have malicious traffic on their networks, according to a Cisco Systems, Inc. examination of threat intelligence trends.

P O L I C Y R E C O M M E N D A T I O N S

Congress and the Administration should:

- ✔ Adopt policies that develop and maintain a world-class infrastructure for the United States, including by:
 - » Providing consistent and reliable funding streams to support infrastructure projects that are key to economic growth and job creation; and
 - » Enacting policies that better enable the private sector to invest in infrastructure projects that lead to long-term economic growth.

- ✔ Adopt policies to more effectively counter escalating cybersecurity threats, including by:
 - » Providing tools to combat growing risks, including information about potential threats and strong legal and privacy protections for private sector information sharing participants;
 - » Avoiding overly prescriptive regulatory solutions that are poorly matched to a rapidly evolving threat environment and the reality of privately owned and operated information assets; and
 - » Integrating smart and agile cybersecurity policy into U.S. relations with other countries, including trade negotiations. Addressing cybersecurity and privacy concerns need not and should not result in restrictions on the flow of data across national borders that could fragment information systems and slow global innovation.

Smart Regulation

Business Roundtable CEOs have consistently identified the cumulative burden of federal regulations as a major barrier to increased investment, growth and job creation. At the same time, well-conceived, science-based regulations are essential to protect human health and safety.

Business Roundtable supports smart regulatory policies that will ensure American businesses retain the capacity to operate and innovate, while promoting the health and welfare of employees, customers and communities.

6%

Share of major regulations issued by independent regulatory agencies that received full cost-benefit analysis between 2002 and 2013.

41st

U.S. rank out of 189 countries in terms of ease of construction permitting.

48%

Percentage of Americans who think there is “too much regulation,” up from 28 percent in 2002.

P O L I C Y R E C O M M E N D A T I O N S

Congress and the Administration should:

- ✓ Enact the *Regulatory Accountability Act* (RAA), which would modernize the 70-year-old *Administrative Procedure Act*. The RAA would require objective cost-benefit analyses for every major rule, including those issued by independent agencies.
- ✓ Provide greater certainty for business planning by requiring public transparency about all future regulations. The Administration’s Regulatory Agenda should be updated in real time to provide this information.
- ✓ Require each agency to issue a notice of initiation for every new regulation and put this information online. This will ensure that regulatory agencies engage with stakeholders early, allowing greater public input before regulators draft a proposed rule.
- ✓ Streamline the federal permitting process for all major infrastructure projects, in accordance with the recommendations of the President’s Council on Jobs and Competitiveness. Currently, delays in federal approvals keep many worthwhile projects in limbo, impairing business investment and risking job creation.