



U.S. REPRESENTATIVE

**Don Manzullo**

## An American Jobs Agenda

The key to our economic recovery is to get Americans working again. When Americans are working, they are:

- \* Paying taxes and our local, state and federal governments have more revenue to balance their budgets to provide vital services to the people.
- \* Buying products and creating jobs for those who make and sell those products.
- \* Utilizing services and creating jobs for those who provide those services.

In Washington, Congressman Manzullo is focused on helping our employers put Americans back to work in northern Illinois and throughout our nation. He has been working on a bipartisan basis in several policy areas to help strengthen American manufacturing and create jobs. His American Jobs Agenda, an ongoing action plan, is a compilation of his efforts and his ideas to help create economic opportunities for our employers to help them put Americans back to work.

August 10, 2011

### ACTION ITEMS

- 1. Reform the tax code to help U.S. companies create jobs, put Americans back to work.**
  - a. Manzullo authored H.R. 4189 to accelerate the phase-in of the 9 percent domestic manufacturing tax deduction by one year so that manufacturers can reap the higher tax benefit now. In 2004, Manzullo organized a coalition that successfully transformed an international tax reform bill authored by then House Ways and Means Committee Chairman Bill Thomas (R-CA) into Section 199 of the tax code (Public Law 108-357) that now rewards domestic manufacturers with a lower tax rate on the products they make in America;
  - b. In 2011, Manzullo co-sponsored H.R. 436, a bill to repeal the 2.3% excise tax levied against all medical devices under the President's health care law;
  - c. Full, immediate small business Section 179 expensing (H.R. 470);
  - d. Increase the tax deduction to \$20,000 for starting a small business (H.R. 1552);
  - e. Provide a 20 percent tax deduction for income derived from small business (H.R. 1763);
  - f. Increase the meals and entertainment tax deduction to 80 percent for small business (H.R. 3952);
  - g. Extend the carry-back period for net operating losses to 7 years (H.R. 470);
  - h. Provide a standard \$1,500 tax deduction for home offices and indexed for inflation (H.R. 3615);
  - i. Clarify the tax definition of an independent contractor;
  - j. Cut the corporate tax rate to 25 percent (H.R. 301);
  - k. Eliminate the job-killing "death tax" that destroys family businesses and is scheduled to return at 55 percent with a vengeance in 2011 (H.R. 205/H.R. 1960);
  - l. Make the 15 percent capital gains tax rate permanent (H.R. 470);
  - m. Make the 15 percent dividends tax rate permanent (H.R. 470);
  - n. Make permanent the Research and Development tax credit and to increase the amount of this credit for companies who commit to maintain more than 50 percent of production in the United States (H.R. 1545);

- o. Thanks to timely input from a IL-16<sup>th</sup> CPA, Manzullo successfully stopped a 115 percent tax increase on certain small business exporters that use Interest-Charge Domestic International Sales Corporations (IC-DISCs) on overseas sales because of his intervention with the Ways and Means Committee to urge the removal of a provision from a tax technical corrections bill in 2007 (Public Law 110-172) that would have taxed these firms at the corporate, not dividend, tax rate;
  - p. Oppose efforts to impose extra taxes on U.S. subsidiaries of companies headquartered abroad because these firms provide over 268,000 jobs for Illinoisans, thousands of which are located in IL-16<sup>th</sup> (most recently, Manzullo spoke and voted against H.R. 4849 on March 24, 2010, because it contained \$7.7 billion in new taxes on foreign direct investment);
  - q. Oppose efforts to double-tax U.S. businesses with a presence overseas but instead temporarily cut the corporate tax to 5 percent on repatriated overseas profits that are subsequently used for reinvestments in U.S. operations (Manzullo voted against H.R. 4213 on May 28, 2010, because it contained \$14.5 billion in new international taxes that provides an incentive for U.S. multinational companies to relocate all jobs overseas);
  - r. Oppose any proposal to institute a consumption-based or Value-Added Tax – VAT (H.Res. 1245); and
  - s. Make the current individual tax rates permanent to prevent small employers (85 percent of small business owners pay individual, not corporate taxes) and other Americans from being hit with huge tax increases in the coming years. Small employers create 70 percent of all new jobs each year (H.R. 301).
- 2. Level the playing field for American companies doing business in the global marketplace and promote U.S. exports to create American jobs.**
- a. Manzullo co-authored H.R. 2378 to include currency misalignment or manipulation as a government subsidy in order to allow U.S. companies to file a trade case against foreign competitors to obtain higher countervailing duties or tariffs against imports that receive an unfair trade advantage of a deliberately devalued foreign currency;
  - b. Enact the U.S.-Colombia and the U.S.-Panama Free Trade Agreements (FTAs) because the independent U.S. International Trade Commission (USITC) estimated that these two agreements would boost U.S. exports by more than \$1.1 billion, thus creating somewhere between 4,000 and 7,000 jobs;
  - c. Re-negotiate the auto provisions of the U.S.-Korea FTA to remove Korea's discriminatory tax and regulatory schemes against imported vehicles in order to sell more U.S.-made cars in Korea, particularly those made by the Chrysler plant in Belvidere (in 2009, over 50 percent of plant production was sold outside of the U.S. but very few Chryslers were sold in Korea while Korean car companies have wide open access to the U.S. market);
  - d. Protect and enforce intellectual property rights so that products and ideas that originate among workers for IL-16<sup>th</sup> firms are not stolen by unscrupulous foreign buyers;
  - e. Support fair trade laws so that foreign companies such as Europe's Airbus do not get away with receiving over \$21 billion in illegal government subsidies that hurts the ability of our aviation manufacturers to effectively compete around the world (Boeing purchases \$180 million directly each year from numerous IL-16<sup>th</sup> suppliers);
  - f. Support aggressive export promotion efforts that help small- and medium-sized enterprises (SMEs) identify exporting opportunities overseas and secure trade financing.
- 3. Review and eliminate burdensome and unnecessary government regulations that stifle economic growth and cost American jobs.**
- a. On March 3, 2011, Manzullo voted for H.R. 4, the Small Business Paperwork Mandate Elimination Act, that repealed a requirement in the President's health care forcing all businesses to send the IRS a 1099 form for every cumulative purchase of \$600 from another business. The bill was approved by the Senate and signed into law (Public Law 112-009);
  - b. On Feb. 11, 2011, Manzullo voted for H. Res. 72, a bill requiring House committees to inventory and review existing, pending, and proposed regulations and other administrative actions;

- c. In 2011, Manzullo co-sponsored the Regulations from the Executive In Need of Scrutiny (REINS) Act (H.R. 10) require congressional approval of major regulations of the executive branch that will cost the economy at least \$100 million annually;
  - d. Give more power and authority to the Chief Counsel at the Office of Advocacy at the Small Business Administration (SBA) to challenge poorly-crafted Executive Branch regulations to ensure proposed rules do not hinder growth of the small business sector;
  - e. Require Congress to vote on approving any major regulation, which is defined as having an annual effect on the economy greater than \$100 million, finalized by the Executive Branch, within 90 days; otherwise, the regulation would not go into effect (H.R. 3765);
  - f. Join in the call of House Speaker John Boehner and House Majority Leader Eric Cantor to the President for a halt to all new rules and regulations deemed harmful to job creation.
- 4. Continue to educate fellow Members of Congress on the importance of American manufacturing to our economy through bipartisan House Manufacturing Caucus Rep. Manzullo co-founded with Rep. Tim Ryan (D-OH) in 2003.**
- a. More than 80 Republican and Democratic Members of Congress participate in the Manufacturing Caucus today;
  - b. The Manufacturing Caucus has been active in supporting various pieces of legislation regarding the automotive and steel industries, a national manufacturing policy, patent reform, export control reform, and smart technology integration;
  - c. In 2011, Manzullo launched a webpage, email updates, and Facebook and Twitter pages for the Manufacturing Caucus to share news and information about the caucus to the public;
  - d. Member educational events hosted by the Manufacturing Caucus in the 111<sup>th</sup> and 112<sup>th</sup> Congress (2009 -2011) include:
    - 2/26/09 – “Trade Adjustment Assistance: Today’s Program & Future Prospects”
    - 9/16/09 – “The Future of the Aerospace Industrial Base” featuring Gen. Charles Bolden, NASA Administrator; Jacques Gansler, Defense Science Board and former Defense Department Under Secretary for Acquisition, Technology and Logistics (AT&L)
    - 9/29/09 – “Export-Import Bank Programs & Services”
    - 10/14/09 – “Crafting a New American Manufacturing Policy” featuring Ron Bloom, Manufacturing Czar & White House Senior Counselor for Manufacturing Policy
    - 2/9/10 – “Investing in America: Policies for Economic Growth & Competitiveness” featuring Ross DeVol, Milken Institute Executive Director of Economic Research
    - 5/11/10 – The Manufacturing Extension Partnership (MEP) 2010 Grant Competition.
    - 6/10/10 – “Strategies to Reinforce America’s Competitive Position” featuring Nicole Y. Lamb-Hale, Assistant Secretary for Manufacturing and Services at the International Trade Administration, U.S. Department of Commerce
    - 2/9/11 – “Investing in America: Policies for Economic Growth & Competitiveness”
    - 3/3/11 – “Trade Adjustments Assistance (TAA) for Firms”
    - 3/16/11 – “Promoting High-Tech Jobs in America”
    - 4/20/11 – “Commercial Aircraft Market & Export Financing”
    - 5/10/11 – “Solving the Skills Gap in American Manufacturing”
    - 6/16/11 – “Foreign Trade Zones: U.S. Competitiveness, Manufacturing Jobs & Exports”
    - 7/26/11 – “The Resurgence of America’s Manufacturing”
  - e. Lead Republican co-sponsor of the *National Manufacturing Strategy Act of 2011* (H.R. 1366) to require the development of a quadrennial review of the state of our nation’s manufacturing sector in order to provide a means of setting national policy direction to support domestic economic growth in manufacturing.
- 5. Reform our government procurement policies and require federal agencies to follow “Buy American” laws to ensure our government is doing business with companies in the United States.**

- a. Apply the “Berry amendment,” which requires the Pentagon to purchase certain products (such as textiles and specialty metals) only from America, to goods that the Department of Homeland Security (DHS) buys (H.R. 3116);
  - b. Wrote to the Secretary of Defense on August 18, 2010, to protest the Pentagon’s decision to buy Russian-made helicopters instead of American-made helicopters for the Afghan military;
  - c. Working to ensure that the Pentagon takes into account the illegal export subsidies that Airbus has received over the years from the European Union when it decides on major procurements (co-sponsored H.R. 5298; voted for the Inslee amendment to the FY 11 Defense Department Authorization bill (H.R. 5136) on May 27, 2010);
  - d. Have a “time-out” on allowing any more countries, particularly China, to join the Government Procurement Agreement (GPA) at the World Trade Organization (WTO) that removes domestic sourcing preferences in what the U.S. government buys.
- 6. Make health care more affordable and accessible to Americans without a government takeover that would cost millions of jobs, reduce quality and choice, and increase our debt for generations to come.**
- a. Repeal the President’s job-killing health care law and replace the bad elements of the new Democratic health care law with positive market-oriented solutions. On Jan. 19, 2011, Manzullo voted for H.R. 2 to repeal the health care law. In 2010, Manzullo supported H.R. 4972/H.R. 5424 and signed Discharge Petitions #111-11 and #111-12 to force a vote on these bills to repeal and replace the President’s health care law;
  - b. Allow the self-employed to purchase health care insurance before paying the Social Security/ Medicare payroll (FICA) tax, effectively reducing premiums by nearly 15 percent (H.R. 1470);
  - c. Give individuals the same tax treatment to purchase health insurance as employers;
  - d. Provide more tax incentives to encourage individuals to purchase consumer-driven Health Savings Accounts (HSAs), which have reduced costs significantly for many Americans (H.R. 3610); and
  - e. Pursue significant medical lawsuit reform to reduce costs and discourage unnecessary tests (H.R. 1086).
- 7. Enact an “all you can create” energy plan that promotes innovation, conservation, and responsible production of energy as a way to achieve America’s energy independence and a cleaner, healthier planet.**
- a. The [\*American Energy Innovation Act\*](#) (H.R. 2828) represents a fiscally responsible approach to reducing our dependence on foreign energy, providing a cleaner environment, and putting Americans to work by:
    - Encouraging *innovation* within the energy market to create the renewable fuel options and energy careers of tomorrow.
    - Promoting greater *conservation* and efficiency by providing incentives for easing energy demand and creating a cleaner, more sustainable environment.
    - Increasing the *production* of American energy by responsibly utilizing, in compliance with environmental regulations and protections, all available resources and technologies.
  - b. The pro-taxpayer legislation stands in stark contrast to legislation that would implement a cap-and-trade system in the United States, drastically limiting energy usage, increasing energy costs by up to \$1,700 per family per year (according to the Congressional Budget Office), and putting nearly 5 million more Americans out of work (on June 26, 2009, Manzullo spoke and voted against H.R. 2454);
  - c. Oppose the Obama Administration’s efforts to regulate greenhouse gas emissions as a pollutant subject to the Clean Air Act because this would have the same effect as enacting into law the cap-and-trade bill (H.R. 391 and also signed Discharge Petition #111-5 to force a vote on this bill to stop this regulatory effort);
  - d. On July 26, 2011, Manzullo voted for the North American-Made Energy Security Act (H.R. 1938), a bill that directs the President to issue a final order approving or denying the permit for the Keystone XL pipeline by November 1, 2011. The project will directly create 20,000 high-wage jobs and generate \$6.5 billion in income for workers;

- e. On June 22, 2011, Manzullo voted for the Jobs and Energy Permitting Act (H.R. 2021), a bill to eliminate permitting delays that have stalled opportunities for new energy production off the coast of Alaska by requiring the EPA to take final up-or-down action on permits.
- 8. Secure America's borders, create mandatory work authorization verification, and reduce illegal immigration through interior enforcement.**
- a. In 2011, Manzullo co-sponsored H.R. 2000, the Securing America Through Verification and Enforcement (SAVE) Act, to expand the E-Verify program that helps employers confirm citizenship status and make it permanent and mandatory (over four years, the longest period of time in any E-Verify bills to allow the program to improve and small businesses to comply);
  - b. No amnesty for illegal immigrants who still reside in the United States (H.Res. 1026);
  - c. Complete all 700 miles of the southern border fence (H.R. 3308);
  - d. No expansion of current visa policies during times of high unemployment in order to free up all potential jobs for Americans to possibly fill;
  - e. Make permanent a viable employee work-status verification system, such as E-Verify, to ensure that illegal immigrants are not hired (H.R. 3308 and H.R. 3676);
  - f. On August 10, 2010, supported House passage of a \$600 million border security funding bill (H.R. 6080) that allows for the hiring of 1,500 new border patrol agents, two additional unmanned aerial drones, and additional communications equipment. The bill also temporarily increases fees through 2014 for two work-related visa programs (L-1B visas by \$2,250 and H-1B visas by \$2,000) for those companies that employ 50 or more employees that have more than 50 percent of their U.S. based-employees using these two visa programs. Signed into law on August 13, 2010 (P.L. 111-230).
- 9. Modernize our nation's export control system to improve national security and global competitiveness and create American jobs.**
- a. Formed bipartisan Congressional Export Control Working Group in 2007 with Reps. Joe Crowley (D-NY) and Earl Blumenauer (D-OR). Manzullo led the Working Group to form a coalition and worked with key federal agencies to change a regulatory interpretation of Section 17(c) of the Export Administration Act (EAA) in 2008 that has resulted in billions of dollars of increased exports of aviation parts and components to our friends and allies around the world. The Working Group continues to host a series of educational events directed at Congressional staff and other stakeholders featuring the key administration officials who oversee export control policy as well as major industry representatives. The most recent Working Group event was held in April 2010, in affiliation with the National Association of Manufacturers (NAM) Manufacturing Summit, and included speakers from GE, DuPont and Paulson Manufacturing Corporation. Other events included:
    - 2/25/09 – Beyond “Fortress America”: National Security Controls on Science and Technology in a Globalized World, featuring Gerald Epstein, Senior Fellow for Science and Security, Homeland Security Program, Center for Strategic and International Studies (CSIS); Deanne Siemer, Managing Director, Wilsie Co. LLC / Member, Committee on Scientific Communication and National Security; and Patricia Wrightson – Director, Committee on Scientific Communication and National Security, National Academies of Science;
    - 5/26/09 – The Impact of U.S. Export Controls on Sales to China, featuring John Larkin, President of Larkin Trade International and former U.S. Export Control Attaché at the U.S. Embassy in China; Ms. Nina Hsu, Vice President of Larkin Trade International;
    - 11/19/09 – Export Control Modernization from the High-Tech Industry Perspective, featuring Anne Marie Griffin, Deputy Director for Global Trade Policy, Global Trade Organization, Microsoft Corporation; Peter Lichtenbaum, Vice President, Regulatory Compliance and International Policy, BAE Systems; and Robert Rarog, Export Policy Manager, International Trade Services, Sun Microsystems;
    - 4/16/10 – Export Control Modernization and U.S. Manufacturing: A Formula for Success, featuring Del Renigar, Senior Counsel, International Policy & Trade, General Electric

Corporation; Mark Sagrans, Corporate Counsel, DuPont; and Roy Paulson, President, Paulson Manufacturing Corporation (Temecula, CA);

- b. Implement process improvements – such as mandated timelines for license application processing, appropriate resources for licensing and enforcement agencies, and increased predictability and efficiency for licensing – within the current statutory framework. Co-authored *Defense Trade Controls Performance Improvement Act* (Title VIII, Subtitle A of H.R. 2410) with Rep. Brad Sherman (D-CA). That bill passed the U.S. House in June 2009;
  - c. Create a user-friendly information technology system that provides exporters with confidence in their compliance and supports enforcement efforts;
  - d. Erase the perception of export controls as a barrier to exporting through education, training and regulatory fixes;
  - e. Co-authored *Export Control Improvements Act* (H.R. 3515) with Reps. Adam Smith (D-WA) and Brad Sherman (D-CA). In addition to strengthened enforcement measures, this bill would provide training resources for exporters, establish a registration system for third-party filers using the Automated Export System (AES), and ensure that the AES will identify information in connection with an export that would result in a violation of U.S. laws and regulation;
  - f. Strengthen enforcement provisions to appropriately punish those who attempt diversion, transshipment or intentional violation of U.S. law. Language originating in the *Export Control Improvements Act* (H.R. 3515) was recently signed into law as part of the *Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010* (H.R. 2194);
  - g. Authorize an updated version of the long-lapsed Export Administration Act, which underpins our dual-use export control system;
  - h. Engage key stakeholders in the federal government, U.S. industry, our partner and allied nations, and academia to develop and execute fundamental changes to the export control system.
- 10. Promote American innovation and preserve American jobs by defending the U.S. patent system.**
- a. Worked in 2011 with several Members of Congress and small inventor groups in trying to fix The America Invents Act (H.R. 1249) so it would preserve America’s strong 220-year-old patent system and its focus on small inventors. Unfortunately, the faulty legislation passed in the House. Manzullo and his coalition will continue to work to change the legislation as it comes out of the Senate to protect America’s patent system from foreign competitors and prevent more jobs from going overseas;
  - b. Continue to provide a forum for small business owners, inventors, labor union officials, manufacturers, academics, and others to address their concerns about pending legislation directly with Members of Congress and staff. Briefings included:
    - 2/8/10 – “Update on Patent Reform Efforts in the 111th Congress” featuring Stan Fendley, Director, Legislative and Regulatory Policy, Corning Inc.; and Mark Anderson, Executive Vice President, The Wessel Group, Representing the United Steelworkers;
    - 3/22/10 – “Patent Reform & Small Business: How America’s Inventors and Innovators Use Patents to Stay Competitive, featuring Timothy Casey, Partner and Co-Founder, SilverSky Group, LLC; and Steve Perlman, Founder and CEO, OnLive & Rearden Companies.

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