

THE WHITE HOUSE

WASHINGTON

July 14, 2010

U.S. Chamber of Commerce
1615 H Street, NW
Washington, D.C. 20062-2000

Thank you for your input on the issue that all of us in this Administration are focused on every single day -- putting Americans back to work and creating sustainable economic growth for this country.

Early in the Administration, we worked together on the Recovery Act, which included a combination of tax cuts for businesses and individuals, assistance for workers, state and local aid and public investments. Today, we are pleased to report that we are on track to meet, and possibly exceed, the President's goal of saving or creating 3.5 million jobs.

In addition, a report released today by the White House Council of Economic Advisers shows that roughly \$100 billion of Recovery Act funds designed to leverage private, non-profit, and state and local government investment will support a total investment of more than \$380 billion. It is clear that we are in a very different place than we were eighteen months ago. In the six months before the President took office, our economy was shrinking, and we lost more than three million private sector jobs. Today, our economy is growing again, and we have experienced six months of private sector job growth creating almost 600,000 jobs.

But while we are heading in the right direction, we know that too many families and businesses are still struggling. That is why we are continuing to work closely with Congress on a set of initiatives to put Americans back to work, including cutting taxes, increasing credit for small businesses, and encouraging clean energy job creation through Homestar. In addition, we are focused on providing the funds necessary to avoid teacher layoffs, extend unemployment insurance for millions of Americans struggling to make ends meet, and provide essential aid to state and local governments.

While we may not agree on every single issue, we should always remember that there is much that we agree on and that we are all working toward the same goal of putting Americans back to work and getting our economy back on track. The stakes are far too high for us to be working against one another. That is why we were surprised and disappointed at the rhetoric we have heard from some in the business community -- rhetoric that fails to acknowledge the important steps this Administration has taken every single day to meet our shared objectives.

We wanted to specifically address some of the subjects you mentioned in your letter:

Exports: We share your belief that export promotion is central to job creation, which is why the President launched the National Export Initiative and set a goal of doubling exports in the next five years, in part by strengthening the government's efforts to advocate on behalf of American companies. Additionally, last week the President announced the members of his Export Council, including a number of prominent business leaders who will help us achieve this goal. In the first five months of this year, exports have increased by 17% over the same period last year.

This Administration is also committed to taking the steps necessary to open markets for U.S. goods and services, including plans to address the outstanding issues surrounding trade agreements with countries such as South Korea, Panama and Colombia.

Tax Cuts and Economic Growth: We agree that tax cuts are an important contributor to economic growth. Within the Recovery Act, there are twenty-five different tax cuts, including the "Making Work Pay Tax Credit" which cut taxes for 95% of working Americans. In March, the President also signed into law the "HIRE Act", which provides employers with a refund on payroll taxes paid on any unemployed worker they hire. The HIRE Act also includes a measure that allows small businesses to immediately expense up to \$250,000 of their investment.

Small Business Hiring Incentives: The President is committed to signing legislation that would accomplish the following: 1) Create a small business lending facility that would provide incentives for smaller banks to make new loans; and 2) Establish a state small business lending initiative that would spur more than \$20 billion in new lending through innovative state-based programs. This initiative is particularly critical at a time when states are being forced to cut back on small business lending programs due to budget shortfalls.

Restoring Fiscal Health: We have taken significant steps to establish long term fiscal discipline. The President's 2011 budget proposal included more than \$1 trillion in deficit reduction, including a three year freeze in non-discretionary spending. Earlier this year, the President signed an executive order establishing a bi-partisan Fiscal Commission to develop proposals to put the country on a fiscally sustainable path and improve the long-run fiscal outlook. We look forward to hearing back from the Commission in December.

Additionally, we passed landmark healthcare legislation that will mean \$100 billion in savings in this decade and more than a trillion in the next, according to a recent Congressional Budget Office study. Not only will this help ensure broader and better coverage for Americans, but it will also address one of the largest threats to our long term fiscal health.

Reducing Waste and Ensuring Accountability: The President has taken aggressive measures to cut waste and ensure government accountability for taxpayer dollars. He restored pay-as-you-go budgeting and has proposed a total of \$20 billion in terminations and reductions. He also recently proposed a new way for Congress to act quickly to rescind unnecessary spending; new incentives for agencies to save money that can be used for deficit reduction and programs that work; and a process to cut waste in the federal government's real estate holdings.

And we are searching for other ways to leverage federal assets to raise revenue. For instance, we have also included a fee proposal on non-producing oil and gas leases in the 2011 budget estimated to generate \$188 million over 5 years and \$760 million over ten years.

Review of Regulations: This Administration is committed to ensuring that regulation promotes, rather than undermines, economic growth. For example, in April, the White House Office of Management and Budget asked agencies to both streamline reporting requirements and reduce the paperwork burden on small businesses. We have also sought to avoid unnecessary rules and regulations, and put forth only those needed to protect our economy and the health, safety and well-being of the American people.


Working together, we can give businesses important regulatory certainty and predictability while providing protections and cutting costs for the American people. In May of last year, working hand-in-hand with the auto industry, the United Auto Workers, leaders in the environmental community and other key stakeholders, we initiated a new national policy that increased fuel economy standards and set the first-ever greenhouse gas emissions standards for cars and light trucks. The program will save 1.8 billion barrels of oil and eliminate nearly one trillion tons of global warming pollution – and this summer, we committed to setting the first-ever fuel economy standards for heavy-duty trucks.

We will not, however, accept a return to the lax regulation of the financial industry that contributed to the worst economic crisis since the Great Depression. And we will not stand by while oil and gas companies continue to fight needed changes to the outdated regulations that are partially responsible for one of the worst environmental crises in American history.


We are open to input from everyone – including the business community – as we work to provide rules of the road that protect the American people and the American economy while fostering an environment that will stimulate growth and job creation.

We know that the Chamber of Commerce may have a different approach to some of these issues, but we also have different responsibilities. Your responsibility is to your constituent organizations, and ours is to look after the health and safety of the American people and the national interest. Sometimes that leads to disagreements, but it should never prevent an open, respectful and healthy dialogue, and we look forward to pursuing that with you in the months and years to come.

Sincerely,



Rahm Emanuel



Valerie Jarrett