



Congressman Joe Pitts

Sixteenth Congressional District of Pennsylvania

Memorandum on Jobs and the Economy

TO: Citizens of the 16th Congressional District of Pennsylvania
FROM: Congressman Joe Pitts
DATE: July 10, 2014
RE: Creating Jobs and Reviving the Economy

Almost every problem America is facing right now would be easier to deal with if we had a stronger economy and more jobs. More and better jobs help Americans pay for the things they need: food, shelter, and healthcare. More employed Americans means less government spending on essential safety net programs, and more revenue, reducing our deficit. Increased income for all Americans means a stronger economy, and an economically strong America is stronger on the world stage and better able to promote a peaceful world.

My highest priority has always been clearing the way for more and better jobs. Ideological battles, interest group agendas, and partisanship must take a back seat to fixing the problem of too few Americans jobs.

Right now, there are fewer Americans in the labor market than at any point in the last three decades. Despite the fact that millions of Americans have simply given up on looking for a job, unemployment remains above 6 percent. Millions more Americans have jobs but are struggling to pay the bills. We need more jobs and better paying jobs so that every American can take full advantage of our freedom.

I want to let you know the bills I have been working on that will protect and create jobs in the 16th Congressional District, what bills the House has passed to help job-seekers, and some of the big things we should be doing to energize our economy.

What I've Been Working On

Since the 2010 election, power in Washington has been divided between Democrats in the White House and Senate and Republicans in the House. The divisions over policy are deep, making it hard to pass larger reforms. However, those divisions haven't stopped me from reaching across the aisle to push forward bills that can help create jobs.

More health innovation jobs, more cures. Pharmaceutical and medical device jobs are a critical part of the American and Pennsylvania economies. These high tech jobs pay well, but for a number of good reasons this is a highly regulated sector of the economy. Consumers need to know that the drugs they take and medical devices they use are safe.

The Food and Drug Administration, which reviews drugs and devices, has to strike a careful balance between ensuring safety and allowing innovative products to move forward. Both Democrats and Republicans recognized that FDA regulations had become unpredictable with bureaucracy building up over the years.

The Energy and Commerce Health Subcommittee, which I chair, heard testimony from investors and industry leaders that quality jobs were flowing to Europe due to this lack of consistency. I worked together across the aisle to pass the Food and Drug Safety and Innovation Act, legislation signed by the President in 2012. Reforms in this law are helping to make regulations more transparent and predictable, keeping good jobs in the U.S.

Protecting food jobs, ending taxpayer bailouts. Government programs and regulations often pick winners and losers in the marketplace. Far too often, the winners get taxpayer bailouts, while the losers go out of business.



Above: Defending food industry jobs at Pepperidge Farm Denver, Pa. facility with Sen. Toomey.

U.S. government sugar policy sacrifices jobs in Pennsylvania and across the nation to benefit a small group of sugar processors and farmers. The government system of tariffs and taxpayer bailouts ensures that growing sugar is always profitable and never competitive. Meanwhile, artificially high prices kill good jobs in sugar-using industries, which aren't protected by the government.

A Department of Commerce study found that the sugar program destroys three food industry jobs for every one sugar industry job it protects. Additionally, last year taxpayers paid

\$278 million to bail out sugar growers.

I worked with Democrats and Republicans last year to try to reform this program in the 2013 Farm Bill. Unfortunately, we fell a few votes short of passing our amendment. The sugar lobby spends a lot to protect their program, but I'm going to continue fighting to end this cronyism and protect local jobs.

Energy and Jobs. America has experienced an incredible renaissance in domestic energy production in recent years. Pennsylvania has been at the center of gas production that is helping create new manufacturing jobs right here in the 16th District. Stable and low energy prices also keep more money in consumers' pockets.

As a member of the Energy and Commerce Committee, I've been working to support and extend the energy renaissance while ensuring that our natural heritage is protected.

Last year, the President signed the bipartisan Hydropower Regulatory Efficiency Act, which reduces barriers to upgrade old dams to increase the amount of electricity that can be generated. We can generate more cheap electricity in this country without building a single new dam just by upgrading existing facilities.

The House has also passed the Electricity Security and Affordability Act and the Energy Consumers Relief Act to help keep electricity affordable for

individuals and for industries. I believe we will see more jobs right here at home if we continue to get more of our energy from domestic sources and from close allies.

Below: Breaking ground at a new manufacturing facility in Lancaster. Armstrong chose the U.S. over China for this plant.



House-Passed Bills Waiting in the Senate

Right now, there are 40 separate bills passed by the House and stuck in the Senate that would help clear the way for more Americans jobs.¹ Many of these bills passed with significant bipartisan support but can't even get a vote in the Democrat-controlled chamber. Below are just a few of the good ideas that are bottled up right now.

Connecting Individuals with Jobs. Many of the jobs being created by our modern technology require highly specific skills. Even in a time of unemployment, many businesses struggle to find workers with the right qualifications. We need to make sure that hard-working Americans can fill job openings and provide for their families.

While the House and Senate recently worked out an agreement to streamline federal job training programs, two other bills passed by the House are waiting for action. The Veterans Economic Opportunity Act would reform the Administration of federal veterans education and employment programs to ensure that our nation's heroes receive the benefits and services they deserve. The Hire More Heroes Act would allow companies to hire veterans who have healthcare as a result of military service without the individual counting towards the employers 50-person mandate cap under Obamacare.

The first of these bills passed unanimously and the second had only one "no" vote in the House, yet neither has gotten a vote in the Senate yet. Our job-seeking veterans deserve better.

Empowering Small Business Owners. Small businesses have traditionally been the strongest engine of American job growth. Unfortunately, it has gotten harder and harder to run a small company.

¹ <http://majorityleader.gov/jobstracker/>

House-passed bills like the Reducing Regulatory Burdens Act, Protecting Jobs From Government Interference Act, and Workforce Democracy and Fairness Act would eliminate rules that are redundant, hurt small businesses, and impede private sector investment. Most of these bills passed with bipartisan support, in some cases with overwhelming support from Republicans and Democrats.

Encourage Entrepreneurship and Growth. The U.S. is ranked only 20th in the world when it comes to the ease of starting a new business. In fact, the World Bank rankings say it's easier to start a business in Puerto Rico than in the mainland U.S.²

In the 112th Congress, the House passed bipartisan bills like the STEM Jobs Act and the Veterans Opportunity to Work Act. Neither of these bills were considered in the Senate, even though the latter passed with more than 400 votes in the House.

Big Things We Should Do to Create Jobs

While the House has passed a variety of small jobs bills, I believe there are some big things we could do to encourage more rapid job growth.

Tax Reform That Works for Every American. Our complex tax code is heavily biased toward companies and individuals who can afford to pay for the best accountants and tax lawyers. On top of that, it discourages foreign investment in the U.S. and encourages American companies to stash cash overseas rather than reinvest it at home. A fair, substantive tax code could improve the lives of families and make it easier to create new jobs.

Americans spend more and more each year preparing and filing taxes. In 2012, 60 percent of Americans paid a professional tax preparer and 30 percent paid for software. Small business owners spend about 65 percent more to comply with taxes compared to larger businesses. Americans who can't afford services probably leave money on table.

I believe there are three things we can do to help make tax time less trying:

First, reform and simplify the tax code so that regular Americans can understand what they owe. Our tax code is absurdly complex. At nearly 74,000 pages, it would take over 11 years for a single person, working every day, to retype the code. Reading it and understanding it is another thing.

Second, help families by expanding the child tax credit. Raising a child is expensive. Rather than put more money in ineffective government programs, we should keep more money in family budgets so that parents can choose good schools and save for college.

Third, lower the corporate tax rate to make America a better place to do business. Right now, we have the highest corporate tax rate in the world. We are one of the few industrialized nations that still penalize domestic companies that do well overseas. By reducing the rate and encouraging companies to bring earnings back to the U.S., we could actually increase government revenue and attract new investment.

² <http://doingbusiness.org/rankings>

Increase Fair Trade. Following the 2010 election, House Republicans worked together with the Democratic Senate and the President to sign three major trade deals. There is broad agreement that fair trade deals benefit American workers.

In fact, we sell more goods to our trade agreement partners than they buy from us—to the tune of \$59 billion a year. For countries that we don't have a trade agreement with, the opposite is true. Our trade deficit with these partners was \$508 billion last year.

Right now, the President is negotiating new agreements with countries along the Pacific Rim and with Europe. I support his efforts and I hope that we can lower other nations' barriers to American products, especially protectionist countries like Japan.

Products made in the 16th District go around the world. I know that our workers can beat anyone when the playing field is level and we should work together along bipartisan lines to open up markets.

Sensibly Balance the Budget. According to economists, the government debt has reached a level where it constrains economic growth. At the rate the debt is growing, interest payments will soon be the largest line item in the annual budget.

Fiscal responsibility is possible. I co-wrote four consecutive balanced budgets when I served on the House Budget Committee, negotiating each one with President Clinton. I know it can be done. By balancing the budget, we can restore confidence in investing in America.

Right now, Republicans are the only party in Washington that has proposed a plan to balance our budget. None of the plans proposed by the President balance—ever. The world's wealthiest country should be able to find a way not to pass our bills off to our children and grandchildren. Our future prosperity is dependent on planning for a future without economy-killing deficits.

Conclusion

The American economy is bogged down in the slowest recovery following a recession since the Great Depression. Government can't simply create economic growth by spending money. The nearly \$1 trillion wasted on the 2009 stimulus probably did more harm than good.

That doesn't mean Congress should sit on the sidelines waiting and hoping. I fervently wish we could do some of the big things that would have the greatest impact on family budgets and job growth. The partisan split isn't keeping me from looking for areas of agreement. Successfully working together on the small things helps build trust to do the big things. We can all agree that the welfare of American workers and families need to be our first priority.