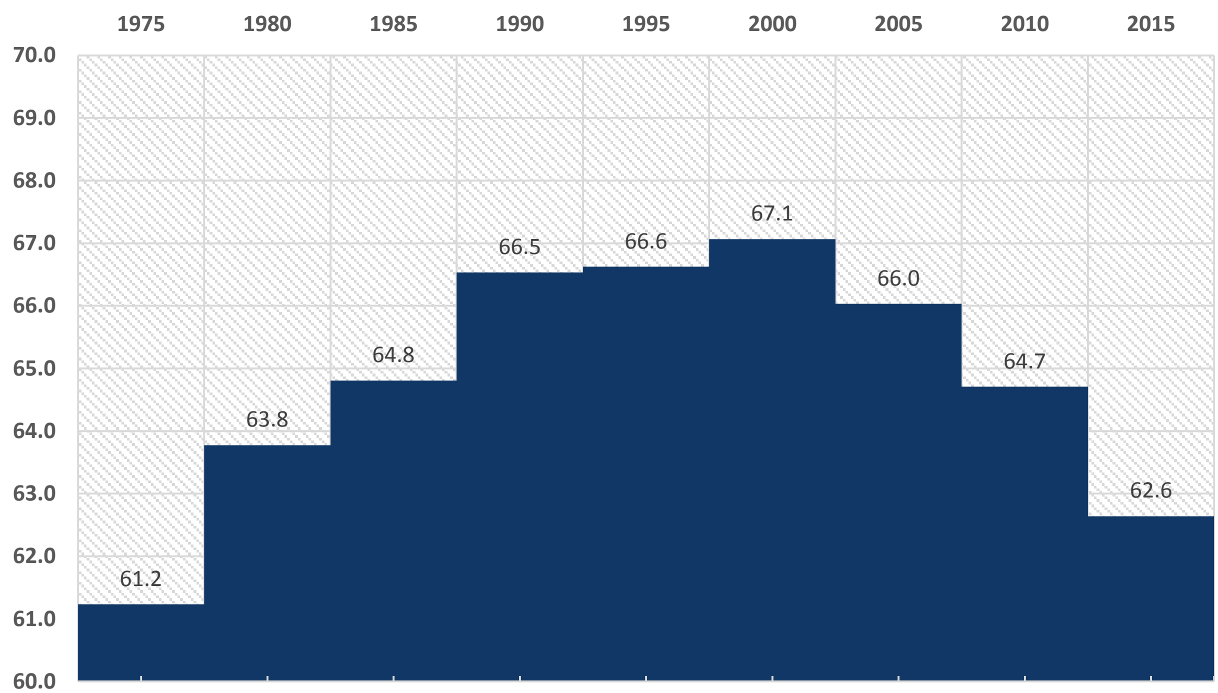
BILL FLORES, CHAIRMAN

RSC THE REPUBLICAN STUDY COMMITTEE

CREATING AN ENVIROMENT FOR JOBS AND ECONOMIC GROWTH

Across the nation, too many Americans are struggling to make ends meet. The slowly falling unemployment rate has masked an underlying crisis, as millions of Americans have abandoned the work force and wages have stagnated. The labor force participation rate has plummeted to levels not seen since the Carter presidency.[1] Since the beginning of President Obama's first term, 13.5 million more people have decided that they are no longer a part of the workforce — the equivalent of everyone in New York City, Chicago, and Houston all deciding they are better off if they stop working or searching for a job.[2]

Civilian Labor Force Participation Rate



Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Civilian labor force participation rate. *http://data.bls.gov/timeseries/LNS11300000*

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[1] Bureau of Labor Statistics, Labor Force Participation Rate (Seasonally Adjusted), retrieved February 19, 2016.
[2] Bureau of labor Statistics, Not in Labor Force (Seasonally Adjusted), comparing January 2016 to January 2009, retrieved February 19, 2016. And U.S. Census Bureau, "Ten U.S. Cities Now Have 1 Million People or More; California and Texas Each Have Three of These Places", May 21, 2015.

All of this comes after the president's failed "stimulus" spending spree, bailouts, and unprecedented experiments of government interference in the economy. People have seen many high-profile, large-scale government programs – Obamacare, TARP, Dodd-Frank, the Clean Power Plan, the Stimulus, and tax increases on the rich. Despite the administration's repeated promises, these monolithic Washington edifices have not been pillars of economic growth, nor have American families seen them usher in higher incomes or increased opportunity. Instead, government policies redistribute the people's money to the politically well-connected. This is not fair. In truth, these policies have made it harder for the average person to get ahead. And people are rightly angry.

Conservatives recognize that with faith in the promise of the American dream declining, government is the problem, not the solution. What we need is not more bailouts for more people, but a return to the very principles that made America the most prosperous, dynamic nation in the history of the world.

This proposal includes a number of commonsense steps to foster economic growth, while removing the government burdens holding back America's job creators and workers. After years of job-killing policies, it is time that we kick start the power of American energy, reform federal labor laws, promote transparency and accountability in the regulatory process, spur investment in local businesses, and expand free trade. These bold solutions create jobs by growing the economy—not the government.

REIN IN REGULATIONS TO SPUR ECONOMIC GROWTH

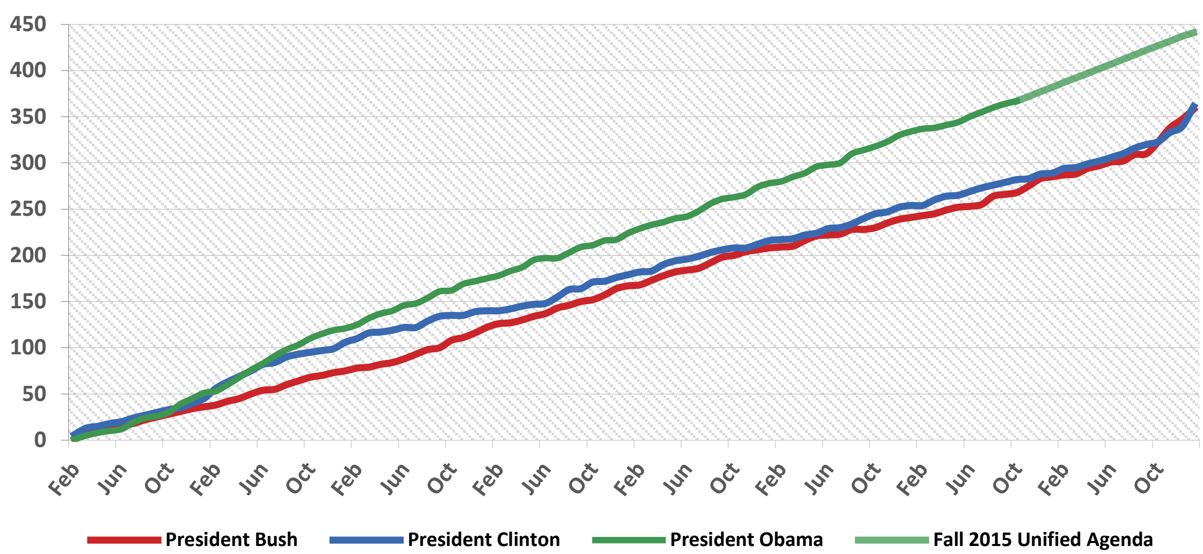
First and foremost, the RSC proposes a regulatory freeze for the rest of President Obama's term. This proposal would prohibit any new, significant regulatory action that would cost the economy more than $50 million to implement through January 21, 2017. This freeze would permit presidential waivers for national security, emergencies, and health and safety, subject to congressional disapproval.

Additionally, a midnight rule relief would prohibit any administration from implementing a new significant regulatory action that would cost the economy more than $50 million to implement, or any regulation that would cause significant harm to any sector of the economy, during the so-called "lame duck" period between a presidential election and the pursuant inauguration. This would also permit presidential waivers for national security, emergencies, and health and safety, subject to congressional disapproval.

This relief would give Americans the chance for a recovery from nearly eight years of damaging rules handed down by Obama Administration bureaucrats that have insulated the inefficient business models of the politically well-connected by stifling innovation through increased barriers to entry.

While a temporary regulatory freeze will stem the tide of government induced economic damage, it alone is insufficient to ensure the hope of prosperity for the future. This proposal includes regulatory budgeting, to prevent economic folly and damage by future administrations that might otherwise reopen the flood gates of the Washington bureaucracy. A regulatory budget works similar to a fiscal budget. Under this proposal, Congress would establish annual caps on the costs Executive Branch agencies could impose on the economy through new regulations. Over time, as agencies seek to impose new regulations, they will be forced to repeal existing outdated and unnecessary rules, reducing the overall burden on the country. A regulatory budget could be tied to Legislative Impact Accounting, which would account for the regulatory costs of proposed legislation.[3] Reviews of regulatory budgeting proposals show that it could save up to $100 billion in costs imposed on the economy each year.[4]

Cumulative Number of Economically Significant Regulations Published During Equivalent Periods in Office

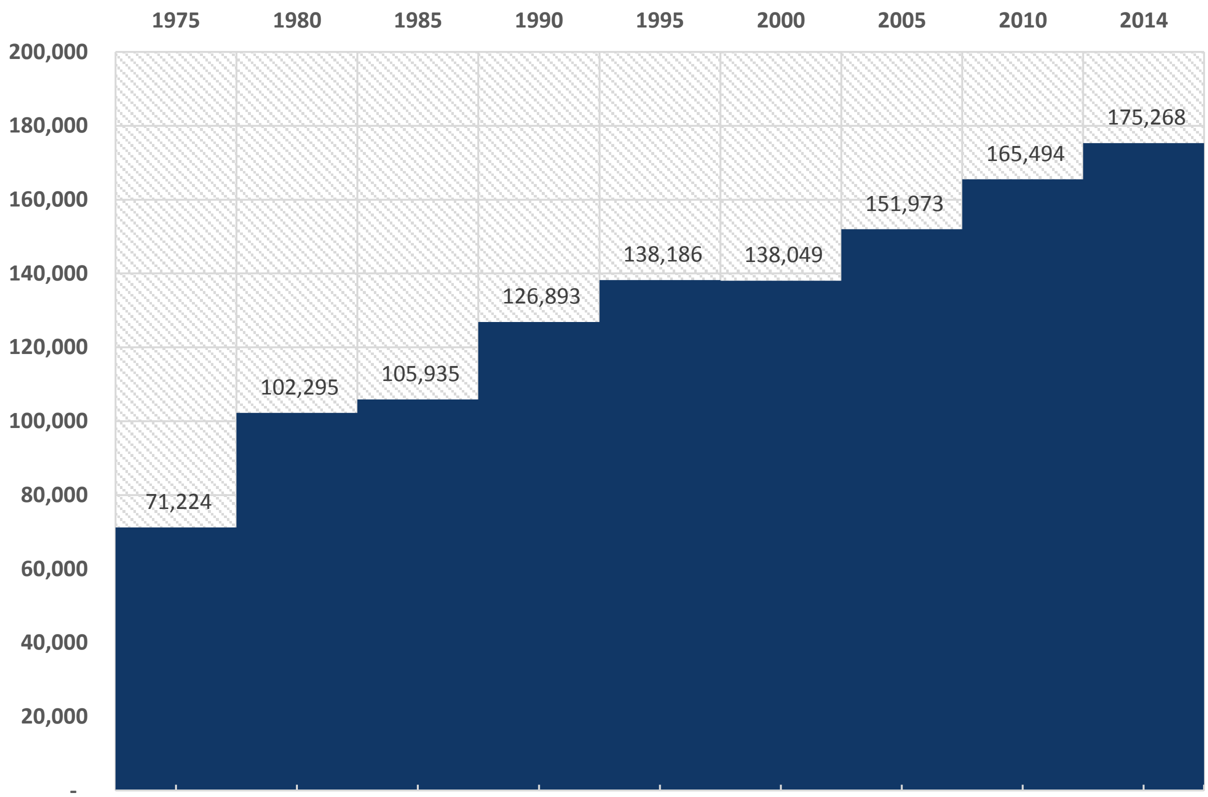


The George Washington University Regulatory Studies Center, Reg Stats.
https://regulatorystudies.columbian.gwu.edu/reg-stats

[3] Jason J. Fichtner, Patrick McLaughlin, Mercatus Center, "Legislative Impact Accounting: Rethinking How to Account for Policies' Economic Costs in the Federal Budget Process", June 2, 2015. http://mercatus.org/publication/legislative-impact-accounting-rethinking-how-account-policies-economic-costs-federal

[4] Sam Batkins, American Action Forum, "What Would a Regulatory Budget Save? About $100 Billion", September 1, 2015. http://americanactionforum.org/insights/what-would-a-regulatory-budget-save-about-100-billion

Pages in the Code of Federal Regulations



The George Washington University Regulatory Studies Center, Reg Stats.
https://regulatorystudies.columbian.gwu.edu/reg-stats

The RSC regulatory reform plan would also incorporate H.R. 427, the REINS Act, introduced by Representative Todd Young, to require that Congress approve of any regulations that have an annual economic impact of $50 million or more.

Federal agencies should be required to measure the effect of a proposed regulation on the economy and allow those affected by mandates to weigh in on the regulation. These reviews would increase the transparency of the true costs of federal mandates on state and local governments as well as the private sector. This proposal is based on H.R. 50, the Unfunded Mandates Information and Transparency Act, introduced by Representative Virginia Foxx.

Federal agencies should also perform a cost-benefit analysis on their proposed regulations and choose the regulatory options that impose the lowest cost on the economy. This proposal is based on H.R. 185, the Regulatory Accountability Act, introduced by Representative Bob Goodlatte.

This proposal also requires federal agencies to periodically review existing rules that have an effect on the economy of $100 million or more and modify, consolidate, or terminate (sunset) these rules on a periodic basis. Further, this proposal also provides a mechanism for people affected by burdensome regulations to petition for sunset review of particular regulations, regardless of their economic impact.

Before finalizing new regulations, federal agencies should understand how regulatory proposals impact small businesses. This understanding will allow agencies to minimize the cost on small businesses. This proposal is based on H.R. 527, the Small Business Regulatory Flexibility Improvements Act, introduced by Representative Steve Chabot.

This proposal requires the Small Business Administration Office of Advocacy to conduct an annual study of the total costs to small businesses of federal regulations and provide small businesses with a six-month grace period for regulatory violations, and allow the agency to waive sanctions if the small business corrects the violation within the six-month window, similar to a proposal put forward by Representative Vicky Hartzler in H.R. 1932.

All too often, pro-regulatory litigants, unable to enforce their will on the public through legislation, will sue federal agencies with the intention of obtaining a settlement that forces the government to take regulatory action. Unfortunately, regulatory agencies have become more than happy to cooperate with these litigants, entering into legally binding consent decrees that require a regulatory action. These settlements are negotiated behind closed doors, without the public participation required by the normal regulatory process governed by the Administrative Procedure Act, the Regulatory Flexibility Act, and the Unfunded Mandates Reform Act. In President Obama's first term, the EPA sought at least 60 settlements with advocacy groups, which resulted in more than 100 new regulations.[5] This proposal brings transparency to this sue-and-settle cabal by requiring public disclosure of the complaints against agencies, the terms of consent decrees, and attorneys' fees. Consent decrees should also be made available for public comment in the Federal Register prior to being filed with the courts. This proposal is based on H.R. 712, the Sunshine for Regulatory Decrees and Settlements Act, introduced by Representative Doug Collins.

Rather than being constantly surprised by new schemes of government control, the public should be able to know what regulations the Executive Branch plans to issue. Currently, the administration is statutorily required to publish the Unified Agenda of Federal Regulatory and Regulatory Actions twice per year. Unfortunately, this is another issue where President Obama has failed to provide transparency, with some reports being filed late and others not at all. Instead, to provide real transparency and regulatory certainty, federal agencies should publish monthly information about their proposed regulations.

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[5] U.S. Chamber of Commerce, Sue and Settle: Regulating Behind Closed Doors, August 5, 2015. https://www.uschamber.com/report/sue-and-settle-regulating-behind-closed-doors

UNLEASHING NORTH AMERICAN ENERGY PRODUCTION

America should be exploring and unleashing our vast reserves of energy and mineral resources on public lands. Tapping our domestic energy resources would promote job creation and decrease dependence on foreign oil, both at home and for our allies around the world.

The RSC proposes opening up new areas of the Outer Continental Shelf for domestic energy production, repealing the ban on energy exploration in the Arctic National Wildlife Refuge, allowing states to develop resources on federal land within their borders, and stopping the federal government from implementing any hydraulic fracturing regulations in a state that has already issued its own regulations.

This proposal approves the Keystone XL pipeline, something that the president has vetoed despite a State Department environmental impact statement that found construction of the pipeline would support more than 40,000 jobs.[6] It is past time to green light this "shovel-ready," job-creating project.

The RSC would block the Obama Administration's so-called Clean Power Plan. Despite the fact the American people rejected the president's cap-and-trade proposal, the EPA had been moving ahead with job-killing climate change regulations on new and existing power plants until a stay was recently granted by the Supreme Court. This regulation could cost the economy between $41 and $73 billion per year, hitting consumers in the wallet.[7] The RSC would block other anti-energy EPA regulations, such as the Ozone rule, which has been called "the most expensive regulation of all time".[8]

Our plan also accelerates approval for liquefied natural gas (LNG) exports. Congress recently took the positive step of lifting the ban on the export of crude petroleum, as proposed by the FY 2016 RSC budget.

The Renewable Fuel Standard (RFS) is a program that requires fuel sold in the U.S. to contain a minimum volume of renewable fuels. However, the standard has caused a dramatic increase in the price of corn, food and gasoline. A reform of the standard would end ethanol fuel-blending mandates. This proposal mirrors Representative Bob Goodlatte's H.R. 703, the Renewable Fuel Standard Elimination Act.

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[6] United States Department of State Bureau of Oceans and International Environmental and Scientific Affairs, "Final Supplemental Environmental Impact Statement for the Keystone XL Project Executive Summary", January 2014. http://keystonepipeline-xl.state.gov/documents/organization/221135.pdf

[7] William Yeatman, U.S. News and World Report, "The Clean Power Plan's Dirty Secret", January 26, 2015. http://www.usnews.com/opinion/articles/2015/01/26/obamas-epa-clean-power-plan-has-a-dirty-secret

[8] Lydia Wheeler, The Hill, "Manufacturers: Even with costs halved, ozone reg could still be most expensive", February 26, 2015. http://thehill.com/regulation/233940-manufacturers-ozone-standard-could-still-be-the-nations-most-expensive-regulation

GET UNIONS OFF THE BACKS OF JOB CREATORS AND EMPLOYEES

The RSC proposal fully repeals Davis-Bacon, which requires prevailing wages to be paid for all government contracting jobs. Removing this job-killing requirement would increase job creation and allow taxpayer dollars to go further for infrastructure projects. This commonsense policy would save taxpayers billions of dollars, according to CBO.

The proposal also prohibits federal employees from using official, taxpayer-paid time for union activity. The OPM estimated that in FY 2012, taxpayers paid more than $157 million in official time for employees to conduct union activities.[9]

In addition, this proposal allows employers of workers operating under a union contract to award bonuses and pay raises to employees without having to get permission from union bosses. This proposal is based on Representative Todd Rokita's Rewarding Achievement and Incentivizing Successful Employees (RAISE) Act.

The National Labor Relations Board's (NLRB) Joint Employer ruling would pull companies into collective bargaining negotiations with employees of companies they have a contract with. This could have an adverse effect on franchisees by increasing their liability for workers they do not actually employ. This proposal would undo the NLRB's ruling, replacing it with the effective standard that had been in place for decades.

SPUR INVESTMENT IN LOCAL BUSINESSES

The RSC proposal allows more capital to flow to Main Street to spur investment. It does this by providing regulatory relief to community banks and credit unions, so local financial institutions can more effectively lend to small businesses and invest in their own communities. This proposal would repeal the Dodd-Frank financial regulation law and eliminate the $29.3 billion in burdensome economic costs along with the 75 million paperwork hours it has imposed on the country. These costs are ultimately born by consumers in the form of higher fees, diminished access to capital, and a slower economic recovery.[10] This proposal also removes unnecessary regulations that inhibit investment in businesses. American businesses must have the ability to obtain loans to expand. It is time to get the government off the backs of our job creators so we can rebuild an America that works.

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[9] United States Office of Personnel Management, "Labor-Management Relations in the Executive Branch", October 2014. https://www.opm.gov/policy-data-oversight/labor-management-relations/reports/labor-management-relations-in-the-executive-branch-2014.pdf

[10] Sam Batkins, Meghan Milloy, American Action Forum, "The Most Expensive Dodd-Frank Rule Adds to Law's Burden", November 10, 2015. http://americanactionforum.org/research/the-most-expensive-dodd-frank-rule-adds-to-laws-burden

This proposal embraces those who participate in the innovative sharing and gig economy. The old, entrenched special interests have done their best to squash the competition using government regulations. The widespread popularity of companies like Uber, Lyft, and AirBnB – with consumers and service providers alike – have shown that the market is hungry for new, innovative solutions. Good ideas will rise to supply that demand. Government should remove barriers to entry for these services and allow the best concepts to thrive.

In a similar vein, government should reduce the burden of outrageous occupational licensing requirements. For instance, barbers and interior designers face stricter licensing requirements than emergency medical technicians.[11] Thirty percent of jobs now face government-imposed licensing requirements, up from five percent in the 1950's.[12] Removing barriers to entry into the labor force will allow more people to get to work, improving their lives and our nation's economy.

The federal government should not force online retailers to collect sales taxes from customers located in other states. According to the Supreme Court, retailers must only collect and remit sales taxes in locations where they have a physical presence. States with sales taxes already have ways to require citizens to remit the sales taxes legally owed due to out of state purchases. These states should not use the power of the federal government to impose burdens on business located outside their jurisdiction. This type of intervention would only reduce competition between business models and between state tax policies.

EMBRACE FREE MARKETS, SHOW FAVORITISM TO NONE

Conservatives believe in free markets and free citizens. We want to end government intervention into the economy that picks winners and losers, distorts markets, and makes us less free and less prosperous. We oppose programs that only serve to help already powerful special interests.

That is why this proposal would eliminate the Export-Import Bank. The Bank is charged with subsidizing certain American exports. In reality, those subsidies come from the U.S. taxpayers – including taxes paid by companies in direct competition with the beneficiaries of the subsidies. They go to foreign countries and foreign companies to purchase goods from specific corporations approved by the Ex-Im bureaucrats. Many of those favored firms are predominately the biggest and most politically connected in the country, all with well paid lobbyists.

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[11] James Pethokoukis, American Enterprise Institute, "The terrible economic burden of occupational licensing", April 21, 2014. https://www.aei.org/publication/the-terrible-economic-burden-of-occupational-licensing/

[12] Melissa S. Kearney, Brad Hershbein and David Boddy, Brookings Institution, "Nearly 30 Percent of Workers in the U.S. Need a License to Perform Their Job: It Is Time to Examine Occupational Licensing Practices", January 27, 2015. http://www.brookings.edu/blogs/up-front/posts/2015/01/26-time-to-examine-occupational-licensing-practices-kearney-hershbein-boddy

Ex-Im boasts a disturbing culture of corruption and misconduct that has led to numerous criminal indictments in the last six years. Their lending standards often lack transparency and consistency. The Bank is the 'Enron' of the federal government, a poster child for the worst of Washington's corruption and mismanagement. Federal bureaucrats should not be picking business' winners and losers. Instead, we know American businesses are capable of competing in a free and open market as called for by the RSC, without government interference.

Eliminating Ex-Im will save the taxpayers hundreds of millions of dollars, according to CBO. More importantly, the bank's demise will mark a return to the principles of free enterprise and competition so essential to the American miracle of unprecedented prosperity.