



Nov. 7, 2012

Dear President Obama,

We at the Competitive Enterprise Institute wish to congratulate you on your victory. We look forward to working with you and your administration on the full range of policy areas we research.

We would like to offer some suggestions we believe will contribute to a more free and prosperous America. We ask you to consider them in the spirit of cooperation in which they are offered.

In particular:



ENVIRONMENT

On the environment, we urge you to:

- Suspend and re-open the rulemaking process for the EPA's greenhouse gas emissions regulations and other major Clean Air Act rules designed to close coal-fired power plants and raise electric rates and cancel the revised offshore drilling plan and revert to the much-more-ambitious 2008 plan.
- Open the coastal plain of the Arctic National Wildlife Refuge to oil exploration
- Approve the Keystone XL Pipeline
- Stop the EPA from interfering in state regulation of hydraulic fracturing.
- Suspend the Renewable Futures Standard for 2013 so corn prices can stabilize and
- Suspend, for obvious reasons, the Department of Energy's loan guarantee program to "green" energy companies.

On regulatory policy, we ask you to acknowledge that federal regulations cost American businesses \$1.8 trillion – half as much as the entire federal budget. To bring greater accountability to the regulatory process, please consider these three steps:

- Produce an agency-by-agency "report card" every year that reveals the cost and number of regulations each produced.
- Establish a standing regulatory relief commission to comb the books for outdated, unnecessary or harmful rules, and require Congress to take an up-or-down vote on its list of recommended cuts.
- Curb the trend toward over-delegation of lawmaking power to unelected agencies and unaccountable bureaucrats. The more Congress has to vote on controversial regulations, the fewer we'll have.

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LABOR

On labor policy, we suggest you:

- Direct the Department of Labor to implement the union financial disclosure requirements that have been in the works since the previous administration. Union members have a right to know the finances of the organizations into which they pay dues.
- Sell off the federal government's remaining stake in GM and treat the United Auto Workers as if was any other party.
- Appoint to the National Labor Relations Board members who will respect the will of Congress. That means not trying to enact rules that would have the effect of legislation Congress has rejected, such as card check-like union organizing rules that would resemble the so-called Employee Free Choice Act.
- Commission an independent audit of federal employee pensions. This could be done by a bipartisan independent commission composed of individuals with experience in GAO, CBO, and OMB, as well as private sector pension actuaries.
- Remove exclusive representation privilege from labor organizations, so workers can choose their own representatives.
- Repeal Davis-Bacon and the Service Contract Act to abolish wage controls and promote a more competitive and agile labor force.

On financial policy, consider these three proposals, all of which enjoy bipartisan support:

- Deregulate credit union business lending. Ron and Rand Paul, Allen West, John Conyers and Harry Reid all agree: Ease or eliminate archaic restrictions on credit unions lending to member businesses. We've spent billions trying to help small banks do this – with dismal results. All credit unions seek is permission. Let them try.
- Create a federal charter for nonbank lenders. The stars of "Pawn Stars" are considered heroes for lending in underprivileged communities. Yet nonbank lenders are prevented from offering consumers a full range of services. Support the bipartisan legislation to create a federal charter for nonbanks that would allow them to choose to bypass state caps and submit to federal regulation.
- Repeal Dodd-Frank's regressive Durbin Amendment debit card price controls. Price controls are always bad, but this one creates price controls that benefit some of the wealthiest firms. It mandates what banks and credit unions can charge retailers to process debit cards and has caused checking account fees to skyrocket and regional banks' income to fall. Worse, the big retailers that have benefited haven't passed along the savings to consumers. Again, when Jason Chaffetz, R-Utah, one of the most conservative members of Congress, and DNC Chairman Debbie Wasserman Schultz, one of its most liberal, agree, this should be a political winner.



TRANSPORTATION

On transportation policy, we ask you to honor the clear will of the American people and reform the process by which we board airplanes:

- Conduct an honest risk assessment, cost-benefit analysis of airport screenings, and act on the findings.
- Eliminate expensive, ineffective and offensive practices and technologies, such as the Transportation Security Administration's whole-body scanners.
- Expand TSA's Screening Partnership Program, which allows private contractors to carry out security duties in airports.

The 9/11 attacks should not have been used as justification to nationalize airport security, and we should stop pretending this is a job government has to do.



HEALTHCARE

On healthcare: We recognize you believe strongly in the Affordable Care Act. But we ask you to address some problematic elements of the law—in particular, the Independent Payment Advisory Board. The IPAB was designed to deny Medicare beneficiaries access to important health care services that board members find too expensive—a program thought to be necessary because Medicare's design shields patients from the cost of seeking ever more care. But blindly preventing access to expensive treatment options, as the IPAB would do, directly conflicts with another stated goal of your administration: "doubling the output of innovative new medicines that meet public health needs."

If cost-cutting measures such as IPAB penalize health plans for paying the true cost of medical innovation, the world will have far fewer breakthrough treatments, and Americans will suffer. The answer is not to further insulate patients from the cost of their care or to let bureaucrats dictate medical decisions. The answer is to reduce

regulatory hurdles that drive up research and development costs in medical technology and let patients determine the value of treatment options.



TECH POLICY

On technology policy. as you know, telecommunications and information technology represent bright spots in our nation's economy because they are lightly regulated, and competition is encouraged. We ask you to keep it that way – to pursue legislation that reforms the Federal Communications Commission's role in Internet governance and to veto any legislation that authorizes the FCC to regulate how broadband providers set prices and determine access. And given all that's happened in technology in the last 16 years, we ask you to consider a long-overdue overhaul of America's telecommunications laws.

Also, as you know, competition flourishes through technology, and new markets emerge daily. In view of this, we ask you to consider modernizing our century-old antitrust laws and to direct the Department of Justice's Antitrust Division to stop bringing lawsuits against firms suspected of violating section 2 of the Sherman Act, which denies companies the freedom to enjoy the fruits of their lawfully-earned market position?

On science policy. appoint a chief science adviser who is not a partisan in a prominent scientific debate but who is willing to look at the entire basis of federal funding of scientific research. Appoint one concerned with the power of political patronage in science funding and willing to advise you on new ways to ensure the United States continues to be a source of scientific innovation. Appoint one who will re-engage market sources in the pursuit of basic research rather than treating them as a pariah whose research is intrinsically suspicious.

On trade policy. review all international treaties signed but not ratified by the Senate to assess whether America's vital national interests are served by their ratification. Abandon the Law of the Sea Treaty, which internationalizes America's offshore assets and would subject American industry to economy-destroying international supervision. Appoint negotiators for future treaties who will not compromise on America's freedoms."



IMMIGRATION

On immigration policy. take advantage of bipartisan consensus that reform is needed and seek some version of the DREAM Act. Press for more visas and green cards, particularly for immigrant entrepreneurs, university graduates and other highly skilled foreign workers.

On chemical policy. promote science-based risk assessment, not anti-technology policies based on over-precaution and "hazard" profiles rather than actual risks. Leave the Toxic Substances Control Act alone. Its science-based reasonable risk standard works better than the allegedly more "modern" regulatory standards--such as the Food Quality Protection Act's "no harm" standard.

As for our lands. stop buying them. Government owns at least 45 percent of all the land in America. It owns so much nobody even knows the exact total. Yet, it keeps acquiring more and doesn't manage what it owns all that well. It would be one thing if this meant more access to all this land for the American people, but it means less.

Appoint a blue-ribbon panel to determine what we own, evaluate it and see what can be devolved to the private sector – profit and non-profit – and to the states. Private owners manage land better than the federal government; we have 300 years of evidence to back that up.

Again, President Obama, congratulations on your victory. Please consider these proposals to create a freer, more prosperous, more creative and vibrant America.

Sincerely,

The Staff of the Competitive Enterprise Institute