

OVERVIEW OF JOBS COUNCIL REPORT

Road Map to Renewal

THE JOBS COUNCIL MISSION

A year ago, President Obama created the Jobs Council and tasked us with developing a set of recommendations to create jobs in the short run and improve our nation's competitiveness over the long term. We brought to the table a broad array of perspectives, traveled the country to listen and learn, and developed a framework for job creation and enhanced national competitiveness. Our recommendations are specific, practical and provide a roadmap for action. They deserve broad bipartisan support and backing from both the public and private sector.

The Jobs Council has approached its work in three phases. In June, we offered ideas to catalyze job growth in the short term. In October's Interim Report, the Council next turned to ways to accelerate job creation and lift American competitiveness over the next two to five years. This third, year-end report addresses the broader factors influencing American prosperity and competitiveness in a global age.

The report lays out an agenda to **Invest in Our Future** through education and innovation, **Build on Our Strengths** in the critical sectors of energy and manufacturing, and **Play to Win** by making overdue tax and regulatory reforms to stay competitive. Investing in our future, building on our strengths, and playing to win—these are mantras we must adopt, along with the specific policies and initiatives that back them up, if we are going to renew our competitiveness for the century ahead.

JOBS COUNCIL RECOMMENDATIONS

Prepare the American Workforce to Compete in the Global Economy

In order to stay competitive in a global age, we must invest in our future by ensuring Americans have the right education and skills to realize their full potential and drive our nation's economic success. We must start by transforming our education system from preschool through K-12, especially in science, technology, engineering, and math (STEM) education. We must also ensure that our higher education and professional training programs are better aligned to meet student needs. These measures will create a purposeful educational system that produces work-ready graduates, satisfied employers with access to a talented labor pool, and a vibrant economy poised for growth and success. Key recommendations:

- Emphasize the Importance of High-Quality Preschool.
- Accelerate the Implementation of High Common Standards for School Curricula.
- Bolster the Teaching Profession.
- Empower Students, Parents and Teachers to Make Data-Driven Improvements to Education.
- Form Partnerships between Businesses and Educational Institutions to Ensure that Training for Students and Workers Meets the Demands of the Labor Market.
- Provide Clear Performance Data for the Full Spectrum of Educational Institutions to Empower Parents, Students, Education Providers, Government and Employers to Drive Systemic Improvements in Education.

Foster a Climate that Lets Innovation Thrive

America's gift for ingenuity and innovation has helped fuel productivity growth and the new technologies and industries that create jobs. Maintaining our traditional advantage in an era of global competition will require a renewed commitment to invest in innovation—not only the research to develop new technologies and the capital to turn ideas into industries, but a 21st century workforce with the skills to sustain our competitive edge and develop the next round of game-changing inventions. Key recommendations:

- Boost Total National Investment in R&D to 3% of GDP.
- Bolster Private Sector R&D with a Competitive R&D Tax Credit, Speedy Tech Transfer and Strong IP Enforcement.
- Increase Federal Support for R&D and Innovation and Target it Towards Next Generation Challenges.
- Ensure Entrepreneurs Can Access Capital to Build Their Businesses.
- Develop a Skilled American Workforce Ready to Innovate.
- Target Investments to Big Challenges to Free Up Resources to Invest in Our Future.

Adopt an "All-In" Strategy on Energy

In order to stay competitive, the U.S. must maintain access to abundant and affordable energy while reducing our reliance on foreign imports and moving toward cleaner energy sources. The Jobs Council recommends an "all-in" approach to energy that optimizes all of America's natural resources, drives innovation and investment, and promotes efficiency to reduce our overall energy dependence. Key recommendations:

- Make More Areas Available for Renewable Energy Development and Streamline the Permit Process.
- Allow More Access to Oil, Gas, and Coal Opportunities on Federal Lands While Ensuring Safe Development.
- Increase Funding for Energy Research Programs at the Department of Energy and U.S. Universities.
- Adopt More Efficient Standards for New Building Construction.
- Incorporate Energy Audits into the Standard Practice for Buying a Home.
- Encourage Deployment of New Technologies by Private Energy Firms Through Policies Such as Production Tax Credits.
- Increase Government Purchases of Alternative Fuel Vehicles.
- Support Federal Research Programs to Give the U.S. an Edge in Electric and Hybrid Vehicle Technology.



Revitalize the American Manufacturing Sector

The U.S. still boasts the most productive, highly-educated manufacturing workforce in the world, unrivaled intellectual property protections, and an advantage in low-cost energy. These strengths at home, and rising costs abroad, give reason to be bullish about American manufacturing. The U.S. can gain three to four percentage points of global value added market share—an ambitious but achievable goal. To accomplish that we must emphasize our traditional manufacturing advantages while taking more aggressive measures in key sectors to take share from global competitors. Key recommendations:

- Build U.S. Competitiveness Across the Board in the Areas of Skills, Regulation, Taxes, and Infrastructure.
- Reform U.S. Export Controls to Help Encourage High Tech Manufacturing Exports.
- Build on Successful Programs to Help Smaller Manufacturers Reach Foreign Markets.
- Develop a National “Gold Standard” for Strong Local Industry Clusters.
- Utilize Government Grants and Pilots to Provide “Proof Points” for New Technologies.
- Leverage the Government’s Procurement Power to Promote Scale-Up in Emerging Industries.
- Develop Programs to Help New Manufacturers Find the Workforce They Need and Navigate Regulatory Hurdles.

Enhance American Competitiveness through Smart Regulatory Reforms

The Jobs Council recommends the Administration and Congress pursue a series of regulatory reforms focused on actively engaging stakeholders, improving regulatory procedures wherever possible, and conducting regulatory impact analysis. The Council aims by 2020 to ensure the U.S. leads the world in regulatory competitiveness, which will boost economic activity, job creation, and per capita income even as we assure the health and safety of the American people. Key recommendations:

- Engage in Earlier Public Outreach and Disclosure of Data and Costs.
- Create Regulatory Ombudsmen to Reach Out to Regulated Parties for Feedback.
- Create a “Regulatory Portal” for Information about Regulatory Requirements for Each Sector of the Economy.
- Pilot an Approach to “One Stop Shop” Expedited Permitting on Large Scale Projects.
- Seek Better Alignment Between U.S. Regulations and International Regulatory Standards.
- Develop a System for Agency Retrospective Review.
- Commission Independent Third-Party Analysis of Regulations.
- Require Regulatory Impact Analysis for IRCs.

Reform the Outdated Tax System to Enhance American Competitiveness

The Jobs Council supports measures to create a simpler, more efficient tax system that levels the playing field for businesses and makes the U.S. more competitive internationally. In order to enhance economic efficiency, encourage more investment in the U.S., and boost economic growth, the Council recommends moving from a corporate income tax system with a high tax rate and a narrow base to one with a broader tax base and a lower overall rate. Key recommendations:

- Broaden the Corporate Tax Base.
- Lower the Overall Corporate Tax Rate to Internationally-Competitive Levels.
- Consistent with the Recommendations of Simpson-Bowles and the President’s Export Council, consider a Territorial System of Corporate Taxation.
- Create a Process with Teeth to Forge Consensus on Tax Reform.