

**U.S. Chamber's Donohue
Tells CACI Members
that Business-Federal Government "Partnership"
is Needed to Create Jobs**

October 27--Tom Donohue, President and CEO of the U.S. Chamber of Commerce, addressing CACI's 46th Annual Meeting Luncheon yesterday, said that the Federal Government should become a "better partner" with business.

<http://www.uschamber.com/about/management/thomas-j-donohue>

<http://www.uschamber.com/facts>

"Let's get a system so we can put people to work," Donohue urged. "We've got to remember that we are the can-do nation," he said. The U.S. needs to create jobs, build, foster economic growth and create a "better life" for its citizens, he said.

Donohue said the U.S. Chamber, with which CACI is affiliated, "appreciates" its relationship with CACI, which worked with the U.S. Chamber in 2009 and 2010 to send two "fly-in" CACI delegations to Washington, D.C., to lobby the Colorado Congressional delegation against the so-called "card-check" bill (Employee Free Choice Act) advocated by organized labor.

The mission of the U.S. Chamber is "jobs," Donohue said, and he said that more jobs are the way to increase Federal Government revenue to deal with "deficits and debt." But various groups differ on the correct strategy to address the Federal Government's fiscal problems, he said. Some prefer to increase taxes, "reallocate" dollars and spend more while others look to reduce Federal spending, he said.

Donohue told the more than 400 CACI members and guests in the Grand Seawell Ballroom at the Denver Center for the Performing Arts that the Congress should not try to increase taxes on businesses, the "job creators."

Donohue acknowledged the "wide-spread anger" directed at Wall Street and businesses, given that the national unemployment rate is 9.5 percent. He said the actual unemployment rate is "probably" about 14 percent when the underemployed and discouraged workers, who are no longer looking for jobs, are counted.

Businesses are sitting on \$2 trillion in cash because the economic outlook is uncertain and it's not clear how the Congress and President Obama will address the challenge of encouraging job creation and resolving the Federal Government's deficit and debt problem.

The business community needs a "regulatory and tax system" that is predictable, Donohue said. For example, he said, the predicted cost now of last year's Federal health-care bill is \$500 billion, much higher than originally projected.

Last year's financial reform act, known as "Dodd-Frank," for its authors, Senator Chris Dodd (D-Connecticut) and Representative Barney Frank (D-Massachusetts), contains 250 rules and 188 "recommendations" and will take many years to implement, causing continued uncertainty for the business community, Donohue said. The President signed the "Dodd-Frank Wall Street Reform and Consumer Protection Act" into law in July 2010.

http://en.wikipedia.org/wiki/Dodd%E2%80%93Frank_Wall_Street_Reform_and_Consumer_Protection_Act

Regulations advocated by the U.S. Environmental Protection Agency (EPA), the U.S. Department of Labor (DOL) and the National Labor Relations Board are causing, or will cause if implemented, increased costs and problems for businesses, Donohue said.

He said the U.S. Chamber has its own "law firm" (the National Litigation Center) and sues the Federal Government about 150 times a year over various laws and regulations. The U.S. chamber spends about \$40 million annually advocating legal reform, he said.

<http://www.chamberlitigation.com/>

Donohue lauded the Congress for finally approving-- although the effort "took years"--the three free-trade agreements for Korea, Columbia and Panama, which will create jobs in the U.S.

The U.S. Chamber advocates increased energy exploration and development in the U.S., which "now has abundant supplies," Donohue said.

The U.S. needs to invest more in infrastructure, as its global competitors are doing, with "long-term" bills for such things as transportation, he said. He called for a "small" increase in the Federal gas tax, which has not been raised in 18 years while manufacturers have greatly improved the fuel mileage of vehicles.

The U.S. should improve its efforts to attract tourists from other nations and "treat people better," Donohue said.

Donohue said the problem with Social Security is that it was created when the average life expectancy was 62 and the retirement age was 65. Now, life expectancy is much longer; more people are drawing benefits and fewer are paying into the system. Both Social Security and Medicare need "adjustments," he said, not elimination.

The Brooklyn, N.Y., native discussed the Congressional "supercommittee," tasked with coming up with at least \$1.2 trillion cuts to future Federal spending by November 23rd, the day before Thanksgiving, or trigger an automatic cut of a cut "across the board" of that amount if the supercommittee does not agree on a plan. The supercommittee consists of six Democrats and six Republicans from both chambers of the Congress. Donohue called the members of the supercommittee the "12 Apostles" because of the nature of their "spiritual work" in trying to resolve their partisan differences.

In response to a question about rising health-care insurance costs from Jo Wilson, Senior Vice President, Human Resources, with CACI member TransFirst, Donohue said a public-sector health-care system will be more expensive and less efficient than a private-sector system. He point to the example of Great Britain where a two-tier system has been created, with 90 percent of the people accessing the public system while ten percent, who are wealthy, go to a private-sector system. He said Canadians often come to the U.S. for medical treatment, despite that nation's universal health-care system. The number of providers—doctors, nurses—is decreasing while the demand for medical care is increasing as people live longer, Donohue said. Many providers no longer accept Medicare patients.

Donohue said the U.S. Chamber's Institute for Legal Reform has worked in 11 states to oppose class-action lawsuits by becoming involved in races where state supreme courts justices and state attorneys' general are elected.

<http://www.instituteforlegalreform.com/>

For more on Donohue's speech to CACI, read:

“U.S. Chamber of Commerce CEO urges feds to help businesses create jobs,” by Greg Griffin, The Denver Post, October 28th.

http://www.denverpost.com/business/ci_19211248