

# THE STATE OF AMERICAN BUSINESS

2008



THOMAS J. DONOHUE

President & CEO  
U.S. Chamber of Commerce

---

# State of American Business 2008

*America is at a crossroads.*

While the fundamentals of our economy and society remain strong, our future is clouded by Washington's failure to seriously address the core competitive challenges that will drive growth, opportunity, and prosperity in the 21st century.

**While the economic fundamentals remain strong, Washington has failed to address the core competitive challenges that will drive growth in the 21st century.**

The U.S. Chamber of Commerce has been actively speaking out on these challenges for years—the need to improve our children's schools, explore for affordable American energy, rebuild our transportation system, eliminate costly and frivolous lawsuits, improve access to quality and affordable health care, cut burdensome taxes and regulations, and create good American jobs by expanding trade and protecting our intellectual property.

Progress has been made on some issues, but overall, a culture of complacency and neglect has defined our national response—one atypical of the proud American tradition of greeting hardship with hard work, innovation, and decisive action.

The price of continued negligence will be immense. We must not allow our economic leadership to slip away,

**We must not allow our economic leadership to slip away, and with it, the promise of the American Dream.**

---

and with it, the promise of the American Dream.

Despite an economy that is statistically growing, creating jobs, and expanding incomes, many Americans are troubled by the rising costs of health care, energy, and college tuition. They are worried about jobs, incomes, and pensions. They wonder what lies ahead for their children and grandchildren.

The business community shares these concerns. Unlike previous years, the State of American Business today cannot be easily described in a word or a phrase. The short-term economic outlook is unsettled and driven to some degree by growing anxiety.

Yet the business community and the American people should have confidence in our collective ability to address these challenges. With strong private and public sector leadership, we can build and sustain a competitive U.S. economy that supports national security and expands opportunity and peace of mind across all levels of society.

The Chamber stands ready to provide this private sector leadership. We are implementing an innovative and comprehensive Five-Year Plan that will significantly expand our institution's global reach, grassroots depth, and issues expertise—giving American enterprise a greater ability to actively influence policy, politics, and government at all levels in a constructive way.

Leading by established principles, we will advance a prosperity agenda that will preserve, protect, and promote America's competitive standing across the globe.

**The Chamber will advance a prosperity agenda that will preserve, protect, and promote America's competitive standing across the globe.**

---

Throughout the 2008 election campaigns, we will challenge candidates to move beyond simple slogans, and we will ask Americans to join us in holding them accountable for delivering open, honest, and realistic solutions to the very real challenges facing American businesses.

The Chamber's mission has always been—and remains—to help create American jobs, expand prosperity, and reward success. We are all in this together, and we all need to work together. We don't need more government regulation or private litigation. What we need is more freedom and flexibility, empowerment and opportunity. We need to stop the practices and policies that undermine economic expansion and start doing more to promote the principles of a successful 21st century economy.

Now, more than ever, when it comes to American jobs and American products, we must be strong and competitive. Now, more than ever, our leaders have to fight harder and do better. Now, more than ever, we need to enact commonsense policies that will enable American businesses to compete and win on a global scale.

*At the end of the day, other countries can copy us, but no one can beat us.*

So let us move forward together to rally business owners and their employees across the nation to take a stand for a better, more confident, prosperous, and secure America.

Thomas J. Donohue  
President & CEO  
U.S. Chamber of Commerce  
January 2008

---

# WHAT'S INSIDE

***The Economy in 2008*..... 7**

In 2008, key indicators suggest that the U.S. economy will avert a recession and slowly pick up steam.

***Chamber Priorities in 2008*..... 8**

The Chamber follows hundreds of issues of vital importance to our members. What immediate priorities will be front and center in 2008?

***A Growth, Opportunity, and Prosperity Agenda for America*.....15**

The Chamber has developed a Five-Year Plan centered on strengthening our organization and creating a more competitive economy that empowers individuals and businesses and protects the American Dream. We will focus on 10 key challenges facing the American people:

- **Attracting, Educating, and Empowering Workers for Successful Careers..... 15**
- **Securing Our Nation With Clean, Affordable Energy ..... 18**
- **Modernizing Our Infrastructure to Free the Flow of People and Commerce ..... 19**
- **Ending Lawsuit Abuse and Ensuring Litigation Fairness..... 21**
- **Strengthening U.S. Capital Markets for Entrepreneurs and Investors..... 23**

- 
- **Providing Health Care and Retirement Security for Every American..... 24**
  - **Creating American Jobs by Expanding Free and Fair Trade..... 26**
  - **Protecting Intellectual Property..... 28**
  - **Keeping Taxes Low on Hardworking Americans and Businesses..... 29**
  - **Challenging the Unions' Anti-Growth Agenda..... 30**

*Chamber Accomplishments in 2007.....32*

*About the U.S. Chamber of Commerce.....36*

---

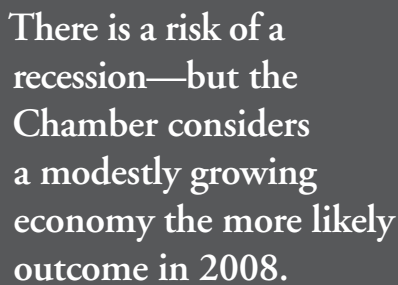
## The Economy in 2008

The U.S. economy was buffeted by rising oil prices and the subprime mortgage crisis in 2007. The impact of these factors was felt in the broader economy—undermining, to a degree, both business investment and consumer confidence. Their combined impact will stretch into 2008, slowing economic growth.

The Chamber sees growth averaging about 2% in the first half of the year, an improvement over a weak fourth quarter of 2007. Growth should increase to 2.5% in the second half, as the housing sector bottoms out. Job growth will continue, albeit at a relatively slow pace—with the unemployment rate rising slightly above 5%.

Consumer spending will remain steady. Corporate profits should improve as 2008 progresses. Business investment will pick up modestly by the middle of the year. Export growth will continue to brighten the overall economic picture. Inflation will be in the moderate range, making further interest rate reductions less likely as the year progresses.

Given the volatility of global financial and energy markets, along with uncertainties in politics and policy, there is a risk of a recession—but the Chamber considers a modestly growing economy the more likely outcome in 2008.



**There is a risk of a recession—but the Chamber considers a modestly growing economy the more likely outcome in 2008.**

**Weaker growth, plus the reality that we live in a global economy, makes it imperative that policymakers carefully consider the economic impact of any expansion of taxes, regulations, or**

---

**government programs.** There is already a big bill coming due in federal and state entitlement programs. Should the proposed tax increases under discussion in Washington and in the states become law, a tipping point could be reached that drives our economy into a recession. Americans should hold their current and future leaders accountable for exercising tax and fiscal discipline. The U.S. economy must have breathing room to regain its strength and full potential.

Americans should hold their current and future leaders accountable for exercising tax and fiscal discipline.

## Chamber Priorities in 2008

In a renewed commitment to prosperity and opportunity, the Chamber's Five-Year Plan is to build a competitive economy that benefits *all* Americans. We begin this journey in 2008 by tackling a set of immediate policy and organizational priorities that reflect the current environment facing us in Washington, across the nation, and around the world.

The Chamber's 2008 priorities include:

### Elections

Elections matter now more than ever—particularly for the business community. The Chamber will pour unprecedented resources into educating citizens and turning out the pivotal business vote.

We will endorse and work for pro-growth candidates for Congress on a bipartisan basis, mobilize grassroots activities in 144 key districts,



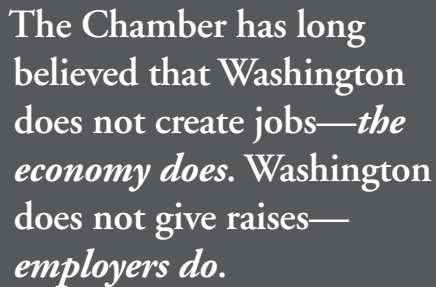
---

and target close elections in both the House and Senate.

Our Institute for Legal Reform will educate citizens on critical issues in important state attorney general and Supreme Court races.

While the Chamber does not endorse presidential candidates, we will actively advance pro-prosperity solutions in this critical election. In June, for example, our Institute for 21st Century Energy will present an unprecedented and innovative national energy plan to all candidates for president and Congress.

The Chamber has long believed that Washington does not create jobs—*the economy does*. Washington doesn't give raises—*employers do*. In 2008, it's time for Washington to stop making life more difficult for employers and employees and give them the freedom and flexibility to compete, grow, and succeed.



The Chamber has long believed that Washington does not create jobs—*the economy does*. Washington does not give raises—*employers do*.

## Passing Principled Proposals to Expand Growth, Opportunity, and Jobs

The Chamber hopes that 2008 can be a productive year legislatively and in the regulatory agencies. We will work for success in the following areas:

- **Education and the Workforce**—We must strengthen and reauthorize the No Child Left Behind Act as well as the Workforce Investment Act and the Higher Education Act. These measures are critical for creating a successful and effective workforce and for empowering current and future workers.

- 
- **Transportation**—The Federal Aviation Administration and the Airport and Airway Trust Fund must be reauthorized. Increased funding and modernization are needed throughout our aviation system to maintain safety and to move people and freight.
  - **Trade**—The Chamber will continue to build congressional support for pending free trade agreements with Colombia, Panama, and South Korea and will seek a breakthrough in the Doha Development Agenda.
  - **Energy**—We will advocate policies that expand exploration for affordable American energy as well as full implementation of the innovative technology provisions contained in the Energy Policy Act of 2005.
  - **Intellectual Property**—The Chamber will work to pass the Prioritizing Resources and Organization for Intellectual Property Act—a bipartisan bill to turn the tide against intellectual property theft.
  - **Health Care**—The Chamber strongly supports bipartisan legislation encouraging widespread adoption of Health IT and Small Business Health Plans to expand employer-based coverage.
  - **Capital Markets**—We will work to secure a one-year delay in Section 404 compliance for smaller public companies while continuing to oppose proposals that would open the shareholder proxy process to further abuses by third-party special interests.

The Chamber strongly supports bipartisan legislation encouraging widespread adoption of Health IT.

- 
- **Due Process Rights**—The Chamber will push for Senate passage of the Attorney-Client Privilege Protection Act, which was passed by the House in November. This legislation will help protect businesses and all citizens from predatory and abusive prosecutorial tactics.
  - **Visa Reform**—In the absence of comprehensive immigration reform, Congress must expand both temporary and permanent visa programs for all industries experiencing worker shortages.
  - **Small Business**—The Chamber will lobby to allow small businesses to be reimbursed for attorneys’ fees when successfully challenging the government’s regulatory actions; work to pass the Small Business Liability Reform Act; and support a Small Business Administration reauthorization bill that includes strong and stable SBA 7(a) and 504 lending programs.

## Stopping Harmful Election-Year Legislation

The Chamber will also lead the fight against enactment of:

- **Workplace Mandates**—We will aggressively oppose improper and undemocratic proposals to abolish secret ballot elections in union organizing drives. And we will oppose new mandates, including efforts to resurrect the anti-business ergonomics standard and require paid leave under the Family and Medical Leave Act (FMLA).

We will aggressively oppose improper and undemocratic proposals to abolish secret ballot elections in union organizing drives.

- 
- **Tax Increases**—The Chamber will continue to fight all tax increases that punish success and target businesses, investors, entrepreneurs, and families. Such measures could drive an already unsettled economy into a recession.
  - **Protectionist Trade Bills**—We will oppose punitive measures directed at China and other nations. These measures would hurt Americans by raising consumer prices and driving jobs to our global competitors.
  - **Trial Lawyer Earmarks**—We will vigorously defend against trial lawyer-inspired attempts to expand liability for America’s business community, including the overcriminalization of corporate conduct, limitations on the availability of federal preemption, and attacks on arbitration.
  - **Arbitrary Immigration Laws and Mandates**—The Chamber, through the National Chamber Litigation Center, will continue to challenge inappropriate state, local, and federal immigration measures in the courts—while pushing Congress to pass immigration reform.
  - **Unworkable Environmental Proposals**—The Chamber will continue to challenge federal and state climate change legislation, as well as EPA regulations, that would damage our economy or fail to recognize both the global nature of the problem and the importance of technology as a solution. We support innovative, commonsense approaches to preserve a clean and healthy environment.

The Chamber will continue to fight all tax increases that punish success and target businesses, investors, entrepreneurs, and families.

---

- **Bureaucratic Government Health Care Regulations—**

The Chamber opposes state and federal health care schemes that would damage the ERISA protections that underpin the employer-based health insurance system. We also oppose efforts to remove the noninterference provision from the Medicare Modernization Act or impose government price controls on prescription drugs.

The Chamber  
opposes state and  
federal health care  
schemes that would  
damage ERISA  
protections.

## **Expanding Courtroom Advocacy and Legal Reform**

In 2007, the National Chamber Litigation Center (NCLC) entered 125 cases on a wide variety of issues including punitive damages, class actions, and labor and employment. Our law firm will enter even more cases in 2008.

The U.S. Supreme Court will soon hear the Chamber's own lawsuit. In *Chamber of Commerce v. Brown*, the Court will decide whether a California statute that prohibits employers from speaking to their employees about union organizing is preempted by federal law. Other NCLC-supported Supreme Court cases could help rein in abusive securities litigation and excessive punitive damages awards.

While NCLC is battling in the courts, the Chamber's **Institute for Legal Reform** will fight in Congress, the state legislatures, and in the court of public opinion to curtail lawsuit abuse and make America's civil justice system simpler, fairer, and faster.

---

## Advancing New Chamber Initiatives

In addition to legislative, regulatory, and courtroom advocacy, the Chamber will expand its broad-based initiatives:

Our **Institute for a Competitive Workforce** will build momentum for public school reform in the 50 states.

The Chamber's **Let's Rebuild America** initiative will create public support for a massive program to repair, expand, and modernize America's critical transportation, energy, and high-tech infrastructure systems.

The **Center for Capital Markets Competitiveness** will work to maintain and advance America's leadership in capital formation by supporting capital markets that are the most fair, efficient, and innovative in the world.

Our **Global Intellectual Property Center** will work at home and abroad to champion intellectual property as a vital engine of global development, growth, and jobs.

The **Institute for 21st Century Energy** will craft a new national energy strategy and educate American families and businesses about today's energy realities.

**Success in these efforts, as well as in our long-term mission to create a more competitive U.S. economy, depends on the Chamber's ability to further expand its membership base, financial resources, communications reach, grassroots depth, and staff expertise. In 2008, we will vigorously advance these organizational goals. The Chamber will start its own blog, expand its reach in the new and traditional media, deepen relationships with the nation's most active chambers and industry associations, and deploy an upgraded grassroots system to increase our lobbying and political clout.**

---

# A Growth, Opportunity, and Prosperity Agenda for America

While working on hundreds of individual issues, the Chamber in 2008 and beyond will put the full weight of its organizational capacities behind one overarching mission—strengthening the competitiveness of the U.S. economy so that all hardworking Americans can prosper and enjoy the benefits of the American Dream.

To achieve this mission, the nation must act upon the following goals:

## **Attracting, Educating, and Empowering Workers for Successful Careers**

The toughest, most important competition in the 21st century worldwide economy will be the global race for talent and workers.

For the United States, the answer lies in improved educational and training opportunities and a rational immigration policy that both secures our borders and welcomes legal immigrants to our shores.

While working on hundreds of issues, the Chamber will put its full weight behind strengthening our competitiveness so that all Americans can prosper and enjoy the American Dream.

### ***Education and Training***

To maintain a competitive business environment in America, we need to have an accountable educational environment. We simply cannot have one without the other.

---

For the American Dream to thrive, it will require economic prosperity and opportunity for every American—and that requires a quality education that prepares our youth for the challenges of today and tomorrow.

Some 30% of our students fail to graduate from high school in four years—more than 50% for African-American and Hispanic students. Those who do graduate often require remedial education. Many are unprepared for postsecondary education and the modern workforce.

*That must change.*

We owe it to our children and grandchildren to fully prepare them to compete on the global playing field. To that end, the Chamber has reorganized and expanded its institutional assets that focus on educating and training a superior workforce. We are pursuing federal legislation, engaging in public-private partnerships, and working with partners and allies to achieve reforms in the states.

We owe it to our children and grandchildren to fully prepare them to compete on the global playing field.

In 2007, we issued a national report card, *Leaders and Laggards*, which graded all 50 states on their public school performance. This report card has already spurred reforms in a number of states.

**This year, we will work to strengthen and reauthorize the No Child Left Behind Act**—a critical set of tools to help transform the schools so that all students are academically prepared for the 21st century workforce.

We need an education system that encourages local businesses to



---

offer their expertise to both students and teachers. We're all in this together—and we will succeed or fail based on how well we cooperate with one another to give our children the knowledge and the life skills they need.

**We need to change the way we train, pay, and evaluate teachers. Pay for performance should be the rule.**

Administrators and principals must have the authority and independence to run effective schools—and they must be held accountable for results. Parents must have the information to judge whether their children are in a superior or failing school and be able to transfer their children to high-performing in-district or charter schools.

**We must reject a bureaucratic culture and foster a spirit of innovation in our public schools.** Smaller schools, expanded learning time, early enrollment in college-level courses for credit, the expansion of charter schools, and online learning programs can improve our students' prospects for success.

**Education does not end upon graduation.** In the 21st century economy, workers at all ages will need to be trained and retrained to be productive and successful in the workplace.

### ***Immigration***

The nation must also enact a balanced, commonsense, and comprehensive immigration plan that secures our borders and provides the workers we need to compete and win in the global marketplace.

In the absence of such a plan, states and localities are filling the void with hundreds of their own rules and regulations—often contradictory, illegal, and impossible for businesses to follow. The Chamber will continue to oppose these measures.

---

As a matter of principle, we need a policy that brings needed workers to American businesses and brings the American Dream to workers who accept our rules and want to legally become a part of our culture and our country. Undocumented immigrants who are hardworking and law-abiding need a pathway to normalization that includes learning English and following the rules that are established in a comprehensive immigration plan.

Congress and the president should act *immediately* to address the pressing visa shortage issues that are already resulting in economic damage. The government, working with business, must create an employer verification system that works and is fair and cost effective.

To be the best, American business has to attract the best talent anywhere and everywhere it exists.

Congress and the president should act *immediately* to address the pressing visa shortage issues that are already resulting in economic damage.

## Securing Our Nation With Clean, Affordable Energy

There is an energy crisis in America. We've heard about it on the news. We've seen it reflected in our international policy. We've felt it in our wallets at the gas pump.

The Chamber has deployed a team of the nation's foremost energy experts and advocates to advance policies that address this crisis. We have also created the **Institute for 21st Century Energy**, which we will significantly expand early in 2008. With these assets, the Chamber will sustain a vigorous grassroots education and advocacy campaign to move the nation to serious action on the fundamental energy realities that threaten our economy and security.

---

**With energy demand forecast to grow by one-third between now and 2030, even with gains in efficiency, we must tap more of America's tremendous domestic reserves of coal, oil, and gas.**

The Chamber is also committed to supporting innovation in the energy arena. Diversifying our energy supply, investing in alternative sources and fuels, and achieving greater efficiency should be a part of any comprehensive strategy—but we will still rely on traditional sources such as coal, oil, and gas.

Since these fuels emit the greenhouse gases that are believed to contribute to global warming, we must develop technologies that enable their use while also limiting carbon emissions. **The expansion of nuclear energy must be part of any strategy addressing both our growing energy needs and climate change.**

It would be fundamentally unfair to American families to sacrifice *their* jobs and *their* dreams by adopting policies that damage our economy or fail to address a global problem with a global response and technological solutions.

Without American energy options, our nation can be held hostage by those who choose to—or choose not to—meet our energy needs. The Chamber and its Institute for 21st Century Energy will provide the expertise, grassroots strength, and influence to change this unacceptable threat to the family budget and our nation's security.

## **Modernizing Our Infrastructure to Free the Flow of People and Commerce**

The time has come for a renewed commitment to *consistency* and *quality* in America's infrastructure. With each passing day, our bridges, roads, and rails are losing the capacity to handle a growing population and economy.

---

One-third of our major roads are in poor or mediocre condition, and a quarter of our bridges are structurally deficient or functionally obsolete. The U.S. aviation system is incapable of efficiently handling the current passenger load, much less the 1 billion customers expected by 2015.

**One-third of our major roads are in poor or mediocre condition, and a quarter of our bridges are structurally deficient or functionally obsolete.**

By 2020, every major U.S. container port is projected to at least double the volume of cargo it was designed to handle. Our inland waterways and railroads also need serious attention and new capital.

The consequences of inaction are unacceptable. Something must be done—now.

To address the staggering array of infrastructure needs, the Chamber has launched the **Let's Rebuild America** initiative. We will put money, people, research, programs, and strong political action around a sustained, long-term campaign to modernize and rebuild the economic platform of our nation.

Backed by groundbreaking Rand Corporation research, we will widely disseminate a series of compelling messages to build grassroots support for infrastructure.

**We will work to unlock the potentially hundreds of billions of dollars in private investment that could be spent on transportation, energy, and broadband infrastructure**—if bureaucrats and regulators would just get out of the way.

**Public monies must be spent more wisely, and the outrageous**

---

**practice of diverting infrastructure funds to other programs must end.** Public-private partnerships and other innovative financing arrangements should be expanded.

Even with these approaches, **Congress will still need to consider an increase in the federal gasoline user fee, which has not been raised in 15 years.** This could take the form of a carbon fee to address climate change, with proceeds dedicated primarily to infrastructure.

## **Ending Lawsuit Abuse and Ensuring Litigation Fairness**

A relatively small group of class and mass action trial lawyers are abusing our legal system. Their tactics often amount to nothing less than legalized extortion.

**America's lawsuit system costs a quarter of a trillion dollars each year.** Small businesses take a big hit, paying \$98 billion in tort costs.

As a matter of principle, companies should be spending less money on litigation and more money on innovation. Health care providers should be spending less money in the court room and more money in operating and examining rooms. The single greatest disincentive for businesses to do business in America is the absurdity of our legal system. Indeed, we have become the lawsuit capital of the world.

Since its inception 10 years ago, the Chamber's Institute for Legal Reform (ILR) has spearheaded major improvements in the legal environment on the federal level and in the most legally abusive states and jurisdictions. ILR has exposed trial lawyers to public and legal scrutiny and has launched aggressive voter education campaigns in states where Supreme Court justices and attorneys general are elected. The composition of a number of these state courts has been fundamentally changed.

---

In 2008, ILR will spend more than \$40 million to:

- Defend against trial lawyer-inspired attempts to expand liability for America's business community, including the criminalization of product liability law as well as **attempts to limit the availability of federal preemption.**
- Advance a comprehensive and commonsense solution to the problems of **mass tort medical screenings and the asbestos litigation crisis.**
- Build support for **changes to the securities class action litigation system** to increase America's global competitiveness.
- Fight to **preserve the availability of arbitration** and other reasonable alternatives to dispute resolution.
- **Stop the export of abusive legal practices** to other countries, thereby denying trial lawyers new venues in which to sue American companies.
- **Encourage the adoption of the Attorneys General Code of Conduct**, providing a consistent set of practices and policies on which the business community can rely in dealing with the states' chief legal officers.
- **Continue educating the public about legal reform issues in key state judicial and attorney general races and enact legal reforms in problem states and jurisdictions.**

In addition, the Chamber's public policy law firm, the **National Chamber Litigation Center**, will significantly expand its legal advocacy in the courts and in the regulatory agencies.

America must move away from a culture where everyone is a victim, and where any misfortune in life must always be someone else's fault.

---

We must chart a course of responsible reform to restore vitality, fairness, and common sense to a justice system that once was, and can be again, a model for the world.

## **Strengthening U.S. Capital Markets for Entrepreneurs and Investors**

Tens of millions of American families now depend on thriving capital markets to grow their life savings and fund secure retirements. Every company, whether big or small, public or private, needs capital to run its business and create new jobs. This is why the competitiveness of U.S. capital markets is important on Main Street, not just on Wall Street.



The competitiveness of U.S. capital markets is important on Main Street, not just on Wall Street.

To drive needed reform, the Chamber recently created the **Center for Capital Markets Competitiveness (CCMC)**, which is aggressively pursuing these goals:

- **Establishing a modern capital markets regulatory structure.** It is critical for the United States to undertake a regulatory overhaul that achieves consolidation of agencies, coordination among regulators, and a regulatory culture that aggressively pursues bad actors while providing fair and consistent oversight of all others.
- **Implementing a global corporate financial reporting model.** We must protect the accounting and auditing systems that underpin investor confidence and transparency while moving to global accounting rules that are readable, reliable, and comparable.

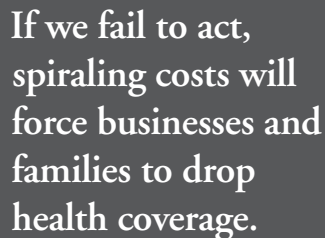
- 
- **Restoring fairness to our legal, regulatory, and enforcement processes.** Laws and procedures governing public companies are being abused by prosecutors, enforcement agencies, and third parties. Even some labor unions and trial lawyers are abusing the system. The Chamber will work to stop these abuses, including prosecutorial abuse of attorney-client privilege and other due process rights, as well as the expansion of proxy access in the election of boards of directors.
  - **Helping every American build wealth and retirement security by promoting the interests of all investors.** The Chamber supports providing citizens with access to global investment opportunities and will promote regulatory, tax, and corporate policies designed to enhance long-term shareholder value.

## **Providing Health Care and Retirement Security for Every American**

Although American health care does many things right, as a nation we pay more to stay well than any other modern society.

We are committed to making sure that everyone in America has access to quality and affordable health care. **The backbone of a strong economy, like ours, is a healthy workforce.**

If we fail to act, spiraling costs will force businesses and families to drop coverage. The government will be forced to enact crippling tax increases, cut promised benefits, or drain other critical programs just to pay for Medicare and Medicaid.



**If we fail to act,  
spiraling costs will  
force businesses and  
families to drop  
health coverage.**



---

Medical accidents are unacceptably high and are often caused by the lack of modern information technology. Legal redress should be available, but that's no excuse for all the frivolous liability claims that are driving up prices and driving providers out of the profession.

Forty-seven million Americans are uninsured at least part of the year, and the fear of losing coverage troubles many families.

Some believe the answer to these challenges is Washington-run health care. That is *not* the answer. Americans want common sense, not Washington, to govern how they interact with doctors and hospitals.

Therefore, we pledge to:

- **Strengthen the viability of employer-sponsored health insurance**, which is the foundation of care for more than 177 million Americans. This means protecting the ERISA preemption and passing Small Business Health Plans in Congress.
- **Revitalize the individual health insurance market.** Congress should grant comparable tax treatment for individuals in the private marketplace and improve Health Savings Accounts.
- **Implement Health IT**, which is essential for controlling costs, preventing mistakes, and providing consumers with the information they need to make better, safer health care decisions.
- **End the frivolous lawsuits** that are crippling our health care system.
- **Focus on the principles of wellness and prevention**, which could avert 40 million cases of chronic diseases and reduce health care costs by more than \$1 trillion.

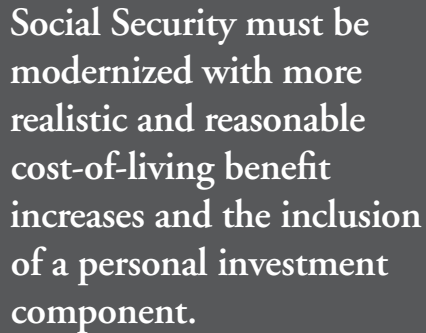
**Like health care, our public and private pension systems are also financially stressed and poised to burden future generations.**

---

Our nation must put a secure retirement within reach of every citizen. To do this, **the government must refrain from imposing new mandates and handicaps on pension plans offered by the private sector.** For example, the Chamber will work for the sound implementation of the Pension Protection Act of 2006, including needed technical corrections.

**New savings and investment incentives should be created** to encourage greater participation by all Americans in our capital markets—especially younger workers who seek and deserve pension plan flexibility and portability.

**Social Security must be modernized** with more realistic and reasonable cost-of-living benefit increases and the inclusion of a personal investment component. Government and private sector employers must not overpromise benefits that will later become a financial drain and competitive drag on our economy.



Social Security must be modernized with more realistic and reasonable cost-of-living benefit increases and the inclusion of a personal investment component.

## **Creating American Jobs by Expanding Free and Fair Trade**

In an effort to put more money into the pockets of hardworking Americans and to make our businesses more competitive, we must support a system of free and fair trade.

---

**The Chamber's International Division and lobbyists will build support for congressional approval of pending free trade agreements** with Colombia, Panama, and South Korea; work for a breakthrough in the Doha Development Agenda negotiations; and ensure that current trade agreements are strictly enforced.

**We will seek new investment and tax treaties** to protect investor rights; work for Russia's accession to the WTO under commercially viable terms; and encourage measures to enhance consumer safety in the global economy. The Chamber will also expand the **TradeRoots** program—our grassroots trade advocacy initiative that brings a positive, fact-based message to local communities.

And the Chamber will continue to fight federal and state measures that would punish companies that choose to source globally and will advance modernized export control rules.

We will also address the overly complex, expensive, and often protectionist market-distorting regulations enacted by nations in Europe, Asia, and the Americas—including the United States. And the Chamber-run **Center for International Private Enterprise** will lay the foundation for market-oriented reforms and private enterprise in emerging markets around the world.

While the overwhelming majority of Americans benefit from global engagement, we should modernize and improve the **Trade Adjustment Assistance Act** to support dislocated workers.

**Expanding trade under fair rules has the potential to create hundreds of thousands of high-paying American jobs.** Enacting isolationist policies would rob our workers of job opportunities and reduce family income by raising prices on almost everything we buy and use every day.

---

## Protecting Intellectual Property

The ability to generate knowledge-based intellectual property (IP) is essential to America's prosperity and leadership. Counterfeiting, piracy, and IP theft cost U.S. companies \$250 billion annually and 750,000 American jobs.

Counterfeiting, piracy,  
and IP theft cost U.S.  
companies \$250 billion  
annually and 750,000  
American jobs.

Criminal networks are exploiting weaknesses in supply chains and enforcement in order to line their pockets by producing dangerous and defective products. Meanwhile, some governments, multilateral forums, and nongovernmental organizations are attacking the sanctity of IP and undercutting patents by promoting compulsory licenses, among other tactics.

The Chamber has already organized the business community and has worked successfully with governments and law enforcement agencies at home and around the world to protect IP. To expand these activities, we have created the **Global Intellectual Property Center**—an organization that could soon rival the size and scope of the Chamber's Institute for Legal Reform.

**The Global Intellectual Property Center will aggressively promote the value and importance of IP; build broad domestic support for IP protection through grassroots education; and convince Congress to stiffen penalties, bolster enforcement resources, and improve interagency coordination.**

Internationally, the center will join with like-minded allies to advance our cause in countries and global forums where IP is under attack. We will build regional collaboration and expand country-specific

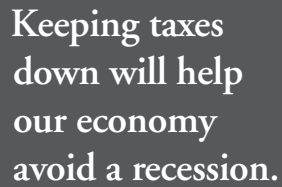
---

programs to generate stronger laws, tougher enforcement, and government recognition of the sanctity of patents.

American entrepreneurs invest a great deal of their time, money, and sweat into creating the next must-have technology. We all should encourage this type of investment, for we all benefit. In return, we must make sure that these innovators have the comfort of knowing that their ideas will be protected. And they need to know that they will be compensated fairly in the free market.

## **Keeping Taxes Low on Hardworking Americans and Businesses**

Keeping taxes down will help our economy avoid a recession. Keeping taxes down will allow America's overburdened taxpayers to keep more of their hard-earned money. Keeping taxes down will force Washington to trim the fat on wasteful spending.



**Keeping taxes  
down will help  
our economy  
avoid a recession.**

Unfortunately, federal and state lawmakers and a number of presidential candidates are proposing substantial tax increases that would hit businesses of all sizes and Americans at all income levels. At the same time, economic competitors such as France and Germany are making plans to cut taxes.

A budget blueprint recently adopted by the congressional majority assumes the expiration in 2011 of current tax rates, which would result in a tax increase of more than \$1 trillion. An additional tax package suggested by House Ways and Means Committee Chairman Charles Rangel (D-NY) would allow another \$1 trillion in tax hikes. Many small businesses that pay their taxes according to individual rates could see their effective rate rise to more than 44%.

---

America has succeeded because, in our nation, we reward success and risk taking. Mindlessly expanding the tax burden would not only risk a recession but would fundamentally undermine America's commitment to free enterprise.

**The Chamber will lead the fight against these drastic tax increases; work to renew the current rates on income, capital gains, and dividends; build support for reducing corporate tax rates; extend death tax relief; and permanently enact the R&E tax credit and other provisions that promote innovation, research, and America's global competitiveness.**

## **Challenging the Unions' Anti-Growth Agenda**

The Chamber supports the fundamental right of workers to choose whether they want to join or quit a union under impartial rules. Yet, using unfair tactics, many union leaders seek to turn back the clock and shackle our economy. They want to control the boardrooms of our best companies. They are working to advance an anti-growth, anti-job agenda that includes European-style regulation of America's workplaces.

**Union leaders have refined the art of the corporate campaign,** which is a concerted attack by a union on a company's reputation, its employees, its customer base, and its ability to conduct routine business. **Some unions are exploiting the financial clout of union-controlled pension funds** to achieve through the proxy process what they can't achieve at the bargaining table.

Following the elections of 2006, organized labor has unleashed 12 years of pent-up legislative demands to impose new and costly regulations on American workplaces.

**Unions' top legislative priority in 2007 was to do away with secret ballot organizing elections and replace them with a card check**

---

**system that would lead to abuse and intimidation of workers. The Chamber played a key role in blocking this power-grab, and we are activating our financial and grassroots resources to decisively defeat this and other undemocratic bills.**

With a concerted strategy of lobbying, legal action, regulatory comment filings, and voter education, the Chamber is determined to expose and deter corporate campaigns, abusive union pension fund tactics, and the long list of bureaucratic rules organized labor wants to impose on employers.

**The Chamber is determined to expose and deter corporate campaigns, abusive union pension fund tactics, and the long list of bureaucratic rules organized labor wants to impose on employers.**

---

The Chamber's agenda for growth, opportunity, and prosperity will benefit workers by improving education, expanding trade, building infrastructure, stopping frivolous lawsuits and intellectual property theft, expanding affordable health care and investment opportunities for all citizens, and keeping taxes low. These reforms will create hundreds of thousands of good-paying jobs for Americans.

It's an agenda that will put and keep more money in the pockets of all workers and their families. It's an agenda that will put our nation at the center of global growth and excellence, ensure economic security, and revitalize the American Dream.

---

# Chamber Accomplishments in 2007

## Winning for Business in Congress and in the Regulatory Agencies

*Working with many organizations, companies, coalitions, and legislators, the Chamber helped win major policy victories including:*

**Card Check Bill**—Led the fight to stop legislation that would have opened union organizing to abuse and intimidation by taking away every worker’s right to a secret ballot election.

**America COMPETES Act**—Helped secure more than \$40 billion in funding to expand education and produce more graduates in the critical math, science, and technology fields.

**U.S.-Peru Free Trade Agreement**—Organized and led the coalition that successfully convinced Congress to expand America’s trade relationship with a key South American ally.

**Water Resources Development Act**—Successfully lobbied for funding for hundreds of flood control, navigation, and environmental mitigation projects while ensuring that transportation demands are addressed.

**Small Business Tax Relief**—Supported \$4.84 billion in tax relief by increasing the limit of Section 179 expensing for capital assets to \$125,000. The measure also extends the Work Opportunity Tax Credit through mid-2011.

**Energy Legislation**—Helped defeat anti-business amendments in the December 2007 energy bill, including a mandatory federal renewable portfolio standard for power generation and billions in punitive taxes on oil and gas producers.



---

**Foreign Investment and National Security Act**—Helped convince Congress to address national security concerns during CFIUS reviews of foreign acquisitions while keeping the nation open to job-creating investments.

**Food and Drug Administration Amendments Act of 2007**—Supported reauthorization of the Prescription Drug User Fee Act and the Medical Device User Fee and Modernization Act while helping defeat counterproductive provisions.

**Homeland Security**—Helped obtain a seven-year extension of the Terrorism Risk Insurance Act (TRIA), a federal reinsurance backstop against losses resulting from a catastrophic terrorist attack.

**Ozone**—Successfully persuaded EPA to include in a notice of proposed rulemaking the current standard of 80 parts per billion for ground-level ozone.

## **Winning for Business in the Courts**

The National Chamber Litigation Center (NCLC) entered a record 125 new cases of significance to the business community and helped secure 54 victories, with many cases still outstanding. NCLC had its best U.S. Supreme Court term ever, winning 13 out of 15 cases entered, while obtaining upcoming Supreme Court review in 4 cases.

**The National Chamber Litigation Center (NCLC) entered a record 125 new cases of significance to the business community and helped secure 54 victories, with many cases still outstanding.**

---

## Advancing Critical Business Initiatives

The **National Chamber Foundation (NCF)** continued to drive the policy debate on important business issues in an effort to move the American business agenda forward, sponsoring 45 major events and many smaller gatherings focused on public policy issues.

The **Institute for Legal Reform (ILR)** continued to support and defend legal reforms in problem states and jurisdictions. ILR also released the results of its sixth annual Harris Poll ranking of the legal climate in all 50 states, issued an Attorneys General Code of Conduct, and worked with international allies to block the export of American-style class action abroad.

The **Institute for a Competitive Workforce (ICW)** issued a comprehensive report card that graded public schools in all 50 states, spurring national and local media coverage and reform activities across the country.

We created the **Institute for 21st Century Energy** to spearhead a grassroots energy education campaign and to rally stakeholders behind a strategy to secure an affordable, diverse, and clean supply of fuel and power for our growing country.

The **International Division** continued expanding its expertise, effectiveness, and network of affiliates and partner organizations across the globe. The division also manages a number of bilateral business councils and task forces, maintains close relations with more than 100 American Chambers abroad, and helps

The International Division continued expanding its expertise, effectiveness, and network of affiliates and partner organizations across the globe.

---

Chamber members advance their commercial interests overseas.

Our **Homeland Security Program** continued to work directly with companies and government agencies to strike the proper balance between security and the needs of commerce and has solved many potentially serious problems for our members.

**TradeRoots**, our grassroots program dedicated to organizing community and small business support for trade, targeted 70 members of Congress to build support for free trade.

**The Business Civic Leadership Center (BCLC)** galvanized private sector support for the victims and communities devastated by the California wildfires.

The **Center for International Private Enterprise (CIPE)** worked in dozens of emerging markets to build private sector capacity, fight corruption, train the economic leaders of the future, and instill good governance practices across public and private sector institutions.

The **Federation Relations Team** continued to expand Chamber membership rolls through the Federation Partnership Program while strengthening grassroots effectiveness through the Association Committee of 100 and the Chamber of Commerce Committee of 100—our most active business partners.

---

## About the U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business federation. Our federation includes the following:

- Three million businesses
- Thousands of state and local chambers of commerce
- Hundreds of business associations
- 105 American Chambers of Commerce abroad

Members include businesses of all sizes, sectors, and regions. Many of the nation's largest companies are active Chamber members, and more than 96% of our members are small businesses with 100 employees or fewer.

Chamber headquarters is located directly across Lafayette Park from the White House, with additional facilities on Capitol Hill and in Arlington, Virginia. We maintain a professional staff of more than 500 policy experts, lobbyists, lawyers, and communicators.

We have eight regional offices around the country, our own on-the-ground presence in key global capitals, and a network of state, local, and international grassroots business activists.

The Chamber's core mission is to fight for business and free enterprise before Congress, the White House, regulatory agencies, the courts, the court of public opinion, and governments around the world.

A December 2007 public opinion survey by Harris Interactive found that the U.S. Chamber of Commerce ranked among the top five most respected and influential Beltway organizations.

For more information, please visit [www.uschamber.com](http://www.uschamber.com).



Chamber of Commerce  
of the United States of America  
1615 H Street, NW  
Washington, DC 20062-2000  
[www.uschamber.com](http://www.uschamber.com)