



U.S. CHAMBER OF COMMERCE

# THE STATE OF AMERICAN BUSINESS

★ 2019 ★

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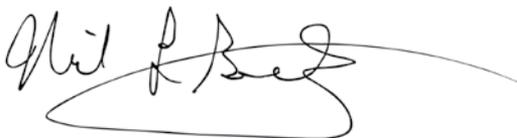
The U.S. Chamber of Commerce is in the business of American Dreams—because business is both the product of and conduit for our nation’s dreamers and doers.

Our mission is to support a dynamic and growing economy that creates opportunity for America’s entrepreneurs, innovators, and workers. While this mission is ultimately about people, it all starts with policy. The right policies can unleash growth, and the wrong policies can hold it back. In this booklet you’ll find a detailed overview of our policy priorities for 2019. We will drive action on these issues all year long as we seek to propel our economy forward and preserve American Dreams.

We hope you’ll join us in this mission.

A handwritten signature in black ink, appearing to read "Tom Donohue", with a long horizontal flourish extending to the right.

Thomas J. Donohue  
President and CEO  
U.S. Chamber of Commerce

A handwritten signature in black ink, appearing to read "Neil L. Bradley", with a long horizontal flourish extending to the right.

Neil L. Bradley  
Executive Vice President and Chief Policy Officer  
U.S. Chamber of Commerce

# CAPITAL MARKETS & FINANCIAL REGULATION

## Make it easier for companies to go public and reform the proxy advisory industry

- Advocate for a set of reform recommendations to help more companies grow and go public, including changes to corporate governance systems, corporate disclosure, shareholder proposal rules, secondary market trading, and more investor research for small public companies.
- Advance reforms to the proxy advisory industry, which is dominated by two firms, riddled with conflicts of interest, and a major impediment to companies going public.

## Reform bank capital and liquidity rules, nonbank SIFI designations, and the CFPB

- Support policies that allow for a well-capitalized banking system without unnecessarily constraining bank lending to consumers and businesses.
- Encourage the Financial Stability Oversight Council to refrain from further nonbank systemically important financial institution (SIFI) designations and promulgate regulations to significantly improve transparency and due process.
- Work with the Consumer Financial Protection Bureau's (CFPB's) new leadership and Congress to ensure that the bureau's primary focus is to preserve consumer access and choice.

## Obtain relief for derivatives end users and promote recognition of the U.S. system of insurance

- Engage with domestic and international policymakers regarding capital standards and supervisory requirements to preserve the U.S. system of insurance and regulation.
- The U.S. Chamber-led Coalition for Derivatives End-Users is advocating for legislative proposals to remove unnecessary costs on the use of derivatives by commercial end users.

## Finalize best interest rules

- Urge the SEC to finalize best interest regulations for broker-dealers and investment advisers to protect investors and preserve their choice and access, and prevent a patchwork of conflicting state regulations.

Promote and enact policies to ensure that U.S. capital markets are the fairest, most efficient, and innovative in the world.

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# CYBER AND SUPPLY CHAIN

## Cybersecurity

- Urge policymakers to support the Department of Commerce in convening stakeholders in Internet of Things (IoT) cybersecurity, including discussions regarding nonregulatory baselines for IoT devices.
- Engage Congress and the Department of Homeland Security to clarify SAFETY Act liability protections to cover significant cyber incidents.
- Advance operational collaboration between the federal government and critical infrastructure operators to reduce the risk of cyberattacks by accomplishing joint milestones.

## Supply Chain

- Champion legislative priorities for port modernization, e-commerce, supply chain security, and trade facilitation, including in an expected infrastructure bill and potential legislation to reauthorize the U.S. Customs and Border Protection agency.
- Push regulatory proposals that improve the flow of goods across borders and support the e-commerce industry and supply chain security.
- Advocate for the policy and operational needs of supply chain managers.

Promote and enact sound cybersecurity and global supply chain policies to facilitate safe and secure domestic and global commerce and trade as well as the free movement of goods to enhance U.S. competitiveness.

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# EDUCATION AND WORKFORCE

## Early Education, K-12 Education, and Child Care

- Support expansion of high-quality early education programs.
- Improve K-12 education through rigorous academics, accountability for performance, and choices for parents and families, and ensure that every student graduates from high school prepared for the next step—whether college or career.
- Expand the availability of child care options.

## Higher Education

- Support innovation in higher education while holding institutions accountable for their performance, and improve transparency to empower students, parents, and policymakers to make informed decisions.
- Improve financial aid programs and systems, including private sector innovations in higher education finance, which work to improve college access and affordability while incentivizing outcomes.

## Workforce Training

- Ensure that training and retraining programs are aligned to the needs of employers based on accurate and timely local labor market data.
- Support employer-led earn and learn opportunities, including apprenticeships.
- Incentivize more effective and efficient partnerships between education and workforce systems.

Promote high-quality,  
lifelong learning to ensure  
that all Americans have  
the opportunity to reach  
their potential.

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## Remove unnecessary barriers to building new energy infrastructure

- Eliminate bureaucratic delays in permitting.
- Increase certainty of the permitting process.
- Improve scoping predictability and consistency in the permitting process.

## Continue to increase America's energy security through expanded domestic production and decreased imports with fuel-neutral policies

- Increase access for production of domestic natural gas, oil, and wind by finalizing a robust offshore energy program.
- Invest in the technologies of tomorrow including energy storage, carbon capture utilization and storage, and advanced nuclear.

Foster a commonsense energy strategy to help keep America secure, prosperous, and clean.

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# ENVIRONMENTAL AFFAIRS & SUSTAINABILITY

## Water Infrastructure and Water Policy

- Advocate for increased federal, state, and local investment in water infrastructure modernization, including through innovative funding approaches.
- Promote investments and policy solutions specifically focused on the needs of the agricultural sector, small communities, and small businesses, including improving access to rural water and sanitation.
- Increase technology innovation through a national program for collaboration and sharing of best practices and promoting exports of water technologies, products, and services.

## Climate Smart Action and Resilience

- Facilitate climate resilient infrastructure, including water and watershed management, flood control, and drought response, through funding and policies to support predisaster mitigation and planning.
- Promote and support technology innovations and other solutions to mitigate and adapt to climate change.
- Support U.S. businesses as they take action to reduce climate impacts.

## Recycling

- Support policies that enable more flexibility and infrastructure that will grow markets for recycling and recycled products.

Further the long-term trend  
of cleaner air and water  
through smart regulations  
that do not inhibit innovation.

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## Access and Affordability

- Suspend/repeal the Affordable Care Act (ACA) taxes that raise costs for employers and consumers, including the health insurance tax, the medical device tax, and the Cadillac tax.
- Enable greater flexibility for businesses as they offer health care coverage voluntarily to their employees.
- Support the expansion of Association Health Plans.
- Adopt policies to stabilize the individual market.

## Wellness, Innovation, and Value

- Facilitate and promote workplace wellness programs.
- Allow health care providers access to information about a patient's history of substance use disorder to enable better treatment.
- Oppose the introduction of price controls and rationing into the American health care system.
- Oppose the adoption of a single-payer, government-run health care system.
- Support reforms that lead to more value-based, quality-focused, coordinated care.

Expand access to and improve the affordability of high-quality health care services for all Americans.

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## Reforming immigration policy to encourage economic growth and job creation in the U.S.

- Protect Dreamers, TPS recipients, and employment-authorized H-4 dependent spouses from losing their work authorization.
- Enact much-needed improvements to our nation's border security efforts.
- Seek cap increases and other reforms to employment-based visa programs to provide employers with the ability to meet their workforce needs.
- Encourage oversight of administrative actions that hinder the ability of employers to hire or continue employing legal immigrant workers.
- Promote international tourism to the U.S. through reauthorizing Brand USA, expanding Global Entry and other Trusted Traveler programs, and extending Visa Waiver Program membership to critical U.S. allies.

## Work with Congress to pass targeted immigration reform.

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## Roads, Bridges, and Transit

- Enact changes to ensure that there is sufficient dedicated revenue to maintain the solvency of the Highway Trust Fund.
- Enact a long-term infrastructure modernization bill.

## Other Infrastructure Including Air, Sea, Rural Broadband, Energy, and Water

- Provide a toolkit of options for supplemental funding and financing of other critical infrastructure, including through public-private partnerships, dedicated user fees, and revolving loan programs.

## Permitting and Regulatory Reform

- Continue to streamline the federal permitting process, including the use of concurrent reviews and time limits for agency decisions.
- Encourage similar permitting reforms at the state and local levels.
- Oppose efforts to reregulate transportation industries.

## Infrastructure and Transportation Workforce

- Highlight the workforce shortages in the infrastructure and transportation sectors, and push for regulatory reforms and skills programs to address these shortages.

Ensure the nation's long-term economic growth and competitiveness by enacting an infrastructure modernization plan.

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# INTELLECTUAL PROPERTY (IP)

- Deliver an industry vision for the next generation of trade agreements drawing upon the U.S. Chamber's Global Innovation Policy Center's (GIPC's) multisector expertise.
- Seek the strongest possible IP chapters in trade agreements.
- Build support for and track implementation of pro-IP reforms in the United States-Mexico-Canada Agreement (USMCA).
- Gain a strategic foothold in the capitals of Brazil, India, and South Africa to counter the anti-IP narratives these markets are promoting at multilateral institutions; win over skeptics with an IP-led narrative and a roadmap that emphasizes potential for domestic innovation and creativity.
- Continue the fight against price controls and other market-restrictive measures that prevent innovators and creators from earning a return on investment through the Fair Value for Innovation campaign.
- Secure copyright office modernization and targeted patent policy reform to maintain U.S. leadership in the creative and innovative sectors.

Champion and defend IP rights, which are vital to creating jobs, saving lives, advancing economic growth, and generating solutions to global challenges.

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# INTERNATIONAL TRADE & INVESTMENT

## Level the global playing field for American businesses and workers by lowering barriers to trade and investment

- Secure congressional approval of the United States-Mexico-Canada Agreement (USMCA); retain the benefits of free trade and high-standard trade rules in North America, while opposing withdrawal from the North American Free Trade Agreement (NAFTA) without a successor agreement in place.
- Advocate for the termination of U.S. tariffs on imports of steel, aluminum, and a wide range of goods from China, as well as threatened tariffs against imports of autos and auto parts. Such tariffs are taxes on American families and businesses that undermine U.S. competitiveness without achieving their intended policy goals.
- Support negotiations to address China's theft of intellectual property, forced technology transfer practices, and other unfair trade and industrial policies.
- Support the negotiation of ambitious, comprehensive trade agreements with Japan, the EU, and the U.K. that hew closely to the negotiating objectives established in the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (known as Trade Promotion Authority).
- Ensure that implementing regulations for the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) keep the inter-agency Committee on Foreign Investment in the United States (CFIUS) focused specifically on legitimate national security concerns associated with inbound investment.
- Advocate for a balanced approach to implementing regulations for the Export Control Reform Act of 2018 that protects national security without unduly hindering legitimate commerce.

## Move forward with trade, investment, and tax agreements that advance the principles of fairness, nondiscrimination, and rule of law

- Represent U.S. business interests in the Brexit negotiations to maintain strong EU-U.K. trade and investment ties.
- Win congressional approval of permanent normal trade relations with Kazakhstan and its graduation from the Jackson-Vanik amendment to the Trade Act of 1974.
- Work to secure ratification of treaties for the avoidance of double taxation with respect to taxes on income with Chile, Hungary, and Poland and protocols amending existing conventions with Japan, Luxembourg, Spain, and Switzerland.

## Fund and support U.S. government agencies and programs critical to U.S. competitiveness

- Counter the aggressive trade finance operations of other countries' export credit agencies by restoring the U.S. Export-Import Bank to its full breadth of operations and reauthorizing its charter before lapsing on September 30, 2019.
- Support full funding of the federal international affairs budget to advance U.S. economic interests, national security, and humanitarian values.

Trade and investment agreements that are fair and accountable create a level playing field and put American families and workers first.

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- Support legislation designed to stop asbestos litigation abuses. Expose fraud and abuse by the plaintiffs' trial bar. Work to reform and limit abuses associated with Section 524(g) asbestos bankruptcy trusts.
- Support reform of the broken class and mass action system. Push for legislation like the Fairness in Class Action Litigation Act, the Litigation Funding Transparency Act, and the PROTECT Asbestos Victims Act and work to reform our securities class action regime.
- Fight to preserve the availability of arbitration and other alternative dispute resolution mechanisms.
- Raise awareness of overenforcement and facilitate meaningful reforms to rein in overreach, including enforcement of the False Claims Act and the Foreign Corrupt Practices Act.
- Oppose the expansion of private civil liability under key statutes, including the Telephone Consumer Protection Act.
- Fight to stop or scale back litigation-expanding regulatory overreach; push back against speculative litigation by states and localities.
- Fight the spread of class actions and other problematic U.S.-style litigation features abroad.
- Pursue a federal data breach notification law, preempting the current patchwork of state laws.

Promote policies to make  
America's legal system simpler,  
fairer, and faster for everyone.

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## Following are a number of small business priorities that the Chamber supports:

- Efforts to enhance the ability of small businesses to find, hire, and retain qualified and willing employees—the top issue identified by small businesses in the MetLife & U.S. Chamber of Commerce Small Business Index.
- Government and private sector initiatives that provide access to capital for startups and small businesses, but oppose measures that stifle the flow of capital necessary for growth.
- Legislative and administrative measures that promote the ability of associations and state and local chambers to provide health insurance and retirement options for small businesses and their employees.
- Regulatory relief from duplicative, unnecessary, or overburdensome red tape and bolstering the SBA Office of Advocacy's ability to act as an independent voice for small business in the federal government.
- A free trade agenda that recognizes the interdependence of small firms to buy and sell goods on a global market and to do so without the burdens of intellectual property abuses and restrictive tariffs.
- Infrastructure legislation to enable small businesses to provide the timely delivery of goods and services; enhance the ability to fairly compete for government contracts and streamline the competition process for small firms to work on public construction projects.

Small businesses are counting on a policy environment that supports their ability to hire, grow, and flourish in America's free enterprise system.

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# TAX AND ECONOMIC DEVELOPMENT

## Tax Policy

- Advocate for continued pro-growth tax policies in relevant tax legislation (e.g., technical corrections bills).
- Continue to work with the administration on regulations and other guidance to implement the Tax Cuts and Jobs Act.
- Prevent rollback of any parts of the pro-growth tax reform bill enacted in 2017.

## Economic Policy

- Defend the independent monetary policy process.
- Continue to advocate for responsible fiscal policy including entitlement reform, deficit reduction, and debt management.

## Economic Development

- Advocate for effective implementation and utilization of Opportunity Zones and similar economic development programs.

Support broad-based economic growth through effective tax, fiscal, and monetary policy.

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## Privacy

- Advocate for passage of a preemptive federal privacy law based on the U.S. Chamber's privacy principles and model legislation.
- Educate federal and state lawmakers about the benefits of the data-driven economy and the cost of overregulating data.

## Autonomous Vehicles (AVs) and Unmanned Aerial Systems (UAS)

- Monitor federal and state legislative activity to support bills that incentivize innovation and prevent enactment of bills that stifle technology development and potentially harm the safety around these technologies.
- Advocate for light touch policy approaches for AVs and UAS, and engage with agencies such as the National Highway Traffic Safety Administration (NHTSA), the Department of Transportation (DOT), and the Federal Aviation Administration (FAA).
- Coordinate with the administration, FAA, Congress, and state-based organizations to build a foundation of evidence highlighting the economic impact and job creation of AVs and UAS so that policymakers can proceed with evidence-based policy for both industries.

## Communications Infrastructure

- Remain engaged with the U.S. Department of Agriculture over its new rural broadband authority.
- Advocate for federal legislation and regulatory action to streamline and reduce regulatory barriers to 5G, wireline, wireless, and other communications infrastructure.
- Engage members on the best use of federally allocated spectrum.

- Educate policymakers on the need to eliminate outdated regulatory regimes, such as Title II of the Communications Act, for emerging technologies.

## Artificial Intelligence (AI)/Machine Learning

- Advocate for an open environment that allows research and development and the creation of responsible AI technologies.
- Work with public- and private-sector leaders to educate the public, the media, the business community, and policymakers on the benefits of AI and Machine Learning across industries.

## Blockchain

- Advocate for increased education and awareness of blockchain technology.
- Calibrate industry definitions and establish blockchain principles for the Chamber's work.

Promote the role of technology in our economy and advocate for rational policy solutions that drive economic growth, spur innovation, and create jobs.

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## Democracy in the Workplace

- Defeat legislation like the so-called Workplace Democracy Act and the Workers Freedom to Negotiate Act, which would allow for “card check” organizing instead of secret ballot elections; impose binding first contract arbitration; abolish state right to work laws; authorize “secondary boycotts” against employers with no role in a labor dispute; and make it more difficult to utilize independent contractors.

## Regulatory Reforms

- Work with the Department of Labor on new overtime regulation, joint employer regulation, the Fair Labor Standards Act (FLSA) regular rate regulation, and proper oversight of union-backed “worker centers.”
- Work with the National Labor Relations Board (NLRB) on a new joint employer regulation and reforms to the quickie election rules.

## Workplace Mandates

- Ensure that any new workplace regulations or mandates in areas like minimum wage, paid leave, and employment policy are workable and do not impose undue burdens on employers, especially small businesses.
- Advance proposals to help employers deal with any higher costs imposed by new regulations or mandates.
- Address the growing patchwork of state and local workplace mandates.

## Retirement Policy

- Work with Congress to pass multiemployer pension relief.
- Expand Multiple Employer Plans/Association Retirement Plans.
- Update rules on electronic delivery.

## Labor and Employment Issues

- Help shape state policies and legislation on independent contractor status, overtime, preemption, and mass picketing.

Promote workplace policies that enhance economic growth and job creation.

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# U.S. CHAMBER LITIGATION CENTER

## Challenge unlawful governmental regulation

- Bring lawsuits against unlawful federal, state, and local regulatory actions.

## Defend free enterprise in the courts

- File amicus curiae briefs and intervene in cases in support of free enterprise on issues throughout the federal and state judicial systems.

## Key issue areas

Arbitration and Class Actions

Tort and Novel Theories of Liability

Plaintiffs' Forum Shopping

Excessive Civil and Criminal Enforcement

Energy and Environment

Capital Markets and Financial Regulation

Labor and Employment

Technology and Innovation

Trade and Immigration

# Advocate for fair treatment of business in the courts and before regulatory agencies.

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