

January 12, 2023

President Joseph R. Biden
The White House
Washington, D.C. 20500

CC: Vice President Kamala Harris
Eisenhower Executive Office Building
Washington, D.C. 20502

Dear Mr. President:

As the 118th Congress convenes, the nation is facing the dual economic challenges of reducing 40-year high inflation and averting a deep recession. These challenges have been further impacted by global disruption, which is tightening the Gordian Knot of inflation and recession and posing significant danger to America's place in the world. Policy action is required now and, fortunately, there are clear opportunities to address them. But, in order to do so, we must demonstrate to the American people – and the world – that we can come together to build a future of common prosperity with sustained economic growth based on market principles and democratic values.

For 80 years, starting with our founders' seminal role in the Marshall Plan and the Bretton Woods agreement to build a rules-based world order, the Committee for Economic Development, the non-profit, non-partisan public policy center of The Conference Board (CED), has been dedicated to solving problems through nonpartisan policy solutions from business leaders in the nation's interest. In this spirit, we offer these recommendations to build a stronger, more resilient, sustainable economy providing equal opportunity for all Americans. We also reinforce our decades-long commitment to collaborate to achieve these objectives to restore trust and prosperity.

2023 Public Policy Priorities—our recommendations aim to achieve three important objectives:

- 1. Economic Growth & Fiscal Sustainability: Reduce Inflation; Avert a Damaging Recession; Decrease Debt;**
- 2. Strengthen US Leadership in a Time of Global Political and Economic Disruption; and**
- 3. Build National Unity and Restore Trust.**

#1: Economic Growth & Fiscal Sustainability: Reduce Inflation; Avert a Damaging Recession; Decrease Debt

The Federal Budget

The historic 40-year high inflation makes reducing national debt and deficits, fiscal sustainability and long-term economic growth inescapable priorities in 2023. Because of rising interest rates servicing our extensive [national debt](#) will soon become the fastest-growing component of the budget, crowding out both public and private investment, essential public services, and investment in education, research, infrastructure, national security and other national imperatives. The rising cost of debt service will also leave the US fiscally hamstrung to respond to the next major foreign or domestic crisis. Recommendations for addressing the Federal Budget include:

- Remove the consideration of the debt ceiling from a last-minute, volatile political battle that will threaten economic recovery.
- Spending needs to be measured, cut where possible, focused to promote work and productivity, avoid stimulus, with a requirement that new initiatives are paid for. The Trust Funds for Medicare Part A and Social Security are expected to reach insolvency in 2028 and 2035, respectively. Bipartisan leadership is needed to reform these critical programs and ensure their viability and sustainability.
- Undertake a tax reform effort to remove preferential tax breaks to raise revenue.
- Use the reconciliation process only for deficit reduction.
- Establish a new, bipartisan National Commission on Fiscal Responsibility and Reform to build a consensus for solutions, including, for example, segregating pandemic debt as a first order of priority to address through a government corporation selling very long-term fixed-rate bonds.

- Prioritize and incentivize innovation and investment in R&D to increase US economic growth and competitiveness.

Infrastructure

Timely and efficient [implementation](#) of the Infrastructure Investment and Jobs Act (IIJA) will boost the economy, lay a foundation for long-term economic growth, and prevent excessive cost increase.

- Set priorities: Accelerate efforts on broadband and the energy grid; Invest in long-term solutions in supply chain bottlenecks at ports and points of entry; increase resiliency to natural disasters.
- Consolidate competitive grant applications where possible.
- Streamline the regulatory process by limiting lawsuits against permitting and the time to sue; streamline environmental reviews; projects should use the One Federal Decision process.
- Pursue public-private partnerships where appropriate and use alternative contracting methods such as Integrated Project Delivery.
- Collaborate on training the labor force for IIJA projects, including through apprenticeships, and recognize occupational licenses across state lines in reciprocity agreements.
- Improve transparency with easy-to-use databases of federal funds.

Workforce

Many employers still struggle to find workers, which has an inflationary impact. The following solutions are intended to address the [long-term demographic trends](#) constricting the labor force by increasing American participation and reforming immigration:

- Support public-private collaboration on training and education to link training to job opportunities and use competency-based hiring and promotion models.
- Expand learn-and-earn apprenticeships among students and workers at all stages of their careers; expand the use of Pell grants.
- Expand flexibility for workers with dependent care responsibilities and bridge programs so that women who have left the workforce have strong opportunities to return.
- Incentivize paid childcare options in both the public and private sectors to grow the workforce.
- Reform US immigration policy to increase legal immigration, decrease the flow of illegal migration, and substantially reform the H-1B visa program.

Smart Regulation

[Regulation](#) provides many social benefits but also imposes real costs on business, consumers, and US competitiveness. Smart regulation policy is an imperative during times of economic downturn and important to encourage growth and investment.

- Streamline the regulatory process. Undertake periodic regulatory reviews to cut outdated regulation/red tape.
- Congress should clearly delineate the authority it chooses to delegate to agencies.
- Evaluate impact of new regulation by increasing agencies' understanding of business' perspective on how regulation should promote growth rather than distort economic incentives or discourage investment.

Public Health

While the [pandemic](#) no longer dominates American life, public/private collaboration remains essential to hedge against future outbreaks and public health crises:

- Continue public/private collaboration monitoring for variants and new viruses, including genomic sequencing. Rebuild the Strategic National Stockpile and reform CDC, including adding an advisory committee with business leaders.
- Promote resiliency in manufacturing supply chains through onshoring, nearshoring and friendshoring of critical pharmaceuticals, and medical equipment to reduce shortages and respond to future emergencies.
- Establish a task force of public/private leaders to assess the lessons learned to build a playbook for future public health emergencies and conduct a review of regulatory policy changes made in response to the pandemic, many of which, including telehealth, proved successful at increasing delivery of care.

- Rebuild the health care workforce, including through registered apprenticeships and moving towards reciprocal licensing of health care professionals.
- Focus renewed attention on healthcare policy, including access, affordability and health equity.

Cybersecurity

[Cybersecurity](#) solutions to ensure resiliency and strengthen defenses need to be collaboratively developed with the private sector to protect businesses and the economy generally.

- Prioritize critical infrastructure; expand resources available to small- and medium-sized organizations that feed into larger organizations' supply chains.
- Increase information sharing between the public/private sectors to facilitate implementing cyber resilience.
- Address the cybersecurity worker deficit through increasing private sector partnerships, attracting diverse talent, and establishing a virtual national cybersecurity academy.

Education

Education is the long-term prerequisite of a productive workforce, an informed citizenry, and equal opportunity.

- Advance high-quality early learning as an integral part of our systems of education and workforce preparation.
- Reform K-12: K-12 curricula should match skillset development and career guidance with labor market needs and include financial literacy, STEM and civics. Internships and apprenticeships should be promoted. A national task force should address the impact of remote learning during the pandemic on student performance.
- Postsecondary education should align with in-demand job skills and provide apprenticeships/work experience.

#2: Strengthen US Leadership in a Time of Global Political and Economic Disruption

Global Political and Economic Disruption

It is impossible to separate economic troubles at home from geopolitical issues. Russia's invasion of Ukraine, the first major land war in Europe since 1945, has brought the US and its allies and partners together but is forcing major changes in the global political and economic order. The US and our allies and partners have responded well to this geopolitical shift; the further challenge will be to maintain our leadership and strong response to aggression. China, our principal economic competitor, continues to pose challenges for US policymakers.

Russia/Ukraine

Russia is an immediate and acute threat to the rules-based international order, and the global economy. The war in Ukraine affects all countries and is having a transformational impact on the global economy. The US should continue its support for Ukraine and provide leadership in coordinating the response among allies and partners, as well as continue to ensure reliable energy supplies to our allies, and resilient global supply chains for food, minerals, and other important commodities. The US should also work with other key nations, particularly China and India, as well as Turkey, to seek a resolution of the devastating conflict and ensure that it does not escalate.

China

China is a strategic global competitor of the US, seeking to shift diplomatic, military and trade patterns in China's favor. To reassert US leadership, particularly in the Indo-Pacific region, the US, its allies and partners, and business leaders should accelerate building greater trade resilience and better trade relations and economic integration. US relations with India are pivotal in this effort and warrant concerted diplomatic effort. The US should coordinate with allies and partners advanced technology controls, protection of intellectual property, development of alternative sources of critical minerals and components, such as semiconductors, and continued economic and military support for Taiwan. The US should seek to collaborate with China in areas of mutual global interest.

Global Trade

A global economy built on the foundation of open trade remains essential to US national and economic security interests and requires renewed US leadership in trade.

- Increase public/private collaboration to solve supply chain disruptions, particularly in key areas such as semiconductors, critical and rare earth minerals, pharmaceutical raw materials, and medical equipment and products and work towards solutions involving reshoring, near-shoring, and friend-shoring that do not distort markets; eliminating unnecessary regulation to facilitate reshoring.
- Undertake a comprehensive review of US tariffs.
- Launch discussions to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and pursue negotiations for bilateral and regional trade agreements with Indo-Pacific countries. The United States-Mexico-Canada Agreement (USMCA), which received bi-partisan and labor support, could serve as a model.
- Establish a tri-national private sector advisory council under the USMCA to advise on nearshoring opportunities; reengage with Central and South America to expand US trade relationships.
- Strengthen global institutions. Actively promote reform of the World Trade Organization (WTO), in particular, its dispute resolution mechanisms.

Climate and Energy

Given the disruptions in the energy sector, US leadership is even more critical in developing a realistic energy transition plan to meet the 2050 net zero objectives that further accelerates the transition to clean energy at the fastest rate while also recognizing that fossil fuels will continue to be a necessary energy source today and will continue to be part of a net zero energy strategy.

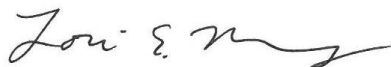
- The US should be a reliable energy supplier to allies, increase production of fossil fuels to meet the near-term crisis demand, and work with energy producers as partners in the transition, not adversaries. Increase natural gas for the transition, given its dual capacity for hydrogen; build pipelines and export terminals.
- Accelerate and increase investment in R&D in nuclear, hydrogen, wind, solar, energy storage, and carbon capture and prioritize power grid reliability. Encourage use of nuclear power.
- Seek to develop a US carbon market plan and promote the circular economy.
- Seek global cooperation on this global problem, especially from China and India, to achieve goals and preserve US competitiveness.
- Promote climate-smart and regenerative agricultural practices.

#3: Build National Unity and Restore Trust

As underscored at the outset, our national leaders coming together to implement bi-partisan solutions on the major challenges before the nation is essential to ensure that the course we set is sustainable and restores trust. Also fundamental to the confidence of US citizens in our democracy are secure, transparent, fair, credible, and accessible [elections](#). Following are several common-sense measures for the 2024 election to start preparing for now: Require paper ballots to assist with audits and recounts, prepare vote counts to be released on election day or speedily thereafter, prohibit wireless components in voting systems, adopt best practices for absentee ballot design, and protect election workers and voters.

Thank you for your consideration of our policy priorities and recommendations. We welcome the opportunity to work with you to find solutions in the nation's interest that benefit every American during these challenging times.

Respectfully,



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President, Committee for Economic Development
The public policy center of The Conference Board