

# Portman Plan *to create* Ohio Jobs

*“A Path to Prosperity”*



## *The Portman Plan for Ohio Jobs: A Path to Prosperity*

It's time for new leadership and new ideas to turn things around and chart a path to prosperity for our great state. Ohioans are suffering through the worst economic recession since the Great Depression. Since the Strickland-Fisher Administration took office in January 2007, and Lt. Gov. Lee Fisher became Jobs Czar, Ohio has lost more than 430,000 jobs and our unemployment rate has more than doubled. Even for those who are working, paychecks are not stretching as far as they used to, and the value of homes and retirement accounts have declined, putting more pressure on working families.

As Ohio continues to fall behind the rest of the country, the policies and lack of leadership in Washington and Columbus seem to be making things worse. I have traveled to every corner of our state, and everywhere I go I meet Ohioans who are frustrated by the lack of focus on jobs by our elected officials and who are looking for a new direction and real leadership to help Ohio's economy grow.

If elected, I will focus like a laser on jobs and Ohio's economy. I believe we are at a moment of truth for Ohio and that's why I am running for the U.S. Senate. The fundamental question is whether we will leave to our kids and grandkids a better world, or whether we will continue to let Ohio fall behind? Will we continue to see businesses and young people leave our state or will we help develop solutions to renew our state and our country? Now is the time for bold action and decisions to turn things around.

Our path forward starts by recognizing that the private sector, not government, creates jobs. The failed \$787 billion big government Washington stimulus package so strongly supported by Lt. Gov. Lee Fisher is evidence of this. Since the stimulus was enacted more than a year ago, Ohio has lost nearly 200,000 private sector jobs, yet the government continues to grow.

Government does have a very important role to play: to create and foster an environment that leads to job creation and economic growth. Unfortunately, the policies and proposals coming out of Columbus and Washington right now have the exact opposite effect. Rather than unleash the private sector to encourage Ohioans to innovate and invest in new technologies and workers, government is instead saddling Ohio businesses with higher taxes, more burdensome regulations, and costly legislation. It goes without saying, the more costly it becomes to operate and grow a business here in Ohio, the more businesses we will see leaving the state and the more families we will see losing their jobs.

This does not have to be Ohio's future. Let's work together to correct our mistakes and chart a new course for Ohio families and businesses. Government must create the climate for success, rather than what we see now, which is government promoting irrational job-killing policies, more burdensome regulations and higher taxes.

It is possible to get things moving again, but it will require changing the way Columbus and Washington do business. Ohio needs and deserves effective new leadership to get our economy back on track during these tough times. I understand how jobs are created in the private sector, I have the pro-jobs policy proposals to make a difference, and I have a proven record of leadership in cutting through politics and partisanship to achieve results.

In my travels to every one of Ohio's 88 counties since announcing for the U.S. Senate, I have toured dozens of factories and met with thousands of workers, small business owners, economic development groups, farmers, healthcare professionals, worker retraining experts and others, hearing firsthand how

government can help, rather than hurt, in job creation. From Youngstown to Toledo, Dayton to Lima, Cleveland to Chillicothe, I have also learned more about Ohio's regional economies and have seen firsthand the entrepreneurial strengths of each region.

The Portman Plan for Jobs that follows is a result of these meetings and the consistent input I have received from Ohioans about how to turn things around in Washington to help Ohio workers and families.

Below are the six pillars of the Portman Plan and the specific proposals to get Ohio and our nation back on the path to prosperity:

1. **Support Ohio Workers:** Ohio's greatest asset is its people, and ensuring that Ohio workers can get the skills and training they need to compete and win in the 21st Century must be a top priority. By reforming and improving the existing federal worker training programs so they work better for Ohio, we can help our workers compete and succeed in the global economy.
2. **Help Small Businesses Succeed:** Small businesses are the backbone of Ohio's economy. Washington and Columbus must support small businesses by reducing regulations, lowering taxes, and providing opportunities and incentives for investment in both technologies and workers. By removing barriers to growth and providing certainty in the tax code, Ohio small businesses will begin to invest in workers.
3. **Strengthen the Environment for Job Creation:** The number one priority of my Senate office will be to help create an environment where every Ohio business can succeed and grow jobs. Unfortunately, the current leadership in Washington and Columbus is intent on embracing the status quo, putting Ohio farther behind. The wrong-headed policies, burdensome regulations and job-killing taxes discourage growth. Not only must we offer pro-growth solutions, we must also stand-up to stop policies that will hurt jobs here in Ohio and hurt our longer term competitiveness.
4. **Reform Financial Regulations to Hold Wall Street Accountable:** The financial crisis that has had a devastating impact on so many Ohio families was a man-made disaster that cost Ohioans billions in savings and investments. Even today, Ohio small businesses are having a hard time accessing credit because of the financial crisis. We need financial service reform now to protect consumers and investors, keep banks competitive, get credit flowing again, end taxpayer bailouts, and increase regulatory oversight, including for Fannie Mae and Freddie Mac.
5. **Heal the Economy by Reducing the Deficit:** Washington's unprecedented fiscal irresponsibility and massive borrowing hurts the economy and puts future generations at risk. It mortgages the future of Ohio's children and grandchildren and creates fear and uncertainty in today's economy. We cannot have long-term economic growth and stability unless government gets its fiscal house in order by controlling spending and reducing the debt.
6. **Get Directly Involved in Economic Development:** In addition to promoting pro-jobs legislation and regulations, my office and I will roll up our sleeves and work alongside regional chambers, economic development groups and businesses to bring jobs to Ohio.

## Support Ohio Workers:



Ohio's unemployment is the highest it has been in 27 years, but the picture is even worse. According to recent reports, Ohioans out of work for more than six months is at its highest level ever. Almost 40% of the unemployed now fit into this category. Young adults, African Americans and Hispanics have been disproportionately affected by the recession, suffering from increasingly high unemployment rates. Ohioans without work, regardless of their work history, should be able to take advantage of meaningful job training opportunities to help them receive skills to return to work.

Unfortunately, Ohio workers looking to improve their skills or receive job training get mired down as they navigate the bureaucratic complexities and red-tape of 44 different federal employment and training programs administered by nine different federal agencies. The federal government must once and for all end the bureaucratic complexities of federal job training programs. It is time for workers, taxpayers and businesses to get a better return on this investment.

### **To develop a workforce with the skills necessary to compete in a global economy, Rob's plan would:**

- **Reform the Federal Retraining Programs.** Ohio workers looking for retraining deserve better than the bureaucracy and red-tape associated with federal training programs. Instead of paperwork, forms, applications and eligibility determinations, Ohio workers should be able to quickly access relevant training that will help provide them with the skills they need to return to the workforce. Streamlining the nearly \$3 billion Ohio receives in training dollars and standardizing eligibility will go a long way toward improving the opportunities for every Ohio worker to receive the skills and training he or she needs to return to work.
- **Make College and Training Affordable.** Individuals obtaining education/training in high-demand or emerging fields should have access to existing resources in order to defray the cost of education. In addition, Pell Grants should be increased and expanded for workers seeking certifications and short-term training so they have the skills needed to return to work.
- **Empower People.** Government should not be in the business of dictating the best training an individual needs. Ohioans should be provided with the information needed to choose the education/training that meets their specialized needs. In order to ensure workers receive marketable education/training, federal resources should be shifted to support high-demand, high-reward fields.
- **Support Community and Technical Colleges.** Community and technical colleges provide affordable tuition and flexible class schedules. The flexibility of community and technical colleges permit them to work with local employers to address regional labor shortages. Unfortunately, not enough of the federal investment in job training is reaching community colleges. Two changes must be made: (1) streamlining/redirecting job training funds to individuals for payment of tuition, and (2) a greater investment in community college "capacity," so these institutions can provide more programs.

- **Support a Competitive Manufacturing Workforce.** Hands-on learning and on-site education in mathematics or the sciences are critical to the development of Ohio's workforce. Experiential learning opportunities need to be expanded to include elementary, middle and secondary school students through internships at the National Laboratories, the National Aeronautics and Space Administration (NASA), the National Oceanic and Atmospheric Administration (NOAA) and the National Institutes of Health (NIH).
- **Streamline Unemployment Compensation.** Too often, unemployment compensation, and its myriad of rules and regulations, does not meet the needs of people who have lost their jobs. Changes should be made in the program to allow people more flexibility to combine part-time work with job training, or training full-time, if comparable employment is not available in the local area. Program rules should also be changed to allow states that have high unemployment rates to receive resources immediately without requiring continued Congressional legislation.

**Help Small Businesses Succeed:**

Small business is the backbone of the Ohio economy. When small business people, entrepreneurs, and innovators are given a chance to invest and grow their small businesses, jobs will follow for Ohio's families.



**To help strengthen small businesses and support Ohio workers, Rob proposes to:**

- **Suspend the Payroll Tax Now.** Washington should take immediate action to stimulate the economy and create jobs by providing a one year suspension of the payroll tax. This would put needed stimulus dollars in the hands of small businesses and individuals without government interference. Payroll taxes on the first \$50,000 in wages and self-employment profits would be waived for one year, providing comprehensive relief to low and moderate income workers. Additionally, the plan would free-up employers' capital, allowing for more hiring and technology investment. This is especially important to the many small businesses having a difficult time acquiring loans. The money to pay for the plan would come from redirecting unspent stimulus dollars, and therefore would not add to the deficit. Research suggests that this proposal alone will create 4.8 million jobs.
- **Extend and Make Permanent the Small Business Investment Tax Incentive.** Small businesses should be able to immediately write off equipment purchases as a tax deduction. This provides certainty and minimizes risk to businesses looking to invest, thereby helping start-up companies and stimulating the purchase of new, productive technologies.
- **Expand Small Business Loans.** If we want to ensure that credit is made available to small businesses, the reforms should focus on the type of credit businesses use most: credit cards. Because a majority of small businesses access capital through credit cards and business credit lines, reforms must be made to the CARD Act to ensure that small businesses not only receive access to credit but are protected from unfair treatment by the credit card agencies. Additionally, small businesses should be insulated from beefed-up acceptance or transaction charges that eat away at their bottom line.

- **Provide a Deduction for Small Business Income.** About half of all small business income is taxed at the highest income tax rates, affecting 20 million people who work at small businesses. Higher taxes at the individual level lower the incentive for entrepreneurs and investors to create jobs and hire Ohio workers.
- **Make the Tax Cuts on Investment Income Permanent.** The current tax rate for capital gains and dividend income must be renewed by Congress rather than increased. If Washington gets its way, taxes on capital gains and dividends and taxes on investments will increase significantly. Taxing investments will kill jobs when we need to add jobs.
- **Stop Higher Taxes on Small Business.** The Administration's budget and Congressional leaders are promising to raise taxes on small businesses again this year. This would be devastating to Ohio as we are trying to work our way out of this recession.
- **Double the Technology Innovation Program for Manufacturing.** Promoting and accelerating innovation, especially in the manufacturing sector, will be a key component of Ohio's future success. The more we provide Ohio manufacturers and entrepreneurs with the resources they need to perform high-risk-high-reward research, the more Ohio's economy benefits.

**Strengthen the Environment for Job Creation:**

Ohio businesses, both large and small, want to expand, grow their workforce, and compete globally. Government should help that cause, not hinder it by enacting wrong-headed policies, regulations and job-killing taxes.



**To reduce the cost of government regulations and taxes on Ohio workers, families and businesses, Rob proposes to:**

- **Reduce the Business Tax Rate to 25%.** American employers pay the second highest business tax rate in the industrialized world. We need to level the playing field to keep jobs here at home. The combined federal and state rates push business taxes to nearly 40%. Even the European Union has slashed rates from 38% in 1996 to 24% today. To compete globally and create jobs here in our state, Ohio employers should be taxed appropriately, not punitively.
- **Make Research and Development Tax Credits Work for Ohio Workers.** Tax credits to promote R&D should be simplified, expanded and made permanent. R&D is a fundamental part of our new economy. Predictability in tax credits, simplification of application and expansion is critical for Ohio's economy. A flat rate for qualifying R&D expenditures must have a permanent bookmark in our tax code. Businesses currently apply more than 75% of this credit to pay wages, essentially providing incentives to create jobs. Making the credit permanent will provide the assurance needed to invest in research, technology and jobs.

- **Stop the Current “Cap and Trade” Bill.** The Cap and Trade bill and the EPA’s proposed “command and control” regulations would be the death knell for many Ohio businesses, significantly increasing our electricity costs and hitting manufacturers especially hard. The last thing Ohio needs is new job-killing regulations. Mandates like these put Ohio at a competitive disadvantage with other states, and with our global competitors like China and India.
- **Protect and Grow Ohio’s Energy Jobs.** In addition to supporting thousands of Ohio jobs, the American Centrifuge Project in Piketon, Ohio could lead the way to a nuclear renaissance that will help increase our energy security by reducing dependence on foreign sources of fuel. It is estimated that the work being done in Piketon, Ohio would reduce greenhouse gas emissions by 10 million tons annually. Without strong leadership in Columbus and Washington to provide a loan guarantee, Ohio could lose thousands of new jobs and jeopardize our nation’s energy security.
- **Support Advanced/Alternative Energy Technologies.** Ohio has the manufacturing and technological expertise to be at the forefront in promoting advanced energy technologies that would allow for the safe use and re-use of nuclear energy. Ohio is also home to a robust energy manufacturing sector that is at the forefront in solar cell and wind turbine production. Government policies should not prevent Ohio from securing its position as a national leader in all of these efforts. Instead, government should be working with the private sector and with research firms to encourage the use of nuclear energy and alternative forms of energy, where appropriate.
- **Double Ohio Exports.** Ohio workers, farmers and manufacturers cannot thrive without opening up global markets. The only way to double exports is to get off the sidelines and engage in opening up markets for our goods and services. Washington should move quickly to approve pending trade opening agreements with strategically placed countries. Additionally, small and medium-sized businesses can be helped by expanding the Export-Import Bank Loan programs to increase access to capital. Exports are the key to Ohio jobs. Nearly half a million Ohio jobs are directly or indirectly supported by our exports. Without immediate action, Ohio will continue to hemorrhage jobs.
- **Become the National Center for Advanced Manufacturing.** Ohio is home to NASA and Wright-Patterson Air Force Base, two national assets, as well as a number of world class universities. These facilities sponsor billions in research, with the potential to play a significant role in economic development and job creation for all of Ohio. NASA has a National Center for Advanced Manufacturing in Louisiana as a result of state-federal-university partnerships. There is no reason why Ohio could not become a National Center for Advanced Manufacturing, given its existing workforce, its supply-chain location, the existing manufacturing infrastructure, and these facilities. Ohio can become a leader in advanced manufacturing technologies, research, and processes by partnering with government, academia, and industry.
- **Create a National Policy on Manufacturing.** Ohio has a rich tradition of leadership in manufacturing. We need to regain that leadership globally, and we can. We still have the best workers, an impressive infrastructure, and the research capability discussed above. Many of the proposals in the Portman Plan focus on what is needed to help manufacturing, including pro-jobs legislation and regulations, worker retraining, expanding exports, and improved infrastructure. But as a major manufacturing state, Ohio will also benefit from a coordinated national manufacturing policy to encourage innovation and advanced manufacturing.

- **Stronger Enforcement of our Trade Laws.** To ensure that Ohio farmers, workers and service providers have a level playing field in the global market, we must strengthen the enforcement of our trade laws to hold our trading partners accountable. During my one-year tenure as Trade Representative, I increased enforcement, including adding resources for enforcement and prosecuting the first successful case against China in the World Trade Court.
- **Create Private Sector Jobs and Improve Infrastructure for Economic Development.** Redirect the hundreds of billions of dollars of unspent stimulus funds to two purposes: First, the payroll tax suspension described above, and second, funds to shovel-ready infrastructure projects such as improving crumbling roads and bridges to provide private sector jobs and improve economic development in high unemployment areas of Ohio.
- **Stop Card-Check.** Card-Check (the Employee Free Choice Act) would threaten basic rights and the viability of employers and Ohio’s small business community. The legislation would deny employees the ability to privately cast their vote for or against union representation. The legislation would also eliminate the personal and flexible negotiations between small business owners and employees on contracts and working arrangements. The result is higher cost of doing business, and creating a one-size-fits-all approach to wages and benefits. According to the Cleveland-based Council of Smaller Enterprises (COSE), Card-Check would result in per-employee after tax costs of \$800 per year.
- **Repeal and Replace Health Care Reform.** Our economy has shed nearly 8 million jobs in the past two years, yet the Democrats passed a big government approach to health care that puts Medicare in more jeopardy, and will lead to higher premiums, increased health care costs, higher taxes and fewer jobs. Ohio needs more jobs, not fewer. I will continue to fight for a better way to reduce health care costs and expand access for affordable health care coverage without hurting the economy.

**Reform Financial Regulations to Hold Wall Street Accountable:**

The financial crisis that has had a devastating impact on so many Ohio families was a man-made disaster that cost Ohioans billions in savings and investments while countless working families were misled by mortgage con-artists. Even today, Ohio small businesses are having a hard time accessing credit because of the financial crisis. The issues that created this, including the greed and lack of accountability on Wall Street, hurt Main Street Ohio. We need legislation to reform financial regulations, including new rules and smarter and tougher enforcement.



**To reform the financial sector to hold Wall Street accountable and protect Ohio families, Rob proposes to:**

- **Protect Consumers and Investors.** Financial reform must protect consumers and investors by providing them with relevant information in an easily-understood format. Currently, there are a handful of agencies who are assigned with the task of “consumer protection,” yet their main focus is ultimately the safety and soundness of banks - reform must ensure that we don’t have one without the other. Financial reform must also impose trading rules and regulations for financial instruments, including derivatives, to provide greater transparency and reporting to protect all investors.

- **Keep Banks Competitive.** Congress should not impose overly burdensome regulations that will forfeit banking business to overseas competitors and result in job loss here in Ohio.
- **Get Credit Flowing Again.** Too many Ohio small businesses are already having a difficult time getting access to credit that would allow them to expand and create jobs.
- **End Taxpayer-Funded Bailouts.** The signal we should be sending is “no more bailouts;” the government should not be in the business of bailing out banks or financial institutions deemed “too big to fail.”
- **Tighten Regulations and Downsize Fannie Mae and Freddie Mac.** These agencies played a critical role in our housing boom as well as in the subsequent financial sector bust. Congress must address the role Fannie and Freddie played, provide stronger regulatory oversight, and reduce their size to ensure they do not contribute to a future financial crisis.
- **End the Bailouts.** Government interference hasn’t proven successful and only perpetuates “too big to fail.” The signal we should be sending is “no more bailouts.” The government should not be in the business of bailing out banks or financial institutions. That begins by ending TARP. The government should make clear to investors, businesses, banks, and consumers that the government will not bail out institutions who play roulette with moral hazard and taxpayer dollars. Unless we send a clear signal, smaller firms will have a hard time competing with “too big to fail” behemoths that are implicitly subsidized by the promise of future bailouts. Likewise, any reform effort must include a mechanism to effectively and safely wind-down failing institutions to minimize the impact of those failures on the rest of the economy and financial sector.
- **Increase Oversight of the Rating Agencies.** We need to ensure transparency for investors and institutions that rely on firms to provide guidance and information on debt issuances. This begins by prohibiting security issuers from picking the rating agency and better regulating rating firms, which sends a clear signal that a favorable rating is not for sale.
- **Increase Capital Requirements.** Imposing reasonable risk/capital rules for investment and commercial banking institutions, especially for high-risk activities, protects consumers and businesses.

### Heal the Economy by Reducing the Deficit:

The explosion of federal spending and the record-setting \$13 trillion debt should alarm all Ohio families who struggle to live within their means. Washington’s fiscal irresponsibility passes the problem to future generations, mortgaging the future of Ohio’s children and grandchildren. This out of control spending spree creates uncertainty in the economy and stops the investment and risk taking that will fix the economy and encourage economic growth.



**To get the spending under control and restore fiscal sanity, Rob proposes to:**

- **End TARP and Stop the Bailouts.** Congress must restore fiscal order and discipline, and that begins by ending TARP. TARP cannot become a de-facto slush fund for Democrats’ spending plans and so-called “stimulus” projects, which is exactly what will happen if Democrats get their way. It is time to abolish TARP—and return the more than \$300 billion left in the TARP for immediate deficit reduction.
- **Stop the Spending.** Congress recently passed an omnibus spending bill that INCREASED federal spending by 10%. This is wrong-headed and irresponsible. Washington must rein in its spending, especially at a time when Ohio families are tightening their belts and struggling to make ends meet.
- **Reduce the Deficit and Balance the Budget.** This year’s deficit of \$1.6 trillion is reckless, and Congress’ continued spending is unsustainable. Reducing government spending and growing the economy is the only way we can put our country on the path to balanced budgets and long-term economic growth. To help Congress address the unsustainable growth in entitlement spending, a bipartisan fiscal commission is needed. By reducing discretionary spending and reforming government, growing the economy and addressing the unsustainable growth in entitlement spending, the budget can be balanced over time.
- **Stop Growing the Size of Government.** The current administration expects to add nearly 200,000 new government jobs in this year alone. Growing the size and cost of government crowds out private sector investment and growth.

**Get Directly Involved in Economic Development:**

Just as Rob did as a member of Congress, he will get directly involved and work with regional Chambers of Commerce, other economic development groups, and businesses themselves to help retain and attract jobs and investment in Ohio. This is not always viewed as a traditional role for a Senate office, but it will be a priority for Rob if elected to the U.S. Senate. Staff on the ground in Ohio will be assigned to work on regional economic development priorities, and there will be a jobs and investment coordinator in the Ohio and Washington, DC offices to ensure direct and personal involvement of Rob and the staff.



**Paid for by Portman for Senate Committee.**

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