



JON HUNTSMAN
PRESIDENT 2012

TIME TO COMPETE *An American Jobs Plan*

Overview

Tax Reform

Simplify The Personal Income Tax Code And Lower Rates. Rather than nibble around the edges of the existing tax code, Gov. Huntsman will introduce a revenue-neutral tax plan that eliminates all deductions and credits in favor of three drastically lower rates of 8%, 14% and 23%. Eliminating deductions and credits in favor of lower marginal rates will yield a simpler and more efficient tax code, decreasing the burden on taxpayers.

Eliminate The Alternative Minimum Tax. Under the new simplified plan, Gov. Huntsman will eliminate the Alternative Minimum Tax, which is not indexed for inflation and is penalizing an increasing number of families and small businesses.

Eliminate The Taxes On Capital Gains And Dividends In Order To Eliminate The Double Taxation On Investment. Capital gains and dividend taxes amount to a double-taxation on individuals who choose to invest. Because dollars invested had to first be earned, they have already been subject to the income tax. Taxing these same dollars again when capital gains are realized serves to deter productive and much-needed investment in our economy.

Reduce The Corporate Rate From 35% To 25%. The United States cannot compete while burdened with the second-highest corporate tax rate in the developed world; American companies and our workers deserve a level playing field. With high unemployment, it is important that we not push corporations and capital overseas. We need employers to be based in America if they're going to provide jobs to Americans.

Regulatory Reform

Repeal Existing Regulations, Including Obamacare And Dodd-Frank. Obamacare, a \$1 trillion bomb that our nation cannot afford, included more than 40 provisions that require, permit, or contemplate rulemaking by federal agencies and established dozens of new governmental organizations or advisory boards. Dodd-Frank fails to solve “too big to fail” and guarantees slow credit and slow productivity gains for the near future.

Dramatically Rein In The EPA. While the nation struggles to recover from economic turmoil, EPA has imposed vast new rules on the nation’s energy producers, crippling one of the most critically important components of economic recovery: energy supply. Among the rules Gov. Huntsman will oppose is a new ozone rule that would effectively halt new construction.

Curb The Excesses Of “Independent” Agencies. Gov. Huntsman will actively fight to ensure that the NLRB and other agencies abandon their job-destroying policies.

Reform The FDA By Streamlining The Testing And Approval Process. The FDA’s slow-paced approval process puts American companies, including those in the biotech and health sciences industries, at a comparative disadvantage to foreign competitors and imposes unnecessary delays.

Enact Comprehensive Patent Reform. The outstanding backlog at the US Patent Office hurts innovation. The approval process needs to be streamlined to weed out rent seeking and foster invention.

Stabilize The Housing Market. Our country cannot stabilize the economy without stabilizing the housing market. As president, Gov. Huntsman will privatize Fannie Mae and Freddie Mac, and let the housing market settle in order to see sustainable growth.

Energy Independence

End OPEC's Pricing And Supply Power, Promote Jobs, And Increase Overall Domestic Supply. The United States must expedite the process for reviewing and approving safe, environmentally sound energy projects, including the development of North American oil and gas reserves; oil and gas in the Gulf of Mexico and Alaska; shale gas and oil in the U.S.; and Canadian oil sands.

Level The Playing Field And Create A Fully Competitive Market For Cleaner Domestic Alternative Transportation Fuels. The United States must eliminate the subsidies and regulations that support foreign oil and inhibit domestic alternatives such as compressed natural gas (CNG), electricity, biofuels, and coal-to-liquids, which are not price-controlled by OPEC.

Free Trade

Make Free Trade A Priority Again. For 2.5 years, the President has failed to act on three trade agreements with South Korea, Colombia and Panama – Gov. Huntsman would make these agreements a priority. Furthermore, as president, Gov. Huntsman would immediately pursue new trade opportunities with other nations, including Japan, India and Taiwan.

TAX REFORM

“Our tax code is too complex, our rates are too high, and the tax burden is carried by too few. It costs America’s taxpayers over \$400 billion every year just to be in compliance with the 17,000-page tax code.”
-Gov. Huntsman, 8/31/11

Governor Huntsman supports comprehensive reform to make America’s tax code flatter, fairer, simpler and more conducive to growth.

Over the last 25 years, our tax system has devolved into a maze of credits, deductions, loopholes and temporary provisions which create fiscal uncertainty and hinder America’s competitiveness. American businesses suffer from the second-highest corporate tax rate in the developed world. High marginal rates also negatively impact small businesses, many of which file as individuals. These rates must be reduced for America to compete in the 21st Century economy.

Governor Huntsman’s proposals are modeled after Ronald Reagan’s 1986 tax reform package, which economist Dale Jorgenson calculated as yielding over one trillion dollars in efficiency gains.

A PROVEN RECORD

On tax reform, Governor Huntsman offers more than rhetoric; he also offers a record of results.

- In Utah, he signed the largest tax cut in state history, returning \$400 million to families and businesses and earning him the “Taxpayer Advocate” award from the Utah Taxpayers Association.
- The Cato Institute called Huntsman’s tax reform plan in Utah “very Reaganesque” and gave him an “A” in tax policy.
- Along with historic tax cuts, Huntsman also balanced every budget and tripled the state’s rainy day fund, leading the Pew Center to name Utah the best-managed state in America.
- Huntsman’s reforms helped Utah lead the nation in job creation under his leadership.

TAX REFORM PROPOSALS

Individual Taxes

- **Simplify the Personal Income Tax Code and Lower Rates**
Gov. Huntsman supports a version of the plan crafted by the Fiscal Commission, headed by Erskine Bowles and Alan Simpson, commonly known as the “zero plan”. Rather than nibble around the edges of the existing tax code, he will introduce a revenue-neutral plan that eliminates all deductions and credits in favor of three drastically lower rates of 8%, 14% and 23%. Eliminating deductions and credits in favor of lower marginal rates will yield a simpler and more efficient tax code, decreasing the burden on taxpayers.
- **Eliminate the Alternative Minimum Tax**
Under the new simplified plan, Governor Huntsman will eliminate the Alternative Minimum Tax, which is not indexed for inflation and is penalizing an increasing number of families and small businesses. This tax is especially burdensome on the majority of small business owners who file as individuals.

Corporate Taxes

- **Reduce the Corporate Rate from 35% to 25%**

The United States cannot compete while burdened with the second-highest corporate tax rate in the developed world; American companies and our workers deserve a level playing field. Governor Huntsman will lower the corporate tax rate to the average of other OECD nations. With high unemployment, it is important that we not push corporations and capital overseas. We need employers to be based in America if they're going to provide jobs to Americans.

- **Shift from a Worldwide System of Taxation to a Territorial System**

We are one of the last countries taxing businesses on worldwide income and punishing businesses that bring money home. Shifting to a territorial system will allow American companies to compete with other global players and allow US-based multinationals to bring capital home to invest in new jobs.

- **Implement a Tax Holiday for Repatriation of Corporate Profits**

A tax holiday for repatriation of corporate profits earned overseas will make available between \$400 billion and \$600 billion for companies to make capital investments. This is a critical tool in creating a pro-growth business environment that will get Americans back to work.

Capital Gains and Dividends

- **Eliminate the Taxes on Capital Gains and Dividends In Order to Eliminate the Double Taxation on Investment**

Eliminating taxes on capital gains and dividends would lower the cost of capital and encourage investment in the American economy to create jobs. Additionally, these taxes amount to a double-taxation on most individuals who choose to invest since they first had to earn that money and pay income tax on it. Taxing these same dollars again when capital gains are realized serves to deter productive and much-needed investment in our economy.

REGULATORY REFORM

“In order to create an environment that allows America to compete and win in the global economy, we must get the regulatory monkey off the back of our job-creators.”

-Gov. Huntsman, 8/31/11

The current Administration has overseen an unprecedented expansion of regulatory regimes which are creating uncertainty, choking off investment and hindering our ability to compete in the 21st Century economy.

Governor Huntsman’s regulatory reform consists of three objectives: (1) rolling back President Obama’s health care overhaul and financial regulation reform, (2) reining in the Environmental Protection Agency’s job-killing regulations, and (3) dramatically improving the cost-benefit analysis of future regulations and the discipline of federal regulatory agencies – particularly independent agencies like the National Labor Relations Board – which have avoided White House oversight for political reasons, not legal ones.

REGULATORY REFORM PROPOSALS

Rolling Back Existing Regulations

- **Repeal President Obama’s Unconstitutional and Unaffordable Health Care Plan**

Gov. Huntsman opposes the President’s health care overhaul, which includes \$1 trillion in new spending and an onslaught of mandates on small businesses. According to the Congressional Research Service (CRS), Obamacare includes “more than 40 provisions ... that require, permit, or contemplate rulemaking by federal agencies.” The CRS further found that Obamacare establishes “dozens of new governmental organizations or advisory boards,” although the law is so vague the full tally of such new entities is “unknowable.” Rather than analyzing each piece of red tape, Gov. Huntsman supports a full repeal.

- **Repeal Dodd-Frank**

Dodd-Frank created several new “independent” entities, and vested them with effectively unlimited power. Furthermore, it called on new and existing agencies to undertake 243 new rulemakings – something too complicated for them to handle. After Dodd-Frank’s first anniversary, the agencies had failed to satisfy 80 percent of the law’s deadlines. The vast majority of these rules are unnecessary, create uncertainty and hinder growth in the marketplace.

Moreover, Dodd-Frank perpetuates “too big to fail” by codifying a regime that incentivizes companies to become too big to fail, guaranteeing slow credit and slow productivity gains for the near future. Gov. Huntsman supports a complete repeal of Dodd-Frank, followed by an assessment of which parts may need to be reinstated to address “too big to fail” and other structural problems with financial oversight.

- **Streamline the Food and Drug Administration’s (FDA) Approval Process**

The FDA’s dilatory approval process puts American biotech and health sciences sectors at a comparative disadvantage to foreign competitors by increasing development costs and unnecessarily delaying the approval process. Ultimately, the FDA’s process damages health care outcomes and reduces profits.

- **Enact Comprehensive Patent Reform**

The considerable backlog at the U.S. Patent Office hurts innovation. The approval process needs to be streamlined to foster innovation and weed out rent-seeking.

- **Repeal Sarbanes/Oxley**

This hastily written law has only added a massive compliance tax on companies without providing any real measures to prevent corporate fraud, which is still rampant. The law did nothing to avoid today's financial difficulties, and has caused unintended consequences by driving companies elsewhere or into the private market.

- **End the Environmental Protection Agency's (EPA) Gross Regulatory Overreach**

The EPA has overplayed its hand. While the nation struggles to recover from economic turmoil, the EPA has imposed vast new rules on the nation's energy producers, crippling one of the most critically important components of economic recovery: energy supply. The following are examples of the many rules Gov. Huntsman will oppose and/or roll-back:

Ozone Standard Revision – This rule promises no clear benefits yet threatens to hinder job growth in the form of what is effectively a nationwide construction ban that benefits no one more than China.

Joint Fuel-Efficiency Rules – This rule, approved by the EPA and Department of Transportation, will bar heavy-duty vehicles from converting to natural gas, which America has an abundance of. Astonishingly, this was enacted even after the agencies concluded that “more alternative-fueled vehicles on the road would arguably displace petroleum-fueled vehicles, and thereby increase both U.S. energy and national security by reducing the nation's dependence on foreign oil.”

- **Expedite the Environmental Permitting Process**

Gov. Huntsman is committed to streamlining the process for developing new energy supplies and bringing them to market.

- **Implement A Cultural Change In Regulatory Agencies**

Gov. Huntsman will demand a change in the culture of regulatory agencies that ensure businesses and citizens are treated like customers. The White House will provide accountability and measurements to ensure that timelines for approval are met, citizens are treated fairly and government doesn't hinder growth through delay.

Curb The Excesses of “Independent” Agencies

- **National Labor Relations Board (NLRB)**

President Obama refused to even comment on the NLRB's attempt to block Boeing from relocating and creating jobs in South Carolina, a policy that will encourage American manufacturers to move to China and other low-cost nations, rather than to right-to-work states here in America. The NLRB's policy is a reckless assault upon our nation's free-market system. Gov. Huntsman will immediately instruct the NLRB to stop pursuing this politically-motivated attack on free enterprise, and if they fail to do so, he will replace them.

- **Commodities Future Trading Commission (CFTC)**

In exercising its vast new Dodd-Frank authority over derivatives markets, the CFTC refuses to seriously examine whether the costs of the regulations outweigh their benefits. For example, the CFTC proposes to impose strict regulations on non-financial companies that use derivatives as part of their ordinary business operations. Those regulations would have a massive impact on agriculture, energy, and credit markets – sidelining *trillions* of dollars of capital.

The CFTC's regulations also contradict Congress' clear instruction that “end users” of derivatives not be

subject to such heavy regulation. As President, Gov. Huntsman will demand the CFTC undertake serious cost-benefit analysis before implementing any regulations.

- **Privatize Fannie Mae and Freddie Mac**

We must wind down so-called Government Sponsored Enterprises Fannie Mae and Freddie Mac. Today, the White House continues to use these institutions to perpetuate a failed intervention in the housing market, which costs taxpayers billions of dollars and prevents a natural stabilization. As President, Gov. Huntsman will scale back homeownership subsidies and privatize Fannie and Freddie.

- **Mandate Cost-Benefit Fundamentals at Agencies**

The White House should demand that all government agencies, including the "independent" ones, adhere to a fundamental framework of applying cost-benefit analysis prior to imposing potentially harmful and costly regulations. Gov. Huntsman will require agency administrators to follow this policy.

ENERGY INDEPENDENCE

“To free ourselves from OPEC’s grasp, we must end our heroin-like addiction to foreign oil. And the money earned by American energy suppliers can be spent in American stores, saved in American banks and invested in American communities to create American jobs.”

-Gov. Huntsman, 8/31/11

50 years ago, President Eisenhower warned we should import no more than 20 percent of our oil; today we import 60 percent. Every year America sends more than \$300 billion overseas for oil – much of it to unstable and unfriendly regimes. This threatens our national and economic security. 10 of the last 11 recessions were preceded by sharp spikes in the price of oil.

Governor Huntsman is proposing an “all of the above” policy, with two main elements:

First, we must expedite the review and approval of safe and environmentally-sound energy projects, including the development of North American oil and gas reserves; oil and gas in the Gulf of Mexico and Alaska; shale gas and oil in the U.S.; and Canadian oil sands.

Second, we must eliminate subsidies and regulations that support foreign oil and inhibit clean, domestic alternatives such as natural gas, biofuels and coal-to-liquid fuel.

America is drowning in competitive energy supplies from domestic sources. We must employ those resources, or risk allowing foreign nations to control our energy future.

ENERGY INDEPENDENCE PROPOSALS

Producing Our Own Energy Future

- **Streamline Approval for New Energy Production**

America can and should produce more oil right here at home. There is no reason drilling cannot be safely conducted in the Gulf, across the states and in Alaska.

The current Administration is pursuing regulations that will hinder domestic energy development and cost thousands of jobs. Regulations and approvals for new wells and pipelines need to be streamlined and directed to “move at the speed of business.”

The federal government’s commitment to safety and the environment must no longer be distorted into a prohibition against American energy security. President Reagan created a mechanism for the swift resolution of regulatory delays without sacrificing safety concerns. The same must be duplicated again.

- **Break Down Barriers Blocking the Full and Safe Deployment of Fracking**

A new technique for recovering previously inaccessible gas – combining hydraulic fracturing (“fracking”) with high-technology horizontal drilling – has the potential to increase America’s domestic production by 25 percent.

Critics are attacking fracking, but the practice has been used on more than one million currently producing wells – more than 35,000 per year – using a technology that has been perfected over 60 years. Because of fracking, the United States surpassed Russia as the world’s leading producer of natural gas.

Federal guidelines regulating its application need to recognize the economic benefits and value of enhancing America's energy independence, while also weighing environmental concerns.

- **Embrace Emerging Technologies Like Coal-to-Liquid Fuel**

Coal is one of America's most abundant energy resources and the mainstay of many communities. America has enough coal reserves to supply us for 300 years at current consumption. Yet in recent years, government regulations and litigation have attacked coal from every possible angle, destroying critical jobs and closing access to this critical domestic energy source.

Converting coal into a liquid fuel will alleviate our dependence on foreign oil while maintaining jobs and local economies, but this technology is not yet deployed. We must eliminate barriers to its full deployment.

- **Look North**

Our dependence on foreign oil didn't develop overnight, and it won't end overnight. As a bridge, we must look north to Canada.

America imports twice as much oil from Canada as we do from Saudi Arabia, and our northern neighbor is increasing production every day. There are 170 *billion* barrels of recoverable oil in Alberta's oil sands deposits – more reserves than in all of Iraq.

However, lawsuits and legislation in the United States are attempting to block access to this resource from our neighbor and friend.

Others see the potential in these fields. China wants to invest in Canada's oil infrastructure. Meanwhile, the United States government is dithering over a pipeline's proposal to ship Canadian oil to the United States.

The federal government needs to assure Canada that American consumers are ready and willing to purchase the production of Alberta's oil sands. Every barrel from a friend is one less from a foe.

Eliminate Subsidies to Level The Playing Field for Domestic Fuels

Much attention has been paid, rightly, to the federal government's improper role in using subsidies to favor one energy resource over others. America's energy future must be based on a level playing field. But the playing field cannot be level so long as federal regulation erects or reinforces barriers to entry, which prevent a competitive market for competing fuels.

- **Ensure That Our Transportation Fuel Markets are Competitive**

The current system of transportation fuels is essentially closed to newer competition because of (1) gasoline's near-monopoly in the distribution network for light-duty vehicles, and diesel's near-monopoly for heavy-duty vehicles; and (2) numerous regulatory barriers to entry.

Accordingly, to create a truly competitive energy market, the federal government must:

Commence expedited review of the transportation fuel distribution network by both the Federal Trade Commission and Senate Judiciary Committee (the concentration of distribution ownership is similar to the broadcast network domination in the early 1970s, which triggered market-opening FCC rules and an antitrust consent decree).

Eliminate all regulatory barriers to entry for competing fuels, and create a level playing field that allows competing fuels full access to the distribution grid.

Ensure open markets for natural gas and other alternative fuels in order to stabilize prices and provide a predictable investment environment.

Eliminate Regulations Preventing Energy Innovations and Competitive Transportation Fuels From Reaching Market

- **End the Regulatory Roadblocks Against Competitive Fuels Like Natural Gas**

America has more natural gas than Saudi Arabia has oil. Yet on August 9th, the Department of Transportation and Environmental Protection Agency issued fuel efficiency rules that effectively bar heavy-duty vehicles – which consume 20% of our oil imports – from converting to natural gas.

The agencies did this even after conceding that “more alternative-fueled vehicles on the road would arguably displace petroleum-fueled vehicles, and thereby increase both U.S. energy and national security by reducing the nation’s dependence on foreign oil.”

Gov. Huntsman supports the repeal of these rules and others, which increase our reliance on foreign oil and discourage domestic job growth.

- **Spur Investment in Modernizing Our Power Grid**

Federal regulations are hindering America’s conversion to a fully modern “smart grid” system – something badly needed if the next generation, for example, chooses to charge electric vehicles in their garages at night.

- **Encourage State-Based Solutions**

Methods of energy production vary greatly across the fifty states. The Northwest has world-class hydropower facilities, California leads the nation in geothermal, and more than 15 percent of Iowa’s energy generation comes from wind. Despite this diversity, EPA rules prohibit states from coming up with their own ways to reduce pollution at the lowest cost to local businesses.

For example, EPA should revive state authority to allow centrally-fueled fleets to convert to cleaner alternative fuels to help meet our air quality standards at much lower cost to consumers.

- **Force Washington To Face Facts**

The federal government is responsible for reducing obstacles to competitive markets that ensure a level playing field. Washington must base its energy policy on sound science, transparent government, and thorough public debate.

TRADE

“As a former diplomat, trade official, Governor and business executive, I’ve witnessed firsthand the tremendous economic opportunities of free and fair trade. As President, I will work tirelessly to open more global markets for American businesses.”

-Gov. Huntsman, 8/31/11

Free trade supports nearly 18 million American jobs, and establishing new lines of trade with international partners represents an enormous well of untapped economic and political goodwill.

95 percent of the world’s customers live outside our borders, and with the United States party to only 17 of the more than 300 trade agreements worldwide, opening markets and expanding a customer base for American businesses is a commonsense tool to spark growth.

America’s strength lies in our creative class, our entrepreneurial spirit, and in governance wise enough to allow our great companies to compete in the international marketplace. The countries that lead in defining the new trading system will be the countries that benefit the most. If we don’t assume the mantle of leadership, our economy will be relegated to competing in a marketplace defined by our competitors.

We won’t remain the most productive economy in the world if we embrace the mistaken belief that we can prosper by selling and buying only among ourselves, while other countries seize the extraordinary opportunities for economic growth that the global economy offers.

A PROVEN RECORD

Gov. Huntsman has decades of experience, witnessing firsthand the benefits of trade to American businesses and consumers.

- Gov. Huntsman served as Deputy U.S. Trade Representative for President George W. Bush, and helped negotiate free trade agreements in Asia and Africa.
- As Ambassador to Singapore and Ambassador to China, Gov. Huntsman helped expand markets for American exports.
- In Utah, Gov. Huntsman aggressively pursued trade, led trade missions overseas, and helped double Utah’s exports.

TRADE PROPOSALS

- **Approve Pending Trade Deals With South Korea, Colombia and Panama**
For more than 2.5 years, President Obama has failed to act on three trade agreements that would boost the nation’s exports by more than \$10 billion and create tens of thousands of American jobs.
- **Pursue New Trade Opportunities, Particularly Across the Pacific**
It is in the strategic interest of the United States to reach trade agreements with the world’s largest economies that share our values.

Thus, the United States should take the lead in initiating free trade agreements with Japan, India and Taiwan, among others. We must begin to send a message to the world that we will once again lead on trade liberalization.

- **Support the Doha Development Round of World Trade Organization Negotiations**
Although discussions have stalled, the United States should urge completion of the multi-lateral negotiations aimed at promoting free trade between nations of varying prosperity, which will benefit both developed and developing nations.
- **Lead in Reaching a Successful Conclusion of the Trans-Pacific Partnership (TPP)**
Gov. Huntsman's Administration will make completion of the TPP a priority. This framework would open the markets of Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam to U.S. goods.