

September 27, 2012

Mr. Jim Lehrer  
PBS Newshour  
3620 South 27th Street  
Arlington, VA 22206

Delivered via email

Dear Mr. Lehrer:

In one opinion survey after another, American voters state that job creation and the strength of the nation's economy are at the top of their list of concerns in this election. Voters want to hear new ideas from the presidential candidates on how they would accelerate U.S. economic growth and get more Americans back on the job.

ITI represents America's economic champions . the companies at the heart of the technology and innovation sector. These companies continue to create jobs, even in the face of the recession and the economic malaise that has slowed growth more than anyone would want. From 2001 to 2011, more than 742,000 information technology (IT) jobs were created. While U.S. jobs shrank by 4.5 percent, IT jobs grew by 6.8 percent. Roughly 85,000 tech job openings in the U.S. are currently posted online. Across the country, the tech sector is hiring, paying above-average wages, and helping to support communities struggling to stay afloat.

That strength can serve as a foundation for job growth in all sectors. But it cannot be the only base for progress. America needs an all-of-the-above+economic strategy that leads to sustained, lasting economic growth.

America's tech sector is committed to working with both sides of the political aisle to find solutions that work . putting people back to work while broadening and strengthening the U.S. economic foundation.

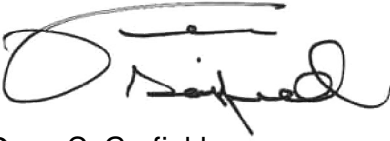
The debate that you are moderating provides an enormous opportunity to learn from President Obama and Governor Romney the specifics of what actions they would pursue, and for the American voters to gauge their vision and approach on job creation. Unfortunately, to date, the campaigns have resorted mostly to sound bites instead of substance. The debate is the perfect forum for less rhetoric and more reality.

To that end, we ask that your questions focus on core components of the candidates' economic plans. While broad-stroke outlines emerged in the recent conventions and the party platforms, there remains too much ambiguity. That's why we propose you press them on the core pillars of their jobs plans. In answering, we hope that the candidates will put forward specifics and provide U.S. voters with a clearer understanding of their priorities.

Attached to this letter are background material and possible ways to delve into these issues. We hope that they are helpful. Please do not hesitate to reach out if you require further information or have follow-up questions.

Thank you.

Sincerely,



Dean C. Garfield  
President and CEO, ITI

### About ITI

The Information Technology Industry Council (ITI) is the premier advocacy and policy organization for the world's leading innovation companies. ITI navigates the constantly changing relationships between policymakers, companies, and non-governmental organizations, providing creative solutions that advance the development and use of technology around the world. We develop first-rate advocacy strategies and market-specific approaches. And we deliver results. Visit [itic.org](http://itic.org) to learn more.

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### Business tax reform

The U.S. tax code is complex, chaotic, and contradictory, and is costing America jobs. The last major overhaul was in 1986, when the global economy was not as fiercely competitive and integrated as today. The outdated tax code has become an obstacle to American competitiveness as U.S. companies work to compete and win in a global marketplace where many countries are aggressively cutting their tax rates to attract new jobs and investments. In fact, earlier this year, when Japan cut its corporate tax rate, the United States became the nation with the highest corporate tax rate in the world. And Japan and the United Kingdom were the latest countries to adopt a so-called territorial system . not double-taxing their multinational companies on foreign-earned profits and making it easier for those companies to invest their earnings at home.

The President's [Council on Jobs and Competitiveness](#) called for a shift to a territorial system of taxation in order to make America more competitive in global markets.+ The Jobs Council noted that most other developed nations have adopted this kind of market-based competitive system, and that it would encourage greater investments by American multinational companies here at home. Their comments were backed by the [President's Export Council](#), which also urged the adoption of such a system to make the U.S. tax system more competitive with its major trading partners.+ The [President's Economic Recovery Advisory Board \(PERAB\)](#) included a territorial system in its report on tax reform options, noting that it would help to bring foreign earnings home for reinvestment and job creation. The [National Commission on Fiscal Responsibility and Reform](#), created by the President, also urged adoption of this sort of system, which its members

found to be more competitive and better for the economy. A growing number of both Democratic and Republican members of Congress also back such a plan.

President Obama:

- Your Jobs Council stated: ~~W~~hile most other developed nations have adopted territorial systems that exempt most or all foreign income from taxes when they are repatriated, the U.S. subjects all worldwide earnings to the corporate income tax when they are brought home to the U.S. This approach actually encourages U.S. companies to keep their earnings abroad rather than investing them here at home.+ Yet, the Vice President mocked this market-based system in his convention speech. Is your Jobs Council (and your Export Council and your National Fiscal Commission) wrong? Or is the Vice President?
- Given that U.S. businesses compete in an ultra-competitive global marketplace, why cling to a tax system that has been abandoned by all other members of the G-7 and all but only five other (Chile, Ireland, Korea, Mexico, and Poland) of the world's top industrial nations? How does it help to strengthen our economy with a tax structure that clearly isolates our country?

Governor Romney:

- While you have [stated your support for a territorial system](#) paired with a reduction in the overall corporate tax rate, you also have stated that ~~w~~e must still raise enough revenue to stop the endless borrowing that threatens American prosperity.+ Will you provide us with details, tonight, on how you will make these shifts in the business tax structure while still raising the revenues you need to cut the federal debt?
- Governor, you have talked about [the need to eliminate loopholes and deductions in the tax system](#), but, so far, you and Representative Ryan have refused to list which loopholes you would target. As we are just a few weeks before the election, it seems that voters should have a clearer understanding of your intentions. Please tell us five corporate tax loopholes or deductions that you would seek to eliminate to help meet your aggressive revenue goals.

### **Workforce development/immigration reform**

Both candidates have talked about the urgency of high-skilled immigration reform as a way to boost U.S. job creation.

Governor Romney, in a [speech to NALEO](#) earlier this summer, noted the high-tech ties to this central tenet of workforce development: ~~I~~mmigrants with advanced degrees start companies, create jobs, and drive innovation at a high rate. Immigrants founded or cofounded nearly half of our 50 top venture-backed companies. They are nearly 30 percent more likely to start a business. And that kind of risk taking is something we need more than ever because new business starts are now at a 30-year low. I will work with states and employers to update our temporary worker visa program so that it meets our economic needs. And if you get an advanced degree here, we want you to stay here . so we will staple a green card to your diploma. We want the best and brightest to enrich the nation through the jobs and technologies they will help create.+



Similarly, in his [State of the Union address in January 2011](#), the President called for an increase in the immigration levels of foreign-born students with advanced degrees. When talking about immigrant children, the President stated, "Others come here from abroad to study in our colleges and universities. But as soon as they obtain advanced degrees, we send them back home to compete against us. It makes no sense . . . Let's stop expelling talented, responsible young people who could be staffing our research labs or starting a new business, who could be further enriching this nation." It is a position the President has repeated many times since, including this summer at the NALEO conference a day after Governor Romney addressed that group.

Governor Romney:

- In 2007, President Bush made immigration reform a top priority, and backed a bipartisan bill in the Senate introduced by Senators Kyl and Kennedy, but despite that kind of backing, the President could not get the bill through the Senate. At that time, you called for Congress to pass comprehensive immigration reform. Do you still believe comprehensive reform is needed, and if so, how do you plan to succeed where President Bush failed?
- Governor, as you know, there is a significant backlog for visas that would enable foreign-born professionals to stay permanently in the U.S. The wait times to get these visas, also known as green cards, can stretch well beyond 10 years, and those forced to wait include people who have gone to school and received a master's degree or Ph.D. here in the U.S. Because of these delays, many talented people educated here in the U.S. are going home to start new businesses and create jobs. There is bipartisan support to provide more green cards for highly educated people, but a number of leaders in your party insist that there be no increase in legal immigration, so any green cards for skilled professionals must come from green cards in other categories. Do you agree with this approach? Can we make our immigration policy work to benefit the U.S. economy without increasing legal immigration?

President Obama:

- While you have talked about the importance of immigration changes for high-skilled individuals, and your party's platform backed such a plan as a national priority, news reports noted that the [White House was actively working against bipartisan legislation](#) voted on in the House on its last day of session in September. How do you square the circle . . . stating that you are for this exact issue but then work to defeat it in the House? Why would you seek to defeat a bill that would begin to accomplish the priority you established?
- Many Hispanic leaders in your party who believe that there should be no incremental reform steps until there is an overall immigration reform package. Do you agree?

## Trade and market expansion

Global trade is not a very sexy topic in a presidential campaign driven by 30-second television advertisements. That said, global trade is critical for American businesses . large and small. The power of e-commerce, for example, means any business, whether it employs two people or 2,000, can receive an order for a product from another country or another continent. The ability of the next president to pursue market expansion for U.S. companies and products is crucial to our nation's long-term economic strength.

President Obama has pushed three free trade agreements across the finish line, yet permanent normal trade relations with Russia is stalled in Congress and international market access negotiations are taking longer than the Administration anticipated. Critics charge the Obama Administration has not put forward a bold, comprehensive trade strategy nor pursued fair market access as aggressively as the economic circumstances demand, and point as a call to action to the focused and successful efforts of other governments around the world to forge myriad trade pacts.

The primary trade expansion plank of Governor Romney's policies is the establishment a new free-trade zone among countries that agree to respect intellectual property rights. What has garnered more attention, however, is the Governor's criticism of the Obama Administration on its dealings with China and with Russia, calling the latter America's number one geopolitical foe.+ The Governor has called for broader punishments for China if its leadership does not allow the Chinese renminbi to appreciate in value.

For both candidates:

- The economy is more global than ever before. American businesses are shipping products and services around the world, as 95 percent of the global marketplace is outside U.S. borders. Yet, it is clearly becoming more challenging for U.S. companies to compete. So my question is, for each of you, what would be on your agenda to boost American competitiveness globally? What specific steps would you take during the next four years to expand opportunities for American workers and businesses to sell their products and compete internationally?

Governor Romney:

- China is a major force in the global economy, from its foreign investments (including here in the U.S.) to its willingness to support nations facing severe fiscal crises. Yet, the rhetoric that you have put forward during this campaign has many observers concerned that a Romney administration would spark a new economic war with China. How would you balance the clear economic necessities of a steady American-Chinese relationship with the sharp rhetoric that you have put forward during the campaign?
- You have proposed a new free-trade zone that would respect intellectual property and block participation of nations that you see as manipulating their currency. Trade experts have pointed out that this structure would not only target China, as you have publicly, but also key markets for U.S. products like Brazil and India. How would you maintain our growing economic ties with these countries while prohibiting them from enjoying a more even trading relationship with the United States?

President Obama:

- There has been a troubling new, discriminatory practice by many of our key trading partners to implement forced localization measures . demanding that American companies build their products in the market where they are to be sold, utilizing the local workforce and local supply chains. The practice is evidenced in Argentina, Brazil, China, India, Indonesia, and Nigeria to name a few examples. What tough steps will your administration take to counter this extremely disturbing trend that experts warn could upend the global economy if left unchecked?
- The FTAs with Colombia, Korea, and Panama took considerable time to conclude. Will the Trans-Pacific Partnership take as long? Are American companies placed at a disadvantage waiting for long negotiations to conclude, while other nations are moving more swiftly on trade agreements around the world? Are you going to put greater political muscle behind getting trade pacts concluded in a timely fashion in your second term?