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Council on Competitiveness

Economic Stimulus Proposals Excerpted from the following Council Reports
Compete. Prioritize. Rebound. (draft)

www.compete.org

1. Unlock Private Sector Investment to Create Jobs and Increase Energy Efficiency.

The balance sheets of many companies remain healthy, but business leaders are reluctant to invest in this uncertain environment. The net result is that tens of billions of dollars in planned capital investment are sitting idle. Enabling companies to expense immediately the full cost of new capital equipment and facilities investments could unlock corporate balance sheets, stimulating jobs and growth. For many companies, the retirement of older equipment and subsequent investment in more efficient machinery, vehicles and equipment will generate tremendous gains in energy efficiency and cost savings. The result is an environmentally friendly investment incentive that expands capital investment while driving a higher level of energy productivity.

The Council on Competitiveness recommends:

- Enacting new tax provisions that allow corporations to expense 100 percent of capital investments made within a 12 month period.

2. Give Consumers and Small Businesses Tax Incentives to Invest in Green Technology.

The economic stimulus package should also unlock household and small business capital to encourage purchases of energy efficient products. These investments will continue to pay dividends well into the future in the form of lower energy bills for Americans, a cleaner environment and improved domestic energy security for the United States.

The Council on Competitiveness recommends:

- Enacting tax provisions that allow individuals and small businesses to deduct, in the 2009 tax year, the full value of products that are Energy Star certified or that have a recognized efficiency rating up to \$50,000 for individuals and \$250,000 for small businesses.

3. Build American Next Generation Infrastructure Right Now without Going Deeper in Debt to other Countries.

America needs next generation infrastructure to sustain its economic leadership in the global economy. The nation can fund those projects through a unique savings bond program called **CompeteBond** – tax-exempt, federally-guaranteed bonds available to any American who wants to contribute to our nation’s economic revitalization while raising the personal saving rate and reducing our dependence of foreign borrowing. The resulting capital would be transparently reinvested into projects that, for example, expand broadband access, provide

greener public transportation systems and contribute to the development of a national electric transmission superhighway. These investments will result in greater energy and homeland security and lower carbon emissions – and they will produce hundreds of thousands of new American jobs.

The Council on Competitiveness recommends:

- Creating a ***CompeteBond*** to stimulate personal savings and invest in America’s advanced infrastructure.

4. In Addition to Creating Jobs, America Needs to Fill the Ones We Have.

America needs to win the skills race and the 70 percent of Americans who do not graduate from college cannot be left behind. The largest number of job openings over the next 10-15 years will be in middle-skilled jobs—which underpin our technology economy, do not offshore easily, pay well—and which are going unfilled by the hundreds of thousands. The current workforce training system is fragmented and often delinked to forward-looking job opportunities.

The Council on Competitiveness recommends:

- Establishing a ***CompetePass***. ***CompetePass*** is like an ATM card for 21st Century skills. Eligible workers can receive a ***CompetePass*** at Department of Labor One-Stop Career Centers and use the card up to a pre-set spending limit at any approved training program. Programs can be sponsored by companies, colleges or labor unions and must be linked to job opportunities for those people who successfully complete the training.

5. Jumpstarting Energy Infrastructure Investments.

Throughout history, our government has set aside loans for Americans to afford homes, start small businesses and pursue higher education in order to strengthen and stabilize our nation. Today, our country requires a \$200 billion National Clean Energy Bank to provide debt financing and drive private investment in the development of sustainable energy solutions and supporting infrastructure.

The Council on Competitiveness recommends:

- Direct the Secretaries of Treasury and Energy to propose legislation to establish and capitalize a \$200 billion National Clean Energy Bank, modeled on the U.S. Export-Import Bank and Overseas Private Investment Corporation, to provide long-term financing—including loan guarantees, lines of credit, equity investments and insurance—for the market deployment of breakthrough energy efficiency and clean energy products, technologies, services and projects that reduce, avoid or sequester carbon.

6. Spawn Technological Breakthroughs and Entrepreneurship.

From the Great Depression to 9/11, Americans have come together to address threats to our nation’s security and prosperity. Today, energy is the biggest national and economic security issue facing our country, and America needs to answer the call again. To ensure the American way of life is preserved, we need to drastically ramp up investment in R&D and market commercialization to deliver secure, sustainable and affordable clean energy while generating well paying domestic jobs.

In addition to tripling federal energy R&D, the Council on Competitiveness recommends:

- Directing the Secretary of Energy to create the “21st Century Clean Energy Leadership Initiative,” a public-private partnership funded at \$250 million and matched by state and private sector investments, to create regionally-based R&D test-beds and large-scale commercial pilots, while leveraging the existing federal R&D infrastructure.
- Funding the significant backlog of research facilities renovation and instrumentation programs at the National Science Foundation (NSF), the National Institute of Standards and Technology (NIST) and the Department of Energy (DOE) Office of Science. If funded, these projects could increase jobs in the near-term and modernize and develop research infrastructure and capacity to promote longer-term economic recovery. An additional \$2.9 billion for these programs could be distributed quickly and effectively to help provide much needed funding to rehabilitate, renovate, and modernize existing DOE and campus research facilities and enable DOE and universities to acquire major instrumentation and equipment that is too costly to fund out of regular research grants.