



January 14, 2015

Majority Leader Mitch McConnell  
S-230 The Capitol  
Washington, DC 20510

Speaker John Boehner  
H-232 The Capitol  
Washington, DC 20515

Dear Leader McConnell and Speaker Boehner,

On behalf of the more than 100,000 members of the Club for Growth, let me congratulate you as leaders of the new 114th Congress. The Club for Growth is a conservative advocacy organization focusing on economic issues that stands ready to work with both of you and the rest of the Leadership in the Senate and House to achieve policies that reflect the values we share. Senator McConnell has already identified two important goals, both of which will stimulate economic growth and allow the private sector to create millions of jobs.

The first is tax reform. Now is an opportunity for Congress to tackle comprehensive and sweeping reform. Some have suggested that we should immediately capitulate to President Obama's desire to do corporate-only reform. We disagree. The incoming Chairman of the Senate Finance Committee, Senator Orrin Hatch, has laudably called for starting the discussion with individual as well as corporate tax reform, building on the excellent work done by the House Ways and Means committee last year. While President Obama and Democratic leaders may prefer "corporate-only" tax reform, we feel it is hard to explain to Americans why their tax rates remain so high while corporations see theirs lowered. Addressing both will allow America's businesses to expand and create millions of new jobs.

Senator Hatch's staff has already released a full review of the nightmare that is the current tax code. We would suggest eliminating as many loopholes and deductions as possible along with cutting marginal rates so as to maximize the pro-growth effects of reform. In addition, comprehensive tax reform should stand on its own and not include extraneous new spending. Americans overwhelmingly voted for Members of Congress who ran on tax reform in the last election. This provides you with the mandate to greatly reduce the tax burden on American employers and individuals who have to compete in world markets. As Congress leads on tax reform based on these principles, the Club for Growth stands ready to support you in this effort.

The second issue is trade policy. President Obama and the Republicans already agree that Congress should pass Trade Promotion Authority, or "fast track", to facilitate passage of the

Trans Pacific Partnership. We support efforts to pass TPA without including trade adjustment assistance (supplemental unemployment insurance with dubious standards of eligibility), or protectionist provisions regarding foreign currency manipulation (the precursor for a big tax increase on imported goods and businesses).

President Obama knows that he needs Republican support to pass this potentially huge and pro-growth trade deal. That's exactly why Congress should send the President a bill approving fast-track authority without all of the giveaways to big labor and special interests that others have inserted into trade legislation in the past. Again, you will find no bigger cheerleader than the Club for Growth for clean pro-trade legislation.

Senator McConnell also identified a third area that he anticipated potential bipartisan support: fixing the broken system of funding our infrastructure projects. While we agree that infrastructure is a critical need, the Club for Growth will oppose efforts to increase taxes or use general revenues to augment the Highway Trust Fund. However, we recognize that it is not good enough for outside groups to simply stand on the sidelines and oppose the policy positions of Leadership without supporting a credible policy alternative.

Fortunately, Senators Mike Lee and Marco Rubio, along with Congressman Tom Graves in the House, have already offered legislation in the previous Congress to address the funding shortfall. The Transportation Empowerment Act is comprehensive reform legislation that results in returning the power of highway spending to the states. That would free up the states to fund their own projects without the interference of the federal government. It would be consistent with the principles of federalism, and again, it would find no louder cheerleader than the Club for Growth.

We also urge you to continue to be diligent in your efforts to repeal ObamaCare and to pass meaningful regulatory reforms, such as the REINS Act. As previous Congresses did in passing welfare reform, it is likely that the 114th Congress will need to present the President with these bills several times before the will of the people wins out.

My organization and our members are all united by our shared belief that pro-growth economic policy leads to more wealth and prosperity for all Americans. If, under your leadership, Congress focuses on comprehensive tax reform and trade deals, embraces reforms instead of taxes to fix our broken infrastructure system, and continues to press for free market healthcare and reducing regulatory burdens, you can count on us as your loudest cheerleaders. And, the American people will roar with approval soon after.

Sincerely,



David M. McIntosh  
President, Club for Growth