BLUEPRINT FOR

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AN AMERICA BUILT TO LAST

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BARACK OBAMA - 44TH PRESIDENT

THE WHITE HOUSE

WASHINGTON DC

An America Built to Last

In his State of the Union Address, the President laid out a blueprint for an economy that's built to last – an economy built on American manufacturing, American energy, skills for American workers, and a renewal of American values.

The President believes this is a make or break moment for the middle class and those trying to reach it. What's at stake is the very survival of the basic American promise that if you work hard, you can do well enough to raise a family, own a home, and put a little away for retirement.

The defining issue of our time is how to keep that promise alive. No challenge is more urgent; no debate is more important. We can either settle for a country where a shrinking number of people do really well, while more Americans barely get by. Or we can build a nation where everyone gets a fair shot, everyone does their fair share, and everyone plays by the same rules. At stake right now are not Democratic or Republican values, but American values – and for the sake of our future, we have to reclaim them.

The fact is, the economic security of the middle class has eroded for decades. Long before the recession, good jobs and manufacturing began leaving our shores. Hard work stopped paying off for too many Americans. Those at the top saw their incomes rise like never before, but the vast majority of Americans struggled with costs that were growing and paychecks that weren't.

In 2008, the house of cards collapsed. Mortgages were sold to people who couldn't afford or understand them. Banks made huge bets and bonuses with other people's money. It was a crisis that cost us more than eight million jobs and plunged our economy and the world into a crisis from which we are still fighting to recover.

Three years later, thanks to the President's bold actions, the economy is growing again. Over the past 22 months, our businesses have created 3.2 million jobs. Last year, we added the most private sector jobs since 2005. American manufacturing is creating jobs for the first time since the late 1990s. The American auto industry is back. Today, American oil production is the highest that it's been in eight years. Together, we've agreed to cut the deficit by more than $2 trillion. The President signed into law new rules to hold Wall Street accountable, so a crisis like the one we've endured never happens again.

When we act together, in common purpose and common effort, there is nothing the United States of America cannot achieve. That's why the President's blueprint for action contains policies that businesses can take, actions that Congress needs to take, as well as actions that the President will take on his own.

We have come too far to turn back now. We cannot go back to an economy based on outsourcing, bad debt, and phony financial profits. The President intends to keep moving forward and rebuild an economy where hard work pays off and responsibility is rewarded – an economy built to last.

A Nation Where Everyone Gets a Fair Shot, Does Their Fair Share, and Plays by the Same Set of Rules

I. Manufacturing: Create New Jobs Here In America, Discourage Outsourcing, And Encourage Insourcing

- Take away the deduction for outsourcing, make companies pay a minimum tax for profits and jobs overseas, and reward companies for bringing jobs back to America.
- Lower tax rates for companies that manufacture and create jobs in the United States.
- Get tough on trade enforcement.
- Create more jobs and make us more competitive by rebuilding America using half of the savings from ending foreign wars.

II. Skills: Give Hard-Working, Responsible Americans A Fair Shot

- Forge new partnerships between community colleges and businesses to train and place 2 million skilled workers.
- Reform job training and Unemployment Insurance and create one website that dislocated workers can use to help them get back to work.
- Attract, prepare, support, and reward great teachers to help students learn.
- Call on every state to require that all students stay in high school until they graduate or turn 18.
- Double work-study jobs and take steps to hold down college costs for middle-class families.
- Build a 21st century immigration system and give responsible young people a chance to earn their citizenship.
- Put veterans to work protecting our communities and preserving our natural resources.
- Secure equal pay for equal work.
- Help start-ups and small businesses succeed and create jobs by reforming regulations and expanding tax relief.
- Help spur innovation by investing in research and development.

III. Energy: Make The Most Of America's Energy Resources

- Promote safe, responsible development of the near 100-year supply of natural gas, supporting more than 600,000 jobs while ensuring public health and safety.
- Incentivize manufacturers to make energy upgrades, saving $100 billion over the next decade.
- Create clean energy jobs in the United States.

IV. Values: Ensure Every American Plays By The Same Set Of Rules And Pays Their Fair Share

- Make the tax code fairer and simpler for the middle class and make sure millionaires and billionaires follow the Buffett Rule by paying at least 30% in taxes.
- End subsidies for millionaires.
- Prevent tax increases for working families by extending the payroll tax cut.
- Call on Congress to give every responsible homeowner the opportunity to refinance.
- Make sure Wall Street plays by the same rules.
- Reduce the influence of money and lobbyists and do away with procedures that stop Congress from working on behalf of the American people.
- Pass a balanced, fair deficit reduction plan.

A Blueprint to Create New Jobs Here in America, Discourage Outsourcing, and Encourage Insourcing

Take away the deduction for outsourcing, make companies pay a minimum tax for profits and jobs overseas, and reward companies for bringing jobs back to America: The President believes that we need comprehensive corporate tax reform that will close loopholes, lower rates, and eliminate incentives that make it more attractive to ship jobs overseas – corporate tax reform that will:

- Remove tax incentives to locate overseas through an international minimum tax: The President is proposing to eliminate tax incentives to ship jobs offshore by ensuring that all American companies pay a minimum tax on their overseas profits, preventing other countries from attracting American business through unusually low tax rates.
- Stop letting companies take a tax deduction for moving overseas and instead provide a credit for moving jobs back home: The President wants to eliminate the tax deduction companies receive for the cost of shutting down factories and moving production overseas, and create a new tax credit to cover moving expenses for companies that close production overseas and bring jobs back to the United States.

Lower tax rates for companies that manufacture and create jobs in the United States:

- Create new incentives to increase manufacturing in the United States: At the same time he proposes to close special-interest loopholes, the President is proposing to ensure the next generation of manufacturing jobs is created here in America by reducing tax rates for manufacturers and doubling the tax deduction for high-tech manufacturers.
- Support companies that make new investments in the communities hardest hit by major job losses: The President is proposing a new tax credit that provides support for companies seeking to finance new factories, equipment, or production in communities that have been hardest hit by a company choosing to relocate or a military base shutting down.

Get tough on trade enforcement: The President has worked to ensure Americans can sell their products all over the world, and last year he signed into law new trade agreements with Panama, Colombia, and South Korea, helping to put the United States on track to reach the goal of doubling exports by the end of 2014. But the President refuses to stand by when our international competitors don't play by the rules. To level the playing field by improving trade enforcement, the President is announcing:

- A new trade enforcement unit: The President announced the creation of a new trade enforcement unit that will bring together resources and investigators from across the Federal Government to go after unfair trade practices in countries around the world, including China.
- Enhancing trade inspections: The President called for enhancing trade inspections to stop counterfeit, pirated, or unsafe goods before they enter the United States.
- Putting American companies on an even footing: When competitors like China offer unfair export financing to help their companies win business overseas, the United States will provide financing to put our companies on an even footing.

Create jobs by using half of the savings from ending foreign wars to rebuild America: To help ensure we have the infrastructure so that companies can ship their goods more efficiently throughout the country and the world, the President is calling for new efforts to revitalize American infrastructure. The President's plan will protect taxpayer dollars by fixing existing roads and by directing funding to the best projects instead of earmarks, and will continue investments in high-speed rail. To pay for these investments, the President is proposing to use approximately half of the savings that we will achieve from winding down wars in Iraq and Afghanistan over the 6 year period of the infrastructure plan with the other half going towards paying down the debt. The President also announced that within the coming weeks, he will sign an Executive Order clearing the red tape that can slow down new infrastructure projects, accelerating those projects that have already been funded.

A Blueprint To Give Hard-Working, Responsible Americans A Fair Shot

Forge new partnerships between community colleges and businesses to train and place 2 million skilled workers: Many industries have difficulty filling jobs requiring specific technical skills, even with many Americans still looking for work. In coming years, America will need to fill millions of mid- and high-level skilled positions in industries from healthcare to advanced manufacturing, clean energy to information technology. The President proposed a new initiative to train and place two million Americans in good jobs through partnerships between businesses and community colleges that give workers the skills employers explicitly need. The program is modeled on efforts by employers and community colleges from Charlotte and Chicago to Orlando and Louisville. To address future workforce needs, the President will support partnerships between high schools and industry to create more career academies, which combine instruction in academic subjects and industry skills.

Reform job training and Unemployment Insurance to help put more Americans back to work: The President believes we need to reform outdated and inefficient unemployment insurance and job training systems and restore the basic bargain that if you are willing to do the work, you deserve the chance to gain the skills you need to find a job or land a better one. The President called on Congress to move forward on reforms to the Unemployment Insurance program by requiring workers to undergo eligibility assessments in order to receive emergency federal benefits, while at the same time offering new tools to help workers find new jobs. He also proposed streamlining training and employment services for dislocated workers so that those workers are able to access a single program, visit a single location, and go to a single website to find the help they need about job services and training opportunities in their communities.

Attract, prepare, support, and reward great teachers to help students learn: Teaching is a profession and should be treated like one. The latest research says a great teacher could increase the lifetime income of an entire classroom by hundreds of thousands of dollars. The President is fighting to protect our schools from being hurt by the recession by providing states and communities with funds to prevent teacher layoffs, and avoid increases to class sizes or decreases in the number of school days. The President is also asking for a new competitive program that will challenge states and districts to work with their teachers and unions to comprehensively reform the teaching profession by:

- Reforming colleges of education and making these schools more selective;
- Creating new career ladders for teachers to become more effective, and ensuring that earnings are tied more closely to performance;
- Establishing more leadership roles and responsibilities for teachers in running schools; improving professional development and time for collaboration among teachers; and providing greater individual and collective autonomy in the classroom in exchange for greater accountability;
- Creating evaluation systems based on multiple measures, rather than just test scores;
- Re-shaping tenure to raise the bar, protect good teachers, and promote accountability.

Keep students in high school: The President challenged state governments to live up to their responsibilities by calling on every state to do what 20 states have already done: require students to stay in school until they graduate or turn 18. Studies show that stronger dropout laws keep students in school longer and increase their lifetime earnings as a result. Raising compulsory school requirements, in conjunction with the Administration's historic investments in low-performing schools, will curb the high school dropout crisis and set students down a path of academic and career success.

Double work-study jobs and take steps to hold down college costs for middle-class families: College costs are escalating at an unsustainable pace. Even after adjusting for inflation, the

average published cost of tuition and fees at a four-year public university has increased by 136% in the last 20 years. This Administration has made college more affordable by continuing to increase the maximum Pell Grant award by more than $800 and creating the American Opportunity Tax Credit worth up to $10,000 over four years of college. The President called on Congress to help keep college costs within reach for middle-class families by:

- Keeping tuition from spiraling too high: The President is proposing to shift some Federal aid away from colleges that don't keep net tuition down and provide good value.
- Preventing student loan interest rates from doubling: The President called on Congress to stop the interest rate on subsidized Stafford student loans from doubling on July 1 of this year, so young people don't have as much debt to repay.
- Doubling the number of work-study jobs: The President wants to reward students who are willing to work hard by doubling over five years the number of work-study jobs for college students who agree to work their way through school.
- Permanently extending tuition tax breaks that provide up to $10,000 for four years of college: The President is proposing to make the American Opportunity Tax Credit permanent, maintaining a tax cut that provides up to $10,000 for tuition over four years of college.

Build a 21st century immigration system and give responsible young people a chance to earn their citizenship: The President recognizes that our immigration system is broken, and is committed to passing comprehensive immigration reform to build a 21st century immigration system that meets our nation's economic and security needs. The President's vision for reform includes continuing to make border security a federal responsibility; holding accountable businesses that break the law by exploiting undocumented workers; making those living in the United States illegally take responsibility for their actions by passing a background check, paying fines, and getting right with the law before they can get on a path to legalization; and creating a legal immigration system that meets our diverse needs. We must also stop expelling talented young people, whether they were brought here by their parents as children or came from other countries to pursue college and advanced degrees.

Put veterans to work protecting our communities and preserving our natural resources: Building on tax cuts already passed for hiring unemployed veterans, the President proposed a new Veterans Job Corps that will provide our communities funding to hire veterans as cops and firefighters, and to put them to work rebuilding and enhancing our parks, forests, and natural resources – so that America is as strong as those who have defended her.

Secure equal pay for equal work: Women make up half of the U.S. workforce and two-thirds of our families rely on a mother's wages for a significant portion of their income. Yet women generally make 23 cents on the dollar less than their male counterparts. The first bill the President signed into law, the Lilly Ledbetter Fair Pay Act, helps women who face discrimination recover their wages. He then created an inter-agency Equal Pay Task Force to crack down on equal pay law violations. The President is committed to closing the pay gap once and for all.

Help start-ups and small businesses succeed and create jobs by reforming regulations and expanding tax relief: Start-ups and small businesses create most of the new jobs in this country. The President is proposing to build on measures he has already taken to enact 17 small business tax cuts and expand access to capital for small businesses by reforming regulations that prevent entrepreneurs from getting financing and by expanding tax relief to start-ups and small businesses that are creating jobs and increasing wages.

Help spur innovation by investing in research and development: The President made clear that we need to maintain our commitment to funding research and development that can support our economy and improve our quality of life.

A Blueprint to Make the Most of America's Energy Resources

Promote safe, responsible development of the near 100-year supply of natural gas, supporting more than 600,000 jobs while ensuring public health and safety: In 2009, we became the world's leading producer of natural gas. Tonight, the President directed the Administration to ensure safe shale gas development that, according to independent estimates, will support more than 600,000 jobs by the end of the decade. These actions will include moving forward with common-sense new rules to require disclosure of the chemicals used in fracking operations on public lands.

Incentivize manufacturers to make energy upgrades, saving $100 billion over the next decade: The President announced a new proposal to increase the energy efficiency of the industrial sector by providing new incentives and breaking down regulatory barriers for manufacturers to upgrade equipment and eliminate wasted energy in their facilities, saving $100 billion from the nation's energy bills and reducing the amount of energy we import from foreign countries.

Create clean energy jobs in the United States: The President called on Congress to build on our success in positioning America to be the world's leading manufacturer in high-tech batteries and reiterated his call for action on clean energy tax credits and a national goal of moving toward clean sources of electricity by setting a standard for utility companies, so that by 2035, 80% of the nation's electricity will come from clean sources, including renewable energy sources like wind, solar, biomass, hydropower, nuclear power, efficient natural gas, and clean coal. Because Congress has not yet acted on this and other key steps to achieve a clean energy economy, the President announced that the Department of the Navy will make the largest renewable energy purchase in history – one gigawatt. In addition, the President is directing the Department of Interior to permit 10 gigawatts of renewables projects by the end of the year, enough to power three million homes.

A Blueprint to Return to America's Values - Ensuring Everyone Plays by the Same Set of Rules and Pays Their Fair Share

Make the tax code fairer and simpler for the middle class and make sure millionaires and billionaires follow the Buffett Rule by paying at least 30% in taxes: In September, the President announced five principles for tax reform. The President is now announcing additional details to those principles on how we should fundamentally reform our tax code to make it simpler and fairer for middle-class Americans:

- A "Buffett Rule" to ensure those making over $1 million pay a minimum effective rate of at least 30%: Last year, the President called for tax reform that follows the Buffett Rule – the principle that no household making over $1 million a year should pay a smaller share of its income in taxes than middle-class families pay. In support of this rule, the President is now specifically calling for measures to ensure everyone making over a million dollars a year pays a minimum effective tax rate of at least 30%. The Administration will work to ensure that this rule is implemented in a way that is equitable, including not disadvantaging individuals who make large charitable contributions.
- Eliminating tax deductions for those making over $1 million: As part of his effort to reform inefficient and unfair tax breaks, the President is proposing to eliminate tax subsidies for millionaires that they do not need. There is no reason that those making over $1 million per year should get any tax subsidies for housing, health care, retirement, and child care.
- Protecting taxpayers below $250,000: The President reiterated his commitment that taxes shouldn't go up on those with incomes under $250,000.

End subsidies for millionaires: The President joined Senator Tom Coburn (R-OK) in calling on Washington to stop giving federal subsidies – Food Stamps, unemployment benefits, and farm subsidies – to millionaires, because they don't need it and the country can't afford it.

Prevent tax increases for working families by extending the payroll tax cut: The President challenged Congress to strengthen the economic recovery by extending the payroll tax cut – which provides $40 per paycheck for the typical family – for the rest of the year so that taxes don't go up on American workers.

Call on Congress to give every responsible homeowner the opportunity to refinance: Millions of Americans who try to refinance are given the runaround from the bank even though they are current on their payments. Building on the action he already took this fall to make four million Americans eligible for lower interest rates without that hassle, the President announced that he will send Congress a plan that will allow responsible homeowners who are current on their payments to save $3,000 a year on their mortgage by refinancing at historically low interest rates. The President is proposing to use some of the Administration's proposed bank fees to cover the cost of the refinancing plan, since financial institutions helped cause the housing crisis from which borrowers and the economy are still trying to recover.

Make sure Wall Street plays by the same rules: Under current law, some individuals in the financial industry violate major anti-fraud laws because there's no real penalty for being a repeat offender. As the Administration continues to implement Wall Street reform to prevent practices that helped lead to the financial crisis, the President is proposing to hold banks and financial companies accountable and make sure that everyone is playing by the same rules. The President is directing the Attorney General to establish a Financial Crimes Unit of investigators to work with U.S. Attorneys to go after large-scale financial fraud so that Americans' investments are protected. He also called on Congress to pass legislation that makes the penalties for fraud count – so that firms don't just see punishment for breaking the law as the price of doing business.

Reduce the influence of money and lobbyists and do away with procedures that stop Congress from working on behalf of the American people: The President made clear that we need to take steps to fix the corrosive influence of money in politics, which has undermined America's trust in Washington. He called for new safeguards to prevent Members of Congress from profiting from their positions:

- Ban insider trading by Members of Congress: The President is calling for legislation that clarifies that Members of Congress are subject to the same insider trading laws that apply to everyone else.
- Holding Congress to same conflict-of-interest standards as the Executive branch: The President is calling on Congress to hold itself to the same conflict-of-interest standards as the executive branch by, for example, prohibiting Members from owning securities in companies that have business before their committees or taking official action on a matter that would affect the Member's personal financial interests.
- Prohibit lobbyists from bundling, and bundlers from lobbying: The President called for prohibiting lobbyists from fundraising in support of federal candidates they have lobbied within the past two years, and likewise prohibiting campaign bundlers from lobbying federal officeholders for whom they have fundraised within the past two years.
- Give nominations an up-or-down vote: As one step to fix the way business is done in Washington, the President called on the Senate to pass a rule that after 90 days, all judicial and public service nominations must receive a simple up or down vote.
- Eliminate roadblocks in the Senate by reforming the filibuster: Senators who want to filibuster should vocalize their objection on the Senate floor.

Pass a balanced, fair deficit reduction plan: The President called on Congress to reduce the deficit in a balanced way that asks everyone to do their part, so no one has to bear the entire burden and everyone – including millionaires and billionaires – has to pay their fair share. The President has already laid out a plan to reduce the deficit by more than $4 trillion over the next decade including the over $2 trillion in deficit reduction that the President already signed into law in the Budget Control Act. This would bring the country to a place where current spending is no longer adding to our debt and deficits are at a sustainable level.