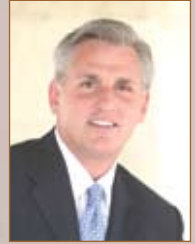


The Ripon Forum

Spring 2010
Volume 44, No. 2

OUR PATH BACK
Kevin McCarthy on the 2010
mid-terms and the GOP's
class of recruits




**“Americans
cannot afford
the luxury of
believing that
this war is
over...”**

**“IT’S
NOT OVER”**

**Fran Townsend on the need to maintain our
sense of urgency in the fight against terror**

**Plus: Mac Thornberry on the debate over Guantanamo Bay
and why closing it does not make sense**

**And: Susan Urahn on the
growing pension crisis in America**



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since 1965.”*

Volume 44, No. 2, Spring 2010

Politics & Perspective

- 4 **Our Path Back**
by Kevin McCarthy
- 7 **The Safety of Our Youth**
by Mike Castle
- 9 **The Foundation of Military Readiness**
by Kay Granger

Cover Story

- 11 **It's Not Over**
A Q&A with Fran Townsend
The former Homeland Security advisor and veteran prosecutor discusses the war on terrorism and cautions that we must not lose our sense of urgency in the effort to keep America secure.
- 14 **Learning Lessons the Hard Way**
By Mac Thornberry
One of the most respected experts on national security and public diplomacy in Congress looks at the President's decision to close Guantanamo Bay and explains why security must come before symbolism.

Articles

- 16 **Preventing the Next Crisis**
by Susan Urahn
As the U.S. recovers from the Great Recession, another crisis looms on the horizon — this one involving the solvency of pension funds.

Articles (cont'd.)

- 19 **The Sino-American Relationship**
by Carla A. Hills
The former Trade Representative looks at trade with China and explains why it is critical to U.S. economic growth.
- 21 **A Great Time to Start a Business**
by Dan Danner
The head of the nation's leading small business group discusses the rise of entrepreneurship and what Washington can do to help
- 23 **Another Bellwether from Massachusetts**
by David Tuerck
The Bay State's opposition to Project Labor Agreements sends a clear signal to the Obama Administration and its union allies.
- 25 **Driven to Distraction**
by Billy Pitts
The American people are receiving mixed messages from Washington when it comes to text bans and technology in our cars.
- 27 **You Say You Want a Revolution?**
by Lou Zickar
If the Tea Party movement opposes John McCain's bid for reelection to the Senate, a new political party could be the result.

Sections

- 3 **In this Edition**
- 28 **Ripon Profile of John Hoven**

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In this Edition

The Administration of George W. Bush had many faults. But one thing you could never fault it for was failing to remember that the first priority of the federal government is to keep America secure.

Ever since a young Nigerian nearly blew up an airliner on Christmas Day, questions have arisen over the Obama Administration's own priorities in this regard. The problem is not the President. Some have criticized the conciliatory tone he has expressed abroad, but when it comes to national security, he has largely kept his eye on the ball.

The same cannot be said for members of his Cabinet. Attorney General Eric Holder is a prime example. From his support for reading the Christmas bomber his Miranda Rights to his decision to try Khalid Sheikh Mohammad in New York City instead of a military tribunal, he has given every indication that he views the terrorist threat as a crime and not an act of war. In the process, he has raised real questions about the Administration's broader commitment to keeping our nation secure.

We take a look at this commitment and this continuing threat in the latest edition of THE RIPON FORUM. We do so with an interview with someone who knows the issue better than most -- Fran Townsend, who served as Homeland Security Advisor under President Bush and played a key role in developing the policies that have kept our country free of attack since 9/11. We also hear from one of the foremost experts on national security and public diplomacy in the House of Representatives -- Texas Congressman Mac Thornberry -- who looks at the Administration's decision to close Guantanamo Bay and explains why it doesn't make sense.

National security will likely have a role in the mid-term elections. But what is really going to drive people to the polls this November are the candidates on the ballot and the messages they convey. As Republican rising star and Chief Deputy Whip Kevin McCarthy writes for us, this year's class of GOP recruits is the best since 1994, and will put the party in an excellent position to win back the House.

As the U.S. recovers from the Great Recession, another crisis looms on the horizon -- this one involving pension funds. The Pew Center looked at this growing problem recently, and Susan Urahn, the Managing Director of Pew's Center on the States, dissects the challenges we face and the steps that should be taken to keep things from getting worse.

Even though the economy has been struggling, Dan Danner of the National Federation of Independent Business writes that a surprising number of entrepreneurs have used the downturn to get their own businesses off the ground. He also writes that Washington has a responsibility to make things easier for entrepreneurs, not stand in their way.

And in our Ripon Profile this edition, we focus on another rising star of American politics -- Governor John Hoeven of North Dakota -- who is running for the Senate this year, and who all Americans will likely be hearing more about soon.

As always, we hope you enjoy this edition of THE FORUM, and encourage you to contact us at editor@riponsociety.org with any comments you may have.

Lou Zickar
Editor
THE RIPON FORUM

OUR PATH BACK

KEVIN MCCARTHY

What a difference a year makes. Just think, nearly a year ago, *Time Magazine* asked, “So are the Republicans going extinct?”, and James Carville was gloating with his newly minted book, “40 More Years: How the Democrats Will Rule the Next Generation.”

Today, things have changed and the environment is reminiscent of past wave elections. Recently, the *Washington Post* reported that, “Political handicapper Charlie Cook said that it was ‘very hard to come up with a scenario where Democrats don’t lose the House...’”

How did this happen? We weren’t ready to accept this pontification of defeat, especially with the bad policies coming out of Washington.

In Washington’s first 100 days under complete Democratic control, a trillion dollar stimulus bill was passed with the promise that unemployment would remain below 8.0%; exactly one year later, unemployment is 9.7%. Democrats also approved a budget blueprint that would triple the national debt in ten years, and increase Washington spending by percentages in double-digits. And this spending spree came at the same time that hundreds of thousands of Americans were losing their jobs, forcing their families to make difficult

and sometimes painful cost cutting decisions. Washington’s disconnect became clearer by the day.

Washington’s disconnect is putting our country’s future at stake,



**Washington’s disconnect
is putting our country’s future
at stake, and we are not going to
just stand by and watch
it happen.**

and we are not going to just stand by and watch it happen. Anyone listening to Americans can’t comprehend how Washington could borrow so much from our children’s generation with so little to show for it.

However, one thing we do understand is that those running Washington are incapable of listening. Case in point -- the deeply unpopular 2,000 plus page health care bill that was rammed through Congress with the shady tactics of back room deals, special interest favors, and giveaways.

America has had enough. Today, millions of Americans are fighting for a new direction based on liberty, common sense, and a government where they have a voice. More people are involved in politics than ever before. There are fresh faces and new ideas. Our party is stronger because of this.

Reminiscent of the lead-up to 1994, Republicans are now in charge of governor’s mansions in two previously blue states – New Jersey and Virginia. And earlier this year, a truck-driving Republican armed with the voice of the people won Ted Kennedy’s Senate seat.

Today, our party’s existence is no longer questioned. Republicans are filled with deep resolve to create a stronger future, and I have seen this firsthand.

This summer, I embarked on a candidate recruitment road trip that started in the President’s home state and concluded in Tennessee. On the way I met Steven Fincher, a cotton farmer from Frog Jump, Tennessee

who told me he was concerned that Washington's reckless ways would damage his children's future. Steven said he had had enough and he was going to challenge Congressman John Tanner in Tennessee's 8th district. Rep. Tanner had been viewed as untouchable - with over a million dollars in the bank and a strong reelection record (the lowest vote percentage he ever received was 62 percent). In just a few months, the cotton farmer from Frog Jump raised over \$600,000 and Tanner subsequently decided to retire.

The road back for America starts like this -- one district at a time with a candidate who has the fire in the belly to take on the status quo.

Throughout the year, Reps. Lynn Westmoreland, Judy Biggert, Geoff Davis, Jim Jordan, Bill Shuster, Pete Olson, Cathy McMorris Rodgers, Tom Price and I all meet regularly to find the best recruits. We are an unconventional group, but we resemble a good cross section - athlete, military, mother, moderate, conservative - and are all hungry to change the direction of our country. Shortly before the year ended, our efforts were not unnoticed. National Journal reported "this year, the GOP has done its best recruiting job in several cycles."

The implications of our recruitment efforts are the building blocks to earning a House majority and a new direction for America. As we know, the Constitution gives Congress the power to control government spending (Art. 1, Sec. 9). Can you imagine Speaker Pelosi no longer in control of this country's spending? We can. And today, we have an exciting and diverse field of candidates in every state -- from doctors, to veterans, to small business owners -- ready to make that a reality.

These include candidates like Adam Kinzinger in Illinois, who is just over 30 years of age, but with the courage to fight for his country. He served in the Air Force and literally halted a man from killing a

woman across the street from him in Milwaukee one night. Southeastern Wisconsin Red Cross named him hero of the year for this courageous act. The list of fresh face recruits also includes Sean Duffy, who is taking on the father of the failed Stimulus, David Obey, in Wisconsin, and traverses across the ocean to Hawaii, where Charles Djou is challenging the status quo and running in President Obama's native state.

To help go on the offensive this year, my good friends Republican Whip Eric Cantor and Congressman Paul Ryan worked with Chairman Pete Sessions to bring our "Young Guns" program into a candidate development program at the NRCC. This program gives candidates benchmarks to grow

The road back for America starts like this -- one district at a time with a candidate who has the fire in the belly to take on the status quo.

stronger. With this, we also have the opportunity to showcase these top candidates that include our first round of Young Guns that have progressed through the three stages - Lt. Col. Allen West in Florida, Maj. Vaughn Ward in Idaho, Councilwoman Martha Roby in Alabama, Former U.S. Attorney Patrick Meehan, and Lt. Col. Steve Stivers in Ohio, to name a few. Throughout the year, we will be updating our list of Young Guns as they progress through the program.

With strong recruits like this, and America demanding a new direction, I believe that if the election were held today, we'd have a really good night. Just look at the leading indicator of the generic ballot done by Gallup - it's a historic rarity because it has Republicans leading by four points (48-44). Gallup notes that past years

when Republicans actually led were good years for Republicans -- 1994 and 2002. Another fact to note is that Gallup polls "registered voters"; if "likely voters" were surveyed, experts believe you can add another four points.

Like the New Jersey and Virginia gubernatorial elections earlier this year, where 74 percent of Virginians and 68 percent of New Jersey voters said they voted for the GOP candidate to send a message to the Obama administration that they were unhappy with the direction they are taking the country, this country is more than ready for a new direction in 2010. This will be a national election, and the build-up of momentum reflects the frustration of the American people towards Nancy Pelosi's job-killing agenda in Washington and shows that Republicans have an opportunity to be successful this November. I experienced this feeling on my most recent road trip that went from Obama's home state of Illinois to Chris Christie's state of New Jersey. People want their government back.

And we are developing a commitment to America, which is our opportunity to do just that. We can give the American people a voice in their government again. We will use the Internet and all tools available to us, so that we can start a broader national conversation to develop this agenda.

Together, we aren't the weak party the media once thought we were. Rather, we are a strong party with new fresh face recruits that is ready to put our nation back on the right track and restore the broken bonds of trust between Americans and Congress.

This is our path back. **RF**

Kevin McCarthy represents the 22nd District of California in the U.S. House of Representatives. He serves as Chief Deputy Republican Whip. He is also a member of The Ripon Society's Honorary Congressional Advisory Board.

The Safety of Our Youth

An issue on which both Democrats and Republicans can – and must – agree

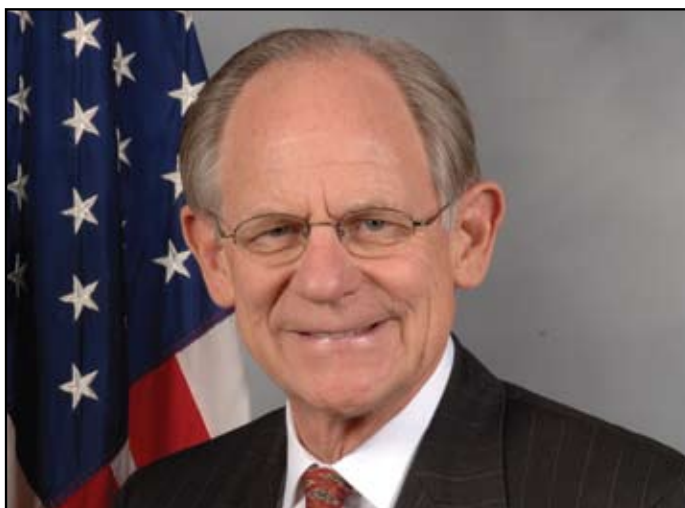
MIKE CASTLE

Despite our best efforts and billions of taxpayer dollars invested over the years, far too many youth in America move through our nation's juvenile justice system only to be involved again in crime, drug and gang related activities, and never reach their full potential. As Congress looks to reauthorize the Juvenile Justice and Delinquency Prevention Act (JJDP), reforms are needed that focus on breaking the cycle to prevent at-risk kids from ever getting involved in criminal activity, and keep them engaged in school, in meaningful afterschool programs, and involved in the community.

According to the U.S. Office of Juvenile Justice and Delinquency Prevention, police annually arrest approximately 2.2 million juveniles; 1.7 million cases are referred to juvenile courts; an estimated 400,000 young people cycle through juvenile detention centers; and about 100,000 youth are detained in juvenile jails, prisons, boot camps, and other residential facilities each night. The Annie E. Casey Foundation reports the cost of detaining a young person can be up to \$65,000 per youth, per year.

We must work together to protect the safety and future of our children, families, and communities by updating our country's juvenile justice system and providing effective supports and alternatives to at-risk youth. Not only will such change bring families and

communities closer together, but it will make our streets safer and ultimately save counties and states millions in detainment-related costs. As Congress considers updating JJDP, we will explore ways to protect our children from the dangers of adult jails; improve the safety for youth in custody; and perhaps, most importantly, focus on how to prevent youth from getting



involved in the juvenile justice system all together.

Studies consistently show that the most effective way to reduce crime in the long-term is to invest in prevention-based strategies that reach at-risk youth before they ever become involved in criminal activity. For this reason, I remain committed to working with my colleagues in Congress on evidence-based policies to prevent juvenile crime and violence by providing at-risk youth with access to safe alternatives.

At a recent Youth Violence Prevention Roundtable I held in my

home state of Delaware, I learned from teachers, law enforcement, juvenile justice officials, community leaders, and academic leaders about what measures work to keep kids safe in our community, both inside and outside the classroom. These leaders agreed that early childhood programs, mentoring programs, afterschool activities, and community and family involvement are integral in helping prevent youth violence from taking place and helping at-risk youth succeed.

In Congress, we must target investment in programs that reach youth before they participate in criminal and violent activities. To this end, I have joined with my colleague Rep. Bobby Scott (D-VA) to introduce the Youth Prison Reduction through Opportunity Mentoring, Intervention, Support, and Education, or Youth PROMISE Act.

If enacted, the Youth PROMISE Act would provide for evidence-based and promising practices related to juvenile delinquency and criminal street gang activity prevention and intervention.

Specifically, this legislation aims to provide communities with the much-needed resources and support needed to break the cycle of violence, specifically gang-related youth violence, and to provide at-risk youth access to a safe and educationally enriched environment.

Evidence has shown that the majority of juvenile delinquent acts committed occur between the time

when the school day ends and parents return home from work. During this unsupervised time, youth become increasingly involved in crime-, drug- and gang-related activities. Once kids start down the path of gang participation, many will end up behind bars and continuing the cycle of violence.

Now, more than ever, we must break this cycle before it starts by focusing on prevention. The Youth PROMISE Act supports these efforts by engaging youth in positive educational and enrichment activities, including afterschool programs, sports, and volunteering so they can be successful in the classroom and beyond.

Additionally, parent and community involvement is critical in creating a safety net for youth. Under the Youth PROMISE Act, communities facing the greatest youth gang and crime

challenges would establish a Promise Coordinating Council (PCC). Each PCC would consist of law enforcement, court services, school, social service, health

We must work together to protect the safety and future of our children, families, and communities by updating our country's juvenile justice system and providing effective supports and alternatives to at-risk youth.

and mental health, and community-based representatives who would collaborate to develop a comprehensive plan for implementing evidence-based strategies targeted at youth at-risk or currently involved in gangs or other delinquent activities aimed at redirecting

them towards productive alternatives.

By supporting evidence-based prevention and intervention strategies, including those which foster educational success and community involvement, we can work together to keep youth from falling victim to crime and violence. Our nation's youth can no longer wait, and I am hopeful Congress will consider these important measures aimed at improving our country's juvenile justice system this year. **RF**

Mike Castle represents the State of Delaware in the U.S. House of Representatives. He is the Ranking Member of the Subcommittee on Early Childhood, Elementary and Secondary Education. He also serves as a member of The Ripon Society's Honorary Congressional Advisory Board.

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Military Families are Fundamental to Military Readiness

KAY GRANGER

On September 11, 2001, our nation was attacked and thousands of innocent Americans lost their lives. Less than one month later, American troops were deployed to Afghanistan and have been fighting overseas ever since. The soldiers, sailors, airmen, and Marines have continued to carry the fight forward in a conflict that has lasted longer than World War II. Many of our troops have deployed multiple times, tens of thousands have been wounded, and several thousand have made the ultimate sacrifice. Standing alongside these brave men and women are the military families. The moves, the deployments, the training, the stress of the unknown, all take a toll on the spouses and children waiting home anxiously for their loved ones to return.

As a Member of Congress, it is my duty to ensure our troops have the equipment, the training, and the support they need to win on the battlefield and make it home safely. It is vital that this support extend beyond the battlefield and into the home of the soldier. Our troops are conducting the most dangerous of missions, and it is critical that they are exclusively focused on their objective and not burdened with worrying if their families are being cared for sufficiently at home. As a single parent, I know firsthand how difficult it is to raise and care for a family alone. We must realize that funds spent on military family programs such as medical benefits, spousal employment, and military youth programs can be just as important to our success overseas as funds spent on body armor, upgraded weapons, and operating expenses.

We also cannot forget the unique sacrifices that many National Guard, Air National Guard, and Reserve

families are making for us today. Unlike traditional active-duty units, Guard and Reserve families do not typically live in a military community and may not have the built-in support network that comes from the shared experiences of living in, and among, other military families.

Last year I had the opportunity to participate in the Military Families Roundtable discussion, and heard firsthand many inspiring stories of the hardships and challenges that are



facing the families of deployed service members. These families are making the most out of the many support programs we have, but they also highlight areas that we can improve our support for these heroes.

To this end, I was proud to be an original cosponsor of the Military Spouses Residency Relief Act, which was signed into law on November 15, 2009. This bill gives spouses of service members the ability to keep their residency in one state if the military orders their spouse to move to another state and they join their spouse in that new state. This measure helps provide

some stability for the purposes of taxation, voting registration, and holding a driver's license. We already allow military service members to do this, and it was past time to give their spouses the exact same benefit.

I have also cosponsored the Surviving Spouses' Benefit Improvement Act of 2009 (HR 2243). This bill would remove the offset between the Survivor Benefit Plan (SBP) and the Dependency and Indemnity Compensation (DIC) for spouses of fallen military service members who would qualify for both. The Survivor Benefit Plan is an insurance policy with premiums that military personnel pay into to ensure their spouse receives a percentage of their retirement pay should they survive the military service member. The Dependency and Indemnity Compensation plan pays a benefit to spouses of military service members who died during their service or because of wounds inflicted during their service. Currently, the Survivor Benefit Plan is offset by payments under Dependency and Indemnity Compensation. This bill would eliminate that offset for surviving spouses, allowing these spouses to receive the full benefits they deserve.

Congress was also successful in restoring the Military Spouse Career Advancement Account (MyCAA) program after the military suspended new enrollments. This program, with over 133,000 participants, provides up to \$6,000 of Financial Assistance for military spouses who are pursuing licenses, certificates, credentials or degree programs leading to employment in portable career fields. This fills a critical demand considering how often spouses are required to relocate and change their personal and professional

lives. Congress and the Department of Defense must make sure this program is fully funded.

And, of course, I think the best thing we can do for our military families is to make sure that their husbands, wives, fathers, mothers come home safely. That's why I will continue to work tirelessly to make sure they have the best equipment and training that we can give them. We owe them nothing less.

I applaud the efforts by groups and individuals to highlight the dedication and sacrifice of our military families. In Congress and in the Administration, we must continue to work hard to make sure they have the support they deserve and have earned. Family readiness is a key component of our military readiness. Ensuring that their families are taken care of back home will allow our forward-deployed service members to focus on the

very dangerous and demanding missions we have asked them to do and keep their "heads in the game." I will always stand in support of our service members and their families.

Our military is different than it was in previous conflicts. Since the military draft ended in 1973, we have relied on an all volunteer force to protect our

For military members with families, we must realize that they are making a choice when they join and also when they re-enlist. And that choice is often times not an individual choice, but a choice made by a family. Our military force is the highest trained, most battle-tested force in our nation's history, and we must work to retain these brave and talented individuals. Investment in programs that support military families can be a key influencer in whether or not these families choose to remain in the military. RF

We must realize that funds spent on military family programs ... can be just as important to our success overseas as funds spent on body armor, upgraded weapons, and operating expenses.

homeland. Despite the hardships, the risks and the separation from loved ones, we are blessed to have selfless individuals who choose to join our military. We cannot take their sacrifice for granted.

Kay Granger represents the 12th District of Texas in the U.S. House of Representatives. She serves as the Ranking Member of the Appropriations Subcommittee on State, Foreign Operations, and Related Programs. She is also a member of The Ripon Society's Honorary Congressional Advisory Board.

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“Americans cannot afford the luxury of believing that this war is over.”

“IT’S NOT OVER”

A Q&A with Fran Townsend

Frances Fragos Townsend served as Assistant to President George W. Bush for Homeland Security and Counterterrorism and chaired the Homeland Security Council from May 2004 until January 2008. She previously served as Deputy Assistant to the President and Deputy National Security Advisor for Combating Terrorism from May 2003 to May 2004.

Prior to serving the President, Ms. Townsend was the first Assistant Commandant for Intelligence for the U. S. Coast Guard. Before that, Ms. Townsend spent 13 years at the U. S. Department of Justice under the administrations of President George H. W. Bush,

President Bill Clinton and President George W. Bush.

She served in a variety of senior positions including Counsel to the Attorney General for Intelligence Policy. Ms. Townsend began her prosecutorial career in 1985, serving as an Assistant District Attorney in Brooklyn, New York.

She is currently a partner at Baker Botts LLC, where her focus is on Global Security, Corporate Risk and Litigation.

The Forum recently spoke with her about the ongoing effort to keep America secure and the Obama Administration’s record in this regard.

RF: Has the United States lost its sense of urgency in the war on terror?

FT: We are in this regard a victim of our own success. We are rapidly approaching the tenth anniversary of September 11th, and because there hasn't been a successful attack inside the United States, I fear that people take the wrong lesson from that. I fear that the lesson they take is that the enemy has receded -- has lost its determination and will to attack us -- and basically there is no need for the investment in our intelligence and military capabilities.

The problem is, and what those who are still in the fight realize, is the failed attacks -- the failed Christmas Day bomber -- are symptomatic of what is a continuing determination by our enemies in Al Qaeda to attack and kill Americans. You look at the continuing increase in terrorist activities in places like Yemen and Somalia, the use of Americans like Jihad Jane and Zazi Najibullah, and I worry that Americans cannot afford the luxury of believing that this war is over. It's not over. This is an enemy that thinks in terms of millennia. And frankly, often times the Congress and the public and we all think in terms of days, weeks, months. They think in terms of hundreds of years, which is evident by Al Qaeda's stated desire to reestablish the Caliphate.

So this continues to be a very serious problem, and we cannot afford to reduce our commitment to intelligence, law enforcement and the U.S. military.

RF: What is your overall assessment of the Obama Administration's record with regard to homeland security?

FT: The President stated after the Christmas Day attempted bombing that the system didn't work the way it was supposed to. He was clearly both angry and disappointed. I worry whenever you're in power -- regardless of Republican or Democratic Administrations -- there is always more to do than you can get done in any 24-hour period, which means that priorities are very, very important.

Of course, if everything's a priority, nothing's a priority. And so while the President is staying focused at the moment on things like health care and the potential for immigration reform, I worry that we see growing threats overseas that require real commitment and real attention. Iran is determined to obtain a nuclear weapon. Israel is threatened on all sides, upon all borders and with the Palestinians. Look at our ally in Saudi Arabia, whose

neighbors are Iraq, Iran, Yemen, and Somalia across the Red Sea, and who has more than 60 percent of the world's known oil reserves.

We really need to pay close attention and support our allies around the world and deal with the threats that we see. I just came back from the Middle East. I worry that our allies don't feel confident in our commitment to their regional security.

RF: What about the Homeland Security Department? It's been seven years since it was established. Is it still having growing pains, or is it starting to function more smoothly?

FT: In fairness, it has had now three secretaries, but I think we are beginning to see it function better. There are some things they need. We continue to see greater need for integration. We continue to see the need for greater information sharing both within the department and across the federal government. These are issues that require constant leadership.

I do think the Secretary has paid attention to building relationships with Muslim-Americans and state and local [officials], all of which are important. We've got to be clear that she's got real priorities on the counter-terrorism side and the law enforcement side that are going to need to be strengthened. Immigration enforcement

The problem is, and what those who are still in the fight realize, is the failed attacks ... are symptomatic of what is a continuing determination by our enemies in Al Qaeda to attack and kill Americans.

is one thing that comes to mind.

I worry that last year there were over 26,001 murders in Juarez, which is on the Mexico side of the El Paso border. As a former Southwest border governor, she understands this problem. And frankly we have to be sure that the Department of Homeland Security is focused on protecting Americans from that level of violence seeping across our Southwest border.

RF: Generally speaking, do you believe the United States should try terrorists in criminal courts or military tribunals?

FT: It's difficult to answer the question generally. Let me say this -- there can be an appropriate role for both, but I think the administration, if they want to retain the ability to do both, must be transparent about what standards and criteria they will apply in making the decision about who goes where. Let me give you a couple of examples, because I think it will make more sense.

I do not support a criminal trial for Khalid Sheikh Mohammad, the 9/11 bomber. I don't believe, given the

circumstances that led to his capture, that he should be entitled to the Constitutional protection of Americans who violate criminal law. I don't think we ought to be treating them the same. 9/11 was an act of war and must be treated as such. That doesn't mean that I don't think they're entitled to some level of due process, which they can get in the military tribunals. The Attorney General, when asked about this very notion, has said that we'll read bin Laden his Miranda Rights to his corpse. Well, it's all very cute and sort of snide but it doesn't answer the question – "What happens?"

And we've seen General McChrystal, our commander in Afghanistan, was clearly uncomfortable with that because he made a statement saying he remained focused on capturing bin Laden. Frankly, what it doesn't answer is -- what happens if you do catch him alive? And to come back to my point, we have a right to know what standards the administration will apply in deciding which venue they are going to use. And we don't know that right now.

You know, I was in the department during the Clinton Administration when the East Africa Embassy bombers were tried in Lower Manhattan. And that worked fine. But the circumstances of their capture and confinement were entirely different. I'm not suggesting a criminal trial can't work. But I think you need to be very clear about the criteria used for making those decisions.

RF: Is Al Qaeda stronger or weaker today than it was on 9/11?

FT: I think the Al Qaeda core -- the central command -- is weaker. The current administration has continued the policy of the Bush Administration in terms of the use of lethal predator attacks in the tribal areas, targeting known Al Qaeda operational leaders, which has been incredibly effective at degrading Al Qaeda's central capability. That said, what we are seeing is a transformation of the threat.

We see individuals who self-radicalize or who are merely loosely affiliated and get their inspiration from Al Qaeda. They use the Internet, they use preachers like Al

Awlaki in Yemen, and those sorts of individuals are much more difficult ... the Jihad Janes are much more difficult to uncover and disrupt.

And so while I think that the Al Qaeda core is weaker, we face a different kind of threat which is, in many ways, more difficult to target.

RF: What one area worries you the most with regard to our security and the potential for another attack?

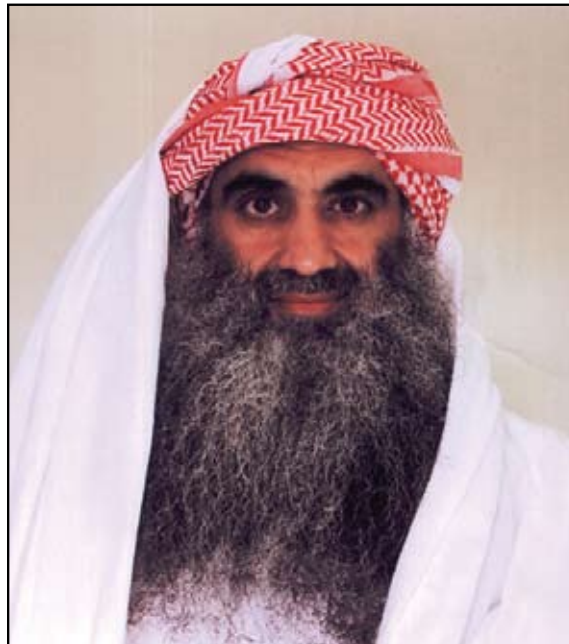
FT: The federal government is the only place where we can really target what I call the low probability/high consequence events like a weapon of mass destruction. For that reason alone, that must continue to be a focus of the federal government. We know Al Qaeda has stated its intention to use a weapon of mass destruction if it can obtain it. So we have to continue to focus our intelligence and law enforcement community on that threat.

But my current worry, frankly, and the more immediate concern that I have, is about the high probability/low consequence event -- the other end of the spectrum, if you will -- which is the individual suicide bomber. We've degraded Al Qaeda's overall capability and so they've had difficulty trying to launch a spectacular, big attack with multiple, simultaneous events. But what that means is now you worry about the "underwear

bomber" and the Zazi case with backpack bombs on subway trains. And I think that underscores our need for a stronger, better relationship with our state and local partners, because those are the people on the frontlines when it comes to the individual one-off type of attacks.

And we've got to be sure that we are sharing information with them, getting information to them, helping them to prepare, because that type of attack is going to happen in those communities and we really owe them the necessary information to stop it and the resources if they can't stop it to respond appropriately.

RF



I do not support a criminal trial for Khalid Sheikh Mohammad, the 9/11 bomber. ... 9/11 was an act of war and must be treated as such.

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Learning Lessons the Hard Way

MAC THORNBERRY

A high priority for President Obama has been to improve the international perception of the United States and its policies. He has made numerous trips abroad, making speeches to appeal to foreign audiences. Here at home, he has faced criticism that he is “apologizing for America.”

The President’s “image rehabilitation” mindset is not a new development. One of his major campaign themes was that “America’s ability to lead is set back because we are perceived as arrogant.” He has told Europeans we have been dismissive, even derisive. Accordingly, upon taking office the President lost no time in his quest to gain greater international popularity when he announced on January 22, 2009, he would close the Guantanamo Bay detention facility within a year.

Some people heralded this move as an important symbolic gesture. But the GTMO decision is much bigger than that. A number of fundamental legal and policy issues surrounding our effort to protect the nation from terrorist attacks come together at Guantanamo. Among the questions are: does every captured terrorist have the full due process rights of American citizens? How much should we weigh the opinion of foreign governments and publics in formulating our national security policies? Is the effort to stop terrorist attacks primarily a war or a criminal enforcement action?

The facility at Guantanamo is ideal for housing and trying terrorists. It is a carefully controlled environment. It is largely new construction and state-of-the-art. It is isolated, simplifying security concerns, with detainees finding it difficult to escape and sympathizers finding it difficult to reach.

Perhaps more importantly, Guantanamo facilitates treating captured terrorists as enemy combatants rather than affording

them the full rights and privileges due to U.S. citizens. The precedent for doing so is strong. Presidents have detained enemy combatants in every major conflict in our history.

The legal and policy issues that converge at Guantanamo are more than symbolic. They have serious implications for our security. In fact, we saw a glimpse of the problems created by treating terrorists as criminals on Christmas Day. After 50 minutes of questioning, accused bomber Umar

Farouk Abdulmutallab was read his Miranda rights, including the right to remain silent. He took us up on that. After outcry here at home, the Administration responded by leaking to the media that Abdulmutallab resumed cooperating sometime later. But, even effective “spin” from the White House press office cannot minimize the danger of failing to get timely information at the point of capture to help prevent additional terrorist attacks.

The President seems to be learning the hard way that when it comes to national security, style does not relegate substance irrelevant. Since his announcement that Guantanamo would close, he has discovered a whole host of problems and complications which have prevented him from keeping his self-imposed deadline. He has been forced to abandon his effort to try key

terrorists in New York City and he also has lost the publicity battle over the cost of converting a domestic prison to house Guantanamo detainees. Both instances have been public relations embarrassments for the President and his Attorney General, and have helped leave aspects of our security hanging in the balance.

At their core, these public relations snafus show just how difficult it is to ground policy in symbolism. Sure, symbols



The President seems to be learning the hard way that when it comes to national security, style does not relegate substance irrelevant.

and symbolic acts are real and can matter. The fight against terrorists is, in part, a war of ideas. If young Muslims are joining the terrorist ranks faster than the West can remove them from the worldwide battlefield, we are losing the fight. So effective efforts to persuade young people to pursue more constructive and peaceful ways to address their grievances must have a high priority.

But symbolic gestures are not the same as effective programs. We cannot allow our terrorism policies to devolve into a quest for international popularity. Doing so would not only be fruitless and unobtainable, it would actually increase the dangers we face.

Positive perception is an important diplomatic and communications tool. However, I suspect that there is a difference in how people in a number of other countries respond to poll questions based on how they are asked. There is also a high likelihood that people around the world do not believe that the U.S. should tie its own hands in stopping terrorist attacks. The fact is that the world counts on the United States to lead the efforts to stop terrorists. Both our domestic security and that of the world depend on our leadership in this realm. Now is not

the time to change that.

Any President's first responsibility is to protect and defend the country. Winning greater international favor and cooperation is part of this duty and can contribute to American national security. However, international image campaigns are no substitute for real and effective actions to thwart terrorist attacks.

The facility at Guantanamo gives the United States a unique opportunity to deal with terrorists as enemy combatants and to keep them off of the battlefield. It is not a capability we should throw away to keep a campaign promise.

America's security demands more than on the job training. Security trumps symbolism –

hopefully the President now recognizes it.

RF

We cannot allow our terrorism policies to devolve into a quest for international popularity.

Mac Thornberry represents the 13th District of Texas in the U.S. House of Representatives. A member of the House Armed Services Committee, he serves as Ranking Member on the Permanent Select Subcommittee on Technical and Tactical Intelligence. He also serves as a member of The Ripon Society's Honorary Congressional Advisory Board.

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The Trillion Dollar GAP

SUSAN K. URAHN

The news that the national economy may be out of deep water couldn't be more welcome. But many states are still in danger of drowning. Unemployment, foreclosures and Medicaid spending are already hitting the states hard. And there's another significant bill coming due: public pensions and retiree health care.

According to a recent study by the Pew Center on the States, there is a \$1 trillion gap between the amount of money states have set aside to pay employees' retirement benefits and the \$3.35 trillion price tag of those promises to current and retired workers. This estimate is conservative: Since most states assess their retirement plans on June 30, the analysis does not fully reflect the severe investment declines in the second half of 2008 before the modest recovery of 2009. As of fiscal year 2008, states were short \$452 billion of the \$2.8 trillion needed to pay their pension bill. That gap will continue to grow as states fully account for the dramatic investment losses in 2008 and 2009 — leaving states struggling to fund their pension plans. Experts, including the U.S. Government

Accounting Office, recommend that any state should keep its pensions 80 percent funded or higher. But 21 states are currently below that level, and eight—Connecticut, Illinois, Kansas, Kentucky, Massachusetts, Oklahoma, Rhode Island and West Virginia — are short of their liability

accounts for more than half of the trillion dollar gap.

Some states are just starting to save for their retiree health care liabilities, largely because of accounting changes recommended by the Governmental Accounting Standards Board, which were released

in 2004 and went into effect in 2006. But the 50-state average for savings toward health care liabilities is only about 7 percent of total costs, and 40 states fall below that very modest bar. Twenty states have nothing saved to cover health care and other non-pension commitments. In general, states continue to fund retiree health care on a pay-as-you-go basis. For states offering minimal benefits, this may cause little problem. But for those that have made significant promises, the future

fiscal burden will be substantial.

The broader economic effects also will be considerable. How well states manage their employee retirement costs will play a large role in determining how much money is available for other priorities. Every dollar fed to that growing liability is a dollar that cannot be used for



As of fiscal year 2008, states were short \$452 billion of the \$2.8 trillion needed to pay their pension bill.

by more than one-third.

The situation for retiree health care and other non-pension benefits (such as life insurance) is even more troubling. The total liability for these programs — \$587 billion — is substantially smaller than the total pension bill. But almost 95 percent of it is unfunded, and that

education, public safety or other needs.

Left unchecked, this problem will become a crisis for future generations. But it already poses a serious fiscal challenge for today's taxpayers. The share of state budgets that goes to meet these costs is already sizable. In 2008, states needed nearly \$108 billion to pay their full required contributions for pensions and retiree health care. To put that figure in perspective, states spent about \$152 billion that year on higher education.

How did this happen? Economic recessions and investment losses played a role. But the trillion dollar gap primarily reflects states' lack of discipline. Over the last 10 years, many states shortchanged pension plans in both good times and bad. Too often, policy makers kicked the can down the road, increasing benefits without considering the price tag or failing to make their required annual payments. Like a credit card holder who makes a minimal or no monthly payment while adding new purchases, states have built up a large balance that becomes harder to pay off with each passing day. And the larger the unfunded liability, the higher the annual cost.

Contrasting New York and New Jersey illustrates how poor management affects the bottom line. In 2002, these neighbors both had fully funded pension systems. Over the next six years, New York made its required annual contributions, but New Jersey did not. As a result, New Jersey's cost burden for 2008 was \$1 billion more than New York's, even though New Jersey's total pension liability was \$15 billion less than the Empire State's.

The results of this decade of irresponsibility are startling. In 2000, just over half the states had fully funded pension systems. By

2006, that number had shrunk to six states. By 2008, only four states—Florida, New York, Washington and Wisconsin—could make that claim.

This challenge is dire, but can be solved. There are three actions states can take. First, they can fully and regularly fund their annual required contribution for retiree benefits; second, they can reduce their liability by cutting benefit levels, sharing costs and more of the investment risk with employees and taking other measures, such as raising the retirement age; and third, they can improve how retirement systems are governed and how pension fund investments are overseen and managed.

These fixes won't deliver dramatic results overnight — but

That gap will continue to grow as states fully account for the dramatic investment losses in 2008 and 2009—leaving states struggling to fund their pension plans.

even small changes made today can have a big impact in the future. For example, Minnesota's 1989 decision to raise its retirement age by one year has saved taxpayers \$650 million over the last two decades.

Although changing benefits can be very difficult, there are states that have done so. For example, early this year, state leaders in Vermont wanted to make dramatic cuts in pension benefit levels. The Vermont teachers union bitterly opposed this, but also conceded that the status quo was unsustainable. A compromise was reached in January 2010 that will result in most teachers working additional years and making higher contributions to the pension fund but receiving a larger pension check on retirement. The state will initially

save \$15 million a year, or about 10 percent of Vermont's current budget shortfall. This deal was possible because concerns related to the retirement security of workers were addressed along with the need to control costs.

A similar story played out in Nevada last year when different sides of the political spectrum gave ground in a debate over retiree benefits and a severe state budget gap. The Chamber of Commerce dropped its longstanding support of a defined contribution plan for public sector employees and endorsed a broad tax increase package to help balance the state budget. Republican lawmakers said they would support a tax increase but only if Democrats agreed to tighten the pension system for new hires. The budget passed. Under the reform, new workers cannot begin receiving benefits until age 62, while current employees can retire at 60 with 10 years' service or at any age with 30 years. The plan also reduces the cost-of-living adjustment and the multiplier used to calculate benefits after an employee retires.

Steep pension fund investment losses in the past two years have made it clear that states cannot sit back and hope the market will deliver enough returns to close the trillion dollar gap. Meanwhile, swelling numbers of baby boomers are nearing retirement, and will live longer on average than earlier generations. The writing is on the wall: Ignoring the problem in the face of these converging factors will ensure far more serious budget trouble for states in the future. **RF**

Susan K. Urahn is the Managing Director of the Pew Center on the States. The Pew Center on the States' report "The Trillion Dollar Gap" is available at: www.pewcenteronthestates.org/trilliondollargap.

The Sino-American Relationship

Why keeping it strong advances our interests

CARLA A. HILLS

Our nation has struggled with an economic crisis of historic proportions since December 2007. The pain has been wide and deep. Americans are suffering from job losses, home foreclosures, and bankruptcies that have caused both consumer demand and new investment to plummet.

This same crisis forced China to shutter hundreds of manufacturing and assembly plants which left some 20 million Chinese unemployed. Yet China appears to have come through the global economic turmoil with relative ease. Last year, China grew by close to 9 percent, maintaining its position as the world's fastest growing major economy. This year, China is likely to replace Japan as the world's second largest economy and its largest trading nation.

The severity of the financial news at home and the speed with which China has recovered have intensified the fears of many Americans that their future economic opportunities will be eroded as 1.3 billion Chinese become ever more active in the global market place.

Economic hardship inevitably stokes economic nationalism. Protectionism has grown in both countries. According to a list compiled by the U.S.-China Business

Council, our 111th Congress through March 1 of this year has introduced more than 100 bills that affect China – most in a negative way – ranging from efforts to amend the 1930 Tariff Act to making exchange rate misalignment by a foreign nation actionable under our countervailing



and antidumping laws to inserting Buy American provisions into a wide range of legislative measures.

China's government for its part has responded with trade and investment restrictions of its own, ranging from its disapproval of efforts of a major U.S. company to acquire a Chinese firm to requiring foreign investors to share technology in order to participate in China's government procurement market.

As headlines in our respective

newspapers attest, bilateral trade disputes have multiplied. The United States has taken action to restrict the import of Chinese tires, steel pipe, magazine quality paper, and salts, whereas China has moved to restrict U.S. movies and books, poultry, auto parts, and industrial acids.

These trade frictions – coupled with the recent bilateral tensions over U.S. sales of defensive weapons to Taiwan, President Obama's meeting with the Dalai Lama, and our differing assessment of risk connected to Iran's nuclear ambitions – have added to Americans' concerns about the strength and solidarity of the Sino-American relationship.

Increasingly, the question is posed: can the world's largest economy work constructively with the world's fastest growing economy to enhance the future prosperity and security of both? Or have our increasingly competitive economies, coupled with differences in our governance and cultures, become too great to enable us to harness our respective strengths to deal effectively with today's challenges?

I believe that we can, should, and must work constructively together, and by doing so we can build habits of cooperation that will help us to deal effectively with new challenges

as they arise.

My view is that the economic prospects of both countries -- and indeed the prospects for growth of the global economy -- are dependent upon a strong and vibrant economic relationship between the United States and China.

Trade data shows unequivocally that in spite of our problems, the Chinese market offers Americans real opportunity. Since 2001, when China became a member of the World Trade Organization, its markets have become increasingly open and our business opportunities in China have soared.

Between 2000 and 2008, our sales to China have increased more than 340 percent, a growth that is more than four times faster than our sales over the same period of time to the rest of the world. That growth in sales was felt across America. Over that eight year period, virtually every state in the union saw near triple digit increases in its exports to China.

Significantly last year, in the midst of the Great Recession, according to U.S. Department of Commerce statistics, our exports to China held steady while our exports to the rest of the world fell by nearly 20 percent.

China remains our third largest export market behind Canada and Mexico, and, importantly, it is our fastest growing export market. Last year, computers and electronics, crop production, chemicals, and transportation equipment comprised our top four exports to China. These are all sectors that generate good jobs.

While our purchases from China last year declined by roughly 12 percent, our imports from the rest of the world fell by more than twice that amount. In short we have a strong and growing commercial relationship

with China, and it advances both our economic and foreign policy interests for us to build upon that relationship.

China is likely to be an engine of growth in the decade going forward. It represents a huge market with an expanding middle class. In his 2010 State of the Union address, President Obama announced his goal of doubling U.S. exports over the next 5 years and, in doing so, to create 2 million jobs. That is an accomplishment that has rarely, if ever, occurred. But it certainly cannot occur without access to China's markets.

We are more likely to accomplish that goal by keeping our bilateral markets open while working with China to further open global

My view is that the economic prospects of both countries -- and indeed the prospects for growth of the global economy -- are dependent upon a strong and vibrant economic relationship between the United States and China.

markets. That would enhance the growth of our domestic economies while contributing to the expansion and stability of the global economy. However, that is not happening.

At each of the three G-20 meetings, the assembled leaders pledged not to erect barriers to imports, not to violate WTO rules, and not to impose export restrictions. Yet the report published this past September by Global Trade Alert documents that G-20 members have put in place over 120 blatantly discriminatory measures with more in the pipeline. The United States and China were among the offenders.

While protectionism will not be stopped with pledges, it could be stopped if our two governments took the lead at the upcoming G-20 meeting to press for a real commitment to carry out the leaders' promises to keep their markets open and themselves set an example.

In addition, the United States and China need to work together to push the Doha Round to a successful conclusion and, in so doing, create new and exciting opportunities for American and Chinese entrepreneurs, while giving the global economy a real boost.

According to studies conducted at the Peterson Institute for International Economics, tariff cuts for agricultural and industrial goods, reductions in farm subsidies, and market opening proposals for services now under discussion could boost world output between \$300 and \$700 billion a year. We need that growth now.

Open markets make a difference. America's GDP would be more than 20 percent smaller today had it not led in opening global markets in the years following World War II, and it is thanks to open markets that China was able to lift hundreds of millions of its people out of poverty.

For all the challenges that the United States and China face today, it is overwhelmingly in our respective national interests to maintain a close, candid, constructive, and collaborative relationship.

As President Obama has said: "The relationship between the United States and China will shape the 21st century." **RF**

Carla A. Hills is the Chair and CEO of Hills & Company, International Consultants. She served as U.S. Trade Representative from 1989 to 1993.

A Great Time to Start a Business

(As long as Washington doesn't get in the way)

DAN DANNER

We have looked at the state of small business in our union, and it is not good.

Our Small Business Economic Trends monthly report, which has tracked small business conditions for more than 35 years, shows that small business owners nationwide are struggling to keep their doors open. Optimism among small business owners declined in the latest report as small business owners experienced weak sales and negative earnings.

To put the current conditions in perspective, the numbers we're seeing now are lower than they were in the 1981-82 recession, and have been that way for far longer.

So is it a great time to start a business?

According to the Ewing Marion Kauffman Foundation, more than half of the companies on the

2009 Fortune 500 list were launched during a recession or bear market, along with nearly half of the firms on the 2008 *Inc.* list of America's fastest-growing companies. If the government would like to ensure that this trend

continues, and to help existing businesses recover and grow again, there are some things policymakers should remember.

First, recognize the problem. Second, do no harm.

This recession has severely limited small business' ability to generate

That horizon is filled with unknowns, from the true costs of recently passed health care legislation to cap and trade, from soaring deficits to the need to come to grips with them, from paid family and medical leave to card-check legislation, from expiration of the 2001 and 2003 tax cuts to state decisions about their finances.

Policymakers can't expect small business owners, facing difficult economic circumstances anyway, to commit themselves to investing in new employees or equipment without acknowledging and revealing the policy-inspired costs that will be imposed on them.

With that in mind, Washington should send an immediate signal to small business owners that their taxes won't be raised. About 75 percent of small business owners

are pass-through businesses and pay their business tax at the individual level, so with the 2001 rates sets to expire they're facing a tax increase if Congress fails to act. If a business is struggling to make ends meet, why



...more than half of the companies on the 2009 Fortune 500 list were launched during a recession or bear market, along with nearly half of the firms on the 2008 *Inc.* list of America's fastest-growing companies.

jobs as poor sales depress balance sheets, banks are reluctant to lend, and confidence remains negative due not only to the lack of visible economic progress, but also to a series of policy threats that darken the horizon.

would Washington take any money out of those businesses at the same time they're asking them to hire new workers?

The current tax rates should be kept in place for all small businesses. However, some propose raising taxes on those businesses that report more than \$250,000 in income. An NFIB Research Foundation poll, combined with U.S. Census Bureau statistics, indicates that the businesses most likely to face tax increases are businesses that account for a substantial portion of the workforce.

The NFIB survey shows that about 10 percent of all small business owners report more than \$250,000. Furthermore, the businesses most likely to pay more taxes are firms with 20 to 250 employees. In fact, more than 30 percent of firms with between 20 to 250 employees would see their taxes increase if the \$250,000 threshold expires.

Regardless of how many small businesses would be impacted by this tax increase, simply drawing a line in the sand at \$250,000 is a blunt instrument, meaning that some small business owners will see their taxes increase. When state and local tax rates – many of which are also going up – are included, plus new taxes added in the health care reform law, these entrepreneurs could see their tax rates climbing above 50 percent.

In addition, Congress should also extend the lower capital gains tax rate passed in 2003. If a business has to sell an asset, now is not a good time to increase the tax paid on the disposition of that asset. Keeping the rate lower should also be an incentive to invest in capital assets with the certainty that any gain later realized on that

investment will be subject to a lower tax rate.

Remember, the vast majority of small business owners pay their taxes at the individual level, so allowing the 2001 and 2003 lower tax rates to stay in place will benefit those businesses. It will also give them some sense of certainty they can depend on as they make critical decisions about expanding their business.



...Washington should send an immediate signal to small business owners that their taxes won't be raised.

Two more targeted policies would encourage the formation of new firms. One easy fix would be to simplify the home office deduction, offering a flat rate instead of the current complex calculations that lead many entrepreneurs to skip the whole idea.

Another important step would be to liberalize the tax write-offs a new business can claim in its first year. Current tax policy allows an immediate \$5,000 deduction for investments in a new business with additional expenses written off in subsequent years, reducing liquidity and cash flow, and

effectively demanding greater initial investment. The proposed increase to \$20,000 in deductible start-up costs is a start.

Uncertainty about policy changes that will increase business costs is a growing concern among small business owners struggling through a tough economic climate. Seventy-five percent of small business owners think that now is not a good time to expand their business. And when asked what is the most important reason influencing their plans for expansion, political climate ranks second with only economic conditions receiving more votes.

That uncertainty over how numerous legislative initiatives from Washington will impact the cost of running a business is causing too many small business owners to conclude that they just can't afford to take the risk to expand their business or hire new employees. If elected leaders want small business owners to resume their traditional role as our nation's job creators, they must realize that this uncertainty is impeding job growth.

If the Administration and Congress truly want to help small businesses, they should alleviate small business owners' fears over taxes, as well as job-threatening cap and trade and card-check legislation, which should be eliminated from Washington's domestic agenda.

Only by creating a climate in which entrepreneurs have confidence in our country's direction will we be able to turn this economy back on the path to growth and prosperity. **RF**

Dan Danner is President and CEO of the National Federation of Independent Business.

Another Bellwether from Massachusetts

State opposition to Project Labor Agreements sends a clear signal to Administration and its union allies

DAVID TUERCK

Until recently, few people looked to Massachusetts as a predictor of political trends. It was too blue to be a bellwether. The election of Scott Brown changed that.

Brown's upset victory this past January to fill the Senate seat held by Edward Kennedy sent shock waves through the political establishment. It also sent a clear signal that people have serious concerns about the level of federal spending in Washington.

And yet Brown's election may only be the tip of the iceberg when it comes to messages being sent by Massachusetts voters. For if a recent poll by the Beacon Hill Institute is any indication, people are not just concerned with the growth of the federal government under this administration, but they are also increasingly concerned with its direction.

At issue is one of the first Executive Orders made by Barack Obama after he was sworn in as President last year. The Order concerns Project Labor Agreements, or PLAs for short. Under its

provisions, the Order encourages federal contractors to follow union work rules and hire all or most of their workers through union halls on any federal project costing \$25 million or more.

The Obama Executive Order

for which PLAs are well-suited.

This argument ignored the fact that the Bush Administration managed to initiate almost \$60 billion in large federal projects without PLAs. It also ignored the fact that there was not a single cost overrun or delay throughout the Bush presidency that could be attributed to the absence of a PLA.

Popular with Unions

Unions claim that PLAs guarantee access to skilled labor and avoid "costly delays." Many believe this claim is nonsense. No contractor needs a union hiring hall to find skilled workers, especially if the skilled workers are part of his own workforce and not members of unions to begin with.

The real purpose of the hiring hall is to put the union in

control of the hiring process, not to serve as a recruiting tool. And it's the union, once a project gets underway, that decides whether or not there will be delays. Nonunion contractors, whose employees represent 85 percent of the construction workforce,



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rescinded an Executive Order made in 2001 by President George W. Bush that prohibited PLAs on federal projects. In reversing this decision made by his predecessor, President Obama argued that large federal projects pose "special challenges"

are strongly opposed to PLAs — and for good reason.

PLAs reduce the competitive advantage of nonunion contractors, who are otherwise not bound by restrictive union work rules when bidding on and performing construction projects.

Last September, the Department of Labor, in keeping with President Obama's Executive Order, attempted to place a Project Labor Agreement designation on a new multimillion-dollar Job Corps Center in Manchester, New Hampshire. The fact that only 8.7 percent of the construction workers in New Hampshire were unionized did not deter the Labor Department from this attempt.

The Job Corps Center was the first major PLA test for the Obama Administration. The timing was important. Organized labor stands to gain from the infrastructure projects in the pipeline under the American Recovery and Reinvestment Act. Unions would like to earmark much of that public construction money with PLA designations.

Unfortunately for the President and his union allies, however, the New Hampshire PLA has been put on hold. The Associated Builders and Contractors, a trade group for nonunion construction firms, and one of its members, North Branch Construction of Concord, joined New Hampshire Senator Judd Gregg in complaining that the PLA would be harmful to the majority of local workers. Opponents also pointed to studies by the Beacon Hill Institute showing that PLAs raise construction costs by as much as 20 percent.

In November, almost a month after North Branch filed a protest with the Government Accountability Office, the Labor Department declared that it was cancelling the bidding process for the \$35 million project and starting over — saying it

would consider objections to PLAs. They won't have far to look.

The People Object

According to a survey conducted in February by the Suffolk University Political Research Center for the Beacon Hill Institute, 69 percent of Massachusetts voters oppose requiring private contractors to hire workers through union halls. This hiring rule is a key feature of PLAs, and voter disapproval extends by implication to PLAs themselves.

The survey suggests that public opinion of PLAs may be sensitive to perceptions about the degree to which construction workers are unionized. Seventy three percent

According to a survey conducted in February by the Suffolk University Political Research Center for the Beacon Hill Institute, 69 percent of Massachusetts voters oppose requiring private contractors to hire workers through union halls.

of the respondents estimated the fraction belonging to unions to be 40 percent or more. In fact, only about 20 percent of private construction workers in Massachusetts belong to unions. Respondents were given this fact before they were asked about hiring through union hiring halls.

The poll, which carries a margin of error of +/- 4.4 percent, captures a nuanced attitude toward organized labor in Massachusetts. The same poll shows that a majority (52 percent) of Massachusetts voters have a favorable opinion of unions. However, the requirement that construction contractors hire their workers through union hiring halls is opposed by almost every segment of the electorate. Eighty eight percent of Republicans, 76 percent

of Independents and 52 percent of Democrats oppose the requirement. The poll reveals that even among households with union members, 59 percent are opposed to the hiring provision.

Opposition is consistent across voters segmented according to age, gender, race, and attitudes toward candidates for governor. Voters were also asked which candidate they supported in the recent special election for U.S. Senate. Forty-nine percent said they voted for Scott Brown. The same poll found that 61 percent of voters view the newly-elected senator favorably.

It would be ironic if, in protecting its union base, the Obama Administration further jeopardized its standing with the voters as a result of its "encouragement" of PLAs. Under the stimulus bill, the Administration is committing \$28 billion to transportation construction projects where PLAs could come into play. Perhaps voters don't believe that this money should be spent shoring up the union monopoly over federal construction projects.

On the other hand, this Administration has shown its capacity to turn a deaf ear to bellwethers of voter sentiment. It will be interesting to see what the Administration does with the Job Corps Center in New Hampshire, a state in which unions enjoy less popularity than in Massachusetts.

Should it insist on a PLA despite the myriad of objections raised by contractors and political leaders in the state, the Obama Administration will once again offer an important clue to its ideological mindset. **RF**

David G. Tuerck is Executive Director of the Beacon Hill Institute, and Chairman and Professor of Economics at Suffolk University in Boston.

Driven to Distraction

Mixed messages from Washington when it comes to text bans and technology in our cars

BILLY PITTS

Transportation Secretary Ray LaHood deserves praise for focusing public attention on distracted driving.

The market today is flooded with electronic devices that can be used in motor vehicles and millions of motorists are using them with reckless abandon, putting themselves, their passengers and their fellow travelers in danger.

We've all seen these accidents waiting to happen. A driver holding up traffic while he or she, with head down, finishes a text message, a car swerving into another lane of traffic while the driver reads an email, or a driver recklessly maneuvering through traffic with one hand on the wheel and the other performing that infamous one-handed dialing exercise.

Secretary LaHood has seen the future of unsafe driving with even more use of cell phones, radios, iPods, GPS navigation devices, TV screens, back-up cameras and yet-invented electronic devices, all of which distract even the most agile drivers from watching the road.

These distractions are heaped on others that have competed for drivers' attention for years: food and drink, checking the speedometer or gas gauge, reading roadmaps and road signs, engaging in conversation or just enjoying the scenery.

We can't turn back the clock. Distractions are inevitable. But the Secretary is right to call attention to the problem, educate the public and offer incentives to limit distractions whenever and however possible. The federal government can play a useful role in dictating driving habits and restricting technology use, but that role has to be limited. Ultimately, it is up to the people to act responsibly.

I am concerned that government will go too far in trying to dictate human behavior and hope we fully understand the implications of prohibiting cell phone use so that it does not also produce undesirable and unintended consequences. For example, forcing cell phones into the glove box seems to run counter to federal and local Amber Alerts that now appear on highway traffic signs and urge

drivers to call immediately if a missing child or suspicious vehicle is seen.

The federal government is also launching in cooperation with cell phone companies a federal alerting system, called the Commercial Mobile Alert System (CMAS). The Federal Communications Commission expects this new system to be up and running by the end of next year. The new CMAS-capable phones will receive geo-targeted notification of presidential alerts, hurricanes, terrorist attacks, chemical spills, and evacuation routes. Amber Alerts would be sent to a person's cell phone, as well. Moreover, the messages would be sent in text format. This is not only inconsistent with Secretary LaHood's anti-texting initiative, but also offers up another classic example

of the right hand not knowing what the left hand is doing when it comes to the federal bureaucracy.

Clearly, technology can be both a curse and a blessing. It has freed up drivers as early model cars required manipulating accelerator and choke levers in the middle of the steering wheel or shifting

gears on the steering wheel column. Car radios provide critical traffic information and emergency notices. GPS Navigation devices and iPod connections are here to stay. Soon, most or all devices will be hands free and we will be driving "talking cars." There are also "heads-up" displays that project your speed or navigation arrows onto your windshield so your eyes don't have to wander from the road.

But there are legitimate concerns about real prospects of cars being equipped with Facebook, Twitter and television-receiving capabilities, particularly if they are accessible to the driver.

There are now cars capable of automatically reducing speed as it approaches an obstacle or alerting the driver when there is a car approaching in his "blind spot" or if he is swerving out of his traffic lane. The latter probably would be a cheaper safe guard for the public than the placement of 'rumble strips' along side every highway.

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Hopefully, the Department of Transportation and the FCC will find enough wireless spectrum so drivers can be notified of road conditions. As our infrastructure is being rebuilt and repaired there are stretches of road that can be perilous if the driver is not aware of the changes. Wireless notification could surely be used to let drivers know that the emergency vehicle siren that they hear is coming from the left and not behind as all of us become distracted trying to respond to the sound.

The recent recalls in the news suggest that we also need to know more about electromagnetic interference in automobile computer systems. Any hot rod enthusiast or amateur car mechanic understands the role of electromagnetic interference on car radios. Whenever they "souped up" the coil or spark plug wires, they had to be sure that the dashboard was shielded. The examination of potential car software glitches may reveal the need to shield our microprocessors and magnetic relays from nearby

electromagnetic interferences. Here is another area the Department of Transportation and the FCC can inquire and determine what, if anything, needs to be done.

Secretary LaHood needs to press ahead with public education and common sense incentives for state governments, car designers and drivers themselves. But we all hope the Secretary will stop short of attempting to force change in human behavior in a free society where force sometimes doesn't foil bad behavior, it only encourages it.

More than anything, he should make sure that technology remains a partner in auto safety, not something to be discouraged. **RF**

[CMAS] is not only inconsistent with Secretary LaHood's anti-texting initiative, but also offers up another classic example of the right hand not knowing what the left hand is doing when it comes to the federal bureaucracy.

Billy Pitts is a former House Leadership staffer and serves as a member of The Ripon Forum's editorial board. He served on the FCC CMAS Advisory Group, and was also a member of the Hurricane Katrina Technology Impact Commission.



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You Say You Want a Revolution?

If the Tea Party takes on the Maverick, a new political party could emerge

LOU ZICKAR

Supporters of the Tea Party Movement say they are dedicated to the ideals and principles of the Founding Fathers. Wouldn't it be ironic, then, if they succeeded in forcing from office a man who has shed as much blood for his country as any Patriot in the Revolutionary War?

That is exactly what might occur in Arizona, where Tea Party activists are considering whether to endorse former Congressman J.D. Hayworth over former POW and current Senator John McCain in the state Republican primary on August 24th. The activists apparently are upset with McCain because, they say, he has a history of working across party lines on issues such as immigration and betrayed their conservative ideals by voting for the TARP bailout in 2008.

McCain clearly has a long record of bipartisanship, and has never been shy about putting his name on a Democratic bill if he thought it was in the public's best interests. But criticizing him for being a big spender ignores the fact that he consistently ranks among the staunchest fiscal conservatives in the Senate, and is perhaps the person most responsible for today's push to ban congressional earmarks. It also ignores the possibility that McCain, who holds a large but not insurmountable lead over Hayworth, may choose to run as an Independent if the Tea Partiers come out against him and his lead vanishes as a result.

For a number of reasons, that possibility is not as far-fetched as one would think.

For one thing, it suits McCain's temperament, and would be in keeping with his reputation as a maverick, which for some reason he recently downplayed in an [interview](#) with *Newsweek* but, in fact, has admirably demonstrated throughout his career. It would also be

consistent with the example set by his political ally in the Senate, Joe Lieberman, who ran and won as an Independent after being defeated by liberal Ned Lamont in the Connecticut Democratic primary in 2006.

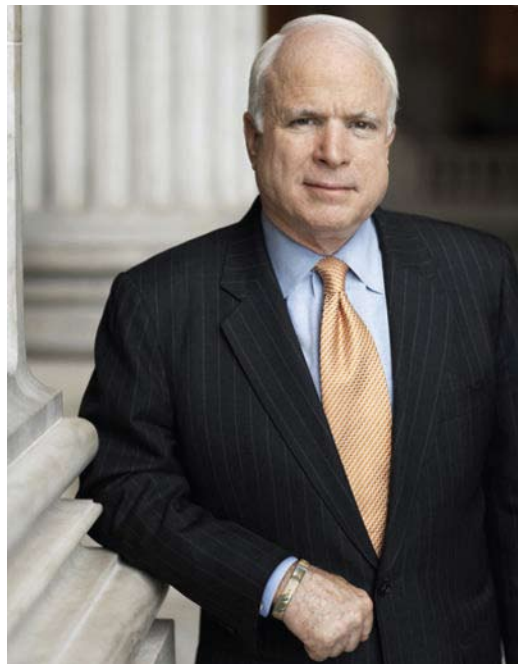
Beyond this, running as an independent would be in keeping with the example set by McCain's political hero, Theodore Roosevelt, who bolted the Republican Party when he was denied the GOP nomination in 1912 and ran for President on the Bull Moose ticket that year.

Roosevelt lost his bid to return to the White House, but his decision to press on in the face of adversity no doubt holds some appeal for McCain, who has never been afraid to go it alone in pursuit of a cause in which he believes.

Of course, McCain wouldn't be alone if he were to undertake such an effort. He has a group of longtime staff members who would be right by his side. In this regard, it should be noted that two of these staff members -- his former Chief of Staff Mark Salter and his former strategist John Weaver -- are currently working on Independent Tim Cahill's campaign to become Governor of Massachusetts.

If McCain needs guidance on how to run as a third party candidate, he would not have to look any further than these two loyalists and veteran political hands.

McCain is nothing if not a realist, and for him to run as an Independent, he would have to know he had a good shot at winning in November. Here, too, the numbers are on his side. McCain won nearly 80 percent of the vote in his Senate reelection bid in 2004, and nearly 70 percent of the vote in winning reelection six years earlier in 1998. In these and his previous victories, he demonstrated a bipartisan appeal that -- Tea Party support or no -- would be very difficult for a hard right candidate



like J.D. Hayworth to beat.

In fact, one could imagine a scenario where John McCain wins reelection to the Senate by such a large margin running as an Independent that he develops a new, national following that is broader than the one he currently has. It would be a following wedded not to a political party, but to the 40 percent of Americans who consider themselves unaffiliated voters and reside in the political center. It would also be a following that would leave McCain well-positioned to mount a third and final bid for the Presidency – this time running as an Independent.

Owing to his age, he would pledge to serve only one term. But the campaign otherwise would be virtually identical to the one McCain waged in the 2000 Republican primary when he took on the establishment and nearly upset party favorite George W. Bush. It would be a campaign that would allow him to do what he does best -- run as a maverick. It would also be a campaign that allows him to do what he was

unable to do in 2008 -- select the running mate he wants, not the one his consultants told him to pick.

More than anything, though, it would be a campaign that would allow McCain to run to the right of Barack Obama and to the left of the Tea Party. A campaign such as this one would leave him well-positioned to win not only independents who are concerned about the explosive growth of government under this administration, but Republicans who are turned off by the explosive rhetoric of the far right.

It could also make John McCain the Founding Father of a new center-right governing coalition in the United States --

a coalition that would give him one last shot at winning the White House, and one that would owe its creation to the activists who once targeted him for defeat.

Now, that truly would be revolutionary.

RF

...McCain, who holds a large but not insurmountable lead over Hayworth, may choose to run as an Independent if the Tea Partiers come out against him and his lead vanishes as a result.

Lou Zickar is the editor of the Forum.



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Ripon Profile

Name: John Hoeven

Hometown: Minot, North Dakota

Occupation: Governor of North Dakota

Previous Jobs: President, Bank of North Dakota; Executive Vice President, First Western Bank & Trust.

Individual(s) who inspired me as a child: My parents. They truly inspired me and have always been people of great character.

Historical figure(s) I would most like to meet: George Washington. He epitomized true leadership in so many ways and more than any other single figure, he led the way forward in the founding of our great nation.

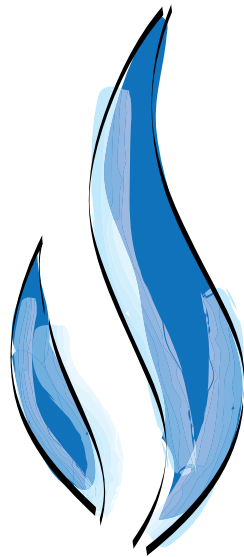
Issue facing America that no one is talking about: We must create more legal, tax and regulatory certainty, so that businesses can invest and hire people. Right now, investment by business enterprises both large and small is held on the sidelines because business leaders face an unfriendly business environment. One example is in the energy industry, where utility, energy and venture capital companies are holding off on investing in new technologies that could produce more domestic energy with better environmental stewardship. They do not know what the rules of the road are for recoupment of their investment. We must do better in creating a responsible, dependable business environment at all levels of government to get our economy moving again, and get people back to work.

What the GOP must do to reclaim its majority: Republicans must present our solid solutions for growing the economy, reforming health care and reducing the deficit in a strong and positive way, and act on them.





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