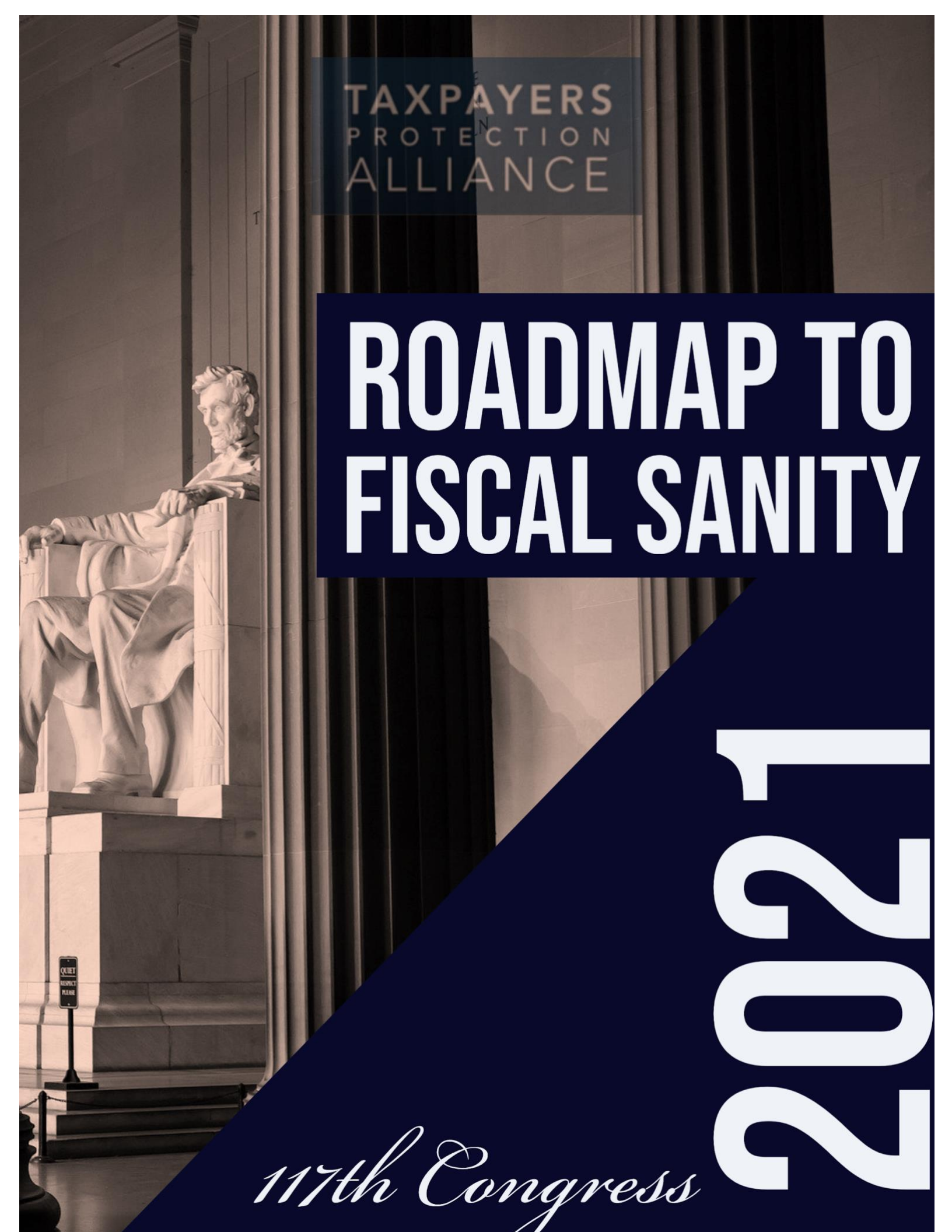


The background of the entire page is a photograph of the Lincoln Memorial in Washington, D.C. The large, seated statue of Abraham Lincoln is visible on the left side, set against the massive columns of the memorial. The lighting is soft, highlighting the texture of the stone.

TAXPAYERS
PROTECTION
ALLIANCE

ROADMAP TO FISCAL SANITY

2021

117th Congress



Taxpayers Protection Alliance (TPA) is a rapid response taxpayer group dedicated to analyzing and researching the consequences of government intervention in the economy. TPA examines public policy proposals through a non-partisan focus, identifying how government waste and overreach impacts taxpayers and consumers regardless of the political party responsible. TPA holds government officials in the United States, and around the world, accountable through editorials, statements, coalition letters, public interest comments, and radio and television interviews. TPA recognizes the importance of reaching out to concerned citizens through traditional and new media, and utilizes blogs, videos, and social media to connect with taxpayers and government officials. While TPA regularly publishes exposés and criticisms of politicians of all political stripes, TPA also provides constructive criticism and reform proposals based on market principles and a federalist philosophy. TPA empowers taxpayers and consumers to make their opinions known to their elected and non-elected officials and embraces bold solutions to hold an ever-growing government in check.

David E. Williams, *President*

Patrick Hedger, *Vice President of Policy*

Ross Marchand, *Senior Fellow*

Lindsey Stroud, *Policy Analyst*

Dan Savickas, *Policy Analyst*





The 117th Congress faces a significant slate of pressing public policy issues that will affect taxpayers, consumers, and the economy. The coronavirus pandemic has had and will continue to have a profound impact on our economy and society in the long term. Even if lawmakers can agree on the need for further coronavirus-related relief, members of Congress fervently disagree about the best way to get struggling Americans back on their feet. And, while all Americans celebrate the creation of multiple vaccines to finally end the deadly disease, questions remain about how best to distribute these vaccines and reform the Food and Drug Administration's (FDA) antiquated review and approval processes.

Coronavirus-related concerns are just the tip of the iceberg for this Congress. Republicans and Democrats will need to come together to strengthen intellectual property, keep taxes low, reform the ailing United States Postal Service (USPS), and give companies the space they need to grow and prosper. None of these issues will be easy to resolve. Plenty of pieces of promising reform legislation have gone on to die quietly in committee rooms. The Taxpayers Protection Alliance (TPA) believes that an informed Congress will be an effective Congress. Regardless of the letter appended to their names, lawmakers must be brought up to speed on these critical policy problems and leave their preconceived notions at the door.

Most pundits and politicians concede that the need for reform in many areas is dire, but they also argue that voters in the 2020 elections condemned the Republican agenda by voting out the Trump administration. In truth, the American people are frustrated with the tendency of both parties to spend recklessly and increase costs to taxpayers and consumers through policies that continually grow government. Before this Congress is a historic challenge for both sides to come together for the sake of the American people. A comprehensive reform agenda certainly won't be easy for either party. Democrats need to put their advocacy for costly new government programs such as the "Green New Deal" in the rearview mirror. Meanwhile, Republicans have to abandon their complacency with trillion-dollar deficits, including bloated Defense bills. Recent history points to considerable gridlock but also hope for a better future. Republican and Democratic lawmakers worked together to reduce runaway deficits in the second terms of the Clinton and Obama administrations. Similar progress can be achieved in the Biden administration, but only if sober-minded politicians get to work. To pave a path forward for Republican and Democratic lawmakers, TPA has prepared 52 recommendations for the new Congress on 17 issue areas, ranging from USPS reform to international governmental organization (IGO) funding. Many lawmakers will find these recommendations too difficult to undertake. But across these policy areas, doing nothing is far riskier for the American people over the long term.



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BACKGROUND: If there's one word that has re-entered the D.C. lexicon in an alarming way, it is "antitrust." With the emergence and success of tech giants like Facebook, Amazon, Apple, and Google, lawmakers have spent a disproportionate amount of time wringing their hands over what to do about these, and other companies. This includes a number of wide-ranging hearings about their business practices towards their competitors and internal policies regarding content moderation.

For decades, the standard for antitrust enforcement has been what is known as the consumer welfare standard. All potentially anticompetitive actions are evaluated based on whether or not there is demonstrable harm to consumers. However, the federal government has begun bringing lawsuits against these tech giants alleging harm to competitors and citing sizable market shares as evidence of monopoly.

Monopoly, however, represents nominally total, and in practice overwhelming, market control. None of the major tech companies under current antitrust scrutiny come anywhere close to singular control of the markets that butter their bread. A perfect example of this is Google, which generates its revenue predominantly through advertising, and faces significant and increasing competition from Facebook and Amazon. Antitrust law is also not about protecting competitors, but rather competition for the sake of consumers. Protecting competitors that would otherwise lose fair and square for the sake of bolstering the quantity of competitors necessarily comes at the expense of the quality of competition, ultimately harming the consumer.

The persistent attacks on leading American companies introduce nothing but uncertainty into already uncertain times. This is especially true in the Federal Trade Commission's (FTC) lawsuit against Facebook for its acquisition of Instagram that had already been approved by the government. The ability for the government to reverse course and subject lawful business transactions to effectively double jeopardy sends a chilling signal to investors, entrepreneurs, and corporations alike.

AGENDA: Congress needs to protect the consumer welfare standard and adhere to its spirit in its operating procedures with regard to antitrust. The 117th Congress cannot continue the trend of its predecessor of dragging CEOs before subcommittee hearings to berate them for their business practices. If businesses are punished merely for being successful, they will be dissuaded from delivering innovations that have wide-ranging benefits for people across the globe. It will also, ironically, disadvantage emerging competitors. The big, established players in the market are the only ones with the vast resources to afford the ire of a litigious federal government.

Congress also needs to perform due oversight on agencies like the Department of Justice (DOJ) and the FTC. They need to be held accountable to ensure they are not unfairly targeting and burdening private companies over political disputes. Antitrust is a sword that should be wielded sparingly, not as a means to settle political scores. That is the real oversight that subcommittees should be conducting with respect to antitrust.

In terms of national security, where the Chinese Communist Party caters to the whims of its tech companies to establish global dominance, the US government is actively undermining the US's own companies to their detriment. These wild goose chases will hurt our global competitiveness and pave the way for a tech future led by Beijing.

RESOURCES:

- [Watchdog Concerned About Taxpayer and Consumer Ramifications of Antitrust Investigations](#)
- [Antitrust Laws Risk Being Prostituted For Political Ends](#)
- [Luddite Lawmakers Villainize 'Big Tech' For No Good Reason](#)



BUDGET REFORM & EARMARKS

BACKGROUND: Budget reform is the most fundamental issue the new Congress and administration will have to tackle in the coming years. The Congressional Budget Office (CBO) estimates that the budget deficit will be \$2.3 trillion, or roughly 10.3 percent of gross domestic product (GDP) this year. That amounts to the second largest deficit relative to the size of the US economy in 75 years—second only to 2020’s deficit of nearly \$3.3 trillion and 14.9 percent of GDP. This will saddle every American household with tens of thousands of dollars in debt. Exploding deficits and burgeoning debt over the past couple of years show that red ink is a bipartisan phenomenon, with Republican and Democratic lawmakers pursuing their own expensive hobbies - with taxpayers picking up the tab.

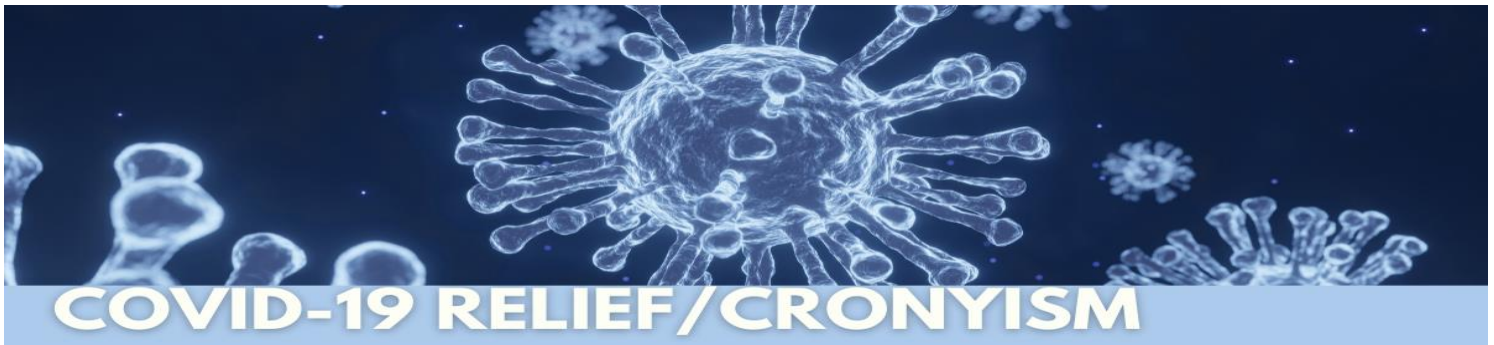
Earmarks are spending tools used to allocate money to pet projects within larger spending bills. The late Sen. Tom Coburn (R-Okla.) has described them as the “gateway drug to a spending addiction.” This is a large part of the reason why former Speaker John Boehner (R-Ohio) and the rest of the Republican conference banned them in 2011. However, even amidst the mountains of debt being piled up during this political moment, there appears to be bipartisan support for the return of pork barrel earmarks.

AGENDA: The new Congress has a chance to shine a light on fiscal accountability by reducing government spending without enacting large tax increases that would cripple economic growth. For starters, lawmakers should enact hard caps on discretionary spending, ending the practice of creative “upward adjustments” that have led to a practically lawless environment of overspending. The new Congress can revert to a commitment to the “pay-as-you-go” (PAYGO) rules that require that new spending be offset by spending cuts elsewhere. These rules have been outright ignored in most cases and exempted for other spending, such as in the Farm Bill.

Congress should consider passing a balanced budget amendment or at least one that limits budget deficits per year. Though, the simpler solution would simply be to collectively commit to passing balanced budgets, which would require fewer votes and less time than an actual amendment to the Constitution. Finally, members of Congress – on both sides of the political aisle – need to remain resolute in maintaining the 2011 ban on the use of earmarks. These simple changes and policies would ensure that taxpayers are protected from the profligate spending habits of both current and future members of Congress.

RESOURCES:

- [Lame-Duck Congress Needs to Pass Responsible Budget](#)
- [Congress Can Provide Hand Up to Small Businesses Without Ballooning Budget](#)
- [Nation Needs A Bipartisan Effort to Reduce Spending](#)



BACKGROUND: As the new Congress convened, thousands of businesses stood at the cusp of closure and millions of Americans are actively seeking new employment. Lawmakers face the delicate challenge of providing targeted, tailored relief to struggling individuals, households, and businesses without “stimulus” morphing into an open-ended bonanza for special interests. In 2020, relief measures cost taxpayers roughly \$4 trillion – or nearly \$30,000 for each household across the country.

Broad-based stimulus has done basically all that it can do to keep America running during the pandemic. And, the more taxpayer dollars that lawmakers put into circulation, the greater the likelihood that these dollars will wind up in the wrong hands. Businesses founded and owned by millionaires and billionaires such as Robert De Niro and Kanye West have benefitted from the Paycheck Protection Program (PPP), which was supposed to lend a helping hand for small businesses genuinely in need. In addition, at least nine lawmakers are confirmed to have indirectly benefitted from PPP forgivable loans.

Meanwhile, businesses across the country are worried by lawmakers’ and the new administration’s hostility toward broad-based tax relief signed into law in 2017. For example, President Biden has indicated his willingness to raise business tax rates to 28 percent from the current rate of 21 percent. Even if the federal government does nothing to alter tax reform, several provisions of the 2017 tax law will automatically raise rates on business investments – just as the economy begins to recover from the pandemic. After the end of 2021, relief for businesses’ net interest expenses will be capped to 30 percent of pre-interest and tax earnings (EBIT), rather than the status-quo (pre-CARES Act) of 30 percent of earnings before interest, tax, depreciation and amortization (EBITDA). While the CARES Act extended this relief to 50 percent of EBITDA, this business-friendly change was only for fiscal years 2019 and 2020. In other words, companies will soon have far fewer options in financing at the worst possible time.

AGENDA: Struggling businesses need reassurance that Congress will not raise their taxes. Lawmakers must pledge to keep recent tax reforms in place and work to strengthen the law to preserve vital financing options for entrepreneurs. Instead of allowing interest deductibility to be capped at 30 percent of EBIT, lawmakers should go in the opposite direction and extend forward the CARES Act policy of allowing businesses to deduct net interest expenses up to 50 percent of EBITDA. This technical-sounding change would throw a lifeline to thousands of businesses struggling to expand and get their balance sheets in order after a dismal 2020. In addition, Congress should expand broad-based tax relief and further reduce individual and business tax rates. Now is the time to let Americans keep more of their hard-earned dollars.

While tax relief will do much of the heavy lifting in facilitating an economic recovery, there may be a limited role for continued federal relief efforts. But these endeavors need significant oversight to ensure that money is not being funneled to lawmakers and high-net-worth celebrities. The Inspector General (IG) should be given an increased mandate to monitor the allocation of relief funds and identify any inappropriate recipients of stimulus funds. Taxpayer dollars should go to struggling Americans, not well-off celebrities, lawmakers, and companies with political clout.

RESOURCES:

- [No More Billionaire Bailouts](#)
- [Congress Can Provide Hand Up to Small Businesses Without Ballooning Budget](#)
- [Relief Must be Targeted to Struggling Americans](#)



BACKGROUND: Recent audits of the Department of Defense (DoD) indicate that it routinely wastes tens of billions of taxpayer dollars and suppresses evidence of said waste. According to the final audit report released in 2018, the Pentagon has “systemic shortfalls in implementing cybersecurity measures to guard the data protection environment” and “issues exist in policy compliance with cybersecurity measures, oversight, and accountability.” This should haunt every American citizen whose hard-earned taxpayer dollars go toward these programs every single year.

The DoD also spends tens of billions of dollars per year in funds for “overseas contingency operations” (OCO). This is an additional and a separate tranche of money allocated to the DoD and the Department of State. Ostensibly to be used in case of overseas emergencies – originally for the wars in Afghanistan and Iraq – these funds have become a slush fund of sorts for the DoD. OCO funds are not subject to budget restrictions and receive very little, if any, oversight. Even former Secretary of Defense Ash Carter has recently called the OCO “a road to nowhere.”

According to a recent study released by Brown University, the US has spent \$6.4 trillion on wars in the Southwest Asia/Middle East since 2001. This is a staggering number that has contributed mightily to soaring debt and deficits over the past two decades. This is an inexcusable burden being placed on the American people while Congress has refused to properly debate or reauthorize many of these foreign endeavors.

AGENDA: The new Congress should finally require full transparency on Pentagon operations by ordering a more comprehensive audit and should target wasteful and redundant spending by the agency. Additionally, policymakers must pressure the DoD to curb no-bid contracting, which leads to ballooned costs and a lack of rigor by defense contractors. The share of Pentagon contract spending awarded competitively has steadily declined over the past decade to under half, driven by no-bid proliferation in areas such as human resources and Special Operations Command.

Congress should also cease allocating tens of billions for OCO funds in order to increase transparency and accountability, as well as to get spending overall under control. This money, like everything else, should be subject to scrutiny and congressional budget restrictions. The era of gimmicks to subvert caps needs to end as soon as possible. This can be accomplished in the 117th Congress.

Lastly, Congress needs to dedicate more time to fully debating authorizations for the use of military force. Congress has become largely deferential to the executive branch, despite being given the expressed authority by the Constitution to declare war. The ability for one person to lead the nation into war with very little oversight or questioning of the wisdom of this adventurism has led to the astronomical costs detailed above. It must end.

RESOURCES:

- [Lawmakers' Military Earmarks Are Exploding Like Fireworks](#)
- [Time to Put the Broken and Bloated F-35 Program to Rest](#)
- [Taxpayers Cough Up for More F-35s The Pentagon Didn't Ask For](#)



BACKGROUND: The options for American consumers to power their homes or their cars are growing by the day. America has now become the largest oil producer in the world. This means America is no longer at the beck and call of foreign power brokers when it comes to oil. A large part of this recent success has come as a result of the hands-off regulatory approach taken by the Trump administration appointees at the Department of Energy, the Environmental Protection Agency (EPA), and the Department of the Interior. It has also come from the wealth of production made possible by hydraulic fracturing (fracking).

This boom in production and the potential created by nuclear power and natural gas should be cause for celebration across the country. Yet, many politicians maintain their desire to pour millions – even billions – into subsidies for costly and inefficient “green” technologies. At a state level, California recently committed to deriving 100 percent of their electricity from “renewable” sources by 2045, a move that would devastate the Californian economy. At the federal level, lawmakers introduced a disastrous \$24-per-ton carbon tax. Fortunately, fellow members of Congress rejected these efforts. Voters also gave the thumbs-down, with sponsoring Rep. Carlos Curbelo (R-Fla.) losing his reelection bid.

AGENDA: With the cost to taxpayers for wind and solar industry subsidies approaching \$60 billion this decade, it is past time to cut them off from the federal spigot. Wind and solar energy have greatly expanded recently and fallen in price. This is something that should be both encouraged and cheered, no doubt. However, if after years of federal assistance, they still cannot stand on their own, it is well worth considering whether they are worth continuing to pursue as fervently. Congress can end the investment tax credit (ITC) and production tax credit (PTC) for these industries to find out. These programs were set to expire years ago and have recklessly been renewed time and time again. The 117th Congress can finally break the chain.

In tandem with eliminating regressive “green” tax credits, Congress should eliminate miscellaneous renewable funding spent by the Department of Energy. Research initiatives such as Advanced Research Projects Agency-Energy (ARPA-E), which cost taxpayers hundreds of millions per year with little translation into profitable commercial endeavors, should be eliminated. Finally, Congress should work to continue to expand oil and gas production in the United States.

RESOURCES:

- [New York Should Buy Ventilators, Not Crony “Green” Deals](#)
- [No, An All-Electric Fleet Won't Save the US Postal Service](#)
- [Watchdog Slams House Dems for \\$494 Billion Transportation Bill](#)



FOOD + DRUG ADMINISTRATION

BACKGROUND: Since the start of the coronavirus pandemic, the spotlight has been on the FDA and their evaluation of cutting-edge vaccines, therapies, and tests. Unfortunately, the agency's sluggish response times and evaluation processes have meant that Americans have had to wait longer than citizens of other countries, such as the United Kingdom (UK), for life-saving treatments to COVID-19. While the UK's regulatory apparatus approved Pfizer's COVID-19 vaccine on December 2, it took the FDA until December 11 to issue an emergency authorization for the vaccine. During that 9-day lag period, roughly 20,000 Americans died from the virus.

This regulatory delay is the result of the FDA's policy of examining data that has already been carefully scrutinized by scientists in the private sector. The FDA is hardly in the best position to weigh hypothetical vaccine harms against the very real human costs caused by delays. For example, despite ample scientific evidence that tobacco harm reduction products such as vaping devices are 95 percent safer than cigarettes, the regulatory agency has a horrendous track record on embracing these new technologies. Despite hundreds of scientific studies attesting to the efficacy of reduced-risk alternatives to cigarettes, the FDA continues to insist on wanton vaping regulation and arbitrary product removals. This demonstrates the broader cultural problem at the agency, rooted in dogmatic adherence to the precautionary principle, that stifled the FDA's response to Covid-19.

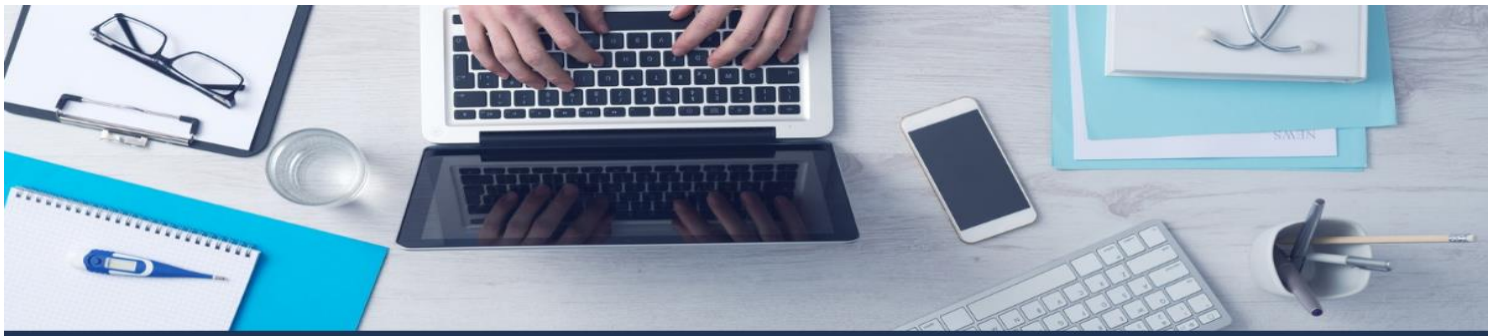
Medical researcher Dr. Henry I. Miller, MS, MD described in his book his eye-opening time in the employ of the FDA: "[W]hen I headed the team at the FDA that was reviewing the NDA [application] for recombinant human insulin...my supervisor refused to sign off on the approval," despite plenty of evidence that the drug was safe and effective in treating patients. It is clear that the FDA is far slower than they need to be in approving life-saving technologies.

AGENDA: Congress should examine the delay in regulatory approval of the vaccine, and determine which reforms are needed to hasten the evaluation process. Lawmakers should require the FDA to incorporate the regulatory approval standards of other nations when contemplating whether to approve a product for domestic use. If a vaccine or medication is deemed safe and effective by UK, German, French or regulators from any number of other advanced, developed nations, the FDA can and should conclude that it is safe for American users. This system, however, should not work to stymie access to care just because other nations have delayed their approval processes. Put another way, other countries' approval of products should act as an automatic "trigger" for US approval.

Congress should also demand more accountability from the FDA and ensure that the agency consistently follows evaluation frameworks stated in agency guidelines. Originally, failure to respond to an application within 180 days meant the automatic approval of a product. A mandated return to that 180-day standard would force the FDA to implement a prompter evaluation process and more fairly evaluate lifesaving, reduced-risk products such as e-cigarettes and heat-not-burn devices.

RESOURCES:

- [FDA Delay Costing Lives](#)
- [Summer Reading: FDA Reform and the Race for a Vaccine](#)
- [FDA Regulations Are Barring Millions from Life-Saving Drug Access](#)



HEALTHCARE

BACKGROUND: With hundreds of rural hospitals on the brink of closure, the US healthcare system has been significantly compromised by COVID-19. Despite calls to reduce payments to doctors and other essential staff, front-line healthcare workers have worked tirelessly to treat patients and keep themselves and their families safe. These efforts to treat patients, however, have been jeopardized by calls from multiple lawmakers and President Biden to significantly increase government involvement in healthcare. This would include increasing Medicaid funding by hundreds of billions of dollars over the next decade and reintroducing the individual mandate. Previous, smaller-scale versions of these policies have not lowered costs nor improved healthcare outcomes. In fact, the zeroing out of the individual mandate has coincided with lower premium prices. Calls for “Medicare for All” continue unabated despite the abundance of evidence suggesting that choice and competition among providers and insurers alike are essential to lower healthcare prices.

AGENDA: Congress must reject any proposal that increases government involvement or interference in the healthcare system. This includes misguided legislation that would reinstate individual mandate penalties and enact regulations restricting which insurance plans consumers can buy. As seen over the past two years, relaxing mandate and restrictions has led to decreased premium prices and increased choices for patients. Congress should double-down on these successes by eliminating unnecessary rules such as the Affordable Care Act’s “essential health benefits” requirements.

RESOURCES:

- [Summer Reading: Healthcare Price Controls](#)
- [Market Reforms Keep Health Care Prices in Check](#)
- [The Only Prescription for Our Healthcare Problems Is A Robust Free Market](#)



BACKGROUND: Since the start of the pandemic, thousands of companies have worked around the clock to ensure that Americans have access to cutting-edge healthcare products. Chief among these businesses have been pharmaceutical companies producing the groundbreaking research for vaccines to finally eliminate the coronavirus. However, these enormous investments would not be possible without the strong intellectual property (IP) protections enshrined in the US Constitution. Given America's unparalleled protection of patents, it's little surprise that the first two companies to produce a viable vaccine are located in the US. IP protections don't stop at pharmaceuticals; these safeguards are also critical in deterring online piracy and giving artists the environment they need to produce blockbuster movies and musical hits.

But these innovations may not continue for much longer if recent trends in patent and copyright invalidation persist. Unfortunately, in recent years IP protections have been steadily undermined. Specifically, Section 18 of the 2011 America Invents Act emboldens third parties to invalidate business method patents via an administrative process overseen by the US Patent and Trademarks Office (USPTO). As Heritage Foundation scholar Alden Abbott and others have pointed out, patent invalidation rates in these hearings are far higher than traditional patent reversal rates by courts. And in recent years, antitrust law has increasingly infringed on business returns comfortably within the scope of held patents. Fortunately, the Trump administration has reversed this stance, issuing guidelines that stressing that, "antitrust laws generally do not impose liability upon a firm for a unilateral refusal to assist its competitors..." But it remains to be seen whether the Biden administration will follow this approach and ensure IP protection.

AGENDA: Congress must make sure that companies – especially in the healthcare sector – have all the protection they need to continue innovating around the coronavirus pandemic. There could be additional vaccines and rapid tests on the way, but only if America continues to guarantee that IP will be safeguarded. Congress can strengthen IP enforcement immediately by repealing the 2011 America Invents Act or narrowing the scope of the legislation and expanding due process. In particular, the STRONGER Patents Act, sponsored by Sen. Chris Coons (D-Del.) in the 116th Congress, would increase due process on the Patent Trials and Appeals Board, and restore injunctions as the primary method to fend off patent infringement.

Further, Congress should make a greater effort to tie foreign aid to increased IP enforcement. For example, Nigeria receives more than \$400 million per year in foreign aid, slated mainly for poverty reduction. Yet, according to the Chamber of Commerce's Global Intellectual Property Center, Nigeria is near the bottom of all nations in terms of IP enforcement. By tying aid to strengthened patent and trademark protections, lawmakers can ensure that Nigeria is actively taking steps to bring foreign investment into their country, boosting their living standards and creating a sustainable economy for the future.

RESOURCES:

- [Protecting IP and Rapid Vaccine Development Go Hand in Hand](#)
- [Patent Protection Is Needed, Now More Than Ever](#)
- [Baby Yoda Shows Us the Force of Intellectual Property Rights](#)



INTERNATIONAL

BACKGROUND: Taxpayer-funded International Governmental Organizations (IGOs), ranging from the United Nations (UN) to specialized UN sub-agencies such as the World Health Organization (WHO), have assumed a larger public role than ever before in response to the coronavirus pandemic. However, these organizations have failed in containing the pandemic and providing timely, reliable health data to the world. In particular, the WHO prioritized maintaining close relations with the Chinese government instead of monitoring the virus early on. Even as confirmed reports about COVID-19 emerged, the WHO downplayed clear risks and delayed monitoring and response efforts.

Even after responding to the pandemic, the global bureaucracy refused to invite Taiwan to pandemic response meetings despite Taiwan's unparalleled success in containing the virus. In response to the WHO's failure to contain the pandemic and impartially conduct the international response effort, the Trump administration withdrew the US from the organization. Yet, leading public officials in the US, including members of Congress and President Joe Biden, have called for the US to reenter the WHO and resume approximately \$400 million per year in taxpayer funding.

Meanwhile, the US continues to fund the UN. A comprehensive analysis by the Council on Foreign Relations estimates that the US sends \$10 billion a year to the UN. Unfortunately, the organization uses this funding to give serial human rights abusers such as the Democratic Republic of Congo, Burkina Faso, and Pakistan a platform on the Human Rights Council. In addition, the UN's "peacekeeping" operations have resulted in multiple eyewitness accounts of atrocities and the organization continues to prevent member-states from investigating these crimes.

AGENDA: It's critical that Congress and President Biden keep the US out of the WHO. The organization is simply not aligned with the interests of public health, and continually puts the Chinese government's interests over the lives of COVID-19 victims. Lawmakers should work with the new administration to craft an alternative to the WHO, which would function as an international partnership between democracies that would fund proactive public health organizations such as Doctors Without Borders.

In addition, the new Congress should push for accountability from other IGOs and mandate that the UN and sub-agencies document and make public their use of taxpayer funds. A comprehensive audit/report into the inner workings of global bureaucracies would increase scrutiny on these organizations and create pressure for reform. With tax dollars funding these organizations, it's important to know how the money is being spent. Once Congress has had a chance to evaluate report recommendations, future IGO funding can be tied to organizations abiding by recommendations.

RESOURCES:

- [The WHO Doesn't Deserve a Blank Check from Taxpayers](#)
- [Trump to Halt US Funding for WHO, Following a Precedent Set by President Carter](#)
- [The World Health Organization is Out of Control](#)



MINIMUM WAGE

BACKGROUND: Lawmakers and pundits have called for increasing the current federal minimum wage from \$7.25 per hour to \$15 per hour. It appears increasingly likely that the new Congress and Biden administration will try to increase the minimum wage for the first time since 2009. As numerous economic analyses have made clear, this policy would backfire spectacularly and result in fewer opportunities for workers trying to climb up the economic ladder. And, during a time of economic uncertainty in the pandemic, mandating an inflated minimum wage will hinder the ability of businesses to recover. According to a 2019 study by the Congressional Budget Office (CBO), raising the hourly minimum wage to \$15 would destroy 1.3 million jobs. Because the minimum wage would raise consumer prices and harm business investment, the CBO also finds that, “the \$15 option would reduce total real (inflation-adjusted) family income in 2025 by \$9 billion.” That amounts to an annual tax of \$900 levied on families living below the federal poverty line.

These dire national predictions have been borne out in cities such as Seattle, Washington, which has been continually raising the minimum wage since 2014. According to a 2017 analysis by a University of Washington research team, these stepwise increases have led to decreased job opportunities for low-skilled residents of Seattle. Examining employment data before and after the legislative changes, the team finds, “the second wage increase to \$13 reduced hours worked in low-wage jobs by around 9 percent, while hourly wages in such jobs increased by around 3 percent. Consequently, total payroll fell for such jobs, implying that the minimum wage ordinance lowered low-wage employees’ earnings by an average of \$125 per month in 2016.”

Not all impacts of minimum wage changes are easy to measure. Although comprehensive data on this front is difficult to find, mandated wage increases almost certainly hamper training and promotion programs. In addition, these wage restrictions probably make entrepreneurs think twice before putting the time and energy into starting new companies. But from the data that is available, it’s clear that minimum wage increases inflict far more harm than good.

AGENDA: Congress should make clear that there will be no increases to the federal minimum wage. Expanding these failed experiments across the country is a recipe for disaster. Instead of imposing further counterproductive regulations, lawmakers should examine ways to make it easier for low-skilled workers to earn a decent wage and provide for their families.

Congress and the Biden administration should work through the recently established Governors’ Initiative on Regulatory Innovation to advance occupational licensing reforms across the country. Rules requiring costly accreditation for hair braiding, interior decorating, and supplying floral arrangements make it difficult for workers to attain success in new fields. There must be a nationwide effort to clear away these rules, which disproportionately benefit wealthy industry incumbents.

RESOURCES:

- [Disparities in Cost of Living Show Folly of Uniform Federal Minimum Wage](#)
- [Fight for \\$15 Means Fight to Stay Employed](#)



BACKGROUND: While the two major political parties don't agree on many issues, Republicans and Democrats continue to champion large NASA budgets. The agency is likely to see larger-than-usual budgets for the next decade as America plans to land astronauts on the Moon by 2024. America's space agency is slated to spend \$28 billion over five years in its effort to ferry astronauts 240,000 miles to the lunar surface. But cost overruns are inevitable on this mission.

In March of 2020, NASA's IG examined the agency's management of the Space Launch System heavy-lift rocket tasked with launching the future moon crew into outer space. The watchdog notes, "the program exceeded its agency baseline commitment (ABC) by at least 33% at the end of FY 2019," and warns of future cost increases absent strict scrutiny of the program. Delays and cost overruns are par for course for the agency, which recently announced that it would be holding back the launch of the James Webb Space Telescope due in part to technical challenges from contractor Northrop Grumman. NASA's Nancy Grace Roman Space Telescope has encountered similar issues with timeliness and cost control.

But these cost overruns are only the beginning because NASA intends to use the upcoming lunar mission as a springboard for an even costlier mission to Mars. This human expedition to "the red planet" is unneeded and would cost taxpayers an astounding \$230 billion just for the first mission. As space policy experts have repeatedly pointed out, robot exploration of alien worlds can be done at a fraction of the cost of human exploration. Additionally, private companies such as SpaceX are more than capable of satisfying the robust private demand for human space exploration.

AGENDA: The 117th Congress should closely scrutinize upcoming plans to ferry astronauts to the Moon and Mars. These funds would likely go significantly further if used for robotic exploration of the solar system, or better yet, if given to private space companies as a part of broad-based tax relief. In addition, lawmakers must make a greater overall effort to hold NASA accountable for systemic cost overruns and mission creep. This includes strictly enforcing spending caps on new NASA projects, which would force the agency to more realistically budget for its space missions.

Congress should also work with NASA to privatize the International Space Agency (ISS) by 2025. Currently, the ISS costs taxpayers roughly \$4 billion per year in operations and transportation costs. According to an analysis by the Science and Technology Policy Institute, a private operator could expect anywhere from \$460 million to \$1.2 billion in commercial revenues from ISS. Lawmakers should study privatization proposals in order to unlock that commercial potential.

RESOURCES:

- [SpaceX Is Saving Taxpayer Money](#)
- [NASA Pushes Taxpayer-Funded Internet ... On The Moon](#)
- [After The Boeing Starliner Snafu, NASA Must Rethink How It Does Business](#)



BACKGROUND: The Fourth Amendment of the United States Constitution enshrines “the right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures,” with “probable cause” needed before authorities can obtain a warrant. Sadly, Congress routinely ignores the intent of this key part of our Constitution by creating and reauthorizing a vast surveillance state. For example, in January 2018, Congress signed into law a six-year reauthorization of Section 702 of the Foreign Intelligence Surveillance Act (FISA). This law is mainly used to listen in on foreigners’ conversations, not in itself a likely violation of the Constitution. But the “incidental collection” of the records of Americans on the other end of the conversation is a cause for concern, especially given a loophole in the current law that allows the National Security Agency to share that information with other law enforcement agencies for reasons unrelated to the initial foreign intelligence operation.

The abuses of Fourth Amendment rights do not stop with FISA. The woefully out of date Electronic Communications Privacy Act (ECPA) of 1986 is another problem. Initially meant to ensure warrants were required to view digital communications, it has not been updated to reflect the reality of cloud services in the 21st century. This has allowed the communications of millions to be open to warrantless search and seizure, and possibly even theft by criminals hacking government databases.

AGENDA: Congress must act quickly to eliminate loopholes and repeal laws that allow for the warrantless searches and unlawful surveillance of American citizens. Lawmakers must also act to insert strict stipulations that no communications of domestic civilians to foreign ones shall be collected unless a basic standard of relevance be met. The days of indiscriminate bulk data collection need to come to a swift end.

Additionally, Congress must pass a new version of The International Communications Privacy Act (ICPA), previously introduced in Congress by Sen. Orrin Hatch (R-Utah), which would require a warrant for the collection of any data stored on a third-party server, regardless of the location of said server and the length of time the data has been stored. US government bodies would also be required to obtain permission from international governments before seizing information in their jurisdictions, safeguarding the reputation of American businesses and diplomats.

Congress must also avoid being tempted to implement burdensome privacy regulations on internet companies. These “one-size-fits-all” regulations would hamper the economy and discourage innovation. The government needs to act as an oversight body with minimal cost to taxpayers. Any federal privacy legislation should look to preempt overly prescriptive bills emerging on the state level and foster competition on the criterion of privacy among online services at the federal level.

RESOURCES:

- [Time for the Email Privacy Act to be Signed Into Law](#)
- [From the Russia Investigation to FBI Mass Surveillance, Government Snooping Is Out of Control](#)



BACKGROUND: Section 230 of the Communications Decency Act was passed into law to give tech companies the ability to moderate content and to shield them from liability for speech posted on their platform by third parties. It was designed as an alternative to federal regulation of online speech. This piece of law has been critical to creating the open marketplace of ideas that the internet has become.

As the authors of Section 230 describe it, “We envisioned that the law would be both a sword and a shield. A shield so that you could have this opportunity, for particularly small and enterprising operations to secure capital, and then a sword [by allowing them to moderate without facing liability over the practice], which said you’ve got to police your platforms.”

Many political pundits and a handful of politicians have called for the outright repeal of this bedrock law. Such a move would have disastrous effects on investment and would have the reverse effect of creating more censorship online. It would also advantage bigger, entrenched players who are the only ones who could afford the increase in liability, thus stifling competition.

AGENDA: Members of Congress need to begin embracing the virtues of Section 230 and defend it from bipartisan attacks of bad faith. If tech companies are to be held legally responsible for the posts of anyone on their website, they will be forced to censor more speech, not less. It will become far too costly to allow just anyone to speak freely on platforms with this reimagined internet governance framework.

Competition needs to be championed. The solution to private companies developing censorship policies of which the masses disapprove is to support private companies that have more suitable ones. However, adding regulation and essentially declaring internet platforms as public utilities will have a ripple effect that could devastate the whole web economy.

With a number of bills being introduced to repeal or significantly hinder Section 230 protections, new members must be resolute in rejecting these proposals.

RESOURCES:

- [TPA’s Ross Marchand And NetChoice’s Carl Szabo Talk Section 230 and The Digital Domain](#)
- [Regulation in Name of 'Fairness' Threatens Digital Domain](#)
- [TPA Concerned About Long-Term Ramifications of FCC Section 230 Announcement](#)

INTERNAL REVENUE SERVICE

TAX REFORM

BACKGROUND: With the passage of the Tax Cuts and Jobs Act (TCJA) in 2017, Congress – for the first time in 31 years – enacted comprehensive tax reform. Rates at every marginal bracket were reduced and corporate tax rates were slashed from the highest in the world of 40 percent (including state corporate taxes) to 21 percent at the federal level. Additionally, small businesses no longer face the need to “pass through” all their income at the highest individual marginal rate because many small businesses can now deduct 20 percent of their income before passing through their incomes. To make up for revenue losses, the federal government limits loopholes that disproportionately benefit the wealthy. For example, write-offs for the home mortgage interest deduction are now limited to \$750,000, ensuring that wealthy taxpayers won’t increase their real estate holdings just to get better treatment from the IRS. The state and local tax (SALT) deduction is similarly limited, meaning that politicians in high tax and high spend states can no longer grow government without potential taxpayer repercussions.

After the TCJA was signed into law, the results were felt almost immediately. Wages grew rapidly, unemployment shrank to historic lows, and businesses were hiring more workers and handing out generous bonuses. Additionally, companies were able to pass on lower prices to their consumers, furthering the cost savings across the nation. This is just a small sampling of what is possible when American citizens and businesses are allowed to keep more of their hard-earned money. Some members of Congress have signaled their intent to pursue a financial transaction tax (FTT). FTT proposals would target US capital markets and, in the process, compromise funding for more than 60 percent of the American economy. Additionally, analysts project that a financial transaction tax would result in underfunded pensions. Each year, roughly \$900 billion is invested by pension plans into hedge funds. The millions of Americans relying on retirement plans would thus be disproportionately harmed by any enacted version of the FTT.

AGENDA: The new Congress should learn from the economic prosperity that came as a result of the TCJA and the recovery that was made possible by the tranche of taxes and regulations that were cut amidst the coronavirus pandemic. They should also allow for increased tax-free contributions to educational and healthcare savings accounts.

Congress should embrace principles that strive for a simpler, flatter tax code. Thus, they should strive to reduce the number of brackets in the federal tax code. This would reduce confusion and save businesses and individuals onerous compliance costs. Cutting the number of brackets would also give an incentive for people to work harder, as workers would work extra hours, accept more promotions, and take on new clients without incurring a higher penalty rate on each new dollar earned.

Finally, Congress should work to end the system of citizenship-based taxation, in which Americans living abroad must pay US federal taxes and the taxes of their host country. Eliminating this onerous policy of double taxation would make life easier for the millions of Americans living abroad and end the trend of Americans increasingly renouncing their citizenships.

RESOURCES:

- [Give Trapped Americans Abroad A Break This Tax Season](#)
- [This Tax Day, taxpayers need relief and reform, not higher rates](#)
- [TPA's Ross Marchand and ALEC's Jonathan Williams discuss tax reform in the wake of COVID-19](#)



BACKGROUND: Over the past four years, former Federal Communications Commission (FCC) Chairman Ajit Pai led the charge for greater connectivity and lower barriers to private broadband deployment while protecting taxpayers. In late 2017, when Chairman Pai successfully proposed repealing onerous Title II regulations on internet service providers (ISPs), lawmakers and pundits warned that regulatory reform would kill the internet as we know it. In the past year, however, internet speeds have increased by more than 10 percent despite an unprecedented surge in web traffic due to the pandemic. A partnership between the agency and leading telecommunications providers resulted in hundreds of companies pledging to “Keep Americans Connected” as unprecedented numbers of Americans work and attend classes from home.

Maintaining high speeds and connectivity will prove essential as a new chairman takes the helm at the FCC. New agency leadership will preside over the widespread adoption of 5G wireless technology, which promises to be at least ten times faster than the 4G status-quo. 5G small cells (the size of a backpack) will provide unprecedented ultra-high-speed internet to consumers and businesses in their municipalities and usher in a new era of life-saving telemedicine and other services to the public. But these benefits will be lost without expedient decision-making by new agency leadership and municipalities. By empowering private providers and rejecting the false promise of government-owned networks, deployment of 5G will be accomplished without taxpayer money and actually provide revenue for localities and states.

AGENDA: As new leadership takes the helm at the FCC, Congress must work with the agency to continue its reform agenda and refrain from introducing strict Title II regulations again. Even in the previous Republican-controlled Congress, GOP lawmakers considered legislation enshrining onerous “net neutrality” rules that would reduce internet access and decrease broadband investment. Such efforts will likely increase in the Democratic-controlled Congress in 2021 and must be resisted by lawmakers at all costs. Congress must also push back against the Rural Broadband Pilot Program proposed by the US Department of Agriculture (USDA), which would provide poorly targeted service at a high cost to taxpayers. Congress should continue to provide oversight of the USDA’s Rural Utility Service and ensure that any broadband coverage program only serves households with no reliable internet connection. Additionally, Congress can do its part in paving the way for 5G by releasing the “beachfront” spectrum currently (and inefficiently) used by federal agencies. Congress should also encourage the use of TV white spaces to help close the digital divide.

RESOURCES:

- [Three Key Reforms on FCC's Agenda](#)
- [Profile in Courage: FCC Chairman Ajit Pai](#)
- [Smart Use of Unlicensed Spectrum Key to Keeping America Connected](#)



BACKGROUND: One of the biggest failures of the Trump administration was the imposition of tariffs. As a self-branded “tariff man,” President Trump was persistent in levying tariffs and threatening countries he perceived to engage in “unfair” trade policies with additional tariffs. The first major tariffs were announced in March of 2018 when the Trump administration imposed 25 percent and 10 percent tariffs on steel and aluminum, respectively. Not even allies like Mexico, Canada, and the European Union were left unscathed by the administration’s protectionist fervor. These actions had a ripple effect across the globe, with scores of other nations placing tariffs of their own on American-made goods, ranging from soybeans to motorcycles.

The Trump administration claimed these tariffs as a negotiating tactic to get better terms and conditions from current and prospective trade partners all over the world. In the meantime, American companies who rely on exports to stay afloat and American companies that rely on foreign goods to run their business have been left floundering. For example, American farmers faced surging losses on exports (in response to retaliatory exports). This prompted the Trump administration to grant them \$12 billion in emergency taxpayer aid. Due in part to \$1 billion in losses from tariffs targeting the auto sector, General Motors announced in November 2018 the closure of five plants in North America and the laying off of 15 percent of salaried staff.

AGENDA: Tariffs are taxes, plain and simple. The Constitution gives the legislative branch both the power of the purse and the power to levy taxes. Congress, in 2021 and beyond, must finally reassert these constitutional enumerations by revising existing statutes that give the president undue authority to raise and lower tariffs. In particular, Section 232 of the Trade Expansion Act of 1962 allows the president to raise import levies if importation “is in such quantities or under such circumstances as to threaten to impair the national security.” While members of Congress should continue to respect the president’s capacities as Commander-in-Chief, they should tie tariff adjustment authority to specific congressional authorizations of the use of military force. At the very least, Congress should insist on a review process of national security-related adjustments.

Should the Biden administration look to enact free trade agreements like the Trans-Pacific Partnership (TPP), Congress should move ahead with swift ratification while still performing due oversight, seeking to eliminate and reform any harmful provisions. Congress should seek to avoid provisions like the wage restrictions on Mexican auto workers that were part of the US Mexico Canada Agreement (USMCA). Congress should also refuse to appropriate funds to investigate and enforce labor violations in Mexico – or any foreign country.

RESOURCES:

- [Congress Can and Must Curtail Executive Actions](#)
- [This Tax Day, taxpayers need relief and reform, not higher rates](#)
- [Time to axe tariffs, the hidden sales tax](#)



BACKGROUND: In its November 2020 financial statement, the United States Postal Service (USPS) reported a net loss of \$9.2 billion for the previous fiscal year. This 14th consecutive year of losses comes as the agency increased package deliveries by 18.8 percent over the past year because of the pandemic-related surge in e-commerce. As multiple watchdog organizations and financial analysts have pointed out, these figures show the inability of the USPS to properly price packages and keep miscellaneous costs under control. In all, the Government Accountability Office estimates that the USPS has approximately \$160 billion worth of debt and unfunded liabilities.

Since assuming his position on June 15, Postmaster General (PMG) Louis DeJoy has attempted to institute a number of changes including restricting overtime and consolidating the USPS' network infrastructure. On multiple occasions, the USPS' IG has made clear that the agency has underutilized collection boxes and sorting machines across the country. This redundant equipment increases costs and unnecessarily adds to routes. In addition, the IG has noted that overtime costs have significantly increased over the past five years (from \$3.7 billion to \$5 billion). PMG DeJoy has encountered significant resistance by courts and members of Congress and been forced to temporary sideline efforts to streamline agency operations. Absent large, permanent structural changes, the USPS will likely run out of cash by mid-to-late 2021 and require a bailout from taxpayers. In turn, any taxpayer infusion would likely delay needed reforms and subsidize waste and inefficiencies plaguing the agency.

AGENDA: The new Congress can pave the way forward on postal reform in 2021 by adhering to the recommendations of the Treasury's Task Force report released in 2018. The report recommends rolling back collective bargaining requirements for the USPS, which has seen rapidly increasing labor costs with little new revenue to counter these expenses. The USPS can also realize significant savings by closing redundant, low-workload facilities, something previous Congresses have interfered with by pushing the USPS to put a moratorium on closings – exactly the opposite of what needed to be done. But Congress must also go beyond merely implementing the Task Force recommendations by permitting PMG DeJoy to do his job and continue streamlining USPS operations. Curbing overtime expenses for last-mile operations could save at least \$1 billion per year and over time incentivize faster deliveries to consumers.

Lawmakers should also permit the agency to create innovative arrangements such as private-public partnerships that can put more USPS kiosks in commercial chains such as Staples and CVS. Finally, Congress must maintain a hard line against bailouts and taxpayer subsidies. USPS took on an additional \$10 billion in now-forgiven Treasury loans as a result of the CARES Act and receives billions of dollars a year from federal and state governments. An overt bailout or even shifting retirement liabilities to Medicare would be counterproductive and set the stage for future mismanagement by USPS leadership.

RESOURCES:

- [Contracting can fix postal shipping fiasco](#)
- [Postal service needs reform, not a bailout](#)
- [The Postmaster General is here to stay – and that's a good thing](#)



Antitrust

- Protect the Consumer Welfare Standard
- Increase oversight on DOJ and FTC to prevent politicized investigations
- Stop wild goose chases against US tech companies

Budget/Earmarks

- Hard caps on discretionary spending, ending “upward adjustments”
- Pass a balanced budget amendment or one that limits deficits
- Maintain 2011 ban on earmarks

COVID-19 Relief/Cronyism

- Keep tax reform measures in place
- Extend forward the CARES Act policy of allowing businesses to deduct net interest expenses up to 50 percent of EBITDA
- Monitor dispersion of funds to better identify inappropriate recipients

Defense

- A more comprehensive audit of the Pentagon
- End no-bid contracting by the DoD
- Cease funding for “overseas contingency operations”
- More fully debate AUMFs and war powers resolutions



Energy

- Cut off excess wind and solar subsidies
- End production and investment tax credits for these industries
- Eliminate miscellaneous renewable funding by the Department of Energy
- Expand oil and gas production

FDA

- Hasten the approval and examination process for new medicines and vaccines
- Require the FDA to rely on the regulatory approval standards of other nations when contemplating whether to approve a product for domestic use
- Return to 180-day standard for approval absent agency response to an application

Healthcare

- Reject any proposal that increases government involvement or interference in the healthcare system
- Eliminate ACA's "essential health benefits" requirements
- Maintain repeal of individual mandate penalties

Intellectual Property

- Repeal the 2011 America Invents Act
- Increase due process on the Patent Trials and Appeals Board, and restore injunctions as the primary method to fend off patent infringement
- Tie foreign aid to increased intellectual property enforcement



International

- Keep the US out of the WHO
- Push for accountability from other IGOs and mandate that the UN and sub-agencies document and make public their use of taxpayer funds

Minimum Wage

- Instead of imposing further counterproductive regulations such as raising the federal minimum wage, lawmakers should examine ways to make it easier for low-skilled workers to earn a decent wage and provide for their families.
- Congress should work through the recently established Governors' Initiative on Regulatory Innovation to advance occupational licensing reforms across the country.

NASA

- Prioritize robotic exploration instead of ferrying astronauts to the Moon or Mars
- Privatize the International Space Agency
- Strictly enforce spending caps on new NASA projects

Privacy

- Repeal laws that allow for the warrantless searches and unlawful surveillance of American citizens
- Pass a new version of The International Communications Privacy Act (ICPA)
- Avoid "one size fits all" privacy regulations on internet companies



Section 230

- Defend Section 230 from bad faith attacks from both sides of the aisle
- Champion competition as a means to stop censorship, not regulation

Tax Reform

- Increase allowable tax-free contributions to education and health savings accounts
- Simplify and flatten the tax code
- End the system of citizenship-based taxation
- Reject any form of financial transaction tax

Telecommunications

- Refrain from re-introducing Title II regulations
- Resist USDA's rural broadband pilot program
- Empower the private sector to innovate by liberating new bands of broadband spectrum for use in the free market and stop the practice of government hoarding

Trade/Tariffs

- Revise statutes that allow the president to unilaterally raise or implement tariffs
- Swiftly ratify new trade agreements, like the Trans-Pacific Partnership (TPP)
- Refuse to appropriate funds to enforce labor violations in other nations

USPS

- Roll back collective bargaining requirements for the USPS
- Close redundant, low-workload facilities
- Permit the agency to create innovative arrangements such as private-public partnerships
- Maintain a hard line against bailouts