Congress of the United States
Washington, DC 20515

October 7, 2009

The Honorable Nancy Pelosi
Office of the Speaker
H-232 Capitol
Washington, DC 20515

Dear Speaker Pelosi:

We write today to express our desire to work with you to enact policies that will help small businesses get back on their feet and create jobs, and to highlight some of the solutions put forth by Republicans that we believe can serve as the basis for bipartisan action toward this goal.

Last Friday marked a grim milestone for our country, as the national unemployment rate reached 9.8 percent, the highest level in 26 years. It is now evident that the massive "stimulus" spending bill enacted months ago has been unsuccessful. Washington borrowed a trillion dollars from our nation's children and grandchildren for this legislation, which was supposed to create jobs and keep the national unemployment rate from rising above 8 percent. Instead nearly 3 million private sector jobs have been lost in America since the "stimulus" was signed into law, and the national unemployment rate is nearly 10 percent, and rising.

Small businesses are bearing the brunt of these losses. According to the ADP National Employment Report released September 30, employment among small businesses (those with fewer than 50 workers) declined by 100,000 from August to September, while employment declined by 61,000 among large businesses and by 93,000 among medium-sized businesses during the same period. The American people are right to ask: *where are the jobs?*

The engine of job creation in America is small business, not government. Since the beginning of the year, Republicans have put forth solutions that reflect an understanding of this fact, which was lost last winter in Democratic-controlled Washington's rush to enact a "stimulus" bill based on slow-moving and wasteful government spending.

In the time since the unsuccessful "stimulus" was enacted, the Administration and Congress have focused most of their collective attention on the goals of enacting a government takeover of health care and a new "cap and trade" national energy tax. In their current form, both of these bills would inflict further harm upon small businesses and eliminate millions of additional American jobs if enacted. Employers throughout the country are watching, and the job-killing policies on the horizon are causing them to freeze their planning and hiring. We respectfully urge you to scrap these job-killing bills and start over, this time working with Republicans for responsible legislation that will help small businesses.

In the hopes of facilitating such bipartisan action, here are some of the solutions Republicans have put forth to help small businesses get back to creating jobs:

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- Allow small businesses to take a tax deduction equal to 20 percent of their income. This will immediately free up funds for small businesses to retain and hire new employees.

- Let small businesses join together to purchase health insurance for their workers the way large businesses and labor unions do.

- Enact genuine legal reform and policies that incentivize wellness to reduce health care costs for small businesses.

- Lower taxes for all taxpayers by reducing the current 15 percent rate to 10 percent and reducing the current 10 percent rate to 5 percent. This will provide an immediate increase in income to every taxpaying family in America and free up capital to help small businesses hire more workers.

- Expand health savings accounts (HSAs) to provide additional flexibility to small businesses in providing health care to their employees.

- Increase the net operating loss carry back from 2 to 5 years to provide struggling employers with additional resources to keep their doors open.

These proposals, developed by the House GOP Economic Recovery and Health Care solutions groups, were presented to President Obama and other Democrats for consideration earlier this year. We respectfully ask again that you consider them for the purpose of helping small businesses get back to creating jobs. The Economic Recovery Solutions Group is also developing additional proposals that will be sent to the White House soon for consideration. We stand ready to work with you to enact these and other common-sense solutions for the American people.

Sincerely,

John Boehner
Eric Cantor
Kevin McCarthy
Cathy McMorris Rodgers
Mike Pence
Daniel Dreier
Roy Blunt
Pete Sessions
Thaddeus McCotter
John Carter