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Congressman Scott Peters (CA-52)

**Growing the Economy and Creating Jobs**  
**in San Diego and Across the Country**

July 2014

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### **Introduction**

#### ***National Economic Growth Strategy***

I favor the approach outlined by the Harvard Business School Competitiveness Project, led by professors Michael Porter and Joel Rivkin, whose research concluded [eight most important steps we can take to restore US competitiveness](#): ease the immigration process for highly skilled individuals; simplify the corporate tax code with lower statutory rates and no loopholes; tax overseas profits earned by American multinational companies only where they are earned; aggressively address distortions and abuses in the international trading system; simplify and streamline regulation; improve logistics, communications and energy infrastructure; responsibly develop American shale-gas and oil reserves; create a sustainable federal budget with greater revenue and lower spending. I have been partnering with a freshman colleague, Rep. Tom Rice (R-SC), to advance this agenda.

I also support the Simpson-Bowles approach to the federal budget, which is a bipartisan strategy of revenue increases and spending cuts in the federal budget in a way that would lower, over time, the overall debt as a share of the economy. I [voted in February 2013](#) for an amendment from Rep. Kurt Schrader (OR-05) advocating the Simpson-Bowles report as a balanced package of revenue and spending reforms that could form the basis of a federal budget.

Senator Alan Simpson and Erskine Bowles also [commended me for my bill](#) to use the debt ceiling as a lever to reduce debt, not as a political tool that threatens our national credit rating, stating:

“We are very pleased that Representative Scott Peters has introduced legislation to deal with our nation’s debt and the debt limit in a responsible manner based on an idea in the budget plan we put forward earlier this year. The political fights over the last two years about raising the debt limit have severely harmed confidence in our government and created tremendous uncertainty. At the same time, debt cannot continue to grow faster than the economy without risking a fiscal crisis. The legislation introduced by Representative Peters would not only help avoid the dangerous political brinkmanship surrounding the debt limit, but also establish a mechanism to ensure Congress and the President act in advance of a crisis if the debt is projected to begin growing faster than the economy. We hope that the legislation receives serious consideration as Congress grapples with the debt limit issue in the coming weeks.”

In 2012, I supported No Budget – No Pay, the principle that if Congress didn’t do its job and deliver a budget on time, they should not get paychecks. The [House of Representatives passed](#) a version of [No Budget – No Pay](#), forcing the Senate to pass its first budget in 4 years. This led later on to the Murray-Ryan compromise budget, [which I supported](#) and which will avert the prospect of more government shutdowns and threats to our national credit rating for the next year.

### ***Growing the Economy and Creating Jobs in San Diego***

San Diego, and our country as a whole, is still recovering from one of the toughest recessions in America’s history. That’s why growing the economy and fostering an atmosphere for job creation must be the number one priority of Congress. It is mine.

As we find ways to expand economic opportunities for the middle class and plan for a prosperous future, we must focus in on areas where San Diego is already leading the way and can set an example for the rest of the country. Our region’s economy is driven by three areas: innovation and scientific research; the military, defense, and our veterans; and our world-renowned tourism industry.

### **Advancing Innovation, Scientific Research, & San Diego’s Talent-Rich Environment**

We’re fortunate that so many innovative companies and research institutions call San Diego home. According to the San Diego Regional Economic Development Corporation (EDC), the innovation economy already [employs 138,000 people](#). Last year, San Diego’s institutions won [\\$785M in National Institutes of Health \(NIH\) awards – 24% of California’s total](#).

Since taking office in January 2013, I’ve toured over 100 companies, research labs, and universities and have heard directly from business leaders and their employees about what Congress can do to grow the economy and create jobs. I’ve hosted [roundtables](#) and [symposia](#) with community leaders from BIOCOM, San Diego Economic Development Corporation, CONNECT, the University of California – San Diego, the Greater San Diego Chamber of Commerce, and CleanTech San Diego, to discuss how Washington can support San Diego’s scientific and innovation economy. I’ve also brought leaders from Washington – [including Democratic Whip Steny Hoyer](#) and a [representative of the U.S. Chamber of Commerce](#) – to

showcase how San Diego's collaborative culture among businesses, universities, and government can be a model for Washington.

### ***Nurturing our Innovation Economy***

Our country's sluggish economy, our uneven recovery from the 2008 recession, and Washington's manage-by-crisis mentality that resulted in the federal government shutting down in 2013 make this climate especially hostile to entrepreneurs. In the weeks leading up to the shutdown, I worked with my colleagues to prevent a shutdown and then, once the shutdown happened, worked behind the scenes with a bipartisan group of House and Senate members to reopen the federal government.

In December 2013, I introduced the [Igniting American Research Act](#) which would expand and make permanent the Research and Development Tax Credit. According to the Information Technology and Innovation Foundation, making the R&D tax credit permanent would [generate 150,000 jobs](#) and increase GDP by \$66B. When a similar bill was brought to a vote in May, I joined 273 of my colleagues on both sides of the aisle to [get it passed](#) and I continue to urge the U.S. Senate to do the same.

As a member of the Congressional Caucus on Innovation and Entrepreneurship, I'm working with my colleagues to foster entrepreneurship and recognize the achievements of San Diegans. After the untimely passing last summer of Duane Roth, a San Diego innovator, I introduced a resolution to declare a day each year as [National Entrepreneurs' Day](#) in his memory. It was [supported](#) by leaders from BIOCOM, CONNECT, CommNexus, the San Diego Regional EDC, and the San Diego Regional Chamber of Commerce.

### ***Spurring Technological Growth***

San Diego is home to numerous medical device design and manufacturing companies like Nuvasive, Care Fusion, Volcano, and ResMed, an industry which directly [employs 3,200 San Diegans](#), brought [\\$76 million in venture capital funding in 2011](#), and has a [total economic impact of \\$2.629 billion annually](#). I am a [supporter of legislation](#) to repeal the medical device excise tax, and [voted](#) to repeal it as well. According to research done by the Hudson Institute, the tax on medical device sales will cost the US economy more than [40,000 jobs](#). In order for this industry, and other innovative ones like it, to thrive we also need a faster approval process at the Food and Drug Administration (FDA) to lower our current competitive disadvantage; current delays mean that it takes an [average of 54 months for product approval here in the United States, compared to 11 months in Europe](#).

Wireless technology, much of which has been, and continues to be, pioneered in San Diego, has the potential to provide higher-quality and more affordable health care. I introduced HR 3507, the "[21st Century Care for Military and Veterans Act](#)," to expand coverage of telehealth to servicemembers, veterans, and their dependents by including wireless services in the TRICARE and VA health systems. I've also introduced HR 3577, the "[Health Savings Through Technology Act](#)," to get expert recommendations for best incorporating wireless health technologies into federal health care programs. Incorporating innovation into the federal health care mindset can, as we know in San Diego, improve the delivery of

care at a lower cost. For my efforts in the field, the non-partisan California Healthcare Institute granted me the [2014 Visionary Award](#).

### ***Supporting National Institutes of Health and Basic Scientific Research***

Research by the [Milken Institute](#) suggests that every \$1 of NIH funding in biomedical research generates \$2.21 in economic output. We see that in California where, in 2012 alone, the [NIH awarded \\$3.3B in grants](#), 15% of which went to San Diego applicants. As the second largest life sciences cluster in the country, San Diego's 700 life sciences companies and 80 research institutions are responsible for \$14.2B in direct economic activity in San Diego and [34,000 jobs](#) that pay an average annual salary of \$116,000.

Federal funding for basic scientific research, however, is dropping in the U.S. and we are [losing our competitive advantage](#) to other countries – China and Germany, for example – which are making these investments. NIH funding has been steadily dropping since 2003 and I am an advocate both here at home and in Washington for restoring investment and regaining our leadership in scientific research. I've [toured NIH](#) and met multiple times with its director, Dr. Francis Collins. I'm leading an initiative to increase NIH funding to \$35B in coming years - above its [current \\$30.1B level](#) – and have fought efforts to undermine the [peer review process](#); scientists, not politicians, should be making decisions about which experiments to perform.

### ***Fixing our Broken Immigration System***

It's hard to understate the economic benefits of passing comprehensive immigration reform. Passing comprehensive immigration reform would [reduce the deficit by more than a trillion dollars](#) over twenty years, boost the solvency for Social Security, and [create more than 100,000 jobs a year](#) over the next decade. It is the rare point of consensus among the U.S. Chamber of Commerce, the San Diego Regional Chamber of Commerce, labor unions, farmers, farmworkers, and faith leaders. That's why I was an early supporter and cosponsor of HR 15, the [Border Security, Economic Opportunity, and Immigration Modernization Act](#). A similar bill passed the Senate and would likely pass the House today if it were given a vote. It's reprehensible that House leadership won't allow a vote on this important bill and I will continue to push them to do so.

According to research by the Partnership for a New American Economy, our nation's failure to reform the H-1B visa program has cost more than [200,000 jobs and \\$3B in annual earnings](#) for U.S. tech workers. I hear from employers across San Diego that one key to their growth will be expanding the H-1B visa program to allow more highly skilled immigrants to work in the United States. I have sent a letter to the House Republican leaders asking for this to be a top priority in any immigration reform package.

### ***Improving Access to Education***

For too many families, a college education is becoming increasingly difficult to achieve. I relied on student loans to pay for my college education and I want to make sure those loans are available and affordable for today's students. According to research conducted by the National Bureau of Economic Research and the World Bank, increased rates of post-secondary education attainment [leads to greater](#)

[economic output and increased GDP](#). For individuals, completing college leads to increased earnings. Because job seekers individually, and the economy more broadly, benefit from a college degree, I'm doing what I can to make it more affordable. Each time I've had the chance to [vote to lower interest rates](#) on student loans, I have and I've supported legislation that would increase the amount educational loans could be deducted off a person's taxes. I've also taken the lead and introduced the [Federal Student Loan Refinancing Act](#) to automatically lower all federal student loans to a 4% interest rate.

### ***Enabling Businesses to Succeed***

Our nation's tax code is bloated and broken. The Small Business Administration estimates that small businesses often spend [hundreds of hours](#) and [\\$40 billion each year](#) on compliance. I support reforming the tax code to make sure we promote growth for businesses, both large and small, here at home. Simplifying the code would [increase wages by 6%](#) and our GDP by 2.2% over 10 years.

Given the importance of small business growth to American economic competitiveness, I [opposed patent legislation](#) that would have discouraged innovation by making it harder for entrepreneurs to defend their intellectual property.

One of San Diego's fastest growing industries is in craft brewing. Dozens of breweries in the county are creating jobs and making a name for our region; that's why I cosponsored the Small BREW Act which would [reduce the excise tax](#) on small brewers, and joined the House [Small Brewing Caucus](#).

San Diego is also home to numerous companies focused on creating new, innovative approaches to renewable energy sources. Algae biotechnology research and manufacturing, according to SANDAG, supports [over 1,000 jobs](#) and delivers \$175M in annual economic output. As the co-founder of the [Congressional Algae Caucus](#), by [introducing a bill](#) to extend the biofuels producer tax credit that promotes renewable energy refinery jobs, and by supporting tax credits to spur renewable energy investments, I am committed to giving this nascent, job-creating industry a voice in Congress.

In San Diego many of our military contractors are small businesses, employing thousands of people across our region. At the request of the Associated General Contractors of San Diego, I am proud to have been an early and vocal supporter of the [Make Every Small Business Count Act](#) designed to increase transparency and reduce costs in contracting to ensure that small ventures can compete by operating as lower tier subcontractors. This important bill was signed into law in December 2013.

### **Delivering for Veterans and our National Security Infrastructure**

The San Diego region is home to one of the largest concentrations of military force in the entire world. The military supports approximately [22% of all jobs](#) in the region and delivers \$32B billion in economic impact. We are perfectly positioned to take center stage as our national security apparatus shifts more toward the Pacific Ocean. With my position on the House Armed Services Committee, I'm a strong advocate in Washington for the role San Diego plays in our national security. Earlier this year, working across the aisle with Rep. Duncan Hunter, I [successfully moved \\$120M](#) from an obsolete project in South

Carolina to purchase additional unmanned aerial vehicles that were requested by the Air Force and designed and manufactured in Poway.

The Department of Defense is one of the world's largest energy consumers, spending about \$20 billion per year, and one of the world's leading proponents of alternative fuels. Earlier this year, I introduced, along with Colorado Senator Mark Udall, the [Department of Defense Energy Security Act of 2014](#), which would help the DOD reduce energy use, boost combat effectiveness, and speed up the development of advanced military technologies. The Navy wants alternative fuels, including biofuels such as algae, for aviation and San Diego – a national center for algae research – is in a strong position to benefit.

San Diego is home to [more than 200,000 veterans](#). That's why one of the first bills I helped to introduce was the [Veterans Employment Transition Act](#), which would give employers a tax credit for hiring a recently discharged veteran and improve job training programs between the Department of Veterans Affairs (VA), Department of Defense, and the Department of Labor. I have also [voted to enhance](#) VA on-the-job training programs, to create an office within the VA focused on vocational and education programs, and to support federal contracting with small businesses that are owned by veterans.

A number of organizations across the region have been doing important work supporting our large population of veterans. Unfortunately, there has not been an efficient central point for our veterans to turn to that coordinates that useful, but disparate, information. I helped launch the [Military Transition Support Project](#) ("MSTP"), in collaboration with stakeholders including Rear Admiral (Ret.) Ronne Froman, the San Diego Veterans Coalition, San Diego Military Family Collaborative, San Diego Military Advisory Council (SDMAC), San Diego Grantmakers, economic and workforce development leaders, and representatives from the Marine Corps, Navy, and the VA. The MSTP will be a centrally located hub where veterans can access existing nonprofit and volunteer support services offered in San Diego, whether for employment, jobs skills training or personal counseling. Navy leadership will allow us to introduce the support for vets while they are still in uniform, and to provide support after they are discharged. The program doesn't need an act of Congress or a dime of federal money, and is already being discussed as a national model for veterans' transition.

### **Fostering Tourism**

Over [33 million](#) people visit San Diego each year for our weather, natural beauty, and abundant local attractions. The San Diego Regional EDC estimates that tourism is responsible for over [158,000 local jobs](#) and \$18.3B in annual economic impact. That's why I support legislation to [expedite the visa interview](#) process which would increase the number of international tourists visiting the United States, many of whom will come to San Diego. The US Travel Association estimates that this legislation would result in an additional 600,000 international visitors and create an additional [40,000 jobs](#) in the tourism industry.

I also support [another proposal](#), which passed the House, to continue the public-private partnerships that have been created to foster tourism and job creation in the United States.

Cross-border tourism has long played an important role in our San Diego-Tijuana binational economic mega-region. In 2013, I introduced the [Safe and Secure Border Infrastructure Act](#) to improve efficiency and security at our nation's busiest border crossings. And, early in 2014, after months of effort and coordination between the entire, bipartisan San Diego congressional delegation and numerous local leaders, [we secured funding](#) to complete another phase of the San Ysidro border infrastructure project. This bill has since been signed into law by the President. Once this project is completed, we will see an increase in the number of inspection lanes, a reduction in wait times, and easier transit for tourists between Mexico and the United States.

Improving our local and national infrastructure would also benefit our entire economy, including the tourism sector. I am a supporter of [legislation to create an infrastructure fund](#), at zero cost to taxpayers, which would simultaneously allow American companies to repatriate overseas income.

### **Primed for the Future**

San Diego is home to the innovative industries that will power our economic growth into the future, we have a highly-talented workforce, a high-quality of life, a military increasingly focused on the Pacific, and the established tourism sector to showcase it all. San Diego is primed, with the right vision and leadership, for sustained job growth well into the future.

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