



KASICH ACTION PLAN

RECLAIMING OUR POWER, MONEY, & INFLUENCE FROM WASHINGTON

AMERICA'S ECONOMIC REVIVAL STARTS WITH US

A Strategy for Dismantling Washington & Reclaiming Our Power, Money and Influence Fact Sheet

America has a big economic problem and it's called Washington. The weak economic growth of the past several years isn't because Washington failed to do enough, but because Washington succeeded in doing too much. By making government smaller, less costly and more responsive to our needs we can get our economy going again and have the resources to secure our nation, strengthen our families and communities, and reach our God-given potential.

In his first 100 days as President, John Kasich will send Congress a comprehensive plan that creates the climate for job creation by balancing the budget in eight years, cutting taxes for families and businesses, reining in federal regulations, tearing down barriers to increased energy production, and returning major federal responsibilities back to our states and communities where they can be performed more efficiently and responsively to serve Americans.

Balance the Budget and Keep it Balanced: John Kasich will work with Congress to put Washington on the path to a balanced budget within eight years by reducing spending, reforming entitlements, and encouraging economic growth. To keep the budget balanced he will work with Congress and the states to enact a balanced budget amendment to the Constitution, and will keep it balanced by dismantling the big barrier holding our economy back: big government.

America must scrap the Washington big government model because it costs too much and delivers too little value. Our states and communities can provide better value and more quickly respond to the unique needs of their citizens. By shrinking and breaking up the big Washington bureaucracies and sending their responsibilities and resources back to the states with fewer strings attached, Americans can have lower-cost government that serves them—not the other way around.

- **Transportation:** With the interstate system long finished and highway design and construction overseen by the states, the costly federal highway bureaucracy and its burdensome oversight of state highway work are barriers to growth. John Kasich will return the federal gas tax to the states, keep just a sliver with the Department of Transportation for truly national priorities, downsize the department and refocus it on safety and research support for states.
- **Education:** End Washington's education micromanagement, shrink the federal education bureaucracy by consolidating more than 100 programs into four key block grants and funds back to the states, repurpose the Department of Education to support the states with research and suggested innovations—and end its interference.
- **Job Training:** Across its dozens of job training programs, Washington permits very little state flexibility, innovation or true responsiveness to employers' needs. It is often only geared to help workers if they first lose their jobs. To reduce federal costs and improve help for workers who need it, job training should be consolidated into a handful of block grants administered by the states, provide states the flexibility to align training with the skills employers are seeking and help workers with jobs upgrade their skills so their employers can stay competitive and in business.
- **Medicaid:** Ohio reined-in Medicaid spending growth and is improving health outcomes using private sector health insurance, medical homes and payment reform, but could innovate more if Washington allowed it. Unleashing state innovation across the country is essential to providing better value and higher quality and containing costs.

Cut Taxes & Make The Tax Code Simpler & Fairer: Americans' taxes are too high. They are a barrier to work, saving, growth and investment, and innovation and must be significantly reduced for individuals and businesses to spark growth.

- **Cut Individuals' Taxes:** John Kasich will simplify and cut taxes for Americans by reducing the number of brackets from seven to three, cutting the top rate from the current 39.6 percent to 28 percent—the same rate President Reagan used in his 1986 tax cut—and cutting the other rates as well. Kasich also will increase the Earned Income Tax Credit by 10 percent, cut the long-term capital gains rate to 15 percent, eliminate the death tax and preserve the deductions for charitable donations and mortgage interest (consistent with current limits).
- **Cut Business Taxes:** John Kasich will cut the top rate from 35 percent to 25 percent to make America globally competitive, establish a low tax rate to repatriate the estimated \$2 trillion in profits held overseas, double the research and development tax credit for businesses under \$20 million, allow same-year expensing for new investments, and create a “territorial” system that only taxes U.S.-produced income, like most other major industrialized nations.
- **Fix the IRS:** Additionally, John Kasich will launch a top-to-bottom review of the IRS and tax code to root out the barriers to innovation and small business start-ups, as well as to end the IRS culture of bias, arrogance and political favoritism.

Reduce Regulations and Bureaucratic Red Tape: John Kasich will rein-in unelected agency bureaucrats whose regulations, red tape and enforcement decisions are often extreme and inconsistent with congressional intent. Together these abuses choke economic activity and to reverse them, John Kasich will:

- Impose a one-year freeze on major new regulations to give job creators a respite while the regulatory system is rebuilt.
- Call on Congress to require mandatory cost-benefit analysis in rulemaking so regulations don't do more harm than good.
- Call on Congress to require congressional approval for any regulation costing the economy more than \$100 million.
- Re-establish strong central oversight of all new agency regulations.
- Replace agencies' internally-staffed administrative appeals processes with appointed, truly independent, common sense reviews. This would allow smaller businesses adversely impacted by regulatory, permitting or enforcement decisions access to fair appeals processes that are quicker and less expensive than federal court.
- Establish a two-year deadline for new major infrastructure permits.

Produce More Energy from All Sources and Achieve Energy Independence: Increasing energy from all sources—oil and gas, nuclear, coal, alternatives and renewables and emerging technologies—will provide the affordable, reliable energy our economy needs, make us independent from overseas oil and allow us to achieve the goal of sourcing all our energy entirely from North America. To do this John Kasich will:

- Approve the Keystone XL pipeline to increase access to oil from Canada and along the pipeline's route.
- Allow export of U.S.-produced oil and end this artificial, counterproductive market distortion.
- Increase access to oil and gas production on non-sensitive public lands with proper environmental protections.
- Keep fracking regulations at the state level and eliminate efforts by the federal government to impose new ones.
- Repeal regulations on energy production that are counterproductive and extreme such as the Clean Power Plan.
- Encourage research in new technologies that increase efficiency & conservation while reducing costs & environmental impact such as high-capacity, long-life batteries; fuel cells; the high-efficiency “smart” electricity grid; and clean coal.

Open New International Markets, but Get Smart About Unfair Trade: When American products and services are accessible around the world American businesses and workers benefit. Trade also enhances global security and stability. It can't come at the cost of common sense, however. If other countries want access to the American market they should provide access to their markets, and trade violations must be quickly addressed to prevent significant economic damage to businesses and workers.

- The International Trade Commission and other U.S. trade bodies must be reformed to expedite consideration of complaints from companies that are negatively impacted by unfair trade practices.
- America must seek more favorable terms in trade negotiations including better protection against currency manipulation, intellectual property theft and cyber-attacks.