THE ECHO CHAMBER

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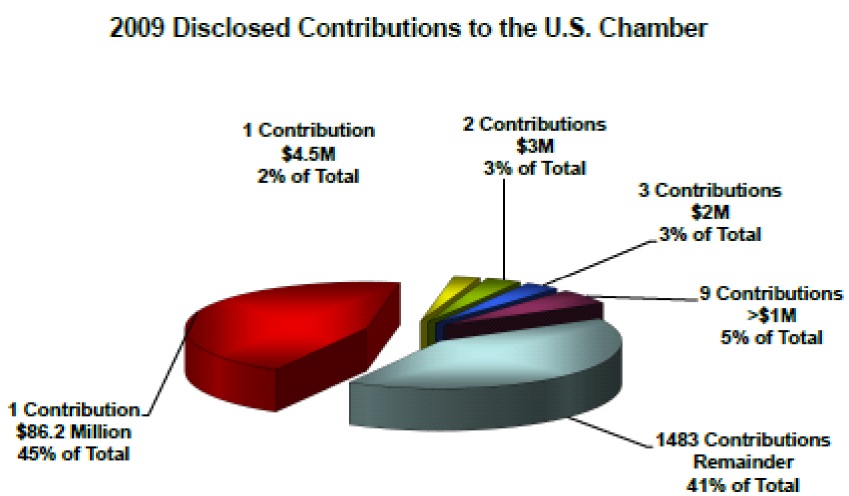
How the U.S. Chamber of Commerce's Top Corporate Funders Dictate the Agenda for the 112th Congress

Introduction

In the upcoming days, the Republican leadership will produce its legislative agenda for the 112th Congress, an agenda they've already started planning.[1] It wasn't hard for them to create this agenda: the U.S. Chamber of Commerce, which pledged to spend more than $75 million in anonymous corporate money to influence this fall's elections, provided an agenda for them, driven by and for the sixteen contributors who provide nearly sixty percent of the U.S. Chamber's contributions. The U.S. Chamber has already developed the talking points and plans to implement that agenda. Now that its election war chest has rented it a Congress, look for an agenda from the newly minted Republican-led House that reflects the U.S. Chamber's priorities – which in turn reflect the interests of the member corporations that make the largest contributions to the Chamber's coffers: health insurance companies like U.S. Chamber members UnitedHealth Group, Wellpoint, Cigna and Aetna; large financial institutions such as Chamber board members Charles Schwab, and Edward Jones; and the biggest corporate proponents of outsourcing, including Chamber members Hewlett Packard, IBM and Accenture.

Implementing the top priorities of these corporations—a hard-line agenda that will include extending the Bush tax cuts, repealing health care reform and Wall Street reform, and extending breaks to companies who outsource American jobs--will be two members of Congress the Chamber has worked hard to cultivate: Senate minority leader Mitch McConnell and House Speaker-elect John Boehner.



The Elite Group Driving the Chamber's Agenda

The U.S. Chamber characterizes its agenda as "pro-business," but the number of actors dictating the Chamber's agenda has whittled down steadily over the years, so that a trade association that could once legitimately claim to serve as the voice of American business can now only credibly speak for a handful of the nation's largest corporations. In 2009, a single donation of just over $86 million accounted for more than forty percent of the U.S. Chamber's budget. Sixteen companies gave more than $1 million each, accounting for fifty-five percent of the Chamber's $200 million budget. Ninety-four percent of the Chamber's budget came from about 1500 contributions.[2]

The U.S. Chamber claims 300,000 members, which means the remaining $12 million of its budget came from 298,500 members giving an average of $40 each. But, as Mother Jones notes, "that doesn't hold up, since the Chamber's minimum annual dues are $125 (for an individual membership). If each member paid at that level, the Chamber would have a total of around 100,000 dues-paying members. If each member paid the minimum corporate dues of $250, then the Chamber would have 50,000 dues-paying members. Either way, it's a far cry from the 300,000 members that the Chamber currently claims."[3] It appears that the U.S. Chamber is drastically overstating its membership numbers to give the appearance that it represents a much broader swath of the business community than it actually does.

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*Photo Credits, Clockwise from top: Wall Street Executives before Congress; Chip Somodevilla/Getty Images North America; Sen. Mitch McConnell, 4.bp.blogspot.com; Republicans unveil pledge to America, Getty Images; AIG door and Maurice Greenberg, Chip Somodevilla/Getty; STAN HONDA/AFP/Getty; Chamber CEO Tom Donohue, Joshua Roberts/Bloomberg/Getty Images; WellPoint CEO Angela Braley, AP Photo/Ann Heisenfelt.

[1] Republicans, Heading for Big Gains, Ready Agenda. AP, 10/27/10.

[2] Beyond the $86 Million Buyout: What Else We Found in the Chamber's 990s. U.S. Chamber Watch, 11/17/10.

[3] The Incredible Shrinking Chamber of Commerce. Mother Jones, 11/18/10.

Furthermore, even the members it does have are disproportionately represented. Contrast 2009 with the U.S. Chamber's 2001 funding stream, when only *four* contributors gave more than $1 million. Since then, Chamber president and CEO Tom Donohue's "views-for-dues" fundraising plan has dramatically changed the way the Chamber does business. As one Chamber member says: "Unless you spend $250,000 to $500,000 a year, that is what they want for you to be one of their pooh-bahs, otherwise, they don't pay any attention to you at all."[4]

As the base of the U.S. Chamber's funding pool has shrunken to a handful of the nation's most powerful CEOs, its agenda has become more right-of-center, more extreme, more out-of-touch with the mainstream American business community, and less amenable to compromise. The U.S. Chamber has worked to cultivate two Congressional leaders who will pursue that hard-line agenda: Senate minority leader Mitch McConnell and House Speaker-elect John Boehner.

The Chamber, Boehner and McConnell: A Love Story

Speaker-elect Boehner's relationship with the U.S. Chamber is well-documented. In a *New York Times* profile of him, Boehner's comeback to power is explained: "It is his reputation as a 'Chamber of Commerce' Republican and his fund-raising skills — he has raised $36 million for Republican causes during this election cycle, more than almost anyone else in his party — that explain, in part, his rise."[5] One of Boehner's top individual donors was a U.S. Chamber lobbyist,[6] and this year, Boehner invited the Chamber's top lobbyist to attend a controversial closed-door meeting about the America Speaking Out project.[7] On issue after issue that pits the U.S. Chamber against the mainstream business community and the general public, Boehner adopts the Chamber's talking points. Most egregiously, after U.S. Chamber President Tom Donohue made headlines saying that American taxpayers should help pay for the BP oil spill cleanup, Boehner agreed: "I think the people responsible in the oil spill--BP *and the federal government*--should take full responsibility for what's happening there," he said.[8]

A similar dynamic exists in the Senate, where the U.S. Chamber has long-standing ties to Senate minority leader Mitch McConnell. The director of McConnell's first reelection campaign and subsequent chief of staff, Steven Law, went on to become the U.S. Chamber's chief legal officer and general counsel (a position he very recently left to serve as CEO of American Crossroads,[9] a right-wing organization that coordinated with the U.S. Chamber to funnel tens of millions of dollars into this year's elections).[10] While Law was at the U.S. Chamber, the Chamber fought hard for McConnell, lauding his anti-health care reform stance[11] and running ads in McConnell's 2008 election against his opponent.[12] McConnell worked just as hard for the U.S. Chamber: in 2008, the Chamber awarded him a 100 percent rating, reflecting McConnell's support of the interests of the U.S. Chamber's corporate funders on every vote the Chamber counted that year. Over his twenty-six-year Senate career, McConnell boasts a lifetime U.S. Chamber of Commerce rating of ninety-one percent.[13] As the Chamber has sought to portray President Obama's administration as anti-business, McConnell walked the Chamber line "on the issue of curbing the Obama administration's appetite for stronger business regulation,"[14] saying, "the single most important thing we want to achieve is for President Obama to be a one-term president."[15]

Boehner and McConnell's loyalty to the U.S. Chamber is mirrored by the new class of mostly Republican representatives the Chamber worked to elect this fall, spending at least $31,702,779 on ads in federal races alone (although the total

[4] Top corporations Aid U.S. Chamber of Commerce Campaign. New York Times, 10/21/10
[5] A G.O.P. Leader Tightly Bound to Lobbyists. New York Times, 9/11/10.
[6] John Boehner: A Pro-Business Agenda. Public Integrity, 6/9/10.
[7] Boehner Should Broadcast Lobbyist Meeting on America Speaking Out Website. Huffington Post, 7/8/10.
[8] Boehner: Government--i.e. Taxpayers--Should Help Pay For Oil Spill. Talking Points Memo, 6/10/10.
[9] American Crossroads, About Us. Last visited 11/3/10.
[10] Republican Groups Coordinated Financial Firepower. Politico, 11/4/10.
[11] Health Care-Mitch McConnell. You Tube.
[12] Doesn't Get It-Bruce Lunsford. You Tube.
[13] How They Voted, U.S. Chamber of Commerce.
[14] Tea party candidates have a benefactor in business-funded Boehner. Washington Post, 10/22/10
[15] Mitch McConnell: I Want To Be Senate Majority Leader In Order To Make Obama A One-Term President. Think Progress, 10/25/10.

figures are likely higher, given spending that preceded the FEC-mandated minimal-disclosure windows). These leaders have expressed their loyalty to U.S. Chamber policies, even where doing so goes against the interests of their constituencies or results in fundamental inconsistencies in their positions.
The bottom line: the handful of corporations that secretly fund the U.S. Chamber of Commerce are influencing national policy, and spent millions of dollars to elect congress members that will pursue their agenda. Here are the top five priorities the U.S. Chamber's corporately-inclined Congress can be expected to pursue.

H.R. 1: The Extension of the Bush Tax Cuts: Keeping Corporate CEOs Rich

Chamber Members Who Stand to Gain: Bank CEOs, Insurance CEOs, Tom Donohue

On December 1, 2010, forty-two senators, comprising the entire Republican caucus, signed a letter in which they threatened to hold up all legislative initiatives until the Bush tax cuts, the lapse of which they called a "job-killing tax hike," were extended.[16] These senators, along with those that the U.S. Chamber supported in the 2010 elections, prioritize extending the Bush tax cuts for the wealthy to such an extent that in addition to upholding other important legislative proposals, they are refusing to vote on proposals the CBO says would be more beneficial to the economy, including extending unemployment benefits.[17]

Theses Senators have strong backing from the U.S. Chamber, which has led the push to fight for the tax cuts for the wealthy.[18] It has long been a proponent of trickle-down economics. It maintains that the richest Americans and corporations are job creators that should not be inhibited – even in the face of evidence that corporations, which currently are experiencing high earnings and beneficial tax rates, are refusing to act to spur the economy.[19] In fact, studies show that small business owners – ninety-seven percent of whom do not stand to benefit from an extension of the tax cuts for the very wealthy – are driving growth, not the corporations who drive and fund the U.S. Chamber's agenda.[20]

Further, the U.S. Chamber's hard-hitting campaign to protect the Bush cuts conflicts with its argument that deficit spending must be reduced, which it has used in opposing health care reform, financial regulation, and more.[21] Although extending the Bush tax cuts is projected to cost the country an additional $36 billion next year,[22] the Chamber staunchly fights to do so.[23]

The tax cuts the Chamber so vehemently fight to protect benefit no one more than the Chamber's handful of privileged CEOs, starting with Chamber CEO Tom Donohue himself, who takes in $3.7 million per year (and that's just what he reports),[24] and stands to gain a quarter-million dollars per year from extending the Bush tax cuts. The U.S. Chamber's board members include David Kepler of the Dow Chemical Company, who earned $4,672,827.00.[25] Dow Chemical gave $1.7 million to the Chamber last year to fight tighter security requirements on chemical facilities.[26] Angela Braly, the president and CEO of health insurer WellPoint, a company also represented on the Chamber's board, earned $13.1

16 Senate GOP Letter to Majority Leader Reid on Congressional Priorities. Republican.Senate.Gov, 12/1/10.
17 Citizens for Tax Justice, "Comparing President Obama's Tax Plan and Senate Republicans' Tax Plan," September 17, 2010.
18 United States Chamber of Commerce, Letter Urging Congress to Act Expeditiously to Extend the Expiring 2001 and 2003 Tax Rates and the Business Tax Provisions that Expired at the End of 2009, 11/15/10.
19 See, e.g., Earnings Solid, So Why Won't Companies Part with Cash?, CNBC, 7/28/10; America's Wealthy Save Tax Cuts Rather Than Spend, Moody's Says, Bloomberg, 9/14/10.
20 Analysts Detail tax cuts' deficit implications; GOP's plan seen as costing $36 billion more than Democrats'. Washington Post, 8/12/10.
21 Jobs Agenda: Taxes, U.S. Chamber of Commerce.; Independent Poll Shows Growing Concern Over Government Expansion and Rising Debt, U.S. Chamber of Commerce, 7/13/10.
22 Lori Montgomery, GOP Plan to Extend Tax Cuts for Rich Adds $36 billion to Deficit, Panel Finds. Washington Post, 8/12/10.
23 Why Congress Must Act Now to Stop Tax Hikes, Chamber Post, 9/21/01; Stop the Largest Tax Increase in American History, U.S. Chamber, 8/19/2010.
24 *See* U.S. Chamber Watch Letter to the IRS, 10/18/10, raising questions of Donohue's excessive compensation, including unreported perks. pp. 9-10.
25 Forbes Profile, David Kepler.
26 Top Corporations Aid U.S. Chamber of Commerce Campaigns, New York Times, 10/21/10, supra.

million in 2009, after her compensation doubled from the previous year, and stands to gain nearly $700,000 from extending the Bush tax cuts.[27] Wellpoint was one of the insurance companies that funneled $86 million to the Chamber last year. Other Chamber CEOs stand to benefit: JP Morgan's CEO Jamie Dimon stands to gain about $1.1 million annually if the tax cuts are extended; Don Blankenship, former Chamber board member and (recently resigned) CEO of Massey Energy, stands to gain about three quarters of a million dollars each year that the Bush tax cuts are extended.[28] It stands to reason that the Chamber is working hard to protect the CEOs of some of its most generous contributors, and the fact that the top Chamber employees will also benefit is added incentive.

In addition to the Chamber's "job killer" argument, which members of the current Congress has eagerly used in fighting the lapse of the Bush tax cuts, the U.S. Chamber has also taken another set of talking points from its corporate constituency around the Bush tax cuts. These talking points portray the country's richest members, who have grown richer even as many Americans have seen their income stagnate or decline,[29] as victims of "class warfare" whom the Congress is "punishing" unfairly. U.S. Chamber-supported candidates for the 112th Congress dutifully picked up this thread:

Corporate Funder-→	***U.S. Chamber -→***	***Sen. Mitch McConnell-→***	***Echo Chamber***
Autonation, Inc. CEO Mike Jackson about the tax cuts: "for Obama to play the class warfare card during this economic tumultuous period I think is unconscionable."[30]	In 2008, Chamber economist Martin Regalia wrote for the Chamber magazine that applying PAYGO rules to the Bush tax cuts "ensures that every discussion of tax policy becomes mired in the rhetoric of class warfare."[31] This year, he said, "It's increasingly beginning to look like we've all been invited to the dinner, but some of us are showing up as the main course and others are the invited guests."[32]	"Instead of resorting to tired old class warfare rhetoric, pitting one working American against another, the president and the Democratic leadership should start working with us this week to ensure a fair and open debate to pass legislation to cut spending and freeze tax rates without any further delay."[33]	*Marco Rubio (R, FL-Sen):* "We're only in favor of tax increases for the rich – a concept that is believed in America from time to time and has travelled all over the world. It's called class warfare." *Rand Paul (R, KY-Sen)*: "You want rich people because that's what creates jobs. If you punish people, they won't expand or create jobs."[34]

[27] Angela Braly: Wellpoint CEO Pay Jumps by 51 Percent. Huffington Post, 4/2/10.
[28] A Lot to Lose: the U.S. Chamber's Fight to Protect its Richest Corporate CEOs' Wallets. U.S. Chamber Watch, 11/29/10.
[29] Why the Rich Got Richer, Kiplinger, 7/2007.
[30] Autonation CEO on Politics and Reform. CNBC, 9/15/10.
[31] Ticking Tax Time Bombs, Free Enterprise, 1/2008.
[32] Class Warfare Returns to Washington. CBS News, 2/26/10.
[33] Dems Waging 'Class Warfare' over Tax Cuts, Republicans Complain. Huffington Post, 9/13/10.
[34] Rand Paul responds to statement on eastern Kentucky drug problem. WYMT.tv 8/16/10.

H.R. 2: "Personalize" Social Security: Putting Earned Income Programs at Risk to Pay for Bush Tax Cuts

Chamber members who stand to gain: Big Banks (Charles Schwab, Edward Jones, JP Morgan Chase)

Cutting social security is a perennial favorite topic among Wall Street-backed politicians. In 1996, in response to calls to gut Social Security, Dean Baker, after first dispelling the incorrect notion that the retirement program faced financial difficulties, said "the only clear winner from this plan is the finance industry. This plan uses the power of the government to force every worker in the country to place some of his or her earnings under this industry's control. The plan would not guarantee anyone a secure retirement, but it would guarantee large profits for Wall Street brokerages and banks."[35]

U.S. Chamber Wall Street Banks that Benefit from Privatization of Social Security

Bank of New York Mellon
BlackRock
Charles Schwab (Board Member)
Citibank
Edward Jones (Board Member)
Goldman Sachs
JPMorgan (Board Member)
Morgan Stanley
Prudential Financial

The Wall Street banks that stand to reap millions in fees by inserting themselves into the management of Social Security accounts – Charles Schwab, Edward Jones, and JP Morgan Chase, to name a few – are the same banks that led earlier efforts to privatize Social Security and that fund and direct the U.S. Chamber's lobbying to "personalize" it now. These banks failed to restructure the program in the 1990s, and again under George W. Bush in 2005. In 2008, the financial markets collapsed, bringing down retirement plans and 401Ks with them – had the banks earlier efforts been successful, these impacts would have been felt in Social Security as well, further exacerbating the already fragile state of most Americans' retirement security.

But Wall Street firms have renewed the call to privatize of Social Security, and so has the U.S. Chamber. The Chamber's calls for privatization are part and parcel to its broader suggestion that social security benefits be reduced to avoid higher deficits.[36] This despite the fact that plans to privatize social security could dramatically increase the national debt and put millions retirees at risk, as put into stark relief by the 2008 financial crisis and its impact on privately managed investment accounts.. The plan President Bush put forward in 2005 would have cost $637 billion in the first 10 years, increasing the national debt by nearly $5 trillion in the first 20 years of full implementation.[37] In the wake of the financial crisis, these numbers are likely far worse.

Wall Street lobbyists, working with and through the U.S. Chamber, have done an excellent job of spreading fears and mischaracterizations about Social Security. Talking points couch the support of privatization (or "personalization," as some candidates and congress members have taken to calling it, following polls that revealed higher public support for the latter term)[38] in a concern for the program itself, even though:

> "there's no evidence that Social Security is causing an undue burden on the economy. A 2007 AARP study shows that entitlement spending has stayed relatively steady as a percent of our gross domestic product over the past two decades, with the exception of health care spending. In fact, Social Security represents a smaller share of GDP now than it did in Ronald Reagan's first term as president."[39]

Charles Schwab, founder and chairman of the eponymous company, which is represented on the U.S. Chamber's board, has long advocated for private investment accounts. He endorsed a book on the subject in 1999 and has lobbied Congress on the issue.[40] He, the U.S. Chamber, and Chamber-supported Congress members have all adopted the

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[35] Dean Baker, "Privatizing Social Security: the Wall Street Fix." Economic Policy Institute, July 1, 1996.
[36] The Trust Fund Myth. U.S. Chamber of Commerce.
[37] Private Accounts, Super-Sized Benefit Cuts and an Inflated Solvency Gap are the President's Faulty Premises for Unraveling Social Security. National Committee to Preserve Social Security & Medicare, 2/2007.
[38] *See, e.g.*, Using Bush's 2005 Messaging Tactic, Angle Says She Wants To 'Personalize' Not 'Privatize' Social Security. Think Progress, 6/15/2010.
[39] Here come's Wall Street's Attack on Social Security. Retirement Revisited, 4/21/10.
[40] Wall Street Lying Low on Social Security. Los Angeles Times, 1/18/05.

Orwellian mantra that moving social security to un-guaranteed, high-risk Wall Street accounts is a kind of "reform," meant to "strengthen" the program by decreasing "reliance on government spending."

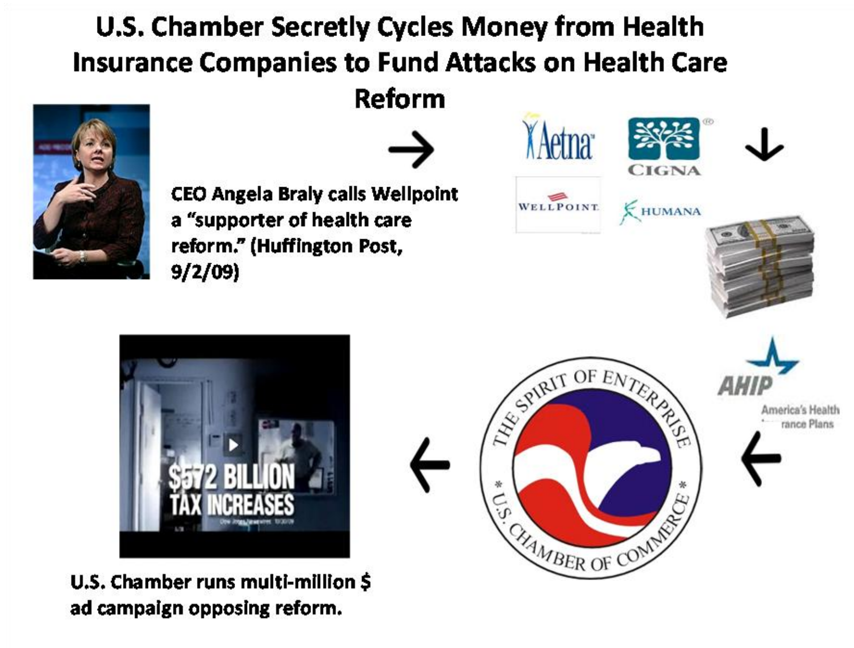
Corporate Funder-→	***U.S. Chamber -→***	***Rep. Boehner -→***	***Echo Chamber***
Charles R. Schwab - Called for more retirement savings options that would "reduce the dependence on government assistance.'"	"The only way to permanently strengthen Social Security is to transform the system into a program with real savings to back its promises to future retirees. The best way to do this is with a personal account component as President Bush and others have proposed."[41]	"I talked about the need to reform these big entitlement programs because the sooner we began the process, the easier it would be to make the necessary changes so that these programs were sustainable for the long term."[42]	*John McCain (R, AZ-Sen.)*: "Without privatization, I don't see how you can possibly, over time, make sure that young Americans are able to receive Social Security benefits."[43] *Joe Wilson (R, NC-2):* He will "reform" Social Security by putting the investments in "personal accounts."[44]

[41] Social Security – The Problem. U.S. Chamber of Commerce.
[42] Boehner Pledges to Privatize Social Security: We're Going to Get Serious about This. Think Progress, 7/31/10.
[43] McCain Lies About Social Security Privatization. Huffington Post, 6/13/08.
[44] Wilson Details Plan To Privatize, Eliminate Social Security. SC ETV, 10/24/10.

H.R. 3: Repeal/Weaken the Affordable Care Act: Protect Insurance Companies

Chamber members who stand to gain: Insurance companies (UnitedHealth Group, WellPoint, Cigna, Aetna)

The U.S. Chamber fought the passage of healthcare reform, and continues to make hindering reform implementation a top priority. In the wake of revelations that the largest insurance companies in the nation funneled $86 million to the Chamber – amounting to more than forty-five percent of the Chamber's reported contributions – to oppose healthcare on their behalf, this commitment is understandable.



Initially, the idea of health care enjoyed widespread support. Many stood to benefit from reform: doctors, those currently insured, and those who couldn't get adequate coverage because of a broken system in which costs were spiraling.[45] It was acknowledged that the country had been spending more on health outcomes than other countries, with only comparable health outcomes.[46]

In addition to the medical community, aspects of the business community showed early support for reform. The Business Roundtable initially publicly praised health care reform proposals, noting policies "could potentially reduce the trend line by more than $3,000 per employee."[47] A number of local Chambers of Commerce, including those in Greater New York and San Francisco, also endorsed reform.[48]Even those that might have been expected to oppose an overhaul, the insurance companies, publicly said they supported reform.[49]

Despite this level of support from business voices, the U.S. Chamber, seemingly inexplicably, ran a multi-million dollar ad campaign opposing reform proposals. The Chamber spent more than $24 million over a 30-day period on ads that claimed the bill would cost jobs and increase the deficit,[50] despite a Congressional Budget Office estimate that the cost-controls in the legislation would save taxpayers $138 billion in the first decade and over a trillion dollars in its second decade. [51] Moreover, Chamber lobbyists offered no meaningful counter-proposals. They just worked to kill the reform bill based on their unsubstantiated – and roundly debunked – claims that it would increase the deficit and hurt American businesses.[52]

Prominent business leaders like General Electric CEO Jeffrey Immelt called the Chamber's anti-reform campaign "lunacy,"[53] and Comcast CEO Brian Roberts, who called the December 2009 legislation passed by the Senate Finance Committee "critical" to prosperity, said, "we clearly don't agree (with the U.S. Chamber) on health care."[54]

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[45] Doctors, Hospitals, Insurers, Drugmakers Seen Benefiting from Healthcare Bill. Chicago Tribune, 3/22/10.
[46] U.S. Still Spends More on Health Care than Any Other Country. Public Health News Center, 7/12/05.
[47] Health Care Reform: Creating a Sustainable Business Marketplace. Hewitt Associates.
[48] Yo, Chamber of Commerce, You Speakin' For Me? Mother Jones, 10/14/09.
[49] Private Health Insurance Companies Get Ready to Self-Medicate. Salon, 5/12/09.
[50] Advocacy Groups May Reshape Message over Holidays. New York Times, 11/22/09.
[51] CBO: Health-care reform bill cuts deficit by $1.3 trillion over 20 years, covers 95%. Washington Post, 3/18/10.
[52] U.S. Chamber Expresses Severe Disappointment with Irresponsible House Health Care Legislation, U.S. Chamber of Commerce, 10/29/10.
[53] GE CEO Jeff Immelt: Businesses Spending Money To Preserve The Status Quo Is 'Just Lunacy.' Think Progress, 6/26/09.
[54] Comcast: The Chamber Of Commerce Is Wrong On Health Care. Think Progress, 12/5/09.

But it turned out that the nation's largest insurers, including Aetna, Cigna, UnitedHealth Group and WellPoint (a "primary beneficiary" [55] if healthcare reform failed) *did* agree with the Chamber's position. In fact, they had secretly funded the Chamber's anti-reform ad campaign, funneling millions of dollars to the Chamber to run ads they didn't want to publicly back.[56]This ad campaign was part of an $86 million contribution that the Chamber used to fight healthcare reform.[57]

U.S. Chamber Members that Benefit from Weakening of Healthcare Reform

UnitedHealth
WellPoint
Cigna
Aetna
Humana
(contributed to $86 million campaign to oppose enactment of reform)

Chamber Board
AT&T
Caterpillar
Deere
3M
WellPoint

Working closely with the health insurers, the U.S. Chamber made sure the insurers got their money's worth. UnitedHealth's wholly-owned research group proclaimed that eighty-eight million Americans would lose their employer-provided health coverage under reform, based on a provision that had been removed from the bill,[58] and the U.S. Chamber produced its own pre-determined study – offering $50,000 for an economist who would author a study concluding that "that the bill will kill jobs and hurt the economy" – that portrayed health care reform legislation as a job killer that would destroy the U.S. economy.[59]

Other U.S. Chamber companies got a jump on the job-killer rhetoric shortly after the Affordable Care Act was passed. A group of companies issued drastic and dire predictions about the loss of a certain tax benefit – "an unusually generous tax loophole" that had been enacted by President Bush in privatizing Part D of Medicare.[60] AT&T, Caterpillar, Deere, and 3M, every one of which is represented on the U.S. Chamber board of directors,[61] issued earnings reports that showed $90 million to $1 billion in tax increases as a result of the closed loophole, and complained that the tax increases would interfere with job creation. Many, including House Chairman Henry Waxman, questioned the timing of the earnings reports, and said the content of the complaints "appear[ed] to conflict with independent analyses."[62]

On behalf of the companies that funded it to oppose healthcare reform, the U.S. Chamber has continued its onslaught against reform – even after it was enacted into law. In preparation for the new Congress, it launched a website critiquing the new law,[63] has promised to weaken the law through the regulatory process,[64] and pledged the first $50 million of its 2010 campaign war chest to defeat candidates who voted for reform.[65] The U.S. Chamber has kept to the talking points of the corporate interests that fund it, and it has been incredibly successful at incorporating these talking points into the broader dialogue about reform. Principally, these talking points decry the bill as a "fundamentally flawed," "job-killing," "government takeover" of healthcare.

Corporate Funders- →	***U.S. Chamber- →***	***Rep. Boehner & Sen. McConnell - →***	***Echo Chamber***
"We can ill-afford cost increases that place us at a disadvantage versus our global competitors," said the letter signed by Gregory Folley, vice	"The U.S. Chamber of Commerce…strongly opposes…"Patient Protection and Affordable Care Act." The bill is *fundamentally flawed* as its underlying framework is the wrong approach to health reform."	*John Boehner:* "No summit or speech or sales pitch can fix a *fundamentally flawed* 2,000-plus-page health care bill…."[68] "The bill needs to be scrapped."[69] *Mitch McConnell*: The healthcare reform bill is a	*Marco Rubio (R, FL-Sen)*, on whose behalf the Chamber spent $2 million: "In terms of both policy and process, this health care bill has been *fundamentally flawed*."[71] *Rep. Eric Cantor Cantor (R, VA-7)*, who scored 93% on the

[55] Ezra Klein, "Exclusive: 'Wellpoint would be a primary beneficiary' if reform fails, investment firm says." Washington Post, 3/4/10.
[56] Health Insurers Funded Chamber Attack Ads. National Journal, 1/13/10.
[57] Insurers Gave U.S. Chamber $86 Million Used to Oppose Obama's Health Law. Bloomberg, 11/17/10.
[58] Research Firm Cited by GOP Is Owned by Health Insurer. Washington Post, 7/22/09.
[59] Health Bill Foes Solicit Funds for Economic Study. Washington Post, 11/15/09.
[60] Companies Push to Repeal Provision of Health Law. New York Times, 3/29/10.
[61] Board of Directors. Chamber of Commerce.
[62] Companies Push to Repeal Provision of Health Law. New York Times, 3/29/10.
[63] U.S. Chamber to launch website for businesses to air health reform grievances. The Hill, 7/20/10.
[64] Next in health care war: Applying the law, USA Today, 4/27/10.; Business Bids to Shape Health Changes, Wall Street Journal, 3/31/10.
[65] U.S. Chamber of Commerce sets sights on Democrats ahead of midterm elections, Washington Post, 3/16/10.; Business Bids to Shape Health Changes, Wall Street Journal, 3/31/10.

president and chief human resources officer of Caterpillar.[66]	“The next piece that needs to be repealed is the job-killing requirement that businesses purchase government-approved health insurance or pay crippling fines.”[67]	“job killer.”[70]	U.S. Chamber's lifetime voting scorecard: “An ounce of sugar (malpractice limits urged by Republicans) does not make bad medicine go down. The bill is a *fundamentally flawed* bill.”[72]

[68] Who’s Listening to the American People? Op-Ed, AOL News, 2/24/10.
[69] More Talk, No Deal at Health Summit. Wall Street Journal, /26/10.
[71] Rubio: Health Care Proposal & Process Fundamentally Flawed. Marco 2010, 3/3/10.
[66] Caterpillar: Healthcare bill would cost it $100million. Chicago Breaking Business, 3/19/2010.
[67] Health Care Reform: Kill the Job-Killers. Chamber Post Blog, 8/3/10.
[70] McConnell: Healthcare Bill a ‘Job Killer.’ UPI, 11/22/10.
[72] More Talk, No Deal at Health Summit. Wall Street Journal, 2/26/10.

H.R. 4: Protect Tax Benefits for Outsourcers: Keep Jobs Overseas

Chamber members who stand to gain: Outsourcers (IBM, Hewlett Packard, Accenture)

Top outsourcing firms with highest CEO pay.

Company	CEO pay
United Technologies	$70.4 million
Citigroup	$54 million
Oracle	$40.6 million
Bank of America	$37.9 million
Cognizant Technology Solutions	$27 million

*2003 pay totals
Source: Institute for Policy Studies

The U.S. Chamber has long championed U.S.-based firms sending operations abroad. Since 2001, more than 42,400 factories have closed and 5.5 million good-paying, goods-producing jobs have disappeared.[73] But according to Tom Donohue, "There are legitimate values in outsourcing – not only jobs, but work – to gain technical experience and benefits we don't have here," as he told Lou Dobbs in 2004. "The outsourcing deal over three or four or five years . . . are only going to be, you know, maybe two, maybe three million jobs, maybe four."[74] In an interview with *The Straits Times* of Singapore, Donohue said "we are very confident that outsourcing is here to stay. And why not? It benefits everybody."[75]

U.S. Chamber Companies that Benefit from Tax Breaks for Outsourcing

United Technologies
Hewlett Packard
Motorola
Thompson West
Citigroup
Intel
Microsoft
GM

Chamber Board

IBM
Deere, Inc.
Xerox
Accenture
Pfizer

The U.S. Chamber's protection of outsourcing companies continues unabated. This summer, it opposed a bill to help prevent the layoffs of nearly 140,000 teachers and a reduction in Medicaid because it was paid for by eliminating tax breaks for companies that outsource jobs,[76] despite the Chamber's anti-deficit rhetoric. The U.S. Chamber has gone even further, opposing a bill that would encourage companies to bring jobs back to the U.S. by creating "a payroll tax holiday" for employers who do so. Instead, the Chamber called for an extension of the Bush tax cuts.[77]

That particular move of the U.S. Chamber's – opposing a potential tax break for companies that bring work to the U.S. – makes little sense without taking into account who is dictating the Chamber's agenda. Not the broad business community, which would certainly benefit from the relocation of business back to U.S. soil. Not the millions of small business owners in America, who constantly struggle to survive in local economies decimated by jobs shipped overseas. Instead, the Chamber is operating on behalf of a small, self-interested, well-financed constituency: corporate executives who reap huge profits for themselves at the expense of their employees when they ship American jobs off-shore. One doesn't need to look much further down the company roster than CEOs to determine who the U.S. Chamber means when it says "everybody" benefits from outsourcing. In 2003, "the CEOs of the top 50 U.S. companies that sent service jobs overseas pulled down far more pay than their counterparts at other large companies….The top executives at the firms that use outsourcing the most got a 46 percent pay increase," compared with an average rise of nine percent for CEOs that year.[78]

In addition to the companies run by top-paid CEOs, a slew of other corporations are beneficiaries of the Chamber's stance on outsourcing. IBM, which is represented on the U.S. Chamber's board, is known as the world's largest outsourcer,[79] and it is not shy about its move to "emerging geographies."[80] Last year, it cut 5,000 U.S. jobs and relocated

[73] The Plight of American Manufacturing. American Prospect, 12/21/09.
[74] Lou Dobbs Tonight. CNN, 2/10/04.
[75] India is Lauded for its Call Centres. Straits of Singapore Times, 4/23/04.
[76] Letter Opposing H.R. 1586, which would Impose Draconian Tax Increases on American Worldwide Companies. U.S. Chamber of Commerce, 8/5/10.
[77] Letter Urging the Senate to Oppose Consideration of S. 3816, the "Creating American Jobs and Ending Offshoring Act." U.S. Chamber of Commerce, 9/23/10.
[78] Study: CEOs Being Rewarded for Outsourcing. CNN Money, 8/31/04.
[79] Tutorial Reports.
[80] After Layoffs, Will IBM Send More Jobs Overseas? PC World, 3/26/20009.

them to India.[81] Motorola performs forty percent of its software development in India and Intel has 2500 workers in there, with more than $1 billion in additional planned investments.[82] Other tech companies, including Microsoft, which employs more than 4,000 workers and its largest development center outside of the U.S.in India, and Hewlett-Packard, also have large overseas employee bases.[83] Thomson Reuters has benefitted from outsourcing tax breaks, shipping thousands of research jobs off of American shores.[84] GM has two research labs in India, and Pfizer has outsourced significant drug development to India.[85]

Even if the companies benefitting from outsourcing continue to push for it, during a deep recession, one might expect the political support behind outsourcing to dry up. But the U.S. Chamber, acting on behalf of corporations that are reaping the rewards of off-shoring, has effectively transmitted its message to the candidates it supported this election cycle. *Every* Senate candidate on whose behalf the U.S. Chamber ran ads this election season has signed the Americans for Tax Reform Taxpayer Protection Pledge,[86] a violation of which is eliminating a tax break for companies that ship jobs overseas.[87] House candidates have also embraced the message, quoting straight from U.S. Chamber talking points about "draconian tax increases" and "job hindrances."

U.S. Chamber -→	***Rep. Boehner -→***	***Echo Chamber***
The bill to crack down on outsourcing and bring more jobs back to the U.S. "would *impose Draconian tax increases on worldwide companies*." "Because of the significant changes it makes to U.S. international tax law, which would hurt the competitiveness of American worldwide companies, hinder their ability to create jobs, and harm the U.S. economy."[88]	John Boehner voted against the bill that removed tax breaks from companies that shipped jobs overseas to prevent layoffs of nearly 140,000 teachers.[89]	*Dave Reichert (R, WA-8)*: Cut and paste Chamber statement in press release: "U.S. Chamber of Commerce strongly opposes H.R. 1586, which would impose draconian tax increases on American worldwide companies…"[90] *Charlie Dent (R, PA-15):* Cut and paste Chamber statement in his press release: "In addition to delaying serious budgetary decision making on the state level, this legislation is paid for with counterproductive tax increases that will 'hinder job creation, decrease the competitiveness of American businesses, and deter economic growth,' according to the U.S. Chamber."

81 After Layoffs, Will IBM Send More Jobs Overseas? PC World, 3/26/20009.
82 Foreign Trade Statistics. U.S. Census Bureau, 2010.
83 Obama's Tax Proposal Won't Create U.S. Jobs, GE, Microsoft Say, Bloomberg, 5/21/09.; Stream of US jobs overseas shows no sign of abating, McClatchy-Tribune News Service, 10/12/10.
84 The Outsourcing of Journalism: Reuters is covering US corporate reporting from an office in Bangalore. Guardian, 10/7/04.
85 Foreign Trade Statistics. U.S. Census Bureau, 2010.
86 U.S. Chamber of Commerce Electioneering Communications reports; Kelly Ayotte (NH), Mark Kirk(IL), Rob Portman (OH), Roy Blunt (MO), Carly Fiorina (CA), Rand Paul (KY), Dino Rossi (WA), Ken Buck (CO), Pat Toomey (PA) and Ron Johnson (WI), have all signed the Taxpayer Protection Pledge by the Americans for Tax Reform. www.ATR.org.
87 Americans for Tax Reform Tax Pledge Alerts, 9/1/10.
88 Letter Opposing H.R. 1586, which would Impose Draconian Tax Increases on American Worldwide Companies. U.S. Chamber of Commerce, 8/5/10.
89 Roll Call Vote #518, 8/10/10; H R 1586, On Motion to Concur in the Senate amdt to the House amdt to the Senate amdt; ThinkProgress, 9/10/10.
90 Press Release, Office of Representative Dave Reichert, 8/10/10.

H.R. 5: Gutting the Consumer Financial Protection Bureau: Choosing Big Banks on Wall Street over Small Business and the Rest of Us

Chamber members who stand to gain: Big Banks (again!)

U.S. Chamber Companies that Benefit from Weakened Regulation of Wall Street

Chamber Board
JP Morgan
Charles Schwab
Edward Jones

Known Chamber Contributors
Bank of America
Citigroup
Bank of New York Mellon
Wells Fargo
Capital One

Over the past year, the U.S. Chamber has spent millions[91] to derail rules to prevent the next financial meltdown. On behalf of the largest Wall Street banks and corporations – including TARP recipients Goldman Sachs, JPMorgan, Prudential Financial, Citigroup, and Bank of America – it deployed eighty-nine lobbyists and even engaged an astroturf firm, Democracy Data & Communications, to weaken consumer protections and rules that would make massive bailouts less likely in the future.[92] The U.S. Chamber opposes every effort to protect consumers and small businesses: increased regulation of risky derivatives; granting long-term and institutional shareholders the ability to nominate independent directors using the corporate proxy statement; maintaining robust accounting standards for publicly-traded firms; and new regulations of consumer financial products offered by big brokerage houses.[93] The agenda promoted by the U.S. Chamber represents the same positions and policies that caused the Wall Street meltdown in 2008 and made industry bailouts necessary.

But the U.S. Chamber's biggest fight was and is with the Consumer Financial Protection Agency, which became the Consumer Financial Protection Bureau (CFPB) upon the reform bill's enactment. The U.S. Chamber opposed the CFPB in the name of "small business," even though small businesses would benefit from a strong CFPB: fifty-nine percent of America's small firms use bank-financed credit cards to help finance their daily operations.[94] The small businesses reliant on these cards for operations are subject to the same predatory abuses from the banks as retail consumers: hidden fees, arbitrary rate increases, and opaque terms buried in fine print. Moreover, in the current recession, the big banks have continued to punish these businesses by arbitrarily raising interest rates and lowering credit limits, even as the banks accepted $140 billion from taxpayers to help pay for their bad bets on subprime loans and risky derivatives.[95] Despite the protections the CFPB offers for small businesses and, by protecting against another credit crisis, the economy as a whole, the U.S. Chamber launched a multi-million dollar ad campaign to defeat the new agency.[96]

The U.S. Chamber's real opposition to the CFPA stemmed from the organizations the agency would regulate – "like Bank of America, Citigroup, JP Morgan, Morgan Stanley, PNC Financial Services, and M&I Bank ….[which] originated sub-prime mortgages, issued toxic securities and are among the largest credit card issuers and the most aggressive in driving up interest rates, fees, and hidden charges"[97] – and which make up the Chamber's constituency. JP Morgan, Charles Schwab and Edward Jones are Chamber board members, and Bank of America, Citigroup, and Bank of New York Mellon finance the Chamber.[98] On behalf of its Wall Street constituency, the U.S. Chamber worked to elect a Congress that will roll back financial reforms and gut the CFPB. Dan Crowley, a partner at K&L Gates, LLP in Washington, says Wall Street put its money behind conservative candidates "in the hopes that Republican control of the House will change the

[91] EXCLUSIVE: U.S. Chamber of Commerce Coordinating Wall Street's Stealth Lobbying Campaign To Kill Reform. Think Progress, 4/24/10.
[92] Big Bank Takeover. Institute for America's Future, May 2010.
[93] A Credit Squeeze for Small Business. New York Times, 6/18/2008.
[94] A Credit Squeeze for Small Business. New York Times, 6/18/2008.
[95] A Credit Squeeze for Small Business. New York Times, 6/18/2008.
[96] Wall Street Reform: The Consumer Financial Protection Bureau, Americans for Financial Reform, 6/30/10; Chamber ads aim to stop CFPA. American Public Media, 3/26/10.
[97] Americans for Financial Reform Letter to U.S. Congress, 1/20/10.
[98] Board of Directors, U.S. Chamber of Commerce; Revealed: More Corporate Donations To The U.S. Chamber's Partisan Attack Fund, ThinkProgress, 10/22/10; AFR to Congress: Reject the Chamber's False Rhetoric, Americans for Financial Reform, 1/20/10.

agenda on Capitol Hill and put a spotlight on implementation of the new banking rules, primarily through aggressive congressional oversight."[99]

The U.S. Chamber – and the incoming Congress members Wall Street helped elect through their contributions to the Chamber – cloaks its resistance to the CFBP with its message of "big government bureaucracy" and "unchecked power," which is says leads to uncertainty and lower economic performance[100] – a cutting irony given that the current financial meltdown arose from a lack of regulatory oversight of the financial sector. The candidates the U.S. Chamber financed have taken up the argument with zeal: they are spouting the Chamber's Wall Street-funded rhetoric line by line.

Corporate Funder -→	***U.S. Chamber -→***	***Rep. Boehner -→***	***Echo Chamber***
"We need to simplify and strengthen our system, not add. We're trying to just add multiple layers of regulation."[101]	The CFPA "would create a new government bureaucracy with sweeping authority that goes far beyond consumer protection….CFPA is not consumer protection. It's more big government."[102] "This bill would create a new and massive government bureaucracy that would reduce consumer choice, stifle innovation, and restrict access to credit just as we are beginning to see signs of an economic recovery."[103]	"The President's proposal creates a brand new government agency, a so-called Consumer Financial Protection Agency, that will have broad authority to impose new burdensome regulations on small businesses and local banks…."[104]	Rand Paul (KY-Sen.) - "…the Fed's power is actually expanded in this bill, with the creation of the new Consumer Financial Protection Bureau, which will be under the Fed's control…."[105]

[99] MarketWatch, 10/28/10.
[100] Stop the CFPA Website, A Product of the U.S. Chamber of Commerce; Letter to Congress Opposing the CFPA. U.S. Chamber of Commerce, 12/1/09.
[101] ThinkProgress, 9/25/09.
[102] Stop the CFPA, U.S. Chamber of Commerce.
[103] Letter to the Congress on the Consumer Financial Protection Agency. U.S. Chamber of Commerce, 12/1/09.
[104] Office of Representative John Boehner, Weekly Column, 5/7/10.
[105] Press Release. Campaign of Rand Paul, 7/15/10.

Conclusion

The U.S. Chamber worked hard this election, promising to pour $75 million into "bringing about historic change on Capitol Hill."[106] The kind of change the Chamber was looking for – and has tried to gain this election – is the kind only a billionaire corporate CEO could love. Those CEOs – the ones leading the handful of companies secretly funding the Chamber – have outlined an agenda that serves their interests above all others. The U.S. Chamber has packaged this agenda into a set of talking points that are designed to appear as if they reflect the interests of the business community and economy as a whole, and the Chamber's new congress has adopted these fallacies with gusto. When the new leadership, headed by U.S. Chamber allies Boehner and McConnell, unveil their agenda, look for the corporate agenda outlined here.

[106] Top Corporations Aid U.S. Chamber of Commerce Campaign. New York Times, 10/21/10.