

# Pathway to Prosperity

*Freedom and Opportunity Unleash Prosperity*



In 2023, Americans face cost-of-living crises to overcome record-high inflation caused by wasteful Washington spending and over-regulation. We've all felt the pain of gas, groceries and energy costs increasing — and now Americans can expect a crushing surge in health care, housing, and education costs. We've seen what happens when we turn to government for solutions: the problem gets worse.

AFP's policy roadmap, **Pathway to Prosperity**, lays out several key priorities that will help unlock America's potential. Every solution suggested below aims to empower the American people by expanding freedom and opportunity. The solutions center on three core pillars: creating an abundant economy by increasing supply to dramatically decrease the cost-of-living, transforming the long-ignored and broken systems in America, and fixing how government works so that we have a truly transparent and representative process. These solutions will reduce costs, ignite innovation, fuel energy abundance, increase accountability, and keep Americans safe.

This year, America can turn from the failed policies of Washington and start a new chapter to create a stronger, more prosperous future.

## Build an Abundant Economy

### Support A Flexible Workforce

Congress must focus on advancing worker choice and contract freedom where the American workforce is free to innovate without government needlessly dictating how relationships are formed and operate. This also means rejecting legislation and regulations that undermine worker choice and flexibility, like the PRO Act. Advancing a flexible work agenda will improve opportunities for tens of millions of workers and help numerous businesses nationwide maintain and grow their success.

#### Policy Solutions:

- Provide workplace protections for workers in union matters.
- Defend self-employment and create legal, voluntary pathways for independent contractors to acquire health and other benefits independently and/or through business clients.
- Ensure the federal government's joint employer standards protect small and local businesses using vendor, franchise, and other models.
- Give private sector employees the choice to accumulate paid leave through their employers in lieu of overtime pay.

#### Legislation

- Employee Rights Act
- Modern Worker Empowerment Act
- Save Local Business Act
- Working Families Flexibility Act



## Make Tax Cuts Permanent

When American workers, families, and businesses are subjected to high and increasing taxes, they are faced with fewer opportunities, higher barriers to work and success, and a slower economy. Americans are better off when the tax burden is low and tax policy is simple, transparent, applied equally to all, neutral towards economic and social decisions, and without double taxation. Federal revenue collection should pay the debts and finance the government's core competencies while minimizing collateral damage to freedom and opportunity.

The Tax Cuts and Jobs Act of 2017 (TCJA) allows American workers and families at every income level to keep more of what they earn. However, many of the sound tax provisions will begin to expire shortly, with the bulk of the individual tax cuts expiring at the end of 2025. Taxpayers at every income level will face higher taxes, and so will millions of small businesses, the drivers of our economy. Congress should make the pro-growth elements of the Tax Cuts and Jobs Act permanent.

### Policy Solutions:

- Stop picking winners and losers through the tax code: Congress should end the practice of reauthorizing tax extenders, which are narrow tax breaks for special interests.

### Legislation

- Accelerate Long-term Investment Growth Now (ALIGN) Act
- TCJA Permanency Act
- Death Tax Repeal Act

## Unleash Energy Abundance

Energy inflation is squeezing Americans' budgets and holding back the economy. Prices for energy commodities have risen dramatically in the past 18 months, resulting in high prices for transportation and heating fuels and, increasingly, electricity for residential and industrial use. Regulatory and permitting restrictions on domestic production and build-out of energy supply chains are limiting the market's ability to deliver an abundant, reliable supply of energy. The government must allow the market to deliver the right mix of energy at the lowest cost.

### Policy Solutions:

- Fiscal policies that treat all fuel sources equally rather than advantaging particular industries or pre-ordained "solutions".
- More flexible environmental regulations which allow the market to discover the most efficient operations and approaches to meet stewardship goals.
- Lower permitting and licensing barriers, including for environmental reviews, at every point in the energy supply chain.

### Legislation

- UNSHACKLE Act
- START Act
- Strategic Production Response Act

## Set Up Smarter Financial Regulations

Burdensome financial regulations can constrain the flow of capital, create enormous paperwork and transaction costs, and unnecessarily penalize risk-taking. Instead of stifling innovation and entrepreneurship through ESG-type regulations, financial regulation should focus on preventing bad actors and fraud. Smarter financial regulation can create greater freedom and opportunity by recognizing market participants should have ownership over financial choices. Markets are built on consumer choice, the potential for failure, risk-taking, and creative destruction, all of which serve as a better arbiter of financial risk than government regulation.

### Policy Solutions:

- Reform the disclosure regime for small public companies and simplify the SEC's exempt offering regime.
- Scale back and eliminate regulatory barriers for accredited investors and "finders" to increase investment opportunities.
- Eliminate regulatory interventions that increase unbanked and underbanked households such as the Durbin amendment, which imposed price controls on debit card fees and eliminated access to financial services for low-income Americans.

## Legislation

- Small Entrepreneurs' Empowerment and Development Act
- Emerging Growth Company Extension Act
- Unlocking Capital for Small Businesses Act
- Equal Opportunity for All Investors Act

## Transform Our Broken Systems

### Provide a Personal Option for Health Care Choice

America's health care system is chronically ill. Without prompt treatment, it will inevitably lapse into a single-payer coma. Symptoms include high and persistent inflation, profound loss of consumer choice, a near-total absence of price transparency, and shrinking access to trusted doctors and facilities. Harmful government regulations and poorly designed subsidies have led to special interests controlling the system instead of patients and their doctors. We need a Personal Option — a doctor-supported approach that lets market forces work. A Personal Option is built on two basic strategies: empower patients to shop for value and remove barriers between patients and care. Unlike centralized, top-down approaches, a Personal Option can give all Americans the high level of choice, control, access, quality, and affordability they deserve.

#### Policy Solutions:

- Dramatically expand access to tax-free health savings accounts.
- Guarantee access to direct primary care and similar insurance-free options.
- Codify the flexibility of workplace health reimbursement arrangements.
- Reform government health care entitlements to maximize consumer choice and competition and to eliminate waste.
- Permanently remove Medicare's ban on physician-owned hospitals.
- Authorize association health plans to offer more affordable options for employees and small businesses.
- Permanently expand telehealth access.

## Legislation

- Personalized Care Act and Health Savings for Seniors Act
- Primary Care Enhancement Act
- Consumer Choice of Care Act and Flexibility in Hospital Ownership Act
- Telehealth Expansion Act
- Biosimilar Red Tape Reduction Act

### Secure the Border and Expand Legal Immigration

Immigration is good, but our system is not. The last significant update of our legal immigration and visa system was more than 25 years ago. Elected officials have spoken about the problems with the system for years but appear no closer to modernizing our outdated laws. Failure to act comes at a great humanitarian cost, as well as a major cost to our economy and our security.

The situation at the southern border is unsustainable and poses a great humanitarian and security risk. A secure border should be a top priority to restore order and regain operational control. Furthermore, our legal immigration system is at a breaking point with unsustainable backlogs, overburdensome red tape, and lack of accountability. When combined with a well-patrolled border, expanding legal channels curtails illegal immigration by allowing more migrants to enter legally once they receive a U.S. job offer and get screened.

#### Policy Solutions:

- Secure and fortify our border by deploying technology.
- Upgrading our ports of entry and adding physical fencing in certain areas.
- Doubling the size of border patrol agents, in addition to sensibly reforming our asylum system.
- Streamline our legal immigration system by reducing backlogs, increasing merit-based visas, ensuring all relevant agencies

transition to a digital application and correspondence-based model.

- Provide guest workers with more portability and expand the Known Employer Pilot Program.

#### **Legislation**

- Bipartisan Border Solutions Act
- Border Patrol Enhancement Act
- Border Patrol Pay Security Act
- Dignity Act
- H-2B Returning Worker Exception Act
- Health Care Workforce Resilience Act
- Preserving Employment Based Visas Act

### **Promote Public Safety with Criminal Justice Reform**

Americans are feeling the pressure of rising violent crime in communities rural and urban, on the coasts and in the Midwest, and in red or blue states. Our criminal justice system is failing to prevent more victims and solve property and violent crimes. Less than 40% of victims are reporting their crimes to police and law enforcement is now arresting someone in a historical low percentage of the violent (41.2%) and property (13.7%) crimes that are reported.

We cannot allow the uncertainty of rising violent crime to freeze in place failed policies that are not making us safer. There is a better path to more effective policing that will reduce crime and strengthen relations between communities and police, while limiting unnecessary interactions between citizens and the criminal justice system that only make us less safe in the long-term. Victims deserve justice, and our communities deserve a justice system that ensures our safety.

#### **Policy Solutions:**

- Ensure law enforcement is properly supported and empowered to succeed.
- Refocus our laws on preventing and solving serious crimes.
- Maximize the investment of taxpayer money into policies that are proven to improve public safety and end failed policies that unnecessarily waste limited resources.

#### **Legislation**

- States Reform Act
- EQUAL Act
- Prohibiting Punishment of Acquitted Conduct Act
- Safer Supervision Act
- Smarter Pretrial Detention for Drug Charges Act

## **Fix How Government Works**

### **Balance Our Budget**

Congressional budgeting is dysfunctional and produces bad outcomes. Annual appropriations only cover about 30% of spending. The rest — direct or mandatory spending — is where spending is unsustainable, especially in Social Security and health programs. Congress' disjointed process entrenches duplication and waste, benefits special interests over the public, and displaces bottom-up solutions. Congress needs a real budget, well-crafted budget targets, and other supports to manage budgets better.

#### **Policy Solutions:**

- Adopt real budgets through one comprehensive bill each year with all spending and revenue with contributions from most committees and all members.
- Reasonable budget targets that balance over the medium term, not every year.
- Restrain the ability of executive branch and congressional leaders to abuse emergencies.

- Replace shutdown and debt limit brinkmanship with deliberative policy development.
- Transform automatic enforcement to replace ineffective sequesters with surgical adjustments.
- Improve incentives for Congress to address unfunded liabilities and entitlement spending growth.

#### **Legislation**

- Responsible Budget Targets Act
- Business Cycle Balance Budget Amendment
- Principles-based Balanced Budget amendment
- ARTICLE ONE Act
- Prevent Government Shutdown Act
- Time to Rescue United States Trusts (TRUSTS) Act

#### **Restore Congress' Policymaking Leadership**

Most government regulations are issued by administrative agencies, either through rulemaking, policy statements, or administrative adjudications—not congressional enactments. Administrative agencies frequently exceed their statutory authority to regulate, and Congress has become complicit in this vast transfer of authority outside constitutional strictures. Administrative state reform will increase Congress' checks on administrative "lawmaking" and decrease the baseline of authority delegated to agencies. This restoration of Congress' constitutional role will promote transparency, accountability, the rule of law, and provide structural protections for individual rights.

#### **Policy Solutions:**

- Congressional approval of economically significant regulations.
- End settlements requiring payments to third parties.
- Reduce number of Senate-confirmed nominees.
- More congressional personal and committee staff.
- Creation of congressional Economic Analysis Unit.
- Repeal citizen suit enforcement of environmental statutes.

#### **Legislation**

- The REINS Act
  - One In, Two Out Act
  - Stop Settlement Slush Fund Act of 2017 (or codify 2017 AG Sessions Memo on Third Party Settlements)
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