

Missed connection: In January 2011, when Evan Bayh (left) bid adieu to the U.S. Senate, Todd Young was sworn in as a first-term congressman.



U.S. SENATE: BAYH vs. YOUNG

By Rebecca Patrick

This race is a tale of two acts: Before July 11 and after.

That's the date word leaked there would be a new, yet very familiar Democratic nominee: Evan Bayh, former Indiana governor and U.S. senator who vacated the same seat six years earlier.

Up to that point, it was essentially a foregone conclusion that Republican Congressman Todd Young (District 9), who sits on the House Ways and Means Committee, would become the state's junior senator. Now it's a must-watch contest between a political legend and rising star that could have national implications for Senate leadership.

BizVoice[®] talked to both men separately this summer, asking them the same questions on policies critical to Indiana Chamber member companies and the business community at-large.

BV: What do you believe is the right role for government in mandating pay and benefits – specifically with the minimum wage and overtime rules?

BAYH: “I think the marketplace should establish the wages and working conditions. Of course, for a long time in our country and in our state, we've had some minimum requirements. You mentioned the minimum

wage in particular; today it's at \$7.25. I see that Donald Trump wants to increase it up to \$10. So I think we should certainly index it to inflation and raise it gradually. But I am concerned that if we raise it too far and too fast, we might have an impact on particularly small businesses, young employees – particularly young minority workers.

“I think there is a role for the minimum wage but we need to be careful how we handle it to make sure we don't have unintended employment consequences. ... The best thing we can do to help wages in our country is to get our productivity growth rate up; it's been very anemic for a long time. When businesses are more productive, they can afford to share more of their profits with their workers because they are doing better. ... That's the best way to grow wages in the long run.”

YOUNG: “These decisions ought to be left up to state and local governments. The labor markets of Beverly Hills, Calif., and of Washington D.C., where Evan Bayh lives, are

very different than the labor market for the state of Indiana. Thus, we want to make sure we have more targeted approaches to both of those issues so that we don't adversely impact our employers and our workforce, especially our lower income workers who are so often squeezed out of the labor market by one-size-fits-all rules and laws coming out of Washington, D.C.”

BV: What are some of the unintended consequences of the Affordable Care Act that you would like to see addressed and even reversed?

YOUNG: “What to me is more powerful are the many unexpected costs of Obamacare – that is unexpected by most Americans, because the law was essentially sold to the American people through a series of lies. The most prominent of those lies being if you like your insurance plan, you can keep that plan; if you like your doctor, you can keep your doctor. This was characterized as the lie of the year by *The Washington Post* not too long ago. And I think anyone who actually took time to flip through the text of the Affordable Care Act before it was rushed to passage in a hyper-partisan fashion would

have discovered that it was very predictably going to reduce access, care – especially for those Hoosiers who hail from rural communities; it was going to cause Hoosiers to lose their doctors, even if they liked their doctors; it was going to de-incentivize innovation; and finally, do little to actually control cost.

“To be fair, one unintended consequence would probably be the impact of the 30-hour provision on lower income workers. And that’s a provision that I have been able to play a leadership role in addressing by offering a bipartisan initiative to restore the 40-hour workweek and ensure that lower income workers ... are not losing up to an entire work’s week of wages on account of this perverse redefinition of full-time employment.

“The other area where I’ve been able to show leadership is the medical device tax, which remains a part of Obamacare. I’ve been able to play a leadership role in ensuring that this tax is suspended for a couple of years, and I will continue in the United States Senate to work towards its full repeal.

“It must be added that, in the end, I believe we need a full repeal of Obamacare.”

BAYH: “One would be a repeal of the medical device tax; it’s something I’ve been against from the beginning. Number two: I think we should expand the definition of the workweek from 30 hours to 40 hours. That would alleviate some burdens, particularly on small businesses – it’s a common sense approach; most folks think a full workweek is 40 hours.

“Then also I would have an open mind to expanding the definition of a small business that would be exempt from the Act ... from the current level of 50 employees to expand that to possibly up to 100, or something like that. Those would be some adjustments that I would embrace.”

BV: **The notion of bipartisanship on Capitol Hill seems like a distant memory in today’s climate. How can members make Congress work better and get back on the path of getting more things accomplished?**

BAYH: “Our politics today is much too partisan. ... It’s way more than when I first came into office because Congress is way more dysfunctional. It’s way more polarized along partisan lines, along ideological lines. ... Basically, Congress is broken; it’s not working. ... I go back to my father’s time when he ran for his first re-election in 1968; Sen. Everett Dirksen from Illinois was the Senate Republican leader and came up to my father on the floor of the Senate and asked



Young wants to replace Obamacare with a different set of health care laws that will “accommodate patient choices, not politicians’ and bureaucrats’ choices.” Bayh on partisan gridlock: “When Congress is not doing anything and only 15% of your fellow citizens have a positive feeling about Congress, it should tell all of them that business as usual isn’t good enough.”



what he could do to help with his re-election. Now, that's not going to happen today, but my point is that back then members of both parties realized they were Americans first and they were sent there by their constituents to try and work together and solve problems rather than engaging in political arguments.

"Let me be very clear about this: I'll work with any member, regardless of party. I don't care whether an idea is a Democratic idea or a Republican idea. All I care about is what works: what will help create jobs in Indiana; what will make us globally competitive; what will try and deal with some middle class challenges – college affordability, retirement security that faces many of our families; what we can do to protect our country from the challenges of global terrorism."

YOUNG: "I'm proud of my work in a bipartisan fashion in higher education reform with Democrat Jared Polis of Colorado, on ensuring that our seniors don't suddenly get hit unexpectedly with exorbitant medical bills; with Lloyd Doggett of Texas, on ensuring that at-risk and vulnerable Hoosiers will actually be served in a way that improves their lives rather than treated as liabilities in a one-size-fits-all welfare system that has a habit of writing them off; with Danny Davis of Illinois, on ensuring that more children in foster care are adopted out of foster care rather than phased out of the system. ... Also in preserving the 40-hour workweek and repealing the perverse provision of Obamacare that redefines the workweek at 30 hours and has so adversely impacted our lower income, hourly Hoosier workers, with Sen. Joe Donnelly (of Indiana).

"It's not enough to talk about being bipartisan. For us to actually turn our conversations into concrete solutions and advance those solutions through the legislative process, we must forge consensus around our ideas. And the reason why so many Hoosiers, so many Americans are frustrated with our political process is that we have too many of our elected federal representatives who are all talk and no action."

BV: What is your view on the federal tax code ... are there areas you feel need attention? If so, what reforms do you see as the most important?

YOUNG: "We need to simplify the tax code. Washington needs to stop picking winners and losers through the tax code. We need to stop the double taxation of overseas income so that hundreds of billions of dollars of U.S. profit can be repatriated and invested in places like Indiana to create jobs and raise wages.

"We need to lower the corporate tax rate; we have the highest rate in the industrialized world – that clearly undermines our competitiveness and has even been causing our major corporations, with all their jobs, to relocate their operations overseas. And we need to lower the individual tax rate so that families and small businesses can participate actively in the economy."

BAYH: "We need a tax code that is certainly simpler; it costs way too much to comply with it; it's way too complicated. One of the areas I think we can get some bipartisan agreement on would be in the

area of corporate tax reform – to get the tax rate down to make us globally competitive. Currently we have one of the highest corporate tax rates in the world, which leads to a couple of negative consequences. Number one: A lot of businesses that are globally competitive have stranded profits abroad. I think it's in excess of a trillion dollars. So by making the corporate rate globally competitive, we would allow them to bring those profits home to invest in their U.S. operations.

"Number two: The fact that our tax code is not globally competitive creates an incentive for foreign companies to buy U.S. companies basically as a tax arbitrage (profiting from differences in how income or capital gains are taxed); it also leads to U.S. companies to re-domicile themselves overseas. By getting the tax rate down and making it globally competitive, you do away with that phenomenon."

BV: How critical do you believe it is to pass more comprehensive long-term transportation funding – so we aren't just pulling funds from elsewhere to cover things temporarily?

BAYH: "It's very important. ... If we reformed the tax code (as outlined in the above question) by getting the corporate rate down, that would actually generate money without raising taxes. We could use part of those funds to make the corporate rate even lower. And part of those funds could also create an infrastructure bank where you would make low-interest, long-term loans to states and municipalities and other entities for roads, ports and bridges – and refurbish some of our railways. This would create construction jobs – be good for that part of our economy – and improve our productivity growth. It may not be the entire solution, but it's part of the approach for a long-term sustainable path to improving our roads, bridges and ports."

YOUNG: "It's essential. I believe in making investments to our country's future. I worked in a bipartisan fashion to see if we might finance more of our infrastructure by using capital coming out of the private sector – through the use of private activity bonds (tax-exempt bonds issued by or on behalf of local or state

government that provide special financing).

"I believe in investment. Indiana is the crossroads of America and the logistics industry plays such an important role in our economic success. We must continue to work hard in a bipartisan way to come up with long-term financing initiatives in Congress and work with the next President to make that happen."

BV: In terms of trade, how would you characterize the position the U.S. is currently in? What recent or pending agreements stand out for you – positively or negatively?

YOUNG: "Unless the United States acts boldly to open up foreign markets, which will require presidential leadership and leadership within the Congress, I would characterize our position as continuing to lead from behind. That is talking but really not actually meaningfully changing the current situation whereby we are being outflanked by our economic competitors in terms of opening up these



"Unless the United States acts boldly to open up foreign markets, which will require presidential leadership and leadership within the Congress, I would characterize our (trade) position as continuing to lead from behind."

– Todd Young

markets and deepening our supply chains.

"I'm still studying the Trans-Pacific Partnership (TPP) and following closely the ongoing U.S.-European Union trade negotiation. I see much merit in opening these and other markets to Indiana food and fiber, our manufactured goods. Of course we need to strike good agreements, and those agreements need to be effectively enforced."

BAYH: "America has embraced global competition. When the playing field is level, we can compete and succeed against anybody. We have among the lowest barriers for foreign goods and services coming into the United States. The challenge is what do we do with other countries that erect barriers? Non-tariff barriers ... that handicap U.S. business and workers in competing for those markets overseas. We need to be globally competitive, to do what it takes to succeed and win; that's number one."

"But number two is what do we do when other countries seek an artificial advantage by manipulating markets in a variety of ways? Whether that's informal trade barriers, currency manipulation or, in particular, intellectual property theft – we lose more than \$200 million per year; Indiana businesses are among them. They just copy our products and steal our patents. They produce, in effect, counterfeit goods. Medicine and other products that U.S. businesses, Indiana companies have invested a lot of time, capital and labor into developing. And that's not right. I think we've got to put a stop to that and be very firm on trade. We are willing to compete but the playing field has got to be level. We are not going to sit idly by and allow our companies and workers to be ripped off anymore. I feel very strongly about that."

"The TPP is the most recent agreement out there; I'm not supportive of it at this time until it's improved. There's an issue in there with regard to patent expiration for medicines; this agreement has it lower than it is in the United States. That creates actually an extra burden for U.S. consumers of prescription drugs to pay for the costs of new cures."

"(Ironically) in a time when there is way too much partisanship and political bickering, it's interesting to see that both Mr. Trump and Secretary Clinton are opposed to the TPP."

BV: **We've seen a rulemaking pattern by President Obama – using executive orders to push an agenda and go around Congress, most notably via the EPA and on immigration matters. How do you think that should be dealt with and how can that genie be put back in the bottle so subsequent presidents don't follow suit?**

BAYH: "The reason presidents have become more and more aggressive over time in pushing executive orders and regulatory decision-making is because Congress is dysfunctional. It's in essence doing almost nothing, so presidents look at that and say, 'What can I do? I have to use the inherent powers of the executive branch.' But they've been pushing the envelope to the extreme. The best answer to that would be a functional legislative branch where Democrats and Republicans are working together to forge common sense solutions to

the challenges we face. Then I think presidents would not be quite so tempted to be quite so aggressive in the regulatory rule-making area."

YOUNG: "It must be recognized that every executive order that President Obama has issued can be repealed on day one with a Republican president in office. I would expect that many of them would be with a Republican president, whereas Hillary Clinton has made clear that she intends to double-down on the so-called pen and phone strategy, and not hold back from issuing more executive orders."

"Congress can defund the implementation of particular activities sanctioned by executive orders – and we should when the executive orders are not in the best interests of Hoosiers. The Court says that Congress can also sue in our federal courts to stop the implementation of some of the unlawful executive orders that have been issued during the course of the Obama presidency."

"The last thing we can do since this question seems to be more broadly about rules it that we can systemically change how we make rules in the country by passing the REINS Act (Regulations From the Executive in Need of Scrutiny Act), which is legislation that I have introduced the last few congresses as a member of the House and have been able to forge consensus around the importance of that legislation. The REINS Act would require members of Congress to actually vote on major rules, like those issued pursuant to Obamacare. In that instance and many others, politicians like Evan Bayh, who supported it, decided to punt on many difficult choices and delegate that power to unelected, unaccountable bureaucrats."

BV: **If elected to the Senate, what do you see as your top agenda item for next year?**

YOUNG: "I would be remiss if I didn't expand the question a bit to the longer term."

Every elected representative's first objective should be to make sure that the American people remain safe and secure. I feel uniquely qualified in this moment in history to help add value in the area on behalf of Hoosiers in the United States Senate based on my background as a Marine Corp intelligence officer who was trained in anti-terrorism. But with that said, in the near term we need to ensure that the economy grows faster, that the rising tide generally lifts all boats. And I think we have an opportunity to realistically best advance that goal by repealing our unsustainable, misguided, hyper-complex, punitive and incredibly partisan health care law known as Obamacare."

BAYH: "By far and away my top priority is getting the economy going, getting good businesses the confidence to invest, to hire. Doing what we can to get the productivity growth rate up, which again, drives wage increases in the long run. ... My experience has been that when the economy is strong, when businesses are growing, when both businessmen and women and consumers feel confident, then everything else is so much easier. That's what generates the money for education and health care – and all the other things we care about. So my top priority is going to be economic growth."



"I would have an open mind to expanding the definition of a small business that would be exempt from the (Affordable Care) Act ... from the current level of 50 employees to expand that to possibly up to 100, or something like that."

– Evan Bayh