



Small business owners. Small business values.

November 13, 2012

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue NW
Washington, DC 20500

The Honorable John Boehner
Speaker, U.S. House
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Harry Reid
Majority Leader, U.S. Senate
522 Hart Senate Office Bldg
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader, U.S. House
235 Cannon House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader, U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

Cc: Members of the 112th Congress

Dear President Obama, Speaker Boehner, Majority Leader Reid, Minority Leaders Pelosi and McConnell, and members of the 112th Congress:

With attention turning to the final Session of the 112th Congress, there is a lot at stake for small businesses, our local economies, and the country. As you consider decisions that will impact tax rates, retirement programs, and our ability to marshal resources for future investments, we encourage you to keep the needs of Main Street small businesses in mind. We urge you to listen to Main Street, not Wall Street.

The Main Street Alliance is a national network of local, independent small business owners. Our members are *real* small business owners, spanning the country from Portland, Maine to Portland, Oregon. We take risks. We create jobs. We build our businesses, one brick, one sale, one loyal customer at a time. But we can't do it alone. Our businesses rely on a set of foundations – public infrastructure, an educated workforce, a strong customer base – that are put in place through public investments made in the national interest.

As the 112th Congress reconvenes, what do small businesses really need? We need a healthy customer base – customers with money in their pockets to spend in our businesses. We need educated workers. We need transportation, energy, and communications grids that will carry us forward for the next 50 years. What small businesses do not need is more tax cuts for the rich or for corporate interests – tax cuts that never seem to “trickle down.”

With these needs in mind, we offer an opportunity to stand with Main Street small businesses through three steps:

- 1. End the Bush tax cuts for the richest 2 percent of Americans.** These tax cuts have never helped the overwhelming majority of small businesses. All they've done is blow a hole in the deficit and prevent us from making the investments in our local economies that we so critically need.

- 2. Protect middle class programs, including Social Security, Medicaid, and Medicare, and reject efforts to cut benefits or shift costs to states.** We understand that an end to the Bush tax cuts for the richest 2 percent could be traded off for cuts to Social Security, Medicaid, and Medicare. This constitutes a bad deal for small businesses – Congress should reject it.

These programs are a foundation of our middle class and of a healthy customer base for small businesses. Social Security, Medicaid, and Medicare protect people and inject money into local economies. They give people a basic income and make sure they don't have to spend every last dime on health care. That way, people have something left to spend in their local economies – and in our businesses. Medicaid and Medicare are also key to the success of health care reform, and play critical roles in the Affordable Care Act's strategies for cutting health care costs – another of small business owners' greatest concerns.

In addition, Social Security, Medicaid, and Medicare are vitally important for small business owners in retirement. Since we don't get company pensions or retiree health benefits, these programs are a critical piece of a basic retirement for many small business owners.

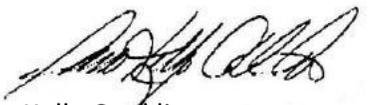
- 3. Make corporations pay their fair share of taxes.** With corporate tax receipts as a share of federal revenue down from about 30 percent in the early 1950s to less than 10 percent in 2010, it is little wonder we have a revenue problem. It's time to restore this lost revenue. There are many policy options that could help do this. For example, we support a tiny tax on Wall Street trades of stocks, bonds, and derivatives that would raise hundreds of billions of dollars and re-align incentives toward productive long-term investment. This is the kind of solution Congress should put on the table as a new revenue option.

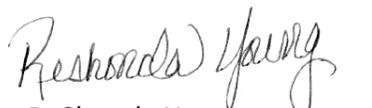
Spending cuts in the trillions of dollars will not solve our problems. They will only do further damage to local economies and the customer base we rely on. If we've learned anything from the economic forecasts about the so-called "fiscal cliff," it is that austerity policies won't work any better in America than they have in Europe. Austerity-driven budget cuts won't create an economic miracle, they'll force our economy back into recession and kick off a downward spiral.

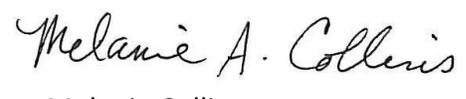
While Wall Street CEOs who have bet their futures on overseas markets may be content with a program of deep domestic cuts, for small businesses that rely on a local customer base here at home this fact holds true: we can't cut our way to prosperity. We need to grow our way to prosperity. Growth requires investment and investment requires resources. This is why Congress must put meaningful new revenue options on the table in the lame duck session.

As a country, we've tried listening to Wall Street. That strategy hasn't worked for most Americans and it hasn't worked for small businesses. While the banks got bailouts and Wall Street rebounded to post new record profits, small businesses took it on the chin. It's time for a change. It's time to listen to Main Street.

Sincerely, on behalf of the Main Street Alliance National Steering Committee,

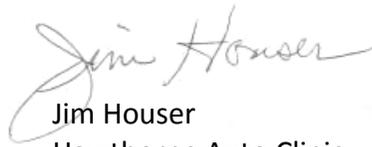

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