

PRESIDENTIAL TO-DOS

BUSINESS LEADERS AGREE that no matter who is elected the 44th president of the U.S., global business challenges abound. *nyse magazine* spoke with nearly a dozen CEOs to gather their views on what the U.S.'s next commander in chief and his administration must do to keep the nation competitive. Speaking out on issues that affect the U.S.'s global competitiveness, the CEOs discuss how to address health care, technology and trade to strengthen business in the U.S. And with the economy a major concern, the CEOs also provide their thoughts for improving the country's economic prosperity.



JAMES G. CARLSON
CHAIRMAN AND CEO,
AMERIGROUP CORP. (AGP)



ROBERT CREMIN
CHAIRMAN, PRESIDENT
AND CEO, ESTERLINE
TECHNOLOGIES CORP. (ESL)



JAMES P. DOLAN
CHAIRMAN, PRESIDENT AND
CEO, DOLAN MEDIA CO. (DM)



**LEONARD
TANNENBAUM**
PRESIDENT AND CEO, FIFTH
STREET FINANCE CORP. (FSC)



LEO ULLMAN
CHAIRMAN, PRESIDENT
AND CEO, CEDAR SHOPPING
CENTERS INC. (CDR)

Q: *What must the new president and his administration do to keep the U.S. competitive?*

» **CARLSON** To keep our country competitive in the global economy, the next president must fix the broken health-care system. We spend about a third more on health care than any other Western nation, but people in many other countries are healthier than we are. Far too many Americans can't get health care, and the rest of us have trouble figuring out the complex, disconnected hodgepodge of services provided. We have to put the pieces together in a logical way and emphasize preventive care that keeps people healthier and lowers costs. This is not about partisanship; it can be done.

» **CREMIN** By taking action, in conjunction with corporations, the president can re-establish the U.S. as the preeminent tech-

nology leader on the global stage. Incentives for increased R&D spending should be a priority. Successful new product introductions — especially those that help increase exports — should be rewarded with tax offsets, at least to the level of such competitive countries as France and Canada. Continued support of the Defense Advanced Research Projects Agency is a positive step in the right direction.

» **DOLAN** The new president should declare that he will start with a clean slate, implicitly stepping away from the many mistakes of the current administration. The new president should pledge: no unilateral invasions of other countries, especially based on trumped-up evidence; more fiscal discipline in man-

aging our economy and reducing our debt; more cooperation and collaboration with the rest of the world on such initiatives as business regulation and the environment; and a reduction in barriers to business travel so that cross-border business efforts once again are reasonably achievable. These steps might begin to restore the respect we once enjoyed with other nations.

» **TANNENBAUM** The next president of the U.S. has a responsibility to enhance small business development by continuing to support free trade. In a world in which small businesses make up more than 99 percent of all enterprises, 97 percent of all exporters and nearly one-third of all export value in the U.S., promoting free market policies will help foster the expansion of American small businesses by opening up a range of new markets to them. Most of Fifth Street Finance Corp.'s clients are small businesses, so we see firsthand the strong beneficial impact that access to global markets has on these firms and, through them, on our country's success.

» **ULLMAN** The president, with modest steps, could achieve benefits for the U.S. by supporting a move from GAAP to International Accounting Standards to attract foreign companies to do business (and list) in the U.S.; by introducing simplified immigration preclearance procedures for businessmen visiting the U.S. (the delays and perceived indignities are a serious inhibitor); and by strongly defending the dollar and working to reduce both the deficit and our dependence on foreign oil. These initiatives would stimulate growth in local communities served by Cedar and its peers. The continued vitality of such communities is crucial to America's future.



MURRAY S. KESSLER
CHAIRMAN AND CEO,
UST INC. (UST)

FRANK MARTIRE
PRESIDENT AND
CEO, METAVANTE
TECHNOLOGIES INC. (MV)

JIM OWENS
CHAIRMAN AND CEO,
CATERPILLAR INC. (CAT)

CRAIG A. ROGERSON
PRESIDENT AND CEO,
HERCULES INC. (HPC)

DOUG STOTLAR
PRESIDENT AND CEO,
CON-WAY INC. (CNW)

ROY VALLEE
CHAIRMAN AND CEO,
AVNET INC. (AVT)

Q: *How should the president address the economic problems facing the U.S.?*

» **KESSLER** As the world's largest producer of moist smokeless tobacco products, UST relies on the resilience of the American consumer — the backbone of the U.S. economy and our business. High energy prices and a slumping U.S. economy affect other countries around the globe, so I'm sure international leaders will be anticipating the direction the new president sets. If he establishes a course for growth, one that keeps the American consumer engaged and energy prices under control, then he will probably find other countries that are willing to follow the U.S.'s lead. This will serve the new president well as he tackles worldwide affairs in the years to come.

» **MARTIRE** To positively influence global business affairs, the new president should strengthen the U.S. economy by balancing the federal budget, constraining the current rate of spending and listening to government and business leaders around the globe. We must be open to ideas from diverse perspectives and regain our position of leadership among global leaders.

» **OWENS** Nothing is more important than cementing America's place in the international economy. Caterpillar's U.S. employees — many

of whom depend on the worldwide economy for their livelihoods — have seen firsthand how free trade agreements increase exports and create American jobs. Yet I'm concerned by a possible protectionist turn in the U.S., which would be crippling for the long-term health of the U.S. and global economies. We took that course in the 1930s, and we shouldn't forget history's painful lesson.

» **ROGERSON** A vibrant economy is necessary to generate both the jobs and the resources we will need to meet the challenges ahead. It is crucial that U.S. business not be disadvantaged as it competes in the global marketplace. The new president should focus not on reversing commitments with some of our strongest trading partners, but on policies to increase competitiveness in our industries. For example, a truly comprehensive energy policy is vital to our nation's future and should be enacted. But any legislation should allow capital markets to work and not interfere in a way that has unintentional and anticompetitive consequences.

» **STOTLAR** The president must recognize that U.S. businesses compete in a global economy that pays little heed to geographic boundaries. U.S.-based businesses have the

second highest corporate tax rate among the 30 Organization for Economic Cooperation and Development countries (Japan is first). We must adopt trade policies that allow our country's products to compete effectively in global markets. Increasing corporate taxes, implementing policies that restrict trade or imposing laws that reduce the flexibility of businesses to respond to their markets will only weaken America's industries. The president should also recognize how the unprecedented escalation in fuel costs is fundamentally changing supply-chain strategies. Companies are bringing production sent overseas back to North America because the cost of transportation is consuming the savings gained from sourcing production in low-cost countries. Policies that encourage return of production and reinvestment in North America-based manufacturing will create more opportunities for U.S. companies to grow at home.

» **VALLEE** Our president must recognize that the U.S. and U.S.-based multinational corporations participate in an exciting but highly competitive global economy. With the right policies and programs we can succeed on the global stage and create prosperity for our country. The economic strength of the U.S., the world's largest economy, would benefit global economic growth. With access to nearly 7 billion consumers (and their resulting infrastructure needs), U.S.-based businesses compete in a global arena in which it is no longer good enough to lead nationally. By collaborating with the business community on issues such as free trade, the dollar, workforce competitiveness and the overall cost of doing business in America, our next president has the ability to enhance the U.S. competitive position and have a positive impact on the global economy. ■