

Prepared May 27, 2018

Resolutions with proposed changes after the Pre-Meeting Session of May 25, 2018

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Dear DPCA Members,

Assuming the planned schedule holds for today's session, I recommend consideration of the submitted resolutions in the following order:

1. Honoring Stanley Grossman
2. ERA
3. Residence-Based Taxation
4. Unity Reform Commission
5. Trade in the DA Platform
6. Debt Relief

Will Bakker, on behalf of the DPCA Resolutions Committee: Susan Vaillant, Carol Adamson, Rick Wicks, Will Bakker

Equal Rights Amendment (ERA) Resolution **<changed>**

*Proposed by Shari Temple (DA-Germany) and Quaide Williams (DA-Germany).¹
Changes proposed by Katie Solon (DAG) and accepted by Shari and Quaide.*

WHEREAS the U.S. Constitution does not explicitly grant equal rights to women;

WHEREAS the Equal Rights Amendment (ERA) to the Constitution was first introduced in Congress in 1923;

WHEREAS Congress passed the ERA in 1972 and, as required by the Constitution, sent it to the States for ratification;

WHEREAS only 35 of the required 38 States ratified the amendment to the Constitution by the specified deadline;

WHEREAS a 36th state, Nevada, ratified the amendment on March 21, 2017 because, according to the bill's chief sponsor, "The ERA is about equality, period;"

WHEREAS over the past five years, two other states (Illinois and Virginia) have come close to ratifying it;

WHEREAS women's rights, including but not limited to reproductive rights, are in jeopardy;

WHEREAS women's wages are less than 80% of men's wages and "equal pay for equal work" lacks any form of legal protection;

WHEREAS a Constitutional amendment would make explicit that equal rights for women are guaranteed and protected by the law of the land;

WHEREAS Democrats should build on the momentum generated following the election of Trump and the ongoing sexual harassment and abuse scandals highlighted by the #metoo movement, **and recent renewed interest in the ERA;**

WHEREAS the members of Democrats Abroad, living in over 190 countries in the world, include women voters in all 50 states;

WHEREAS Democrats Abroad has expressed support in its 2016 Platform for revival of the campaign to ratify the ERA;

WHEREAS the Democratic Party Platform of 2016 similarly expressed support for revival of the campaign to ratify the ERA;

THEREFORE BE IT RESOLVED THAT Democrats Abroad shall initiate a campaign among its members to promote the passage of the ERA; and

BE IT FURTHER RESOLVED THAT Democrats Abroad will urge the Democratic National Committee and the Party as a whole to strive for the enactment of the Equal Rights Amendment; and

BE IT FURTHER RESOLVED THAT Democrats Abroad will work with the DNC and the State parties to promote and support the campaigns to gain passage of the ERA.

¹ **Endorsements removed to make the resolution fit on one page.**

Resolution in support of Residence-Based Taxation **<changed>**

Proposed by Joe Smallhoover (DA France). Sponsored by DA Taxation Task Force.

Changes proposed by Carmelan Polce (DA-Australia) on behalf of the Taxation Task Force.

Due to extensive re-ordering and additions to the original submission, changes are not color-coded or struck-through below.

Whereas, the United States taxes its citizens and residents on their worldwide income, unlike all other industrialized countries that tax income based on a principle of territoriality;

Whereas, the United States is the only country in the developed world which taxes the foreign source income of citizens living outside the country based on a principle of citizenship-based taxation (CBT);

Whereas, the overwhelming majority of Americans living abroad have the same sorts of jobs as their friends and families in the United States and pay taxes on their earnings in their countries of residence;

Whereas, the United States policy of CBT requires citizens living abroad to report income using extremely complex forms that force many to engage expensive tax professionals with both local and U.S. tax filing knowledge and experience;

Whereas, an October 2017 survey by Democrats Abroad¹ suggests U.S. that citizens living outside the country incur tax preparation costs of \$500 on average, greatly exceeding the average \$200 incurred by U.S.-based citizens. Further, the filings of citizens living outside the country often indicate that no tax is owed. When filings of citizens living outside the country do indicate that tax is owed, they are taxed twice on the same dollar of income – first by their country of residence and next by the U.S.;

Whereas, double-taxation and onerous tax preparation and compliance costs puts American job seekers abroad at a significant disadvantage to non-American workers;

Whereas, tax equalization increases costs associated with hiring overseas American workers causing multinational corporations, including those headquartered in America, to hire fewer Americans abroad and thus decreasing American exports;

Whereas, due to unintended adverse Internal Revenue Code treatment, citizens living outside of the U.S. are subjected to double or punitive tax treatment on these types of income: foreign retirement savings plans, capital gains, non-qualified non-U.S. pension plans, social welfare payments from foreign governments and bequests to surviving foreign spouses. CBT, therefore, is a system that hurts all citizens living abroad and not just the wealthy and privileged;

Whereas, in 2010 the Foreign Account Tax Compliance Act (FATCA) was enacted into law to identify and apprehend U.S. taxpayers illegally avoiding paying taxes in the United States by moving untaxed earnings and assets into offshore accounts;

¹ 'Can we please stop paying twice? Reforming the U.S. Tax Code for Americans abroad' 2017, *Democrats Abroad*, October, available at <https://d3n8a8pro7vhnmx.cloudfront.net/democratsabroad/pages/13975/attachments/original/1507632642/Can_We_Please_Stop_Paying_Twice_DEMOCRATS_ABROAD.pdf?1507632642>.

Whereas, FATCA, implemented in furtherance of CBT, has had serious negative consequences such as:

- Financial institutions, both U.S. and foreign, denying access to banking and other financial services to overseas Americans;
- Loss of job and business partnership opportunities for citizens living abroad due to FATCA reporting requirements extending to accounts on which Americans hold signatory authority;
- Stress and conflict between citizens living abroad and their non-American spouses caused by the requirement to report joint accounts, sometimes resulting in financially vulnerable Americas being removed from joint accounts.

Whereas, the FATCA legislation has the unintended consequence of treating the many millions of honest Americans living outside the United States who are not trying to hide from taxation on an unfair par with tax evaders;

Whereas, the Foreign Bank Account Report (FBAR) is mandated under rules established by the Currency and Foreign Transactions Reporting Act of 1970;

Whereas, an American living overseas has a legitimate need for local banking services within his/her own country of residence;

Whereas, Democrats Abroad fully supports efforts by the U.S. federal government to prevent financial crimes, including money laundering and tax evasion;

Whereas, the cost of enforcing CBT far exceeds the revenues it generates;

Whereas, all other industrialized countries use residence-based taxation (RBT) to tax the income of their citizens and residents, thereby avoiding both double taxation and the need to engage foreign powers in tax enforcement of citizens living abroad;

Whereas, the findings of an October 2017 survey by Democrats Abroad of U.S. citizens of all political preferences residing abroad indicate that 84% of survey participants support a switch from Citizenship Based Taxation to Residency Based Taxation;²

Whereas, RBT's perceived threats to the First and Seventeenth Amendment rights of citizens living abroad to vote in federal elections are overwhelmed by the fact that citizenship based taxation pre-dates voting rights for citizens abroad and the endorsement by Congress which passed UOCAVA³ to simplify and protect federal voting regulations for citizens living abroad;

Whereas, a system of Residency Based Taxation would not impact the taxation of the U.S.-sourced income of citizens living abroad, which they would continue to report;

Whereas, the Internal Revenue Service has well-established guidelines for determining that an American is a bona fide resident of a foreign country;

² 'Can we please stop paying twice? Reforming the U.S. Tax Code for Americans abroad' 2017, *Democrats Abroad*, October, available at <https://d3n8a8pro7vhnmx.cloudfront.net/democratsabroad/pages/13975/attachments/original/1507632642/Can_We_Please_Stop_Paying_Twice_DEMOCRATS_ABROAD.pdf?1507632642>.

³ Uniform and Overseas Citizen Access to Voting Act.

Whereas, according to witness testimonies before a congressional hearing in April of 2017, being subjected to taxation by two jurisdiction and banking service discrimination are the main reasons for Americans living abroad renouncing U.S. citizenship;

Be it resolved that, Democrats Abroad supports ceasing taxation based on citizenship and supports the universally accepted notion of taxation based on the residence of the taxpayer;

Be it further resolved that Democrats Abroad calls on the Democratic National Committee to recognize the serious taxation problems faced by Americans living abroad and to call on Congress to

- 1) amend the Internal Revenue Code to abolish taxation based on citizenship and instead adopt Residency-Based Taxation, a system in which Americans living outside the U.S. would continue to declare income generated in the U.S. but would be exempted from reporting to the Internal Revenue Service (IRS) income earned in their country of residence,
- 2) exempt U.S. citizens residing outside the United States from FATCA reporting of accounts in their countries of residence, and
- 3) reform to FBAR regulations for Americans abroad, especially by reducing the out-of-proportion penalties for non-willful non-compliance.

Resolution in support of amending the section on Trade in the Democrats Abroad Platform **<changed>**

Proposed by Julia Bryan (DA Czech Republic). Sponsored by DA Hispanic Caucus.

Changes proposed by Michael Ramos (DA-Australia) on behalf of Julia Bryan.

WHEREAS, research exists showing that women-owned businesses are often limited by unequal access to government contracts¹;

WHEREAS, despite women owning one-third of all small U.S. small businesses, only 5 percent of federal contracts are awarded to them²;

WHEREAS, evidence presented to Congress shows that women-owned businesses are largely discouraged from applying or reapplying to bids on government contracts for a variety of reasons³;

WHEREAS, research exists showing that federal agencies may award procurements to minority-owned businesses out of convenience rather than awarding it to a minority applicant's merit and building relationships with disadvantaged minority-owned businesses⁴;

WHEREAS, the Democratic National Committee has recognized the critical role that minority-owned small businesses play in the U.S. economy, and has welcomed more minority-owned businesses to the DNC's own procurement process⁵;

WHEREAS, existing language in the Democrats Abroad Platform as adopted in 2016, currently states:

“SUPPORT legal and economic incentives to increase export opportunities for small--- and medium---sized U.S. businesses in order to stimulate (i) their economic growth, (ii) the employment of more workers in well---paying jobs, and (iii) their social responsibility in matters of labor rights and fair trade,”⁶ then

THEREFORE, BE IT RESOLVED, that Democrats Abroad calls on ~~Congress and the Administration to increase~~ the Democratic National Committee to urge policymakers to support **increased** export opportunities for small- and medium-sized U.S. businesses, as well as the prioritization of women- and minority-owned U.S. businesses, for the purposes listed in the current Democrats Abroad Platform;

¹ Harrison, J 2017, Harrison, J 2017, “Securing government contracts for women-owned small businesses,” Ph.D. dissertation, Walden University.

² Pianalto, A 2017, “Fostering women’s entrepreneurial success,” Testimony, Hearing, House Committee on Small Business, U.S. House of Representatives, Oct. 12.

³ Villa, V 2016, “Challenges for small defense contractors,” Testimony, Hearing, House Committee on Small Business, U.S. House of Representatives, April 5.

⁴ Snider, KF, Kidalov, MV & Rendon, RG 2013, “Diversity governance by convenience? Federal contracting for minority-owned small businesses,” *Public Administration Quarterly*, vol. 37, no. 3, pp. 393-432.

⁵ Chambers, L 2018, “DNC increases staff diversity, creates paid internships, contracts with minority-owned consultants to win elections,” *Democratic National Committee*, press release, May 7, viewed on 26 May 2018, <<https://www.democrats.org/Post/a-coalition-built-to-win>>.

⁶ “Democrats Abroad 2016 platform” 2016, *Democrats Abroad*, 1 July, p. 35.

BE IT FURTHER RESOLVED that Democrats Abroad rejects irresponsibly announced “trade wars” that neglect the effect of careless declarations and reckless policies on small-and medium-sized, and women- and minority-owned U.S. businesses;

BE IT FURTHER RESOLVED that Democrats Abroad intends to update the aforementioned language in its next Platform with the following amended statement:

“SUPPORT legal and economic incentives to increase export opportunities for small-and medium-sized, and women- and minority-owned U.S. businesses in order to stimulate (i) their economic growth, (ii) the employment of more workers in well---paying jobs, and (iii) their social responsibility in matters of labor rights and fair trade.”

BE IT FURTHER RESOLVED that Democrats Abroad will provide this proposed plank to the Platform in 2020, for consideration by those eligible to vote on the Platform in 2020

Resolution to Support the Unity Reform Commission Recommendations **<changed>**

Formerly: Resolution for DA to submit a resolution to the DNC requiring Unpledged Party Leaders and Elected Officials (PLEO) to cast their Presidential primary ballots in proportion to the popular vote in their home states

Proposed by Susan Alksnis (DA Canada). Changes by Susan Alksnis.

Due to extensive changes to the original submission, new and deleted passages are not color-coded or struck-through below.

Whereas the DNC established the Unity Reform Commission to recommend changes to the Democratic Party nominating process and the operations of the DNC with a specific focus on ensuring the nominating process is accessible, transparent and inclusive.

Whereas the URC has recommended - as mandated in the resolution forming the URC -

- 1) a reduction of over 400 unpledged (“super”) delegate votes, which would decrease the current number of unpledged delegates by nearly 60%, and
- 2) that Democratic Members of Congress, Governors, and Distinguished Party Leaders remain automatic delegates and unpledged.

Whereas the topic of unpledged delegates was discussed at length by the URC which expressed the belief that this is an important and healthy discussion to continue to have at all levels of the Party.

Whereas the URC discussed extensively the role of unpledged delegates outside of their voting role at the Democratic National Convention, reporting that some URC members suggested that unpledged delegates be required to withhold any endorsement until after votes in their respective states have been cast or that elected officials/unpledged delegates also bind themselves to the will of the voters they represent.

Whereas a number of Democratic State Parties have passed resolutions to eliminate all unpledged delegates to the National Convention, and other Democratic State Parties have debated such resolutions or submitted them for future state conventions.

Whereas eliminating all unpledged delegates asserts powerfully and publicly the Democratic Party’s firm commitment to the core democratic principle of one person-one vote, that all votes have equitable weight, and would result in nominating a person who garners the majority of support from Democratic voters nationwide.

Whereas DA DNC Members are elected four years prior to the Presidential convention (by delegates to the DA Global Convention) to use their best judgement to serve the organization and represent overseas Americans to the Democratic Party, and should be aware of and take into consideration the evolving will of the DPCA voting body.

Whereas the bulk of issues considered by DA DNC members often require specialized knowledge, yet in the matter of selecting which presidential candidate best represents the will of voters abroad, the voters in DA’s global presidential primary are as well informed as the DNC members.

Therefore be it resolved that Democrats Abroad urges the DNC to pass the Unity Reform Commission recommendations in their entirety and full power of intention.

Be it further resolved that Democrats Abroad urges the DNC to bind all delegates to the 2020 Democratic National Convention, including delegates who are Members of Congress, Governors and distinguished party leaders as listed in Art. Two, Section 4(h)(ii)(1)-(6)) of the DNC Charter be required on the first ballot of the presidential roll call vote only, to cast their votes based on the outcome of the vote in the state which elected them, thereby binding themselves to the will of the voters they represent, and that unpledged delegates, if any, be required to withhold any endorsement until after votes in their respective states have been cast.

Be it further resolved that all DA DNC members will be similarly bound on the first ballot of the presidential roll call vote, as recommended in the URC report which recommendation is fully supported by the DNC Chair and the DNC body per its recent acceptance of the RBC report on the URC.

Be it further resolved that Democrats Abroad urges DA's DNC Members to work to achieve the two aforementioned resolved clauses.

Debt Relief

Proposed by Eric Jackson (DA Panama).

Whereas Donald Trump has gone bankrupt four times, and if you count businesses bearing his name and in which he has or had an interest, such as the former Trump Ocean Club in Panama, through front people or entities he has had even more bankruptcies. Yet tens of millions of Americans struggle under student loan and credit card debts with little chance of any relief in bankruptcy. And,

Whereas, the difficulty escaping debts incurred under different economic times or upon promises and presumptions that did not materialize means in its aggregate that many Americans are forced into servitude that wastes their potential contributions to the society and the economy. And,

Whereas, the situation gets all the worse when some states take away citizens' right to vote over debts owed to state or local governments, and when the federal government threatens to take away citizens' right to travel over tax debts.

Be it therefore resolved that Democrats Abroad opposes disenfranchisement over debts, and the denial or revocation of passports over debts.

Further, that Democrats Abroad urges Congress to revise the bankruptcy laws to give ordinary Americans parity with the advantages that Donald Trump has enjoyed.

Resolution Honoring Stanley Grossman upon His Passing Away

Proposed by Joe Smallhoover (DA France), Julia Bryan (DA Czech Republic), Inge Kjemtrup (DAUK), and Bill Barnard (DAUK).

Whereas Stanley Grossman served for many years on the Executive Committee of Democrats Abroad UK.

Whereas Stanley Grossman served as the International Treasurer of Democrats Abroad from 2004 to 2008.

Whereas Stanley Grossman served as a member of the Democratic National Committee representing Democrats Abroad for eight years from 2008 to 2016.

Whereas Stanley Grossman was a delegate at the Democratic National conventions in 2008, 2012 and 2016.

Whereas Stanley Grossman served with distinction as a member of the Democrats Abroad tax team for many years.

Whereas throughout his many years as a Democratic Party activist Stanley Grossman developed close working relationships with numerous members of Congress as well as with other members of the Democratic National Committee, members of Democrats Abroad across the world, and Democrats in the United Kingdom.

Whereas Stanley Grossman's contributions to Democrats Abroad and its advancement are inestimable.

Whereas Stanley Grossman defended his positions with intelligence and élan but was always willing to listen to and compromise with other members of the Party in furtherance of our common cause.

Whereas Stanley Grossman was a dear friend to many members of Democrats Abroad and the Democratic National Committee.

Whereas the untimely passing of Stanley Grossman has left many of his friends and family bereft.

NOW, THEREFORE, Be it resolved:

Democrats Abroad expresses its sadness at Stanley Grossman's passing away and extends our sincerest condolences to his widow, Anna Janaszek; his children, Kerstin Mendelsohn, and Aaron Grossman; his grandchildren; his sister Roberta Gluck and all members of his family and loved ones.