

Promote America's Competitive Edge

U.S. Workers Keeping **PACE**
with the World

www.pace4jobs.org

April 26, 2010

Dear Member of Congress:

The PACE Coalition and undersigned trade associations urge you to consider legislation affecting long-standing international tax provisions only after thorough evaluation of these measures and in the context of broad reforms that are designed to enhance the competitiveness of worldwide American companies and their U.S. workers.

Cross-border trade and investment is of vital importance to the U.S. economy. Worldwide American companies directly employ 22 million U.S. workers and support an additional 41 million U.S. jobs through their supply chains and spending by the people they employ directly or indirectly. Ninety-five percent of the world's consumers live outside the United States and the possibility of expanding sales to these consumers is the primary growth opportunity for many American companies.

As we seek to rebuild the economy and restore jobs, it is critical that we adopt the best policies to secure future economic growth. We must focus on tax changes that will assure that American firms operating in the global economy are more competitive, not less competitive. Any consideration of U.S. international tax rules affecting business should be part of a broader tax reform debate that is focused on ensuring the competitiveness of U.S. companies and American workers both at home and abroad.

Last month the House passed a bill that uses certain international tax provisions affecting business as revenue raisers. We believe that the impact of these and other international proposals on American businesses, competitiveness, and job creation needs to be fully assessed before further Congressional action.

If legislation is necessary to prevent aggressive or abusive practices under current law, it is important that any modifications be appropriately targeted to this purpose rather than broad legislation that adversely affects legitimate business operations, reduces U.S. competitiveness, and causes a loss of U.S. jobs.

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For your reference, we have attached a recent letter sent to all Members of Congress by the PACE Coalition (www.pace4jobs.org) and signed by more than 280 companies and trade associations – all united in opposition to the Administration’s international tax proposals contained in the FY 2011 budget.

We look forward to working with you on the critical issues of job growth and competitiveness, and the comprehensive tax reforms that can help American workers and businesses succeed at home and in the global marketplace.

Sincerely,

Aerospace Industries Association
American Beverage Association
American Chemistry Council
Association of Equipment Manufacturers
Business Roundtable
Business Software Alliance
Emergency Committee for American Trade (ECAT)
Financial Executives International’s Committee on Taxation
Information Technology Industry Council
National Association of Manufacturers
National Foreign Trade Council
Software Finance & Tax Executives Council
TechAmerica
United States Council for International Business
U.S. Chamber of Commerce

Attachment: PACE Coalition letter of March 9, 2010

March 9, 2010

Dear Member of Congress:

The undersigned companies and trade associations, collectively employing tens of millions of American workers, write to express our concerns with the international tax provisions as proposed in the Obama Administration's budget for FY 2011.

Once again, the Administration has proposed to fundamentally rewrite some of the basic rules of international taxation – rules that have been in existence for nearly 100 years – in a manner that would severely disadvantage American companies and make U.S. workers less secure.

We support the President's call to double U.S. exports over the next five years as a way to create two million new American jobs. However, the Administration's budget proposal would impose punitive taxes on the very employers that are in the best position to help accomplish this worthy goal.

The President's budget would amount to a \$122 billion tax increase on worldwide American companies over the next ten years. While some of the particulars have changed from last year's tax proposal, the bottom line impact on worldwide American companies remains the same: The proposals would significantly reduce the ability of worldwide American companies to compete in markets both here at home and abroad.

The President has acknowledged that "the true engine of job creation in this country will always be America's businesses..." Again, he is right. But with 95 percent of the world's consumers living outside of our borders, our businesses must look abroad if we are to expand sales, increase exports, grow at home, and create quality new American jobs.

- Worldwide American companies are responsible for nearly half of all U.S. exports – \$558.6 billion in 2007.
- Small and medium sized U.S. businesses are suppliers to worldwide American companies and are the direct beneficiaries of increased international growth.

American companies with worldwide operations directly employ 22 million American workers and support an additional 41 million U.S. jobs through their supply chain and through the purchases of goods and services by their employees. A steep corporate tax hike on worldwide American companies will hinder our ability to protect and create American jobs and will slow our nation's economic recovery.

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To keep good jobs and decent wages here in America, and spur the creation of quality new U.S. jobs, Congress must ensure that the U.S. tax code keeps worldwide American companies competitive.

Sincerely,

48HourPrint.com
A. O. Smith Corporation
A. Schulman
Abbott Laboratories
Acuity Brands, Inc.
Adobe Systems Incorporated
Advanced Micro Devices, Inc.
Aerospace Industries Association
Agilent Technologies, Inc.
Air Products and Chemicals, Inc.
Alar Engineering Corporation
Alcoa
ALOM
Altera Corporation
American Apparel & Footwear Association
American Chemistry Council
American Composites Manufacturers Association
American Express Company
Amphenol Corporation
AMT -- The Association for
Manufacturing Technology
Amway
Apple Inc.
Applied Materials, Inc.
Aruba Networks
Associated Industries of Florida
Associated Industries of Massachusetts
Associated Industries of Missouri
Association of Equipment Manufacturers
Atheros Communications, Inc.
Avery Dennison
Aviat Networks
Baker Hughes Incorporated
Ball Corporation
Barker Manufacturing Co.
Barrick Gold Corporation of North America
Baxter International
Bayer Corporation
Bell Microproducts
Bison Gear & Engineering Corp.
BMC Software, Inc.
Boston Scientific Corporation
Brady Corporation
Bridgelux
Bridwell Oil Company
Bristol-Myers Squibb Company
Brocade Communications Systems, Inc.
Brown-Forman Corporation
Brunswick Corporation
Business Council of New York State
Business Roundtable
Business Software Alliance
CA, Inc.
California Manufacturers &
Technology Association
Campbell Soup Co.
Cargill
Case New Holland
Catalyst Biosciences
Caterpillar Inc.
Celanese Corporation
Celgene Corporation
CFRA, LLC
Change Strategists, Inc.
Chevron
Chrysalis Software, Inc.
Cisco Systems, Inc.
Citi
Clayton Industries
Club Kit Inc.
Cognizant Technology Solutions
Commercial Vehicle Group, Inc.
Compass Minerals International, Inc.
Con-way Inc.
ConocoPhillips
Convergys Corporation
Cooper Tire & Rubber Company
Corning
Cummins Inc.
Custom Packaging, Inc.
Deere & Company
Dell Inc.
Devon Energy Corporation
Diamond Offshore Drilling Inc
Discovery Communications, LLC
Dolby Laboratories, Inc.
Draper, Inc
Drummond Company, Inc.
DuPont
Eaton Corporation
eBay Inc.
Echelon Corporation
Ecolab Inc.
EFI

Electronic Arts, Inc.
Eli Lilly and Company
EMC Corporation
Emergency Committee for American
Trade (ECAT)
Emerson
Empire Broadcasting Corp
European-American Business Council
Exponent, Inc.
Exxon Mobil Corporation
Fairchild Semiconductor Inc.
Financial Executives International
Financial Services Roundtable
Fluor
FMC Technologies, Inc.
Ford Motor Company
Fortune Brands
Garland Actuarial LLC
General Electric
Genworth Financial
Girard Industries
Goodrich Corporation
Google Inc.
GTC Technology US, LLC
Guardian Industries Corp.
Harley-Davidson, Inc.
Harsco Corporation
Hess Corporation
Hewlett-Packard Company
Honeywell
Hormel Foods Corporation
Hutchinson Technology Incorporated
INDA, Association of the Nonwoven
Fabrics Industry
Indiana Manufacturers Association
Induction Heat Treating Corp.
Informatica Corporation
Information Technology Industry Council
Intel Corporation
International Business Machines Corporation
International Paper Co.
Intevac Inc
Jabil Circuit, Inc.
JELD-WEN, inc.
JLG Industries
Johnson & Johnson
Jones Lang LaSalle Incorporated
Joy Global Inc
JPMorgan Chase & Co.
Kimberly-Clark Corporation
KLA-Tencor Corporation
Kodak
Kohler Co.
Koller Enterprises, Inc.
Kovio
Kraft Foods Inc.
Leggett & Platt, Incorporated
Lexmark International, Inc.
Liberty Mutual Group
Life Technologies Corporation
Linden Research, Inc. -- Developer of
Second Life
Loews Corporation
Lord Corporation
LSI Corporation
Luxim Corporation
Manpower
Marlin Steel Wire Products LLC
Masco Corporation
MasterCard Worldwide
McAfee, Inc.
McCormick & Company, Inc
McKesson Corporation
McNichols Company
MeadWestvaco Corporation
Medical Device Manufacturers Association
Medtronic, Inc.
Merck & Co., Inc.
Michigan Manufacturers Association
Microsoft Corporation
MJL Enterprises
Modern Technology Solutions, Inc.
Modine Manufacturing Co.
Morige Mfg., Inc.
Motor & Equipment Manufacturers Association
Motorola, Inc.
MTD Products Inc
NACCO Industries, Inc.
Nanosolar
National Association of Manufacturers
National Electrical Manufacturers Association
(NEMA)
National Foreign Trade Council
National Instruments Corporation
National Petrochemical and Refiners
Association (NPRA)
National Shooting Sports Foundation
Navistar International Corporation
NetApp, Inc.
NETGEAR, Inc.
Network Environmental Systems, Inc.
New Jersey Business & Industry Association
New York Life Insurance Company
Novelis Corp

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Novellus Systems, Inc.
Novo Nordisk Inc
NXP Semiconductors
Oracle
Owens-Illinois, Inc.
P&R Enterprises, Inc.
Paladin Brands
Palmer College of Chiropractic
Panduit Corp.
Paragon Global Resources, Inc.
Parker Hannifin Corporation
Peabody Energy
Pentair, Inc.
PepsiCo, Inc.
Pfizer Inc
Philip Morris International Inc.
Phoenix Closures Inc.
Plantronics, Inc.
Plexus Corp.
PPG Industries
Praxair, Inc.
Precision Stamping Co., Inc.
Procter & Gamble
Qualcomm
Quality Chaser Company
Regal Beloit Corporation
Retail Industry Leaders Association
Rockwell Automation
Rockwell Collins
Rovi Corporation
Royal Concrete Concepts, Inc
RPM International Inc.
RR Donnelley
Ryder System, Inc.
S. C. Johnson & Son, Inc.
sanofi-aventis U.S. Inc.
Sara Lee Corporation
Semiconductor Industry Association
Sensient Technologies Corporation
Sigma-Aldrich Corporation
Signal Metal Industries, Inc.
Silicon Valley Leadership Group
Silicon Valley Tax Directors Group
Snap-on Incorporated
Society of Chemical Manufacturers
and Affiliates (SOCMA)
Software & Information Industry Association
Software Finance and Tax Executives Council
Solers, Inc.
South Carolina Chamber of Commerce
Southern Champion Tray LP
Spectra Energy Corp
Splunk, Inc.
SPX Corporation
SSA Marine
Stion
SVB Financial Group
Sybase, Inc.
Symantec Corporation
Synopsys, Inc.
TechAmerica
TechNet
Technitrol, Inc.
Ten-Tec, Inc.
Teradata Corporation
Terex Corporation
Ternion Bio Industries, Inc.
Tessera, Inc.
Texas Instruments
The Aluminum Association
The Clorox Company
The Coca-Cola Company
The Dow Chemical Company
The Lee Company
The Lincoln Electric Company
The Manitowoc Company, Inc.
The McGraw-Hill Companies
The Stanley Works
The Timken Company
TNS, Inc.
Tupperware Brands Corporation
Tyler Construction group
U.S. Chamber of Commerce
Unilever United States, Inc.
United States Council for International Business
United Technologies Corporation
Uniweld Products Inc.
Varian Medical Systems, Inc.
Vermeer Corporation
W. R. Grace & Co.
WattStopper
Webcor Builders
Wenger Construction Co., Inc.
WESCO Distribution, Inc.
Xerox Corporation
Xilinx
Yum! Brands, Inc.
Zimmer, Inc