June 16, 2010

Senator Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

Senator Mitch McConnell
Republican Leader
Unites States Senate
Washington, DC 20510

Dear Senators Reid and McConnell:

We are writing to express our concerns with several of the significant tax increases included in H.R. 4213, the *American Jobs and Closing Tax Loopholes Act of 2010*.

Our companies support many of the pro-growth and recovery provisions in the bill and continue to urge Congress to enact these as soon as possible. Specifically, we support extensions of the R&D credit, exception from subpart F for active financing income, and the look-through rules for payments between related corporations. These important business tax provisions will help job creation and economic growth in the U.S.

However, we cannot support several of the proposed changes to long-standing U.S. international tax laws that are included in the legislation. It is vital that American world-wide companies be able to equitably compete in an increasingly global economy. We strongly urge the Senate to remove these international tax increases from the bill. We believe that major international tax policy changes should be addressed only in the context of a broader corporate tax reform effort that would on balance ensure, if not enhance, the competitiveness of U.S. companies in the global marketplace.

The $14 billion in international tax increases in the bill indicate a significant shift in U.S. tax policy that will seriously hamper American companies' ability to compete in the global marketplace. Permanent changes to these long-standing U.S. international tax rules would have significant negative consequences on our companies and would hamper job creation and economic growth (counter to the professed purpose and title of this legislation).

The cumulative impact of these tax increases will make it more expensive for our companies to reinvest our foreign earnings in the U.S. This will further limit liquidity at a critical time of economic recovery. The proposals will also disadvantage U.S. companies that seek to acquire foreign firms and access foreign markets. Moreover, several of the key provisions are retroactive, and will affect taxpayers that have relied upon the rules in place at the time the foreign taxes were paid. The retroactive impact of these changes may result in an immediate financial accounting impact upon enactment for some companies if there is not an indefinite reinvestment assertion for the affected foreign subsidiary.

With more Americans out of work than at any other time in the last 50 years, businesses in the U.S. want to get our citizens back to work. Other countries seem to understand this call to action, and are working tirelessly to lower tax rates and bring in businesses from around the globe. By passing H.R. 4213, the United States would instead be harming the competitiveness of American world-wide companies.

We welcome the opportunity to work with Congress in making sure that American businesses around the world are competitive so that they can produce U.S. job growth and economic prosperity.

Sincerely,

Robert Hombach, CFO, Baxter International
Anthony S. Cleberg, EVP & CFO, Black Hills Corp.
Edward J. Rapp, Group President & CFO, Caterpillar Inc.
Patrick J. Ward, VP & CFO, Cummins Inc.
Derica W. Rice, EVP – Global services & CFO, Eli Lilly and Company
Walter J. Galvin, Vice Chairman, Emerson
Ray Winborne, CFO, First Data Corporation
Mark McCollum, EVP & CFO, Halliburton Company
Stacy J. Smith, SVP & CFO, Intel Corporation
Tesa Oeshsle, VP, Finance & Treasurer, Lord Corporation
Gordon Stetz, EVP & CFO, McCormick & Co.
Frank D'Amelio, SVP & CFO, Pfizer, Inc.
Richard Carbone , EVP & CFO, Prudential Financial, Inc.
Thomas R. Patterson, Jr., VP, Finance, Quest Software
Nick Romanyk, President & CEO, Romanyk Consulting Corp.
Patrick J. O'Leary, EVP & CFO, SPX Corporation
James T. Crines, EVP, Finance and CFO, Zimmer Inc.

Cc: The Members of the United States Senate