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To Members of the United States Senate:

Ivan G. Seidenberg
Verizon Communications
Chairman

Kenneth I. Chenault
American Express Company
Vice Chairman

Edward B. Rust, Jr.
State Farm Insurance
Companies
Vice Chairman

John J. Castellani
President & Chief Executive
Officer

Larry D. Burton
Executive Director

Johanna I. Schneider
Executive Director
External Relations

On behalf of Business Roundtable, I am writing to express my strong objections to inclusion of the revenue-raising provisions addressing international tax issues contained in H.R. 4213 (the "tax extenders" bill) as passed by the House of Representatives on May 28, 2010, and currently pending before the Senate. The consequence of these tax increases is the exact opposite of what we need to promote job growth at home - they will make U.S. companies less competitive in markets abroad and thus reduce funds that would otherwise be available for job-promoting investments in the United States. I urge you to remove these measures from the legislation.

We have worked closely with the Administration and Congress on the need for a more competitive corporate tax system and believe that consideration of fundamental changes in international tax rules should only be in the context of comprehensive tax reform designed to improve the competitiveness of the U.S. economy. It is clear that major international revenue-raising provisions in the legislation constitute policy changes of long-standing tax law, business practice, and Treasury and IRS guidance. Fundamental changes such as these deserve to be considered as part of broader tax reform and certainly should only be considered after hearings and testimony to explore the full extent of the consequences of this legislation, and even then should be undertaken prospectively. While Business Roundtable will support legislation necessary to carry out enforcement of current law, it is inappropriate to label business practices in full conformity with Treasury Regulations and IRS guidance and in use for nearly 50 years as abusive or as loopholes.

Worldwide American companies already face one of the highest corporate tax rates in the world and face more disadvantageous international tax rules than their foreign-headquartered competitors. These current tax disadvantages make our U.S. companies less competitive and harm the U.S. economy through slower growth and fewer U.S. jobs. The new international

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provisions would raise taxes even further on the foreign operations of U.S. companies, making American businesses even less competitive in global markets and slowing the economic recovery. The competitive disadvantage would be compounded even further since these tax increases are made retroactive, overturning years of judicial decisions and IRS regulations and practice.

Business Roundtable CEOs believe we need to make the U.S. tax system more competitive with the rest of the world. U.S. competitiveness is improved when U.S. companies can better access foreign markets and the 95 percent of the world's population that lives outside of the United States. Business Roundtable wishes to continue to engage with Congress on the kinds of reforms that would enhance U.S. competitiveness, economic growth and add high-wage jobs to the U.S. economy. But adding \$14 billion in new taxes on a sector of the economy that contributes 63 million jobs, nearly half of U.S. exports and most of the productivity gains of the U.S. economy is exactly the wrong direction for this economy.

I urge you to remove these international tax revenue raisers from the pending legislation, extend the expired tax provisions, and keep this economy moving forward.

I welcome the opportunity to discuss these issues with you.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Castellani". The signature is fluid and cursive, with a large initial "J" and "C".

John J. Castellani