

Promote America's Competitive Edge

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

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February 8, 2012

President Barack Obama
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President:

As you complete work on your FY2013 Budget Proposals and forthcoming tax reform framework, we urge you give the highest priority to the more than 63 million American jobs that depend on the international competitiveness of worldwide American companies.

The PACE Coalition, a broad-based organization dedicated to promoting and increasing American jobs through the increased international competitiveness of worldwide American companies, has opposed proposals in your previous budgets that would increase the tax burden on these companies. In your new budget, the undersigned associations strongly urge you to support tax provisions that would improve the worldwide competitiveness of American businesses, increase economic growth, and provide for sustained job creation.

With 95 percent of the world's consumers living outside the United States, overseas operations of American companies help stimulate the demand for U.S.-produced goods and services and create jobs in the United States.

Countries around the world are promoting the international competitiveness of their companies and creating jobs by adopting modern tax laws that enhance the ability of their locally-headquartered companies to serve foreign markets. We are concerned that proposals suggested in your State of the Union address would go in exactly the opposite direction by increasing the taxes paid by American companies with overseas operations. These proposals would make it even more difficult for American worldwide companies to compete in world markets while reducing their ability to grow and add jobs in the United States.

Higher taxes on international commerce will continue to place us further out of line with the tax systems of our major competitors, leading to slower growth for American companies and impeding U.S. job creation. The United States needs to adopt a more competitive

international tax system as recommended by your National Commission on Fiscal Responsibility and Reform ("Simpson-Bowles") and your Export Council.

In testimony last year to the House Ways and Means Committee, Treasury Secretary Geithner said that the Administration does not believe it is "realistic or achievable or desirable to try to raise revenues from higher taxes on businesses, because we live in a much more competitive world." The Secretary's statement was right then and it is right today. Additional tax increases will harm the competitiveness of American businesses, decrease economic growth, and slow job creation.

Thank you in advance for considering our request. We – along with the hundreds of other organizations in the PACE Coalition – look forward to working with you and your Administration to advance pro-growth, pro-competitiveness tax legislation that enables U.S. companies to compete effectively in the global marketplace of the 21st century.

Sincerely,

Business Roundtable
ITI – Information Technology Industry Council
National Association of Manufacturers
National Foreign Trade Council
U.S. Chamber of Commerce