

Promote America's Competitive Edge

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

www.pace4jobs.org

July 18, 2012

Dear Member of Congress:

The PACE Coalition—a broad-based organization dedicated to promoting and increasing the more than 63 million American jobs that depend on the international competitiveness of worldwide American companies—opposes S. 3364 sponsored by Senator Deborah Stabenow, which is pending before the Senate.

The Stabenow bill would have the unintended consequence of making it even more difficult for American worldwide companies to compete at home and in world markets. The best way to grow and add jobs in the United States is through tax reform that makes the U.S. tax system as competitive as those of other industrialized countries, not by imposing new impediments on American companies.

Global demand for American goods and services creates extraordinary opportunities for American companies and their employees, which benefits the U.S. economy and boosts American living standards. Foreign markets represent 95% of the world's population and more than 80% of the world's purchasing power. In many cases, job creation in the United States is tied to the ability of American companies to expand in worldwide markets.

The proposed legislation would disallow tax deductions for ordinary business expenses associated with the closing of a U.S. business unit when it is determined to be relocated abroad, without regard to whether foreign production began years before or years after. Plant closings and relocations are driven by business considerations which this legislation does not address.

Relocation of certain business operations can result in greater production in the United States when it results in cost savings that can increase the international competitiveness of U.S.-made goods and services. In contrast, disallowing a deduction for a legitimate cost of doing business would inject even more uncertainty into business planning, add additional complexity to the tax code and further increase costs for U.S. companies, making them less competitive in the global marketplace.

The path to a more vibrant American economy is through pro-growth and pro-competitiveness tax reforms. We look forward to working on this with you, which will ensure the retention and creation of U.S. jobs.

Sincerely,

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