

July 30, 2010

Dear Member of Congress:

Ivan G. Seidenberg
Verizon Communications
Chairman

Kenneth I. Chenault
American Express Company
Vice Chairman

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

Larry D. Burton
Executive Director

Johanna I. Schneider
Executive Director
External Relations

We write today to express our strong opposition to the last-minute inclusion of international tax revenue raisers in the “Small Business Tax Relief Act” to be considered on the House floor today.

The measure proposes to raise \$12 billion in new taxes on worldwide American companies through fundamental changes in U.S. tax law, despite the fact that U.S. tax rules already put American companies at a competitive disadvantage.

Keeping American companies and workers competitive should be the number one goal of U.S. tax policy, yet changes in the tax systems of our major trading partners now place the United States at a decided tax disadvantage – which runs a high risk of severely undermining U.S. economic growth and job creation.

The United States already has the second highest tax rate among developed countries, a relic of an era in which U.S. companies faced little competition from foreign-headquartered corporations as they competed around the world. The current U.S. system is inconsistent with the free flow of trade and investment, and it inhibits use of foreign earnings to invest in the U.S. economy. The provisions included in the House legislation to be considered today will only make matters worse.

In a recent study, researchers at McKinsey & Company point out that while U.S.-based multinational companies account for less than 1% of all U.S. companies, they:

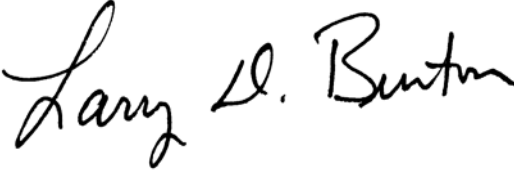
- employ 19% of the U.S. private sector workforce;
- pay 25% of all private sector wages; and
- account for 74% of America’s private sector R&D spending.

McKinsey states that: “Given the importance of multinationals to the U.S. economy, it is critical that they compete—both at home and abroad—on at least an even basis against companies domiciled in other countries.”

We urge Congress to take time to understand the full consequences of the proposed tax hike – and further urge that any consideration of U.S. tax policy be done only in the context of comprehensive tax reform. U.S. competitiveness and U.S. jobs are at stake.

Business Roundtable is an association of chief executive officers of leading U.S. companies with over \$6 trillion in annual revenues and more than 12 million employees. Our members share your goal of restoring the U.S. economy to strong economic growth and job creation.

Sincerely,

A handwritten signature in black ink that reads "Larry D. Burton". The signature is written in a cursive style with a large initial "L" and a distinct "D" and "B".

Larry D. Burton