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Vice President

Tax, Technology and Domestic Economic Policy

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Dear Senator:

The National Association of Manufacturers (NAM)—the nation's largest industrial trade association—opposes the Creating American Jobs and Ending Offshoring Act (S. 3816). Manufacturers are concerned that the bill's proposed tax increases would impose new costs on American manufacturers, making them less competitive in the global marketplace and jeopardizing U.S. job creation.

American companies with overseas operations support and create U.S. jobs. An estimated 22 million people in the United States—including more than 53 percent of all manufacturing workers—are employed by companies with operations abroad. With more than 95 percent of the world's customers outside the United States, American companies establish operations abroad in order to penetrate foreign markets and add new customers.

Manufacturers share your concern about the critical importance of job creation. The NAM's [*Manufacturing Strategy for Jobs and a Competitive America*](#) urges lawmakers to support policies that help ensure that the United States will be the best country in the world to headquarter a company, to innovate and perform global R&D and to manufacture, both for the American market and as an export platform for the world. To this end, NAM supports a national tax climate that does not place U.S. manufacturers at a competitive disadvantage in the global marketplace. Unfortunately, the tax increases in S. 3816 do just the opposite.

The proposed acceleration of U.S. tax on foreign subsidiary operations has no counterpart in the tax laws of our foreign trading partners. Ending deferral in these cases would place U.S. affiliates at a cost disadvantage vis-à-vis their foreign-based competitors. At the same time, the potential scope of the disallowance proposal would have an overall chilling impact on the ability of some companies to meet non-tax cost pressures in delivering goods to American consumers.

Recent economic and jobs reports confirm that our economy continues to struggle. The U.S. manufacturing sector—which employs nearly 12 million Americans in relatively high-paying jobs – truly is key to the strength of the U.S. economy. Consequently, we strongly recommend that you consider changes that will make the manufacturing sector more competitive, more productive, and able to create even more high-paying jobs.

Sincerely,

