

September 26, 2011

Dear Members of the Joint Select Committee on Deficit Reduction:

Last week the President outlined measures for the Joint Select Committee on Deficit Reduction to consider as part of the Administration's recommendations for deficit reduction. The tax measures include \$120 billion in new taxes on worldwide American corporations that will significantly diminish the ability of American companies and their U.S. employees to compete in global markets.

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 – strongly urges you to oppose these measures or any other efforts at piecemeal "reforms" to our international tax system that make U.S. companies and American workers less competitive globally as part of any legislation considered by the Joint Select Committee.

While our trading partners have made changes to their tax systems to boost the competitiveness of their companies in international markets, the President's international tax proposals would move the United States in the opposite direction and significantly further disadvantage American companies and their American workers in the competition for foreign consumers.

Secretary Geithner testified in February to the Committee on Ways & Means 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. Comprehensive tax reform – not a further tax increase – is needed to improve the competitiveness of American businesses, increase economic growth, and provide for sustained job creation.

Sincerely,

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