

Jay Timmons

Executive Vice President

July 29, 2010

U.S. House of Representatives
Washington, DC 20515

Dear Representatives:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to oppose H.R. 5893, the Investing in American Jobs and Closing Tax Loopholes Act of 2010.

An estimated 22 million people in the United States—more than 19 percent of the private sector workforce and 53 percent of all manufacturing employees—are employed by companies with operations overseas. Manufacturers feel strongly that imposing \$11.5 billion in tax increases on these companies as proposed by H.R. 5893 will jeopardize the jobs of American manufacturing employees and stifle our fragile economy.

Many of the tax increases proposed in H.R. 5893, which are mischaracterized as closing tax loopholes, actually represent significant changes to the pro-growth tax policy supported by Congress and the Administration. For example, the proposed anti-competitive limitation on the use of Sec. 956 loans removes a greatly needed source of U.S. cash for worldwide American companies – a source that Treasury and the Internal Revenue Service (IRS) sought to facilitate in guidance issued as recently as last December. As we continue to work through one of the greatest credit crunches in U.S. history, taking away a source of cash for U.S. companies to grow, build and create jobs puts our fragile recovery at risk.

We are disappointed that many of the bill's proposed tax increases have not been adequately scrutinized during congressional hearings. In many cases, taxpayers have relied on these longstanding tax provisions in structuring their businesses. Changing the rules without fair and adequate hearings will cost in terms of jobs, investment and manufacturers' ability to compete overseas.

Manufacturers believe strongly that changes to our international tax laws should be considered in the broader context of tax reform that makes the United States more competitive – not as “pay fors” for unrelated policy initiatives. Moreover, targeting some international tax law changes in advance of the tax reform debate would make the goal of pro-growth, pro-competitiveness reform that much more difficult, if not impossible, to achieve.

The NAM supports provisions in the legislation that would extend Build America Bonds and lift the state volume cap for private activity bonds for water and waste water infrastructure, but our support for these provisions is heavily outweighed by the significant

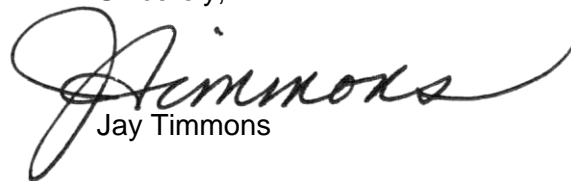
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costs imposed on manufacturers by the bill's tax increases. Manufacturers urge your opposition to the bill.

The NAM's Key Vote Advisory Committee has indicated that votes related to H.R. 5893, including votes on procedural motions, may be considered for designation as Key Manufacturing Votes in the 111th Congress.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Timmons", with a long, sweeping flourish extending to the right. The signature is written in a cursive style.

Jay Timmons