NATIONAL ASSOCIATION OF Manufacturers

Jay Timmons

Executive Vice President

September 27, 2010

U.S. Senate
Washington, DC 20510

Dear Senators:

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 S. 3816, the Creating American Jobs and Ending Offshoring Act.

Manufacturers share your concern about the critical importance of job creation. The NAM's *Manufacturing Strategy for Jobs and a Competitive America* (released this summer and available at www.nam.org) urges policymakers 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. Manufacturers oppose this bill and other discriminatory actions against U.S. companies with worldwide operations, for numerous reasons, including:

- American companies with worldwide operations support and create U.S. jobs. They employ 22 million Americans (19 percent of the workforce) and 53 percent of all U.S. manufacturing workers and are responsible for 51 percent of exports.
- U.S. firms establish operations abroad in order to penetrate foreign markets and add new customers. In many cases, a U.S. manufacturer cannot sell to foreign customers if the company does not have a local plant in that foreign country.
- S. 3816's proposed acceleration of U.S. tax on foreign subsidiary operations has no counterpart in the tax laws of our foreign trading partners. Therefore, ending deferral in these cases would place U.S. affiliates at a cost disadvantage.

The NAM's Key Vote Advisory Committee has indicated that votes on S. 3816, including potential procedural motions, may be considered for designation as Key Manufacturing Votes in the 111th Congress. Thank you for your consideration.

Sincerely,

Jay Timmons

Key Manufacturing Vote

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