

ORGANIZATION FOR INTERNATIONAL INVESTMENT
INTERNATIONAL BUSINESS INVESTING IN AMERICA

NANCY L. MCLERNON, PRESIDENT & CHIEF EXECUTIVE OFFICER

May 26, 2010

The Honorable Sander Levin
Chairman
Ways and Means Committee
United States House of Representatives
Washington, DC 20510

The Honorable Dave Camp
Ranking Member
Ways and Means Committee
United States House of Representatives
Washington, DC 20510

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Re: International Tax Revenue Proposals in the House Amendment to H.R. 4213

Dear Representatives Levin and Camp and Senators Baucus and Grassley:

On behalf of the Organization for International Investment (OFII), we are writing to express our concerns regarding new international tax revenue offsets included in the House Amendment to H.R. 4213, released on May 20, 2010 ("the Amendment"). OFII shares many of the same concerns expressed by other business organizations with respect to the Amendment.

OFII is a business association representing the U.S. subsidiaries of many of the world's largest international companies. The U.S. subsidiaries of companies based abroad directly employ over 5 million Americans and support an annual U.S. payroll of over \$364 billion. As evidenced by the attached OFII membership list, many OFII members are household name companies with historic and substantial U.S. operations. On behalf of these companies, OFII advocates for the fair, non-discriminatory treatment of U.S. subsidiaries. We undertake these efforts with the goal of making the United States an increasingly attractive market for foreign investment, which will ultimately encourage international companies to conduct more business and employ more Americans within our borders. Given the recent global financial turmoil, as well as companies' increasing ability to conduct worldwide operations through other jurisdictions, OFII's mission is more critical than ever to sustaining and rebuilding the American economy.

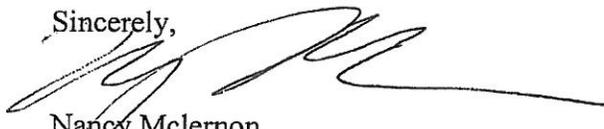
OFII appreciates the recognition you have given to the important contributions that foreign multinationals make to growth of the U.S. economy and U.S. employment. In addition, OFII

appreciates the Committees' interest in attempting to take into account concerns expressed by OFII with respect to the proposed repeal of the 80/20 rules (included as section 407 in the Amendment). We look forward to continued dialogue with respect to that proposed amendment. However, several of the international proposals in the Amendment may diminish the ability of foreign multinationals to continue making significant contributions to the U.S. economy and U.S. employment and may adversely impact the attractiveness of the United States as a competitive country in which foreign-based global multinationals would wish to do business. These proposals include, but are not limited to, the proposal relating to certain redemptions by foreign subsidiaries (section 405 of the Amendment) and the proposal to modify the treatment of dividends received in connection with certain business reorganizations (section 422 of the Amendment).

OFII's principal concerns relating to the new revenue offsets included in the Amendment are that the proposals represent new and fundamental changes to U.S. tax policies that have not been properly vetted through adequate hearings, debate or discussion to determine the potential impact (intended or unintended) of these proposals and whether they represent sound U.S. tax policy. Many of the proposals represent substantive changes to U.S. tax policies that have remained unchanged for decades. The proposals may have a significant negative impact on transactions and business operations that had been planned based on long-standing tax policy prior to the first publication of the proposals. Given the substantial and uncertain implications for these new and untested proposals, we would strongly encourage not applying immediate or retroactive effective dates until these proposals are better vetted. The accelerated manner in which these proposals are being considered runs contrary to general principles of fairness and due process, undermines multinationals' and investors' confidence in the stability and predictability of the U.S. corporate tax system, and greatly increases the likelihood that they will have significant unintended negative consequences.

Because of the potential widespread policy implications of the proposals, OFII believes it is more appropriate to consider these proposals in the context of overall corporate international tax reform. We would be happy to further discuss our views with your staff and can be reached at 202-659-1903. Thank you in advance for your consideration. We appreciate your willingness to consider our concerns.

Sincerely,



Nancy McLernon
President & CEO

cc:

Russ Sullivan, Staff Director, Senate Finance Committee (Majority)

Lily Batchelder, Chief Tax Counsel, Senate Finance Committee (Majority)

Mark Prater, Deputy Staff Director and Chief Tax Counsel, Senate Finance Committee (Minority)

John Buckley, Chief Tax Counsel, House Ways and Means Committee (Majority)

Jon Traub, Chief Tax Counsel, House Ways and Means Committee (Minority)

Michael Mundaca, Assistant Secretary for Tax Policy, Treasury Department

Emily McMahon, Deputy Assistant Secretary for Tax Policy, Treasury Department

Stephen Shay, Deputy Assistant Secretary for International Tax Affairs, Treasury Department

Manal Corwin, International Tax Counsel, Treasury Department

Thomas Barthold, Chief of Staff, Joint Committee on Taxation

Kevin Livingston, Accountant, Joint Committee on Taxation

Cyndi Lafuente, Legislation Counsel, Joint Committee on Taxation

ORGANIZATION FOR INTERNATIONAL INVESTMENT
INTERNATIONAL BUSINESS INVESTING IN AMERICA

OFII is the only business association in Washington D.C. that exclusively represents U.S. subsidiaries of foreign companies and advocates for their non-discriminatory treatment under state and federal law.

Members

ABB Inc.	Ericsson	Rexam Inc
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Air Liquide America L.P.	Food Lion, LLC	SABIC Innovative Plastics
Akzo Nobel Inc.	France Telecom North America	Saint-Gobain
Alcatel-Lucent	Garmin International, Inc.	sanofi-aventis
Alcon Laboratories, Inc.	GDF SUEZ Energy North America, Inc.	SAP America
Alfa Laval Inc.	Generali USA	Schott North America
Allianz of North America	Givaudan	SGL Carbon LLC
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AstraZeneca Pharmaceuticals	Iberdrola Renewables	Square D Company
BAE Systems	ING America Insurance Holdings	Sumitomo Corp. of America
Barclays Capital	InterContinental Hotels Group	Sun Life Financial U.S.
Barrick Goldstrike Mines, Inc.	John Hancock Life Insurance Co.	Swiss Re America Holding Corp.
BASF Corporation	Lafarge North America	Syngenta Corporation
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BHP Billiton	Logitech Inc.	Tate & Lyle North America, Inc.
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Bimbo Foods, Inc.	Louisiana Energy Service (LES)	Thales USA, Inc.
bioMérieux, Inc.	Louisville Corporate Services, Inc.	The Tata Group
BNP Paribas	LVMH Moët Hennessy Louis Vuitton	Thomson Reuters
Boehringer Ingelheim Corp.	Macquarie Aircraft Leasing Services	ThyssenKrupp USA, Inc.
BOSCH	Maersk Inc	Tim Hortons
BP	Magna International	Toa Reinsurance Company of America
Bridgestone Americas Holding	Marvell Semiconductor	Tomkins Industries, Inc.
Brother International Corp.	McCain Foods USA	TOTAL Holdings USA, Inc.
Brunswick Group	Michelin North America, Inc.	Toyota Motor North America
BT	Miller Brewing Company	Tyco International (US), Inc.
Bunge Ltd.	Mitsubishi Electric & Electronics	Tyco Electronics
Case New Holland	Munich Re	UBS
CEMEX USA	National Grid	Umicore USA
Cobham	Nestlé USA, Inc.	Unilever
Covidien	The Nielsen Company (US), Inc.	Vivendi
Credit Suisse Securities (USA)	Nokia, Inc.	Vodafone
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Deutsche Telekom	Panasonic Corp. of North America	Westfield LLC
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Electrolux Home Products, Inc.	Randstad North America	Zurich Insurance Group
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