

June 7, 2004

The Honorable Bill Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Thomas:

On behalf of our more than 400 member companies, API commends you for introducing legislation (H.R. 4520) to reform the international tax provisions of U.S. tax law and make other tax changes that promote U.S. jobs and competitiveness. Your legislation addresses fundamental inequities facing U.S. taxpayers that undermine the competitiveness of U.S. companies.

Enactment of your legislation will have a positive impact on the domestic economy. As you know, economic studies have demonstrated the important role that U.S. multinational corporations play in building our economy and creating and preserving American jobs. Your bill will help level the international playing field, enhance the ability of U.S. companies to compete in global markets, and strengthen our domestic economy.

While we are still reviewing the actual bill language vis-à-vis our established principles, we fully support your proposal to replace the FSC/ETI provision with a corporate rate reduction for domestic production activities. We continue to have some concerns and questions about the fuel tax evasion provisions, but we are committed to working with you to refine and improve the bill as it moves through the legislative process.

Thank you for your leadership on this important issue.

Sincerely,



cc: The Honorable J. Dennis Hastert
The Honorable Tom DeLay
The Honorable Roy Blunt