



Mark A. Snell
President

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The Honorable David Camp
Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515-6348

Dear Chairman Camp:

On behalf of Sempra Energy, I want to commend you for your leadership of the House Ways & Means Committee's effort to reform our highly technical and complex international tax laws, particularly your focus on doing so in a manner that can help undo the counterproductive incentives in the current tax code.

Sempra Energy, based in San Diego, California, is a Fortune 500 energy services company with 2010 revenues of \$9 billion. Sempra Energy is focused on developing energy infrastructure in North and South America and our 17,500 employees (over 13,000 are located in the United States) serve more than 31 million consumers worldwide. Our California utilities, San Diego Gas & Electric Co. and Southern California Gas Co., serve more than 20 million consumers in California, while our other businesses develop and operate critical energy infrastructure across the United States. We also own and operate utilities in Argentina, Chile, and Peru and extensive energy infrastructure assets in Mexico.

As you are aware, our current "worldwide" system of taxation creates a perverse and unintended incentive in the tax code for a company with foreign earnings to reinvest capital overseas instead of investing in assets in the United States. The current system also disadvantages U.S. based global companies from investing in the U.S. compared with foreign based companies. The thoughtful discussion draft you released on a territorial tax plan is a solid beginning to allowing U.S. companies to base business decisions on the quality of the underlying investment and not be driven by the tax code.

We support the structure proposed in your discussion draft and would like to work with the Committee to build upon this effort to ensure that your territorial tax plan encourages investments of global U.S. based companies in U.S. jobs and infrastructure.

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Sempra Energy strongly urges the Committee and Congress to enact comprehensive tax reform including a shift to a territorial tax system. Other countries are actively reforming their international tax codes – giving employers lower rates and moving towards a territorial tax system. It is time to fix the perverse incentives in our tax code that strand capital outside the United States. We stand ready to help the Committee as it considers different policy scenarios and appreciate your consideration of our policy proposals.

Sincerely,

A handwritten signature in black ink, appearing to be 'MS', written in a cursive style.

Mark A. Snell
President