



February 14, 2017

The Honorable Paul Ryan  
Speaker of the House

The Honorable Kevin Brady  
Chairman, Ways and Means Committee

Dear Speaker Ryan and Chairman Brady:

The MPAA and its member companies are grateful to you both for your leadership efforts to reform the U.S. tax system. We support the House Blueprint's efforts to modernize our tax code in order to promote domestic job growth, enhance the global competitiveness of U.S. businesses, and ensure that IP development (and the resultant revenue base) remains at home.

Other countries are becoming more aggressive in using lower statutory rates, targeted tax incentives, broad innovation box regimes, and other subsidies to attract IP production and ownership overseas. As significant domestic producers and exporters of IP, we believe that the U.S. must move swiftly to respond to these efforts by adopting meaningful tax reform. In particular, a substantial reduction in the U.S. corporate tax rate and adoption of a dividend exemption system that levels the playing field and encourages development of domestic IP are critical steps to preserve and create U.S. jobs in our industry and others, and to generate economic growth in an increasingly competitive global marketplace.

The motion picture and television industry is an important and productive component of the U.S. economy. The industry directly or indirectly employed nearly 2 million people in the United States in 2015 and generated \$134 billion in wages. Core production, marketing, manufacturing, and distribution jobs paid an average of \$93,000, which is nearly 75 percent higher than the national average. The industry is comprised of a nationwide network of tens of thousands small businesses across all 50 states, with 85 percent of these businesses employing fewer than 10 people. Finally, the industry creates one of our country's most successful products, garnering a positive balance of trade with virtually every country to which we export and generating an overall \$17.8 billion trade surplus in 2015.

The MPAA and its member companies are very appreciative of the work being undertaken by you, your colleagues and your staffs to improve our tax code and we look forward to working with you in these efforts. Please contact Patrick Kilcur (202) 378-9175 if you have any questions or need any further assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joanna McIntosh", is written above the typed name.

Joanna McIntosh, EVP Global Public Policy and External Affairs

cc: Austin Smythe  
George Callas  
Dave Stewart  
Barbara Angus