



ORGANIZATION FOR INTERNATIONAL INVESTMENT
INTERNATIONAL BUSINESS INVESTING IN AMERICA

NANCY L. MCLERNON, PRESIDENT & CHIEF EXECUTIVE OFFICER

January 20, 2010

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

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

Dear Senators Baucus and Grassley:

As the Senate Finance Committee begins to consider various tax initiatives this year, the Organization for International Investment (OFII) would like to express concern with a proposal that was included in the Administration's FY10 budget to repeal the "80/20" company" exception. While OFII supports the Administration's intent to limit the potential for tax abuse, we believe the repeal of this exception, as proposed, would have negative unintended consequences for U.S. subsidiaries and the American economy.

OFII is a business association representing U.S. subsidiaries of companies headquartered abroad. U.S. subsidiaries directly employ over 5 million Americans and support an annual U.S. payroll of nearly \$404 billion (membership list attached). OFII advocates for the fair, non-discriminatory treatment of U.S. subsidiaries with the goal of making the United States an increasingly attractive market for foreign direct investment, which will ultimately encourage international companies to conduct more business and employ more Americans within our borders.

As you know, under current law, the "80/20 company" exception provides limited relief from U.S. withholding tax for certain interest or dividends paid to a foreign shareholder out of certain foreign source earnings and profits. Rather than the outright repeal of this rule, OFII believes there are alternative approaches that would address concerns about abuse while preserving fair tax treatment for companies with significant operations and employees in the United States.

Thank you for considering our concerns. We welcome the opportunity to discuss our views about alternative proposals with your staff at any time.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy McLernon". The signature is fluid and cursive, with the first name being more prominent.

Nancy McLernon
President & CEO
Organization for International Investment

CC: Senator Reid
Senator McConnell



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	Philips Electronics North America
ACE INA Holdings, Inc.	Evonik Degussa Corporation	Randstad North America
AEGON USA	Experian	Reed Elsevier Inc.
AgustaWestland Inc.	Finmeccanica North America	Rexam Inc
Ahold USA, Inc.	Flextronics International	Rio Tinto America
Airbus North America Holdings	Food Lion, LLC	Roche Financial USA, Inc.
Air Liquide America L.P.	France Telecom North America	Rolls-Royce North America Inc.
Akzo Nobel Inc.	Garmin International, Inc.	SABIC Innovation Plastics
Alcatel-Lucent	GDF SUEZ Energy North America, Inc.	Saint-Gobain
Alcon Laboratories, Inc.	Generali USA	sanofi-aventis
Alfa Laval Inc.	Givaudan	SAP America
Allianz of North America	GKN America Corp.	Schlumberger Technology Corp.
ALSTOM	GlaxoSmithKline	Schott North America
AMEC	Hanson North America	SGL Carbon LLC
American Honda Motor Co., Inc.	Hitachi, Ltd.	Shell Oil Company
Anheuser-Busch	Holcim (US) Inc.	Siemens Corporation
APL Limited	HSBC North America Holdings	Smith & Nephew, Inc.
AREVA, Inc.	Huhtamaki	Sodexo, Inc.
Astellas Pharma US, Inc.	Hyundai Motor America	Solvay America
AstraZeneca Pharmaceuticals	ING America Insurance Holdings	Sony Corporation of America
BAE Systems	InterContinental Hotels Group	Square D Company
Barclays Capital	John Hancock Life Insurance Co.	Sumitomo Corp. of America
Barrick Goldstrike Mines, Inc.	LaFarge North America	Sun Life Financial U.S.
BASF Corporation	Lenovo	Swiss Re America Holding Corp.
Bayer Corp.	Logitech Inc.	Syngenta Corporation
BIC Corp.	L'Oréal USA, Inc.	Takeda North America
Bimbo Foods, Inc.	Louisiana Energy Service (LES)	Tate & Lyle North America, Inc.
bioMérieux, Inc.	Louisville Corporate Services, Inc.	Thales USA, Inc.
BNP Paribas	LVMH Moët Hennessy Louis Vuitton	The Tata Group
Boehringer Ingelheim Corp.	Macquarie Aircraft Leasing Services	Thomson Reuters
BOSCH	Macquarie Holdings Inc.	ThyssenKrupp USA, Inc.
BP	Maersk Inc	Tomkins Industries, Inc.
Bridgestone Americas Holding	Magna International	TOTAL Holdings USA, Inc.
British Airways	Marvell Semiconductor	Toyota Motor North America
Brother International Corp.	McCain Foods USA	Tyco International (US), Inc.
Brunswick Group	Michelin North America, Inc.	Tyco Electronics
Bunge Ltd.	Miller Brewing Company	UBS
Case New Holland	Mitsubishi Electric & Electronics	Unilever
CEMEX USA	Munich Re	Virgin Atlantic Airlines
Covidien	National Grid	Vivendi
Credit Suisse Securities (USA)	Nestlé USA, Inc.	Vodafone
Daiichi Sankyo, Inc.	The Nielsen Company (US), Inc.	Voith Paper Inc.
Daimler	Nokia, Inc.	Volkswagen of America, Inc.
Dassault Falcon Jet Corp.	Novartis Corporation	Volvo Group North America, Inc.
Deutsche Post World Net USA	Novelis Inc.	Welspun
Deutsche Telekom	Novo Nordisk Pharmaceuticals	Westfield LLC
Diageo, Inc.	NTT DoCoMo	White Mountains, Inc.
EADS, Inc.	Oldcastle, Inc.	Wolters Kluwer U.S. Corporation
EDF North America	Panasonic Corp. of North America	WPP Group USA, Inc.
Elbit Systems of America, LLC	Pearson Inc.	XL Global Services
Electrolux Home Products, Inc.	Pernod Ricard USA	Zausner Foods Corporation
EMD Serono Inc.	Petrobras North America	Zurich Insurance Group