



ORGANIZATION FOR INTERNATIONAL INVESTMENT
INTERNATIONAL BUSINESS INVESTING IN AMERICA

NANCY L. MCLERNON, PRESIDENT & CHIEF EXECUTIVE OFFICER

January 20, 2010

The Honorable Charles Rangel
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20510

The Honorable Dave Camp
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20510

Dear Representatives Rangel and Camp:

As the Ways and Means 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 "Nancy" being more prominent than the last name "McLernon".

Nancy McLernon
President & CEO
Organization for International Investment



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.

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