

Keith McCoy

Vice President
Energy & Resources Policy

September 2, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20510

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, DC 20510

Dear Madam Speaker and Leader Boehner:

The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to oppose language in any legislation that would raise energy prices and threaten manufacturing jobs in these difficult economic times, including revisions to Section 199.

Sec. 199—enacted in 2004—is designed to reduce the tax burden on domestic manufacturers to help spur investment in the United States and create U.S. jobs. The U.S. statutory corporate tax rate currently is 35 percent, almost 10 percentage points higher than the average corporate tax rate for other countries in the Organization for Economic Cooperation and Development. The Sec. 199 provision helps mitigate this tax burden for all domestic manufacturers.

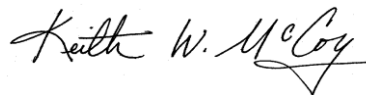
The NAM strongly opposes discriminatory tax policies, especially when they single out a particular type of business or industry sector for non-deductible treatment. Excluding the income from U.S. oil and natural gas production, refining and processing from the Sec. 199 tax benefit will discourage new oil and gas investments in the United States by making domestic energy investments less competitive economically with foreign opportunities.

Additionally, tax increases on the oil and gas industry will ultimately result in increased fuel costs for manufacturers. As our nation confronts a host of economic challenges, raising the price of fuel on manufacturers will further stifle the ability of the business sector as a whole to expand and create jobs.

Manufacturers believe that, rather than imposing new taxes or new costs on the domestic energy industry, policymakers should focus on developing and implementing energy policies that expand domestic supplies in an environmentally safe way and lower costs for U.S. consumers and manufacturers. Access to competitively priced energy helps U.S. companies compete in the global economy and preserves high-paying jobs here at home.

Thank you in advance for opposing this anti-growth, discriminatory tax increase that will put the jobs of American manufacturing workers at risk.

Sincerely,



Keith McCoy
Vice President
Energy & Resources Policy
National Association of Manufacturers

Leading Innovation. Creating Opportunity. Pursuing Progress.