

Congress of the United States
Washington, DC 20515

October 12, 2011

The Honorable Jeb Hensarling
Co-Chair, Joint Select Committee on
Deficit Reduction
129 Cannon House Office Building
Washington, DC 20515

The Honorable Patty Murray
Co-Chair, Joint Select Committee on
Deficit Reduction
448 Russell Senate Office Building
Washington, DC 20510

Dear Representative Hensarling, Senator Murray and Honorable Members of the Joint Select Committee on Deficit Reduction;

The United States has one of the highest corporate tax rates in the entire world. In addition to the high rate, our tax structure is complicated, messy and unfair. That is why we urge the Joint Select Committee on Deficit Reduction to take this opportunity to put us on a path toward comprehensive, long-term tax reform that will help American businesses compete in a global environment and make our economy more competitive.

As you consider tax reform, we urge you to include a temporary change to the tax code that allows businesses to repatriate money trapped overseas as part of reform or as a bridge to comprehensive reform.

The Blue Dog Coalition has endorsed H.R. 1834, the Freedom to Invest Act of 2011. This bipartisan bill, sponsored by Representatives Matheson and Brady, removes a barrier that keeps up to \$1.4 trillion in American private-sector money overseas. The Freedom to Invest Act, and similar bipartisan legislation introduced by Senators Hagan and McCain, will entice American companies selling their goods and services abroad to bring earnings back to the United States for investment. The legislation also includes disincentives for American companies who repatriate earnings and reduce their workforce, ensuring that companies directly invest in the U.S. economy.

Without Congressional action this money stays overseas and is invested in foreign economies.

Experts agree that temporarily lowering tax barriers will bring earnings back home, and therefore strengthen our economy. An independent study by former CBO Director, Douglas Holtz-Eakin, shows that repatriation could expand the Gross Domestic Product by four percent and create between one and four million jobs. Another study by Dr. Robert Shapiro, a former Clinton Administration economist shows that repatriation could generate up to \$8.7 billion in new revenues over ten years.

We believe that bringing private sector capital back to the U.S. will strengthen recovery efforts and help reduce the federal deficit. Therefore, we urge you to consider this as part of your larger efforts.

Sincerely,



Rep. Heath Shuler
Co-chair, Administration



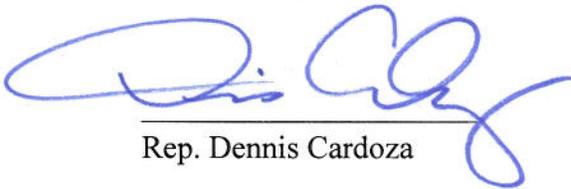
Rep. John Barrow
Co-chair, Policy



Rep. Mike Ross
Co-chair, Communications



Rep. Dan Boren
Co-chair, Whip



Rep. Dennis Cardoza



Rep. Jim Matheson

CC: The Honorable Max Baucus
The Honorable John Kerry
The Honorable Jon Kyl
The Honorable Rob Portman
The Honorable Pat Toomey
The Honorable Xavier Becerra
The Honorable Dave Camp
The Honorable James Clyburn
The Honorable Fred Upton
The Honorable Chris Van Hollen