



Similar letter sent to. Sen. Max Baucus.

September 25, 2003

The Honorable Charles Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the National Association of Manufacturers (NAM), we commend your leadership in introducing the "Jumpstart Our Business Strength (JOBS) Act" (S. 1637). Like you, the NAM believes strongly that promoting the competitiveness of U.S. manufacturers should not come down to a "false choice" between domestic production and foreign direct investment.

Despite recent promising signs that the manufacturing sector is recovering from its three-year long recession, U.S. manufacturers continue to struggle in the face of weak demand and the most intense global competition in history. Improving the competitiveness of U.S. manufacturers requires a focus on both domestic production and international investment. Consequently, we applaud your efforts, along with Senator Baucus, to develop a fair, balanced and bipartisan tax package that addresses both issues.

We also want to underscore the urgency of resolving the FSC/ETI issue before the end of the year. The European Union (EU) is poised to impose sanctions against the United States beginning in January 2004, if we have not made substantial progress toward compliance with the WTO decisions. In addition to undermining U.S.-EU relations, the implementation of sanctions would impose an added burden on the U.S. economy.

NAM board members very much appreciate the time you took this week to speak with them about S. 1637 as well as other tax legislative priorities. While we still are evaluating the specific details of the bill, we share your general optimism about its goals and prospects. Similarly, we were pleased to hear that, as you continue to refine your proposal, there may be an opportunity to include other NAM priorities in the final product.

Resolution of the FSC/ETI issue in a way that keeps U.S. manufacturers competitive and avoids a tax increase on domestic manufacturing is a top NAM priority. We have also long supported meaningful international tax reform. Thank you again for addressing these difficult issues and moving quickly toward a fair and balanced solution. We look forward to continuing to work with you as the legislative process progresses.

Sincerely,

/s/
Jerry J. Jasinowski
President and CEO
National Association of Manufacturers

/s/
Ralph F. Hake
Chairman, Taxation and Economic Policy Group
Chairman & CEO, Maytag Corporation

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