

# Congress of the United States

## House of Representatives

Washington, DC 20515

### KEEP MANUFACTURING JOBS IN AMERICA

April 28, 2003

Dear Colleague:

We invite you to cosponsor legislation we have introduced, the Job Protection Act of 2003 (H.R. 1769). This legislation responds to the recent World Trade Organization ruling that held that our export-related tax benefit, the FSC/ETI provisions of the Internal Revenue Code, violate our trade agreements.

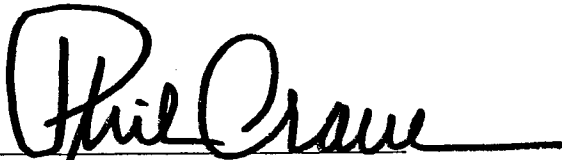
There is no Republican or Democratic position on this issue. There is, however, an American position and a European position. The FSC/ETI provisions currently benefit companies manufacturing and producing goods in the United States, and they support over 1 million direct jobs and 2.458 million indirect jobs here at home. Merely repealing FSC/ETI without returning the revenues to companies producing in the United States could result in further job losses in the United States, artificially transferring jobs to Europe. This would be unacceptable, particularly now when there has been a steady erosion in U.S. manufacturing jobs.

The purpose of this legislation is to encourage manufacturing to stay in the United States. We believe that it is necessary for this country to comply with its international agreements, but any response to the WTO ruling must be designed in a way that preserves jobs in the United States. This legislation achieves these dual goals: it brings the United States into compliance with our WTO obligations, and it keeps the playing field level for our manufacturers which will keep jobs here.

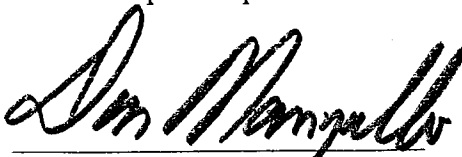
In order to accomplish this, H.R. 1769 repeals the current FSC/ETI provisions and provides an effective rate reduction for U.S. manufacturers through a permanent new deduction. The deduction is not export-related, and is therefore consistent with our trade agreements. Companies that produce 100 percent of eligible goods domestically would receive an effective 3-½ point rate reduction on their net income of U.S. production activities. Companies that produce less than 100 percent domestically would receive a sliding-scale rate reduction. The legislation is roughly revenue neutral, costing the government only \$126 million over 10 years.

If you would like to cosponsor this legislation or have questions, please contact any of us or Manny Rossman (with Rep. Crane) at x. 53711, John Buckley (Rep. Rangel) at x. 54021, Jim Clark (Rep. Manzullo) at x. 55821, or Mike Castellano (Rep. Levin) at x. 54961.

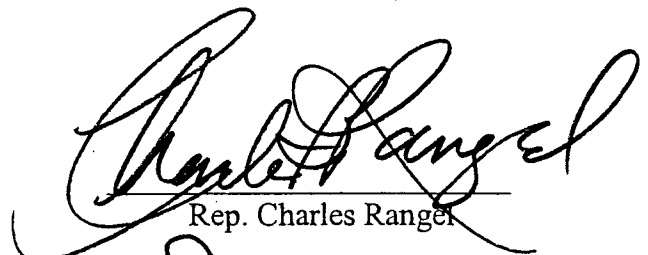
Sincerely,



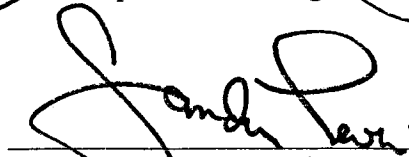
Rep. Philip Crane



Rep. Don Manzullo



Rep. Charles Rangel



Rep. Sander Levin