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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510–6350

September 15, 2003

BY HAND

The Honorable Charles Grassley
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chuck:

As you continue to craft legislation that responds to the World Trade Organization's (WTO) ruling that the Extraterritorial Income (ETI) Exclusion Act of 2000 provides an illegal export subsidy to domestic manufacturers and hence must be repealed, I want to express my genuine appreciation for your leadership on this critical issue. The manufacturing sector is an invaluable component of the American economy, and in order to ensure that domestic manufacturers are able to compete on a level playing field with respect to foreign competitors, Congress must replace the ETI rules with a solution that, while WTO-compliant, provides these taxpayers with real tax relief.

In considering this issue, we must also address the concerns of those manufacturers and exporters that are small businesses struggling to compete in a global economy. Small business truly is the backbone of the American economy, and if we are to replace the nearly 2.6 million manufacturing jobs that this country has lost since July 2000, this legislation must ensure that small manufacturers and exporters have an equal opportunity to benefit from the bill's provisions so they can continue their contribution to America's success in the global marketplace.

Thank you once again for your strong leadership on this issue and commitment to small business. I look forward to working with you on this legislation.

Sincerely,

Olympia J. Snowe
Chair