



**Dorothy Coleman**  
Vice President  
Tax and Domestic Economic Policy

December 18, 2015

The Honorable Charles Boustany  
United States House of Representatives  
1431 Longworth House Office Building  
Washington, DC 20515

Dear Congressman Boustany:

The National Association of Manufacturers (NAM)—the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states—endorses legislation (H.R. 4297) you introduced, which would address NAM's concerns about some of the recommendations in the Base Erosion and Profit Shifting (BEPS) project spearheaded by the G-20 and the Organisation for Economic Cooperation and Development (OECD).

The BEPS project included 15 action items including Action 13, "Re-examine Transfer Pricing Documentation," which adopts a three-tiered approach to information sharing and disclosure. Specifically, it recommends a master file to provide a complete picture of a company's global operations; a local file of more detailed information relating to specific intercompany transactions impacting a tax jurisdiction; and a country-by-country report (CbCR) with aggregated financial and tax data.

The CbCRs that companies file with their own country would impose an additional administrative burden on companies. These reports however, would be submitted to foreign countries under bilateral treaties and information exchange agreements with protections to ensure confidentiality, consistency and appropriate use of the information by foreign countries. If a country fails to abide by these conditions, Treasury has stated its intent to suspend the information exchange.

This would not be the case with the master file, which could be required directly by any country where a company does business. Moreover, unlike CbCRs, the master file information generally is not subject to any confidentiality, consistency, or appropriate use conditions beyond those that may apply locally.

H.R. 4297 clearly and appropriately describes potential abuses of the master file requirements. Moreover, by requiring the federal government to withhold CbCRs from countries abusing master file documentation requirements or failing to keep master file information confidential, H.R. 4297 ensures the federal government will protect U.S. businesses from being forced to disclose sensitive and confidential taxpayer information to foreign tax authorities. The legislation also helps reduce the compliance burden of the new CbCRs by delaying Treasury's implementation of the reporting requirements.

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When it comes to tax policy, manufacturers believe a fair and transparent tax climate in the United States—including competitive business tax rates and modern international tax rules—will boost economic growth worldwide. At the same time, an appropriate balance needs to be struck between transparency and confidentiality of the proprietary information that enables companies to compete and prosper in a global economy. By protecting manufacturers' sensitive and confidential commercial information, your legislation will help ensure that balance is achieved.

Sincerely,

A handwritten signature in dark ink that reads "Dorothy Coleman". The script is cursive and fluid, with the first name "Dorothy" and last name "Coleman" clearly distinguishable.

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Vice President  
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