

September 27, 2016

The Honorable Jacob Lew
United States Treasury Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Dear Secretary Lew:

As employers with headquarters, significant investments or business interests in Ohio, we write to inform you that the Treasury Department's proposed regulations under section 385 of the Internal Revenue Code are already having a negative impact on Ohio's business community. We believe the regulations, as proposed, go far beyond Treasury's stated intent to curtail abusive transactions. If the regulations were to become final in their current form, they would significantly impede the ability of our businesses to invest and create jobs in Ohio.

The proposed regulations will complicate, and in some cases eliminate, our companies' ability to self-finance our job growth and could obstruct access to capital. The broad language of the regulations creates uncertainty resulting in serious hesitation to make long-term commitments in an already challenging business environment. The regulations would inflict significant costs on our businesses, with no direct or indirect benefit to consumers, by mandating new and extensive tracking, documentation and compliance requirements. Finally, the subjective nature of the regulations and the new bifurcation authority given to the IRS would all-but ensure compliance issues and increased controversy.

In its mission statement, Treasury sets forth to, "Maintain a strong economy and create economic and job opportunities by promoting the conditions that enable economic growth and stability at home and abroad, strengthen national security by combating threats and protecting the integrity of the financial system, and manage the U.S. Government's finances and resources effectively." The proposed regulations fall short of achieving these goals. They would inhibit economic growth and stability through the excessive burdens imposed on Ohio businesses. They would hurt the integrity of our financial system with new overly broad rules. They would not effectively manage resources by creating more controversy. Finally, they would reduce business growth and thus tax revenues.

In previous letters, formal comments, and other communications many of us individually shared our views on how Treasury should move forward. These include substantial modification of the current proposal to address the numerous issues identified in the public comment process, a re-proposal of the regulations in order to more carefully target abusive transactions, and complete withdrawal. Collectively, as members of the broader Ohio business community, we implore you to take into full consideration the unintended collateral consequences the regulations would have on local economies in Ohio and across the U.S. We urge you to proceed in a manner which gives Ohio businesses and their direct and indirect employees the best chance to prosper and compete.

Sincerely,

Abercrombie & Fitch Co.
New Albany

Akzo Nobel Coatings, Inc.
Columbus

Anheuser-Busch
Columbus

BBA Aviation

BP America
Toledo

Caterpillar Inc.
Clayton

Cooper Tire & Rubber Company
Findlay

Forest City Realty Trust, Inc.
Cleveland

Huhtamaki
Batavia

InterContinental Hotels Group PLC
Cleveland

L Brands, Inc.
Columbus

Manufacturing Policy Alliance (OH)

MillerCoors
Trenton

Nestlé

Ohio Chamber of Commerce

Aggregate Industries Management, Inc.

American Petroleum Institute-Ohio

ARC Abrasives, Inc.
Troy

Big Lots, Inc.
Columbus

Cardinal Health, Inc.
Columbus

ContiTech - a Continental company
Fairlawn

DDR Corp.
Beachwood

HMB, Inc.
Westerville

Hyster-Yale Materials Handling, Inc.
Mayfield Heights

Invacare Corporation
Elyria

Lafarge North America, Inc., Holcim (US), Inc.

McGregor Metalworking
Springfield

Navistar International Corporation
Springfield

O-I, Inc.
Perrysburg

Ohio Manufacturers' Association

Owens-Corning
Toledo

Philips North America
Highland Heights

Randstad

Siemens

STERIS Corporation
Mentor

TE Connectivity
Mansfield

The Procter & Gamble Company
Cincinnati

Transamerica

Whirlpool Corporation
Clyde

Patheon Pharmaceuticals, Inc.
Cincinnati

Phillips Edison & Company, Ltd.
Cincinnati

Sheely's Furniture & Appliance Co. Inc.
North Lima

Solvay America, Inc.
Marietta

Tate & Lyle
Dayton

The Kraft Heinz Company
Massillon

The Timken Company
North Canton

United Technologies Corporation