



September 20, 2011

The Honorable Barack Obama  
President of the United States  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Mr. President:

There is an overwhelming consensus among taxpayers, Congress, academics and nearly all other stakeholders that the federal tax system must be reformed in order for U.S. businesses to compete globally, promote economic growth, and create U.S. jobs.

We believe the cornerstone of reform must be a significantly lower statutory corporate tax rate, which is why we have formed the RATE Coalition (Reducing America's Taxes Equitably). The RATE Coalition is made up of like-minded businesses with the purpose of advocating for sound and equitable reforms to the federal tax code that would reduce the corporate tax rate in order to restore the competitiveness of American business. Importantly, in our current deficit environment, we understand that many tax expenditures must be eliminated and/or reduced in order to achieve a meaningful corporate rate reduction.

Coalition member companies employ millions of Americans and provide benefits for retirees right here in the U.S., yet our companies are at a distinct competitive disadvantage due to our higher effective tax rates compared to our foreign competitors. In a global economy where capital is highly mobile, it is simply harder to compete from America. Research has found that the corporate income tax rate can have a large impact on where companies choose to place production facilities and on the size of investments. We need to ensure that America is the place to invest now and in the future.

It has been 25 years since the last comprehensive tax reform was accomplished. Since then, other countries' tax systems have changed dramatically, and not to our benefit. Other OECD countries have lowered statutory tax rates while the U.S. rate remained relatively constant, resulting in an uncompetitive tax environment that discourages investment and job creation here at home.

A lower U.S. corporate tax rate offers critical benefits to the U.S. economy and to all Americans. Most importantly, a lower corporate rate will boost investment in the U.S., bringing more American jobs, innovation and growth.

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We urge you to move forward now to enact a lower corporate tax rate and restore America's competitive edge.

Respectfully,

Michael E. Szymanczyk  
Chairman and Chief Executive Officer  
Altria Group, Inc.

Edward R. Hamberger  
President and Chief Executive Officer  
Association of American Railroads

Randall Stephenson  
Chairman and Chief Executive Officer  
AT&T Inc.

Jim McNerney  
Chairman, President and  
Chief Executive Officer  
The Boeing Company

Frederick W. Smith  
Chairman of the Board and  
Chief Executive Officer  
FedEx Corporation

Robert J. Stevens  
Chairman and Chief Executive Officer  
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Scott Davis  
Chief Executive Officer  
United Parcel Service

Howell McAdam  
President and Chief Executive Officer  
Verizon Communications Inc.

Robert A. Iger  
President and Chief Executive Officer  
The Walt Disney Company

cc: Members of the United States House of Representatives  
Members of the United States Senate