



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: New Support for the JOBS Act
Da: Wednesday, March 3, 2004

Today the U.S. Senate began considering S.1637, the *Jumpstart Our Business Strength (JOBS) Act*, to bring the United States into compliance with its international trade obligations. Sen. Chuck Grassley, chairman of the Finance Committee, introduced the JOBS Act, which the Finance Committee approved with strong bipartisan support. The JOBS Act eliminates the FSC/ETI corporate tax regime and replaces it with an effective 3 percent tax cut for manufacturing income to preserve and grow manufacturing jobs here in the United States. Chairman Grassley offered the following comments on new expressions of support for the JOBS Act by business groups on both sides of the Atlantic.

“I’m happy to see the Senate finally take up this important legislation. Sanctions have started, and we need to act to get them lifted as soon as possible. Our farmers, ranchers, and manufacturers who are getting hit with sanctions can’t afford any further delay.

“This legislation was more than one year in the making. It’s carefully crafted to bring us into compliance with our obligations at the WTO. At the same time, it brings tax relief to all U.S. manufacturers. It’s good legislation, and it enjoys broad bipartisan support.

“Some in Europe have taken issue with the transition that we’ve put into the JOBS Act. Our transition gives current FSC/ETI beneficiaries a diminishing tax break that’s phased out over three years. That’s only fair. These firms have counted on the FSC/ETI tax regime for decades. We can’t just pull the rug out from under them. So, we’ve crafted a limited transition that is not in any way contingent on future exports. That means it doesn’t run afoul of WTO rules.

“Early on some in the European Union grumbled against a three-year transition. But now that the business community has had a chance to review the details, I’m hearing a different tune. The Confederation of British Industry has written me in support of the JOBS Act. According to CBI, the JOBS Act ‘meets the U.S. obligations to comply with the WTO in a responsible way.’ The CBI’s members ‘fully support the transition period of no more than three years from the date of enactment.’

“The Organization for International Investment has also written me in support of the JOBS

Act transition. OFII stressed the fact that the JOBS Act transition ‘is not merely an extension of current law, but rather a reformulated phase-out’ of the FSC/ETI tax regime. If European business groups don’t have a problem with the JOBS Act transition, then EU bureaucrats shouldn’t either. And those letters come on top of statements from the Union of Industrial and Employers’ Confederations of Europe, and from AmCham Germany, calling on the EU to demonstrate flexibility and accept the need for a three-year transition.

“The message is clear. We’re on track to resolve this issue. We’re on track to come into compliance with our trade obligations. We’re on track to bring tax relief to U.S. manufacturing. And most important, we’re on track to help jumpstart job growth for U.S. manufacturing workers.”