



**INTERNATIONAL
BROTHERHOOD
OF ELECTRICAL
WORKERS**

900 Seventh Street, N.W.
Washington, DC 20001
(202) 833-7000

EDWIN D. HILL
International President

LINDELL K. LEE
International Secretary-Treasurer

May 24, 2010

The Honorable Sander M. Levin
U.S. House of Representatives
Longworth House Office Bldg., Rm. 1236
Washington, DC 20515-2212

Dear Congressman Levin:

On behalf of the approximately 725,000 members of the International Brotherhood of Electrical Workers (IBEW), I write in support of the *American Jobs, Closing Tax Loopholes, and Preventing Outsourcing Act* (H.R. 4213 – also known as the “tax extenders” bill). Among its many provisions, this legislation repeals an obscure corporate tax break known as the “Reverse Morris Trust”; contains relief for multi- and single-employer pension plans; and extends federal unemployment insurance. I strongly urge you to support this worthwhile legislation.

The Reverse Morris Trust (RMT) tax loophole has been used by corporations seeking to sell unwanted assets without paying taxes on the money they make. Under an RMT transaction, a parent company spins-off a subsidiary that then merges into the acquiring company tax-free, as long as the shareholders of the parent company control more than 50 percent of the voting rights of the resulting merged company. There is no legitimate reason for the federal government to grant tax-free status to RMT transactions and H.R. 4213 repeals this ill-conceived tax-break.

Also included in H.R. 4213 is financial relief for multi- and single-employer pension plans. For both types of plans, this legislation contains reforms that will give employers and Taft-Hartley funds time to deal with shortfalls created by the sharp drop in the stock market. If enacted, this legislation will prevent many employers from being forced to cut back on investments vital to job creation.

Furthermore, H.R. 4213 includes an extension of the federal unemployment insurance (UI) and COBRA benefits as contained in the *American Recovery and Reinvestment Act*. Absent renewal, these programs expire on June 5th. Despite hopeful signs of economic recovery, our nation’s unemployment rate stands at 9.9 percent with over 15 million Americans out-of-work through no fault of their own. Most economists agree the unemployment rate will remain unacceptably high for the remainder of this year.

In addition to the three provisions I have mentioned, the *American Jobs, Closing Tax Loopholes, and Preventing Outsourcing Act* contains many other worthwhile features all designed to assist middle-class Americans during this, the worst economic downturn since the Great Depression. I urge you to support and vote for this valuable legislation.

Sincerely yours,

Edwin D. Hill
International President

EDH:lgd
Opeiu#2