

Coalition for Tax Competition

February 9, 2006

The Honorable Joshua B. Bolten
Director
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Bolten:

On behalf of the organizations listed below, we urge you to closely examine what we believe to be counter-productive federal spending on the Organization for Economic Cooperation and Development (OECD). Based in Paris, the OECD is an international bureaucracy that receives nearly one-fourth of its budget from American taxpayers. Yet, because the OECD has in recent years begun advocating policies that are contrary to the best interests of the United States, we believe that the Administration should strongly consider eliminating or at least dramatically reducing funding to the OECD.

The OECD used to focus on gathering statistics and publishing innocuous studies. Although it is doubtful that these activities were ever a particularly good use of American tax dollars, the OECD's more recent pursuit of policies that undermine America's competitiveness is deeply troubling.

In recent years, for example, the OECD has repeatedly suggested adoption of a value-added tax in the United States. The Paris-based bureaucracy has also pursued an anti-tax competition agenda that would hinder the flow of jobs and capital to the U.S. economy. The OECD has even sided with unions in a campaign against competition in the market for ocean shipping. Most recently, the OECD has begun interfering with the right of U.S. states to control their own corporation laws.

Fortunately, the Administration has been able to thwart most of these initiatives. But it is nonetheless vexing that the Administration and other advocates of international tax and economic competition have been forced to spend time and energy fighting schemes that are subsidized with U.S. tax dollars. Moreover, the aforementioned issues are just a few examples of bad policies advocated by the OECD. For a more complete picture, we have attached a recent study that details additional policy lapses by the OECD.

Federal spending is consuming too much of America's economic output. Reducing the size of government should be a top priority. Reducing or eliminating U.S. funding for the OECD makes a virtue out of necessity. American taxpayers should not be subsidizing a bureaucracy that is actively pushing anti-market and anti-American policies.

Sincerely,

Andrew F. Quinlan -- President, Center for Freedom and Prosperity Foundation
Daniel J. Mitchell -- Senior Fellow, The Heritage Foundation
Veronique de Rugy -- Research Fellow, American Enterprise Institute
John Berthoud -- President, National Taxpayers Union
Grover Norquist -- President, Americans for Tax Reform
Tom Giovanetti -- President, Institute for Policy Innovation
Karen Kerrigan -- President and CEO, Small Business and Entrepreneurship Council
Doug Bandow -- Vice President of Policy, Citizen Outreach
Roland Boucher -- Chairman, United Californians for Tax Reform
Daniel Clifton -- Executive Director, American Shareholders Association
Rick Durham -- President, Tennessee Tax Revolt, Inc.
Richard Falknor -- Executive Vice President, Maryland Taxpayers Association
Kerri Houston -- Vice President of Policy, Frontiers of Freedom
David A. Keene -- Chairman, American Conservative Union
Matt Kibbe -- President and CEO, FreedomWorks
Thomas P. Kilgannon -- President, Freedom Alliance
Michelle Korsmo -- Vice President, Americans for Prosperity Foundation
Charles W. Jarvis -- Chairman, USA Next
James L. Martin -- President, 60 Plus Association
Chuck Muth -- President, Citizen Outreach
Karl Peterjohn -- Executive Director, Kansas Taxpayers Network
George Pieler -- Senior Fellow, Institute for Policy Innovation
John Pugsley -- Chairman, The Sovereign Society
Don Racheter -- President, Public Interest Institute
Amy Ridenour -- President, The National Center for Public Policy Research
Terrence Scanlon -- President, Capital Research Center
Thomas Schatz -- President, Council for Citizens Against Government Waste
Bill Sizemore -- Executive Director, Oregon Taxpayers United
David M. Stanley -- Chairman, Iowans for Tax Relief
David M Strom -- President, Taxpayers League of Minnesota
Henry L. Thaxton -- Director, West Virginians Against Government Waste
Pat Toomey -- President, Club for Growth
Lewis K. Uhler -- President, National Tax Limitation Committee
Paul M. Weyrich -- National Chairman, Coalitions for America