

WALLY HERGER

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**Congress of the United States
House of Representatives
Washington, DC 20515-0502**

September 18, 2001

The Honorable Paul O'Neill
Secretary of the Treasury
Department of Treasury
1500 Pennsylvania Avenue
Washington, DC 20220

Dear Secretary O'Neill:

I am writing to express my appreciation for your efforts to protect international tax competition. High-tax nations should not be insulated from the global market. If excessive levels of taxation are driving away jobs and capital, the right response is tax reform and lower tax rates, not tax harmonization and protectionist threats against low-tax countries.

As you know, America is the world's biggest beneficiary of tax competition. Our attractive treatment of foreign investors has yielded big dividends for our economy. Needless to say, it makes no sense for the U.S. to support policies that will undermine our competitive advantage – especially given the weak economy the current administration inherited.

I look forward to working with you to make our tax code even more attractive. The President's tax package is an important step in this direction, and I know that we both support long-overdue reforms to the internal revenue code. Thank you again for your strong defense of America's economic interests.

Sincerely,

A handwritten signature in black ink that reads "Wally Herger". Below the signature, the name "WALLY HERGER" is printed in a smaller, sans-serif font, followed by "Member of Congress" in an even smaller font.