September 27, 2016

The Honorable Jacob Lew United States Treasury Secretary U.S. Department of the Treasury 1500 Pennsylvania Avenue, N.W. Washington, DC 20220

## Dear Secretary Lew:

As employers with headquarters, significant investments or business interests in Ohio, we write to inform you that the Treasury Department's proposed regulations under section 385 of the Internal Revenue Code are already having a negative impact on Ohio's business community. We believe the regulations, as proposed, go far beyond Treasury's stated intent to curtail abusive transactions. If the regulations were to become final in their current form, they would significantly impede the ability of our businesses to invest and create jobs in Ohio.

The proposed regulations will complicate, and in some cases eliminate, our companies' ability to self-finance our job growth and could obstruct access to capital. The broad language of the regulations creates uncertainty resulting in serious hesitation to make long-term commitments in an already challenging business environment. The regulations would inflict significant costs on our businesses, with no direct or indirect benefit to consumers, by mandating new and extensive tracking, documentation and compliance requirements. Finally, the subjective nature of the regulations and the new bifurcation authority given to the IRS would all-but ensure compliance issues and increased controversy.

In its mission statement, Treasury sets forth to, "Maintain a strong economy and create economic and job opportunities by promoting the conditions that enable economic growth and stability at home and abroad, strengthen national security by combating threats and protecting the integrity of the financial system, and manage the U.S. Government's finances and resources effectively." The proposed regulations fall short of achieving these goals. They would inhibit economic growth and stability through the excessive burdens imposed on Ohio businesses. They would hurt the integrity of our financial system with new overly broad rules. They would not effectively manage resources by creating more controversy. Finally, they would reduce business growth and thus tax revenues.

In previous letters, formal comments, and other communications many of us individually shared our views on how Treasury should move forward. These include substantial modification of the current proposal to address the numerous issues identified in the public comment process, a reproposal of the regulations in order to more carefully target abusive transactions, and complete withdrawal. Collectively, as members of the broader Ohio business community, we implore you to take into full consideration the unintended collateral consequences the regulations would have on local economies in Ohio and across the U.S. We urge you to proceed in a manner which gives Ohio businesses and their direct and indirect employees the best chance to prosper and compete.

Sincerely,

Abercrombie & Fitch Co.

New Albany

Aggregate Industries Management, Inc.

Akzo Nobel Coatings, Inc.

Columbus

American Petroleum Institute-Ohio

Anheuser-Busch ARC Abrasives, Inc.

Columbus Troy

BBA Aviation Big Lots, Inc.

Columbus

BP America Cardinal Health, Inc.

Toledo Columbus

Caterpillar Inc. ContiTech - a Continental company

Clayton Fairlawn

Cooper Tire & Rubber Company DDR Corp.

Findlay Beachwood

Forest City Realty Trust, Inc. HMB, Inc. Cleveland Westerville

Huhtamaki Hyster-Yale Materials Handling, Inc.

Batavia Mayfield Heights

InterContinental Hotels Group PLC Invacare Corporation

Cleveland Elyria

L Brands, Inc. Lafarge North America, Inc., Holcim (US), Inc.

Columbus

Manufacturing Policy Alliance (OH) McGregor Metalworking

Springfield

MillerCoors Navistar International Corporation

Trenton Springfield

Nestlé O-I, Inc.

Perrysburg

Ohio Chamber of Commerce Ohio Manufacturers' Association

Owens-Corning

Toledo

Philips North America

Highland Heights

Randstad

Siemens

STERIS Corporation

Mentor

TE Connectivity

Mansfield

The Procter & Gamble Company

Cincinnati

Transamerica

Whirlpool Corporation

Clyde

Patheon Pharmaceuticals, Inc.

Cincinnati

Phillips Edison & Company, Ltd.

Cincinnati

Sheely's Furniture & Appliance Co. Inc.

North Lima

Solvay America, Inc.

Marietta

Tate & Lyle

Dayton

The Kraft Heinz Company

Massillon

The Timken Company

North Canton

United Technologies Corporation