

**International  
Association of  
Machinists and  
Aerospace Workers**



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OFFICE OF THE INTERNATIONAL PRESIDENT

March 31, 2020

Dear Senator,

**On behalf of more than 600,000 active and retired members of the International Association of Machinists and Aerospace Workers (IAM), I strongly urge you to cosponsor S. 3425, the End Outsourcing Act of 2020.** This vitally important legislation, introduced by Senator Kirsten Gillibrand (D-NY) would utilize the tax code as well as the federal grant, loan, and contracting process to stop the rampant outsourcing of U.S. jobs to foreign nations and help bring these jobs back on to U.S. soil.

For far too long, U.S. businesses have been free to outsource U.S. jobs to low-cost, low-wage nations in search of ever-increasing cost reductions and short-term profits. It is estimated, based on Trade Adjustment Assistance certifications, that nearly 200,000 U.S. jobs were outsourced in the first two years of the Trump administration alone. This problem is particularly acute in the manufacturing and aerospace industries where tens of thousands of our IAM members' jobs have been relocated abroad. In addition to the negative impact of this job loss on America's working families and communities, the transfer of this work to other nations jeopardizes the strength of the U.S. economy, the integrity of our domestic industrial base, and our status as a world leader in technology and innovation.

The End Outsourcing Act would work to stop the bleeding by modifying the U.S. tax code along with federal grant, loan, and contracting rules to incentivize companies to keep production and the jobs associated with it here in the United States. The legislation would deny certain tax breaks to employers that outsource jobs, prevent companies from deducting expenses related to outsourcing, and eliminate the incentive to keep corporate earnings overseas by taxing foreign profits at the same rate as domestic profits. The bill would also claw back tax credits and grants given to employers for the construction of specific facilities if the employer outsources jobs at that facility. Proactively, the legislation would create insourcing tax credits for companies who create new jobs and business activity in underutilized business zones or low-income communities. Additionally, the bill would punish outsourcing employers when they seek federal contracts, grants and loans by establishing a negative preference of at least 10% for employers who have outsourced in the previous three years.

This is precisely the kind of legislation our country needs to stop the rampant outsourcing of U.S. jobs, revitalize our domestic manufacturing industry, and bring quality jobs back onto U.S. soil. The time has come for the federal government to stop rewarding low-road corporations that outsource production and ship jobs overseas, and to start rewarding the high-road companies who bring them back within our borders.

For these reasons, **I urge you to cosponsor S. 3425, the End Outsourcing Act of 2020.** To cosponsor this vitally important legislation, please contact Caitlin Rooney in Senator Gillibrand's

office at [Caitlin\\_rooney@gillibrand.senate.gov](mailto:Caitlin_rooney@gillibrand.senate.gov) or (202)224-4451.

For more information, please contact IAM Legislative Director Hasan Solomon at (301) 967-4575 or [hsolomon@iamaw.org](mailto:hsolomon@iamaw.org).

Thank you,

A handwritten signature in black ink that reads "Robert Martinez, Jr." with a stylized flourish at the end.

Robert Martinez, Jr.  
International President