

NATIONAL FOREIGN TRADE COUNCIL, INC.

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July 11, 2006

Mr. Harry Hicks
International Tax Counsel
U.S. Department of the Treasury
1500 Pennsylvania Ave, NW
Room 3054
Washington, DC 20220

Dear Hal,

We are writing to express our thanks for your comments regarding Treasury's obligation pursuant to the recent change to the IRC §911 housing cost limitation to take geographic differences into consideration. Consistent with the success that you have achieved regarding your mandate to provide taxpayers with regulatory guidance promptly, we support your efforts to do so in this area. As you know, this change is significant due to its retroactivity, and our members are very anxious to utilize regulatory guidance that will provide a meaningful and realistic adjustment to the housing cost limitation for those employees working in high-cost jurisdictions.

The NFTC has served as the head of the §911 Ad Hoc Working Group for the last several years, coalescing with various associations and organizations to increase awareness of the importance of U.S. workers in foreign assignments. The Working Group's participants also include individual taxpayers living and working in various countries.

While the interests of the Working Group participants differ with respect to the recent change, there is consensus and support for the Treasury's work in consideration of geographic differences in housing costs. In that regard, the NFTC would like to offer its assistance in that effort. With the help of the NFTC Human Resources Services, we think that we can provide useful support in the work required to complete this important project.

We will continue to be in touch with the Treasury and IRS personnel who we understand are responsible for this work. Please contact us if we can provide further assistance.

Sincerely,

A handwritten signature in black ink that reads "Judy Scarabello". The signature is written in a cursive, flowing style.

Judy Scarabello
Vice President for Tax Policy

cc: Steven Musher
John Harrington
Phyllis Marcus