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**“Insourcing” Companies Unfairly Targeted as “Foreign”
in Wake of *Citizens United* Supreme Court Case.**

WASHINGTON, DC – U.S. Senator Chuck Schumer (D-NY) and U.S. Representative Chris Van Hollen (D-MD) today announced they are filing joint legislation addressing concerns about the impact of last month’s Supreme Court case, *Citizens United*. In addition to addressing general concerns about corporate influences on election spending, the bill also targets worries over foreign influence and appears to broadly re-characterize the U.S. operations of companies based abroad as truly foreign entities.

“We can all agree that foreigners should not be allowed to influence our political system—and we support further improving upon law that would restrict them from doing so. But creating a law that redefines the U.S. subsidiaries of companies based abroad that have insourced more than five million American jobs as a foreign company, simply does not make sense in today’s global economy,” said Nancy McLernon, President & CEO of the Organization for International Investment (OFII). “If policymakers start automatically equating “Insourcing” companies with being foreign in other areas of law, it will have a substantial impact on the ability for these firms to do business, create American jobs and increase investment in the U.S.”

Under current law, election spending by foreign nationals -- including foreign governments, corporations, and individuals -- is already **prohibited** by the Federal Election Campaign Act. That prohibition is unaffected by the ruling in *Citizens United*. The Federal Election Campaign Act prohibits U.S. subsidiaries of foreign companies from using funds from their foreign parent company for election-related spending. Additionally, foreign nationals, whether at the U.S. subsidiaries or at the international parents, may not participate in decisions about political expenditures in the United States.

Facts on the U.S. Subsidiaries of Companies Based Abroad, or “Insourcing” Companies:

- U.S. subsidiaries have insourced 5.5 million Americans - 4.6% of total U.S. private sector employment;
- U.S. subsidiaries account for 6% of total U.S. GDP;
- U.S. subsidiaries support an annual payroll of \$403.6 billion — with average compensation per worker of \$73,124, which is 34.7 percent higher than compensation at all U.S. companies;
- U.S. subsidiaries heavily invest in the American manufacturing sector; with 29 percent of the jobs at U.S. subsidiaries in manufacturing industries;
- U.S. subsidiaries manufacture in America to export goods around the world —

- accounting for nearly 18.5 percent of all U.S. exports, or \$215.6 billion;
- U.S. subsidiaries have a larger percentage of workers covered by a union collective bargaining agreement than other U.S. companies -- 12.4% of employees at U.S. subsidiaries compared to just 8.2% at other U.S. firms.

The Organization for International Investment is a Washington-based business association representing U.S. subsidiaries of international companies headquartered. For additional information, see OFII's web site at www.ofii.org.