

News Release

FOR IMMEDIATE RELEASE

MILLER & CHEVALIER ANNOUNCES RESULTS OF TAX POLICY FORECAST SURVEY *Respondents Concerned About Policy Decisions Impacting Their Industries; Believe Change in Congressional Control Will Have Significant Impact on Tax Policy for Business*

Washington D.C., February 5, 2007 –Miller & Chevalier Chartered today announced the results of their 2007 Tax Policy Forecast Survey measuring the current thoughts, perspectives and attitudes of leading corporate tax executives on the direction of tax policy in the 110th Congress. The results reflect an opinion that while companies do not believe broad-based tax reform is imminent, the change in Congressional control will have a significant impact on tax policy for business in specific industries as revenue offsets are at a premium.

“We know Congress is looking for ways to fund new tax priorities, such as providing alternative minimum tax relief,” said Greg Mastel, former Chief Economist on the Senate Finance Committee and Chair of Miller & Chevalier’s Government Affairs Department. “While there remains uncertainty about the Congressional tax agenda, respondents to our survey told us they are keeping a close eye on a number of individual policy decisions that impact their industries.”

“While businesses believe new revenue raisers are likely on the horizon, they may not yet understand the scope of the measures being contemplated,” added Phillip Mann, former Tax Legislative Counsel at the U.S. Treasury Department and a past chair of the American Bar Association Section of Taxation. “For example, many companies think ‘we don’t engage in tax shelters so we’ll be fine,’ when in fact a number of pending tax policy proposals could significantly impact the day-to-day operations of a broad range of businesses.”

Survey Highlights

In January, Miller and Chevalier distributed the survey via e-mail to leading tax and finance executives at Fortune 100 companies and U.S.-based multinationals. The survey was completed by 130 respondents who provided opinions on the impact of the change in Congressional control on tax policy, likely revenue sources, and IRS scrutiny of business tax returns. Some survey highlights include:

- A majority of respondents (68 percent) believe the change in Congressional control will have a significant impact on tax policy for business. 83 percent of those respondents think that impact will be unfavorable to domestic business and 90 percent think it will be unfavorable to international business.
- More than half of all respondents (56 percent) think the change of control in Congress will have a significant impact on their business.
 - Manufacturers are the least concerned about the impact of the change in Congressional control on their business (42 percent) while oil and gas (80 percent) and financial services (79 percent) respondents are more worried than the respondents as a whole.
- Respondents overwhelmingly believe the change in Congressional control will have an unfavorable impact on international business (84 percent) and that Congress will look to increase taxes on international operations as a source of revenue (62 percent).

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- While most respondents think Congress will look towards codification of the economic substance doctrine (65 percent) and taxation of international operations (62 percent) for additional tax revenue, only nine percent and 28 percent respectively say it would have the most unfavorable impact on their business.
 - Some of the legislative proposals are quite broad and businesses may not yet fully understand the scope of what day-to-day transactions they will affect.

Additional Revenue Raisers on the Horizon

In conjunction with today's release of President Bush's budget, the U.S. Treasury Department released a description of the revenue proposals contained in the budget, commonly referred to as the "Treasury Blue Book."

"Given the PAYGO environment, the revenue raisers in the Treasury Blue Book are anticipated to receive immediate attention from Congress as they represent proposals that the Administration is endorsing," noted Miller & Chevalier Member Marc Gerson. Gerson joined the firm last month after serving as Majority Tax Counsel for the U.S. House of Representatives Committee on Ways & Means in the 109th Congress. "Businesses will be closely monitoring these initiatives."

For a full copy of the survey results and analysis, please contact Laura Miller at (312) 252-4104 or visit www.millerchevalier.com.

About Miller & Chevalier

Founded in 1920, Miller & Chevalier is a leading Washington, D.C. law firm with more than 110 lawyers and other professionals who practice in the areas of tax, employee benefits and ERISA, government contracts, international trade, government affairs, litigation, and fraud and white collar criminal defense. For more information, visit the firm's website at www.millerchevalier.com.

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