

**Statement of Connie Mack  
Chairman, President's Advisory Panel on Tax Reform  
May 12, 2005**

Good morning. I would like to welcome everyone back for the second day of this two day meeting of the President's Advisory Panel on Federal Tax Reform. Yesterday we heard a series of thoughtful presentations about plans to reform the tax code. Today, we are going to focus on two specific and critically important issues that confront us as we consider options for reform: how to tax businesses and how to tax international transactions.

As Steve Forbes pointed out yesterday, it is appropriate to be holding this meeting at the National Transportation Safety Board for the simple reason that all of the presenters we've had before us can agree on at least one thing – the current tax code is a wreck. And so fittingly, we have a distinguished group of experts joining us today to discuss these topics and to propose ways to repair the damage.

First, Glenn Hubbard, Dean of Columbia Business School and former Chairman of the Council of Economic Advisors, will join us by teleconference from New York to share his perspective on business tax reform. Then we will hear from Alvin Warren of Harvard Law School and Kenneth Gideon, a partner at the law firm of Skadden, Arps and former Assistant Secretary of the Treasury for Tax Policy. They will discuss integrating the corporate and individual tax systems so as to tax business income only one time. Next we will hear from David Shakow, Emeritus Professor of Law at the

University of Pennsylvania and Edward Kleinbard, a partner at the law firm of Cleary, Gottlieb. They will share their thoughts on business tax simplification. Finally, our last topic of the day is international tax. James Hines, Professor of Business Economics at the University of Michigan and Stephen Shay, a partner at the law firm of Ropes & Gray, will discuss the taxation of income earned abroad and cross-border investment.

We are optimistic that our system for taxing business and international income can be improved in a way that will significantly reduce the strain that our tax laws currently place on our economy. We are confident that the discussions today will take us a long way towards meaningful reform.