

Walking a Unique Path: A Conversation With Miller & Chevalier's Loren Ponds

by Nana Ama Sarfo

For the Love of Tax is a regular series appearing in *Tax Notes Federal*, *Tax Notes State*, and *Tax Notes International* that invites practitioners and other tax professionals to share what attracted them to the tax field and the things they find most fulfilling about the work they do.

In this installment, *Tax Notes International* contributing editor Nana Ama Sarfo interviews tax attorney Loren Ponds about her path from Georgetown to the OECD, via Germany, to the House Ways and Means Committee staff where she helped write the Tax Cuts and Jobs Act.

Shortly after Loren Ponds finished her LLM in tax at Georgetown University, she packed up her apartment in Washington and moved to Germany to research international tax under a prestigious, German-funded global fellowship.

It would seem like a routine move for an international tax lawyer, especially one like Ponds, who was thinking about becoming a law professor and wanted to find a position that would pay her to write and shoptalk papers.

But at the time some of her classmates thought she could be damaging her career by accepting the German Chancellor Fellowship — which is awarded to 50 people annually — instead of going straight to a law or accounting firm. Several people warned her that she might not be able to get back on track. “I thought, well, the firms aren’t going anywhere, so let me try to do what I want to do and see how that works out,” Ponds told *Tax Notes*.

After moving to Germany in 2007, Ponds researched transfer pricing issues, which segued into a stint at the OECD in Paris. From there she landed at EY, where she spent several years in the firm’s national transfer pricing group. She then

took a historic tax job — majority tax counsel for the House Ways and Means Committee, where she helped write the Tax Cuts and Jobs Act.

It turns out that taking the unconventional path paid dividends for Ponds, who is now a member at Miller & Chevalier Chtd. and laughs that people now love her journey.

“You have to be a little resistant to outside pressure to follow a certain path if it works for you. Some people don’t have a very big appetite for risk,” Ponds said. “If something doesn’t make me a little bit excited and nervous, I don’t want to do it. That’s always been my approach.”

A Woman-Forward OECD

In Germany Ponds quickly realized that academia would make a great career, just not for her. She found the work a bit isolating and lonely. But while she was in Europe, she spent several months as a trainee at the OECD’s Tax Treaty, Transfer Pricing, and Financial Transactions Division (now folded into the Centre for Tax Policy and Administration). Not many U.S. tax attorneys get a chance to work at the OECD, and Ponds really valued that experience for the technical work and the mentorship. One thing she remembers about the OECD is just how woman-forward her team was.

“It was refreshing,” said Ponds, who worked under Mary Bennett and Caroline Silberztein — both now with Baker McKenzie LLP.

“It was an environment where we were encouraged to learn, grow, discuss, and exchange ideas; everyone’s input was valued. It was a really supportive environment,” Ponds said. “For a young lawyer, it was a really great environment to be in as I started to build my practice.”



Loren Ponds

You Never Know Who Is Watching

When Ponds returned to the United States in 2009 she joined EY, where she spent nearly eight years working her way up within the firm's national transfer pricing group. She started as a senior manager and later served as the global transfer pricing operations manager, a role in which she helped handle transfer pricing operations for the entire firm.

That role came early in her career, just two years after joining EY. For that position, Ponds moved to Germany and took on more international work. She said it was pivotal for her career both substantively and from a business standpoint.

"Up to that point my practice had been very U.S.-centric, but I learned a lot about transfer pricing administration, local country issues for parts of the world that I really hadn't spent any time in, and differing concerns with respect to transfer pricing enforcement across different regions. The things taxpayers are concerned about when they are dealing with tax authorities in

other countries can be very different from the things they think about when they're dealing with the IRS. And up to that point, the only way to really see that was through mutual agreement procedure cases, but you don't really interact with the other side, so it was interesting," Ponds said.

"It was also really instructive because I learned so much about the business of running the company and the economics and the metrics that matter," Ponds added. "Understanding the economics of any business is key and I was able to do that at a very young age."

While Ponds was at EY, U.S. tax reform became a real possibility under President Donald Trump, who had a Republican majority in both houses of Congress. When congressional Republicans decided to go ahead with tax reform, they tapped Barbara Angus, one of EY's top international tax attorneys, to serve as chief tax counsel for the House Ways and Means Committee. As Angus was building her team, someone in Ponds's professional network reached out to her unprompted and suggested that Ponds apply for a position with the committee, which ultimately hired her to handle the international provisions of the tax reform package.

"I was minding my own business, I was not thinking about leaving," Ponds laughed. "The opportunity came, and of course, there was a lot of buzz and you can't help but get excited about the prospect of getting to participate in serious tax reform, which hadn't happened in 30 years."

Interestingly, the individual who recommended that Ponds apply wasn't exactly a career sponsor or formal mentor, but was rather a person who had taken an interest in Ponds's career from afar and the direction in which it was going.

"I've had wonderful mentors along the way and often people think mentors have to be with you every step of the way. That's not true. I do have longer-term mentors, but I've had mentors who were with me for a very short time, but played important roles that helped me take the next step," Ponds said. This was an example.

"It was a nudge. But it was a nudge in the right direction, and a very pivotal moment in my career," Ponds said. "A lot of little pushes along the way have really been instrumental for me, and I try to do this for others. A little push, or just

helping someone make a connection, or offering a suggestion, can really make a difference. I don't know that you always need a formal mentor; you just need someone in your corner — and it doesn't have to be for long."

Creating the Tax Cuts and Jobs Act

Ponds joined the Ways and Means Committee in April 2017. That same month, the Trump administration released its outline for business and individual tax reform. By December of that year the TCJA was signed into law. Between April and December Ponds and the rest of the congressional team worked grueling days . . . but what Ponds remembers the most is that the process was incredibly collaborative.

"My colleagues and I really had a great professional relationship forged out of fire. We were working together under extremely intense circumstances with a lot on the line, so a lot of credit has to be given to them," Ponds said.

She and her colleagues "were taking meetings all the time, every day" in the lead-up to the release of the TCJA draft, Ponds said. "We never said no to a taxpayer meeting where people gave feedback, ideas, communicated concerns."

Once the bill was released for markup, things became extremely frenzied. Ponds remembers that it was released on a Friday and she and her colleagues were on the phone early the next morning and over the entire weekend, getting feedback from taxpayers on how the rules would work with their specific facts.

The TCJA made several substantial changes to the U.S. corporate tax regime. It dropped the corporate tax rate from 35 percent to 21 percent, introduced the global intangible low-taxed income regime and the base erosion and antiabuse tax — two measures meant to protect the country's tax base. It also moved the country closer to a territorial tax system.

"For the most part taxpayers were understanding of what we were trying to do, and I think most taxpayers on the whole were appreciative — if not of every single individual provision, certainly of the effort involved. The end results and the large ideological changes — the lower corporate tax rate, the move to a more territorial system — were welcome," Ponds said.

After the TCJA became law, Ponds stayed on for almost another year working on phase 2 of the package, identifying technical corrections and collaborating with Treasury. In October 2018 she decamped for Miller & Chevalier, where she now helps clients navigate the TCJA as it continues to evolve.

"Tax reform is an iterative process and the system continues to evolve. We see that now, with new proposals offered by a potentially new administration. We see that now with the OECD's work regarding the digitalization of the economy. That's the best part of what we do. Nothing stays the same," Ponds said.

Conclusion

In the wake of the coronavirus pandemic, the job market is more uncertain for young lawyers as law firms defer start dates and furlough and lay off attorneys. Ponds recalls the profession faced similar struggles when she graduated from law school, months after the September 11 terrorist attacks.

In this environment, Ponds says it is especially important for young attorneys to remember that where they start is not necessarily where they will end up.

"I hope that people take away from this article that there are many, many paths to success," Ponds said. "I'm not doing anything I don't want to be doing. Maybe that's a luxury, but it also takes some courage. I think you have to be honest about what you're doing and why. And you have to be clear about your goals. It takes self-reflection and honesty. Not everyone wants to be a law firm partner and that's OK."

As Ponds continues in this latest phase of her career, she, too, believes there's more for her to attain.

"I don't feel I've reached the pinnacle. I'm still learning, I'm still growing, there's much more left in store for me professionally," Ponds said. "I don't ever feel like I've made it. Absolutely not. I feel like I'm moving forward, like I'm making progress, but I'm not finished." ■