

Congress of the United States
Washington, DC 20515

February 23, 2006

The Honorable Dennis Hastert
Speaker
United States House of Representatives
Washington DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington DC 20515

Dear Speaker Hastert and Leader Pelosi:

On December 31, 2005, the R&D tax credit expired once again. An extension of a strengthened R&D credit was included as part of the Senate-passed Tax Relief Act of 2005, and the House-passed Tax Relief Extension Act of 2005. It is imperative that this important provision be enacted as soon as possible.

The Members of the House and Senate have demonstrated strong support for extending the credit and for making changes in the law that will help make the credit a more powerful incentive to undertake long-term, high-risk R&D projects in the United States. We must act to ensure that the changes proposed along with the extension of the current R&D are enacted into law.

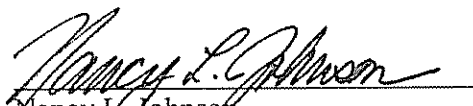
The credit expired on December 31, 2005, and now U.S. businesses will have to face the adverse financial consequences. Research projects already in the pipeline will become more expensive and the projected cost of future U.S.-based research activities will rise. For some companies losing this support could be the difference between a project getting the green light or being put back on the shelf.


Moreover, companies must comply with the law as it is. Despite the strong support that Congress has shown for extending the R&D credit, the expired credit can not be assumed in forecasting project costs or reporting financial results. Hiring decisions and project plans hinge on the financial incentives that the credit can provide.

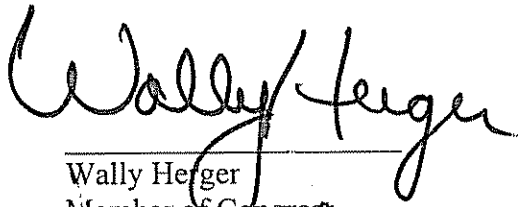
Economists have stated repeatedly that a federal tax incentive for R&D is economically justified because society as a whole benefits from the research that is financed and conducted by private industry. It is also clear that the best incentive is one on which businesses can rely and one that applies broadly to all research-intensive companies.

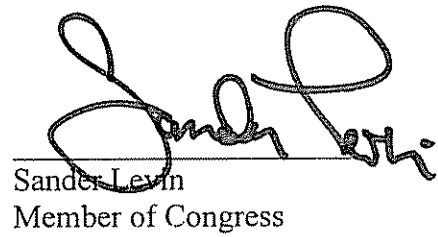
We must do all we can to take an important step for the future economic growth of the United States by working to enact the extension of a stronger credit that both the House and Senate have already approved.

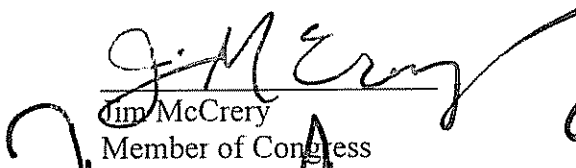
Sincerely,

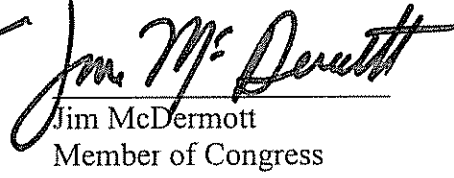

Nancy L. Johnson
Member of Congress

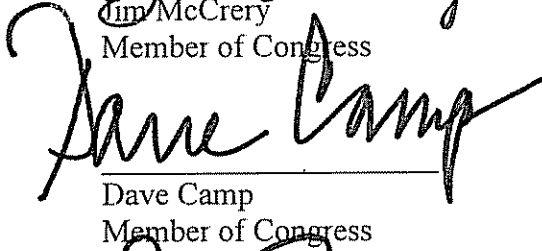

Ben Cardin
Member of Congress

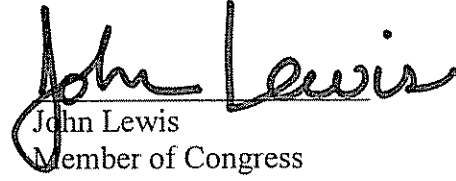

Wally Herger
Member of Congress

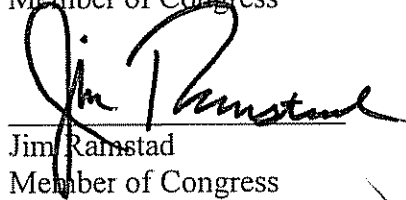

Sander Levin
Member of Congress


Jim McCrery
Member of Congress

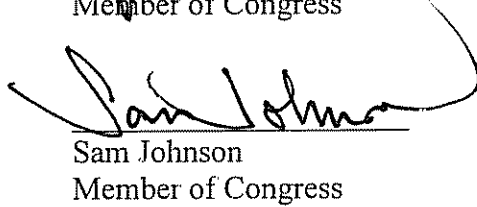

Jim McDermott
Member of Congress

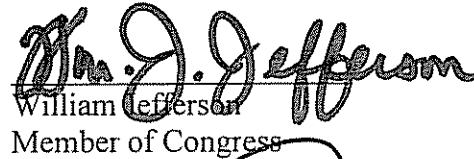

Dave Camp
Member of Congress

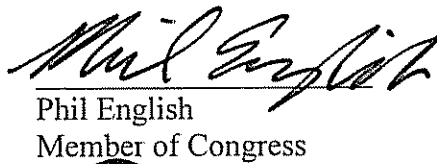

John Lewis
Member of Congress

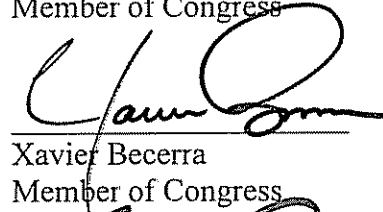

Jim Ramstad
Member of Congress

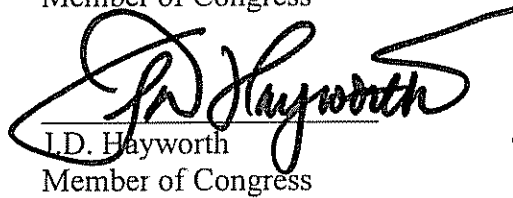

Richard Neal
Member of Congress

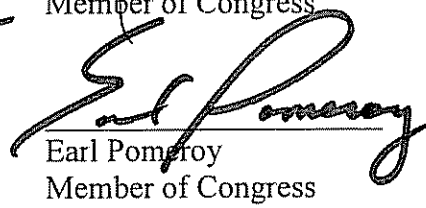

Sam Johnson
Member of Congress

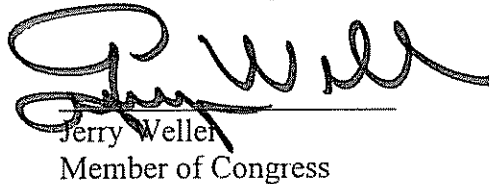

William Jefferson
Member of Congress

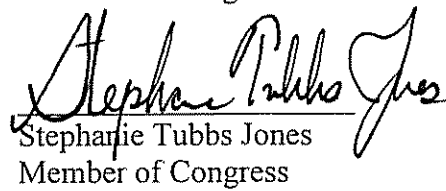

Phil English
Member of Congress

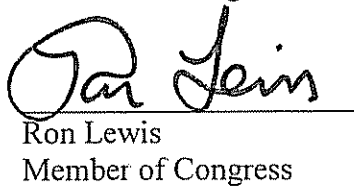

Xavier Becerra
Member of Congress


I.D. Hayworth
Member of Congress


Earl Pomeroy
Member of Congress


Jerry Weller
Member of Congress


Stephanie Tubbs Jones
Member of Congress


Ron Lewis
Member of Congress



Mike Thompson
Member of Congress




Kevin Brady
Member of Congress



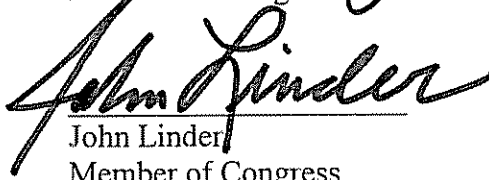
Rahm Emanuel
Member of Congress



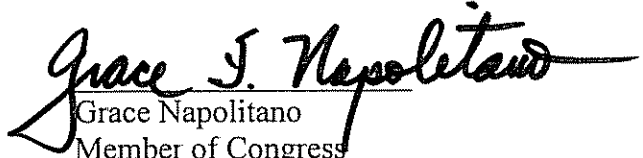
Mark Foley
Member of Congress



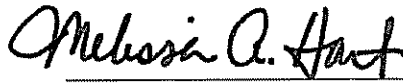
Adam Smith
Member of Congress



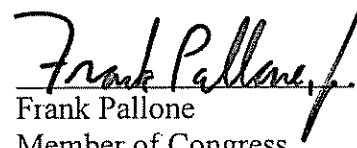
John Linder
Member of Congress



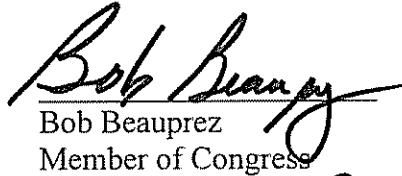
Grace Napolitano
Member of Congress



Melissa Hart
Member of Congress



Frank Pallone
Member of Congress



Bob Beauprez
Member of Congress



Carolyn McCarthy
Member of Congress



Chris Chocola
Member of Congress



C.A. "Dutch" Ruppertsburger
Member of Congress



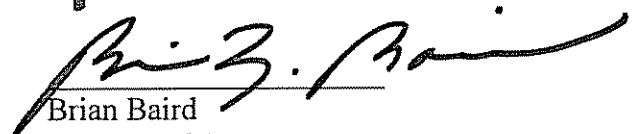
Dave Reichert
Member of Congress



Jay Insee
Member of Congress



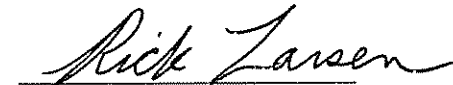
Don Manzullo
Member of Congress




Brian Baird
Member of Congress

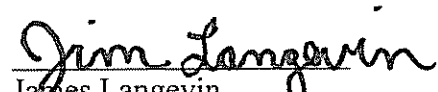


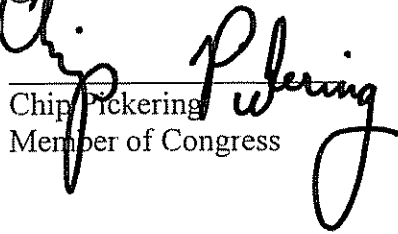
Walter Jones
Member of Congress

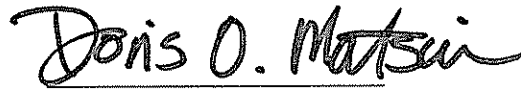


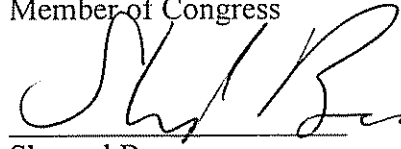
Rick Larsen
Member of Congress

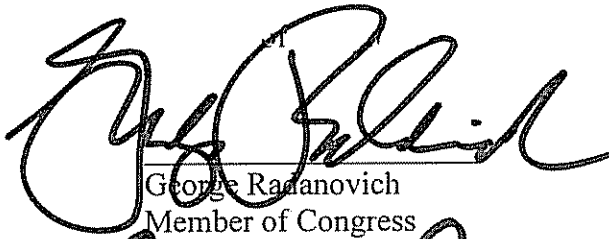

James Sensenbrenner
Member of Congress

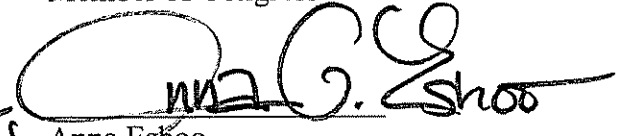

James Langevin
Member of Congress

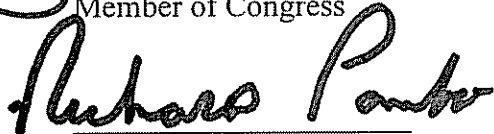

Chip Pickering
Member of Congress



Doris Matsui
Member of Congress



Sherrod Brown
Member of Congress


George Radanovich
Member of Congress

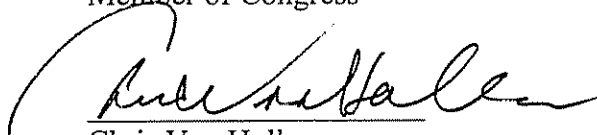

Anna Eshoo
Member of Congress

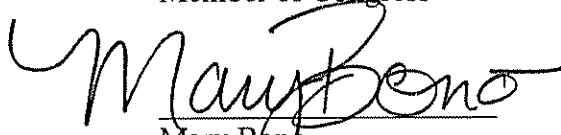

Richard Pombo
Member of Congress

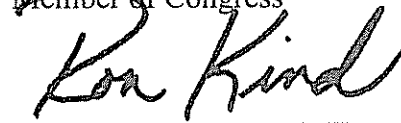

Elton Gallegly
Member of Congress



Michael Michaud
Member of Congress

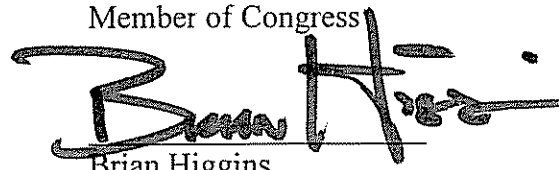

Ed Royce
Member of Congress



Chris Van Hollen
Member of Congress



Mary Bono
Member of Congress



Ron Kind
Member of Congress



John Campbell
Member of Congress

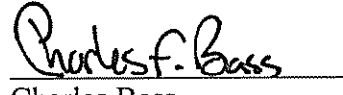

Brian Higgins
Member of Congress

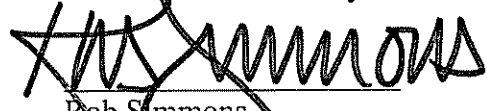

Gary Miller
Member of Congress

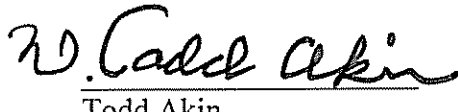

Mark Souder
Member of Congress

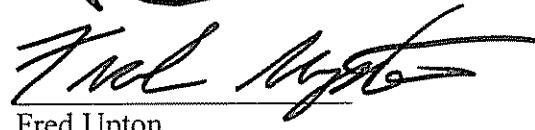

Steven LaTourette
Member of Congress

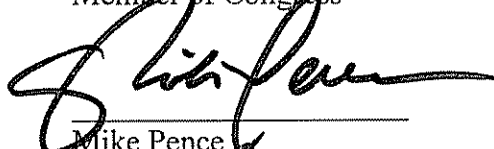

Thaddeus McCotter
Member of Congress



Charles Bass
Member of Congress



Rob Simmons
Member of Congress

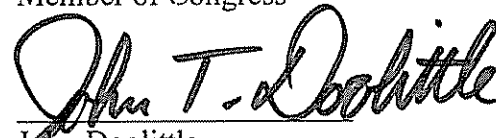

Todd Akin
Member of Congress

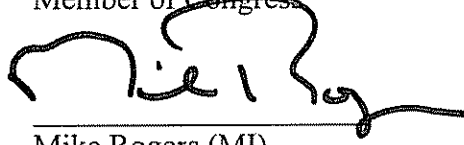

Fred Upton
Member of Congress

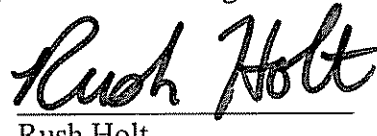

Mike Pence
Member of Congress



Trent Franks
Member of Congress

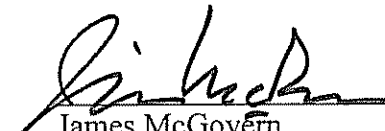

Vernon Ehlers
Member of Congress



John Doolittle
Member of Congress



Mike Rogers (MI)
Member of Congress


Rush Holt
Member of Congress



Christopher Shays
Member of Congress



James McGovern
Member of Congress

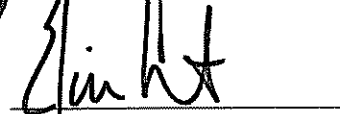

Paul Gillmor
Member of Congress

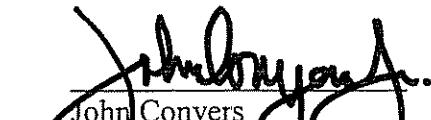

Patrick Kennedy
Member of Congress

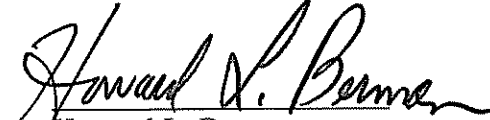

Zoe Lofgren
Member of Congress



John B. Larson
Member of Congress



Joe Knollenberg
Member of Congress



Jim Costa
Member of Congress



John Conyers
Member of Congress

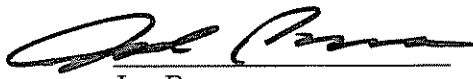

Howard L. Berman
Member of Congress



Randy Kuhl
Member of Congress



Tom Lantos
Member of Congress

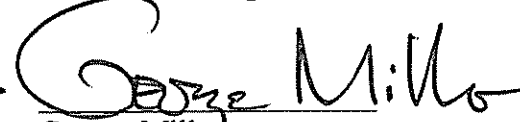

Lois Capps
Member of Congress

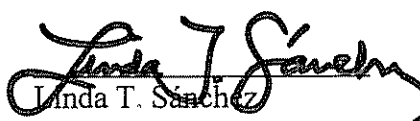

Loretta Sanchez
Member of Congress

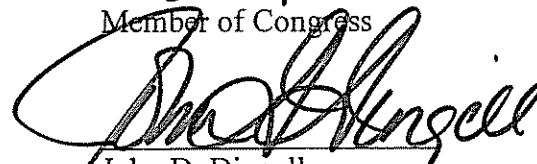

Joe Baca
Member of Congress


Brad Sherman
Member of Congress


Michael M. Honda
Member of Congress


George Miller
Member of Congress


Linda T. Sanchez
Member of Congress


John D. Dingell
Member of Congress