

Congress of the United States
House of Representatives

Washington, DC 20515

September 21, 2006

The Honorable J. Dennis Hastert
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, D.C. 20515

Dear Speaker Hastert and Leader Pelosi:

We're writing to urge you to bring forward a clean bill to extend and reform the research and development (R&D) tax credit. As you know, there's near universal support for permanently extending the R&D tax credit. It represents a major component of the President's *American Competitiveness Agenda* and the House Democrats' *Innovation Agenda*. Despite this broad bipartisan support, the R&D tax credit was allowed to expire at the end of 2005.

During this Congress both the House and Senate have expressed support, not only for extending this essential credit, but to include language strengthening it, allowing more companies to benefit. Recent attempts to pass an extension failed because it was tied to other controversial provisions. This issue deserves to be considered on its own merit and we're writing to urge you to immediately bring legislation forward that extends and strengthens this vital program without extraneous proposals attached.

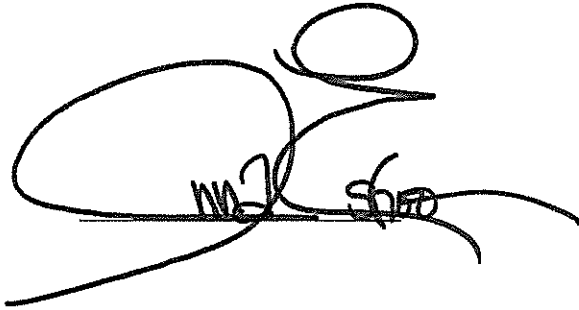
The R&D tax credit provides companies with added incentives to invest in vital R&D activities. This credit has proven to be enormously successful in assisting companies devote capital to generating the new products and ideas that energize our entire economy. Both are critical to maintaining American competitiveness in the global economy.

Failure to extend this credit has resulted in uncertainty among the innovative companies that depend on the credit. This will only worsen if Congress fails to act prior to adjournment. Companies rely on existing law to make their investment decisions and they cannot assume Congress will eventually pass an extension.

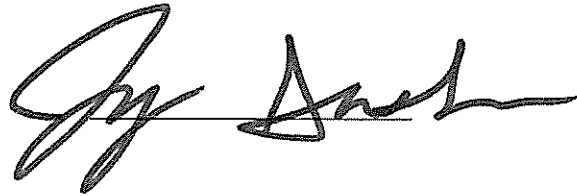
While the U.S. has always maintained a competitive edge in innovation and technology, the global market for R&D is becoming more competitive as countries offer enticing packages for companies to conduct their R&D activities abroad. If the U.S. does not guarantee similar incentives, we will continue to see R&D activities, innovation, and jobs moving offshore.

We urge you to bring a proposal before the House of Representatives that reforms and extends this critical provision and advances our nation's competitive edge. Thank you for your consideration.

Sincerely,



Mike Dosh



Jay Inslee



Mike Dosh



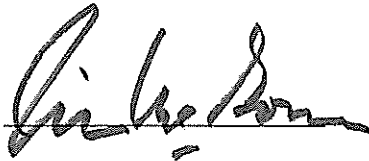
Patrick Flaherty



Jim Davis



Dan Egan



Rick Santorum



Michael H. Michael



Rust Holt



Janny Baldoni



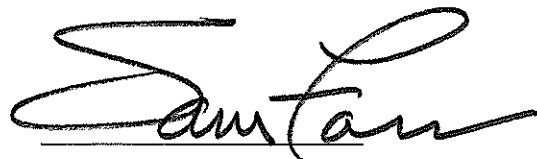
David Wu



Ellen O'Toole



Loretta Sanchez



Sam Tan

Bart Gordon

Jack Lee.

Maim Benz

Doris O. Matsui

Paul Sturgill

Tom Lantz

Johnny Jr.

Mary Ann Dindley

Art R.

Earl Blumenauer

Ruben Hernandez

Bill Pascrell Jr

Solomon P. Ortiz

Brad Sherman

de Jurey

Stephen D. Lynch

John Smith

John F. Tierney

Debbie Wasser Schultz

Nick Zansa

Joe [unclear]

Adam B. Schiff

Rohn Egan

W. [unclear]

Ron Kind

Russ VanHollen

Bob [unclear]

C.A. Dutch Ruppersberg

Emanuel

Pilmer

Lois Capp

Suzanne

Michael Wards

Carl E. Ciddee

David Price

Jeri Moran

Rosa L. DeLauro

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Jane Harman

Mike Ross
